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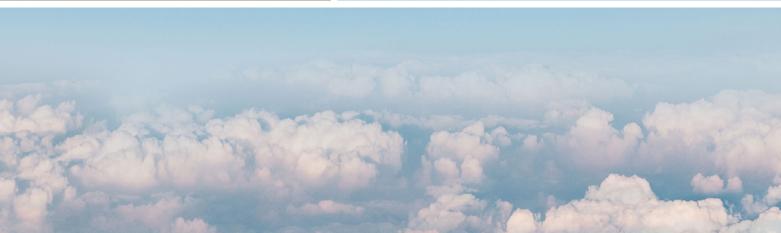


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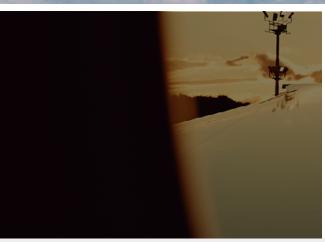
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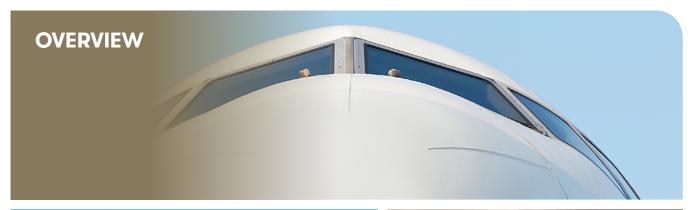




















About Cathay

Cathay Pacific Airways Limited (the "Company") was founded in Hong Kong in 1946. The Company and its subsidiaries ("Cathay", the "Cathay Group" or the "Group") offer products and services across four lines of business – Premium Travel, Cargo, Low-Cost Travel and Lifestyle.

The Group comprises premium full-service airline Cathay Pacific, cargo business Cathay Cargo, low-cost airline Hong Kong Express Airways Limited ("HK Express"), express all-cargo carrier AHK Air Hong Kong Limited ("Air Hong Kong"). Other businesses of the Group include catering, laundry, ground-handling and cargo terminal companies and our corporate headquarters at Hong Kong International Airport.

Shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), as are the shares of our substantial shareholders Swire Pacific Limited ("Swire Pacific") and Air China. More information is available from www.cathaypacific.com.

Message from the CEO

In 2024, the Group successfully completed our two-year rebuilding journey. Throughout the year we continued to rebuild connectivity, culminating in reaching 100% of pre-pandemic flights from January 2025. Coinciding with the commissioning of the Three-Runway System at Hong Kong International Airport, I am excited for this new phase of growth and development for both the Group and our expanded home hub.

Sustainability is an area we aspire to lead and remains at the forefront as we shape our path forward. Moving people forward in life in a sustainable and responsible manner requires collective efforts. Through our "Greener Together" approach with businesses, customers, regulators and our own people, we are ready to move Cathay to new heights while creating a brighter future for generations to come.

Fostering the SAF ecosystem

Sustainable Aviation Fuel ("SAF") remains the most important lever for achieving net-zero carbon emissions within the aviation industry. We welcome the Hong Kong SAR Government's plan to further promote the application of SAF at our home hub, Hong Kong International Airport, by establishing a consumption target in 2025. As a pioneer and early adopter, we stand ready to contribute to this target-setting process with our experience and international best practice.

In 2024, we made significant strides in fostering the local SAF ecosystem and advancing our goal of using 10% SAF by 2030. As part of these efforts, we co-initiated the Hong Kong Sustainable Aviation Fuel Coalition ("HKSAFC"), a multi-stakeholder platform to collaborate on accelerating regional SAF adoption. Building on increasing momentum, we reaped substantial growth in our Corporate SAF Programme with a record commitment to SAF usage from corporate customers across different sectors in 2024. The programme is emerging as one of the largest initiatives of its kind globally. Total annual SAF consumption by



programme partners reached about 6,270 tonnes, representing a significant 22-fold increase compared to its launch three years ago. We are excited by the healthy growth that demonstrates the programme's success not only in scaling up SAF usage but also enabling our partners to go "Greener Together" by fulfilling their own decarbonisation goal. We also launched a landmark cross-sectoral partnership with HSBC Hong Kong and EcoCeres for a major SAF initiative in Hong Kong, making use of around 3,400 tonnes of SAF from Hong Kong International Airport for Cathay Pacific flights.

Beyond SAF, we now have more than 100 next-generation aircraft that are expected to join our fleet in the coming years as part of our HK\$100 billion investment plan. These fuel-efficient aircraft will further modernise our fleet, playing an important role in reducing carbon emissions in support of our 2050 net-zero carbon emissions goal.

Closing the loop on plastic usage

Embracing the global shift towards more sustainable use of resources and circular solutions, we are committed to mitigating the lifecycle impacts of Single-Use Plastics ("SUP") as we work towards a future of flying and hospitality that reduces reliance on natural resources.

In line with this ambition, our primary target is to decrease passenger-facing SUP items from an average of 7.7 pieces per passenger in 2019 to 1.5 pieces by 2025. In 2024, we took further steps to reduce SUP usage by introducing sustainable alternatives for the remaining customer-facing SUP packaging and exploring innovative packaging solutions through trials, which received positive feedback from our customers and people.

At the same time, we recognise plastics may still be a stopgap solution for some remaining items considering factors such as operational feasibility and customer experience. In our effort to reduce the associated environmental impacts as much as we could, we have set two new secondary targets: ensuring 50% of the remaining passenger-facing SUP items will be made from recycled plastics, and increasing the inflight recycling rate of plastic water bottles to 33%. Collaboration has been key in driving these efforts.

Through year-long cross-functional initiatives and trials, we introduced a new inflight recycling scheme targeting water bottles, supported by the creation of a first-of-its-kind recycling and sorting workflow at Hong Kong International Airport. Water bottles collected will be sent for remanufacturing into new plastic bottles, closing the loop on plastic use. This pioneering initiative was made possible through the collaboration with the Airport Authority Hong Kong and our business partners, and the support of our frontline colleagues.

Building a stronger Cathay for our people and community

Central to our future growth is our ability to attract, develop and retain a strong talent pipeline. We continued to expand our global team, with plans to further increase our Group workforce from about 24,000 in 2023 to over 30,000 at the end of 2024. To be an employer of choice, we have unveiled a progressive update to our travel policy which allows all eligible employees, regardless of marital status, to nominate a "Plus One" travel companion for greater inclusivity and flexibility.

Deeply rooted in Hong Kong, we are dedicated to enriching our communities with special attention on youth, sports as well as arts and culture together with our Cathay Volunteer Team. 2024 marked the return of our flagship I Can Fly programme after a five-year hiatus. Following six months of learning and engagement, around 300 students celebrated their graduation from the programme ready to spread their wings and fly high. In celebration of the programme's 20th anniversary, we expanded it into the wider Guangdong-Hong Kong-Macao Greater Bay Area for the first time to enable participants to learn about aviation development in the Chinese Mainland.

Our community efforts continued to be in full swing by contributing to a wide range of youth-centric initiatives, such as the Hong Kong SAR Government's Strive and Rise Programme, the Cathay Hackathon, as well as internship and graduate trainee programmes in partnership with different educational institutions in Hong Kong, the Chinese Mainland and beyond. All these provided opportunities for young talents to explore careers in aviation, and more importantly, nurture future leaders for the industry.

Moving forward

Our confidence in the long-term prospects of Cathay and our home Hong Kong is as resolute as ever. As we enter the new era, I look forward to embarking on this journey with all of you. I would also like to extend my sincere gratitude to our own people. Their dedication to excellence, and meeting both challenges and opportunities together with positivity and determination exemplify our Cathay values: Thoughtful, Progressive, and Can-do.

Donue

Ronald Lam
Chief Executive Officer

About this report

Aim of reporting

Our Sustainability Report sets out our approach to good governance and our sustainability issues with the biggest impact. Since 1996, we have published our report annually to:

- Disclose our sustainability performance in a transparent, accountable, balanced and consistent manner.
- Engage with our internal and external stakeholders on sustainability issues that are material to our business, so we can address them effectively and appropriately.
- Discuss the challenges we face and progress we make as a company in the context of sustainable development.

This Sustainability Report can be read in conjunction with our Annual Report 2024 which deals with our financial and operational performance, and with our corporate governance.

In case of any discrepancy between the English version and the Chinese version, the English version shall prevail.

Reporting period

This report describes the approach and performance of the Group for the period from 1 January to 31 December 2024. Our previous Sustainability Reports can be accessed on https://www.cathaypacific.com/cx/en_HK/about-us/sustainability/sustainability-reports.html.

Reporting guidelines

The report is prepared with reference to the Global Reporting Initiative ("GRI") Standards and complies with the provisions of the Environmental, Social and Governance ("ESG") Reporting Guide issued by Hong Kong Exchanges and Clearing Limited ("HKEX"). We also take reference from the recommendations by the Task Force on Climate-related Financial Disclosures ("TCFD") and the International Financial Reporting Standards ("IFRS") S2 for our climate-related disclosures.

Report content is shaped around the issues identified as important through a process of materiality assessment as well as internal and external engagement. Information provided on our management and performance of these issues is verified by data owners, approved by management and the Board. Qualitative disclosures capture any key changes to our business, while we set our annual performance figures in the context of our performance in recent years to allow for comparability. Key data points are externally verified.



Reporting scope

Cathay follows the operational control consolidation approach to define our reporting boundary. Unless otherwise specified, the environmental, social and governance data in this report covers the Company as well as our material subsidiaries that aligns with the Annual Report 2024.

Contact us

We welcome comments and feedback on this report and its contents. Please send your feedback to our team at: sustainability@cathaypacific.com.

Our address:

Group Sustainability Department, Cathay City, 8 Scenic Road, Hong Kong International Airport, Hong Kong The economic data in this report are based on the consolidated financial statement of the Annual Report 2024 which incorporates the financial statements of the Company and our subsidiaries together with the Group's interests in joint ventures and associates.

MATERIAL SUBSIDIARIES	MATERIAL SUBSIDIARIES
AHK Air Hong Kong Limited	Cathay Pacific Finance III Limited
Airline Property Limited	Cathay Pacific MTN Financing (HK) Limited
Airline Stores Property Limited	Cathay Pacific Services Limited ("Cathay Cargo Terminal")
Airline Training Property Limited	Connaught Network Services Private Limited
Asia Miles Limited	Guangzhou Guo Tai Information Processing Company Limited
Cathay Holidays Limited	Hong Kong Airport Services Limited ("HAS by Cathay")
Cathay Pacific Aircraft Leasing (H.K.) Limited	Hong Kong Aviation and Airport Services Limited
Cathay Pacific Aircraft Services Limited	Hong Kong Express Airways Limited
Cathay Pacific Catering Services (H.K.) Limited ("Cathay Dining")	Vogue Laundry Service Limited
Cathay Pacific Finance Limited	

2024 Performance Highlights

We endeavour to operate in a sustainable and responsible manner, embedding sustainability principles and practices into all aspects of our business. We map our progress on sustainable development against six strategic areas of focus that guide our journey and shape our priorities.

The framework below highlights our latest progress and future priorities. Follow the links at the top of the page to deep dive into our approach and our progress on these areas in 2024.

STRATEGIC FOCUSES

CLIMATE CHANGE

We aspire to be a leading contributor to global efforts to reduce aviation's impact on climate change, and to prepare our business to be climate ready.



CIRCULAR ECONOMY

We take a holistic approach to mitigate our negative impact by reducing waste at source, designing to use recycled or alternative materials and improving waste diversion from landfill.



BIODIVERSITY

We aspire to protect biodiversity in terms of what we serve and what we carry, together with our value chain



 Co-initiated the Hong Kong Sustainable Aviation Fuel Coalition ("HKSAFC") to collaborate on advancing the development, supply and use of SAF.

- Launched a landmark tripartite partnership in fostering Hong Kong's SAF ecosystem and technologies.
- Achieved substantial growth in the Corporate SAF Programme where programme partners altogether committed to using about 6,270 tonnes of SAF.
- Completed our first voluntary SAF uplift on commercial flights in Europe.
- Set carbon intensity reduction target of 12% improvement by 2030 compared with 2019 baseline.
- · Took delivery of 12 next-generation aircraft.

- Set two new secondary single-use plastics ("SUP") targets to close the loop on upstream and downstream plastic usage.
- Introduced a first-of-its-kind recycling and sorting workflow for water bottles and cans at Hong Kong International Airport.
- Conducted feasibility trials to explore recycled paper alternatives in place of plastic wrapping of blankets and headsets with tentative roll-out planned in 2025.
- Switched all water bottles loaded from Hong Kong to bottles made with 100% recycled plastic.
- Replaced several inflight catering items with non-plastic alternatives.
- Introduced the first Reverse Vending Machine with miles redemption.

- Successfully transported two giant pandas to Hong Kong via Cathay Live Animal solution.
- Our catering arm Cathay Dining has been fully using cage-free shell eggs since the end of 2024.
- Served 351 tonnes of certified sustainable seafood, representing around 70% of the total volume purchased.

 Implement short to medium term work plans on carbon intensity improvements to meet our 2030 decarbonisation target.

- Review medium to long term fleet and network plan for meeting net zero carbon emissions goal by 2050.
- Secure additional SAF supply to meet our 2030 usage target and for expanding the Corporate SAF Programme.
- Continue to work with policy makers and industry partners to accelerate SAF development and deployment in Hong Kong and the Asia region.
- Explore new SAF offers on the business-to-consumer channel.

- Incorporate circular economy principles into our product and service design by selecting more sustainable or recycled materials upstream and channeling used items back for recycling or repurposing.
- Engage in innovative projects and trials related to SUP and waste reduction.
- Explore digital solutions to enhance waste data tracking.

- Continue to work with civil society organisations to prevent illegal wildlife trades.
- Continue our strict compliance of embargoes placed on animals, wildlife, and wildlife products.
- Cathay Dining will transition to the use of cage-free liquid eggs by the end of 2025.

Priorities in 2025

Progress in 2024

Cathay Pacific Airways Limited 9 Sustainability Report 2024

STRATEGIC FOCUSES

SAFETY

Safety is central to our success and our future. We provide a safe and healthy environment for our people, customers, and other stakeholders with the aim of achieving zero accidents and zero 'high-risk' incidents.



COMMUNITY

We support the communities we serve. We aim at caring for and supporting global causes especially focusing on youth development, overall well-being and connecting communities with arts and culture.



OUR PEOPLE

We provide a workplace environment in which our people can realise their potential, making us a first-choice employer.



Successfully completed our first Risk-based IOSA audit.

- Enhanced our Fatigue Risk Management System through extensive analysis and tailored studies.
- Conducted 173 audit events to ensure we achieve safety, security and quality imperatives.
- Contributed around 6,000 hours in support of different community initiatives.
- The return of our flagship I Can Fly programme with around 300 participants successfully graduated from the programme.
- Supported the Hong Kong SAR Government's Strive and Rise Programme with Aviation Exploration Open Day to host 600 students and mentors.
- Made charitable donations amounting to HK\$5.1 million in direct payments and a further HK\$3.1 million in the form of discounts on airline travel.

- Employed more than 30,000 people worldwide, with around 7,000 new employees recruited and trained in 2024.
- Updated our travel policy to allow all eligible employees to nominate a "Plus One" travel companion regardless of marital status.
- Revitalised our Wellbeing@Cathay strategy.
- Reviewed and updated a number of human resources and remuneration policies in light of legislation, industry practice and market conditions.

Continue to focus on quality, compliance and operational excellence to ensure our customers and our people are as safe as possible.

- Continue to focus our resources to address a wide range of occupational health and safety issues across our airlines.
- · Remain IOSA registered.

- Continue to focus our community efforts on Youth, Sports, and Arts and Culture.
- Explore new collaboration opportunities with charity partners to facilitate youth development in Hong Kong and beyond.
- Plan to further increase our Group workforce to over 34,000 in 2025.
- Continue to strengthen our Cathay culture and embed our culture values of Thoughtful, Progressive and Can-do in everyday behaviours.
- Facilitate and foster innovative ways to collaborate through enhanced digital connectivity.
- Continue to review and update policies to respond to our people's needs.







Sustainable development strategy

At Cathay, we fully recognise our responsibility to sustainable development thought actively managing areas where we exert the most impacts, and where our stakeholders expect us to work on, which include climate change and the sustainable use of resources.

The <u>Sustainable Development Policy</u> is designed to outline our approach and commitment to environmental sustainability on topics such as emissions and efficient use of resources (e.g. energy and other raw materials). Other related policies, including the <u>Climate Change Policy</u>, are published on our <u>website</u>.

It applies directly to all aspects of Cathay's operations, from passenger and cargo transportation, lifestyle experiences curation, ground services, and other subsidiary activities. We also extend this vision to the entire value chain, by proactively engaging and collaborating with our customers, suppliers and other key business partners. In this way we aim to go beyond compliance in the jurisdictions where we do business, to be a respectful employer, a value-adding community member, and a service provider that exceeds our customers' expectations.

Stakeholder engagement

Ongoing engagement and open communication with key stakeholder groups is crucial to building collaborative relationships and creating long-term value. Their priorities, expectations and perceptions enable us to identify risks and opportunities, manage material ESG issues and make informed decisions.

Since 2006, we have periodically engaged our stakeholders to ascertain their primary concerns. To systematically guide our approach, we have also put in place an internal Stakeholder Engagement Guideline for ESG Management. With reference to key principles outlined in the HKEX ESG Reporting Code,

AA1000 Stakeholder Engagement Standard and the GRI Standard, this Guideline sets out the expected schedule, stakeholder groups, processes and methods for the Group's ESG stakeholder engagement. As per the Guideline, a formal stakeholder engagement is to take place no less than every three years.

Our stakeholders

Cathay's stakeholders include both internal and external interest groups that have a significant impact on our business, or who are significantly affected by our operations. We regularly engage with these stakeholders through various channels, including surveys, focus groups, interviews, publications, websites, social media and face to face meetings. All employees are engaged through an annual survey which is supplemented with quarterly surveys targeting key employee groups.

In 2024, we conducted a dedicated stakeholder engagement and materiality assessment exercise for ESG topics with the support of a third-party consultant. It involved extensive participation from Cathay employees and external stakeholders, including customers, Independent Non-Executive Directors, shareholders, business partners, suppliers, NGOs, academia, media, ESG rating agencies and other sustainability practitioners. Stakeholders rate their perceived importance and our performance on the list of ESG topics. Through the exercise, we identify material issues which Cathay must prioritise and assess our performance on managing each. We received approximately 4,500 survey responses, along with qualitative insights from ten interviews and focus groups. For more details, please refer to the following section on *Materiality*.

CASE STUDY

Sustainable Development Week

In July, we brought back our Sustainable
Development Week where people across the
Group showcased their progress in driving our
commitment to sustainability leadership.

Led by the Greener Together Fair, Cathay City was filled with engaging programmes demonstrating sustainable aviation practices and technologies. A sharing session was held alongside by our Group Sustainability Department, focusing on our strategies of accelerating the use of SAF and reducing SUP, two key focuses of our sustainability efforts.

In addition, a variety of fun activities were lined up with like-minded local organisations – from pop-ups featuring the local brand LoCoFARMS with products locally grown, to a marketplace with local sellers offering pre-loved treasures.



Employees Suppliers and Shareholders, investors NGO partners Customers business partners and regulators Stakeholders • Foster strong open Keep keen awareness of Create most robust industry Better understand the Garner expert opinions from communication across the changing customer demands relationships in managing requirements and expectations specialist organisations on we engage business and expectations of our ESG issues within the aviation placed upon Cathay to ensure improving our approach to Better understand the business industry compliance managing ESG issues individual needs of our people Enable customer participation • Ensure compliance with relevant • Develop action plans in Create local synergies to • Drive a positive and supportive in the climate actions of Cathay laws and regulations along our alignment with commitments amplify positive impacts for our Why working environment which is Demonstrate our commitment to transition to a low-carbon entire value chain communities responsive to our employees' and dedication to ESG issues Minimise exposure to supply economy Keep attuned to emerging changing needs chain ESG risks trends which could impact Cathay's business Engagement processes and channels Surveys Annual General Meetings • Community events Surveys Surveys Periodic meetings with key • Meetings or focus groups Focus groups Annual and interim reporting • Partnership programmes Internal communication · Cathay website and social Announcements and circulars • Multi-stakeholder meetings suppliers and partners platforms Supplier screening and Investor meetings Hotline and online enquiries assessments • Employee town halls Press releases Meetings with staff unions Mobile applications Partnership programmes Hotline and online enquiries • Employees engagement Meetings with industry bodies Meetings with government activities Advisory panels bodies Mobile applications Key expectations and interests · Flight safety and security • Flight safety and security Flight safety and security Climate mitigation and · Community engagement Employee welfare Climate mitigation and Climate mitigation and adaptation · Business ethics and anti-· Cyber security, privacy and · Cyber security, privacy and data corruption adaptation adaptation Air quality management Responsible supply chain Public health data protection protection management Disclosure and transparency

Materiality

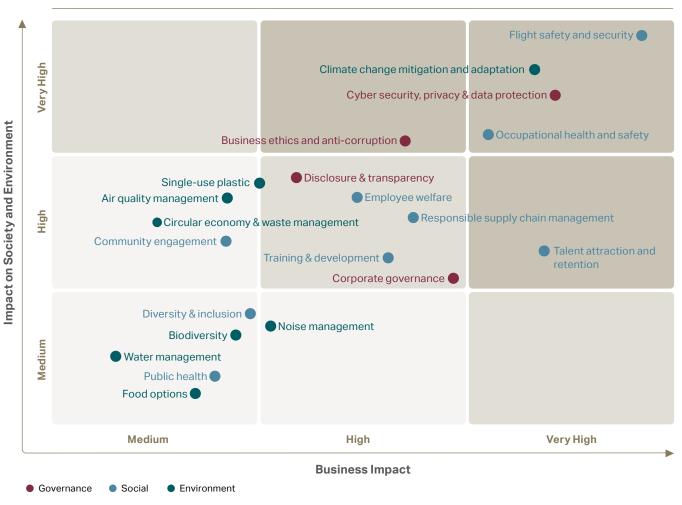
In 2024, we refreshed our materiality matrix based on the findings from the extensive stakeholder engagement exercise mentioned in the previous section on <u>Stakeholder Engagement</u>. In this exercise, we followed the principle of double materiality, taking into account internal impacts on the business (impact inwards) as well as external impacts on society and the environment (impact outwards).

Signed off by the senior management, materiality assessment results are integrated in our enterprise risk management process and reviewed no less than every three years. Insights from the exercise will also be used to inform Cathay's sustainability strategy for 2026 to 2030. The following matrix outlines our most material issues.

The top material issues are largely consistent with the previous exercise and align with our strategic focuses. Among the issues, Flight Safety and Security as well as Climate Mitigation and Adaptation are the top two in terms of impact across both dimensions. We also noted the increase of perceived importance in supply chain and talent-related issues. Despite indicating a relatively lower priority on the matrix, both Circular Economy and Single-use Plastics ("SUP") are expected to become increasingly important over the next five to ten years.

Key intersections between material issues have been identified to highlight the need to address those in tandem. For instance, Responsible Supply Chain Management cuts across key environmental issues, particularly Climate Mitigation and Adaptation. Corporate Governance is also seen as a crucial enabler of increased positive impact on several environmental and social issues, as executive buy-in is required for any systemic changes to business practices.

Double materiality matrix



United Nations Sustainable Development Goals

Our long-term prospects are enhanced when we consider our impacts in the global context. We have mapped our approach to managing our material issues to the <u>United Nations Sustainable</u> <u>Development Agenda</u>.

Sustainable Development Goals		Our approach	Report section
GENDER EQUALITY	SDG 5 Gender Equality	 We have set a target to not have more than 65% of the same gender at senior positions by 2025 and 70% at the Board level by 2027. 	0
\$	Achieve gender equality and empower all women and girls.	Our Employee Resource Group, Gender Equity Network advocates for the elimination of barriers and biases across our business so that all genders have equal opportunities to reach their full potential.	Our people
DECENT WORK AND	SDG 8	We employ locally, with more than 8 in 10 of our employees coming from Hong Kong.	
	Decent Work and Economic Growth	 Our Hire-to-Retire strategy aims at ensuring that we support and invest in our people and reward performance with benefits and promotion. 	Our people
	Promote sustained, inclusive and sustainable economic growth, full and productive	 Our talent development philosophy aims to take budding talents and enable them to rise through our leadership hierarchy. 	
	employment and decent work for all.	We champion safety in every aspect of our operations, ensuring our people are protected and able to focus on delivering excellent customer service.	Safety
RESPONSIBLE CONSUMPTION AND PRODUCTION	SDG 12 Responsible Consumption	 We have set a target to decrease passenger-facing SUP items from an average of 7.7 pieces per passenger in 2019 to 1.5 pieces by 2025. 	
CO	and Production Ensure sustainable consumption and production	 We work towards ensuring 50% of the remaining passenger-facing SUP items are made from recycled plastics and increasing the inflight recycling rate of water bottles to 33% to close the loop on upstream and downstream plastic usage 	Circular Economy
	patterns.	• We are also committed to reducing cabin waste to 0.63 kg per passenger by 2030 from 2019 baseline.	
		• We work to reduce our reliance on landfill disposal wherever possible and recapture the value in materials after they have served their primary purpose.	
		We keep our <u>Supplier Code of Conduct</u> updated based on latest benchmarking research and best practice to ensure our supply chain is aligned with our overall sustainability vision.	Governance

Sustai	nable Development Goals	Our approach	Report section	
3 CLIMATE ACTION	SDG 13 Climate Action	• We are committed to achieving net-zero carbon emissions by 2050 and improving carbon intensity by 12% from the 2019 level by 2030 through a five-pillar net-zero strategy.		
Take urgent action to combat	• We have an ambitious target of using SAF for 10% of Cathay Pacific jet fuel consumption by 2030.			
	climate change and its impacts.	 We create climate action synergies with our customers through our Corporate SAF Programme and voluntary carbon offset solutions. 	Climate change	
		We recognise the importance of working with different sectors to develop the kinds of radically new technologies that will be required to decarbonise airline operations.		
UIFE BELOW WATER	SDG 14 Life Below Water Conserve and sustainably use the oceans, seas and marine resources for sustainable	 We have developed a <u>Sustainable Food Policy</u> where we opt out of purchasing specific unsustainable food items and ask for information with regards to where the food was originally sourced. We published the <u>Sustainable Development Cargo Carriage Policy</u> which allows our stakeholders to gain a holistic understanding of our cargo carriage approach. 	Biodiversity	
LIFE On Land	development.	We favour the use of waste as feedstock for producing SAF instead of other natural resources that may	Climate change	
\$ ~~	Life On Land Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably	• Cathay Cargo and Cathay Cargo Terminal both gained the IATA's Centre of Excellence for Independent	Olimate change	
	manage forests, combat	Validators ("CEIV") Live Animals certification to ensure safe, healthy and humane travel for animals.		
	desertification, halt and reverse land degradation and halt biodiversity loss.	• We have introduced embargoes on ivory and hunting trophies amongst other items as we aim to make sure no endangered species, or its products are being transported on our flights.	Biodiversity	

Performance in Sustainability Indices and Ratings

Our sustainability performance continued to receive external recognition in 2024. We have been a constituent in various major international and local sustainability indices and benchmarks.

S&P Global ESG Score

Cathay has been included in the S&P Sustainability Yearbook (China) 2024 under the category of the Most Improved Enterprise of the Industry. We were the only airline to receive this recognition among 1,700 assessed companies.

S&P Global

Transition Pathway Initiative ("TPI")

Cathay remained the highest Level 4 in TPI's latest assessment on our climate action and preparedness for the transition to a low-carbon economy.



CDP

Cathay has once again received a B score in the Climate Change questionnaire in 2024, on a scale of A to D-.



Hang Seng Corporate Sustainability Index

Cathay has been selected as a constituent company under the Hang Seng Corporate Sustainability Index with an "AA" rating, on a scale of AAA to D.



FTSE4GOOD Index Series

Cathay has been a constituent of this index since 2009. In 2024, we were recognised among the top 8% of companies in the airline subsector.



Greater Bay Area Business Sustainability Index ("GBABSI")

Cathay ranked #13 in the 5th GBABSI. The index covers Hong Kong listed companies with operations in the Greater Bay Area eligible for trading under the Stock Connect scheme.





Selected ESG awards and certifications

2024 Standard Chartered Corporate Achievement Awards

Cathay was honoured as the inaugural winner of the Marathon Resilience Corporate – Leadership Award, a newly created award that aims to recognise corporate resilience and adaptability during challenging times.



Hong Kong Sustainability Award and Best Annual Reports Awards 2024

At the Hong Kong Management Association ("HKMA") Sustainability Award 2024, Cathay won the Merit Award for our efforts in the economic, social, and environmental aspects of sustainability. At the Best Annual Reports Awards 2024, our Sustainability Report 2023 received the Certificate of Excellence in Environmental, Social and Governance Reporting.



Hong Kong Awards for Environmental Excellence ("HKAEE")2023

As a group, Cathay received multiple awards in HKAEE 2023. Notable highlights included Cathay Cargo Terminal and Vogue Laundry were both recognised with the highest honour – the Gold Award, while HK Express also being awarded the Certificate of Merit.



Selected ESG awards and certifications

2024 GoldenBee CSR China Honour Roll

Cathay was recognised as one of the 62 Honour Roll Listed Company Awardees. The award is one of the longest-established and most authoritative CSR awards in the Chinese Mainland.



Freightweek Sustainability Awards 2024

Cathay Cargo were named Sustainable Cargo Airline of the Year – Asia Region by Freightweek for the second consecutive year. This award is a testament to our consistent efforts to embed environmentally-friendly practices in our cargo operations.



TVB ESG Awards 2024

Cathay won the ESG Social Innovative Technology Award for our efforts in incorporating innovative elements into ESG commitments and operations through Cathay Hackathon.



Air Cargo News Awards 2024

Cathay Cargo Terminal was crowned the Air Cargo Environment Award which recognises its pioneering environment initiatives.



IATA Environmental Assessment ("IEnvA") certification

In 2024, Cathay Cargo Terminal became one of the first cargo handling companies in Asia to achieve IEnvA certification. This milestone underscores our unwavering commitment to sustainability and highlights our leadership in the industry.



Hong Kong Business National Business Awards 2024

HAS by Cathay won the Excellence Award – Aviation, which reflects the dedication of the entire HAS team working towards the goal of becoming the best ground handler in Asia.



GOVERNANCE





OUR POLICIES AND GUIDELINES

Code of Conduct

Board Diversity Policy

Anti-Bribery Policy for Business Partners

Whistleblowing Policy

Human Rights Policy

<u>Modern Slavery and Human Trafficking Policy Statement</u>

Supplier Code of Conduct

GRI : 2-6, 2-9, 2-12, 2-13, 2-14, 2-16, 2-22, 2-23, 2-24, 2-25, 2-26, 2-29, 205-2, 206-1, 207-1, 207-2, 207-3, 408-1, 409-1

HKEX: MDR-Governance Structure, MDR-Reporting Principles, GD-B4, GD-B5, GD-B6, GD-B7, KPI B4.1, KPI B4.2, KPI B5.2, KPI B5.3, KPI B5.4, KPI B6.2, KPI B6.3, KPI B6.5, KPI B7.1, KPI B7.2, KPI B7.3





Our governance culture

Cathay is committed to ensuring that our affairs are conducted in accordance with our culture, values and high ethical standards. This reflects our belief that, in the achievement of our long-term objectives, it is imperative to act with probity, transparency and accountability. Doing so we will not only maximise long-term value for our shareholders, but also benefit employees, those with whom we do business and the communities in which we operate.

Board statement on sustainable development

Our Board of Directors (the "Board") is ultimately accountable for sustainability strategy and performance at Cathay. The Board's responsibilities include overseeing the Group's sustainability issues, ensuring the adequacy of resources, employee qualifications and experience, training and budget relating to sustainability, and signing off the Sustainability Report.

The Board is supported in its duties by an executive-level governance body, the Sustainability Leadership Group ("SLG") that steers the Group's approach to material sustainability matters under the leadership of the Chair of the Board (the "Chair"). The SLG provides regular updates to the Board to facilitate the effective evaluation and prioritisation of the latest material topics in ESG. Progress against established ESG goals related to these topics, as well as the status of implemented strategies, are reported to the Board during Board meetings throughout the year.

In addition, the Board Risk Committee oversees assessment of ESG and climate-related risks among other risks and implementation of related decisions. The Board Safety Review Committee oversees employee health and safety, while the Audit Committee oversees anti-corruption, fraud and whistleblowing cases.



Figure 1: Sustainable Development Governance Structure

Sustainability Leadership ("SLG")

Chaired by the Chief Executive Officer, the SLG consists of the Chair and four Executive Directors of Cathay as core members. SLG is established by and receives its authority from the Board to evaluate and approve sustainability-related strategies, policies, target setting, investment and resources required in major initiatives related to sustainability at the group level.

Meeting at least four times a year, its duties include reporting to the Board on the overall strategic direction of sustainable development, management of material ESG issues and progress made towards goals and targets. SLG is also tasked with validating the Group's material sustainability issues and assisting the Board in fulfilling ESG disclosure requirements imposed by applicable rules and regulations. In this way, sustainability is integrated into business planning, budgeting and risk management, and forms an integral part of the Group's business strategy.

Climate change and circular economy are two standing discussion items, along with other ESG material issues. As outlined in our *Climate Change Policy*, the SLG is responsible for reporting to the Board on climate change strategy and issues, risks and opportunities, and progress against our targets on a regular basis for the Board's oversight. For climate-related discussions, extended membership will take place to invite other members of the Executive Team. This setup ensures climate considerations can be factored into strategic decisions.

Our governance practices are described in detail in the Corporate Governance Report section of our <u>2024 Annual</u> Report.

Code of Conduct

The Group strives to achieve the highest standards of corporate governance and best practices in accordance with our <u>Code of Conduct</u> (the "Code"). The Code sets out our principles for acting responsibly in the course of achieving our commercial success. The Code applies to all employees of Cathay and its subsidiaries, and includes issues related to business ethics, conflicts of interest, procurement, lobbying, bribery, intellectual property rights, environment, health and safety, and respect in the workplace that may link to employee performance, appraisal and renumeration. We review the Code on an annual basis and make any necessary updates in response to changes in our operating environment or stakeholder expectations.

The Code is communicated to all employees through a training on our Learning Hub and is available on our intranet. In the event of non-compliance, appropriate disciplinary measures will be implemented. The severity and specific circumstances will determine the range of actions, including the possibility of dismissal. We diligently monitor and review all disciplinary cases, including those related to Code violation, to ensure employees' adherence to our Code. Further information on how the standards outlined in the Code play out in our operations is captured in the *Qur People* chapter of this report.

Number of breaches to the Code of Conduct 2024		
Corruption or bribery	0	
Discrimination or harassment	6	
Privacy	2	
Conflicts of interest	0	
Money laundering or insider trading	0	
Others	11	

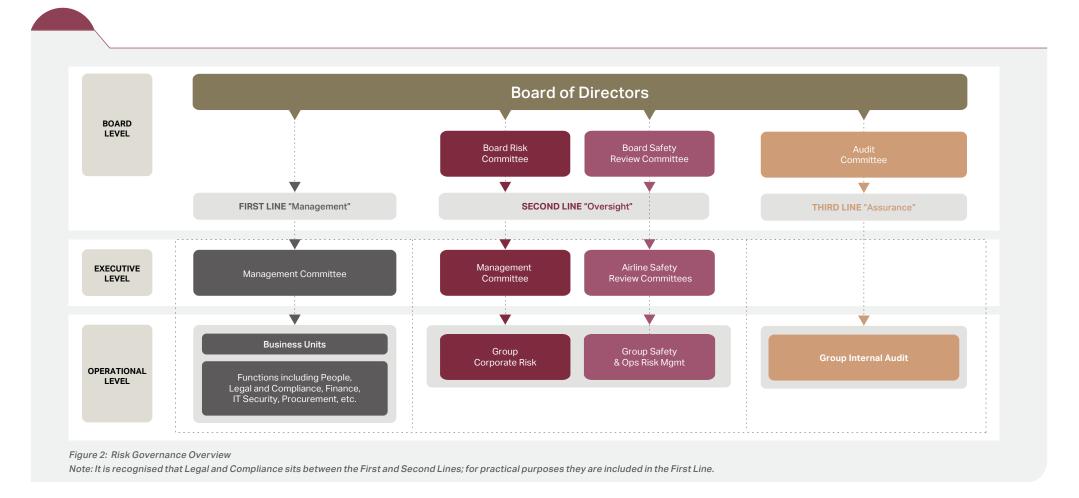


Risk management

Identifying and responding to material risks and opportunities that could impact our business is a key focus of the Board. From broader ESG risks such as flight safety and supply chain management, to specific climate-related risks, we have in place the governance structure, processes and individuals that allow us to move forward with informed confidence towards our goals. The governance of risks comprises two parallel pillars focusing on safety and security risks in operations, and broader business risks which include ESG risks as well as legal and regulatory compliance risks.

Our risk governance has been implemented through a systematic and thorough process supported by a focused risk management governance infrastructure as indicated in Figure 2. The Group's risk management framework is founded on the principle of the "three lines" and makes reference to the ISO 31000 and COSO Enterprise Risk Management framework. The Management Committee holds monthly discussions to review the risk profile and mitigation of the Group's top risks.

The identification of ESG risks and their related impact is performed at least once a year based on a risk taxonomy specifically developed to manage ESG risks across the business. Climate change is integrated into the group-wide enterprise risk management process, covering both physical and transition risks on our operations and along the value chain.



Cathay Pacific Airways Limited 22 Sustainability Report 2024

A series of cross-functional workshops with middle and senior management facilitated by Group Corporate Risk periodically to identify risks that are emerging across the business and subsidiaries. These include risks relating to the three ESG pillars that are considered significant in the execution of the core business strategy and vision.

Top-Down approach

Bottom-Up

Each material Cathay department
outport and subsidiary maintains a
risk register that is refreshed annually
and is independently reviewed by Group
Corporate Risk. ESG risks from each of
the registers are identified and aggregated
at a Group-wide level. To ensure completeness of the
assessment, risks are assessed in each of the nine
categories of the ESG risk taxonomy and mitigation
plans are developed where appropriate. The assessment
covers the entire Group, including subsidiaries.

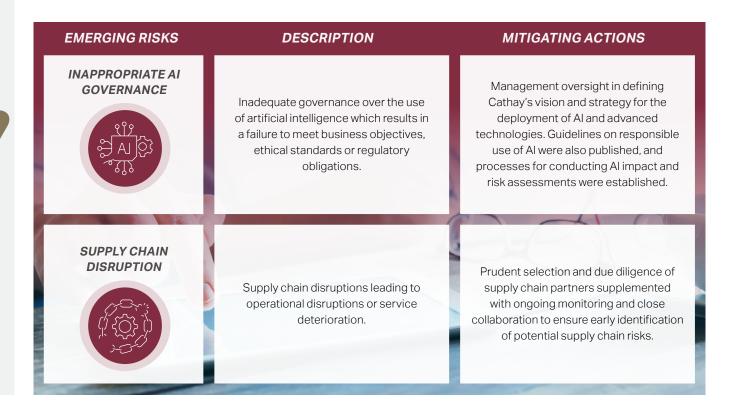
approach

Note: For new projects that exceed the pre-defined financial threshold, it is mandatory to conduct a project risk assessment

The identified risks are assessed at least once a year across six dimensions: financial, disruption, strategic, reputation, regulatory and human. A pre-defined criterion has been established to determine the materiality of the impact. This criterion is used to prioritise top risks and to highlight risks that have the biggest material impact to the Group for the Board's attention. Top ESG risks, including climate change, are integrated into the Top Corporate Risk Register and reviewed by the Board Risk Committee on a quarterly basis. During 2024, we have identified Al governance and supply chain disruption as long-term emerging ESG-related risks that have significant impact on the business.

In 2024, an internal audit was conducted in order to review the governance, actions and controls implemented to selected Top corporate risks in accordance with the International Professional Practices Framework. Audit results were presented to the Audit Committee.

Please refer to page 64-70 of our <u>Annual Report 2024</u> for further information about our approach to risk management, internal control systems and areas of focus in 2024.



Corporate compliance

An overview of the most relevant laws and regulations that have a significant impact on the Group is provided in the <u>Compliance with laws and regulations</u> section of this report.

Privacy and Data Protection

The Group is committed to ensuring the privacy of all individuals (including our customers and employees) as well as to protecting their personal data.

The Group has a robust Privacy and Data Protection
Programme with policies, procedures and controls to meet
the constantly evolving privacy and data protection laws
applicable to the Group's operations including but not limited
to the Hong Kong Personal Data (Privacy) Ordinance, the China
Personal Information Protection Law and the EU/UK General
Data Protection Regulation. All Business Units are required
to implement the controls defined in the Programme, which
is overseen and monitored by the Group's Data Protection
Officer and a dedicated team of privacy professionals. During
2024, there were no convictions for non-compliance with
privacy and data protection laws and regulations relating to
privacy that would have a significant impact on the Group.

The Group adopts the following internationally recognised principles when handling personal data:

· Lawfulness and Fairness of Processing

The Group shall process personal data only under an appropriate legal basis. The Group endeavours to process personal data is fair in all circumstances.

• Transparency of Processing

The Group shall ensure that individuals are informed of what personal data is processed and for what purposes the personal data will be used for.

• Purpose Limitation

The Group shall process personal data only for the stated purpose for which personal data was collected, unless required by applicable law or individuals' consent is obtained.

Accuracy

The Group takes reasonable steps to ensure that personal data processed is accurate and kept up to date.

• Third Party Management

Where personal data is processed by third parties, the Group ensures that appropriate contractual clauses are in place to ensure the protection of personal data, in compliance with applicable law.

· Storage Limitation

The Group shall keep personal data no longer than necessary to fulfil the purpose for which the personal data was collected.

Data Minimisation

The Group shall process personal data that is adequate, relevant and limited to what is necessary in relation to the purpose for which it is originally collected.

Individual Rights

The Group ensures that individuals can exercise their legal rights concerning their personal data in accordance with applicable law.

Security

The Group ensures that appropriate technical and organisational measures are taken to protect personal data against unauthorised or accidental access, erasure, loss or use, taking into account the nature of the data and the potential harm to individuals.

Accountability

All employees of the Group are responsible for ensuring compliance with the above principles.



IT security

Cathay's operations rely on sophisticated IT systems. We continue to enhance our security maturity and data protection through investing in people, systems and technologies that strengthens our detection and response capabilities to threats from cyber criminals, third parties and hackers.

We have an Information Security Policy in place to maintain a robust cyber posture and mitigate information security risks. This policy is available to all people via our intranet and subject to regular review in response to emerging threats and regulatory changes. The Executive Team is responsible for promoting a cybersecurity-conscious culture internally, ensuring roles and responsibilities in support of the Information Security Management Programme.

This overarching programme supports effective implementation of enterprise security architecture, vulnerability and penetration testing, continuous monitoring, third-party management as well as employee training and awareness to ensure adherence to our stringent information security standards.

• Incident Response

Processes are in place to detect, respond and recover from an information security incident. Our security team is trained to handle various security incidents and collaborates with experts to manage incidents. We also maintain communication channels for internal and external stakeholders to report on such incidents.

Business Continuity and Disaster Recovery

To ensure continuity of our operations, we have developed comprehensive business continuity and disaster recovery plans. These are tested and updated regularly to address new risks and ensure we can quickly recover from any disruptions to our information systems.

· Awareness Training

Regular security training and awareness building is conducted to educate employees on topics such as security best practices, phishing and social engineering. To ensure an organisational-wide security culture, employees are required to complete mandatory information security training on an annual basis.

· Audits and Compliance

We are committed to complying with relevant information security laws, regulations and standards. Regular internal and external audits are performed to ensure our practices meet the highest standards of information security and compliance.

• Third-Party Management

We ensure third parties comply with our information security standards through assessments and audits. Contracts also includes obligations on information security measures, ensuring their compliance with international standards and data handling protocols.





Advertising and labelling practices

We strive to ensure that our advertising and labelling practices comply with relevant laws and regulations. This includes the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong), which prohibits specified unfair trade practices such as false trade descriptions of services, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch and wrongful acceptance of payment. Going beyond regulatory compliance, we are committed to providing accurate and balanced information about our products and services while abstaining from disinforming customers on competitors' work and protecting vulnerable market segments.

To further enhance our sustainability disclosure and communications efforts, Cathay has issued an internal Climate and Sustainability Communications Guideline for relevant colleagues. The guidelines have been developed to ensure that our internal and external stakeholders are well informed of our sustainable development strategy, commitments, and progress in a truthful, science-based and timely manner. It is also our commitment to rejecting any exaggerated claims about the social and environmental impacts of our products and services.

During 2024, there were no convictions for non-compliance with laws and regulations relating to advertising and labelling practices that would have a significant impact on the Group.

Anti-Bribery, Corruption, Anti-Money Laundering and Terrorist Financing Policy ("ABC Policy")

The Group takes a zero-tolerance approach to bribery, corruption, money laundering and criminal or terrorist financing, extortion and fraud and is committed to acting professionally, fairly and with integrity in our business dealings and relationships wherever we operate, in compliance with the laws and regulations that govern our global business. Our people must comply with applicable anti-bribery, anti-corruption, anti-money laundering and anti-terrorist financing laws.

We have an established ground-wide ABC Policy which is overseen by the Board and forms part of a comprehensive and robust anti-bribery and anti-corruption compliance programme. The ABC Policy provides guidelines for the offering and receipt of gifts, as well as the provision of charitable and political contributions. Relevant procedures are in place to address potential instances of non-compliance with the ABC Policy. Failure to comply with the ABC Policy may lead to disciplinary action, including dismissal. In 2025, we will review and update the ABC Policy and associated guidelines, where appropriate, and revamp the training to be rolled out to employees in Cathay and our subsidiaries.

To ensure the effectiveness of our compliance efforts, Cathay has implemented a suite of ongoing monitoring and evaluation mechanisms across business units, including for anti-bribery and corruption compliance. For instance, a gift and hospitality registration review is conducted on a quarterly basis as part of a compliance check against the Company's Gift and Hospitality and Other Advantages Guidelines. We will be implementing a compliance health check programme that covers key compliance controls to strengthen our ongoing compliance monitoring efforts. Each business unit is required to assess its level of compliance on an annual basis.

As part of our commitment to ensuring our people understand the anti-bribery rules and have anti-bribery compliance awareness, we provide two types of online training to our people: certification training with an assessment and a simplified awareness training. Our people are required to take each type of online training according to an established learning matrix, considering the risks faced by various employee groups and training effectiveness.

Anti-bribery online training in Cathay is covered by our Corporate Regulatory Compliance Learning Programme administered by Cathay Academy. New joiners and any of our existing people whose job function or role is changing at the relevant time are enrolled for the appropriate type of online training. Built-in follow up mechanisms ensure that any instances where training has not been completed are escalated to management. New joiners in our subsidiaries receive anti-bribery training arranged by the relevant subsidiary's People Department.

Refresher training is also provided to employees in the form of assessment-based learning modules covering several key topics, including anti-bribery. These trainings are integrated into our Corporate Regulatory Compliance Learning Programme, which relevant employees are automatically enrolled on an annual basis. Similar refresher training programmes are offered across our subsidiaries. The above training is supplemented with regular reminders about the importance of compliance.

In 2024, we continued to provide anti-bribery training for new joiners and refresher training for existing employees. Over 26,000 employees of Cathay and our subsidiaries have undertaken anti-bribery training during 2024, with an over 98% completion rate.

As part of the strengthening of our compliance efforts, anti-money laundering and counter-terrorist financing compliance is now incorporated into our Corporate Regulatory Compliance Learning Programme for relevant employees, to enhance their awareness of anti-money laundering and anti-terrorist financing laws. The training is and is also provided to employees of our subsidiaries.

During 2024, there were no convictions for non-compliance with laws and regulations relating to bribery, extortion, fraud or money laundering that would have a significant impact on the Group.

Know Your Partner Policy

We have a Know Your Partner Policy in place, a group-wide due diligence policy designed for all new and existing third parties, including customers, business partners, intermediaries, suppliers and corporate investment counterparties. Any association with inappropriate third parties may expose the Group to legal, financial or reputational risks. To ensure we will only engage with third parties of known integrity, we will conduct appropriate due diligence checks before we establish any new business relationships and continue to monitor during the lifetime of those relationships.

Whistleblowing Policy

We have a Whistleblowing Policy in place to help mitigate legal, financial, operational and reputational risks. This policy aims to encourage our people and third parties to come forward and report suspected wrongdoing and to provide necessary guidance and assurance to anyone who reports suspected wrongdoing. All complaints under the Whistleblowing Policy are properly investigated and addressed to ensure that prompt remedial action is taken where appropriate. Any reporting under this policy can be done confidentially through multiple channels that allow for anonymous reporting.

The <u>Speak Up</u> channel, consisting of an online reporting website and telephone hotline, is available for all our employees and external parties, including suppliers and customers, to raise concerns. Accessible 24/7, Speak Up is administered by an independent service provider and available in multiple languages. Cases reported through Speak Up are routed to the Group Legal and Compliance department for review.

The Group Legal and Compliance department oversees all whistleblowing investigations and keeps centralised records of all whistleblowing reports. Summaries of all whistleblowing cases are provided to the Audit Committee.

Competition Law Compliance Policy

The Group is committed to conducting itself with integrity and in compliance with the laws and regulations that govern its global business.

In order to provide guidance on compliance with the applicable global competition laws, we have a comprehensive and robust Competition Law Compliance Programme for the Group, including a Competition Law Compliance Policy, further

guidance such as associated guidelines and quick guides on key topics, and online and face-to-face tailored training.

We continued to provide competition law training for new joiners and refresher training for existing employees this year. Refresher training is provided to employees in the form of assessment-based learning modules covering several key topics, including competition law. These trainings are integrated into our Corporate Regulatory Compliance Learning Programme, which relevant employees are automatically enrolled on an annual basis. Similar refresher training is also provided to relevant employees in our subsidiaries.

In 2024, Cathay remained the subject of antitrust proceedings in various jurisdictions. The proceedings were focused on issues relating to pricing and competition. For details, please refer to our *Annual Report 2024*, page 116.



Modern slavery and human rights

We adopt business practices that respect international human rights and strive to keep our global operations free from human rights abuse in any form. Our commitment to operating with respect for human rights applies to all aspects of our business operations globally, both new and existing, and is integrated across all of our company policies and processes. Through continuous assessment and monitoring, we manage the human rights impacts of our business activities to strengthen our oversight of these complex issues.

The Group's *Human Rights Policy* is aligned with the laws of Hong Kong and applies to our global operations. It outlines our commitments to our employees on issues such as diversity, equal opportunity and workplace security. It also defines our position on protecting human rights in our supply chains. Our Human Rights Policy is also aligned with the commitments highlighted in the ILO Declaration on Fundamental Principles and Rights at Work around freedom of association, collective bargaining, child and forced labour, non-discrimination as well as safe and healthy workplace.

Our Procurement and Aircraft Trading department manages the airline's supply chain by conducting supplier due diligence and requiring suppliers to adhere to Cathay's <u>Supplier Code of Conduct</u>, which amongst other things prohibits the use of child or forced labour and safeguards the Group against such practices in both our supply chain and our own operations.

Our <u>Modern Slavery and Human Trafficking Policy Statement</u> sets out the Group's commitment to fight against human trafficking. It is accompanied by a second internal document which outlines procedures and practices including employee training, collaborating with third parties and conducting supplier due diligence. Formal training is provided to cabin crew and airport ground employees.

Training for our cabin crew and airport teams informed our people how to recognise and respond to potential human trafficking cases. All trained employees learn what signs and behaviours to look for, as well as specific questions they can ask to further assess the situation and how to safely report suspected cases. The training reinforces the importance of all our frontline teams working together as well as with the authorities. We also updated our operating manuals for the flight crew, cabin crew and airport employees for the handling and reporting of suspected cases.

Previously, Cathay conducted a supply chain modern slavery risks mapping exercise based on risk information from external sources such the Global Slavery Index. In 2024, the launch of a group-wide due diligence programme, which includes new onboarding and monitoring processes based on external screening using a proprietary database and third-party responses to questionnaires, has enhanced the mapping and mitigation of modern slavery risks in our supply chain. More details can be found in the <u>Sustainable Procurement</u> section of this report. This year, an awareness-building briefing for Cathay people across different roles was also organized, featuring the Hong Kong Dignity Institute ("HKDI"), a local NGO focused on this topic, with support of Swire Trust.





Tax transparency

We are committed to aligning tax payments with revenue generating activity and ensuring that the Group adheres to international corporation tax laws and regulations, including the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong), as well as other relevant tax legislations in all our operating countries. As part of our tax policy, a team of taxation services managers oversees tax management, while our Outports follow the Outport Accounting and Internal Control Manual to ensure proper tax handling and tax responsibility.

Tax authorities worldwide are implementing initiatives that increase the transparency of tax payments and strategies of large companies. We prepare the Master File and Country-by-Country Report detailing our corporate structure, business operations, revenue-generating activities, financial information and corporation tax paid, and file these with the Hong Kong Inland Revenue Department. To ensure best practice, we regularly assess tax risk and review potential exposures when appropriate.

In 2024, we engaged tax advisors for technical advice and to design a technology solution to meet Base Erosion and Profit Shifting ("BEPS") Pillar 2's financial and tax reporting compliance requirements. As announced by the Financial Secretary in the 2023-2024 Budget, Hong Kong will implement the BEPS Pillar 2 legislation starting from 2025. Our tax team has been closely monitoring the development of new legislation and work closely with the International Air Transport Association ("IATA") to advocate OECD's guideline for the airline industry.

Our Board, through the Audit Committee, maintains oversight of the Group 's tax issues and tax provision status, ensuring that significant tax matters are appropriately managed.

Customer support and complaint handling

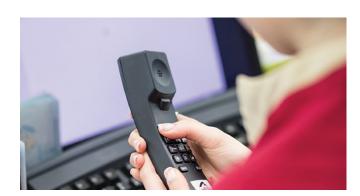
We pride ourselves on delivering an exceptional customer experience. A key part of our continuous improvement is listening to our passengers. Whether it is general feedback, a compliment or a need to flag an area where we fell short, our online form at www.cathay.com is designed to capture customer's input and direct it to the relevant department for prompt review.

We believe in providing a people-centric service. Every entry to the web form is assigned a case number handled by a Customer Support team member in line with regulatory and legal requirements. Our goal is to respond to submissions within seven calendar days for all customers, and within four calendar days for Cathay Diamond members. We also proactively collect customer feedback through post-flight surveys and other communication channels to improve our performance. Once feedback is collected, we use data analysis to identify the most impactful issues on a monthly basis. Subsequent action and follow-up with the relevant teams is initiated for the enhancement of our processes. products and services. Meanwhile, a new Customer Social Media team will now operate on a 24-7 service. They focus on proactively reaching out to our customers on social media within 60 minutes of inquiries and monitoring trending topics. By expanding our customer care capabilities and coverage into social media, we ensure that we remain accessible and responsive whenever our customers engage with us.

To further enhance our proactive customer satisfaction approach, Cathay deploys a monthly scorecard to measure employee performance, based in part on customer satisfaction among other factors such as productivity. This method provides a well-rounded and transparent criterion

for identifying and recognising exceptional performers within our company and following up with those who have room for improvement. These scorecards are continuously monitored to ensure our standards and expectations are met.

As part of our proactive service recovery ("PSR") efforts, we have established a new Customer Recovery and Support Team. Their goal is to promptly reach out to disrupted customers, offering explanations, apologies and service recovery before customers feel the need to file a complaint. In 2024, we reached out to 54,629 affected passengers from more than 200 disrupted flights. To streamline this manpower intensive process across our flight operations, we have successfully developed an automated flow of PSR apology letters and fulfilment for Cathay members. We are in the process of extending this flow to non-members and look to build a disruption detection system which can trigger the PSR process automatically. During the year, we handled feedback from 214,400 customers, which included 88,959 complaints and 6,779 compliments. This represented approximately 0.94% of all passengers handled in the year.



Sustainable procurement

Globally, the Company works with approximately 6,800 suppliers in 2024 dealing with a vast range of purchases across the destinations we serve. Close collaboration with our suppliers enables sustainable delivery of products and services to our customers. Based on spend data, we have identified 78 top strategic and significant supplier groups, representing roughly 64% of our third-party spend.

We require the procurement process of all our products and services to be conducted in full compliance with relevant laws, tax regimes and regulations that govern the respective transactions. We ensure full accountability through our antibribery, antitrust and data protection policies. Our process involves comprehensive supplier vetting and ongoing evaluation through our supplier scorecard. The balance-rated scorecard for procurement measures suppliers' performance in six key areas which we refer to as CISQAS: Costs, Innovation, Satisfaction, Quality, Assurance of Supply, Safety/ Sustainability.

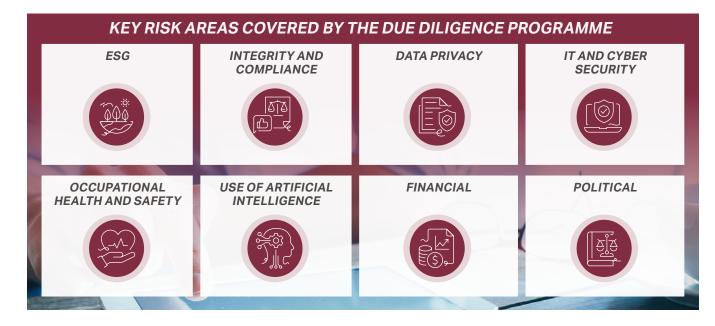
We manage risks related to supply chain through appropriate third-party due diligence. This year, Cathay has started the implementation of a group-wide due diligence programme featuring new onboarding and monitoring processes based on external database screening and third-party responses to due diligence questionnaires to enhance our risk management capabilities on both new and existing third parties. Taking into account country- and sector-specific factors, the programme can effectively assess the key risk areas during the due diligence process (see below table).

If a material risk is flagged during the third-party onboarding process, business units will work with the Risk Domain Owners ("RDOs") which comprise internal subject matter experts from various departments. RDOs play an essential role in providing expert advice and guidance on risk appetite and mitigation strategies. Third parties will be excluded from contracting if they cannot achieve minimum requirements in the above key risk areas. Difficult cases will be escalated to an Escalation

Body for final decision making. This will ensure management oversight of material third-party risks. As for ongoing monitoring of existing third parties, due diligence is refreshed at least once every three years. Relevant training materials are available internally on our intranet for all Cathay People.

Risk analysis is integrated into our procurement process at the category strategy planning stage. Our <u>Supplier Code of Conduct</u>, a document outlining our business ethics standard, is publicly available and suppliers that are invited to our Requests For Proposals are required to declare compliance before entering into a contract with Cathay. We also constantly review our purchasing practices towards suppliers to ensure alignment with the Supplier Code of Conduct and meet relevant ESG requirements. Our category management teams develop specific mitigation plan for suppliers with high-risk ratings and, if a supplier has fallen short of our requirements to mitigate, we evaluate the case individually and implement necessary corrective measures.

When selecting suppliers during the CISQAS evaluation process, we take into consideration sustainability certifications, environmentally preferable products and services such as increasing the use of sustainable materials, utilising regenerated waste materials and procuring recycled plastic products.



Supplier Code of Conduct

Our <u>Supplier Code of Conduct</u> describes our minimum requirements including:

- Legal and regulatory compliance
- Environmental protection and combating climate change
- Health and safety in the workplace
- · Not employing child labour
- · Not employing forced labour
- Provision of proper compensation and appropriate working hours for employees
- Diversity and non-discrimination
- Freedom of association and rights to collective bargaining
- Sharing the Supplier Code of Conduct with sub-contractors
- Upholding business integrity

Working with our suppliers

Our category teams maintain close communication with our strategic suppliers. Through our Supplier Relationship Management ("SRM") process, discussions have been initiated with targeted suppliers to collaborate on new initiatives that support our sustainability agenda.













GRI: 201-2, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

HKEX: GD-A1, GD-A2, GD-A4, KPI A1.2, KPI A1.5, KPI A2.1, KPI A2.3, KPI A4.1



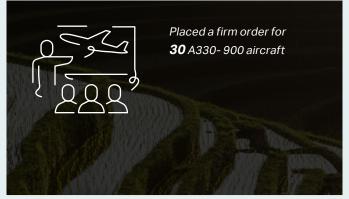


Why climate change matters to us

We recognise that the aviation industry must decarbonise to contribute to global efforts to avert the worst impacts of climate change. Our stakeholders expect us to take decisive action as climate change could lead to increasingly challenging operating conditions for the Group. To ensure our business continuity as we transition towards a low-carbon future, we must be proactive in managing the risks posed by climate change along with future opportunities in transitioning to a low-carbon future.

2024 performance highlights













Charting a course to net zero

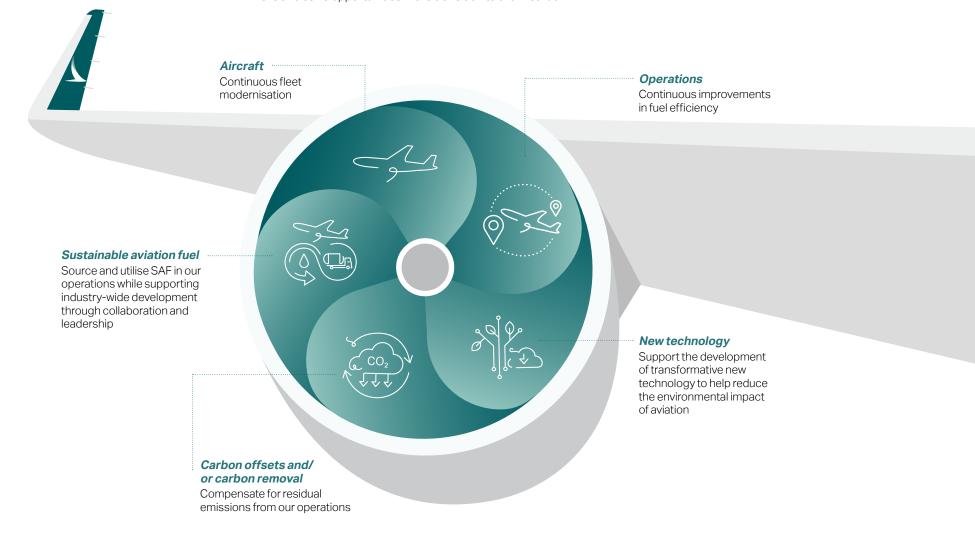
At Cathay, our <u>Climate Change Policy</u> guides our approach to developing strategies in line with industry best practices to climate mitigation and adaptation, and to building resilience in support of the transition to low-carbon energy through innovation, collaboration and continuous improvement.

Our net-zero strategy

Cathay is committed to achieving net zero carbon emissions in our operations by 2050. To deliver on this long-term goal, a holistic net-zero strategy has been developed.

This five-pillar strategy is designed to enhance our climate resilience – our ability to adapt to and manage climate-related risks and seize opportunities in the transition to a low-carbon

economy. Despite uncertainties, understanding these risks and opportunities strengthens both our strategic and operational resilience, enabling us to respond to transition risks, such as regulatory shifts and market changes, as well as physical risks related to climate impacts. It will also help us leverage new opportunities that may arise from a transitioning low-carbon economy.



Setting climate targets

Addressing climate challenges requires ambitious, rapid and collaborative action. As one of the first airlines in Asia to commit to net zero carbon emissions, this underscores our ambition to drive systemic change within the aviation industry and align with the goals of the Paris Agreement and the International Civil Aviation Organisation ("ICAO")'s Long-Term Aspirational Goal. To act on our long-term commitment while maintaining decarbonisation momentum, we have established near-term measurable goals to:

- Use 10% SAF for Cathay Pacific operating flights by 2030
- Improve our carbon intensity* by 12% from the 2019 level by 2030, bringing the number from 761 gCO₂/RTK to 670 gCO₂/ RTK.
- Use SAF to offset 10% of the carbon emissions from employee duty travel on Cathay Pacific flights
- Reduce ground emissions by 32% by 2030 and 55% by 2035, from 2018 baseline
- * This intensity target covers our carbon emissions generated from jet fuel use within the Group.

Detailed initiatives around each pillar and how we engage different value chain partners can be found in this chapter.

Carbon price

Cathay has implemented an internal carbon pricing mechanism to qualify carbon impact in investments, strategic decisions and projects as well as to drive decarbonisation initiatives for continuous improvements. Currently, a shadow price is set at US\$100/tonne, with reference to international carbon regulation standards such as the European Union Emissions Trading System ("EU ETS") and the United Kingdom Emissions Trading System ("UK ETS"). This applies to all business cases and activities involving jet fuel consumption, which accounts for about 99% of our Scope 1 and Scope 2 carbon emissions. Carbon price level will be reviewed annually.

Climate-related engagement

Aviation sustainability is a collective endeavour. Cathay remains committed to a collaborative approach to deliver net zero emissions by 2050, consistent with the ambition of the Paris Agreement. If the climate-related positions of the associations are deemed to be substantially weaker or inconsistent with our

stances on climate change, our representatives will respond to consultations to communicate our stances and work constructively for alignment.

Actions across key industry associations are outlined below.

MEMBER OF ORGANISATION	SCOPE OF ORGANISATION	CATHAY CONTRIBUTIONS AND ENGAGEMENT
International Air Transport Association ("IATA")	Global	Cathay is a Member and is currently the Vice Chair of IATA's Sustainability and Environment Advisory Council, which advises the IATA Board and Director General on matters related to the sustainable development of aviation and its interface with the environment.
International Civil Aviation Organisation ("ICAO")	Global	Cathay is a Member of ICAO's Committee on Aviation Environmental Protection ("CAEP") Fuels Task Group which focus is on the work required on sustainable aviation fuels ("SAF") and lower carbon aviation fuels ("LCAF"), including assessment of new technologies for SAF and LCAF production, evaluation of availability, and development of guidance on potential policies for the deployment of SAF.
one world	Global	Starting from 2023, Cathay has chaired the one world's Environmental and Sustainability Board. Together with our one world Alliance peers, we have committed to the joint purchase of more than 350 million gallons of blended SAF from Aemetis.
The Roundtable on Sustainable Biomaterials ("RSB")	Global	Cathay is a Member of the RSB, which offers trusted, credible tools and solutions for sustainability and biomaterials certification that mitigate business risk, fuel the bioeconomy and contribute to the UNSDGs.
Association of Asia Pacific Airlines ("AAPA")	Asia Pacific	Cathay is a Member of AAPA's Environment Working Group, which represents the interests of the Asia Pacific aviation industry when it comes to addressing environmental issues.
The Hong Kong Sustainable Aviation Fuel Coalition ("HKSAFC")	Hong Kong	Cathay co-initiated the HKSAFC where we collaborate with coalition members along the SAF value chain to accelerate SAF policy development and drive SAF development and usage in Hong Kong.

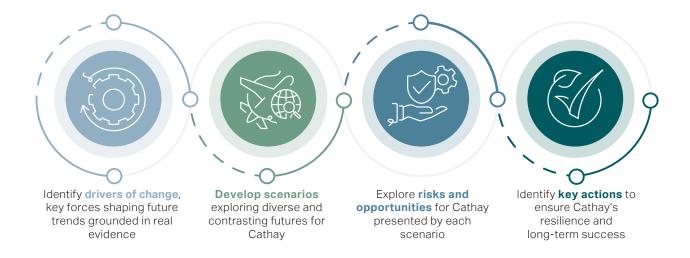
Scenario analysis

Scenario analysis is a strategic tool used to explore and prepare for multiple plausible futures. In 2024, we conducted our second climate scenario workshop to review business resilience against climate risks and opportunities over different timeframes, covering our airline and ground operations as well as upstream and downstream value chain, through a structured, qualitative four-step process:

Considering the distinct nature of physical and transition risks, we used four different scenarios building upon key insights and evidence on global, local and sector-specific drivers and trends. Within each scenario, key drivers of change were identified, ranging from climate impacts on flight operations to political will, to the emergence of transformative technologies.

The time horizon of 2035 to 2040 was chosen, taking into account the long-term nature of Cathay's business such as asset leasing and long lead-in times for bringing new technologies to market. Such horizon is considered far enough to innovate, yet soon enough to leave scope for further action up to 2050.

The insights from this scenario workshop will inform our strategic responses to climate change and enable us to better integrate climate risks and opportunities into our enterprise risk management and business, strategy and financial planning processes. To address significant uncertainties around future policy, technology and market trends, we will conduct scenario analysis at least every three years.



	PHYSICAL RISKS	TRANSITION RISKS
Scenario 1 – Climate Extremes	RCP 6.0 RCP 8.0	N/A
Scenario 2 – Decisive Stakeholder Action	RCP 4.5	A range of credible sources highlighting trends and issues at the global, local and industry levels, such as the World Economic Forum ("WEF")'s Global Risks Report 2024, insights from industry bodies such as ICAO, the International Transport Forum and other relevant reports, data and media.
Scenario 3 – Shifting Global Markets		
Scenario 4 – Transformative Technology		

Note: RCP refers to the Representative Concentration Pathways adopted by the Intergovernmental Panel on Climate Change ("IPCC").

Climate risks and opportunities

Our enterprise risk management process identified climate change as one of the top risks the Group is facing. It is imperative that we assess its potential impacts on our business, explore possible responses to manage this risk, and make sure Cathay continues to thrive despite the uncertain impacts of climate change on our industry.

For physical risks, as we operate nearly all our flights to or from Hong Kong International Airport, we have been working closely with our key partner the Airport Authority Hong Kong in assessing climate resilience at our home hub.

	SHORT-TERM	MEDIUM-TERM	LONG-TERM
Transition Risks and Opportunities	0-3 years	3-10 years	10-30 years
Physical Risks	2030	2050	2100

TRANSITION RISK				
Risk type	Climate-related risk definition	Time horizon	Potential financial impact	Mitigation strategy / Realisation opportunity
Policy and Legal	Increased cost and complexity of operations from existing and emerging climate-related regulation	Short to long	As governments ramp up action to mitigate climate change, emission restrictions are expected to tighten. The Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA") will remain as a key climate regulation for international aviation. However, growing regional regulatory frameworks (e.g. EU ETS and UK ETS) will add additional complexity and cost to the operation. We have also seen the rise of regional SAF mandates that will directly increase our fuel cost and place additional pressure on cost recovery.	We maintain ongoing monitoring of climate regulation in key markets we serve. We continue to actively pursue our SAF sourcing strategy that leverages our global network, supports comprehensive policy development and fosters partnerships with key stakeholders across the industry. Other strategies include continued participation in industrial meetings to remain abreast of and provide input to emerging regulations, as well as evaluation of climate-related capital expenditure ("CAPEX") and operating expense ("OPEX") in budget projections.

TRANSITION RIS	TRANSITION RISK				
Risk type	Climate-related risk definition	Time horizon	Potential financial impact	Mitigation strategy / Realisation opportunity	
Policy, Technology and Market	Challenges in securing affordable SAF supply	Short to medium	SAF remains the key decarbonisation lever for Cathay. However, SAF is still two to five times more expensive than fossil-based jet fuel on average. Costs are also expected to remain high in the near-term as the feedstock price for current generation of SAF is expected to increase. Supply shortfalls are also expected toward 2030, further increasing market prices. Cathay could face significant additional financial burden in securing mandated SAF volumes in regulated regions, toward its 2030 SAF usage target and beyond.	On SAF sourcing front, our global network presents a key strategic advantage, allowing us to procure and uplift SAF from regions with production incentives and with lower costs of production. We support comprehensive policy development in key regions that Cathay serves to ensure availability and affordability of SAF supply in addition to exploring investment opportunities in SAF production to help accelerate development and secure competitive supply. On cost recovery front, our Corporate SAF Programme enables corporate customers to make use of SAF for business travel and air cargo. SAF purchased through the programme directly supports our SAF usage target. We are also developing new solutions to provide customers with options to purchase SAF across different touchpoints.	
Market	Shifting stakeholder sentiment and market demand	Medium to long	Rising awareness of climate change may lead to shifting customer and stakeholder sentiment regarding air travel. There is growing trend of legal actions against environmental claims made by airlines in Europe, potentially reducing the room for sustainability related communications for our industry. These might result in reduced business travel and shifts in overall demand for air travel to alternative transport modes. Given the importance of aviation and lack of alternatives in many our key markets, the short-term risks are likely low for Cathay, with minimal impact on demand. However, our longer-term progress on decarbonisation is dependent on ecosystemic factors beyond our immediate control, including supportive demand and supply-side policies, technologies advancements and significant investment to scale SAF and sustainable aviation technologies. Slow development of these factors and the progress toward aviation decarbonisation may limit the industry's – and Cathay's – social license to operate. This could further pressure revenues in the long-term.	We continue to pursue our five-pillar net-zero strategy to ensure measurable progress toward emission reductions. In response to growing expectations on our climate responsibilities, new products and services will be developed to contribute towards more sustainable travel options for customers, including SAF purchase options for customers. In response to the evolving regulatory requirements and expectations around sustainability claims, we communicate our climate-related efforts, strategies and progress with honesty, evidence and transparency. This approach is in line with the principles and review processes outlined in our internal sustainability communications guidelines and international best practices. These measures, together with our comprehensive climate and ESG disclosures, help ensure our statements and communications inform our customers and stakeholder accurately and avoid any risks of being considered greenwashing. We continue to review our approach to keep abreast of ever-changing expectations and market sentiments.	

PHYSICAL RISK				
Risk type	Climate-related risk definition	Time horizon	Potential financial impact	Mitigation strategy / Realisation opportunity
Acute	Disrupted operations and reduced efficiency from extreme weather events	Short to medium	Extreme weather events will lead to disrupted operations such as diversions and cancellations, increasing associated costs such as asset downtime and loss of revenue, along with disruption handling and compensation. Such events will also impact operational efficiency. For instance, increased turbulence may require altered flight routes, resulting in longer journeys and higher fuel burn. The combined could lead to increased operational costs and/or reduced revenues.	We have developed manuals and procedures for extreme weather events, covering topics such as business continuity and typhoon precautions and preparations. We work closely with the Airport Authority Hong Kong. The home hub has a flight rescheduling control system which manages impacts on aircraft movements. Measures are also in place to mitigate flood risks include the seawall and drainage system, flood boards and IoT sensors for real-time stormwater surge alerts.
Acute	Worker safety and welfare in an increasingly hostile operating environment	Short to medium	Extreme weather events such as extreme heat may impact the health of our workers, especially ground staff such as ramp handlers who are particularly vulnerable to the elements. This leads to increased healthcare costs associated with exposures to high temperatures.	We continue to work closely with the Airport Authority Hong Kong. At the home hub, shelters are provided for staff to seek respite from heat and lightning risks, along with guidance to prevent heat-related illness. Frequency and intensity of extreme heat and humidity events are monitored where impacts on worker performance and welfare will be assessed. New guidance on the use of personal protective equipment during extreme temperatures has also been provided.

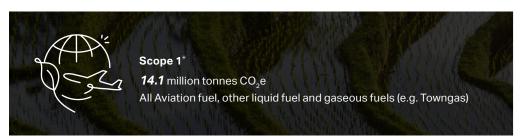
Climate performance

Scope 1 and 2 emissions from direct operations

The Group emitted around 14.1 million tonnes of CO₂e in 2024, an increase of 22% from 2023, as the Group continued to rebuild our operations and networks. It was still 23% below 2019 level, the last year of normal operation before COVID-19.

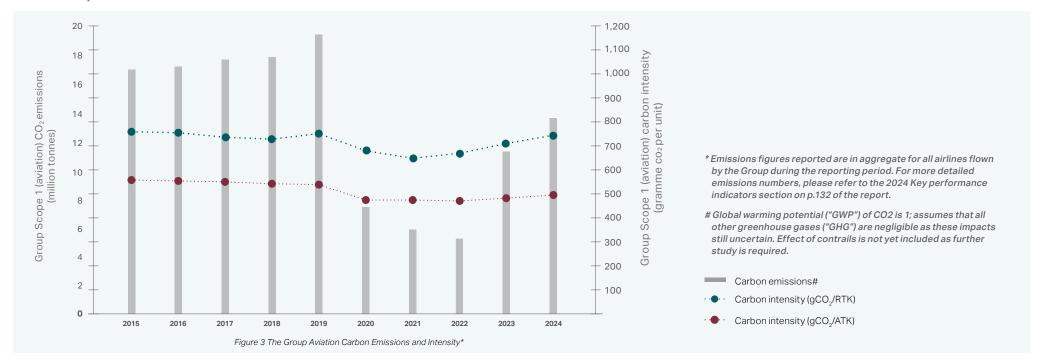
Carbon intensity of the airline operations, which is measured on a per revenue tonne kilometre ("RTK") basis, saw a slight year-on-year increase by 5%, primarily associated with lower-than-expected load factors. Reduction in carbon intensity is expected to be observed with continuous fleet modernisation and increased SAF usage towards 2030.

Further data breakdowns and relevant methodologies can be found in **Our Performance**.





* Data verified by Deloitte



INDICATOR	DESCRIPTION	REMARKS
Carbon intensity per revenue tonne kilometre ("RTK")		
CO ₂	Carbon intensity measure of CO ₂ emissions from fuel use in grammes per RTK and ATK. RTK measures the revenue-generating payload transported. It is calculated by multiplying the revenue payload carried (in tonnes) by the distance flown (in kilometres).	The airline started tracking its carbon emissions back in the 1990s. Compared to 1998, carbon intensity, measured by CO_2 per RTK has improved by over 27% and by CO_2 per ATK has improved by 24%. We target to improve our carbon intensity by 12% from the 2019 level be 2030, bringing the number from 761 $\mathrm{gCO}_2/\mathrm{RTK}$ to 670 $\mathrm{gCO}_2/\mathrm{RTK}$.
Carbon intensity per available tonne kilometre ("ATK")	ATK measures total available transport capacity. It is calculated by multiplying the total passenger and cargo capacity (in tonnes) by the distance flown (in kilometres).	As we carry on our implementing of fuel saving initiatives and replacing older aircraft models with newer, more efficient next-generation aircraft with increased SAF usage towards 2030, we expect carbon intensity to steadily improve.
Scope 1 emissions	Direct greenhouse gas ("GHG") emissions represented as CO_2 equivalent (" CO_2 e"). These occur from direct emitting sources that are owned or controlled by Cathay, for example, emissions from combustion of aviation fuel, other liquid fuels and gaseous fuels (e.g. Towngas) at stationary sources.	Total emissions have increased by 22% compared to 2023 due to the increased flight capacity as the airlines continued to rebuild our operations and networks.
Scope 2 emissions	Scope 2 accounts for in-direct sources of GHG emissions also represented as CO ₂ e. These occur from the generation or processing of purchased electricity and gaseous fuels (e.g. Towngas) bought and consumed by Cathay. Scope 2 emissions physically occur at the point of generation (e.g., the facility where electricity is generated).	The total emissions, however, are still below the pre-pandemic levels in 2019.

Scope 3 emissions from value chain

Our Scope 3 carbon inventory, which covers both airlines and ground operations, has been developed in alignment with the following globally recognised carbon reporting standards, including the GHG Protocol Corporate Value Chain (Scope 3) Standard and the Aerospace Industry GHG Reporting Guidance. We have assessed all 15 categories of emissions and identified nine that are relevant.

Emissions from our value chain accounts for about 40% of our total carbon footprint. Among them, the following three categories account for the biggest emissions share: Investments, Fuel-and energy-related activities, and Capital goods.

We continue to review our emissions inventory to improve data accuracy and ensure completeness of coverage of our Scope 3 emissions. This sets the foundation and enables us to focus our engagement efforts more effectively.

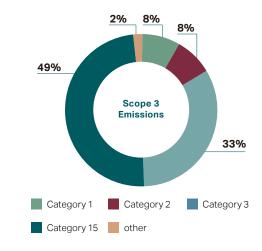
Sustainability has now become a standard agenda item in our annual meeting with key suppliers. By learning about our business partners' emissions reductions strategies, we get a clearer view on the reductions we can expect to achieve and refine our strategy accordingly. Where possible, we collaborate with our suppliers to help drive the innovation in new technologies our industry needs to achieve our carbon reduction objectives.

Recognising that Categories 3 and 15 are the most significant categories and represent around 82% of our Scope 3 emissions, we have prioritised engagement activities targeting these value chain partners. In 2024, we engaged four key jet fuel suppliers through surveys. Based on this understanding of the emissions from our suppliers' value chain and production activities, we could obtain more specific emission data that will allow us to accurately track our scope 3 emissions. Further, we reviewed suppliers' decarbonisation strategies and encouraged them to set

SCOPE 3 CATEGORY	APPLICABILITY	METHOD	TONNES OF CO ₂ e
Category 1: Purchased goods and services	Yes	Spend-based data	705,410
Category 2: Capital goods	Yes	Spend-based data	775,436
Category 3: Fuel- and energy-related activities *	Yes	Fuel-based and supplier-specific data	3,092,249
Category 4: Upstream transportation and distribution	Yes	Spend-based data	177,472
Category 5: Waste generated in operations	Yes	Waste-type-specific data	8,176
Category 6: Business travel	Yes	Fuel-based and distance-based data	1,015
Category 7: Employee commuting	Yes	Average data	21,555
Category 12: End-of-life treatment of sold products	Yes	Waste-type-specific data	7
Category 15: Investments	Yes	Investment-specific and average data	4,680,717
Total Scope 3 emissions			9,462,035

^{*} Data verified by Deloitte

emissions reduction goals to accelerate decarbonisation in their production activities. This year, we also strengthened discussions with our associate companies, Air China and Air China Cargo, on the Scope 3 topic. Besides discussing their decarbonisation plans, we also worked on best practices sharing on emissions reduction initiatives and to identify additional emissions reduction opportunities together.



^{*} Note: Category 8, 9, 10, 11, 13 and 14 are excluded due to the insignificant contribution to total scope 3 emissions of these activities. Assumptions and conversion factors are applied where primary data are not available to calculate scope 3 indirect emissions.

Sustainable aviation fuel

What is Sustainable aviation fuel?

Sustainable Aviation Fuel ("SAF") is widely recognised as the most critical lever for achieving the aviation industry's net-zero emissions target by 2050. SAF can be used directly in existing aircraft engines and airport infrastructure, making it an immediate solution for decarbonising aviation. Produced from renewable sources such as waste oils, agricultural residues or renewable energy, SAF can reduce lifecycle carbon emissions by up to 80% compared to conventional jet fuel. As the only viable sustainable aviation technology for large commercial aircraft and long-haul flights, SAF is especially important for airlines like Cathay Pacific, where long-range operations form a significant part of our business.

We have set an ambitious target to reach 10% SAF usage by 2030 on Cathay Pacific operated flights. To achieve this, we are pursuing a strategic sourcing approach that leverages our global network, supports comprehensive policy development and fosters partnerships with key stakeholders across the industry. Moving forward, Cathay will continue to actively advocate for a favourable policy environment for SAF industry development and support more investments from the public and private sector into alternative fuel technologies. This helps build a sustainable SAF ecosystem that will enable us to achieve our targets and transition the broader aviation sector towards a low-carbon future.



As a pioneer and early adopter of SAF, Cathay is taking concrete steps to foster a local ecosystem towards our goal of using 10% SAF by 2030. Getting there requires collective action and investment across the public and private sectors. We are very encouraged by the Hong Kong SAR Government's plan to establish a SAF usage target at our home hub as well as the participation by more and more corporates in SAF-related initiatives. We believe this is an essential step to raise and future-proof Hong Kong's competitiveness as an international aviation hub and foster its transition to low-carbon energy.



SAF in our operations

In 2024, we made significant progress in increasing our use of SAF both at our Hong Kong home base and at key international locations. The total volume of SAF used on Cathay Pacific flights in 2024 was 6,884 tonnes, surpassing the combined total of the past three years. Notably, we completed our first voluntary SAF uplifts on commercial flights in Europe, at Amsterdam Airport Schiphol and London Heathrow Airport. Building on prior uplifts in Asia and North America, these initiatives have provided valuable experience in collaborating with diverse SAF suppliers, managing logistics, and addressing certification schemes. This foundation is enabling us to establish regular SAF uplifts from multiple points across our network as we work toward scaling SAF usage at more locations. While SAF still represents a small proportion of our overall jet fuel consumption, we are actively engaging with suppliers and partners to secure long-term supply arrangements in line with our 2030 targets.

We were also the first customer pioneering with Airbus to make SAF available for use in delivering flights from the Airbus facilities. To date, 73,343 US gallons of SAF have been used for this purpose, avoiding approximately 562 tonnes $\rm CO_2e$.





Extending the SAF value chain through partnership

As one of the early adopters, Cathay made our first direct investment in SAF production back in 2014. We also ride on our global network to work with SAF producers around the world for potential supply, meeting our immediate needs as well as for medium term demand from now till 2030. Such long-term commitment is important in sending demand signal for a healthy development for new SAF production capacity.

Fostering Hong Kong's SAF ecosystem and technologies

Cathay Pacific, HSBC Hong Kong and EcoCeres launched a landmark partnership where HSBC Hong Kong entered into a one-time purchase agreement for around 3,400 tonnes of SAF produced by EcoCeres, which was used in Cathay Pacific flights departing from Hong Kong International Airport.

By bringing together Hong Kong's largest bank, a leading Hong Kong-based SAF producer and Hong Kong's home carrier this collaboration aims to support a key innovation for the long-term decarbonisation of air travel and more importantly, foster a local SAF ecosystem for Hong Kong.

EcoCeres' SAF is derived from 100% waste-based biomass feedstock, which can deliver an estimated reduction of up to 90% in GHG emissions compared to conventional jet fuel. This batch of SAF is made from fully traceable feedstock of used cooking oil. The reduction in lifecycle carbon emissions is estimated to be 11,800 tonnes, compared with use of the same volume of conventional jet fuel.

This timely tripartite partnership was welcomed by the HKSAR Government as it aligns with the Government's plan is to establish a usage target for SAF in 2025, aiming to significantly reduce carbon emissions in the aviation sector.





Co-initiating the Hong Kong Sustainable Aviation Fuel Coalition

This year, we co-initiated the Hong Kong Sustainable Aviation Fuel Coalition ("HKSAFC") which serves as a multi-stakeholder platform that brings together the aviation industry, SAF producers, fuel suppliers, infrastructure developers, corporate users and policymakers to collaborate on advancing the development, supply and use of SAF.

With a wide representation from cross-sectoral stakeholders, the HKSAFC aims to support the Hong Kong SAR Government in adopting a comprehensive SAF policy that will foster robust SAF adoption and ecosystem development in Hong Kong as outlined in the Chief Executive's recent Policy Address.

In the same year, the coalition released a Policy Whitepaper deep diving into the challenges and opportunities around scaling up SAF adoption and the feasible blueprint for Hong Kong to advance as a regional and global hub for SAF. Drawing from industry research and insights from key stakeholders, the whitepaper elaborated on the necessity of government-led cross-sector collaborations, financial mechanisms and infrastructure development in realising the blueprint, and policy makers' vital role in driving them.

We launched the Cathay Corporate SAF Programme in 2022 and have proudly entered into the third year in 2024 with significant growth. The programme is one of the first of its kind in Asia and helps to accelerate the global transition to SAF whilst providing our customers certification of their Scope 3 indirect emissions reductions. Through the Corporate SAF Programme, corporate customers contribute to the purchase of SAF certified by internationally recognised sustainability standards, which are used to power Cathay Pacific flights. Cathay Pacific will then issue verified emissions reduction certificates and third-party assurance letter to these customers, reducing their Scope 3 carbon emissions from business travel or cargo transportation. This programme

creates an important platform to consolidate SAF demand from end-users, thus sending demand signal and assurance for the much needed investment in the SAF supply chain.

This year, the programme achieved substantial growth, cementing its position as one of the largest initiatives of its kind globally. This milestone was marked by new global partnerships and a record commitment to SAF usage. The programme partners together in 2024 have committed to using about 6,270 tonnes of SAF, equivalent to a reduction of 20,659 tonnes of carbon emissions and approximately 22 times the reduction achieved compared to 2022 when the programme was first launched.



CONTRIBUTE Customers contribute to scale up the use of SAF on Cathay Pacific and Cathay Cargo flights. PURCHASE Cathay Pacific sources SAF certified with stringent sustainability standards*.

CLAIM

Cathay Pacific will issue a verified emissions reduction certificate and a third-party assurance letter, to help corporates reduce Scope 3 carbon emissions from business travel or cargo transportation. It fulfils the Science Based Targets initiative ("SBTi") for in-sector emissions reduction for aviation-related indirect emissions.

How the Cathay Corporate

SAF Programme works

^{*} Such as the EU Renewable Energy Directive, Roundtable on Sustainable Biomaterials ("RSB") or International Sustainability & Carbon Certification ("ISCC") system.

Aircraft

During aircraft procurement, one of the most important evaluation criteria is fuel efficiency. It is therefore our approach to adding modern, more fuel-efficient aircraft to our fleet for decarbonisation. The next-generation aircraft* brings advanced technologies in aerodynamics and design. The technological advancement enables these aircraft to be up to 25% more fuel efficient compared with previous generation aircraft.





In 2024, the group took delivery of 12 next generation aircraft and have scheduled the delivery of another 93 from 2025 onwards.

AIRCRAFT TYPE	2024	2025 AND BEYOND	
A320neo	10	36	
A321neo	12		
A330-900	0	30	
A350F	0	6	
B777X	0	21	
Total	12	93	

^{*} Next-generation aircraft includes but not limited to A320neo, A321neo, A330neo, A350, B777X, in each case, any variant thereof, including freighter variants.

As part of our HK\$100 billion investment plan, Cathay has more than 100 next-generation aircraft in the delivery pipeline from 2024 onwards. The enhanced fuel efficiency of these aircraft will play an important role in reducing carbon emissions and supporting progress toward our 2050 net-zero goal.



Operations

Improving fuel efficiency is a key pillar in lowering our GHG emissions. The better the fuel efficiency, the less carbon emitted with the same unit of passenger or freight we carry. While we are reliant on the work of governments and regulators to ensure that we are allowed to fly the most efficient routes and operate in the most efficient manner during all flight phases, we constantly work on initiatives that are within our own control to further improve on our operational efficiency and lower our carbon emissions.

Flight Planning System

To assist us in planning our flight routings, Cathay Pacific has been adopting a digital flight planning system that uses state-of-the-art technology and automation, including robotics, to optimise our routes according to environmental and air traffic conditions on the day. When integrated with our Electronic Flight Folder ("EFF"), an industry-leading tool which has been developed in-house, we are able to realise significant benefits, including minimum flight-time routings, revisable up to one hour before departure, and payload optimisation, both of which reduce fuel consumption and emissions. Cathay Pacific and Air Hong Kong have been using these integrated systems since late 2021, with further deployment in HK Express from mid-2022.





Optimising aircraft operations and performance

In the air, our three airlines all sought fuel savings by assessing and revising when engines are started during taxi-out to optimise fuel savings. Air Hong Kong is also working closely with DHL and their Flight Optimisation Management System ("FOMS") which aims to promote efficiency and emissions reduction within the DHL partner airlines network.

Back on the ground, we continued to use the process of Reduced Engine Taxi-In ("RETI") which has reduced our fuel-burn as well as our GHG emission. We practise RETI at all airports where it is possible and have increased the effort spent on improving the take up rate and duration of this procedure on all fleets. Given the success of RETI within our fleet, Air Hong Kong and HK Express have also been adopting RETI, achieving significant fuel consumption reductions. HK Express has also implemented Reduced Engine Taxi-Out ("RETO") at Hong Kong International Airport. Cathay Pacific will learn from this experience and conduct trials on our narrow-body fleet in 2025 in collaboration with the Hong Kong Civil Aviation Department and the Airport Authority Hong Kong, where successful introduction will allow for significant fuel savings.

We also conduct frequent engine core washing across our airlines. This enables our aircraft to achieve higher fuel efficiency. Cathay Pacific and Air Hong Kong have also monitored the impact of drag on the exterior of its aircraft, which can hamper fuel efficiency. We are also in the process of reviewing various fuel efficiency projects, including advanced skin coatings, aerodynamic devices and drag reduction modifications.





Aircraft equipment - digitisation and weight reduction

Our eEnabled Aircraft Programme facilitates seamless global aircraft connectivity and data sharing across our airlines. We have switched to electronic documents on all Cathay Pacific aircraft and used lighter materials for inflight equipment which incurs less fuel burn and results in less carbon emission. The weight reduction can result in a decrease of more than 4,000 tonnes CO_2 emissions per year based on our 2019 flight level - emissions equivalent to more than 5,000 flights from Hong Kong to London.

Airspace route efficiency

Our fuel monitoring system is supported through a partnership with General Electric Aviation Event Measurement System ("EMS"). The EMS enhances our capability to process and analyse flight data including weather, navigation, flight plans and schedules to improve our ability to find data driven solutions for improving flight efficiency.





Dynamic Water Uplift

Recognising that a full tank of water may not be necessary for all flights, especially shorter ones, we launched a new project to optimise water uplift across our flights through dynamically calculating the precise amount of water required to serve passengers based on factors such as loading, flight duration and historical water usage data. To ensure that flights will not run out of water, we also took into account a reasonable contingency. These efforts led to a reduction of unnecessary weight, and therefore approximately 1,494 tonnes of carbon emissions in 2024.

Carbon offsets

The urgency of climate change requires immediate reductions in global carbon emissions within the next decade, while key decarbonisation technologies continue to develop and scale. To bridge this gap, we use high-quality carbon offsets. We select offset programmes that are verified by sustainability standards and demonstrate rigorous sustainability criteria. Through our voluntary carbon offset programme, we also collaborate with business partners and customers, enabling everyone who flies with us to offset their carbon footprint.

Our voluntary carbon offset programme

Fly Greener under Cathay Pacific provides our passengers and corporate customers an opportunity to compensate for their carbon footprint from air travel and air cargo. The proceeds received from the programme support carbon offset projects that are verified by leading standards, including *Gold Standard* accreditation.

As part of the rigorous certification process, project developers are required to consult with local stakeholders and ensure that projects not only help protect the climate but also benefit local communities. Current projects include fuel-efficient clean cookstoves in Bangladesh and Chinese Mainland, as well as organic waste biodigesters in Cambodia. Read more about our offset projects on our website.

Fly Greener is available on our customer website booking and cargo booking platforms. The carbon footprints of a Cathay flight will be automatically displayed in the booking screens for customer flights and cargo shipments. Customers can easily opt in for carbon offsetting in the booking process.

HK Express also continues to offer their Customer Carbon Offset Programme to provide customers an option to offset their carbon footprint directly through the booking process. In 2024, a total of 54,492 * tonnes of carbon emission were offset by the programme, of which 16,874 * and 20,721 * tonnes were offset by our individual and corporate customers respectively. The Earth Day campaign continued this year covering five markets in total. To date, we have purchased over 425,000 tonnes of CO_2 offsets.

Note: For employee duty travel and cargo shipments, carbon offsets are reported in the month after relevant flights are taken; for corporate customers, carbon offsets are reported in the period in which the contributions are made; for promotional campaigns, due to the time required for the processing of related data, carbon offsets are reported in the period in which the costs of the events concerned are settled, rather than when the events themselves take place.

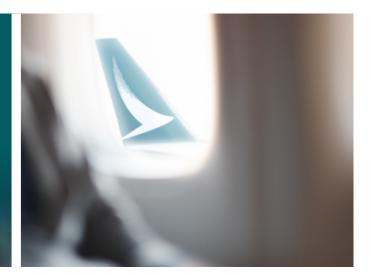
. Data verified by Deloitte

CORSIA and other mandatory carbon emissions trading schemes

The Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA") is a global scheme, developed by the ICAO, aimed at capping the net CO2 emissions from international aviation flat while the industry continues to grow. It is the first global market-based measure to address carbon emissions that applies to an industrial sector. In 2022, the 41st ICAO Assembly ("A41") adopted the use of 85% of 2019 CO2 emissions as the CORSIA baseline for 2024 onwards. Cathay Pacific is also subjected to the European Union Emissions Trading System ("EU ETS"), and the United Kingdom Emissions Trading System ("UK ETS"). We have been fulfilling the reporting requirement for all these schemes and the offsetting requirement for EU ETS and UK ETS.



Around **328 tonnes** of carbon emissions from 778 journeys had been offset by Cathay Pacific during the **Earth Day promotional campaign in 2024**.



New technology

Aviation is a hard-to-abate sector where dramatically reducing emissions is challenging, and breakthrough science and technology innovations are required to help the sector reach net zero. Cathay well recognises this fact and supports the development of advanced sustainable aviation technologies.

Global Sustainable Transport Innovation Alliance

Cathay is proud to be a founding member of the Global Sustainable Transport Innovation Alliance. Alongside 41 other globally renowned enterprises and institutions, we are dedicated to building and developing this alliance into an important platform for integrating and sharing knowledge, policy dialogue, consensus-building, and disseminating ideas for global sustainable transport innovation. In 2024, we took part in the annual conference of the Global Sustainable Transport Innovation Alliance and contributed to SAF related research of its organising centre.

Collaboration with the Civil Aviation University of China

Building on the basis of the signed Memorandum of Understanding ("MoU"), we continued to work closely with the Civil Aviation University of China ("CAUC") by conducting research and developed an internship programme for their students. This partnership enables us to join forces with CAUC to explore new SAF technologies and the feasibility of commercialising new SAF feedstocks through project research, case study competitions, and regular exchanges of technology and personnel.

Ground operations

Ground emissions stem from all non-aircraft operations. While they contribute considerably less than aircraft emissions, we work to reduce our carbon footprint from these operations by concentrating on electricity consumption, equipment efficiency, and vehicular emissions.

Our goal is to reduce ground emissions by 32% by 2030 and 55% by 2035, from a 2018 baseline. Our 2035 target formed part of our pledge signed in 2021 with the Hong Kong International Airport which underscored our commitment to net zero operations by 2050. It is in line with science-based target to limit global warming to 1.5 degree compared to preindustrial level.

To better understand where the most impactful opportunities for energy savings occur, we conducted company-wide energy audits previously to inform our initiatives and retrocommissioning implementation processes. Results of this exercise, which include more than 100 energy saving opportunities, provided important context which will help us more effectively align our carbon reduction efforts with a trajectory required to achieve our target.

Additional information could be found on <u>Our Subsidiaries</u> section as our subsidiaries account for majority of the Company's ground emissions.



Our buildings

Located near Hong Kong International Airport, our 134,000 m² headquarters encompasses Cathay City, Cathay House, the Airline Store Building, a hotel, and the flight training centre. The premises are certified to the ISO 14001:2015 standard for environmental management systems. As of the end of 2024, the Group has achieved ISO 14001:2015 standard coverage at 80% of its Hong Kong sites, including Cathay City, Cathay House, the Cathay Dining Building, and the VLS Yuen Long Plant.

To reduce our environmental footprint, we continued to invest in our buildings to upgrade our facilities systems and improve efficiencies. Highlighted initiatives included:

- Replacing traditional T8 fluorescent tube lights to LED lighting on an ongoing basis
- Replacing the variable speed drives ("VSD") in our chiller plant, estimating up to 10% of electricity reduction
- Installing the second solar-power generation system with a capacity of 100kW at the Airline Store Building, estimating up to 8% annual electricity reduction
- Replacing EC fans during air handling unit ("AHU") upgrades, estimating around 5% of power reduction per AHU
- Participating in the Peak Demand Management exercise of CLP Power Hong Kong

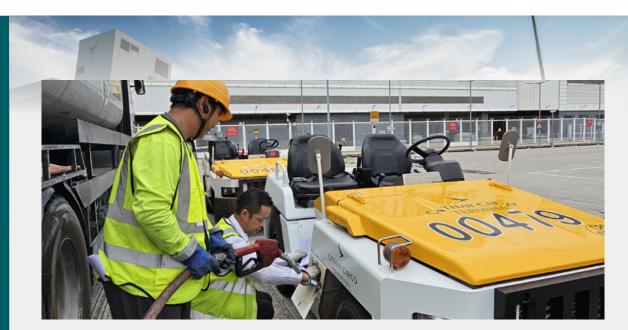
Our vehicles

Our full-service ground handling subsidiary, HAS by Cathay, provides professional passenger services as well as ramp and cargo services to 29 airlines at Hong Kong International Airport. Traditionally, our vehicles used diesel fuel, however, as with other areas of our business, where we can invest to reduce emissions, we do so. Our Ground Services Equipment ("GSE") and Vehicle Replacement Programme prioritise fleet modernisation and the gradual transition to electric options. We have successfully transitioned 100% of our private cars operating on the ramp side to electric vehicles. Meanwhile, we will continue to explore alternative fuel and innovative solutions to decarbonise our fleet.

While we continue to work towards phasing in more electric vehicles into our company fleet, some replacements are not yet feasible due to technical or operational constraints. In the meantime, to lessen the impacts of our fossil fuel-powered vehicles, we have partnered with Shell. For all the carbon

emissions generated from the use of fuel supplied by Shell, they will be offset by the Shell carbon offsetting projects. The carbon offset offer was extended to our employees also as they enjoyed fuel discounts when filling up their own personal vehicles at any Shell station in Hong Kong.

CASE STUDY



Piloting renewable diesel for a greener fleet transition

To facilitate our transition to a greener fleet, Cathay Cargo Terminal and HAS by Cathay launched a pilot project for renewable diesel for our GSE. By conducting this project, we are taking proactive steps toward decarbonising our operations, as this renewable fuel can reduce more than 80% of greenhouse gas emissions compared to conventional petroleum diesel.

This initiative aims to explore the feasibility of extensively replacing traditional diesel fuels with renewable diesel, which serves as an effective interim solution until cleaner fuel options for heavy-duty GSE become commercially available. Moreover, this pilot represents our commitment to exploring innovative technologies that align with our environmental objectives. We believe that these efforts will not only enhance our operational excellence but also support our overarching mission of reducing our environmental impact and promoting a more sustainable future for the industry.









Supplier Code of Conduct

GRI: 306-1, 306-2

HKEX: GD-A1, GD-A2, KPI A1.4, KPI A1.6, KPI A2.5







Why circular economy matters to us

As a leading global airline that employs thousands and carries millions of customers each year, the management of environmental impacts from our operations is an imperative. In response to environmental challenges and pollution, the world is increasingly embracing circular economy – a model that emphasises on the continual use of resources in a closed-loop system promoting practices such as recycling, repurposing and sustainable sourcing. Unlike the traditional linear economy, which follows a "take, make, dispose" pattern, circularity seeks to create a more regenerative system that benefits both the environment and the economy.

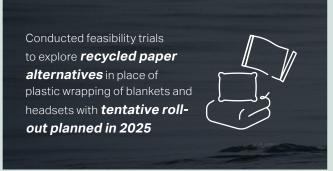
At Cathay, we share the same ambition and are dedicated to embedding circular principles in two key areas: reducing the use of single-use plastics ("SUP") products and cabin waste. This is key to reducing our environmental footprint, improving operational efficiency and enhancing overall resilience. The transition not only supports regulatory compliance but also meets the growing expectations of consumers who increasingly prioritise environmentally responsible practices.

2024 Performance highlights



Introduced a **first-of- its-kind recycling** and
sorting workflow for water
bottles and cans at Hong
Kong International Airport







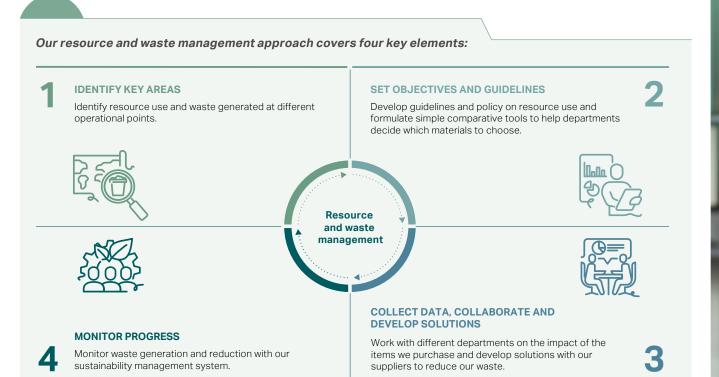




Our approach

At Cathay, we aim to minimise our negative environmental impact through waste reduction at its source. From incorporating recycled or alternative materials in our design to improving recycling and waste diversion practices, we are committed to reducing our reliance on landfill disposal wherever possible and recapturing the value in materials after they have served their primary purpose.

To accomplish this, we are undertaking a dedicated process that includes identifying keys areas of waste reduction, setting specific objectives and guidelines, collecting relevant data, fostering collaboration and developing innovative solutions, and closely monitoring our progress towards the sustainability goals.



In today's world, delivering a premium travel experience is not just about luxury. It is about reflecting our customers' values. By embedding sustainability considerations and innovations across more touchpoints and transitioning to a more circular approach to the use of resources, we strive to make travel experience more responsible. LAVINIA LAU **Chief Customer and Commercial** Officer, Cathay

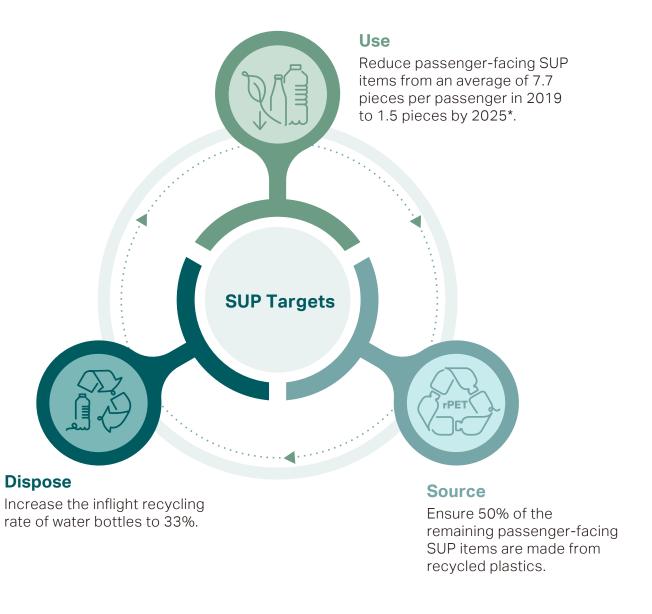


Single-use Plastics ("SUP")

The use of plastics in the aviation industry has been widespread due to its strength, lightness and hygienic properties. However, the long-life span of plastic in the natural environment is an issue with damaging effects to wildlife and ecosystems' resilience to climate change. Ambitious reduction efforts are essential and our recent stakeholder engagement findings again highlighted the urgency to address this issue. Reducing SUP means weighing many different factors to ensure we are not creating other sustainability issues when we introduce new sustainable alternatives.

Since 2001, we have been on a journey to reduce SUP. In recent years, we have made significant progress by eliminating many of our highest-consumption SUP items, such as cups, cutlery and salad bowl lids used in our Economy cabin. Continuing on this path, we have set ambitious targets for 2025. To address the impacts of the remaining passenger-facing SUP items more holistically, we have established a set of targets that consider not only their use phase but also their sourcing and disposal, aiming to mitigate both upstream and downstream impacts.

* Onboard Cathay Pacific flights only. These items include passengerfacing SUP water bottles, utensils, amenity items and packaging, excluding SUP items for medical and sanitation purposes and prepackaged food and beverage items other than water bottles.



To achieve these targets, we have developed a roadmap and launched various trials, initiatives and studies to identify non-plastic or reusable alternatives. Dedicated resource and development ("R&D") resources are allocated to sustainable packaging and alternative solutions. Furthermore, we are committed to mitigating the upstream and downstream impacts of SUP. By doing so, we aim to contribute to the circulation of plastic and reduce our reliance on virgin plastic.



Pioneering inflight recycling for plastic bottles

In May 2024, Cathay launched a trial project to close the loop for water bottles used inflight in collaboration with the Airport Authority Hong Kong, Hong Kong Aircraft Engineering Company Limited ("HAECO"), China Aircraft Services Limited ("CASL") and New Life Plastics Limited ("NLP"). New recycling workflow was introduced to crew members and cabin cleaners where plastic bottles collected were sorted at the airside waste station before sending to NLP for downstream processing into materials for new water bottles. Throughout the year, we recycled over 6,850 kg of plastic bottles.

Building on this success, we have also started working with other airports in Cathay destinations to collect bottles used on outbound flights as trials.



SUP Captains

To spearhead SUP reduction efforts internally at Cathay, we launched a new project by appointing designated SUP Captains in each of the business unit. These champions are responsible for driving initiatives within their respective domains and tracking progress throughout the year. This approach encourages our people to take ownership of sustainable practices at both corporate and individual level to collaboratively contribute to the Group's efforts in reducing SUP usage.

The role of SUP Captains is vital in nurturing a vibrant sustainability culture within our team. I aim to foster a shared commitment to reducing SUPs, leading to more thoughtful and sustainable practices.

- Maria Ng

Assistant Manager Global Marketing

SUP Captains have been instrumental in turning our goals into actionable initiatives. This has encouraged our people to take ownership of sustainable practices, fostering a culture of responsibility and environmental consciousness.

- Ankita Hedge Regional Support Coordinator Along the SUP reduction journey, we continue to establish the necessary synergies via a collaborative partnership approach. In 2020, we partnered with the City University of Hong Kong ("CityU") on a lifecycle analysis ("LCA") project on selected SUP products where we tracked the environmental footprint of these SUP items, developed guidelines for inflight equipment material selection and evaluated potential alternatives.

Striving to be a leading voice in plastic reduction advocacy within our industry, Cathay became the first airline member of the Business Coalition for Global Plastics Treaty convened by the Ellen MacArthur Foundation and WWF in 2023. The coalition provides a platform for the business community to positively shape the development of a Global Plastics Treaty by the UN. Along with more than 80 participating organisations, we champion the reduction of plastic production and use, adopt circular economy principles and prevent the use of hard-to-abate plastics in our operations.

We also keep abreast of new SUP import and consumption laws and regulations in jurisdictions we operate and actively take part in industry discussions through the IATA SUP Working Group. We work to ensure proper considerations and operational changes are made to comply with current and emerging regulations. Several jurisdictions, including the European Union, India and Chinese Mainland, have already introduced legislation to reduce SUP items, impacting airline operations. Hong Kong has also launched the first phase of its own SUP regulations from April 2024, covering our inflight dining and catering services.

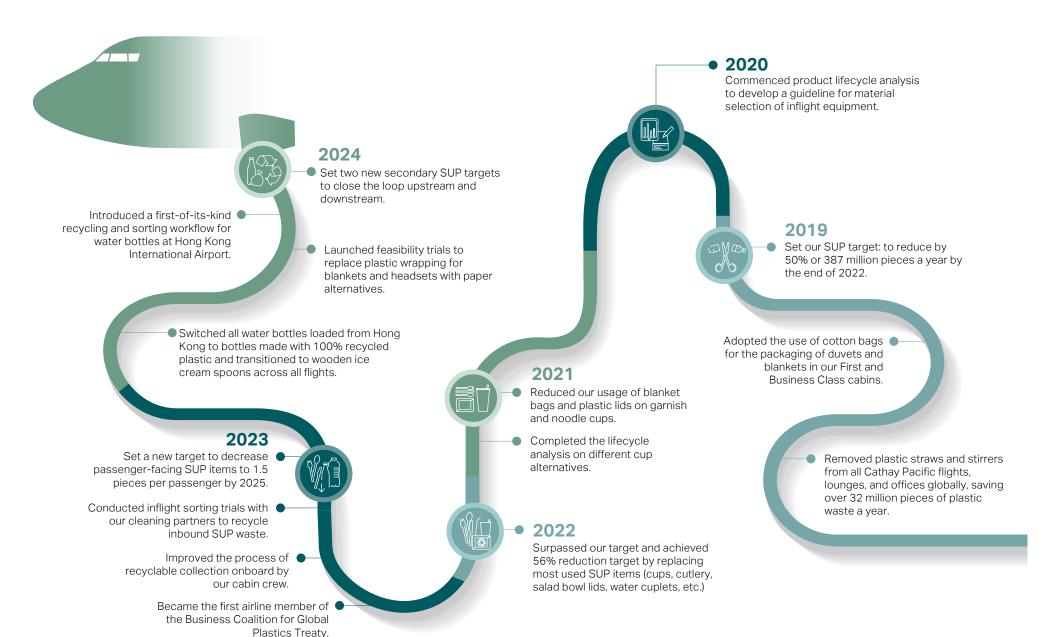


Trialling alternative materials for blankets and headset wraps

To introduce sustainable alternatives for the remaining passenger-facing SUP packaging, we conducted a monthslong trial on selected outbound routes to package our inflight blankets with recycled paper. In the same year, we also rolled out another trial to assess new packaging solutions for headsets on flights to and from London and Incheon. Both initiatives aim to address the million pieces of SUP wraps consumed every year, which are often challenging to recycle due to their complex composition. Positive feedback was received from both our customers and people.



HIGHLIGHTS OF OUR SUP REDUCTION JOURNEY



Cathay Pacific Airways Limited 60 Sustainability Report 2024

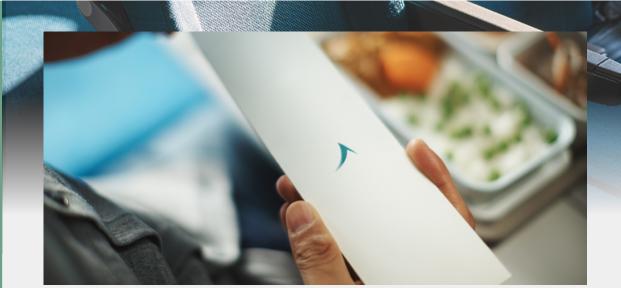


Cabin waste

Cabin waste is another closely tied topic IATA recognises as crucial to aviation sustainability and our stakeholders highly concern. Same as many full-service airlines, our largest source of waste comes from cabin operations. This includes cleaning and catering or galley waste as well as waste items brought onboard by passengers.

As part of our long-term waste management commitment, we aim to reduce cabin waste to 0.63 kg per passenger by 2030, representing a 30% reduction from 2019 baseline. To get there, we are innovating how we operate and the materials we use across everything we do. We strive to personalise our customers' experiences to create better journeys with less waste.

CASE STUDY



Supporting industry standard setting to track cabin waste

We understand obtaining standardised and comparable cabin waste data will support industry-wide solution mapping and facilitate policymakers to harmonise regulations. This year, we participated in IATA's Cabin Waste Composition Audit Programme by performing a waste audit at Changi Airport in Singapore. The result was a robust finding of different waste streams and their corresponding quantities and weights. Audit data will guide the airline industry and policymakers in their efforts to reduce the levels of waste produced and improve circularity by identifying opportunities for re-use and re-cycling.

This year, we have adopted a multi-pronged approach to better track and tackle cabin waste, working towards our 2030 target.
This includes:



Indicative Waste Tracking

Collecting data on an ad-hoc basis to estimate total waste per passenger



Waste Profiling

Analysing specific waste items to identify patterns and reduce waste at its source



Comprehensive Waste Audit

assess waste distribution across various categories



Food

Cathay and our catering provider Cathay Dining see the opportunities to reduce cabin food waste by improving planning and logistics. While how we handle cabin food waste is also subject to national waste management controls which may preclude the reuse and recycling of airline meals and cabin products from international flights, we have implemented a number of measures to reduce it such as loading meals onto flights as close as possible to take off, donating quality unused product to charities and repurposing food and oil for secondary uses, taking into account the concept of circular economy.

Reducing wastage by uploading the right number of meals for each flight

The number of passengers booked on any particular flight changes frequently, due to last-minute additions or cancellations, or passengers missing their flights. Without sufficient procedures in place, the unneeded meals can lead to food waste and squandered energy and water from meal preparation. One way we reduce this waste is to bring the meal delivery cut-off time as close to the flight departure time as possible. By shortening the cut-off time, we can more precisely gauge how many meals are required on board, thus reducing wastage.

Minimising beverage and dry store wastage on re-uplift

The cabin crew plays a crucial role in minimising cabin waste. We have implemented a route-wide practice of re-uplifting unused and unopened beverages, including bottled water and juices in Tetra Pak packages as well as dry store items such as tea bags and condiments to their original stowage or designated carts. By re-uplifting and reusing these items, we manage to replenish stocks based on actual usage, reducing the unnecessary wastage.

Digital insights to drive down food waste

Digital Choose My Meal service launched in July 2020 for Business Class passengers and with the resumption of First Class service, we have extended the offer to First Class passengers since November 2023 travelling on longhaul flights. In July 2024, we rolled out Cathay Signatures on selected long-haul flights departing from Hong Kong, allowing passengers to pre-order off-menu dishes. By the end of the year, this has been extended to most of the longhaul flights departing from Hong Kong. Available online, First and Business Class passengers can conveniently select their inflight meal preferences 10 days before they board their flight with the flexibility to change their order up to 24 hours prior to departure. The enhanced user interface and service offers the benefit of gathering insights into passenger consumption patterns and preferential meal options. These insights can be used to adjust which meals are produced or loaded onto subsequent flights which can help to reduce food waste.

Donating to food banks

The Group has worked with two local charities, Feeding Hong Kong and Food Angel for years. Feeding Hong Kong recovers and redistributes packaged food collected from our inbound flights. In 2024, around 334 tonnes of snacks and beverages have been donated to Feeding Hong Kong. Food Angel collects fresh food and ingredients and prepares meals for senior citizens in Hong Kong. Since 2022, we started donating our surplus bakery products to Food Angel. In total, we donated approximately 336 tonnes of food to both charity partners for distribution to people with food assistance need in Hong Kong in 2024.

Besides donating our food, we also donated employee time. Our team of volunteers supported Feeding Hong Kong by helping to sort, pack and deliver emergency food packages to those struggling to afford nutritious meals.

Converting waste food into resources

Some food waste from our operations cannot be consumed by humans for food safety reasons, for example, cooked meals or perishable food. The remaining lower value waste is then sent to O·PARK1 - the first organic resources recovery centre in Hong Kong. In 2024, Cathay Dining sent a total of 816 tonnes of food waste to O·PARK's facilities to be converted into energy.

Cathay Dining also generates food processing oil each day to support food production. Since 2004, we have gone beyond treating the used product in line with local regulations by collaborating with a biodiesel company to reprocess our used cooking oil into vehicle biodiesel. In 2024, we collected 13,833 litres of food processing oil for conversion into biodiesel.



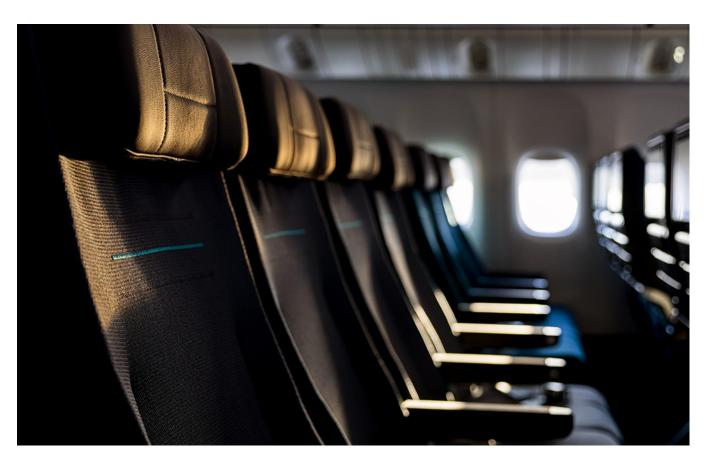


Other inflight waste

Other inflight waste comprises materials beyond food and beverage items, including inflight structures such as metals used for seats and textiles for covers. Since 2006, Cathay has been sorting and recycling inflight waste. However, as regulations in many destination countries prohibit recycling waste from international flights, currently we only carry out inflight recycling on inbound flights to Hong Kong. Some countries, such as Canada and Australia, have very strict health and safety regulations on waste from international flights that require deep burial in landfill or incineration.

While we continue to improve our recycling practices, increasingly our focus has been on source reduction to avoid waste. This year, we also initiated efforts to explore ways to repurpose inflight materials towards circular economy. This is supplemented by active engagement with our crew community as they are key to contributing to our waste reduction efforts.

Over the years, we have worked closely with suppliers and non-profit organisations to offer products that are sustainably sourced to minimise our impact on the environment while maintaining overall product quality. Providing passengers with quality, sustainably designed inflight items reduces the environmental impact of our operations and helps to meet the growing expectation from our passengers regarding waste and resource use.



Sustainable considerations in the cabin





Cups

Single-use beverage cups were one of our top SUP items. It is also among the top items found littered on beaches globally. To address this impact, we are phasing out SUP cups. Instead, certified Flustix paper cups that are compliant to EU SUP legislation are used.



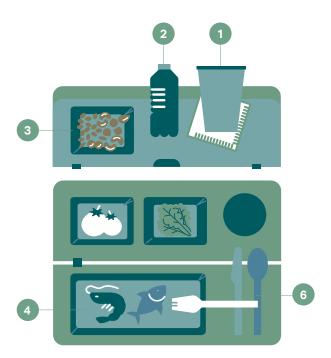
Water bottles

Switched all water bottles loaded from Hong Kong to bottles made with 100% recycled plastic.



Cocktail snacks

Inflight cocktail snacks (e.g. roasted peanuts) are produced from certified sustainable palm oil, which helps minimise environmental impacts such as deforestation.





Seafood

To support protection of the marine ecosystem, we endeavour to purchase certified sustainable seafood for our inflight meals and Lounge menus.



Napkins, stirrers and straws

Our napkins have been made from 70% sugarcane and 30% wood pulp since 2016. We also use birchwood stirrers and paper straws as SUP alternatives, adding to our growing list of more sustainable inflight and lounge products.



Meal utensils

With our aim to further reduce plastic usage, we have replaced our re-usable plastic cutlery with more sustainable alternatives. A set of new lightweight metal cutlery has been introduced on all flights since 2023.





Snack bag

A newly designed paper snack bag making recycling easy.



Blankets

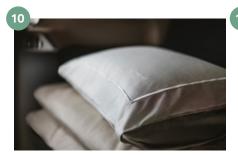
We have introduced blankets made entirely from recycled plastic bottles for our Economy Class passengers. Each year over 450,000 pieces are used. Unopened blankets are reused on subsequent flights.



Bedding

Pillowcases and duvet covers for First and Business Class cabins are made by 100% sustainably sourced cotton and are delivered in reusable bags.





Reusable bags

We have adopted the use of reusable bags for the packaging of duvets and blankets in our First and Business Class cabins, which can replace up to 5.7 million plastic wraps per year.



Carpets

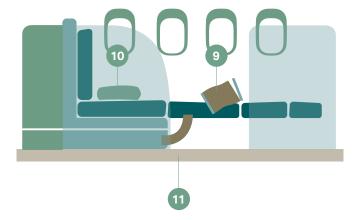
Carpets in Business and Economy Class cabins of some aircraft are made from regenerated nylon waste materials such as discarded fishing nets, fabric and carpets.



Ice cream spoons

65

In 2024, we replaced plastic ice cream spoons with sustainable wooden alternatives.





Resources management

Besides SUP and cabin waste, we also work to minimise waste from other resources and implement reduction and recycling initiatives targeting different items both on our flights and in our ground operations. To measure the effectiveness of our waste reduction initiatives, we regularly track and monitor our waste generation and diversion performance.

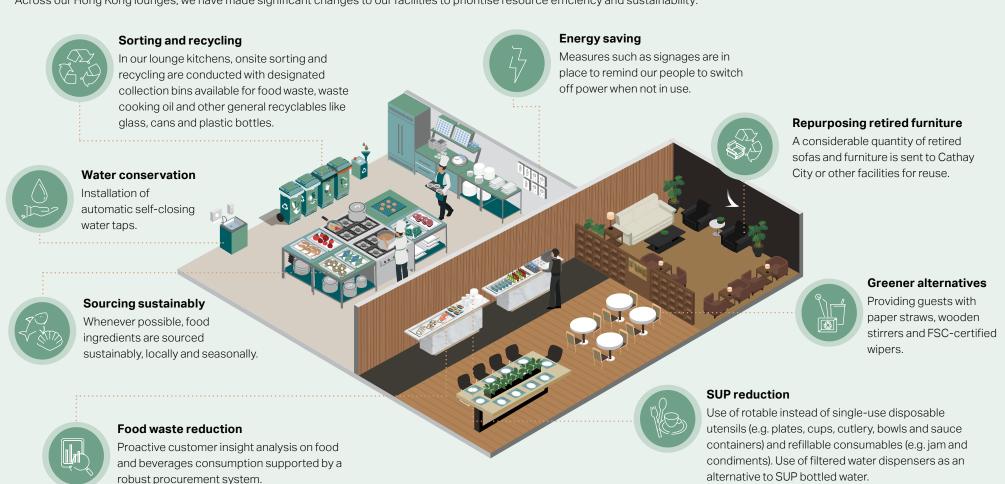
Lounge

We extend waste reduction efforts to our airport lounges globally by introducing and trialling different measures. For example, in the shower rooms of our London lounges, we have eliminated SUP from shower amenities by replacing plastic products with eco-friendly alternatives and removing all plastic packaging. In all our lounges globally, we use birchwood stirrers

and paper straws as SUP alternatives and, since 2019, we have reduced the number of SUP water bottles by moving to filtered taps after success in our Shanghai lounge. This year we earmarked discontinued SUP items and other products for donation in collaboration with The Amber Foundation.

Repurposing our Hong Kong lounges to be resource-efficient

Across our Hong Kong lounges, we have made significant changes to our facilities to prioritise resource efficiency and sustainability:





Facility management

Managing our infrastructure is a priority area of our sustainable development strategy. In line with our strategy, we encourage and implement green building practices to manage the impact of our infrastructure from conceptualisation through development to building management. We also apply the same requirements to tenants operating in our premises, such as coffee shops for their own renovation work. Furthermore, we have extended our expectations for environmentally friendly practices out to our vendors and require them to provide a sustainability action plan for waste management to ensure that all those connected to Cathay City and Cathay House are contributing to our sustainable development strategy.

In 2024, we implemented several initiatives to further reduce our environmental footprint and improve resource efficiency:

- Installing environmental hand dryers across our premises, reducing the use of paper hand towels.
- Optimising water dispenser and tap usage at Cathay City and Cathay House.
- Introducing centralised garbage and recycling bin systems while fostering recycling awareness and participation among employees.

The following documents form part of the construction or renovation contracts that we undertake with our contractors:

- Swire Pacific Swire Pacific Sustainable Building Design Policy
- Cathay Sustainable Development Policy
- Cathay Supplier Code of Conduct

- Swire Form of Contract Schedule 14 Environmental Waste Management Plan
- Practical notes and guidelines issued by professional institutions such as The Hong Kong Institute of Architects, The Hong Kong Institute of Surveyors, The Hong Kong Institution of Engineers, and applicable codes, guidelines, and regulations as applicable in different jurisdictions.

We have been certified ISO 14001:2015 on environmental management system for our property premises, including Cathay City and Cathay House. On top of compliance matters, we follow our environmental management system to ensure the most significant environmental aspects are mitigated to reduce impact and good practices are followed through.

Starting from 2021, we also follow Swire Pacific's Waste Separation Guideline in aligning the recycling separation and facilities in our premises. Recycling facilities for paper, metal, plastic bottles and general plastics are placed on every floor of our office buildings, with relevant data tracked and monitored on a monthly basis. Food waste and glass bottles are also collected in the catering areas as well as a beverage carton recycling bin at Cathay City for Tetra Pak recycling. Whilst working with vendors for renovation or other projects in our premises, we also request them to consider using recycled materials where possible and provide a clear record of recyclable and non-recyclable waste.



Every step counts for recycling at Cathay City

Smart scales:

The scales offers live measurement of waste data and enables us to compare the effectiveness of existing recycling setups.

Transparent bins:

These new bins feature see-through display with real non-recyclables highlighting what should not be placed inside to reduce mixed waste and contamination.

Note: Credit to the designer Tommy Cheong



General recycling facilities:

Recycling bins are placed on every floor of our office buildings for paper, metals and plastics.



Reverse Vending Machine ("RVM") for Asia Miles:

This first-of-its kind RVM allows our people to turn their used plastic bottles into Asia Miles, making recycling more fun.



Tetra Pak and coffee capsule recycling:

Dedicated recycling stations are set up in our Cathay City canteen to collect beverage cartons and aluminium coffee capsules.



The Loops:

A range of special recyclables (e.g. batteries, beauty products, bubble wraps) can also be recycled or repurposed via our partnership with The Loops Hong Kong.



Retired aircraft

To stay competitive, we bring in new aircraft to make our fleet more fuel-efficient and technologically advanced to better meet our customers' rising expectations. We work with aircraft manufacturers, the Aircraft Fleet Recycling Association's (AFRA) accredited companies, and other companies specialising in end-of-life solutions in order to salvage spare parts and recycle or reuse aircraft parts and materials. A large proportion of the components can be re-certified and reused or sold to other users. In the aircraft recycling process, hazardous waste, mainly the lubrication oil, is sent to specialised waste handlers for proper disposal. Since 2022, Cathay Pacific has also become an official member of AFRA, which would allow us to adopt more best practices and explore new ways to further improving recycling effort of our retired fleet. Additionally, we collaborated with the Hong Kong Research Institute of Textiles and Apparel to recover usable yarn from retired seat covers for other inflight uses. The initial round of R&D yielded promising results and we are exploring this circular concept further.

Paper and wood

Our procurement policy ensures sustainable procurement for paper resources, as endorsed by the Forest Stewardship Council ("FSC"). All marketing collaterals and office paper from Hong Kong are from sustainable and certified sources. We are working on implementing this policy across our global operations.

- With the eEnabled system on-board our aircraft, our cabin crew can now access flight preparation information via tablets instead of printed documents.
- 70 kg of manuals and paperwork are needed in the cockpit on every flight. The launch of the Flight Folder project can help save about 13,400 tonnes of paper per year on our flights based on the 2019 level.
- The ULD Management System used in our cargo operations also replaces many manual and paper-based processes with digital solutions.



Earning Asia Miles through recycling

This year, we successfully introduced a first-of-its-kind Reverse Vending Machine ("RVM") at Cathay City where colleagues can earn Asia Miles as rebates through participating in bottle recycling moves. Supported externally by the Swire Pacific's Sustainable Development Fund and internally by different Cathay teams, this initiative aims to build the habit of recycling and showcase sustainability leadership through an innovation solution. Since its launch in November, we have diverted more than 12,000 plastic bottles from landfills. This project represents the true spirit of "Greener Together" where we innovate to engage our people in promoting circular economy.







Our Policies and Guidelines

Sustainable Development Policy
Sustainable Development Cargo Carriage Policy
Supplier Code of Conduct

GRI: 304-2 **HKEX:** GD-A3, KPI A3.1









2024 Performance highlights







Why biodiversity matters to us

Nature is declining globally at an unprecedented rate. According to the United Nations ("UN"), the planet is experiencing its largest loss of life since the dinosaurs, with one million plant and animal species now threatened with extinction, many within decades. A shift in how society consumes is imperative to stop this free fall and reduce the threat that biodiversity loss poses to human health and wellbeing and the health of our planet. Beyond society's dependence on biodiversity, its spectacular variety lures our customers to new places, offering distinct sights and flavours.

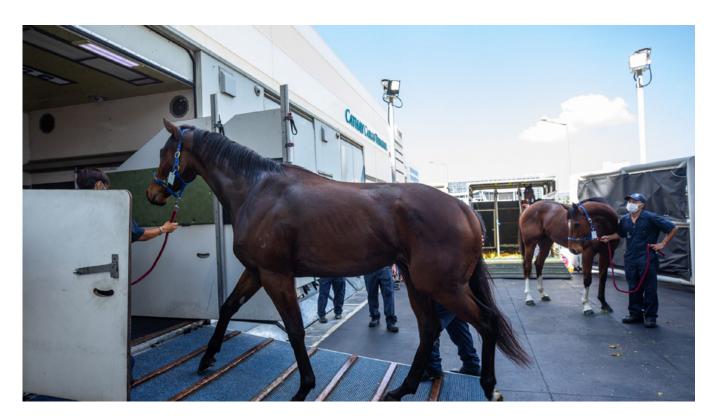
With the conclusion of the UN's Biodiversity Conference ("COP15") in Montreal, Canada, a landmark agreement was reached amongst 188 governments to officially adopt the Kunming-Montreal Global Biodiversity Framework ("GBF") to guide global action on nature. The framework sets out an ambitious plan to address biodiversity loss, restore ecosystems and protect indigenous rights, with four goals and 23 targets for achievement by 2030. Concrete measures include to halt and reverse nature loss, including putting 30 per cent of the planet and 30 per cent of degraded ecosystems under protection by 2030.

At Cathay, we believe we can play an important role in protecting vulnerable species and ecosystems worldwide through responsible cargo management and a transition toward sustainable sourcing that reduce the environmental impact of both Cathay and our customers.

Our cargo carriage approach

At Cathay, we work closely with industry associations, conservation organisations, academia and various stakeholder groups and experts to develop policies and guidelines for our carriage practices so that we will not knowingly facilitate the trade of any flora or fauna or their produce that may threaten the sustainability of any species.

Additionally, Cathay Cargo, the cargo arm of Cathay, complies with comprehensive national and international standards to ensure proper animal handling and their safety during transport having been granted the IATA Centre of Excellence for Independent Validators ("CEIV") Live Animal Certification. With dedication and passion for animal welfare together with our unique role in supply chain for the protection of vulnerable species, we are always active in detecting and preventing any risk of illegal wildlife trade.



As a leading air cargo carrier, we remain vigilant in combating illegal wildlife trade activities to and through our Hong Kong hub. We also continue to put the welfare and safety of any animal passengers first by ensuring that our training, assessment and validation requirements are in line with IATA's CEIV Live Animals certification. The recent arrival of the two giant pandas is a testament that shows "We Know How" to handle every shipment with the highest standards.

TOM OWEN

Director Cargo, Cathay Cargo



Sustainable Development Cargo Carriage Policy

The Group's <u>Sustainable Development Cargo Carriage Policy</u> allows our various stakeholders to gain an understanding of where we stand in doing our part to protect the environment in the area of cargo carriage. To develop the policy, we enlisted input from a subject matter expert and referenced several international regulations.

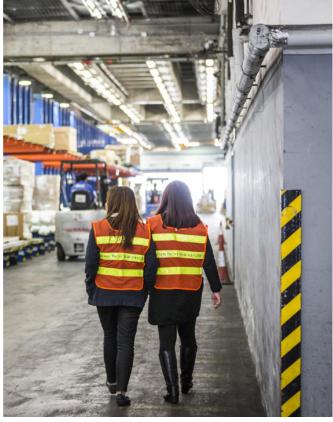
The Society for the Prevention of Cruelty to Animals in Hong Kong was our partner in developing our Greyhounds Carriage Policy. TRAFFIC has helped us develop our Shark and Shark-related Carriage Policy. Regulations and initiatives referenced include:

- Convention on International Trade in Endangered Species of Wild Fauna and Flora
- IATA's Live Animal Regulations
- IATA's Perishable Cargo Regulations
- IATA's Wildlife Task Force initiatives
- United for Wildlife Transport Taskforce initiatives

Our current Sustainable Development Cargo Policy was developed with reference to the Convention on International Trade in Endangered Specific of Wildlife Fauna and Flora ("CITES") and benchmarking our policy against the practices and policies of our peers. We ensure it continues to be reflective of the evolving illegal wildlife trade landscape and will continue to engage with our customers and agencies to ensure that this policy is understood, kept updated and implemented.

Going forward, we will continue to evolve the policy in response to any major changes in our environment so that it remains practicable and enforceable.







Welcoming two giant pandas to their new Hong Kong home

In October 2024, Cathay Cargo welcomed two very important guests, a pair of five-year-old pandas, An An and Ke Ke, from Sichuan to their new home in Hong Kong, as a valuable gift from the Chinese Mainland's Central Government. This special operation involved meticulous planning and coordination among multiple stakeholders, including the Hong Kong SAR Government, Ocean Park Hong Kong and the China Conservation and Research Centre for the Giant Panda.

The two pandas travelled in specially designed suites that adhere to IATA's Live Animal standards, ensuring their comfort and wellbeing throughout the journey. Key features of their travel

accommodation included precise temperature control, a customised vegetarian menu with their much-loved bamboo and real-time monitoring of conditions using advanced data-loggers.

A dedicated team of veterinarians and keepers also accompanied the giant pandas on board to monitor their health and welfare throughout the flight.

This successful arrival of the precious giant pandas again reinforced our dedication to animal welfare and lived up to our brand promise of "We Know How." The renewed enthusiasm for this adorable species has certainly strengthened conservation and environmental education efforts in Hong Kong, and we are proud to play a role in it.

As part of our due diligence and monitoring mechanism to ensure compliance with our policies and raise awareness within our network, we have implemented a dedicated training programme this year aimed at preventing illegal wildlife trade. This covers essential information from CITES and details various governmental policies, including the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586 of the Laws of Hong Kong), IATA Live Animals Regulations, and IATA The Air Cargo Tariff Rules.

Specific to CITES, the programme deep dives into its objectives and provides further information on contracting parties. To engage learners, we provide a high-level introduction of the CITES Appendices, with examples such as:

- Appendix I: Species threatened with extinction
- Appendix II: Species that could become endangered if trade is not controlled
- Appendix III: Species that are not necessarily endangered but are managed within jurisdiction

Collaboration and partnership

In Hong Kong, a transport and logistics hub used to be accountable for more than 40% of global shark fin trade according to World Wild Fund for Nature, we work with knowledge partners to carry out due diligence on cargo, block channels for illegal wildlife trade and restrict access to markets for beneficiaries of wildlife exploitation.

For every request for the shipment of any species of shark or shark-related product, our Cargo Service Delivery Group consults a panel of internationally acknowledged experts, including representatives from TRAFFIC, a leading NGO working globally on the trade of wild animals and plants. The panel evaluates each request against a stringent set of sustainability guidelines and only upon their advice will we approve a shipment. For more information on TRAFFIC visit www.traffic.org.

The above processes help improve the integrity of our cargo carriage operations, enable us to be more effective in identifying illegal trafficking in violation of our embargo policies, and safeguard against the transport of goods and products that may threaten endangered species.

It is also our corporate policy not to serve shark fin soup either inflight, at our company premises or at any corporate events or meals which are organised or subsidised by the company.







Learning how 'Rhino Man' battles against wildlife smuggling and poaching

In our effort to build internal awareness of illegal wildlife trade and the associated challenges, we partnered with the Elephant Foundation, a Hong Kong-based anti-poaching and conservation charity, to organise a movie screening of Rhino Man, an award-winning documentary about rangers who risk their lives to protect South Africa's rhinos from poaching syndicates. To provide participants with an in-depth look of how these unsung heroes safeguard the endangered species under extreme conditions, we invited a ranger from Africa to visit Cathay City in person to share his real-life experience.



Embargoes

In recent years, we have placed embargoes on an increasing number of animals, wildlife and wildlife products to restrict opportunities for their shipment and add our support to movements aimed at stopping animal cruelty and biodiversity loss. Our Embargo List is periodically revisited and updated, following CITES regulations. Our *Embargo List* includes items such as hunting trophies, shark fin, rhino horn, tiger pelts, bones, and ivory, and live species like racing greyhounds and animals intended for testing, amusement, or performance purposes. Any person or organisation wishing to transport live animals using our services must sign a Shipper's Declaration Letter certifying their compliance with Cathay Cargo's shipping requirements. Failure to comply can result in legal penalties.

We strictly comply with CITES, IATA, national and international regulations and remain a signatory of the United for Wildlife Transport Taskforce Buckingham Palace Declaration. Cathay Cargo will remain vigilant against illegal wildlife trade activities and will use any emerging information to further strengthen our safeguarding measures.

International declaration

United for Wildlife Declaration

The illicit trade of wild fauna and flora has gained traction on countries' political agenda, as it has become clear that wildlife crime has negative implications for the climate change, preservation of biodiversity, security and public health.

As a signatory to the United for Wildlife Transport Taskforce Buckingham Palace Declaration we are committed to neither facilitate nor tolerate the carriage of wildlife products, where trade in those products contravenes CITES.

Our commitment also includes information sharing, employee training, technological improvements and resource sharing across companies and organisations worldwide to combat this global exploitation.



Supporting a more responsible food value chain

Sustainable food choices

Cathay is committed to upholding our <u>Sustainable Food Policy</u> to support the responsible use of natural resources. We actively avoid unsustainably produced food items outlined in our regularly reviewed policy, and continuously seek alternatives to provide more sustainable choices to both our customers and our colleagues.

According to *WWF Hong Kong*, around 90% of commercially important fisheries are either fully or over-exploited globally. While awareness about choosing sustainable seafood has increased over the years, fish stocks remain threatened, and some are on the verge of collapse. Similarly, the welfare of animals may not be adequately addressed in some areas of today's agribusiness. We have been proactively addressing these challenges through adopting more responsible sourcing practices for almost a decade.

This includes prioritising certified sustainable seafood procurement in our operation. In 2024, Cathay Dining purchased a total of around 351 tonnes of certified sustainable, traceable seafood. Cathay Dining has been fully using cage-free shell eggs since the end of 2024 and will be transitioning to the use of cage-free liquid eggs by the end of 2025 for both Cathay and its other airline customers. By making these changes, we aim to offer our customers more responsible dining options and support the transition towards a more responsible global food value chain.

Re-energised plant-based options

Plant-forward is an overarching approach that encourages people to be mindful of incorporating more plant-based food into their diets. The focus is not on excluding or limiting certain food groups but bringing more plant-based food items such as vegetables, fruits, wholegrains, legumes, nuts and seeds onto the plate. This aligns with our commitment to promote sustainability by reducing our reliance on animal-based protein in meals to help lower carbon emissions.

Moreover, from 2022 onwards, we have introduced oat milk as a dairy alternative for customers' coffee and tea in our First and Business Class cabins. In 2023, we have extended this offering to our Hong Kong lounges as well, ensuring a wide array of selections to cater to our customers' preferences.



SOCIAL ASPECT: SAFETY







GRI: 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

HKEX : GD-B2, GD-B6, KPI B2.1, KPI B2.2, KPI B2.3, KPI B6.4





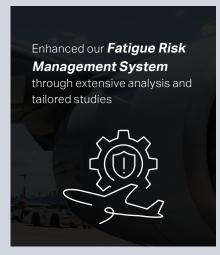


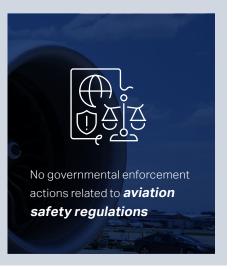
Why safety matters to us

Our continued success is shaped by our ability to transport our passengers and cargo safely to their destinations. This is inherently linked with providing a safe working environment for all Group employees. As such, safety is a foundation to everything we do and alongside corporate governance, is a fundamental principle of our sustainability strategy.

2024 Performance highlights







At Cathay, safety remains at the forefront of everything we do. As part of our overarching strategy, Safety and Operational Excellence is an area where we aspire to achieve world-class leadership.

We embrace an organisational culture where safety and wellbeing are considered in every choice made and every action taken. This is one we all have a shared responsibility for and where we hold the highest expectations of our people and business partners to ensure a safe, healthy and secure environment.

RONALD LAM



Our approach

At Cathay our approach to safety is founded on the principle of reducing risks to a level as low as reasonably practicable ("ALARP"). The foremost safety goal of our airlines is to achieve zero accidents and zero "high risk" incidents. To succeed in this, we have developed a corporate safety culture and adopted a risk-driven approach in identifying and minimising the impact of hazards on our operations. Additionally, Cathay conducts performance benchmarking against industry standards to ensure our safety practices are aligned with best practice and remain at the forefront of the aviation industry.

Safety Policy

Our <u>Safety Policy</u> clearly sets out our commitment to prioritising and managing the safety risks of our operations. Whilst ultimate accountability for safety rests with our Chief Executive Officer, responsibility rests with all our people. In compliance with the ICAO Safety Management System ("SMS") framework, our policy extends a duty of care to all businesses we work with, including contractors or individuals under the Group's supervision, and shapes a corporate culture of safety by promoting:

- An ORGANISATIONAL CULTURE where "safety is considered in every choice made and every action undertaken"
- A JUST CULTURE where "non-punitive reporting" is encouraged
- A REPORTING CULTURE where all employees are encouraged to raise safety concerns, enabling appropriate and timely actions to be taken and controls implemented
- A LEARNING AND SHARING CULTURE where successes, errors and omissions are seen as opportunities to learn
- An INFORMED CULTURE by applying appropriate quality and risk management systems and processes as part of our decision making

Operational safety

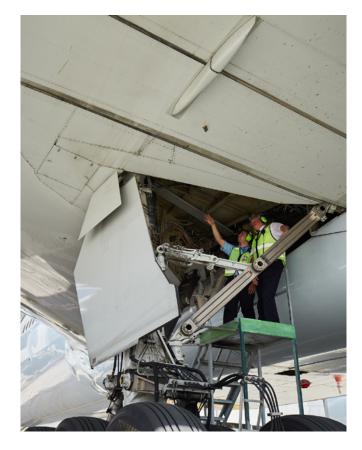
Our robust safety and risk management systems help us maintain a high level of safety performance that protects our employees and customers. We adhere to global best practice in airline safety to ensure our approach continues to be fit for purpose. Our record on safety is testimony to our efforts in achieving our aim of preventing high risk incidents.

Among the top risks identified in the SMS, notable risks included the risk of lithium battery fires and potential supply chain risks affecting the airline industry.

IATA Operational Safety Audit ("IOSA")

IOSA is the global standard for assessing the operational management and control systems of an airline. As an IATA member, we are IOSA registered and must remain registered to maintain IATA membership.

In 2024, we embraced and successfully completed our first Risk-based IOSA audit, surpassing industry standards. The Risk-based IOSA aims at enhancing safety risk management, including assessing an airlines' safety maturity. While the results of the audit were extremely positive, when it comes to safety, Cathay continues to set high internal standards for continual improvement in safety and operational excellence.



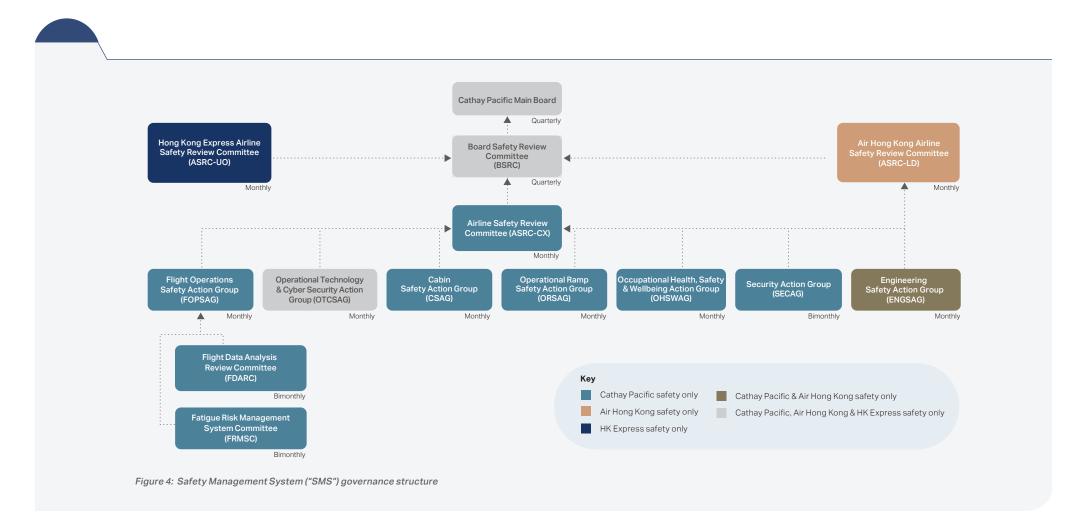
Safety governance

Cathay SMS has been developed to ensure that we proactively manage risks and have procedures in place to react appropriately should an incident occur. Safety performance indicators are actively monitored on a monthly basis by 'Safety Action Groups' ("SAGs") and the Airline Safety Review Committee ("ASRC") which is chaired by our CEO, and all events and incidents are investigated thoroughly. This year, we enhanced our SMS and its implementation was evaluated

and assessed by the Hong Kong Civil Aviation Department ("HKCAD") in October 2024. HKCAD concluded that Cathay Pacific is in compliance with CAD712 ("SMS").

All safety meetings are attended by subject matter experts from the respective disciplines. Cross-departmental risk assessments are conducted to review any changes to the way the airline operates, such as the commencement of a new

route, the introduction of a new cabin service or changes to the organisational structure. The Group leverages the experience of an independent safety advisor to chair the Board Safety Review Committee ("BSRC") and report on safety matters directly to the Main Board. The position continues to be held by former Royal Navy pilot and commercial airline pilot Capt. Tim Jenkins who has held senior safety management positions at two other major international airlines.



IATA CEIV Li-batt certification

Cathay Cargo and Cathay Cargo Terminal have both held the IATA Center of Excellence for Independent Validators Lithium Batteries ("CEIV Li-batt") certification, addressing an important issue for the air-cargo industry. The improper handling and mislabelling of shipments containing lithium-ion batteries pose significant fire hazards, endangering people and property. As e-commerce continues to grow, the prevalence of undeclared or mis-declared shipments has become an increasing concern for the air cargo industry.

Continuous improvement through effective Safety Risk Management

In keeping with our commitments to continuously improve on our safety management, top risks associated with each operational department across Cathay are registered. and further categorised as inherent or emerging as well as increasing, decreasing, or stable across our operations. After the risks are evaluated, they are subsequently assigned to our dedicated Safety Action Group or operational department according to our governance structure, which allows a wider holistic view of Cathay's risks and better monitoring of risk mitigation measures. While each risk is reviewed on a regular interval, the risk register is updated quarterly and presented at each BSRC.





Enhanced Lithium Battery Screening

The Enhanced Lithium Battery Screening ("ELBS") is designed to identify mis-declared high-energy lithium battery shipments. Screeners are required to conduct physical open-box checks under specific conditions, such as when X-ray images reveal a solid dark colour, lithium battery arrays are detected or documentation lacks declarations for fully regulated lithium batteries.

ELBS was implemented at Cathay Cargo Terminal in Hong Kong in mid-2023. Since early 2024, collaborative efforts have been undertaken with authorities, freight forwarder associations and customers to extend the protocol to the Regulated Air Cargo Screening Facilities ("RACSF") of our appointed agents in Hong Kong. In close partnership with the Hong Kong Association of Freight

Forwarding Agents ("HAFFA"), a series of seminars were conducted earlier this year to encourage participation, culminating in its successful implementation.

In a move to enhance collaboration and knowledge-sharing, this initiative goes beyond screening requirements by encouraging screeners to share suspicious X-ray images and insights with Carrier Liaison Group and HAFFA, fostering a culture of shared learning and best practices within the industry. In conjunction with this initiative, Cathay Cargo Terminal continues to invest in technology to assist in the identification of lithium batteries during X-ray screening, further strengthening safety measures in air cargo operations.

Fatigue risk management

Our airline operates a complex passenger and freighter route network. Consequently, managing pilot and cabin crew fatigue risk is an important component of our SMS.

Our Fatigue Risk Management System ("FRMS") was established in 2010. It far exceeds current HKCAD regulations pertaining to the management of pilot fatigue and complements the Approved Flight Time Limitations Scheme ("AFTLS"). The FRMS is an evidence-based, data-driven system used to continuously monitor and manage fatigue-related safety risk to an ALARP level.

During 2024, we continued to develop and refine the FRMS by conducting sleep and fatigue research, enhancing tools to assist crew with controlled rest and reviewing the existing training packages for various employee groups.

Key initiatives this year included the identification of fatiguerelated safety risks via fatigue reporting (Air Safety Reports – Fatigue and Controlled Rest Reports) and extensive analysis using fatigue software. To mitigate these risks, changes were made to rostering practices. Tailored studies were used to examine these risks and establish the effectiveness of mitigations. The Group Safety Manager for FRMS continued to serve as a subject matter expert on the IATA Human Factors Task Force and the Management Committee of the International FRMS Forum.



Key to maintaining high levels of safety across the Group is the continuing education of our people on our SMS, the hazards inherent in our industry and the role they play in safety. To assist with this, our digital Learning Hub system has been delivering upgraded courses on safety. These courses are required to be completed at regularly occurring intervals by all operational business unit employees, focusing on the continued training of our SMS as well as the management of risks. Specific and relevant operational examples are provided to each target group. Our people can access these interactive learning courses through self-service; ensuring it is available in all time zones, and at times convenient to every individual.

The required briefing on the SMS, safety related matters, leadership, governance, investigation and risk assessment is provided to all new operational business unit General Managers and SAG chairs via a revised Role Specific Safety Training ("RSST") course. This lays out the foundation of how our SMS operates and the vital role these postholders play in our continued safety performance.



Face-to-face briefing for our new joiners 'Brushwingers'

While online learning is convenient and flexible, we recognise the importance of engagement that can only be achieved through classroom training. Therefore, we continue to deliver the face-to-face Initial Safety & Quality Introductory Training to all new employees of Cathay presented by our Operational Safety team to promote the seriousness that Cathay place on safety and that safety is everyone's responsibility. The interactive training is mandatory for all our new joiners and remains available to all our people.

Safety training for external service providers

Our exposure to risk is commensurate with the large number of business partners the Group interacts with and relies upon. These providers touch almost every part of our business from ground operations and dangerous goods to warehouse, catering and engineering. As an organisation with well-developed safety systems, we feel it prudent to expand the scope of our SMS training to these service providers. This includes:

- Targeting third parties that do not have any safety awareness training
- Providing Initial Safety Awareness Training in line with Cathay internal standards, and meeting the requirements as operator under IATA recommended standards and practices
- Introducing safety management systems, hazard awareness, risk management and reporting systems

The online course, 'Group Safety & Quality Introductory Training', launched in 2020 and has now been made available to third party providers. It focuses on several key topics including the importance of compliance with regulations and company standards, company safety policies and procedures and crisis response.





Safety and Quality Campaign Week

Designed to reinforce the importance of a safety-first mindset across all levels of the organisation, this week-long event engaged over 1,000 Cathay people through a series of safety-oriented interactive games and activities, covering topics such as safety culture, policies and workplace hazards. Each completed activity earned participants a reward, creating a lively atmosphere and reinforcing key safety messages through hands-on learning. The event also extended to premises of our business partners to emphasise operational safety and quality as a shared responsibility.





Quality assurance programme

Cathay has been implementing a risk-based quality assurance programme assessing the management system and operations with internal departments and our suppliers across the network and intermodal. The quality assurance programme ensures robust safety governance and identifies any latent conditions and safety hazards, and enhances operational safety. In 2024, Cathay conducted 173 audit events to ensure the company achieves safety, security and quality imperatives.

Business resilience

Cathay Crisis Response Centre is a wholly dedicated facility capable of supporting a global response during any crisis affecting the Group. Our regularly tested Crisis Framework includes a centralised command protocol, customised local response teams, telephone enquiry and support centres, and trained humanitarian assistance volunteers. All services can be activated by a notification system that is available at any time.

More than 400 airline and subsidiary employees constitute the Care Team, whose primary focus is to assist passengers and employees and their families who have been affected during a crisis. A comprehensive recruitment drive is planned in the next couple of years to boost numbers and focus on not only growing the team but also highlighting the personal development for our employees who enrol in the Care Team training programme. For significant events, several thousand specially trained volunteers are available to supplement the Care Team through the airline's membership in the Family Assistance Foundation.

Cathay's business continuity management programme focuses on four categories of events: Loss of Access, Loss of Supply, Loss of Systems and Shortage of Staff. These are complemented by specific situational plans such as public health emergencies. An Incident Management protocol allows all incidents to be immediately classified and managed by a scalable Incident Management team. In 2024, all ports with scheduled service within our network completed the

emergency response refresher exercise to ensure processes and procedures are reviewed, and the personnel are familiarised with the response functions and systems.

Occupational health and safety

We aim to achieve the objective of zero harm by mitigating workplace hazards to prevent accident, injury and occupational disease to all employees, customers and contractors throughout their association with the company. With the safety and wellbeing of our people in mind, we continue to focus our resources to address a wide range of occupational health and safety ("OHS") issues across our airlines. Key areas of focus include:

- Strengthening the safety performance of ground transportation in both Hong Kong and outports;
- Identifying high risk activities such as working at height, to ensuring rigorous barriers and controls are in place;
- Ensuring workstation health and safety for office employees through training and risk assessment; and
- Improving indoor air quality, humidity and temperature through active monitoring rectification.

These are addressed through our <u>Occupational Health and Safety Policy</u> which applies to our entire operations as well as contractors or individuals under the Group's supervision, ensuring compliance with all relevant OHS legislation, standards and codes of practice. It is our commitment to continually improving the performance of the OHS management system, setting up prioritisation and action plans to address the identified workplace hazards, and establishing quantitative targets for improving OHS performance metrics.

Progress towards these objectives is monitored through the monthly Occupational Health, Safety & Wellbeing Action Group ("OHSWAG"), along with various working groups focusing on key areas including ground transportation, food safety and wellbeing.

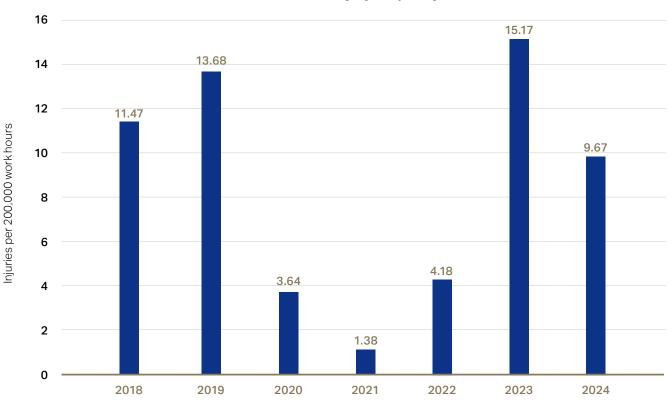




While a decreasing trend was noted in the total recordable injury frequency rate compared to 2023, injury prevention remains a constant focus for our management. We will continue to implement and review our safety-related initiatives to ensure risks identified are mitigated to a level as low as reasonably practicable.

Regrettably there were one fatality case where a delivery worker fell from the tail lift platform of a truck in September 2023. Vogue Laundry was found in violation of the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) in July 2024. Mitigation and prevention measures have been implemented. Further details please refer to the *Compliance with laws and regulations* section.

Total recordable injury frequency rate#



^{*} From 2018–2019, the data includes Cathay Pacific, Cathay Dragon and Air Hong Kong. From 2020 onwards, the data includes Hong Kong Express as well. As Cathay Dragon ceased operations in October 2020, its data is no longer applicable after 2020.

Mitigating the risk of infectious diseases

The risk of a public health emergency caused by an infectious disease remains and Cathay continues to remain vigilant to protect our employees and passengers from communicable diseases. We have policies in place to ensure that precautions and safety measures are duly implemented. Below are some parameters in place to address the risks of transmission of infectious diseases:

- All employees are strongly advised to stay current with routine immunisations, which include receiving a tuberculosis ("TB") vaccination and completing an initial course of COVID-19 vaccination. In Hong Kong, the TB immunisation is administered as part of its childhood vaccination programme.
- Any employees diagnosed with infectious diseases will be placed on leave from duty until they are no longer considered infectious. Our Group Medical Department must provide medical clearance for the individual before their return to work.
- We fully cooperate with health authorities when contact tracing is required following an identified passenger with an infectious disease after a flight or for employee cases in the workplace.
- All our aircraft are fitted with HEPA filters to ensure the highest cabin air quality and we thoroughly sanitise frequently touched surfaces – from screens to overhead stowage latches – between each flight. We also carry out cabin deep cleaning every 30 days.
- All our aircraft are regularly treated with residual insecticides to prevent importation of insect-borne disease vectors (e.g. mosquitoes carrying malaria and dengue fever).
- Crew members are educated on the prevention of insectborne diseases, including malaria.

- If any flight routes require malaria prophylaxis, this will be supplied by the Company. Currently we do not operate to any areas where this is required.
- Our Group Medical Department continues to monitor information on new or emerging diseases and outbreaks to ensure early risk identification and response.

Despite the heightened passenger numbers in 2024, there were no fatalities caused by operational incidents or accidents. Nor were there any convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.

Passenger health and safety

Cathay Care is our commitment to our customers' wellbeing. We want our passengers to travel with confidence by providing clear communication, flexibility and above all, safe passage.



SOCIAL ASPECT: COMMUNITIY







GRI: 413-1

HKEX: GD-B8, KPI B8.1, KPI B8.2







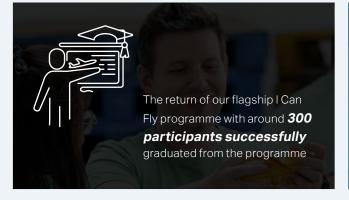
Why communities matter to us

Strong communities make for more prosperous and healthy societies. Around the globe, communities face varied and complex challenges that require collaborative responses. The past years have underscored this and emphasised the role that companies such as ours can play in effecting positive change and supporting those in need. We continue to seek out opportunities to elevate, amplify and contribute to communities with purpose and integrity.

2024 performance highlights















Our approach

As an international airline based in Hong Kong, we see our key role in connecting people, cultures and places. By employing a collaborative approach, we leverage our role and work with partners across different sectors and connect our business and NGO partners to bring about long-lasting benefits. Our strategy is aimed at caring for and supporting global causes but with a special focus on Hong Kong through community programmes and volunteering.

To make a greater impact with our community engagement effort, we focus our work on core pillars developed with input from our stakeholders, including our people and the communities we serve.



Deeply rooted in Hong Kong, Cathay is committed to enriching the community with a primary focus on youth development. We are particularly excited to bring back our flagship I Can Fly programme on its 20th anniversary. Through different youth-centric programmes which are well supported by our Cathay Volunteer Team, we are on the way towards nurturing future leaders for the Hong Kong aviation industry and making a difference in our society. **LAVINIA LAU** Chief Customer and Commercial

Cathay Volunteer Team

We are a global brand that is proactively engaging the local communities we serve and bringing value to not just our customers but the neighbourhoods around them. For many years, our community engagement efforts have also made an impact in our various regions outside of our hometown Hong Kong.

In 2024, the Cathay Volunteer Team actively supported our flagship community programmes and volunteering activities, including the Hong Kong SAR Government's Strive and Rise Programme, I Can Fly programme and the Cathay Community Flight. Employee volunteers also lent a hand in packing and preparing food parcels with Feeding Hong Kong and distributed them to community members. These initiatives align with our longstanding collaboration with both charities to donate surplus food, eliminate food waste and help people in need.





Community programmes

As we continue to rebuild Cathay for Hong Kong, our commitment to supporting the local community grows even stronger. Our programmes help to address pressing contemporary issues associated with our community pillars and its effectiveness is measured through post-event surveys.

I Can Fly

Launched in January 2003, our flagship I Can Fly programme actively recruits students who show a passion for aviation and a commitment to community service. Thousands of students have graduated from the programme since its launch. A number of former I Can Fly participants have even taken up careers within the Hong Kong aviation industry.

After a five-year hiatus, this year marks the long-awaited return of the I Can Fly programme. In the six-month period, Cathay Pacific pilots and employee volunteers led around 300 participants through a series of aviation and social service activities, including visits to Cathay's aviation facilities and departments, as well as those of the wider airport community. Engaging in a series of aviation activities and training, including new courses on digital technology and Cathay Cargo, they have

gained a deeper understanding of the daily operations of the aviation industry from diverse perspectives.

The programme also enabled students to explore different social issues and make a positive impact on the community by designing their own social service projects. This year, students demonstrated their innovative spirit by addressing three focus areas — youth development, waste reduction, and carbon neutrality — with new ideas tailored for Cathay, Cathay Cargo Terminal, and Cathay Dining respectively.

During the summer, 30 students who demonstrated outstanding performance were invited to take part in an aviation experiential trip to Flight Training Adelaide in Australia, one of the flight training schools where Cathay Pacific cadet pilots learn to fly. They all experienced the life of a cadet pilot and had a once-in-a-lifetime opportunity to fly a small aircraft under the guidance of instructors.

All students successfully graduated in August 2024, ready to embark on their future careers in aviation.



CASE STUDY

ANC Street street

Exchange tour for students – An exploration into Greater Bay Area

In celebration of the 20th anniversary of the I Can Fly programme, we expanded the initiative to the wider Greater Bay Area ("GBA") for the first time. In April 2024, around 300 students embarked on an exchange tour to the Aifeike Aviation Popularization of Science Education Base in Zhuhai, where they learnt about the development and achievements of the aviation industry in the Chinese Mainland while gaining insights into GBA development as a whole.



Strive and Rise Programme

At Cathay, we are deeply passionate about nurturing youth development within our community, exemplified by our active involvement in the Strive and Rise Programme organised by the Hong Kong SAR Government.

In 2024, we focused on supporting junior secondary school students to help build their self-confidence and guide them to develop personal goals. As part of this ongoing initiative, we welcomed 600 participants from disadvantaged backgrounds to visit Cathay's facilities for our Cathay Aviation Exploration Open Day. During this special event, our Cathay volunteers generously shared their time and expertise to serve as mentors and tour guides, contributing to the programme's success and leaving a lasting impact on the participating youth. Through these efforts, we continue to empower the next generation and inspire them to explore opportunities in the aviation industry.

Cathay Community Flight

Cathay continued its longstanding commitment to supporting youth development in Hong Kong. The Community Flight programme first launched in 2007 with more than 1,600 participants, including some who have never flown before or those interested in the aviation industry.

In the latest edition, we orchestrated a memorable experience for more than 180 participants and mentors, who enjoyed a 90-minute flight over the skies of Hong Kong aboard our newly retrofitted B777-300ER aircraft. The event culminated a series of activities organised by Cathay in support of the Strive and Rise Programme for the second consecutive year. Further, the Chief Secretary for Administration of the Hong Kong SAR Government graced the occasion as the special Guest of Honour. The success of this event was made possible by the dedicated support of Cathay volunteers from various departments, highlighting our collective effort to empower the next generation.

Cathay City visits

Cathay has been a part of the fabric of Hong Kong, offering jobs to its people and flights to its travellers. Our Cathay City visits are aimed at strengthening local understanding of how we do this through employee-led tours that provide visitors access to our people's knowledge and a behind-the-scenes view of the airline's operations. Through the tours, participants are shown around our training and operation facilities. In 2024, we welcomed over 410 visitors to Cathay City, including participants from the Hong Kong SAR Government's Strive and Rise Programme, community organisations and students with special needs.

Turn miles into good deeds

Cathay members can share rewards with those in need of support with their Asia Miles. These charity packages start from 360 Miles, so members can easily turn miles into a positive force for change. Apart from redeeming packages, members can also support charities' important initiatives by donating Miles.

An arty partnership

Cathay has entered a three-year partnership with the West Kowloon Cultural District Authority as the exclusive travel partner where we transport precious artwork, fly local and international artists to and from Hong Kong. This partnership is designed to solidify Hong Kong's position as an East-meets-West centre for international cultural exchange – and, in turn, give a significant boost to the city's cultural tourism.

In 2024, we supported the inaugural WestK FunFest held around the Art Park, Freespace and the Xiqu Centre. The festival featured a series of arts programmes, including the award-winning immersive art installation Ephemeral by Sydney-based design studio Atelier Sisu.



Cathay Hackathon

Cathay Hackathon is our flagship event focused on aviation for developing young talents. Bringing together innovators who have a deep interest in aviation and technology, teams collaborate to build and present to industry leaders.

The 7th Hackathon marked the first expansion into the wider Greater Bay Area since its launch, with an overwhelming 1,500+ applications from university students in Hong Kong, the Chinese Mainland and overseas where a total of 74 teams involving some 300 students were selected. Throughout Cathay Hackathon's journey, participants explored emerging technologies like machine learning and artificial intelligence, learnt about acceleration opportunities to jump-start their ideas and were given a behind-the-scenes glimpse into Cathay's operations – both in the air and on the ground.

This year's winning team, GingTrip, comprised students from various universities in Hong Kong. Their winning idea features a modular trolley on HK Express flights to automate recycling and waste sorting. The waste data collected is processed automatically and loaded onto a dashboard, which helps inform and enhance data-driven decision-making.

As the only aviation-related hackathon event, the Cathay Hackathon showcases Cathay's commitment to nurturing talent and promoting innovation in the aviation industry. Alongside other youth development programs, Cathay continues to support young talent and promote aviation, travel lifestyle, technology and innovation in Hong Kong and beyond.





GBA Civil Aviation Youth Exchange Programme

Jointly organised by the Central and Southern Regional Administration of the Civil Aviation Administration of China and the Hong Kong Civil Aviation Department, the programme aims to furnish young aviation practitioners with a platform to acquire an in-depth understanding of the aviation industry in both Hong Kong and the Chinese Mainland, as well as to promote synergistic development of civil aviation in the GBA.

In May 2024, some 60 young aviation practitioners visited our aviation facilities to learn about the latest developments and applications of advanced technologies in the local aviation context. Apart from offering invaluable opportunities to learn about daily operations in the aviation industry, this programme also serves as a platform to facilitate future collaboration and talent pipeline development.



Fundraising and donations

Our long-running initiatives seek to leverage the goodwill of our employees, customers and business partners to affect positive change in Hong Kong and across the globe.

UNICEF

Change for Good ("CFG") is an inflight fundraising programme operated by Cathay Pacific and the Hong Kong Committee for UNICEF. Since its launch in 1991, the programme has successfully converted spare change from Cathay Pacific passengers into supplies and services to improve the lives of vulnerable children worldwide.

Change for Good has raised funds in support of UNICEF's lifesaving programmes, helping deprived children and women across 190 countries and territories worldwide. In 2024 the programme transitioned to accept digital payments.



Donations

In 2024, the Company and its subsidiaries made charitable donations amounting to HK\$5.1 million in direct payments and a further HK\$3.1 million in the form of discounts on airline travel. We also made in-kind donations of close to 23,000 pieces of items, including Cathay mini toys.

Other fundraising events

Cathay also supported Hong Kong's leading fundraising events for more than a decade with miles and air ticket donations. Among these initiatives is the 100km Oxfam Trailwalker aimed at alleviating poverty and supporting emergency relief projects in Asia and Africa. Additionally, LEAP into Colour Charity Run aims to raise awareness about emotional health and well-being of children and youth, while the UNICEF Charity Run stands as one of the largest road-running charity events in Hong Kong, contributing to causes for children in need.





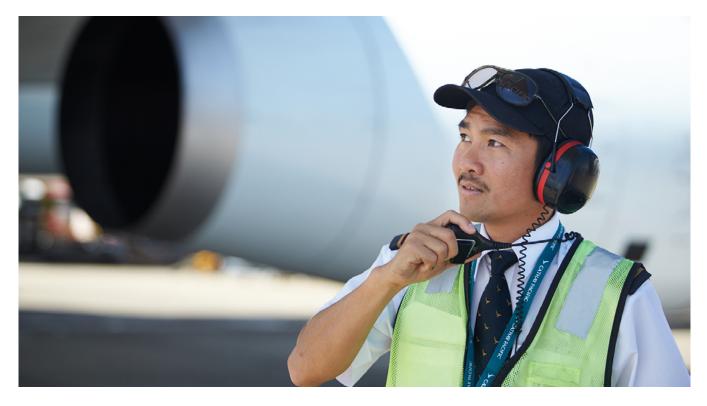
Noise management

The noise generated from an airport's operations may disturb the surrounding communities. Generated through two main causes, namely, flight operations and ground operations, the aviation industry has been working hard to reduce noise pollution for decades and deployed several effective methods to date.

Cathay Pacific observes the noise abatement procedures published by the local authority and ensures full compliance with the noise requirements. Locally, we follow the Hong Kong airport QC2 and QC4 night-time noise requirements as appropriate and, for select aircraft models, we have augmented our departure procedures over the noise-sensitive Ma Wan district.

Flying in airspace outside of Hong Kong, we follow international protocol, such as the "Balanced Approach to Aircraft Noise Management" recommended by the ICAO. Our pilots also take local context into account and adhere to any airport specific noise abatement procedures. Moreover, with comprehensive prior planning, we deploy the most suitable aircraft models for specific flight paths and local time schedules where possible.

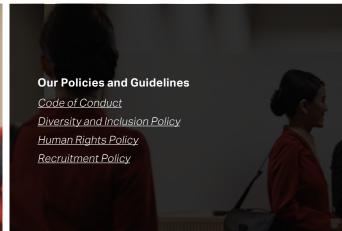
Cathay Pacific also remains committed to investing into aircraft, developing more efficient operating procedures and embracing advanced technologies to further reduce noise disturbance. For instance, the Airbus A350-900 fleet are designed to reduce aircraft noise and are equipped with automatic Noise Abatement Departure Procedures ("NADP") which optimise flight procedures to mitigate noise over densely populated areas; the A321neo fleet also emits more than 10 EPNdB below the Chapter 14 of ICAO Annex 16 noise standard. For all the new aircraft we purchase, their noise level will be below the ICAO standard.



SOCIAL ASPECT: OUR PEOPLE







GRI: 201-3, 404-1, 404-2, 408-1, 409-1 **HKEX:** GD-B1, GD-B3, KPI B1.1, KPI B3.2









Why being a good employer matters to us

To realise our vision of becoming one of the world's greatest service brands, we strive to be one of the world's greatest employers who fosters a positive work culture, values diversity and inclusion, invests in employee development and training, and recognises and rewards employee contributions competitively, so our employees feel trusted, empowered and proud. We seek to create a culture that is Thoughtful, Progressive and carries a Can-do spirit.

2024 performance highlights













Our approach

In 2024, Cathay continued the strong momentum of our rebuild journey where we recruited and trained around 7,000 new employees. The group headcount has now reached over 30,000, reflecting our commitment to attracting, developing and retaining high-performing talent.

Engagement remains a priority. We continue to listen to our people through different employee channels. We are also committed to improving our employees' experience by implementing meaningful improvements such as enhancing our policies and benefits related to employee travel and many other flexible benefits.

Recognising the importance of a positive and healthy work environment, we have revitalised our Wellbeing@Cathay strategy, which focuses on offering holistic, all-year-round resources and support for employee physical, mental, occupational, environmental and financial wellbeing.

Human capital management

Our human resources management aligns with our <u>Code of Conduct</u>, which clearly demonstrates our commitment to treat all employees fairly and equally, and to be an equal opportunity employer. We ensure all HR policies are applied consistently across the organisation and evolve policies and practices to remain a leading employer in Hong Kong and markets we operate in. The Code of Conduct is reviewed regularly by relevant departments in keeping with the expectations of the Group and our stakeholders.

Our Code of Conduct provides our employees with guidance on how to conduct themselves in an ethical manner whilst employed by the Group. It also sets out our commitment to make ethical decisions on issues that affect our employees, customers, business associates, community neighbours and the general public. Our Code promotes the following principles:

- Upholding all applicable legal and corporate occupational health and safety standards
- Forbidding any breach of employment law or the use of child or forced labour
- Reporting unacceptable conduct to line management or the business unit head
- Zero tolerance to bullying and harassment
- Complying with any applicable legal requirements concerning the collection, holding, processing, disclosure and use of personal data
- Respecting intellectual property rights, including copyright

In 2024, we celebrated many achievements and successes, which are only made possible by our people. It is their hard work and dedication that enable us to move beyond boundaries and I would like to extend my deepest gratitude for their continued commitment.

Further to the successful introduction of our new "Plus One" travel policy, we look to further elevate our employee experience to create a better Cathay that all are truly proud to work for.



Cathay Pacific Airways Limited 99 Sustainability Report 2024

Our <u>Human Rights Policy</u> outlines Cathay's commitment to creating a working environment where human rights are at all times protected and which focuses on ensuring the dignity, respect and well-being of individuals. Standard working hours are clearly defined and communicated to employees, while all overtime is carefully assessed and monitored to prevent excessive working hours. In 2024, we reviewed and refreshed this policy to ensure that it continues to reflect best practice standards.

We also have an Internal Vacancy Policy in place, providing a framework to assist in the overall handling of internal vacancies and promotion.

Our Annual Talent Review cycle covers management by objectives, with the option to seek multidimensional feedback, and is able to facilitate agile conversations.

During 2024, there were no convictions for non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, or other benefits and welfare that would have a significant impact on the Group.



Major initiatives in 2024

The workforce of the future will rely upon digital connectivity, accessible information and a workplace that offers flexibility that supports the individual needs of its people. We continue to make progress to improve our employee experience as we rebuild Cathay.

Cathay Culture Journey

Our three culture values – Thoughtful, Progressive and Can-Do – are what truly set us apart as a company and bring us closer as a team. The Cathay Culture Journey, championed by our leaders, was created to help our people understand and connect with our values and guiding principles. The programme comprised videos, case studies, tips and resources that illustrated the meaning behind each value and guiding principle. A highlight of this journey is the Cathay Leadership & Culture Keynote Series, where influential leaders from different industries share their personal stories and insights on how these cultural values have shaped and influenced their professional and personal journeys.

Enhancing our employee travel benefits

Our Employee Travel Benefits are among the most exciting perks for many of our people working at Cathay. In 2024, we unveiled a progressive update to our travel policy which allows all eligible employees, regardless of marital status, to nominate a "Plus One" travel companion. We are excited about this positive step forward as it introduces greater inclusivity, consistency and flexibility to our travel benefits for everyone – whether married, single or in a domestic partnership.

Work Your Way

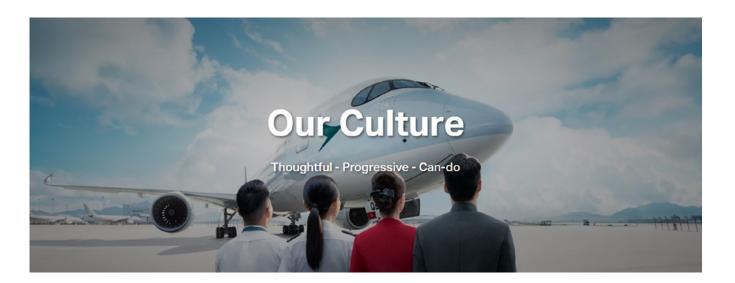
Our flexible working programme, Work Your Way, continues to be extremely well-received amongst our non-operational employees, both within Hong Kong and globally. Employees can work remotely for up to two days per week or stagger their working day around a schedule that suits their needs, but with much greater flexibility than before. In 2024, we reviewed and refreshed this programme based on insights gathered from the survey on flexible working, as we continue to support hybrid working to allow our employees to better achieve work-life balance.

Providing flexible benefits

Our employee benefits scheme, Flexible Benefits, continues to be a valuable part of our employee experience. Flexible Benefits is designed to give flexibility and choice when it comes to selecting the benefits that suit employees' and their families' needs. It provides employees access to medical plans, dental cover, preventive care, complementary therapies, insurance, retirement plans and additional annual leave purchases for ground employees.

Making improvements by listening to employee needs

Cathay has always maintained clear and open communication channels with our employees. Gathering feedback directly from our people is the most effective way to identify their different needs. In 2024, we have continued to review and enhance our policies and guidelines to better recognise the needs of our employees. It includes extending the retirement age for our Hong Kong-based cabin crew to age 60 to align it with the rest of our customer-facing employees.



Employee relations and engagement People Engagement Survey

Our People Engagement Surveys help our leaders understand colleagues' job satisfaction, sense of purpose, level of happiness and stress, and identify where improvements could be made to further enhance our employee experience..

Along our rebuilding journey, understanding our colleagues' perspectives takes on added emphasis. In 2024, we conducted three surveys: two Pulse Surveys which took place in March and July, and our more comprehensive Annual People Engagement Survey in November.

More than 13,200 colleagues participated in the Annual People Engagement Survey, representing a response rate of 64% compared to 60% in 2023. Across the company, we achieved a People Engagement Index score of 81%, a 17% increase as compared to 64% in 2023.

The increase in the People Engagement Index score was unanimous across all employee groups, with cabin crew and flight crew seeing the most significant improvements, reflecting the growing optimism in the company and our industry as well as initiatives taken to address employee feedback over the past year.

Our Team Net Promoter Score also improved significantly, with a score of 41.6 compared to -15.1 in 2023, a 56.7 increase. This significant turnaround shows confidence and the sense of pride in Cathay amongst our employee groups.

A digitally enhanced employee experience

In 2024, we revamped our Annual Talent Review cycle by launching a dynamic, all-in-one platform that combines performance management, talent development and learning. With this one-stop shop, our people can now complete their talent review, manage their career path and track their learning progress all in one place. By consolidating these key functions, we have created a streamlined and efficient system that not only supports and tracks the progress of our people's development and growth, but also empowers our employees and their managers to excel in their roles.



Recognising and rewarding our people

Our recognition programme, Work Well Done, ensures our people feel valued and appreciated for the work they do. We equip our senior leaders with recognition toolkits consisting of lounge passes and upgrade vouchers to recognise anyone across the business, for doing something excellent or consistently displaying role model behaviour. Our corporate values of Thoughtful, Progressive and Can-do are tied to our recognition programme through our Work Well Done portal and annual awards.

Our annual Niki and Betsy Awards celebrate the legacy of Cathay's first two aircraft that took us to the skies in the 1940s. The true spirit of the awards has been, and will always be, to shine a spotlight on all the remarkable work which demonstrates Cathay's strong culture and values. This year, we refreshed the awards to align the categories with our Thoughtful, Progressive and Can-do values so that each of the final winning stories represent the best of Cathay and truly brings to life an important value of our culture. We received more than 2,000 uplifting nominations on our Work Well Done recognition platform, and from these we selected six winning stories representative of each of our Thoughtful, Progressive and Can-do values for a total of 18 awards

Our Long Service Awards

The Long Service Awards programme is a long-standing tradition at Cathay, where thousands of people are recognised each year for reaching long service milestones starting at 10 years and at five-year intervals thereafter. In 2024, we

proudly presented over 1,500 long-service awards to our longer-serving colleagues in appreciation of their unwavering dedication and loyalty. We also hosted six ceremonies for those who reached 30 and 35 milestone years of service, with a special sit-down dinner for the incredible few who reached

the milestone of 40 years and above. This year, to make the celebrations even more memorable, we invited the awardees and their special loved ones to join the celebrations and share the joy of the momentous occasion.



Engagement events and activities

Our leaders continued to connect with our people, providing updates on our business through regular town halls. We started the year with the Move Beyond Conference where our leaders convened and planned the way forward to move Cathay to greater heights. This was followed by the quarterly Business Check-In meetings where we shared our business progress with our people, and the Quarterly General Manager Meetings where leaders shared strategic updates and discussed opportunities to move forward.

As part of our pilot engagement efforts, we continue to promote open communication through special interest groups alongside different online and offline platforms, allowing pilots to drive meaningful changes that matter the most. Based on feedback collected, we have implemented new enhancements that offer pilots more opportunities to influence their rosters.

We also engaged our ground employees through a series of fun-filled activities on-site, online and around the world. These included festive celebrations such as the Chinese New Year, Mid-Autumn Festival and Christmas, special campaign launches, milestone achievements and other interactive activities. Game booths, movie screenings and giveaways were common sights within Cathay City.

CASE STUDY



Bonding through action: Cathay Olympics

To capture the spirit of the Olympics, we hosted our first-ever Cathay Olympics this summer in order to promote holistic wellbeing among our people. Taking place over two weeks, the event brought together over 270 participants competing in 70 matches, showcasing their athletic talents, camaraderie and sportsmanship. Beyond the competitive matches, we also engaged over 1,800 employees in fun challenges and wellness activities.





Bring Your Kids to Work Day

Held at Cathay City, the event welcomed 120 colleagues and their little ones for an afternoon with exciting activities and exclusive prizes. With two sessions to accommodate all participants, the event featured an Easter egg hunt and a Paint Your Own Rugby Ball workshop in celebration of the Hong Kong Sevens that took place this year. The Cathay Bring Your Kids to Work Day is the first in a series of similarly themed events that we have currently planned. We look forward to bringing in more family support programmes in the years ahead.





Strengthening our employee relations

Our focus is on engaging our employees directly, by providing a number of platforms for our employees to give us feedback. We listen closely to the voices of our people and respond to any employee support cases where required. In our operational departments, we are getting our employees directly involved in our projects and influencing business decisions. We recruit frontline employees, including aircrew into leadership and engagement positions and use various pilot forums as sounding boards.

Attracting and developing talent

We continue to improve our people strategies to attract the best talent in the market. We also provide competitive remuneration packages to attract and retain talent and offer timely and relevant development opportunities for our people throughout their career with us.

One of the key initiatives that has been rolled out is our Career Accelerator Programme for high potential talent. This programme consists of personalised development plans, customised training and mentorship programmes to help participants develop and progress to their aspired roles in Cathay.

166 hours
of training per employee on
average annually, which means
over 20 working days per employee

HK\$ 698 million total investment on training, which means over

HK\$ 33,600 spent per employee

*Training data covers Cathay Pacific full-time employees only

Meanwhile, we work with the Hong Kong Labour Department and various NGOs to promote our job roles to ethnic minority and disability groups.

Average hours of training per employee by employee category

Employee category	Average hours of training in 2024
Individual Contributor	308
Team Leader	131
Operational Leader	131
Strategic Leader	105

Average hours of training per employee by gender



Male employee:

169_{ho}



Female employee:

305 hours

Cathay Academy

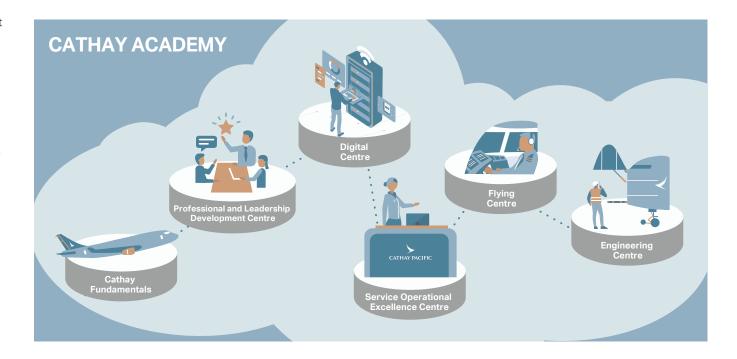
Cathay Academy encompasses all learning and development functions within Cathay and impacts the learning of frontline teams and all employees. Cathay Academy champions a culture of continuous learning and improvement – one that leverages technology to enhance scalability while ensuring every approach is tailored to individual learning needs. By bringing all learning functions together, we endeavour to consolidate our efforts in learning development so that all learning functions benefit from enhanced trainer capabilities, learning technology and comparable performance measurements.

Significant increase in training to support business rebuilding efforts

Cathay Academy has responded to the growing business demands by scaling up our operational training volume. We have resumed a significant number of Hong Kong-based training programmes to meet the needs of our expanding operations. However, we understand the importance of continuously improving the learning experience for our employees.

To achieve this, we have embraced digital technologies and innovative approaches. We have integrated gamification elements into our training programmes to make them more engaging and interactive. By incorporating game-like features, we enhance the learning experience and promote active participation.

Furthermore, we have redesigned our training modules to ensure they are scalable and adaptable to our growing needs. This redesign process involves re-evaluating the content, delivery methods, and learning materials to match the increasing demands placed on our operational training.



Developing our talent

Our talent development philosophy extends throughout all levels of our organisation as we look to take budding talents and give them the wisdom, knowledge and opportunities to rise through our leadership hierarchy. Amongst our training programmes, some common learning methods include coaching or mentorship as well as provision of different support networks.

TRAINING PROGRAMME **BRIEF DESCRIPTION** Open to anyone seeking professional growth, we offer a selection of courses designed to encompass essential skills and competencies. These courses are CORE designed to help unleash our people's potential and flourish in their career at **CURRICULUM** Cathav. Percentage of applicable Cathay Pacific people participating: 2% For team leaders and managers aspiring to elevate their skills, we offer a range of leadership courses aimed at supporting your journey to becoming a more **LEADERSHIP** effective people leader. **CURRICULUM** Percentage of applicable Cathay Pacific people participating: 6% It is tailored to develop the skills and capabilities of service professionals across various domains, including airport services, cargo services, customer care, and **OPERATIONAL** inflight services. The courses develop safety and regulatory knowledge, and **EXCELLENCE** job-specific expertise they need to excel and uphold the airline's unparalleled **CURRICULUM** reputation for the highest safety standards, as well as operational excellence. Percentage of applicable Cathay Pacific people participating: 90% To realise our ambition of becoming one of the world's greatest service brands and achieve service excellence, this curriculum aims to various learning modalities SERVICE focus on preparing our frontline teams' mindset for personal and professional **EXCELLENCE** growth, equipping them with customer centric knowledge and skills to build a CURRICULUM positive relationship with our customers. Percentage of applicable Cathay Pacific people participating: 11%

Our programmes offer a comprehensive approach to developing leaders and enhancing organisational performance. By improving leadership effectiveness, we inspire and motivate employees, leading to better decision-making and organisational success. Through succession planning and talent pipeline development, we prepare motivated individuals for future leadership roles, ensuring smooth transitions and sustainable growth. Additionally, our tailored training programmes improve job performance and productivity, uphold the highest safety standards and cultivate a customercentric approach, resulting in positive relationships, customer satisfaction and a competitive advantage.

To better measure our programme effectiveness, we conducted pre- and post-course surveys as trials to compare self-rated learning effectiveness before and after classroom training. Such metrics will enable us to track and measure the impacts of our training and development programmes.

Career programmes

We also offer a range of programmes to build employee competencies and careers based on their job nature in the following areas:

CAREER CHOICES	BRIEF DESCRIPTION
MANAGEMENT TRAINEE*	A career-long rotational management programme centrally coordinated by Swire to develop the next generation of business leaders. This programme consists of classroom training, workshops, and attachments to different units of our business within and outside of Hong Kong. There is also an annual Swire Summer Internship Programme which creates a pipeline of high-calibre talent for this programme.
EARLY CAREERS PROGRAMME	A suite of graduate trainee programmes which aims to develop fresh graduates and accelerate their careers in Cathay. Participants receive a comprehensive and well-structured learning curriculum; both technical and functional, as well as on the job experience and rotation across different sections. Key streams are Engineering, IT & Digital, Cargo and Legal. In addition, an eight-week internship is also offered each year during the winter and summer periods for university students who are interested in the Engineering, IT, and Digital fields.
CADET PILOT	A sponsored world-class 55-week programme at a specialised facility in Australia aimed at training and qualifying participants as commercial pilots for entry into the company's pilot force.
CABIN CREW	A comprehensive safety and service induction training programme to be qualified as a cabin crew. Our team are safety officers, caring team players and ambassadors for Hong Kong.
CUSTOMER SERVICES OFFICER	A 12-month development programme designed to equip our customer service officers with the skills to work across the roles in an airport environment taking care of our customers both at check-in and during aircraft boarding and disembarkation.

 $[\]hbox{*More information is available on $\underline{\tt https://careers.swire.com/en/careers/swire-management-programme}$}$



Our Leadership Development Programme – Cultivating and Empowering Excellence among High-Performers

To empower and cultivate our future leaders of tomorrow, Cathay continued to invest in our people through our Leadership Development Programme this year. Delivered in collaboration with the University of Hong Kong Executive Education, the 9-month leadership programme aims to enhance the skills and capabilities of high-performing employees across various levels. The programme comprises four modules covering topics such as setting directions and strategic mindset, leading and engaging teams, driving business performance and stakeholder engagement. This year, 100 participants were nominated and selected through the Career Accelerator Programme, identified as high performers to participate in the programme.





Our Chinese Service-related Programme

Given Cathay's unique positioning when it comes to service delivery, we launched two new courses – Chinese Culture Workshop ("CCW") and Chinese Service Language ("CSL") – for better equipping our team to meet the needs of our Chinese-speaking passengers.

In collaboration with Civil Aviation Flight University of China, the CCW successfully engaged 740 participants in two months, immersing them in Chinese traditional culture and service philosophy to foster a sense of connection with our diverse clientele. Similarly, the CSL programme reached 750 individuals in the same timeframe, focusing on refining their professional service language skills to ensure effective communication and exceptional service.

Supporting local employment

We recruit locally for our operations 84% of our people are employed in Hong Kong. If the required skills are available locally, we prioritise the local labour market before searching internationally. Vacancies are first opened internally to our people, then to the local community, and finally overseas. Our commitment to supporting local employment in Hong Kong is demonstrated through our target of increasing the proportion of local Hong Kong pilot cadet recruitment to at least 50% of all new pilot intake in the years ahead.

Employee welfare and wellbeing Wellbeing at Cathay

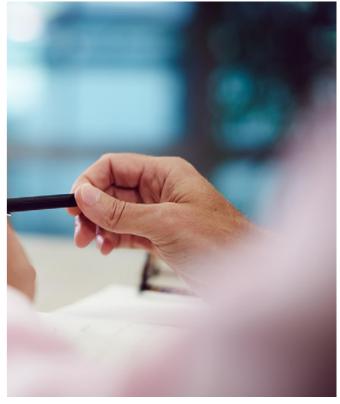
The health, safety and wellbeing of our people is a key concern of the Group. This commitment is reflected in our holistic strategy to address the different aspects of wellbeing, ranging from environmental and financial wellbeing to mental, occupational and physical health. Apart from organising different wellness events throughout the year, we also ensure access to appropriate resources specifically for employee support, which includes immediate assistance through our 24-hour crisis hotlines and referrals to relevant support networks.

Embedding support in our ways of working

We continue to support the Hong Kong Peer Assistance Network – PAN HK – an independent, confidential service using trained, volunteer pilots to support fellow flight crew members and their families.

Additionally, we offer in-house support through our Group Medical Department with aviation medicine-qualified doctors dedicated to supporting our pilots, as well as a company psychologist who provides mental health resources and quidance to our people.





Empowering wellbeing and resilience

Since 2011, the Hong Kong Employees Physical and Mental Health Survey has been conducted on an annual basis to gauge employees' overall well-being in the workplace. The survey revealed that 38.8% of respondents experienced high levels of work stress, with Hong Kong employees also faring worse than their global peers in other key well-being indicators/figures. These figures reflect a critical demand on relaxation-related wellbeing initiatives.

CASE STUD

In 2024, we focused on two key areas of wellbeing.

• Promote a psychologically safe workplace:

- Developed the Critical Incident Stress Management ("CISM") Guideline for managers, which is now accessible on the dedicated Hub page
- Engaged over 100 managers and leaders on mental health skills
- Organised three Mental Health First Aid ("MHFA") classes with 30 participants trained

· Build connections and a supportive community:

- Revamped the Wellbeing@Cathay Hub page which serves as a gateway to equip our people with essential tools and resources covering key aspects of wellbeing
- Organised a range of wellbeing initiatives such as Gut Health Awareness Day, Wellbeing Festival focused on mental health, Pink Day advocating for women's health and an ongoing calendar of monthly activities covering physical, mental, occupational, environmental and financial health. These events feature expert talks, educational information, experiential learning through game booths and health supplements



This year, the World Health Organisation chose an important theme for its World Mental Health Day: Mental Health at Work. Riding on this, we organised our Wellbeing Festival 2024 under the theme of "Healthy Habits Begin Here" to explore various aspects of wellbeing, from stress management techniques to the importance of work-life harmony. Through the month-long event, we aim to better integrate healthy practices into everyone's daily routines, especially in the workplace.

Diversity and inclusion

From translating cultural and social nuances to helping our passengers feel at home even when they are high above the world, we want our Cathay family to be as diverse as the communities we serve. As we expand our business to cover even more destinations, this diversity both externally and internally will only continue to grow. We are committed to becoming a progressive world-leading employer by protecting and celebrating the people who make us who we are today. To achieve this vision, we have a Diversity and Inclusion ("D&I") Office with full-time dedicated resources that are responsible for executing our overall D&I strategy. They work closely with our Employee Resource Groups ("ERGs") who advocate for

greater equity and inclusion in specific diversity dimensions. Our D&I Office and ERGs are accountable to the D&I Steering Committee which governs our approach to diversity and inclusion, and ensures we are progressing towards our goals.

While we have taken great strides in our D&I journey, we recognise there is always room to improve. This year, we completed an external D&I assessment led by the Swire Group to evaluate our progress on our D&I commitments. The assessment highlighted several key strengths while also identifying areas where we can further embed D&I into our culture, policies and processes and overall ways of working.



Our diverse and inclusive culture is something we are incredibly proud of at Cathay. It is a source of strength and a competitive advantage which will enable us to achieve our vision to become one of the world's greatest service brands.

As we continue to mature in our approach to D&I, it will only continue to serve us in delivering the best possible experience to our customers, business partners, and most importantly, our people.



Our Employee Resource Groups ("ERGs")

We currently have four ERGs that champion for greater equity and inclusion in the dimensions of gender, sexual orientation and gender identity, ethnicity, and different abilities. These groups are run by incredibly passionate volunteers who invest significant time and resources to connect with our diverse communities and ensure their needs are being represented when reviewing our employee experience practices.



Gender Equity Network

This advocates for eliminating barriers and biases across our business so that all genders have equal opportunities to reach their full potential.





Fly with Pride

This is a support and social network for both LGBT+ employees and allies providing a safe place to share experiences, socialise with colleagues, and find resources and support.





OneCathay Intercultural Network

This aims to build a workplace, both in Hong Kong and overseas, where people of all ethnic and cultural backgrounds are understood, respected, encouraged to collaborate, and able to learn from each other and grow together.





Ability to Fly

This focuses on building positive awareness and understanding of different abilities, promoting the inclusion of employees of all abilities, and partnering on the development of ability-inclusive policies and practices.



We strive to provide an inclusive and supportive work environment for all our people, regardless of their gender, religion, race, nationality or ethnic origin, cultural background, social group, ability, sexual orientation, marital status and family status or age. To ensure we create this environment, all new joiners and existing employees are required to undergo training and yearly refreshers to ensure we are all well versed on our policies on diversity and inclusion, non-discrimination, antibullying and anti-harassment.

Employees who feel they have been discriminated against, harassed and/or bullied can make a formal complaint to their line manager, the People Department or the Speak Up channel which can be used for reporting any wrongdoing and illegal activity. Any complaints made will be investigated in line with our Grievance Policy and if substantiated will be handled under our Disciplinary Policy.

In addition to being compliant, we also continue to drive a more inclusive environment through making our workplace more accommodating to people of all backgrounds. In addition to our existing gender neutral and accessible restrooms and multifaith prayer room, we have also upgraded our nursing room facilities, introduced more vegan, vegetarian and halal food options in our dining outlets, and introduced accessible seating in our canteen to support our employees with disabilities.



Inclusive Language at Cathay

CASE STUDY

We take pride in our diverse workforce, which comprises colleagues from many different cultures and speak many different languages. While we encourage everyone to feel comfortable speaking in their preferred language, we recognise that this can inadvertently exclude colleagues who do not share the same language. Furthermore, general words and expressions that we sometimes use in everyday conversation may subtly reinforce biases and stereotypes.

To address these challenges, we launched our Inclusive Language Guidelines this year, providing a framework for employees to learn how they can be more inclusive with their language while respecting and embracing the diversity of our workforce. The Guidelines offer practical guidance on how to use inclusive language in different settings, providing examples of non-inclusive language along with suitable alternatives that can be used instead. The guidance also includes tips on how to sensitively handle situations where exclusive language may be used and resources to help employees learn more about inclusive communication.







Advancing our diversity and inclusion goals

In our annual People Engagement Survey, we asked our people to share their perceptions of how diverse, equitable and inclusive Cathay is. On average, 81% of employees felt that our organisation was diverse, equitable and inclusive this year, which is an increase of 14% compared to last year. For the first time, we also invited employees to voluntarily disclose certain demographic information, such as ethnicity, gender and caregiving status. On average, 35% of respondents disclosed this data, which gives us a better indication of the diversity we have in our workforce and allows us to better tailor our initiatives.

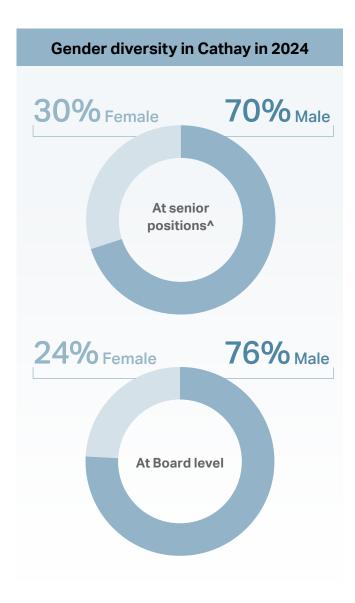
To improve our gender representation, we have set a goal to not have more than 65% of the same gender in senior positions by 2025 and 70% at the Board level by 2027. We are currently at 30% of women in senior positions and 24% of women on our board. Our Executive Committee also maintains equal gender representation.

We recognise that as women progress at work, they encounter unique systemic barriers that prevent them from fully thriving in their careers, such as insufficient support during parenthood or challenges related to health concerns during menopause. To address these issues, we have implemented tailored interventions designed to support our female employees at various life stages.

Some of the current practices and policies we have in place include:

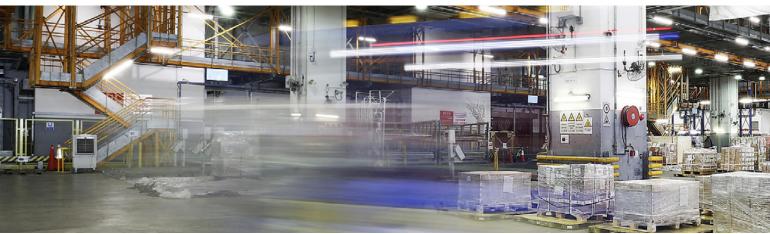
- 14 weeks of paid primary caregiver and 5 days of paid secondary caregiver leave available to all eligible employees in Hong Kong regardless of how they become parents (through natural birth, surrogacy or adoption)
- A Nursing Policy that offers paid nursing breaks as well as nursing rooms at both Cathay City and Cathay House
- Airport preschool, offered by the Airport Authority Hong Kong, which provides childcare services for children of all airport staff under the age of 3
- Menstruation and Menopause Guidelines that educate employees on women's health and offer guidance on how to seek and offer support to female colleagues that may have health concerns

[^] Senior positions refer to the job levels of General Managers and Directors at the Group.



OUR SUBSIDIARIES











HK Express

HK Express is Hong Kong's only low-cost carrier ("LCC") which strives to offer affordable fares and exceptional operational efficiency without cutting corners. Focusing on short-haul services and flying to undiscovered destinations that are desired by travellers, we provide 29 routes of low-cost air services in the Asia-Pacific region.

Our Sustainability Approach

At HK Express, we put our people first. Our 1,697 employees, made up of 720 cabin crew, 411 pilots and 566 office employees, are integral to delivering our customer-centric service. To responsibly manage our environmental footprints, we are committed to enhancing operational efficiency with the use of new, fuel-efficient aircraft. Additionally, phasing out inflight SUP and promoting separation for recycling remain our priority when it comes to waste reduction. On the social front, we continue to support our people and communities by assisting those in need while promoting sustainable tourism awareness among university students.

Greener Operations

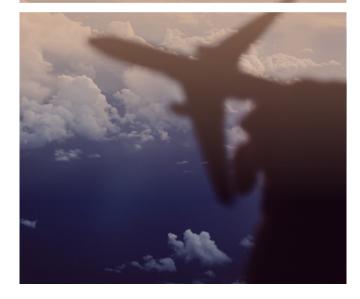
Carbon is a key concern of HK Express. We focus on fleet modernisation and operational efficiency to reduce our operational emissions. This year, a total of 8 brand new A321-neo aircraft has been introduced. Powered by new generation engines, they are up to 20% more fuel efficient than the older generations. On the ground, we have replaced our diesel vehicles with four electric alternatives and one electric tractor. Other decarbonisation measures include the deployment of FlightPulse® and regular engine core washing.

We also ride on our Customer Carbon Offset Programme to provide customers with an opportunity to offset their carbon footprint from air services. Through this voluntary programme, customers can better understand carbon emissions generated by their flights and address their carbon footprint via offset projects verified by Verra during the booking process.



This year, we launched an Earth Day campaign "You Offset, We Match"

where we matched carbon offset contributed by our customers to double up the eco-impacts. In total, around **72 tonnes** of carbon emissions were offset.



Materials and Waste

To incorporate circular economy principles into our flight operations, we have replaced non-recyclable SUPs with greener alternatives such as FSC-certified, eco-ink printed and compostable cutlery sets, airsickness bags, bamboo napkins, wooden stirrers and paper cups. As for cabin food waste, we continue to partner with Food Angel, Feeding HK and Green Price to donate surplus food to the underprivileged. Ambient meals are also currently served on board to reduce fresh meal wastage with a longer shelf life.

Our People and Community

HK Express has a keen focus on our people experience, engagement and wellbeing. Apart from supporting active employee participation in sports activities such as the HKIA Cycling and Rowing Competition, we continue to prioritise wellness-related programmes such as Flexiwork 2.0, Employee Wellbeing Initiatives and Employee Assistance Programme ("EAP").

Dedicated to nurturing the next generation of aviation leaders, we have put in place an AXIS Internship Programme

where high potentials will be seamlessly connected to our HORIZON Graduate Trainee Programme. Over the year, we continue to work closely with local institutions, including the Chinese University of Hong Kong ("CUHK") and the Hong Kong University of Science and Technology ("HKUST") to deliver guest lectures and business case studies on topics from our LCC business model to the future of aviation industry. Our efforts were well recognised with the Gen Z Attraction Award 2024 by The Hong Kong Institute of Human Resource Management and the Learning Rising Star Award by LinkedIn.

CASE STUDY

Gotta GO! Sustainable Explorer Challenge 2024

In 2024, we launched our first-ever "Gotta GO! Sustainable Explorer Challenge", which is designed to inspire local university students to create their own sustainable travel itineraries and learn more about sustainable tourism concepts. In collaboration with the CUHK, HKUST and NGO partner, the programme engaged over 200 students and received participation from more than 80 teams. Through workshops and competitive activities, students deepened their understanding of sustainability topics such as carbon footprint and sustainable tourism.

Two teams were selected to bring their ideas to life during a reward trip where they successfully implemented their proposed itineraries and embraced new sustainable travel habits. With the

huge programme success, we hope to continue to raise awareness of the importance of greener travel practices.







Air Hong Kong

Air Hong Kong is the longest serving dedicated freighter airline based in Hong Kong, operating express cargo services for DHL Express and cargo services for Cathay Pacific. The airline utilises a fleet of Airbus A300F and A330F, serving 14 scheduled destinations in Asia and several other ad-hoc charter destinations in Asia, Europe and Australia.

Our Sustainability Approach

As a freighter airline, our focuses are on the areas of climate change, safety and our people to ensure we operate in a sustainable and compliant manner. We continue to replace older aircraft with a newer, more fuel-efficient model alongside the implementation of various fuel-saving initiatives to reduce our carbon emissions. Our Safety Management Systems Manual sets out the policies and procedures pertaining to Safety Management System ("SMS") activity within Air Hong Kong. Furthermore, the Quality Management System Manual ensures compliance with the relevant regulations and company policies. We also aim to create an inclusive workplace for our employees and constantly monitor our environmental performance.

Climate Change

We maximise the cargo-carrying capacity on our journeys by flexibly deploying our fleet and replacing older aircraft with newer, more fuel-efficient models to improve fuel efficiency and reduce carbon emissions on our flights.

This year, we continue to implement various initiatives to improve efficiency initiatives while constantly exploring new opportunities to reduce our carbon emissions. Amongst other things, the full transition to the more fuel-efficient A330 aircraft is expected to be completed by mid-2025. Through the Fuel Forum Steering Committee, we also successfully enhanced our fuel efficiency, resulting in over 6,000 tonnes of carbon emissions were avoided in 2024.

Health and Safety

We fully comply with the designation conditions applicable to crew members of aircraft who need to commute to and from Chinese Mainland and foreign places for the performance of duties arriving at Hong Kong International Airport set by HKSAR Government. In 2024, we continue to enhance and expand our Fatigue Risk Management System ("FRMS"), ensuring our pilots are fully trained to safeguard our operations against fatigue.

Our People

Our business relies on the skill, experience and professionalism of our people. We therefore engage our people on a regular basis to ensure we are delivering for them as they are for our customers. In 2024, we achieved over the normal standard response rate for our staff engagement survey. Approximately 87% of the office employees respondents agreed or strongly agreed that they are proud to work for Air Hong Kong. Our results showed a highly engaged culture.



Cathay Cargo Terminal

Serving airlines operating out of at Hong Kong International Airport, Cathay Cargo Terminal is equipped to handle 2.7 million tonnes of cargo annually. Our vision is to become the world's best air cargo terminal.

Our Sustainability Approach

Sustainability at Cathay Cargo Terminal is governed by the Sustainable Development Steering Committee, chaired by the Chief Operating Officer and consisting of department heads from each function. The Committee meets regularly to formulate sustainability strategies and review areas of improvement.

Through building a strong corporate sustainability culture and integrating sustainability concepts into decision-making, our strategy strives to mitigate the social and environmental impacts of our daily cargo terminal operation. In March 2024, Cathay Cargo Terminal became one of the first cargohandling companies in Asia to achieve the IATA Environmental Assessment ("IEnvA") certification. This significant milestone demonstrates our unwavering commitment to environmental sustainability.

CASE STUD) Showcasing our commitment to environmental sustainability through IEnvA certification At Cathay Cargo Terminal, we have integrated best practices into every aspect of our operations from the terminal design to our daily procedures excellence.

in order to achieve a high environmental standard. This commitment was reflected by our successful achievement of the IEnvA certification, marking us the joint first cargo handling company in Asia to achieve this accreditation.

IEnvA is designed to evaluate the environmental sustainability management systems of aviation stakeholders, including cargo-handling facilities. By adhering to international standards and industry best practices, this programme offers

a rigorous framework for us to further enhance our sustainability practices towards operational



Carbon Emissions

Aiming to achieve a 55% reduction in carbon emissions by 2035 against a 2018 baseline, with the goal of reaching netzero by 2050, we are committed to minimising our impact on the environment and exploring innovation and technology for more efficient energy consumption in the terminal. This year, a terminal-wide lighting enhancement project was completed where we replaced 100% of regular lighting with LED lights. This represents an electricity saving of approximately 330,000 kWh annually, equivalent to around 128 tonnes of carbon emissions.



CASE STUDY

Advancing plastic circularity with our suppliers

Cathay Cargo Terminal has positioned ourselves as a pioneer cargo terminal in Hong Kong to close-loop all operational plastics. This involves recycling cargo cover sheets and wrapping films for further reprocessing into new sheets and films with recycled materials. To increase recycled content from 30% to 50%, we adopted a "Greener Together" approach, collaborating closely with our suppliers. New sheets underwent extensive lab testing and real-world trials with Cathay Cargo, ensuring their performance and reliability. Building on these positive results, we will continue to work with suppliers to explore higher levels of recycled plastic and alternative materials to further reduce our environmental impact.

In 2024, we launched sustainability supplier audits to assess their current practices and promote higher

levels of compliance with industry standards by encouraging them to obtain relevant certifications. For example, our recycled plastic cargo cover sheet supplier received the Global Recycled Standard certificate for their products supplied to us, reinforcing our commitment to responsible sourcing throughout our supply chain.



Materials and Waste

We actively monitor the consumption of single-use plastic ("SUP") items in our operation, seeking eco-friendly alternatives to divert materials from landfills where possible. Proper waste recycling and reuse is another key focus in our environmental management. Our annual waste diversion rate reached 40%, an increase of 172% compared to 2023. This improvement follows a holistic review and enhancement of our waste collection and recycling workflows, along with the addition of new facilities for recycling plastics, wood, paper and cardboard.

Cathay Cargo Terminal became the first cargo terminal in Hong Kong to adopt cargo cover sheets made up of 50% recycled plastic for all export cargo shipments built-up at its terminal (such recycled plastic coming from the 100% of used cargo cover sheets which Cathay Cargo Terminal recycles). This marks a significant advancement from the previous specification of no less than 30% recycled content, setting a new industry standard and reinforcing our commitment to circularity.

Health and Safety

Safety excellence is the cornerstone of our success and we are committed to providing a safe operational and working environment for all our people. All of our business partners, suppliers and contractors are expected to share our primary safety goal of zero harm.

One critical safety aspect is lithium-ion battery screening. To this end, our enhanced solution employs the latest Al technology on x-ray machines and well-trained screeners to accurately detect and identify lithium batteries in shipments, thereby reducing the risk of fire hazards associated with these potentially volatile items. In addition, we held our first 'Safety Excellence Conference' for all key suppliers and contractors in July 2024, to share expertise and experiences on topics relates to our safety culture and safety best practice.

This year, we received the Safety Management System Award (All Industries) – Gold, and the 5S Good Housekeeping Best Practices Award – Gold at the 23rd Hong Kong Occupational Safety and Health Awards. While we have maintained a strong record at these awards in the past, the Gold Award in the top category underlines our commitment to continuous improvement in safety management and our dedication to maintaining our position as a leader in safety and operational excellence.

Our People and Community

We aim to become an employer of choice by attracting, nurturing and retaining talent, cultivating a high-performing culture in a diverse and inclusive workplace where our people can excel. As part of our efforts to embrace equity, a Gender Equity Network was established to provide our people with a platform to engage in discussions on D&I-related topics.

We also launched our "Period Care" programme in October 2024. Initiatives include providing sanitary products in washrooms to ensure our female employees have access to necessary items, donating sanitary pads to NGOs, and organising a workshop about building a stigma-free workplace to encourage colleagues of all genders to foster a more inclusive and supportive workplace.

During the year, we supported the Group's I Can Fly Programme and the Hong Kong Logistics Association's "Logistics in your Eyes" programme, both with student visits and activities at the Cathay Cargo Terminal to nurture the next generation. During the year, volunteers from the Cathay Cargo Terminal also participated in elderly care activities with the Hong Kong Christian Association and participated in a coastal clean-up in Tai Tam Bay. Cathay Cargo Terminal was awarded a "Caring Company" award by the Hong Kong Council of Social Service for the sixth consecutive year.





Cathay Dining

As the principal airline caterer in Hong Kong International Airport, Cathay Dining operates one of the largest flight kitchens in the world.

In 2024, Cathay Dining provided flight-catering services to 49 international airlines in Hong Kong, supplied around 23.6 million airline meals and handled over 57,834 flights, representing an average of approximately 64,477 meals and 158 flights a day. We are supported by over 1,700 employees and resident contractors

Our Sustainability Approach

We see sustainability as vital to steer operational excellence, better utilise resources and ensure business growth. Our sustainability initiatives are governed by the Sustainable Development Steering Committee. Chaired by our Chief Executive Officer, this committee comprises a crossfunctional team of department heads, held responsible for sustainability strategy planning, implementation, monitoring and review.

Our primary focus is the safety and quality of our food. Our operations meet stringent aviation and international standards including Hazard Analysis and Critical Control Point ("HACCP"), ISO 9001:2015, ISO 14001:2015 and IATA's Inflight Catering Quality Assurance Programme. Company-wide systems and procedures are also in place to reduce the impacts of our business on the environment while supporting our people and the local community.

Carbon Emissions

We are committed to reducing carbon emissions in our operations. Our goal is to achieve a 55% absolute emission reduction by 2035 against the 2018 baseline, and eventually towards net zero emissions by 2050. We have adopted various decarbonisation strategies to bridge the gap between our targets and performance while transitioning to a low-carbon future, such as adopting electric vehicles, retrocommissioning, performing system upgrades and equipment replacement.





New warewash system for greener operations

Cathay Dining recognises the important role of machine efficiency in achieving our sustainability targets. This year, we successfully launched a large-scale revamp to upgrade our warewash system. On an annual basis, this new system is anticipated to reduce 1,625 tonnes of carbon emissions and save water consumption of around 40,000 m³. By investing in new warewash machines, Cathay Dining can further enhance operational performance as part of our ongoing commitments to environmental stewardship and sustainable practices.

Materials and Waste

Through collaboration and innovation, we reduce waste from production and inbound flights. Efforts are made to minimise waste generation in procurement, production and operational planning, to reuse and recycle materials as well as to enhance stakeholders' awareness of waste management.

Over the years, we have been collaborating with non-profit organisations such as Food Angel and Feeding Hong Kong to donate surplus food and beverage items to those in need in Hong Kong. In 2024, we contributed 336 tonnes of unconsumed food and drink, demonstrating our commitment to reducing waste and supporting our community. We also recovered a total of 816 tonnes of food waste through O·PARK1's waste-to-energy facilities in the reporting year. This amount represents a 35% increase compared to last year, reflecting our enhanced logistic workflow for food waste recycling implemented since April 2024.

Responsible Procurement

We strive to increase the proportion of sustainable products in our portfolio and encourage our supply chain to become more sustainable. We fully support <u>Cathay Sustainable Food Policy</u>. Where possible we actively avoid products that are not sustainably sourced as listed in the policy and advocate for sustainable consumption practices to our customers.

In 2024, we purchased around 351 tonnes of sustainable seafood, representing 70% of the total volume of seafood purchased. We also achieved 100% use of eco-friendly products in hygiene-related paper products and stationery paper products.

Our People and Community

Investing in human capital is critical to our success. This year, we have strengthened our talent development architecture with a series of training workshops to equip our people with essential skills to succeed in current and future roles. A total of 8,667 training hours was achieved for employees at all

levels of the company, representing an average of 5 hours per employee and a 31% increase in total training hours from 2023.

We also aim to create a work environment that fosters wellness, diversity and inclusion to support everyone's success. For example, we organised the Health Week 2024, offering free health assessments and distributing fruits to our employees. Additionally, we introduced a monthly birthday celebration to enhance workplace satisfaction, where birthday stars of the month will receive cards and vouchers as gifts.

Being recognised as a "20 years+ Caring Company", Cathay Dining sees community engagement as one of our core values. We continued to partner with various NGOs to organise volunteer activities to support those in need, including the elderly. This year, we launched the "Caring for Street Cats" initiative, extending our care to animals for the first time.



CASE STUDY

Recycle Right, Bin It Better

Cathay Dining launched a bin centralisation programme by replacing deskside bins at office with new recycling stations and centralised waste bins in order to enhance waste segregation and reduce contamination. Another highlight of this programme is to raise colleagues' awareness of sustainability through new signage and posters that provide guidance on proper waste sorting. Promotional activities were organised to highlight the importance of waste segregation.

This initiative not only streamlined waste management processes but also fostered a culture of sustainability among employees, reinforcing their role in contributing to Cathay Dining's environmental goals.





HAS by Cathay was established in 1995 to provide professional passenger services and ramp and cargo services to airlines at Hong Kong International Airport. These include loading and unloading of aircraft, baggage handling, cargo and mail delivery, ramp coordination, aircraft load control, aerobridge and passenger steps operation, Unit Load Device storage and crew transportation. We serve 29 airlines at Hong Kong International Airport with a fleet of over 2,800 ground support equipment ("GSE") and vehicles and over 2,800 employees.

Our Sustainability Approach

Our vision is to excel as a regional, full-service ground handling agent by putting safety first, creating value for our stakeholders, recognising the contribution of our employees and committing to sustainable development. Our Sustainable Development Steering Committee is responsible for governing the implementation of our Environmental and Sustainable Development Policy. Chaired by the Chief Executive Officer and supported by department heads or functional managers, the Committee drives improvement on our key focus areas. The application of the policy helps us operate sustainably with excellence, quality, efficiency and transparency.

Carbon Emissions

Fuel consumed by our fleet accounts for over 88% of our GHG emissions. We continue to implement our GSE and Vehicle Replacement Programme to modernise our fleet with more fuel-efficient options or electric vehicles.

To reduce the remaining carbon emissions stemming from building energy use, we have completed a major lighting enhancement project by installing 1,100 LED lights this year. This initiative is expected to save more than 160,000 kWh of electricity yearly, which is equivalent to approximately 63 tonnes of carbon emissions.





Electrifying fleet for more sustainable airport operations

This year, we proceeded to purchase 10 electric vehicles, including buses, light goods vehicles and private cars. This transition is expected to reduce our carbon emissions by approximately 100 tonnes on an annual basis. Looking ahead, we plan to expand our electrification efforts to cover more vehicles and GSE while also monitoring developments in alternative fuels. By decarbonising our fleet, we are taking meaningful steps to reduce our environmental impact and promote a greener airport operation.

Health and Safety

Safety has always been a focus that supports our purpose of moving people, baggage and cargo safely and efficiently at HKIA. Our commitment to providing a secure workplace for all stakeholders is reflected in our diverse safety initiatives, which cover aviation and operational safety, vehicle safety, heat stress prevention and risk assessment.

A Heat Stress Prevention Campaign were organised this summer. This included roadshows to remind employees about the importance of hydration, identifying heat stress symptoms, and promoting safe working practices during hot weather. We also distributed sunblock items, water bottles and free iced drinks to further support our employees' health and comfort.

We also carried out various safety campaigns to promote the health and safety of our people and raise their safety awareness. For example, we introduced the Accident Risk Management Solution, an advanced Al system that monitors driver behaviour in real time and delivers instant alerts for any misbehaviours, and the Pristine Condition Manual Handling Training to enhance workplace safety and improve employee knowledge and skills on manual handling operation.

Our People and Community

Being a good employer enables us to attract talents, retain skilled employees, and develop their potential. We invest in employee training and development and recognise employees for their contribution to our success in areas including customer service excellence.

We developed a comprehensive Passenger Services Operational Leadership Programme to deliver exceptional training on customer services. This serves to equip our people with in-depth knowledge of operational processes, regulations and coaching skills. Our commitment to nurturing operational leaders was recognised by receiving the "Excellence in Performance Improvement Award" at the HKMA Award for Excellence in Training and Development 2024.

This year also marked the 20th Anniversary of our HAS Dynamic Volunteering team. It was also the first time we were named the "20 years+ Caring Company" by the Hong Kong Council of Social Services, recognising our commitment to caring for the community.



Introducing Mobile Rest Container

In June 2024, we introduced a new air-conditioned Mobile Rest Container specifically designed for employees of ramp services, who are often exposed to extreme weather conditions, to rest and recuperate. Equipped with air conditioning, water dispensers and a rest area, the Container provides a dedicated space for breaks during shifts, ensuring they can cool down and hydrate. This setup offers essential recovery from heat exposure and helps prevent heat-related illnesses.



Implementing Seatbelt Reminder Monitoring System

To ensure a secure travel experience for all, we rolled out a new Seatbelt Reminder Monitoring System on our shuttle buses, making us the first operator at Hong Kong International Airport to introduce such safety initiative. The system features a real-time display highlighting occupied seats with unsecured seatbelts and includes trilingual audio announcements to effectively remind passengers of fastening their seatbelts before the journey begins.





Vogue Laundry offers a comprehensive laundry and drycleaning service for airlines and hotels. Started as a dry cleaner in 1964, Vogue Laundry has grown to be one of the major leading commercial laundry companies in Hong Kong. We employ about 400 people and serve 27 aviation customers and 33 hotel and club customers. On average we deal with 211,000 production pieces a day, equivalent to 70 tonnes of laundry.

Our Sustainability Approach

Vogue Laundry strives to make sustainability part of our business, focusing on quality, health and safety as well as environmental protection with our carbon reduction and waste management efforts. Our commitment to sustainability is overseen by the Sustainable Development Steering Committee. Led by our Chief Executive Officer, this crossfunctional team comprises department heads responsible for sustainability strategy planning, implementation, monitoring and review.

At Vogue Laundry, we strive for high product quality and continuous improvement in our operations. Through the application of lean manufacturing, we optimise the operational processes and encourage cross functional collaboration so as to improve performance by systematically reducing energy usage, water usage and waste generation.

Carbon Emissions

Vogue Laundry considers environmental impacts from building design to our daily operations. Our plant at Yuen Long is the biggest and most automated laundry in East Asia, certified with BEAM Plus Gold standard. The building is furnished with energy-saving equipment and water treatment facilities. Utility metres have been installed at the machine level and integrated with the building management system. This enables real-time tracking of energy use for identifying inefficiencies, optimising system performance and implementing targeted strategies to reduce carbon emissions.

To reduce vehicle fuel consumption, we are replacing our fleet with fuel-efficient options and electric vehicles. We also optimise route efficiency through regular reviews and GPS tracking to enhance our ability to monitor and improve transportation efficiency in line with our sustainability goals.



Our sustainability performance was well-recognised by garnering the *Gold award* in the *Manufacturing and Industrial Services*sector at the 2023 Hong Kong Awards for Environmental Excellence.



We strive to minimise waste generation, especially SUP, in our operations. Through different initiatives, including educational workshops and engagement activities, we aim to raise employee awareness of waste reduction and encourage sustainable practices. This year, we have introduced a series of changes to reduce SUP usage. Key initiatives include:

- Improving the packing method for linens and garments. Our goal is to extend this method to all hotel customers in 2025, which is expected to achieve a 10% reduction in SUP usage once fully implemented.
- Shortening the length of garment packaging, resulted in an annual SUP reduction of around 12% for hanging garments.
- Reducing the use of packing accessories, such as clips and cardboard, for garment packaging.

Transitioning plastic packaging materials to up to 50% recycled content

As a leading commercial laundry in Hong Kong, Vogue Laundry is committed to exploring innovative solutions that align with our sustainability goals. To reduce the use of virgin plastic, we have transitioned our laundry packaging to materials containing up to 50% recycled content, except for products destined for regions with specific legislative restrictions on packaging materials. This initiative effectively balances customer satisfaction with our sustainability commitments.

STUDY

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While there is a trade-off between the level of recycled content and the quality of packaging bags, we conducted extensive testing and trials to ensure we maintain high standards of service after adopting these new materials. We have been collaborating closely with our suppliers to ensure

they share our sustainability vision, further reinforcing our commitment to responsible sourcing practices throughout our supply chain. We have also conducted supplier audits to evaluate their sustainability practices and promote greater compliance with international standards, such as Global Recycled Standard, thereby enhancing sustainability throughout our supply chain.



Collaborating with hotel customers to phase out disposable plastic packaging

We recognise the importance of collaboration in achieving our sustainability goals. This year, we launched a new partnership programme with hotel customers, which aimed at phasing out plastic packaging for guest laundry services. We successfully eliminated disposable plastic packaging and all associated accessories with newly designed reusable laundry bags for two pilot hotel customers. Riding on this successful pilot, we plan to extend this programme to other hotel customers. By sharing best practices with our corporate partners and working together on green initiatives, we look to broaden our sustainability efforts and influence customers in a positive way.



Health and Safety

Safety is our first priority at Vogue Laundry. We adopt ISO 45001 as an integral part of our business performance. We are committed to driving an occupational health and safety ("OH&S") culture by developing and applying an effective OH&S system with standards and practices appropriate to the risks and opportunities associated with our business activities.

Our employees at the plant handle machinery, chemicals and systems during their daily tasks. To ensure their safety and well-being, we regularly conduct training sessions, seminars and awareness campaigns focused on best practices, hazard recognition and proper safety protocols. Additionally, our leadership team takes an active role by leading site walks and steering committees aimed at fostering a culture of safety, identifying potential risks, and implementing effective measures to enhance workplace safety.

We also conducted a Safety Climate Survey to collect employees' feedback on safety and health matters. This serves as an indicator of our organisation's current safety culture and reflects the current level of our safety practices. By conducting this survey, we aim to understand our employees' attitudes and commitment towards OH&S as well as provide additional suggestions on how to improve safety, which help us strengthen our OH&S management and performance.

Further to the unfortunate fatal accident occurred in September 2023, we have implemented appropriate mitigation and prevention measures, including the installation of guardrails for all trucks, issuance of operational guidelines to ensure safe loading and unloading, and enhanced frontline supervision, monitoring and training. Further details can be found in the Compliance with laws and regulations section.

Our People and Community

Caring for our people and the community remains a core value. We are committed to maintaining strong community relationships by engaging in various community projects with our services and time.

Vogue Laundry is the first laundry company in Hong Kong to sign the "EMployment Friendly Charter" as our way to provide equal job opportunities for ethnic minorities and foster an inclusive work environment. Our commitment to diversity and inclusion was recognised by garnering the Inclusive Employer Award under the DEI@Work project.

In the community, we are dedicated to supporting individuals with special abilities in their transition to employment. We also assist individuals with disabilities by providing training and outsourcing linen items to sheltered centres. In partnership with the Hong Kong Family Welfare Association, we also offered free laundry services and sponsored programmes for those in need, including unique experience like horse racing and noodle-making.



2024 KEY PERFORMANCE INDICATORS

Economic indicator table

INDICATORS	2024 HK\$M	2023 HK\$M	2022 HK\$M
Direct economic value generated*			
Revenue	104,371	94,485	51,036
Finance income	841	1,228	165
Shared of profits of associates	331	(1,534)	(6,677)
Economic value distributed			
Operating Expenses	91,194	81,486	47,565
Staff Expenses	16,840	14,785	10,646
Payment to providers of capital	8,340	6,729	3,074
- Finance charge	3,897	3,961	3,074
- Dividend paid - to the shareholders of Cathay	4,443	2,768	-
- Dividend paid - to non-controlling interests	-	-	-
Payments to government (Taxation)	1,315	1,068	(507)
Community investments including charitable donation			
- Direct payment	5	1	2
- In the form of discounts on airline travel	3	5	4
Economic value retained			
Profit/(loss) attributable to the shareholders of Cathay	9,888	9,789	(6,623)

^{*}More financial data can be found in our Annual Report 2024 p.75-76.

Emissions - Cathay Pacific and the material subsidiaries

INDICATORS	Units	2024	2023	2022
Scope 1*	tCO ₂ e	14,083,146	11,574,068	5,349,881
Scope 2 (market-based) *	tCO ₂ e	49,405	45,812	40,442
Scope 2 (location-based) *	tCO ₂ e	85,046	79,188	70,564
Scope 3	tCO ₂ e	9,462,035	5,939,000	5,205,000
Scope 1 and 2 (market-based) *	tCO ₂ e	14,132,551	11,619,880	5,390,323
Scope 1 and 2 (location-based) *	tCO ₂ e	14,168,192	11,653,256	5,417,925
Scope 1, 2 and 3 (market-based)	tCO ₂ e	23,594,586	17,558,880	10,595,323
Scope 1, 2 and 3 (location-based)	tCO ₂ e	23,630,227	17,592,256	10,622,925
Net Scope 1*§	tCO ₂ e	14,048,971	11,562,467	5,312,690
Net Scope 1 and 2 *§ (market-based)	tCO ₂ e	14,098,376	11,608,279	5,353,132
Net Scope 1 and 2 *§ (location-based)	tCO ₂ e	14,134,017	11,641,655	5,380,734
Net Scope 1, 2 and 3§ (market-based)	tCO ₂ e	23,560,411	17,547,279	10,558,132
Net Scope 1, 2 and 3 [§] (location-based)	tCO ₂ e	23,596,052	17,580,655	10,585,734

^{*} Data verified by Deloitte.

Note: According to the <u>GHG Protocol Scope 2 Guidance</u>, a market-based method reflects emissions from electricity that companies have purposefully chosen. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data.

[§] Net Scope 1 emissions are calculated based on our gross Scope 1 emissions and then subtracting any certified SAF derived carbon emission abatement and any other carbon abatement financed by the Group, including the carbon offset for our duty travels and for promotional campaigns in which we had financed the carbon offset for customers' travels on our flights.

Emissions – Aircraft operations

Units	2024 ^{+#@}	2023+#@	2022+#@	2021+#@	2020**#@	2019**#@	1998
million	27,177	23,113	11,092	12,308	15,587	34,791	10,857
million	18,947	16,369	7,857	9,268	10,876	25,362	7,213
million	104,496	81,454	15,435	4,126	21,136	143,832	40,679
thousand tonnes	4,458	3,660	1,690	1,904	2,386	6,130	2,343
grammes / ATK	164	158	152	155	153	176	216
% improvement since 1998	24.0%	26.6%	29.4%	28.3%	29.2%	18.5%	0.0%
grammes / RTK	235	224	215	204	219	242	325
% improvement since 1998	27.6%	31.2%	33.8%	37.2%	32.5%	25.5%	0.0%
litres / RPK*100	4.11	4.01	6.82	26.68	7.73		
litres / RTK	0.21	0.21	0.21	0.18	0.15	-	-
thousand tonnes in CO ₂ e	14,042	11,528	5,332	5,997	7,513	19,311	7,380
% change from previous year	21.8%	116.2%	-11.1%	-20.2%	-58.3%	7.3%	_
grammes / ATK	517	499	480	487	482	555	680
% improvement since 1998	24.0%	26.7%	29.4%	28.3%	29.1%	18.5%	0.0%
grammes / RTK	741	704	677	647	691	761	1,023
% improvement since 1998	27.6%	31.2%	33.8%	36.8%	32.5%	25.5%	0.0%
kg/RPK	0.10	0.10	0.17	0.67	0.19	-	-
kg / RTK	0.54	0.53	0.52	0.46	0.38	-	-
	million million million thousand tonnes grammes / ATK % improvement since 1998 grammes / RTK % improvement since 1998 litres / RPK*100 litres / RTK thousand tonnes in CO ₂ e % change from previous year grammes / ATK % improvement since 1998 grammes / RTK	million 27,177 million 18,947 million 104,496 thousand tonnes 4,458 grammes / ATK 164 % improvement since 1998 24.0% grammes / RTK 235 % improvement since 1998 4.11 litres / RPK*100 4.11 litres / RTK 0.21 thousand tonnes in CO2e 4.042 % change from previous year 21.8% grammes / ATK 517 % improvement since 1998 24.0% grammes / RTK 741 % improvement since 1998 27.6% kg / RPK 0.10	million 27,177 23,113 million 18,947 16,369 million 104,496 81,454 thousand tonnes 4,458 3,660 grammes / ATK 164 158 % improvement since 1998 24.0% 26.6% grammes / RTK 235 224 % improvement since 1998 27.6% 31.2% litres / RPK*100 4.11 4.01 litres / RTK 0.21 0.21 thousand tonnes in CO2e 14,042 11,528 % change from previous year 21.8% 116.2% grammes / ATK 517 499 % improvement since 1998 24.0% 26.7% grammes / RTK 741 704 % improvement since 1998 27.6% 31.2% kg / RPK 0.10 0.10	million 27,177 23,113 11,092 million 18,947 16,369 7,857 million 104,496 81,454 15,435 thousand tonnes 4,458 3,660 1,690 grammes / ATK 164 158 152 % improvement since 1998 24.0% 26.6% 29.4% grammes / RTK 235 224 215 % improvement since 1998 27.6% 31.2% 33.8% litres / RPK*100 4.11 4.01 6.82 litres / RTK 0.21 0.21 0.21 thousand tonnes in CO_2e 14,042 11,528 5,332 % change from previous year 21.8% 116.2% -11.1% grammes / ATK 517 499 480 % improvement since 1998 24.0% 26.7% 29.4% grammes / RTK 741 704 677 % improvement since 1998 27.6% 31.2% 33.8% kg / RPK 0.10 0.10 0.17	million 27,177 23,113 11,092 12,308 million 18,947 16,369 7,857 9,268 million 104,496 81,454 15,435 4,126 thousand tonnes 4,458 3,660 1,690 1,904 grammes / ATK 164 158 152 155 % improvement since 1998 24.0% 26.6% 29.4% 28.3% grammes / RTK 235 224 215 204 % improvement since 1998 27.6% 31.2% 33.8% 37.2% litres / RPK*100 4.11 4.01 6.82 26.68 litres / RTK 0.21 0.21 0.21 0.18 thousand tonnes in CO ₂ e 14,042 11,528 5,332 5,997 % change from previous year 21.8% 116.2% -11.1% -20.2% grammes / ATK 517 499 480 487 % improvement since 1998 24.0% 26.7% 29.4% 28.3% gramme	million 27,177 23,113 11,092 12,308 15,587 million 18,947 16,369 7,857 9,268 10,876 million 104,496 81,454 15,435 4,126 21,136 thousand tonnes 4,458 3,660 1,690 1,904 2,386 grammes / ATK 164 158 152 155 153 % improvement since 1998 24.0% 26.6% 29.4% 28.3% 29.2% grammes / RTK 235 224 215 204 219 % improvement since 1998 27.6% 31.2% 33.8% 37.2% 32.5% litres / RTK 0.21 0.21 0.21 0.18 0.15 thousand tonnes in CO ₂ e 14,042 11,528 5,332 5,997 7,513 % change from previous year 21.8% 116.2% -11.1% -20.2% -58.3% grammes / ATK 517 499 480 487 482 % improvement since 1998 <td>million 27,177 23,113 11,092 12,308 15,587 34,791 million 18,947 16,369 7,857 9,268 10,876 25,362 million 104,496 81,454 15,435 4,126 21,136 143,832 thousand tonnes 4,458 3,660 1,690 1,904 2,386 6,130 grammes / ATK 164 158 152 155 153 176 % improvement since 1998 24.0% 26.6% 29,4% 28,3% 29,2% 18,5% grammes / RTK 235 224 215 204 219 242 % improvement since 1998 27,6% 31,2% 33,8% 37,2% 32,5% 25,5% litres / RTK 0.21 0.21 0.21 0.21 0.18 0.15 - thousand tonnes in CO₂e 14,042 11,528 5,332 5,997 7,513 19,311 % change from previous year 21,8% 116,2% -11,1% -</td>	million 27,177 23,113 11,092 12,308 15,587 34,791 million 18,947 16,369 7,857 9,268 10,876 25,362 million 104,496 81,454 15,435 4,126 21,136 143,832 thousand tonnes 4,458 3,660 1,690 1,904 2,386 6,130 grammes / ATK 164 158 152 155 153 176 % improvement since 1998 24.0% 26.6% 29,4% 28,3% 29,2% 18,5% grammes / RTK 235 224 215 204 219 242 % improvement since 1998 27,6% 31,2% 33,8% 37,2% 32,5% 25,5% litres / RTK 0.21 0.21 0.21 0.21 0.18 0.15 - thousand tonnes in CO ₂ e 14,042 11,528 5,332 5,997 7,513 19,311 % change from previous year 21,8% 116,2% -11,1% -

^{*}Includes Cathay Dragon, # Includes Air Hong Kong, @ Includes HK Express.

⁺ Fuel consumption includes testing, training and wet-lease flights.

Emissions abatement - Aircraft operations

INDICATORS	Units	2024	2023	2022
SAF derived carbon emissions abatement *	tCO ₂		2,485	1,274
Emissions reduction from SAF (voluntary – purchased by the Group for duty travel *	tCO ₂ e	1,556	-	-
Carbon offsets (voluntary – purchased by the Group for duty travel) *	tCO ₂ e	14,600	0.110	25.017
Carbon offsets (voluntary – purchased by the Group for promotional campaigns) *	tCO ₂ e	328	9,116	35,917
Carbon offsets (voluntary – purchased by individual and corporate customers) *	tCO ₂ e	37,595	16,779	2,482
Carbon offsets (voluntary – purchased for cargo shipments) *	tCO ₂ e	1,969	570	-

^{*} Data verified by Deloitte.

Note: For employee duty travel and cargo shipments, carbon offsets are reported in the month after relevant flights are taken; for corporate customers, carbon offsets are reported in the period in which the contributions are made; for promotional campaigns, due to the time required for the processing of related data, carbon offsets are reported in the period in which the costs of the events concerned are settled, rather than when the events themselves take place. In 2024, carbon offsets for cargo shipments and promotional campaigns only applied to Cathay Pacific; while carbon offsets for individual and corporate customers applied to Cathay Pacific and HK Express.

Nitrogen Oxides ("NOx") emissions - Aircraft operations

INDICATORS	Units	2024	2023	2022
Total NOx emissions	tonnes	5,619	4,630	2,336
Passenger aircraft	grammes / RPK	0.04	0.04	0.07
Freighter	grammes / RTK	0.18	0.17	0.23
Average NOx emissions per landing and take-off cycle ("LTO")	kg/LTO	36	37	43
% of fleet meeting CAEP▲/6 requirements	%	97	92	91
% of fleet meeting CAEP/8 requirements	%	90	72	68

[▲] CAEP is the environmental committee of the ICAO. The long-term target is to reduce NOx emissions by 60% below CAEP/6 by 2026.

Remarks and methodologies:

⁽¹⁾ GWP of CO2 is 1; assumes that all other GHG gases are negligible as these impacts are still uncertain. Effect of contrails is not yet included as further study is required.

⁽²⁾ Fuel consumption for our passenger flights includes the carriage of baggage and belly space cargo.

⁽³⁾ Conversion factor: 1 tonne of fuel = 3.15 tonne of CO2e.

Emissions – Ground operations

INDICATOR	Units	2024	2023	2022
Total ground emissions *	tCO ₂ e	91,028	91,980	68,217

^{*} Data verified by Deloitte.

Resources use – Aircraft and ground operations

INDICATORS	Units	2024	2023	2022
Aviation energy use		_ [
Aviation jet fuel	tonnes	4,457,626	3,659,651	1,689,558
Sustainable aviation fuel ("SAF") *	tonnes	6,884	1,048	450
Percentage of SAF in annual jet fuel consumption	%	0.15	0.03	0.03
Ground energy use				
Electricity	mWh	115,752	107,697	97,206
Mobile combustion – diesel	litres	3,774,750	3,107,572	2,344,396
Mobile combustion – unleaded petrol	litres	15,343	135,484	139,602
Stationary combustion – diesel	litres	3,810	5,953	6,884
Towngas	unit	7,439,928	6,597,530	4,286,328
Total energy used	GJ	196,733,858	161,589,400	74,860,650
Energy intensity per employee	GJ	6,534	6,789	3,572

^{*} Data verified by Deloitte.

Resources use - Aircraft and ground operations

INDICATORS	Units	2024	2023	2022
Water use				
Seawater use for cooling	m ³	12,904,816	11,463,350	9,460,900
Municipal water use	m ³	962,273	881,180	503,821
Maintenance water use	m³	13,246	7,892	13,246
Recycled water	m³	17,924	9,394	11,959
Water discharge				
Municipal water discharge	m³	898,527	811,647	460,569
Resource use				
Passenger-facing SUP items*	pieces per passenger	2.6	3.1	4.8
Paper consumed in operations	tonnes	80	68	65
Certified sustainable seafood procured	tonnes	351	315	150

^{*} Onboard Cathay Pacific flights only. These items include passenger-facing SUP water bottles, utensils, amenity items and packaging, but exclude those for medical and sanitation purposes, and pre-packaged food and beverage items other than water bottles.

Resources use – Aircraft and ground operations

INDICATORS	Units	2024	2023	2022
Recycling (ground operations)				
Metal	tonnes	46	33	28
Plastic	tonnes	598	296	149
Glass	tonnes	557	419	83
Paper	tonnes	475	277	115
Food processing oil	tonnes	13	8	8
Tires	tonnes	35	32	31
Food donated	tonnes	336	210	114
Inconsumable food waste sent for recycling and energy recovery	tonnes	910	664	367
Sub-total	tonnes	2,970	1,939	895
Hangers reused at Vogue Laundry	pieces	849,465	787,085	543,730
Recycling at HKIA (inflight operations)				
Metal	tonnes	3	-	-
Plastic	tonnes	7	-	-
Waste				
Landfilled non-hazardous waste (commercial and industrial waste, food waste and grease trap)	tonnes	15,004	15,820	9,193
Landfilled non-hazardous waste intensity per revenue	tonnes/HK\$M	0.14	0.17	0.18
Non-hazardous waste diversion rate	%	19	12	11
Hazardous waste (battery)	tonnes	25	12	24
Hazardous waste (chemical solid waste)	tonnes	6	5	2
Hazardous waste (chemical liquid waste)	Litres	22,940	18,460	10,760

Total workforce

INDICATORS	Units	2024	2023	2022
Total employees#	no.	30,110	23,801	20,923
Total employees – key business operations and subsidiaries*	no.	28,938	22,804	20,014
By gender				
Male	%	48	51	49
Female	%	52	49	51
By employment contract				
Employees on permanent terms	%	73	85	92
Employees on fixed term and temporary contract	%	27	15	8
By employment type				
Permanent employees – Full-time	%	99	99	99
Permanent employees – Part time	%	1	1	1
By region				
Hong Kong	%	87	85	85
Chinese Mainland	%	2	2	2
Others	%	11	13	13

Total workforce

INDICATORS	Units	2024	2023	2022
By employment role		_		
Flight crew	%	12	15	12
Cabin crew	%	38	31	31
Ground employees	%	50	54	57
By age group				
Under 30 years old	%	24	19	14
30 to 50 years old	%	59	60	64
Over 50 years old	%	17	21	22
By employee category				
Individual contributor	%	66	64	64
Team leader	%	29	30	30
Operational leader	%	4	5	5
Strategic leader	%	1	1	1

[#] Figures provided align with the data scope of the Annual Report.

^{*} Refers to Cathay Pacific, Air Hong Kong, Cathay Cargo Terminal, Cathay Dining, HAS by Cathay, HK Express and Vogue Laundry. This is the scope of the employment data reported in this section, unless otherwise specified.

Voluntary turnover

INDICATORS	Units	2024	2023	2022
By age group		_		
Under 30 years old	<u> </u>	19	21	43
30 to 50 years old	%	8	12	17
Over 50 years old	%	5	8	10
By gender				
Male	%	8	14	17
Female	%	10	10	23
By region				
Hong Kong	%	9	13	18
Chinese Mainland	%	5	6	1
Others	%	7	11	3
By management level				
Junior management	%	6	8	19
Middle management	%	5	5	18
Top management	%	9	4	30
By employee category				
Individual contributor	%	11	16	20
Team leader	%	6	8	19
Operational leader	%	5	5	18
Strategic leader	%	9	4	30
Total Voluntary Turnover Rate of Permanent Employees	%	9	12	18
Total Turnover Rate of Permanent Employees	%	11	15	21

New hires

INDICATORS	Units	2024	2023	2022
By age group				
	%	55	51	46
Under 30 years old	no.	1,703	1,365	994
20 to FO years old	%	16	15	16
30 to 50 years old	no.	2,143	1,783	1,301
0 - 50 - 11	%	9	11	8
Over 50 years old	no.	345	447	313
By gender				
	%	24	21	18
Male	no.	2,557	2,075	1,344
	%	17	16	22
Female	no.	1,634	1,520	1,264
By region				
Hamalkan n	%	21	19	18
Hong Kong	no.	3,510	3,059	2,299
	%	38	14	3
Chinese Mainland	no.	230	70	34
	%	17	18	2
Others	no.	451	466	275
		_		

New hires

INDICATORS	Units	2024	2023	2022
By management level				
Junior management	%	20	19	20
	no.	1,397	1,137	1,014
Middle management	%	5	5	14
Middle management	no.	57	55	62
Too management	%	2	3	43
Top management	no.	1	2	10
By employee category				
Individual contributor	%	23	20	19
individual contributor	no.	2,736	2,401	1,522
Team leader	%	20	19	20
reamreader	no.	1,397	1,137	1,014
Operational leader	%	5	5	14
Operational leader	no.	57	55	62
Stratagia landar	%	2	3	43
Strategic leader	no.	1	2	10
Total New Hires Rate of Permanent Employees	%	21	19	17
Total New Hires Number of Permanent Employees	no.	4,191	3,595	2,608

Average tenure

INDICATORS	Units	2024	2023	2022
By age group				
Under 30 years old	no.	2	3	3
30 to 50 years old	no.	9	10	10
Over 50 years old	no.	20	20	22
By gender				
Male	no.	9	13	10
Female	no.	11	9	13
Total Average Tenure of Permanent Employees (years)	no.	10	11	11

Promotion rate

INDICATORS	Units	2024	2023	2022
By age group				
Under 30 years old	%	11	8	5
30 to 50 years old	%	22	11	5
Over 50 years old	%	7	8	3
By gender				
Male	%	13	10	6
Female	%	23	10	4
Total Promotion Rate of Permanent Employees	%	18	10	9

Absentee rate

INDICATORS	Units	2024	2023	2022
By gender				
Male	%	2	3	5
Female	%	3	5	2
Total Absentee Rate of Permanent Employees	%	3	4	3

Training and education

Units	2024	2023	2022
%	100	100	100
hours	4,903,889	2,780,497	968,473
hours	166	144	39
hours	308	185	26
hours	131	74	39
hours	131	120	21
hours	105	35	2
hours	169	113	40
hours	305	177	35
	hours hours hours hours hours hours hours	% 100 hours 4,903,889 hours 166 hours 308 hours 131 hours 131 hours 105 hours 169	% 100 100 hours 4,903,889 2,780,497 hours 166 144 hours 308 185 hours 131 74 hours 131 120 hours 105 35 hours 169 113

Training and education

INDICATORS	Units	2024	2023	2022
Percentage of employees trained by employee category				
Individual contributor	%	100	100	69
Team leader	%	100	84	94
Operational leader	%	100	30	61
Strategic leader	%	100	100	17
Percentage of employees trained by gender				
Male	%	100	89	87
Female	%	100	100	73
Average training spend by employee category				
Individual contributor	HK\$	29,205	11,151	8,559
Team leader	HK\$	38,656	15,439	12,094
Operational leader	HK\$	43,083	14,142	11,541
Strategic leader	HK\$	40,599	13,824	9,391
Average training spend by gender				
Male	HK\$	31,195	11,911	8,317
Female	HK\$	36,528	13,821	10,492
Total Average Training Spend Per Employee	нк\$	33,650	12,800	11,800

Performance review

INDICATOR	Units	2024	2023	2022
Percentage of employees receiving performance review	%	84	79	99

Annual employee engagement index score

INDICATOR	Units	2024	2023	2022
Percentage of respondents rating strong	%	84	58	58

Diversity - Board of Directors

INDICATORS	Units	2024	2023	2022
By gender				
Male	%	76	88	94
Female	%	24	12	6
By age group				
39-47 years old	%	6	0	6
48-56 years old	%	47	47	38
57-65 years old	%	47	47	50
Over 65 years old	%	0	6	6

Diversity - Board of Directors

INDICATORS	Units	2024	2023	2022
By ethnicity				
Chinese	%	41	53	44
Non-Chinese	%	59	47	56
Years of service as Director*				
5 years or below	%	82	76	63
6-10 years	%	12	18	31
Over 10 years	%	6	6	6

^{*} At the end of 2024, the average tenure of our Board was 4.00 years.

 $Note: For the \ breakdown \ of \ skills, expertise \ and \ experience \ of \ the \ Board, \ please \ refer \ to \ our \ Annual \ Report \ 2024 \ p.51.$

Diversity - Senior positions (General Managers and Directors)

INDICATORS	Units	2024	2023	2022
By gender				
Male	%	70	73	75
Female	%	30	27	25

Diversity - Female management

INDICATORS	Units	2024	2023	2022
By position				
Female in all management positions (as % of total management workforce)	%	31	31	31
Female in junior management positions (as % of total junior management workforce)	%	35	35	34
Female in STEM-related positions# (as % of total STEM-related positions)	%	21	19	19
Female in revenue-generating positions# (as % of total revenue-generating positions)	%	29	28	26

[#] Cathay Pacific data only.

Health and safety

INDICATORS	Scope	Units	2024	2023	2022
Accidents*	The Group Airlines	no.	0	0	0
Accident rate per million sectors	The Group Airlines	%	0	0	0
High-risk incidents	The Group Airlines	no.	0	0	0
Work-related fatalities	The Group Airlines no.		0	0	0
Rate of work-related fatalities	The Group Airlines	%	0	0	0
Passenger fatalities	The Group Airlines	no.	0	0	0
Total Recordable Injury Frequency Rate	The Group Airlines no.		9.67	15.17	4.18
Lost Time Injury Rate	The Group Airlines	no.	5.82	10.39	3.01
Lost Day Rate	The Group Airlines	no.	86.14	189.46	51.47~
No. of incidents of non-compliance with regulations and/or voluntary code concerning health and safety impacts of our products and services	The Group Airlines	no.	0	0	0

^{*} An event that resulted in serious injury and/or fatality.

[~] Data is restated to reflect the actual performance.

Supply chain

Active Tier-1+ suppliers: 6,800#

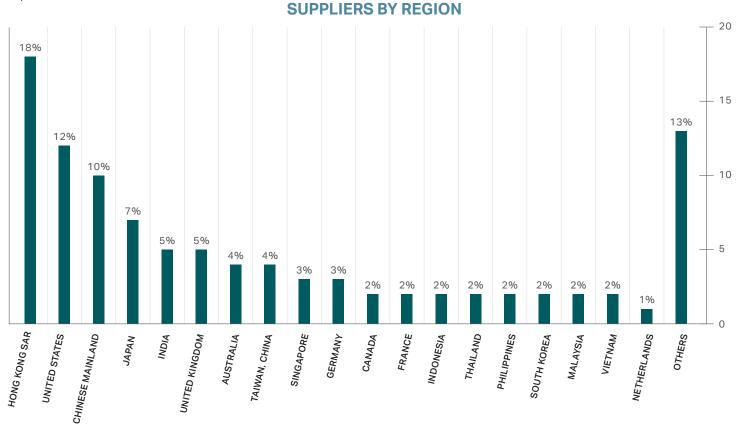
Active Tier-1 supplier groups: 5,700

Total number of top spend supplier groups: 90*

- Share of total procurement spend: 80%

Total number of top spend significant supplier groups: 78^

- Share of total procurement spend: 64%



[#] Cathay Pacific data only.

⁺ Tier 1 suppliers refer to direct suppliers with contractual relationship.

^{*} Top spend supplier groups refer to those who, accumulatively, were accounted for 80% of our annual spend.

[^] Excluding authorities, banks and intercompany entries which are considered as non-procurement related.

COMPLIANCE WITH LAWS AND REGULATIONS

This section describes our management approach towards laws and regulations, pertaining to the subject areas outlined in the ESG Reporting Guide of HKEX, that have a significant impact on the Group. Our compliance status and the potential consequences of non-compliance are also detailed.

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
EMISSIONS			
Waste Disposal Ordinance (Cap. 354 Laws of Hong Kong) and relevant subsidiary legislation.			
This Ordinance regulates the production, storage, collection and disposal including the treatment, reprocessing and recycling of waste.			
Water Pollution Control Ordinance (Cap.358 Laws of		A breach of this Ordinance can give rise to	The Group has in place an Environmental Management System to ensure ongoing compliance and is subject to internal and external audit.
Hong Kong).	Hong Kong	civil and/or criminal liability including fines	During 2024, there were no convictions for non-compliance
This Ordinance regulates / controls the pollution of the waters of Hong Kong.		and imprisonment.	with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste or other environmenta issues that would have a significant impact on the Group.
Air Pollution Control Ordinance (Cap.311 Laws of Hong Kong) and relevant subsidiary legislation.			
This Ordinance regulates, prohibits and / or controls the pollution of the atmosphere.			

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
EMPLOYMENT			
Employment Ordinance (Cap. 57 Laws of Hong Kong).			
This is the main piece of legislation governing conditions of employment in Hong Kong.			
Mandatory Provident Fund Schemes Ordinance (Cap. 485 Laws of Hong Kong), Occupational Retirement Schemes Ordinance (Cap. 426 Laws of Hong Kong) and relevant subsidiary legislation.			The Group has implemented a number of employment-related policies and procedures (such as annual leave,
They provide for the retirement protection framework in respect of the Hong Kong workforce. Minimum Wage Ordinance (Cap. 608 Laws of Hong Kong).	Hong Kong	A breach of these Ordinances can result in civil and/or criminal ramifications and significant impact on the Group's relationship	maternity and paternity leave and sick leave policies, Non-Discrimination Policy and Anti-Bullying and Anti-Harassment Policy) and employment compliance review projects to ensur compliance with the Ordinances, in particular, that their employees are provided with rights and benefits which are no less favourable than the statutory requirements.
This Ordinance provides for a statutory minimum wage at an hourly rate for employees.		with its workforce and its reputation.	During 2024, there were no convictions for non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest
Sex Discrimination Ordinance (Cap. 480 Laws of Hong Kong), Family Status Discrimination Ordinance (Cap. 527 Laws of Hong Kong), Disability Discrimination Ordinance (Cap. 487 Laws of Hong Kong) and Race Discrimination Ordinance (Cap. 602 Laws of Hong Kong).			periods, equal opportunity, diversity, anti-discrimination, or other benefits and welfare that would have a significant impact on the Group.
These are the four anti-discrimination ordinances in Hong Kong prohibiting discrimination on the grounds of sex, pregnancy, breastfeeding, marital status, family status, disability, and race.			

establishments.

Significant laws and regulations	Location	Potential impact	Management approach and compliance status	
ABOUR STANDARDS				
UK Modern Slavery Act 2015 ("UK MSA").				
The UK MSA requires an organisation wherever incorporated which (i) supplies goods or services in the UK; and	LUZ	The UK Secretary of State may seek an	The Board has approved the Modern Slavery and Human Trafficking Statement and Report 2024 which is available to view here .	
ii) has an annual turnover of £36 million or more,	UK	injunction against organisations which fail to comply with the UK MSA.	During 2024, there were no convictions for non-compliance	
to produce a transparency statement to disclose steps taken to ensure slavery and human trafficking are not taking place within the organisation and its supply chain.		Comply with the OK MSA.	with laws and regulations relating to child and forced labour that would have a significant impact on the Group.	
Australia Modern Slavery Act 2018 ("Australia MSA").		The Australian Minister may request an explanation from an entity about the entity's	The Board has approved the Modern Slavery and Human	
The Australia MSA requires an organisation, wherever		failure to comply with a requirement in relation to modern slavery statements and may also	Trafficking Statement and Report 2024 which is available to	
ncorporated, that has a consolidated revenue of at least	Australia	request that the entity undertake remedial	view <u>here</u> .	
AUD\$100 million for the reporting period and carries on ousiness in Australia at any time in that reporting period to	Australia	action in relation to that requirement. If the	During 2024, there were no convictions for non-compliance	
report on the risks of modern slavery in their operations and supply chains and actions to address those risks.		entity fails to comply with the request, the Minister may publish information about the failure to comply on the register or elsewhere, including the identity of the entity.	Minister may publish information about the failure to comply on the register or elsewhere	with laws and regulations relating to child and forced labou that would have a significant impact on the Group.
Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023 ("Canada MSA").				
The Canada MSA requires an organisation wherever incorporated in Canada or operating within its borders that meet at least two of the following criteria for one of the last two financial years:		The Minister will impose fines of up to CAD 250,000 for entities that fail to comply with the Canada MSA or make false statements. Directors, officers, and agents involved in	The Board has approved the Modern Slavery and Human Trafficking Statement and Report 2024 which is available to view here.	
i) At least CAD 20 million in assets,	Canada	these offences are also liable. If an employee	During 2024, there were no convictions for non-compliance	
ii) At least CAD 40 million in revenue, or		commits an offence, it suffices to prove its	with laws and regulations relating to child and forced labour	
iii) An average of 250 employees.		occurrence unless the accused shows they exercised due diligence to prevent it.	that would have a significant impact on the Group.	
These organisations must take proactive measures to prevent forced and child labour in their supply chains and report on their efforts, findings, and actions taken to mitigate identified risks.		exercised due diligence to prevent it.		

Hong Kong

Prevention and Control of Disease Regulation (Cap. 599A Laws of Hong Kong).

This regulation requires immediate notification to a health officer if an operator of a cross-boundary aircraft has reason to suspect that there exists on board the aircraft —

- (a) a case or source of a specified infectious disease; or
- (b) a case or source of contamination.

A breach of this regulation can give rise to civil and/or criminal liability including fines and imprisonment.

Cathay Pacific have implemented procedures and guidelines for frontline employees including cabin crew, customer service officers and flight crew on how to identify and manage any suspected cases of infectious disease involving passengers or crew.

This includes (but is not limited to):

- Supplying personal protective equipment inflight for cabin crew to use when providing care to individuals with suspected infectious disease.
- Medical advice provided by MedLink for cabin crew and ground employees for gate clearances as well as managing inflight medical emergencies.
- Procedures following notification from Health Authorities of passengers or crew members who travelled whilst infectious.

In 2024, there were no convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
PRODUCT RESPONSIBILITY - HEALTH AND	SAFETY		
Public Health and Municipal Services Ordinance (Cap. 132 Laws of Hong Kong).			Cathay Dining has adopted ISO 9001 & HACCP management system with quality policy to comply with all applicable food health & safety regulations.
This Ordinance provides for the general protection for food purchasers, offences in connection with sale of unfit food and adulterated food, composition and labelling of food, food hygiene and the seizure and destruction of unfit food.	Hong Kong	A breach of this Ordinance can give rise to criminal liability including fine and imprisonment.	In 2024, there were no convictions for non-compliance with laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.
Dangerous Goods (Consignment by Air) (Safety) Ordinance (Cap. 384 Laws of Hong Kong).	0 0	A breach of this Ordinance can give rise to	Dangerous Goods Regulations and Dangerous Goods Awareness training is provided to employees. In 2024, there were no convictions for non-compliance with
This Ordinance controls, in the interests of safety, the preparation, packing, marking, labelling and offering of dangerous goods for carriage by air.		civil and/or criminal liability including fines and imprisonment.	laws and regulations relating to health and safety matters relating to products and services provided that would have a significant impact on the Group.
PRODUCT RESPONSIBILITY - ADVERTISING	G AND LABE	LLING	
Trade Descriptions Ordinance (Cap. 362 Laws of Hong Kong).		A breach of this Ordinance can diverse to	It is the policy of the Group to comply with all applicable advertising and labelling laws and regulations.
This Ordinance prohibits false trade descriptions, false, misleading or incomplete information and to prohibit certain unfair trade practices.	Hong Kong	A breach of this Ordinance can give rise to civil and/or criminal liability including fines and imprisonment.	During 2024, there were no convictions for non-compliance with laws and regulations relating to advertising and labelling practices that would have a significant impact on the Group.

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
PRODUCT RESPONSIBILITY - PRIVACY			
		The PDPO is likely to have a significant impact on companies who collect, hold, process or use data, for instance, customer and employee personal data.	
Personal Data (Privacy) Ordinance (Cap. 486 Laws of Hong Kong) ("PDPO") of the Hong Kong SAR government, which is aimed at protecting the privacy of individuals in relation to personal data.	Hong Kong	The Commissioner may serve an enforcement notice to direct the company to remedy contravention and/ or instigate prosecution action. Contravention of an enforcement notice is an offence which could result in a maximum fine of HK\$50,000 and imprisonment for 2 years.	Cathay Pacific and its subsidiaries have policies, processes
		Breaches of the PDPO can cause reputational impact to the Group.	and controls in place to comply with the data protection regulations applicable to its operations (e.g. the EU/UK GDP PDPO and PIPL, etc.).
EU General Data Protection Regulation ("GDPR") has come		The GDPR is likely to have a significant impact on the Company because of offering goods or services to individuals who are located in the EU.	During 2024, there were no convictions for non-compliance with laws and regulations relating to customer privacy that would significantly impact the Group.
into force on 25 May 2018. The GDPR involves new provisions and enhanced rights, aimed to harmonise the framework for the digital single market, put individuals in control of their data and formulate a modern data protection governance.	EU	European data protection authorities have the power to enforce the GDPR by levying fines of up to 4% of an organisation's global revenue or €20 million, whichever is the greater.	
		Individuals affected by a contravention of the GDPR may also take legal action to recover compensation.	

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
PRODUCT RESPONSIBILITY - PRIVACY			
UK GDPR, the UK data protection regime is regulated by the Data Protection Act and the GDPR has been written into UK law and tailored to become the 'UK GDPR'.	UK	UK data protection authorities have the power to enforce the UK GDPR by levying fines of up to 4% of an organisation's global revenue or GBP 17.5 million, whichever is the greater. Individuals affected by a contravention of the UK GDPR may also take legal action to recover compensation.	
		The PIPL is likely to have a significant impact on the Group because the law contains provisions on extraterritorial application.	Cathay Pacific and its subsidiaries have policies, processes and controls in place to comply with the data protection regulations applicable to its operations (e.g. the EU/UK GDPF PDPO and PIPL, etc.).
Personal Information Protection law ("PIPL"), the first major piece of legislation in the Chinese Mainland dedicated to the protection of personal information, was effective from 1 November 2021.	Chinese Mainland	Foreign organisations which process personal information of individuals in the Chinese Mainland for the purpose of offering products or services to them, or analysing and assessing their behaviours, shall be subject to this law.	During 2024, there were no convictions for non-compliance with laws and regulations relating to customer privacy that would significantly impact the Group.
		A processor of personal information which contravenes the requirements under the law is liable to a maximum fine of RMB 50,000,000 or 5% of its annual turnover of the preceding year.	

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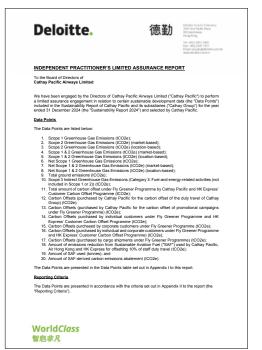
Significant laws and regulations	Location	Potential impact	Management approach and compliance status
ANTI-CORRUPTION			
Prevention of Bribery Ordinance (Cap. 201 Laws of Hong Kong) ("POBOP") POBO aims to prohibit bribery in both the public and private sectors. For the latter, the POBO prohibits an agent's	Hong Kong	Under the POBO, it is an offence to offer to an agent, or for an agent (e.g. an employee), to solicit or accept an advantage when conducting the principal's affairs without the principal's permission.	
corrupt behaviour and fraudulent practices in relation to his principal's affairs.		The maximum penalty for an offence is 10 years' imprisonment and a fine of HK\$1 million.	The Group has an established an Anti-Bribery, Corruption, Anti-Money Laundering and Terrorist Financing Policy("ABC Policy") which is overseen by the Board. The ABC Policy is
		The Bribery Act is likely to have a significant impact on the Company because of having a presence in the UK.	supported by training designed to educate our employees or recognising and preventing bribery and corruption, and forn part of the Group's anti-bribery and corruption compliance programme.
UK Bribery Act 2010 ("Bribery Act") The Bribery Act makes it a criminal offence to bribe, or to offer or authorize a bribe to, another person (including a foreign official) or to be the recipient of a bribe.	UK	The Bribery Act has extra-territorial reach both for UK companies operating abroad and for overseas companies with a presence in the UK. All offences under the Bribery Act are punishable by unlimited fines for companies and individuals and, for individuals, up to 10 years' imprisonment. When a company is convicted of giving or receiving a bribe, the directors and other senior managers of the company can also be held accountable.	During 2024, there were no convictions for non-compliance with laws and regulations relating to bribery, extortion, fraud or money laundering that would have a significant impact on the Group.

Significant laws and regulations	Location	Potential impact	Management approach and compliance status
ANTI-CORRUPTION			
US Foreign Corrupt Practices Act ("FCPA") The FCPA makes it unlawful for certain classes of persons and entities to make payments to foreign government officials to assist in obtaining or retaining business.	1104	The FCPA has extra-territorial effect and is likely to have a significant impact on the Company, for instance, for dealing with government officials in respect of licensing matters.	
The anti-bribery provisions of the FCPA applies to all US persons and certain foreign issuers of securities. They also apply to foreign firms and persons who cause, directly or through agents, an act in furtherance of such a corrupt payment to take place with the territory of the US.	USA	Criminal penalties for violation can be severe, including fines and imprisonment for up to 5 years (for violating anti-bribery provisions) and 20 years (for violating accounting provisions).	The Group has an established an Anti-Bribery, Corruption, Anti-Money Laundering and Terrorist Financing Policy ("ABC Policy") which is overseen by the Board. The ABC Policy is supported by training designed to educate our employees or
The PRC Criminal Law ("Criminal Law") Bribery of public officials and private sector bribery are punished as a crime under several articles of the Criminal Law.	Chinese Mainland	The Group has an increasing presence in the Chinese Mainland and breaches of the Criminal Law may result in the imposition of fines on the Group or, in relation to its officers, monetary penalties or imprisonment of up to 10 years or life.	recognising and preventing bribery and corruption, and form part of the Group's anti-bribery and corruption compliance programme. During 2024, there were no convictions for non-compliance with laws and regulations relating to bribery, extortion, fraud or money laundering that would have a significant impact on the Group.
Anti-Unfair Competition Law ("AUCL") The AUCL prohibits commercial bribery, e.g. the giving of money, property or other benefits to certain recipients in order to obtain business transaction opportunities or other competitive advantages.	iviali liai lu	The Group has an increasing presence in the Chinese Mainland and breaches of the AUCL may result in administrative fines of up to RMB 3 million, confiscation of illegal gains and revocation of a business license.	

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EXTERNAL ASSURANCE

We have engaged independent assurance provider Deloitte to provide an independent assurance on our greenhouse gas emissions and carbon offset data for the aforesaid reporting period. The scope and statement of assurance are provided as follows. The verified data with external assurance is marked with "%" throughout the report. The assurance report is as follows:



Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, "Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements' and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Debottle Touche Tohmatsu
It is our responsibility to express a limited assurance conclusion on the Data Points based on our work
performed and to report our conclusion solely to you, as a body, in accordance with our agreed terms of
engagement and for no other purpose. We do not assure responsibility or accept flaibility to any other
person for the contents of this report.

Cathay Pacific Airways Limited The Directors of Chathay Pacific are responsible for the preparation and presentation of the Data Points in accordance with the Reporting Criteria. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Data Points, applying an appropriate basis of preparation, making estimates that are reasonable in the circumstances and ensuring the accuracy and completeness of the Data Points.

Reporting Framework

We conducted our work in accordance with the international Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', and the international Standard on Assurance Engagements 3410, 'Assurance Engagements' of Greenhouse Cas Statements' (together, the 'Standards'), issued by the International Auditing and Assurance Standards Board.

The Standards require that we comply with ethical requirements, and plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Data Points do not comply in all material respects with the Reporting Criteria.

Our work comprised of the following limited procedures:

- Interviews with relevant management and personnel involved in providing information relating to the Data Points for inclusion in the Sustainability Report 2024;
 Sample testing of documentary evidence at Cathay Group's corporate and site levels;
 Analyfical procedures; and

We have not performed any procedures in relation to other data included in the Sustainability Report 2024. In addition, our work performed is not for the purposes of expressing an opinion on the effectiveness of Cathay Group's internal controls.

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The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is ubsetiately lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Non-financial performance information, including the Data Points, is subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating, sampling and estimating such information. This could have a material impact on comparability, Qualitative interpretations of relevance, materially and the accuracy of such information are subject to individual assumptions and judgments.

Use of Independent Limited Assurance Report

This independent limited assurance report is produced solely for the purpose of preparing the Sustainability Report, and is not suitable and cannot be used for any other purposes. We do not assume responsibility or accept liability to any person or third party other than Calthay Pacific's board of directors for this report.

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 Data Points have not been prepared, in all material respects, in accordance with the Reporting Criteria.

Ostotike Touche Thimater

Deloitte Touche Tohmatsu Certified Public Accountants

The sustainable development data selected by Cathay Pacific for the year-ended 31 December 2024 were as follows:

Data Point	Unit	Amount
Scope 1 Greenhouse Gas Emissions (tCO2e)	tonne carbon dioxide equivalent	14,083,146
Scope 2 Greenhouse Gas Emissions (tCO2e) (market-based)	tonne carbon dioxide equivalent	49,405
Scope 2 Greenhouse Gas Emissions (tCO2e) (location-based)	tonne carbon dioxide equivalent	85,046
Scope 1 & 2 Greenhouse Gas Emissions (ICO2e) (market-based)	tonne carbon dioxide equivalent	14,132,55
Scope 1 & 2 Greenhouse Gas Emissions (tCO2e) (location-based)	tonne carbon dioxide equivalent	14,168,192
Net Scope 1 Greenhouse Gas Emissions (ICO2e)	tonne carbon dioxide equivalent	14,048,971
Net Scope 1 & 2 Greenhouse Gas Emissions (ICO2e) (market-based)	tonne carbon dioxide equivalent	14,098,376
Net Scope 1 & 2 Greenhouse Gas Emissions (ICO2e) (location-based)	tonne carbon dioxide equivalent	14,134,017
Total ground emissions (tCO2e)	tonne carbon dioxide equivalent	91,028
Scope 3 Indirect Greenhouse Gas Emissions (Category 3: Fuel-and energy-related activities (not included in Scope 1 or 2)) (tCO2e)	tonne carbon dioxide equivalent	3,092,249
Total amount of carbon offset under Fly Greener Programme by Cathay Pacific and HK Express' Customer Carbon Offset Programme	tonne carbon dioxide equivalent	54,492
Carbon Offsets (purchased by Cathay Pacific for the carbon offset of the duty travel of the Cathay Group)	tonne carbon dioxide equivalent	14,600
Carbon Offsets (purchased by Cathay Pacific for the carbon offset of promotional campaigns under Fly Greener Programme)	tonne carbon dioxide equivalent	321
Carbon Offsets purchased by individual customers under Fly Greener Programme and HK Express' Customer Carbon Offset Programme	tonne carbon dioxide equivalent	16,874
Carbon Offsets purchased by corporate customers under Fly Greener Programme	tonne carbon dioxide equivalent	20,72
Carbon Offsets (purchased by individual and corporate customers under Fly Greener Programme and HK Express' Customer Carbon Offset Programme)	tonne carbon dioxide equivalent	37,59
Carbon Offsets (purchased by cargo shipments under Fly Greener Programme)	tonne carbon dioxide equivalent	1,969
Amount of emissions reduction from Sustainable Aviation Fuel ("SAF") used by Cathay Pacific, Air Hong Kong and HK Express for offsetting 10% of staff duty travel	tonne carbon dioxide equivalent	1,550
Amount of SAF used	tonnes	6,884
Amount of SAF-derived carbon emissions shatement	tonne carbon dioxide equivalent	19,247

EXTERNAL ASSURANCE

Appendix 2 - Reporting Criteria

Greenhouse Gas emissions accounting and reporting policies

The inventory of Cathay Group's Greenhouse Gas emissions is reported in accordance with the World Resources institute and World Business Council on Sustainable Developments' Greenhouse Gas Protocol (2004, Revised Edition) as well as Hong Kong Exchanges and Clearing Limited's Environmental, Social and Governance Reporting Guide (Appendix C2 of the Malin Board Listing Rules).

Cathay Pacific reported the Greenhouse Gas emissions of each of its material subsidiaries shown below in proportion to their ownership percentage. This ensures full alignment with the Annual Report. The organisational boundaries for the reporting of Greenhouse Gas emissions include Cathay Pacific and the following 100%-owned Hong Kong-based companies:

- AHK Air Hong Kong I imited
- Airline Property Limited Airline Stores Property Limited Airline Training Property Limited
- Asia Miles Limited
- Asia Miles Limited
 Cathay Holidays Limited
 Cathay Pacific Aircraft Leasing (H.K.) Limited
 Cathay Pacific Aircraft Services Limited

- Cathary Pacific Anicraft Services Limited
 Cathary Pacific Clearing Services (LFK), Limited
 Cathary Pacific Finance Limited
 Cathary Pacific Finance Limited
 Cathary Pacific Services Limited
 Cathary Pacific Services Limited
 Cathary Pacific Services Limited
 Cannaging Network Services Private Limited
 Cannaging Network Services Private Limited
 Ganginghout Guo Tai Information Processing Company Limited
 Hong Kong Anican and Aproof Services Limited
 Hong Kong Anican and Aproof Services Limited
 Hong Kong Anican and Aproof Services Limited
 Hong Kong Pacific Services

- Vogue Laundry Service Limited
- Operational boundaries

- The operational boundaries for the reporting of Greenhouse Gas emissions are as follows:
- Scope 1 Direct Greenhouse Gas emissions, including global CO₂ emissions from flights, fuel
 used for ground vehicles, refrigerant use and Towngas combustion
 Scope 2 Electricity and Towngas (generation and transportation) for indirect Greenhouse Gas
- emissions
 Scope 3 Indirect Greenhouse Gas emissions (not included in Scope 2) that occur in the value chain, including both upstream and downstream emissions:

Category 3: fuel- and energy-related activities not included in Scope 1 or Scope 2

The reporting period for the Greenhouse Gas data is 1 January to 31 December 2024. Scope 1 emissions

Sources of Scope 1 gross emissions include fuel, refrigerant and Towngas usage from ground-based activities in Hong Kong covering Cathay Group. Canteens operated by third parties within Cathay Group's buildings are excluded. Net Scope 1 emissions refer to the Scope 1 gross emissions minus the removal of emissions contributed by the use of SAF and carbon offsets financed by Cathay Group.

In Hong Kong, the CO₂ emissions factors follow the guidelines published by the Environmental Protection Department of the Hong Kong Special Administrative Region Government in February 2010¹.

In respect of Cathey Group's GHG emissions from aircraft fuel consumption, the scope includes all flight activities, including testing, training flights, dry lease and well lease. As fuel density varies according to a number of factors, Cathey Group uses the Joint Inspection Group's "commended specific gravity of 0.80 kgt to calculate the weight of fuel. Cathey Group uses an emissions factor of 3.15° to determine its CO: emissions form the combustion of aircraft fuel.

Total ground emissions are calculated based on Cathay Group's gross Scope 1 and Scope 2 emissions (markel-based) and then subtracting all emissions from aircraft fuel consumption where the scope includes all flight acti

Net Scope 1 emissions

Net Scope 1 emissions are calculated based on Cathay Group's gross Scope 1 emissions and then subtracting any certified SAF derived carbon emissions abatement and any other carbon abatement financed by the Cathay Group, including the carbon offset for duty travel and for promotional campaigns which Cathay Group had financed.

Sources of Scope 2 gross emissions occur from the generation or processing of purchased executivity or form the generation of processing of purchased executivity or gross of the gross of

Scope 3 emissions (Category 3: fuel- and energy-related activities not included in Scope 1 or Scope 2)

Sources of Scope 3 Category 3 emissions occur from the extraction, production, and transportation of fuels bought and consumed by Cathay Group, as well as the generation of purchased electricity and accordance with the Generations Cathay Particle uses accordance with the Generations Cathay Particle uses, Cathay Particle uses the updates emissions factor in sustainability documents provided by the supplier. For correstional pit fall well-emissions factor in sustainability documents provided by the supplier. For correstional pit fall well-emissions factor for individual conversions factor from LGCVF or electricity. The updates emissions factor follows guidance from the UKs Department for Environment, Food and Rural Affairs (Defra).

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Thomas by information processing and the special colors planters regard requestions of the special colors in the special colors planters and the special colors and

Standard of sustainable aviation fuel used and the CO2 emissions reductions

SAF is a fuel for aviation derived from non-fossil fleedstock that meets sustainability criteria. COs-menisorus reducions from the use of SAF by Cathay Pacific is deducted from Scope of prose emissions. Programme and any mandatory or voluntary use by Cathay Script, or consumption during the reporting period is activated upon receiving documents, including purchase records, delivery records and sustainability information, from SAF suppliers. Mandatory SAF use includes French SAF mandate, and sustainability information, from SAF suppliers. Mandatory SAF use includes French SAF mandate, and Cathay Padric used al SAF delivered and brended, and thereby contributed to carbon closicke emissions reduction during 2024, by delivering all the SAF into asport fuel tanks for uprilling onto aircraft in the reporting period.

The calculation of CO₂ emissions reductions from the use of SAF follows the guideline published by the ICAO Carbon Offsetting and Reduction Scheme for International Avaition (Annex 18 - Environmental Protection, Volume IV)*. Cathay Pacific uses the Ifle cycle emissions factor for SAF, as specified in the suppliers' paperwork to determine the CO₂ emissions reduction.

Cathay Pacific's Fly Greener offsets are calculated as the tonnes of CO2 purchased to reduce emissions and realing to various activities, comprising of promotional campaigns, flight taken by corporate clients or Asia Miles as the method of payment. The Fly Creener Programme is offered by Cathary Pacific Raid excludes Air Hong Kong and NFL Express. The price per tonne of CO2 is determined by the retall price of the credits purchased. This price was adjusted to HK577 3 Fe price more CO2 or 1500 Asia Miles per the credits purchased. This price was adjusted to HK577 3 Fe price more CO2 or 1500 Asia Miles per Asia Cathary Asia Cathar the decisis purchased. In its price was sulpised to his/3-, are future of top, or 1,300 Asia Miles per tone tone of CO₂ effective from February 2024, with a subsequent adjustment to 1,910 Asia Miles per tone from October 2024. A new batch of carbon offsets was purchased and delivered to Cathay Pacific in December 2024. The total tonage of CO₂ reduced was computed based on the total amounts paid in respect of the above schemes during the year.

For promotional campaigns, Cathay Pacific sponsors carbon offsets for customers' travel on Cathay Pacific fights on selected days or for specific events initiated by departments, outports, etc.. Due to the time required for the processing of related data, these carbon offsets are reported in the period in which the costs of the events concerned are settled, rather than when the events themselves take place.

Individual customers can offset their centron emissions in the following channels the Cathlay Ty, Greener standarious velocities, the internet booking regime that enables passegrees to op in troction offsets when making online flight bookings, and domains on the Cathlay Shop website. As for the Fly Greener standarious evidents and Cathlay Shop velocities, Cathlay Platfort, ecogquest the cathon offsets in the control of the cathlay of the Cathlay Shop of the Cathlay Shop website. On the Cathlay Platfort for the inferent booking engine, the offsets are recognized in the period when the related flight booked operate because they are associated with a particular flight.

Corporate customers can contact Cathay Pacific directly to make contributions to offset their business travel. Cathay Pacific recognises the carbon offsets relating to these contributions in the reporting period in which they are made, also because they are not associated with a particular flight.

For employee duty travet, Cathay Pacific purchases carbon offsets to offset 90% of the carbon emissions from such travel made by all Cathay Pacific, Air Hong Kong and HK Express employees (including ground staff as well as flight and cabin crew). For Cathay Pacific, the offsets are associated with oracticular flights. but are reported in the month after relevant flights are taken due to the time required for the processing of related data. For Air Hong Kong and HK Express, the offsets are associated with particular flights and

Cathay Pacific follows IATA Recommended Practice in the calculation of CO2 emissions at the perpassenger level[®] for the above-mentioned activities.

Cargo customers can offset the carbon emissions relating to their shipments via the Cathay Cargo Fly Greener website or the Click & Ship online booking platform. Cathay Pacific follows IATA Recommended Practice for the calculation of CO₂ emissions at the shipment level¹. The carbon offsets for cargo shipments are associated with particular flights but are reported in the month after relevant flights are taken due to the time required for the processing of related data.

HK Express offers a separate Customer Carbon Offset Programme. Individual customers can offset their carbon emissions via the internet booking opin in the Intilla booking or Manage my Booking side on HK to be a size of the Intillation of the

As part of its commitment to SAF Cathay Pacific has used SAF to offset 10% of the carbon emissions As part or its commitment or SAN, quarky Historic nas used 3-xx or others this or the control mensions from Cathay Ppatic, Air hosp Kong Andrew Historic semployees duly travel flights from 2004 environment. The scope covers employee duly travel on 1000 Cathay Pacific and the other airlines. Due to Cathay Pacific semployee duly travel employee duly travel on 1000 Cathay Pacific semployee to relevant flight, the SAF pacific semployee duly travel historic pacific semployee.

9 IATA (2022) IATA Recommended Practice 1678 Carpo CD2 Emissions Measurement Methodology.

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IFRS S2 CLIMATE-RELATED DISCLOSURES CONTENT INDEX

Reference no.	Disclosure Description	Relevant section(s)	
Governance			
IFRS S2 – 6 (a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or inc and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:	dividual(s) responsible for oversight of clima	ate-related risks
	(i) How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	Governance – Board Statement on Sustainable Development	p.20, 22-23
	(ii) How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Governance – Sustainability Leadership Group	
	(iii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Governance – Risk management	
	(iv) How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and		
	(v) How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.		
IFRS S2 – 6 (b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee about:	climate-related risks and opportunities, incl	luding information
	(i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Governance – Board Statement on Sustainable Development	p.20, 22-23
	(ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions	Governance – Sustainability Leadership Group	
		Governance – Risk management	

Cathay Pacific Airways Limited Sustainability Report 2024

Reference no.	Disclosure Description	Relevant section(s)	
Strategy			
IFRS S2 – 9 (a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	Climate change – Climate risks and	p.37-39
IFRS S2 - 9 (b)	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain;	opportunities	
IFRS S2 – 9 (c)	The effects of those climate-related risks and opportunities on the entity's strategy and decision making, including information about its climate-related transition plan;		
IFRS S2 – 9 (d)	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning; and		
IFRS S2 – 9 (e)	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	Climate change – Charting a course to net zero	p.34-39
	and anothernities, taking into consideration the charty of dentance of indice rolated holds and opportunities.	Climate change – Climate risks and opportunities	
Climate-related R	Risks and Opportunities		
	Risks and Opportunities Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Climate change – Climate risks and	p.37-39
IFRS S2-10 (a)		Climate change – Climate risks and opportunities	p.37-39
IFRS S2-10 (a)	Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. For each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-	•	p.37-39
Climate-related R IFRS S2-10 (a) IFRS S2-10 (b) IFRS S2-10 (c) IFRS S2-10 (d)	Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. For each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk. For each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium	•	p.37-39
IFRS S2-10 (a) IFRS S2-10 (b) IFRS S2-10 (c) IFRS S2-10 (d)	Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. For each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk. For each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur. How the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	•	p.37-39
IFRS S2-10 (a) IFRS S2-10 (b) IFRS S2-10 (c)	Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. For each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk. For each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur. How the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	•	p.37-39 p.34-39

y targets it is required to meet by law or regulation, including the informa		olans to achieve	
climate-related risks and opportunities to net zero 52, 132-135 (ii) Current and anticipated direct mitigation and adaptation efforts (iii) Current and anticipated indirect mitigation and adaptation efforts. (iv) Any climate-related transition plan the entity has, including information about key assumptions used in developing (iv) How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described. Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with 14(a). IFRS 52-14 (c) Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with 14(a). Financial Position, Financial Performance and Cash Flows IFRS 52-15 (a) The effects of climate-related risks and opportunities on the entity's financial position, financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are include			
entity's business model, including its resource allocation, to address	Climate change – Charting a course		
and adaptation efforts	_		
on and adaptation efforts.			
ntity has, including information about key assumptions used in	_		
	Climate change – Aircraft		
ate-related targets, including any greenhouse gas emissions targets,	•		
ng, and plans to resource, the activities disclosed in accordance with			
ut the progress of plans disclosed in previous reporting periods in	Environmental indicators tables		
ortunities on the entity's financial position, financial performance	_	p.37-39	
medium and long term, taking into consideration how climate-			
have affected its financial position, financial performance and cash	Climate change – Climate risks and opportunities	p.37-39	
· · · · · · · · · · · · · · · · · · ·	Nil		
r	ntity has, including information about key assumptions used in ate-related targets, including any greenhouse gas emissions targets, and plans to resource, the activities disclosed in accordance with out the progress of plans disclosed in previous reporting periods in cortunities on the entity's financial position, financial performance sks and opportunities on the entity's financial position, financial medium and long term, taking into consideration how climate-in the entity's financial planning.	con and adaptation efforts. Climate change – Sustainable aviation fuel Climate change – Aircraft Climate change – Aircraft Climate change – Operations Climate change – Operations Climate change – Carbon offsets Climate change – New technology Environmental indicators tables Climate change – Climate risks and opportunities on the entity's financial position, financial medium and long term, taking into consideration how climate- in the entity's financial position, financial performance and cash Shave affected its financial position, financial performance and cash Climate change – Carbon offsets Climate change – New technology Environmental indicators tables Climate change – Climate risks and opportunities Climate change – Climate risks and opportunities	

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Reference no.	Disclosure Description	Relevant section(s)	
FRS S2-16 (c)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	Nil	
	(i) Its investment and disposal plans, including plans the entity is not contractually committed to.		
	(ii) Its planned sources of funding to implement its strategy		
FRS S2-16(d)	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Nil	
Climate Resilience	•		
FRS S2-22(a)	The entity's assessment of its climate resilience as at the reporting date, including:		
	(i) The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis.	Climate change – Charting a course to net zero	p.34-36
	(ii) The significant areas of uncertainty considered in the entity's assessment of its climate resilience.		
	(iii) The entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including:		
	(1) The availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate related opportunities.		
	(2) The entity's ability to redeploy, repurpose, upgrade or decommission existing assets.		
	(3) The effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience.		
FRS S2-22(b)	How and when the climate-related scenario analysis was carried out, including the information about:		
	(i) The inputs the entity used, including:	Climate change – Scenario analysis	p.36
	(1) Which climate-related scenarios the entity used for the analysis and the sources of those scenarios		
	(2) Whether the analysis included a diverse range of climate related scenarios.		
	(3) Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks.		
	(4) Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change.		

Reference no.	Disclosure Description	Relevant section(s)	
	(1) Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate related changes, developments or uncertainties.		
	(2) The time horizons the entity used in the analysis.		
	(3) What scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis).		
	(i) The key assumptions the entity made in the analysis, including assumptions about:		
	(1) Climate-related policies in the jurisdictions in which the entity operates.	Climate change – Scenario analysis	p.36
	(2) Macroeconomic trends		
	(3) National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources).		
	(4) Energy usage and mix.		
	(5) Developments in technology.		
	(ii) The reporting period in which the climate-related scenario analysis was carried out.	Climate change – Scenario analysis	p.36
Risk management			
IFRS S2-25(a)	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, in	ncluding information about:	
	(i) The inputs and parameters the entity uses (for example, information about data sources and the scope of	Governance – Risk management	p.22-23, 36,
	operations covered in the processes).	Climate change – Scenario analysis	37-39
	(ii) Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks.	Climate change – Climate risks and opportunities	
	(iii) How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria).		
	(iv) Whether and how the entity prioritises climate-related risks relative to other types of risk.		
	(v) How the entity monitors climate-related risks.		
	(vi) Whether and how the entity has changed the processes it uses compared with the previous reporting period.		

on(s)			
management	p.22-23, 36,		
cenario analysis	37-39		
limate risks and			
management	p.22-23		
Climate change – Climate performance p.4 Environmental indicators tables			
		ators tables	p.132-135
		nis report	p.7, 132-135
		ators tables	
ŀ	cators tables cators tables his report cators tables		

Reference no.	Disclosure Description	Relevant section(s)	
	(i) For Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between:	Environmental indicators tables	p.132
	(1) The consolidated accounting group		
	(2) Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries)		
	(ii) Location-based Scope 2 greenhouse gas emissions, and the information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions.	Environmental indicators tables	p.132
	(iii) For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57:	Climate change – Climate performance	p.42
	(1) The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).		
	(2) Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance.		
FRS S2-29(b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Nil	
FRS S2-29(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Nil	
FRS S2-29(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate related opportunities.	Nil	
FRS S2-29(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Nil	
FRS S2-29(f)	Internal carbon prices, including the information about:		
	(i) An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis).	Climate change – Charting a course to net zero	p.35
	(ii) The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions		

Reference no.	Disclosure Description	Relevant section(s)	
IFRS S2-29(g)	Remuneration, including the information about:		
	(i) A description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)).	Nil	
	(ii) The percentage of executive management remuneration recognised in the current period that is linked to climate related considerations.		
Climate-related tar	gets		
FRS S2-33(a)	The metric used to set the target.	Climate change – Charting a course	p.35
FRS S2-33(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	to net zero	
FRS S2-33(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region).		
FRS S2-33(d)	The period over which the target applies.		
FRS S2-33(e)	The base period from which progress is measured.		
FRS S2-33(f)	Any milestones and interim targets.		
FRS S2-33(g)	If the target is quantitative, whether it is an absolute target or an intensity target.		
IFRS S2-33(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.		
FRS S2-34(a)	Whether the target and the methodology for setting the target has been validated by a third party.	Nil	
FRS S2-34(b)	The entity's processes for reviewing the target.	Governance – Board statement on sustainable development	p.20
FRS S2-34(c)	The metrics used to monitor progress towards reaching the target.	Climate change – Charting a course to net zero	p.35
FRS S2-34(d)	Any revisions to the target and an explanation for those revisions.	Nil	
FRS S2-35	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Climate Change – Climate performance Environmental indicators table	p.40-41, 132-135

Reference no.	Disclosure Description	Relevant section(s)	
IFRS S2-36(a)	Which greenhouse gases are covered by the target.	Climate change – Charting a course	p.35
IFRS S2-36(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	to net zero	
IFRS S2-36(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target.		
IFRS S2-36(d)	Whether the target was derived using a sectoral decarbonisation approach.	Nil	
IFRS S2-36(e)	The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas	emissions target, including the information	about:
	(i) The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits.	Climate change – Carbon offsets	p.51
	(ii) Which third-party scheme(s) will verify or certify the carbon credits.		
	(iii) The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal.		
	(iv) Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).		

Global Reporting Initiative ("GRI") and Hong Kong Stock Exchange ("HKEX") Environmental, Social and Governance ("ESG") Reporting Guide Index Table

GRI Standard	Discl	osure	Relevant section(s) and/o	or URL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide				
GRI 2: Gener	GRI 2: General disclosures 2021									
Organisation	al profile									
	2-1	Organisation details	About Cathay	p.4						
			Annual Report	p.2						
	2-2	Entities included in the Organisation's sustainability reporting	About this report	p.8		Mandatory Disclosure Requirements: Reporting Boundary				
	2-3	Reporting period, frequency and contact point	About this report	p.7						
	2-4	Restatements of information	Social indicators table	p.148		Mandatory Disclosure Requirements: Reporting Principles				
	2-5	External assurance	External assurance	p.160-161						
Activities and	workers									
	2-6	Activities, value chain and other	About Cathay	p.4						
		business relationships	Governance – Sustainable procurement	p.30						
			Annual Report	p.2						
	2-7	Employees	Social indicators table	p.138		KPI B1.1				
	2-8	Workers who are not employees	Social indicators table	p.149		KPI B5.1				
Governance										
	2-9	Governance structure and composition	Governance	p.20						
			Annual Report	p.47-61						
	2-10	Nomination and selection of the highest governance body	Annual Report	p.47-61						
	2-11	Chair of the highest governance body	Annual Report	p.47-61						

GRI Standard	Discl	osure	Relevant section(s) and/or U	RL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide
	2-12	Role of the highest governance body in overseeing the management of impacts	Governance Annual Report	p.20 p.47-61		Mandatory Disclosure Requirements Governance Structure
	2-13	Delegation of responsibility for managing impacts	Governance Annual Report	p.20 p.47-61		
	2-14	Role of the highest governance body in sustainability reporting	Governance	p.20		Mandatory Disclosure Requirements Governance Structure
	2-15	Conflicts of interest	Code of Conduct	1		
	2-16	Communication of critical concerns	Stakeholder engagement	p.11-12		
	2-17	Collective knowledge of the highest governance body	Annual Report	p.47-61		
	2-18	Evaluation of the performance of the highest governance body	Annual Report	p.47-61		
	2-19	Remuneration policies	Remuneration Policy	1		
	2-20	Process to determine remuneration	Remuneration Policy	1		
	2-21	Annual total compensation ratio	Annual Report	p.113		
Strategy, poli	cies, and	practices				
	2-22	Statement on sustainable development strategy	Message from the CEO Governance – Board statement on sustainable development	p.5-6 p.20		Mandatory Disclosure Requirements: Governance Structure
	2-23	Policy commitments	Sustainable development strategy Governance – Corporate compliance ESG Policies	p.11 p.24-29		
	2-24	Embedding policy commitments	Sustainable development strategy Governance – Code of Conduct Governance – Corporate compliance	p.11 p.21 p.24-29		KPI B4.1; KPI B5.2; KPI B6.3

GRI Standard	Discl	osure	Relevant section(s) and/or U	IRL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide
	2-25	Processes to remediate negative impacts	Stakeholder engagement Governance – Whistleblowing policy	p.11-12 p.27		
	2-26	Mechanisms for seeking advice and raising concerns	Stakeholder engagement Governance – Whistleblowing policy	p.11-12 p.27		KPI B7.2
	2-27	Compliance with laws and regulations	Compliance with laws and regulations	p.150-159		Aspect A1: Emissions: General Disclosure Aspect B1: Employment: General Disclosure Aspect B2: Health and Safety: General Disclosure Aspect B4: Labour Standards: General Disclosure Aspect B6: Product Responsibility: General Disclosure Aspect B7: Anti-corruption: General Disclosure
	2-28	Membership associations	Climate change – Climate-related engagement	p.35		
Stakeholder 6	engagem	ent				
	2-29	Approach to stakeholder engagement	Stakeholder engagement Governance – Customer support and complaint handling	p.11-12 p.29		Mandatory Disclosure Requirements: Reporting Principles; KPI B6.2
	2-30	Collective bargaining agreements			Not applicable. The majority of our employees are in Hong Kong, where there is no legal framework for collective bargaining arrangements with trade unions. Where our employees are represented by a legally recognised union, we are committed to establishing a constructive dialogue with union representatives.	

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GRI Standard	Disclo	osure	Relevant section(s) and/or UI	RL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide		
GRI 3: Material Topics 2021								
Material Topic	s							
	3-1	Process to determine material topics	Stakeholder engagement Materiality	p.11-12 p.13		Mandatory Disclosure Requirements: Reporting Principles		
	3-2	List of material topics	Materiality	p.13		The politing Filliciples		
TOPIC SPECI	FIC DISC	CLOSURES						
GRI 200 ECO	NOMIC S	TANDARDS SERIES						
GRI 201: Econ	omic Perf	formance 2016						
	3-3	Management of material topics	Stakeholder engagement Materiality Annual Report	p.11-12 p.13 p.11-29				
	201-1	Direct economic value generated and distributed	Economic indicators table	p.131				
	201-2	Financial implications and other risks and opportunities due to climate change	Climate change – Climate risks and opportunities	p.37-39		Aspect A4: Climate Chang General Disclosure; KPI A4.1		
	201-3	Defined benefit plan obligations and other retirement plans	Our people – Major initiatives in 2024	p.101				
			Annual Report	p.139				
GRI 204: Proc	urement F	Practices 2016						
	3-3	Management of material topics	Stakeholder engagement Materiality Governance – Sustainable procurement	p.11-12 p.13 p.30		Aspect B5: Supply Chain Management: General Disclosure; KPI B5.1;		
	204-1	Proportion of spending on local suppliers	Social indicators table	p.149		KPI B5.4		

GRI Standard	Disclo	osure	Relevant section(s) and/or U	RL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide
GRI 205: Anti-	-corruptio	n 2016				<u>'</u>
	3-3	Management of material topics	Stakeholder engagement Materiality Governance – Anti-Bribery,	p.11-12 p.13 p.26		Aspect B7: Anti-corruption: General Disclosure
	205-2	Communication and training on anti- corruption	Corruption, Anti-Money Laundering and Terrorist Financing Policy			KPI B7.2; KPI B7.3
	205-3	Confirmed incidents of corruption and actions taken	Compliance with laws and regulations	p.159		KPI B7.1
GRI 206: Anti	i-competit	ive behaviour 2016				
	3-3	Management of material topics	Governance – Competition Law p. Compliance Policy	p.27		
	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices				
GRI 207: Tax 2	2019					
	207-1	Approach to tax	Governance – Tax transparency	p.29		
	207-2	Tax governance, control, and risk management	Annual report	p.84		
	207-3	Stakeholder engagement and management of concerns related to tax				
	207-4	Country-by-country reporting	Annual report	p.84		
GRI 300 ENV	'IRONMEI	NTAL STANDARDS SERIES				
GRI 301: Mate	erials 2016					
	3-3	Management of material topics	Stakeholder engagement	p.11-12		Aspect A2:
			Materiality	p.13		Use of Resources:
			Circular economy – our approach	p.56		General Disclosure
	301-1	Materials used by weight or volume	Environmental indicators table	p.136		KPI A2.5

GRI Standard	Disclo	osure	Relevant section(s) and/or L	JRL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide
GRI 302: Ener	gy 2016					
	3-3	Management of material topics	Stakeholder engagement Materiality Climate change – Charting a	p.11-12 p.13 p.34-36		Aspect A2: Use of Resources: General Disclosure;
			course to net zero			KPI A2.3
	302-1	Energy consumption within the organisation	Environmental indicators table	p.135		KPI A2.1
	302-3	Energy intensity	Environmental indicators table	p.135		
	302-4	Reduction of energy consumption	Climate change – Sustainable aviation fuel	p.43-46		KPI A2.3
	302-5	Reductions in energy requirements of products and services	Climate change – Aircraft	p.47		
			Climate change – Operations Climate change – Ground operations	p.48-50 p.52-53		
GRI 303: Wate	er and Effl	uents 2018				
	303-1	Interactions with water as a shared resource	Stakeholder engagement Materiality	p.11-12 p.13		Aspect A2: Use of Resources: General Disclosure
	303-2	Management of water discharge- related impacts	Circular economy – Facility management	p.67		Note: KPI A2.4 is considered irrelevant because water is not one of our material topics
	303-3	Water withdrawal	Environmental indicators table	p.136		KPI A2.2
GRI 304: Biod	iversity 20	016				
	3-3	Management of material topics	Stakeholder engagement Materiality	p.11-12 p.13		Aspect A3: The Environment and Natural
			Biodiversity – Our cargo carriage approach	p.72		Resources: General Disclosure;
	304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity	p.71-77		KPI A3.1

GRI Standard	Disclo	osure	Relevant section(s) and/or U	RL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide
GRI 305: Emis	ssions 201	6				-
	3-3	Management of material topics	Stakeholder engagement Materiality Climate change – Charting a course to net zero Climate change – Climate risks and opportunities	p.11-12 p.13 p.34-36 p.37-39		Aspect A1: Emission: General Disclosure; Aspect A3: The Environment and Natural Resources: General Disclosure; KPI A1.5
	305-1	Direct (Scope 1) GHG emissions	Climate change – Climate	p.40-42		KPI A1.2
	305-2	Energy indirect (Scope 2) GHG emissions	performance Climate change – Sustainable aviation fuel	p.43-46		
	305-3	Other indirect (Scope 3) GHG emissions	Climate change – Aircraft	p.47		
	305-4	GHG emissions intensity	Climate change – Operations Climate change – Ground	p.48-50 p.52-53		
	305-5	Reduction of GHG emissions	operations Environmental indicators table	p.132-134		KPI A1.5; KPI A3.1
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions				KPI A1.1
GRI 306: Was	te 2020					
	306-1	Waste generation and significant waste-related impacts	Stakeholder engagement Materiality	p.11-12 p.13		Aspect A1: Emission: General Disclosure;
	306-2	Management of significant waste- related impacts	Circular economy – Single-use plastics	p.57		Aspect A3: The Environment and Natural
		Tolated impacts	Circular economy – Cabin waste	p.61		Resources: General Disclosure;
			Circular economy – Resource management	p.66		KPI A1.3;
	306-3	Waste generated	Environmental indicators table	p.137		KPI A1.4; KPI A1.6;
	306-4	Waste diverted from disposal				KPLA3.1
		Waste directed to disposal				Note: Hazardous waste is not considered one of our materia topics

GRI Standard	Disclo	osure	Relevant section(s) and/or L	JRL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide
GRI 308: Supp	olier envir	onmental assessment 2016				
	3-3	Management of material topics	Stakeholder engagement	p.11-12		Aspect B5: Supply Chair
			Materiality	p.13		Management:
			Governance – Sustainable	p.30		General Disclosure;
			procurement			KPI B5.2;
			<u>Procurement approach</u>	/		KPI B5.3;
						KPI B5.4
	308-1	New suppliers that were screened using environmental criteria			All new suppliers were screened using environmental criteria through our procurement process in 2024.	
GRI 400 SOC		IDARDS SERIES 016				
	3-3	Management of material topics	Stakeholder engagement	p.11-12	Our Recruitment Policy communicates	Aspect B1: Employment
			Materiality	p.13	our recruitment approach while the	General Disclosure
			Our people – Our approach	p.99	<u>Human Rights Policy</u> covers topics such as compensation, working hours and rest	
	401-1	New employee hires and employee	Social indicators table	p.140-142	periods, etc.	KPI B1.2
		turnover			We have internal Disciplinary Policies	
	401-2	Benefits provided to full-time	Our people – Major initiatives	p.101	in place, which sets out a framework	
		employees that are not provided to temporary or part-time employees	in 2024	p	for how we deal with disciplinary and performance matters, including dismissal, involving our employees.	
	ur/Manac	ement relations 2016				
RI 402: Labo	our manag				The implementation of any significant	
iRI 402: Labo	3-3	Management of material topics	Stakeholder engagement	p.11-12		
RI 402: Labo		Management of material topics	Stakeholder engagement Materiality	p.11-12 p.13	operational changes is governed by the	
GRI 402: Labo		Management of material topics		•		
GRI 402: Labo		Management of material topics Minimum notice periods regarding	Materiality Our people – Employee relations	p.13	operational changes is governed by the	

GRI Standard	Disclo	sure	Relevant section(s) and/or U	IRL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide
GRI 403: Occu	ıpational l	nealth and safety 2018				
	403-1	Occupational health and safety management system	Stakeholder engagement Materiality	p.11-12 p.13		Aspect B2: Health and Safety: General Disclosure;
	403-2	Hazard identification, risk assessment, and incident investigation	Safety – Our approach Safety – Safety policy	p.80 p.80		KPI B2.1; KPI B2.2;
	403-3	Occupational health services	Safety – Operational safety Safety – Occupational health and	p.80-85 p.85		KPI B2.3
	403-4	Worker participation, consultation, and communication on occupational health and safety	safety	,		
	403-5	Worker training on occupational health and safety				
	403-6	Promotion of worker health				
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				
	403-8	Workers covered by an occupational health and safety management system				
	403-9	Work-related injuries	Safety – Occupational health and safety Social indicators table	p.86 p.148		
GRI 404: Train	ing and e	ducation 2016				
	3-3	Management of material topics	Stakeholder engagement Materiality Our people – Attracting and developing talent	p.11-12 p.13 p.97-99		Aspect B3: Development and Training: General Disclosure; KPI B3.1; KPI B3.2
	404-1	Average hours of training per year per employee	Social indicators table	p.145		
	404-2	Programmes for upgrading employee skills and transition assistance programs	Our people – Attracting and developing talent	p.106-108		

GRI Standard	Disclo	osure	Relevant section(s) and/or UI	RL(s)	Remark (e.g. omission)	HKEX ESG Reporting Guide
GRI 404: Trair	ning and e	ducation 2016				
	404-3	Percentage of employees receiving regular performance and career development reviews	Social indicators table	p.146		Aspect B3: Development and Training General Disclosure; KPI B3.1; KPI B3.2
GRI 405: Dive	ersity and e	equal opportunity 2016				
	3-3	Management of material topics	Stakeholder engagement Materiality Governance – Modern slavery and human rights Our people – Diversity and inclusion Diversity and Inclusion Policy Board Diversity Policy	p.11-12 p.13 p.28 p.113 /		Aspect B1: Employment: General Disclosure
	405-1	Diversity of governance bodies and employees	Social indicators table	p.146-148		
GRI 406: Non-	-discrimin	ation 2016				
	3-3	Management of material topics	Stakeholder engagement Materiality Governance – Modern slavery and human rights Our people – Diversity and inclusion Diversity and Inclusion Policy	p.11-12 p.13 p.28 p.113		Aspect B1: Employment: General Disclosure
	406-1	Incidents of discrimination and corrective actions taken	Compliance with laws and regulations	p.151		
GRI 408: Child	d labour 20	016				
	3-3	Management of material topics	Stakeholder engagement	p.11-12		Aspect B4: Labour Standards:
	408-1	Operations and suppliers at significant risk for incidents of child labour	Materiality Governance – Modern slavery and human rights Governance – Sustainable procurement	p.13 p.28 p.30		General Disclosure; KPI B4.1; KPI B4.2
			Our people – Human capital management	p.99-100		

GRI Standard	Disclo	osure	Relevant section(s) and/or URL(s)		Remark (e.g. omission)	HKEX ESG Reporting Guide			
GRI 409: Force	409: Forced or compulsory labour 2016								
	3-3	Management of material topics	Stakeholder engagement	p.11-12		Aspect B4:			
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Materiality	p.13		Labour Standards: General Disclosure; KPI B4.1; KPI B4.2			
	.00 .		Governance – Modern slavery and human rights	p.28	30				
			Governance – Sustainable procurement	p.30					
			Our people – Human capital management	p.99-100					
GRI 413: Local	l commun	ities 2016							
	3-3	Management of material topics	Stakeholder engagement	p.11-12		Aspect B8: Community Investment			
			Materiality	p.13					
			Community – Our approach	p.90		General Disclosure; KPI B8.1;			
	413-1	Operations with local community	Community – Cathay Volunteer	p.91		KPI B8.2			
		engagement, impact assessments, and development program	Team	p.92-94					
			Community – Community programmes						
GRI 414: Supp	lier social	assessment 2016							
	3-3	Management of material topics	Stakeholder engagement	p.11-12		Aspect B5: Supply			
			Materiality	p.13		Chain Management:			
			Governance – Sustainable procurement	p.30		General Disclosure; KPI B5.2;			
			Procurement approach	/		KPI B5.3			
	414-1	New suppliers that were screened using social criteria			All new suppliers were screened using social criteria through our procurement process in 2024.				

GRI Standard	Disclo	osure	Relevant section(s) and/or URL(s)		Remark (e.g. omission)	HKEX ESG Reporting Guide					
GRI 416: Cust	RI 416: Customer health and safety 2016										
	3-3	Management of material topics	Stakeholder engagement	p.11-12		Aspect B6: Product					
			Materiality	p.13		Responsibility:					
			Governance – Customer support and complaint handling	p.29		General Disclosure; KPI B6.4					
			Safety – Our approach	p.80		Note: KPI B6.1 is not applicab					
			Safety – Operational safety	p.80		to Cathay					
			Safety – Passenger health and safety	p.87							
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Compliance with laws and regulations	p.154-155							
3RI 417: Mark	eting and	labelling 2016									
	3-3	Management of material topics	Stakeholder engagement	p.11-12		Aspect B6: Product					
			Materiality	p.13		Responsibility:					
			Governance – Advertising and labelling practice	p.26		General Disclosure					
	417-2	Incidents of non-compliance concerning product and service information and labelling	Compliance with laws and regulations	p.155							
	417-3	Incidents of non-compliance concerning marketing communications	Compliance with laws and regulations	p.155							
GRI 418: Cust	omer priv	acy 2016									
	3-3	Management of material topics	Stakeholder engagement	p.11-12		Aspect B6: Product					
			Materiality	p.13		Responsibility:					
			Governance – Privacy and data protection	p.24		General Disclosure; KPI B6.5					
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Compliance with laws and regulations	p.156-157							

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