



CATHAY PETROLEUM

Environmental, Social, and Governance (ESG) Framework

2025

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Message from our CEO



Han Dong

Chief Executive Officer

Since our group of companies was established in 2003, we have worked to build an organisation with transparency and accountability at its core. That responsibility is more important than ever today, and we are committed to strengthening our foundations to deliver value that goes beyond financial returns.

As an oil trading company, we recognise the significant duty we have towards our stakeholders, communities, and the environment. Oil remains our core business, but we are reviewing our portfolio with the ambition to position ourselves in lower-carbon energies. This year, we are committing to invest a minimum of US\$0.5 million per year in transition projects and circular economy solutions.

The goal is to be able to scale this number in line with profits in future years. The energy transition is a global effort, and Cathay is proud to contribute.

We are also proud of the sense of responsibility all of us at Cathay have to operate ethically and conscientiously. This inaugural ESG Framework sets out our commitment to sustainability and highlights some of our initiatives. We are making sustainability a priority for 2026 and beyond. It also lays down our rigorous governance policies and procedures.

Finally, we thank all our stakeholders for your continued support as we hold ourselves to the highest standards.



About Cathay Petroleum

Cathay Petroleum is a leading independent oil trading company originally founded in Hong Kong in 2003, with global offices in London, Singapore, and China. Our core business is sourcing crude oil and supplying it efficiently to where it is most needed.

Over the past two decades, we have built a strong reputation for reliability and deep market insight. Our experienced team of traders, operators, analysts, finance managers, and risk managers work closely together, combining technical expertise with commercial acumen to deliver value for customers and counterparties.

Today, Cathay Petroleum operates in more than 20 countries and has achieved a group annual turnover of US\$8 billion. We are proud of our growth and remain focused on strengthening relationships, managing risk responsibly, and positioning the company for the opportunities of the energy transition.

Message from our CFO

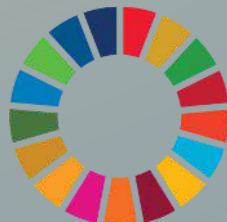
I'm proud to share Cathay Petroleum's first ESG Framework. It's an important milestone for us, and one that sets out how we plan to take our responsibilities forward. Cathay Petroleum's ESG Committee's role is to make sure we set clear goals, keep ourselves accountable, and bring ESG thinking into the heart of our group.

This framework has been months in the making, with input from teams across the business. To guide us, we are aligning our disclosures with the International Sustainability Standards Board's (ISSB's) IFRS S1 standard, by the IFRS foundation, and mapping our commitments to the UN Sustainable Development Goals (UN SDGs).



Eugene Ganchev

Chief Financial Officer



Throughout this framework, the UN SDG wheel, with UN SDG icons, will show you how we have successfully met these goals.

We are also launching our CIRCLE programme – Cathay’s Initiatives for Responsible Communities and Low-Carbon Energy. These frameworks give us a clear structure, comparability with peers, and a way to connect our work to global priorities.



CATHAY INITIATIVES FOR
RESPONSIBLE COMMUNITIES AND
LOW-CARBON ENERGY

Inspired by the UN SDGs, the Cathay CIRCLE programme is our new platform through which all Cathay employees have the opportunity to directly engage with our sustainability efforts.

Our goal is to use the CIRCLE programme to bring ESG into the heart of our culture as a company.

CIRCLE connects everything we do under one framework — from community outreach and biodiversity projects to energy transition investments and internal initiatives. It gives structure to our efforts, ensuring that our actions are not isolated but part of a wider, consistent story. For employees, CIRCLE is a way to participate directly in Cathay’s ESG journey — to volunteer, propose ideas, or take part in activities that reflect our shared values. For our partners and stakeholders, it is a signal of our commitment to transparency, progress, and long-term stewardship.

Materiality Assessment

Since this is our first published ESG framework, we performed a comprehensive materiality assessment using ISSB’s IFRS S1 and S2 standards to identify the risks and opportunities that could reasonably impact our performance. This is a critical tool to identify and prioritise risks and opportunities most relevant to our stakeholders. The process was performed in two phases by our ESG Steering Committee with input from management and external advisors, and the outcome was approved by the board.

Phase 1: Identify risks and opportunities that could be reasonably expected to affect the group’s prospects.

Phase 2: Assess and prioritise risks and opportunities identified in Phase 1.

The outcome of the process:

Environmental	Risks/opportunities identified	Summary of Management Approach
Climate-related physical risk: extreme weather events	Extreme weather events can disrupt shipping routes, delay port operations, and increase costs, reducing our ability to deliver cargoes on time and reducing trading margins.	We partner with charterers who integrate advanced forecasting tools to anticipate weather disruptions earlier. We use derivatives to manage exposure to delayed cargo deliveries. We include flexible delivery clauses and force majeure clauses to allow rerouting without heavy penalties.

Environmental	Risks/opportunities identified	Summary of Management Approach
Transition-risk: carbon-intensive core business	Our focus on crude oil exposes us to risks from emissions regulations, and could reduce our competitiveness.	<p>We are actively reviewing opportunities to diversify into lower-carbon energy solutions and circular economy projects, supported by our commitment to allocate a minimum of US\$0.5 million to transition initiatives.</p> <p>This approach is designed to reduce reliance on crude alone and position Cathay for growth in the energy transition.</p>

Social	Risks/opportunities identified	Summary of Management Approach
Talent retention risks	There is competition for knowledgeable traders, analysts, risk managers, operators, which could make it difficult to both attract and retain top talent, in turn affecting trading performance or increasing recruitment costs.	<p>We are focusing on creating an environment where employees feel valued and supported. We are also exploring flexible working practices and wellbeing support.</p>

Social	Risks/opportunities identified	Summary of Management Approach
Health crisis preparedness risks	COVID-19 demonstrated how global health crises can disrupt operations, travel, employee wellbeing, and community wellbeing. Future pandemics could reduce our productivity.	We are able to adopt flexible and remote working practices – we have implemented digital systems that allow us to keep trading across time zones and without physically being in the office. We continue to prioritise employee health through comprehensive health screening and safe distancing.

Governance	Risks/opportunities identified	Summary of Management Approach
Financing risk- Stricter ESG criteria from banks	If we are seen as lagging in sustainability, our access to competitive credit could shrink.	We are increasing transparency around our ESG commitments, aligning with ISSB IFRS S1 and UN SDGs. We are creating a legitimate approach to ESG to show our long-term resilience.

Governance	Risks/opportunities identified	Summary of Management Approach
Regulatory risk	We operate in multiple jurisdictions, each with its own regulations on trading, AML, and sanctions compliance. Even inadvertent failure to comply could lead to fines or restrictions on trading.	We maintain a dedicated compliance team supported by external legal partners. Training programmes ensure that all employees understand and comply with relevant regulations. At the executive level, our ESG and Risk Committees provide oversight and reinforce our culture of accountability.



Our Values



Integrity

Acting with honesty and accountability in every trade and decision.

Prudence

Managing risk responsibly to protect long-term value.

Proactiveness

Anticipating the energy transition and preparing for a lower-carbon future.

Commitment

Delivering on our responsibilities to stakeholders, communities, and the environment.

Diversity

Building an inclusive workplace that reflects different perspectives and strengths.

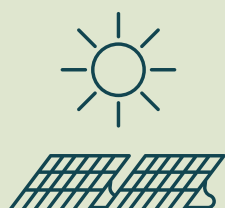
Our Energy Solutions



We provide reliable energy supply by sourcing and trading crude oil across global markets. Crude oil, and other traditional energy sources, remains a **cornerstone of the global energy system**, meeting the world's need for reliable and affordable energy. Beyond fuels, many of the products refined from crude oil are critical for medical equipment, transport, construction materials, and everyday goods. Refineries are improving energy efficiency, piloting or investing in carbon capture, and co-processing biofuels, which can produce lower carbon-intensity fuels.



When we transport crude, we work to the highest safety and environmental standards in shipping and logistics. This commitment helps minimise spills and emissions during transport. Modern shipping is far safer and cleaner than decades past, thanks to better industry standards and regulations. Shipping crude by sea is far more **carbon-efficient per tonne-kilometre** than moving it by road or air.



Looking ahead, we are allocating a part of our profits to **transition projects and circular energy solutions** – these investments are designed to diversify our portfolio into lower-carbon opportunities.

Environmental Performance



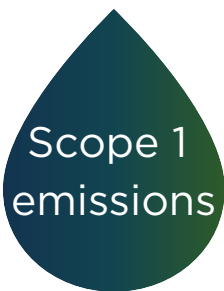
As a trading company with no upstream or downstream assets, Cathay Petroleum's direct environmental footprint is limited.

Our impact is primarily indirect, arising through the supply chains, logistics partners, and markets in which we operate.

We recognise this does not reduce our responsibility — it reshapes it. Our role is to manage trading responsibly, work with counterparties who uphold strong standards, and invest in projects that contribute to the transition.

Climate Change

Our first step is transparency. We will begin reporting our Scope 1 and Scope 2 emissions, which cover the energy we consume in our own operations and offices. This disclosure will give us a clear baseline to measure against and a foundation for setting future goals.

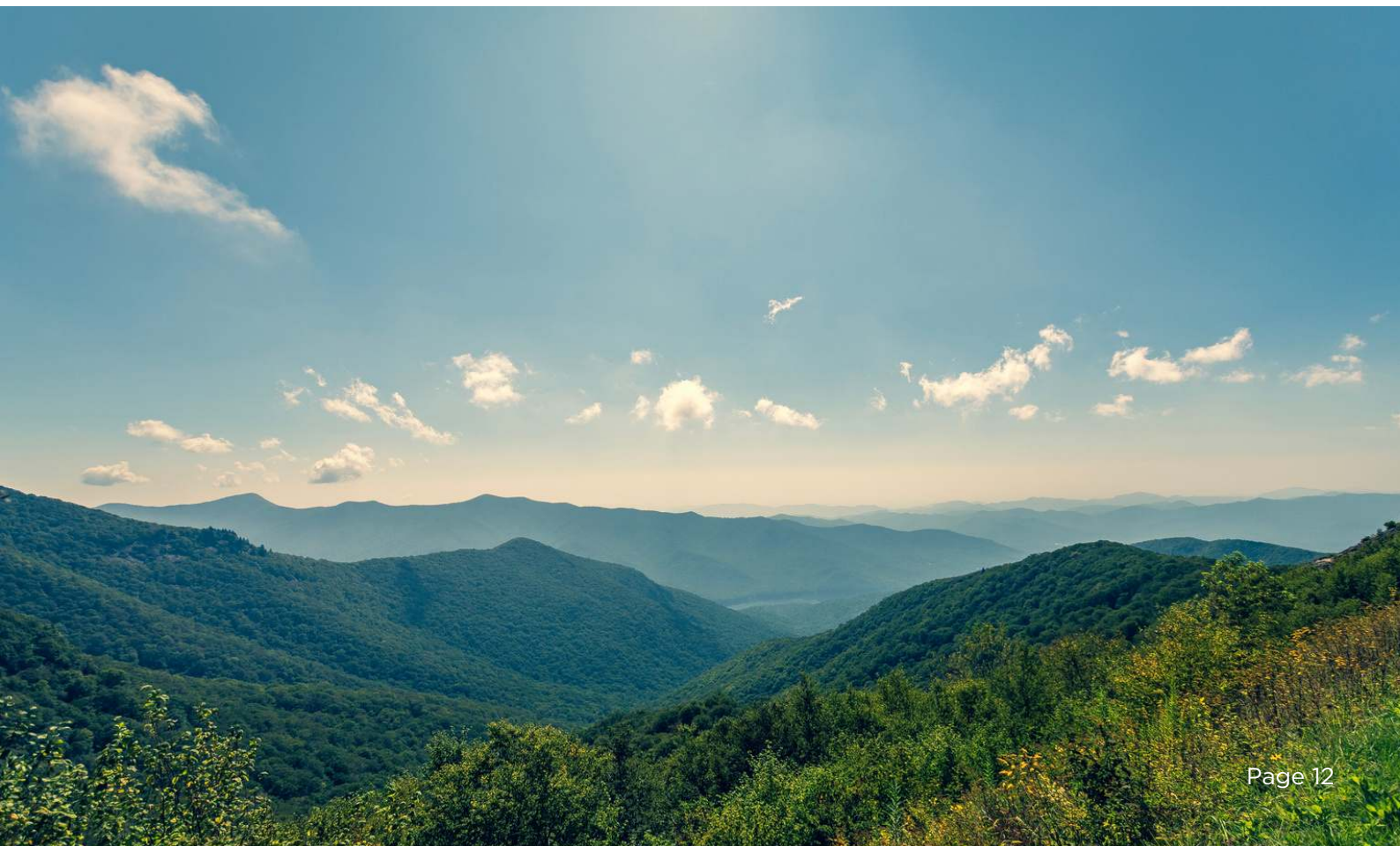


Negligible, as Cathay does not own any physical assets.



16.5 tCO₂e (Singapore office), reflecting our position as a trading company with no heavy assets.

We also recognise that the majority of emissions in the oil value chain sit beyond our direct control. While we are not yet in a position to report on Scope 3 emissions, we will continue to review how best to account for our wider impact through partnerships, investments, and the work of our CIRCLE programme.



Natural Resource Scarcity

Through our CIRCLE programme, Cathay Petroleum will support the Plant-A-Tree initiative under Singapore's Garden City Fund. This programme contributes to the restoration and greening of Singapore's parks, nature reserves, and urban spaces. By taking part, we will help to expand canopy cover, strengthen biodiversity, and create healthier environments for the communities where we live and work.

Our involvement is not symbolic — it reflects our belief that protecting natural resources begins with practical, local action. The trees we help plant will be a small but visible reminder of our commitment to environmental stewardship and to supporting initiatives that have long-term, measurable impact.



13 CLIMATE ACTION



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS



Pollution and Waste

We work with shipping partners that comply with the International Maritime Organization (IMO) standards, including MARPOL regulations on sulphur emissions, ballast water management, and waste discharge. By selecting responsible counterparties, we reduce the risk of spills and help to limit marine pollution.



Looking ahead, our ambition is to partner with innovators in waste management and recycling to support scalable solutions, particularly in Asia where we operate most actively. By doing so, we can play a role in reducing waste and pollution beyond our immediate footprint and contribute to more sustainable supply chains.

Biodiversity

The transport of crude oil, if not managed responsibly, can affect marine biodiversity, and production in some regions may put pressure on fragile ecosystems of land and water. Through our CIRCLE programme, we are committed to supporting initiatives that protect and restore biodiversity.

In the coming months, our employees will participate in a learning journey at a marine park in Singapore, where they will see first-hand the importance of conservation efforts — from a turtle hatchery to coral reef habitats and marine research. Experiences like these will build awareness within our teams and reinforce Cathay Petroleum's responsibility to safeguard biodiversity across the environments connected to our business.





Cathay Petroleum is exploring sponsorship of the training of beekeepers in Myanmar. The programme equips local farmers with practical skills in bee biology, hive management, and pest control, helping them adopt sustainable practices and improve honey production.

By supporting this initiative, we aim to strengthen local livelihoods while contributing to biodiversity and pollinator health. Beekeeping creates income opportunities, supports agricultural ecosystems, and encourages environmental stewardship — outcomes that align with our commitment to responsible and inclusive growth.





Social: Building Fairer Futures

Our success as traders depends on **our people** and the relationships we build with **communities**. We recognise that our responsibilities extend to how we support, develop, and engage our employees, and how we contribute to the societies where we operate. This means fostering a safe, inclusive, and rewarding workplace, while using our CIRCLE programme to channel investment and volunteer time into initiatives that strengthen communities and promote long-term wellbeing.



Our People

We recognise that talent retention is a risk we face, and that human capital management lies at the core of ESG. As a trading company, our strength depends on the skill and commitment of our people. To safeguard this, we are investing in initiatives that help our employees grow, feel supported, and find purpose in their work.

For one, talent development is a priority. We encourage our employees to continually upskill by taking professional courses and expanding their knowledge of markets, risk, and sustainability. This not only builds capability but also demonstrates to our people that they have long-term careers at Cathay. Additionally, we will engage an executive coach to support the importance we place on employee growth.

“Over my time here, I’ve been consistently impressed by the company’s genuine investment in our growth. Cathay has provided me with numerous opportunities to attend global professional seminars that have broadened my perspective and enhanced my expertise. What I appreciate most is how Cathay actively encourages us to pursue courses that directly benefit our daily work, for example, the EA Academy Essentials Course. This isn’t just about checking boxes, it’s about real, practical development that makes me more effective in my role and more confident in my contributions.”



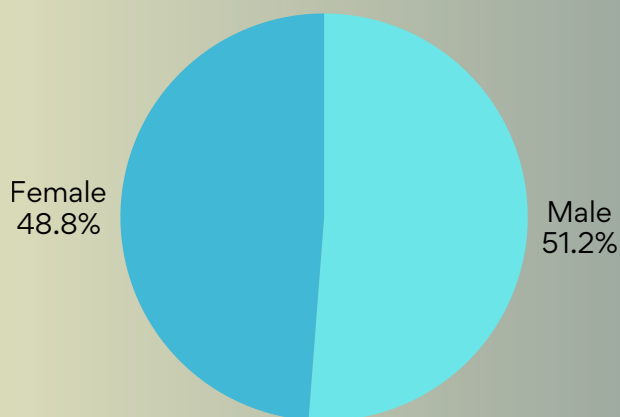
Anthony Su

Trader

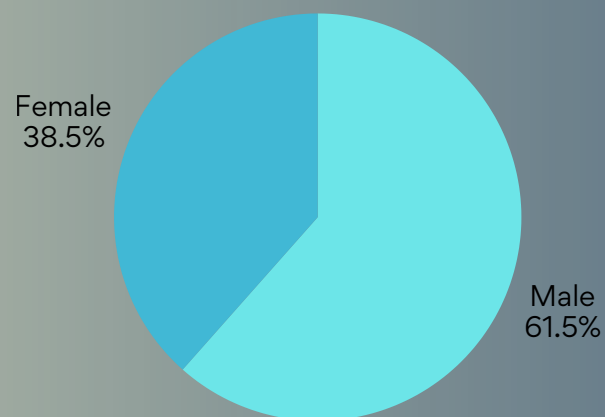


We believe diversity improves decision-making and makes Cathay a more attractive place to work. We therefore continue to ensure that our recruitment and promotion practices are fair and inclusive to ensure our workforce reflects a range of perspectives and backgrounds.

Gender Distribution among Cathay Employees:



Gender Distribution among employees at a Manager or higher level



Finally, we want our people to feel connected to our broader purpose. We encourage employee engagement with ESG and our CIRCLE programme, offering opportunities to participate in volunteering, community partnerships, and environmental initiatives. These experiences not only contribute to society but also give employees a deeper sense of belonging and pride in Cathay's journey.



Talent Growth

In 2026, we plan on introducing the Gallup CliftonStrengths assessment and executive coaching for selected employees as part of our commitment to developing our people. These tools will help employees recognise their talents, understand how to apply them effectively, and receive guidance to strengthen their skills. By combining structured assessment with personalised coaching, we aim to create a workplace where employees feel valued and supported in their professional growth. We are also considering an employee engagement platform to better understand how our team feels, what's working well, and where we can improve. The goal is simple: to make sure everyone feels motivated and happy in their roles. Beyond individual development, these initiatives also contribute to stronger governance. Leaders who understand their own strengths, and those of their teams, are better equipped to collaborate, make balanced decisions, and manage risk responsibly.

Working with our Communities

This year, Cathay Petroleum has reached out to an initiative in Singapore that offers houses youth from underprivileged households. Together, we are exploring the ways we can help these children break out of the cycle of poverty. We plan on offering career exposure opportunities through job-shadowing and “day in the life” sessions with our employees. These sessions will give participants a first-hand look at careers in trading, operations, finance, and risk management, while also helping them to build confidence and aspirations.





For Cathay, this partnership is about more than financial support. It will allow our employees to share their knowledge, mentor the next generation, and see the direct impact of our engagement in the community. For the teenagers in this programme, it opens doors to careers they may not otherwise have considered, equipping them with the insight and motivation to pursue new opportunities.

The goal is for Cathay to make a tangible contribution to education and social mobility, aligned with the Social pillar of our ESG framework and our belief that empowering people is fundamental to sustainable growth.



The UN Global Compact

Cathay Petroleum is beginning our application to the United Nations Global Compact, the world's largest corporate sustainability initiative. By joining, we will commit to aligning our operations with its ten principles on human rights, labour, environment, and anti-corruption.

This commitment will reflect our belief that business has a responsibility to uphold fair labour practices, respect human rights, and contribute positively to society. It reinforces our focus on people — ensuring our employees, partners, and communities are treated with dignity, equality, and respect. Through the Compact, we hope to connect our own ESG goals with global efforts to promote inclusive growth and sustainable development.



Governance: Guiding Growth Responsibly

Strong governance underpins everything we do. As a private trading company, we are committed to transparency, integrity, and prudent risk management. Our role is to integrate ESG considerations into decision-making, align with global reporting standards, and hold ourselves accountable to the high expectations of our stakeholders.

Our Approach

Oversight starts with the Board, where the ESG Steering Committee plays a crucial role in embedding sustainability into our strategic framework. The committee delivers quarterly updates to the Board and comprises our CFO, CRO, HR Business Partner, and Employee ESG Representative. Our Employee ESG Representative is our Senior Operations Executive. Her experience at the core of our business fosters engagement among Cathay employees with our CIRCLE programme.

The ESG Steering Committee



Eugene Ganchev,
CFO



Diane Poh,
Senior Operations
Executive



HR Business Partner
(To Be Appointed)



Brian Tan,
Chief Risk Officer



Day to day, compliance and risk management are embedded into our operations, supported by regular training, a strong Code of Conduct, and a zero-tolerance approach to unethical practices. We extend these expectations to our suppliers and partners through a Supplier Code of Conduct. By aligning with global reporting standards such as IFRS S1, we are committed to acting with integrity, prudence, and transparency across all markets where we operate.

Compliance and Risk Management

We maintain robust compliance programmes that set clear expectations for our people and partners. This includes mandatory training for all employees, ensuring that everyone understands their obligations under international rules and regulations. Our Code of Business Conduct and Ethics sets the standard for how we act. It covers topics such as:



Anti-Bribery and Corruption



Anti-Money Laundering



Market Conduct



Sanctions



Conflicts of Interest



Data Privacy and Information Security

Soon, we are rolling out our Supplier Code of Conduct, which extends the same compliance principles to the counterparties and service providers we work with. We are also mandating ESG clauses in all our physical contracts. At every level of our business — internally and externally — compliance is non-negotiable and fundamental to how we operate.



Risk management is integrated into our daily operations rather than treated as a separate process. Our teams continually monitor trading activity, financial exposure, and counterparties to identify and mitigate risks before they escalate. We operate under a zero tolerance policy for unethical trading practices, and our controls are designed to safeguard both our stakeholders and our reputation. Beyond systems and processes, we are focused on culture: we want every employee to feel a sense of responsibility for acting with integrity and exercising prudence in decision-making.



Environmental, Social, and Governance

ESG is embedded into decision-making at every level, starting at the top. At Cathay Petroleum, our ESG Steering Committee operates at the Executive level. This structure reflects our belief that ESG considerations are central to long-term business resilience and must be overseen by the most senior leaders of the company.





The ESG Steering Committee sets priorities, monitors progress, and challenges management on how environmental, social, and governance issues are managed across the business. It reviews our commitments under the ISSB's IFRS S1 standard, ensures alignment with the UN Sustainable Development Goals, and provides oversight of our CIRCLE programme. This ensures that our ESG agenda is transparent, measurable, and consistent with global best practice.

Embedding ESG in this way gives clear direction to our teams. Traders, operators, analysts, and managers are encouraged to integrate ESG thinking into daily decisions — whether that is choosing counterparties, assessing shipping partners, managing financial risk, or engaging with communities.

Our Future

Under our CIRCLE programme, we are aligning our long-term goals with the United Nations Sustainable Development Goals (UN SDGs) and the UN Global Compact. Our aim is to strengthen our contribution to the global energy transition, while ensuring that our growth continues to create value for people, communities, and the environment.



Energy Transition and Innovation

We are pursuing lower-carbon energy opportunities, including LNG and LPG as transition fuels, to support decarbonisation while ensuring supply chain reliability. Additionally, we are assessing investments in renewable and circular energy projects like solar, wind, and waste-to-energy. Our aim is to foster partnerships that drive innovation and measurable environmental impact, especially in emerging markets.

Community and Social Development

Our next phase of community engagement will extend beyond Asia to regions such as Africa and South America, where we aim to support education, entrepreneurship, and sustainable livelihoods. Within our own workforce, we remain committed to talent development and wellbeing through initiatives that build stronger, more resilient teams.

