




2015
Sustainable
Development
Report





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2015 At a Glance



Environment
1,200
MWh
in Renewable Energy Generated



Employees
Over
880,700
Training Hours



Health and Safety
↓ 10.5%
Lost Time Injury Rate



Business Partners
TOP 20+
Group High Risk Suppliers Surveyed



Community
HKD
3.2 Million
Charitable Donations

About this Report

This report covers the sustainability performance of the HAECO Group in the 2015 calendar year. In the report, we share the progress and challenges we faced since our last reporting cycle.

Scope of this Report

Across the Group, sustainable development represents the balance of economic growth, the environment and society. Our long-term commitment to sustainability is measured against the following:

- ▶ Environment,
- ▶ Health and Safety,
- ▶ Employees,
- ▶ Community,
- ▶ Business Partners.

This report covers those businesses in which HAECO Group has a major interest and those that have a significant impact on the community and the environment due to their size. These include:

- ▶ Hong Kong Aircraft Engineering Company Limited ("HAECO Hong Kong"),
- ▶ Taikoo (Xiamen) Aircraft Engineering Company Limited ("HAECO Xiamen"),
- ▶ Taikoo Engine Services (Xiamen) Company Limited ("TEXL"),

- ▶ Taikoo (Xiamen) Landing Gear Services Company Limited ("HAECO Landing Gear Services"),
- ▶ Hong Kong Aero Engine Services ("HAESL"),
- ▶ Taikoo Spirit Aero Systems (Jinjiang) Composite Company Limited ("HAECO Spirit Aerosystems") and
- ▶ HAECO USA Holdings, Inc. ("HAECO Americas").

Other businesses not covered in this report include low-percentage ownership companies, as well as small and start-up companies.



The content of this report is governed by HAECO's Sustainable Development Policy and determined by the materiality of the Group's operations and their impact. The report content has been approved by the Sustainable Development Committee, which is chaired by the Group Director Airframe Services. In 2015, the reporting scope was expanded to include natural gas consumption at HAECO Americas.

Reporting Standards and Assurance

This report is prepared in accordance with the Core option of the Global Reporting Initiatives (GRI) Sustainability Reporting Guidelines (G4) and the Environmental, Social and Governance (ESG) Reporting Guides published by the Hong Kong Exchanges and Clearing Limited (HKEx).

This Report

**sets out the policy and
governance procedures
of the Group;**

**provides information on
the Group's impact on the
economy, the communities
in which it operates, and the
environment; and**

**outlines areas of
concern, new initiatives,
past performance and
action plans.**

Reasonable assurance is provided by the Hong Kong Quality Assurance Agency (HKQAA) in accordance with the International Standard on Assurance Engagement (ISAE) 3000.

Recognition

In 2015, HAECO Group was listed on the Asia ex-Japan Climate Disclosure Leadership Index (CDLI) by CDP (formerly known as the Carbon Disclosure Project). Acknowledgement by the CDLI indicates that HAECO was rated among the top 10% of all companies in the region that responded to CDP in terms of disclosure. In addition to CDP, HAECO Group monitors Bloomberg Equities, a widely used database among financial professionals. In 2015, HAECO scored 45.87 on environmental, social and governance disclosure, giving it a top 3 ranking among all listed companies in industrial sectors in Hong Kong.

Message from the CEO



The HAECO Group operates in a responsible and forward-thinking way on all aspects of sustainability. We continuously improve our approach towards people, performance and the environment. We strive to become the best in class service provider of aircraft engineering and maintenance solutions by investing in talent, managing our impact on the environment and nurturing the communities in which we operate.

Safety remains our highest priority. We continue to strengthen our Safety Management Systems and develop a proactive safety culture by standardizing risk management procedures and systems through the implementation of various safety awareness programmes. In 2015, the Group's lost time injury rate decreased by 10.5% compared to the previous year.

Our success starts with our employees. We invest in talent and offer training and career growth opportunities consistent with HAECO's strategic objectives. We participated in job fairs, forums, recruitment events and exhibitions, with a view to attracting potential new recruits. Group companies are investing in improving staff amenities and exploring e-learning systems that facilitate staff training. We will continue our efforts to provide support for staff in their professional training and career development as part of our people development strategy.

Environmental protection and climate change mitigation are the shared responsibilities of all our Group companies. The Group recognises the need to reduce the impact of its operations on the environment. In 2015, we have developed our 2020 environmental strategy and target to reduce our electricity intensity by 10%. We also aim to further reduce our carbon intensity by using alternative sources of energy and investing in energy efficient equipment. HAECO Group companies are looking at opportunities to install intelligent Building Management Systems and are carrying out regular audits to identify energy usage and environmental impact reduction opportunities.



The Group is committed to maintaining strong relationships with the communities in which it operates. In 2015, the Group donated a total of HK\$3.2 million to various community and charitable events and organisations. Over 700 volunteers donated 4,000 hours in support of volunteer activities.

The Group favours suppliers who share its sustainability standards. Our suppliers are invited, through the Group's supplier code of conduct, to demonstrate their commitment to legal compliance, safe operations, environmental protection and the wellbeing of their staff. Major suppliers are invited to conduct annual self-assessment questionnaires. In addition, HAECO undertook a 'sustainability risk assessment' in 2015 to identify suppliers and partners who would require further review. HAECO also actively engaged with business partners to look for opportunities in driving sustainable improvements and choices for our Group businesses. The

HAECO Group also participated in the Swire supply chain sustainability working group to help promote sustainable procurement practices among Swire Group companies.

The prospects for the HAECO Group's businesses in 2016 are mixed. However, we remain committed to ensuring that our companies will continue to conduct our businesses in a sustainable way. We will keep up the good work on sustainability and live up to the HAECO brand in creating value and providing best-in-class services to airlines around the world.

Augustus Tang
Chief Executive Officer

October 2016

About HAECO

Established in Hong Kong in 1950, HAECO is one of the world's leading independent aircraft engineering and maintenance groups. It is one of the largest Maintenance, Repair and Overhaul ("MRO") service providers in terms of capacity. With our headquarters in Hong Kong, we have 19 subsidiaries and joint venture companies around the world and, as of 31 December 2015,

employed over 16,000 people. The Group offers a full spectrum of services, including airframe services, line services, component services, engine services, inventory technical management, fleet technical management, cabin integration services and interior products, private jet solutions, freighter conversion, parts manufacturing and technical training. The joining

of HAECO Americas with the HAECO family in 2014 further strengthened and extended our MRO operations from the Asia-Pacific region to the United States, as well as broadening our capabilities. The Group provides airlines with dedicated one-stop services and solutions that can support an aircraft throughout its entire lifecycle.

HAECO Group Companies and their Services





HAECO Group's aim is to provide complete support to each of our valued customers and ensure the consistent quality, reliability and availability of their fleets. We strive to become the MRO of choice for our airline customers, building on our capabilities and expanding our service offerings in response to new generation aircraft, changes in the aviation industry and the evolving needs of customers. The size of the Group's operations affords multiple cost savings, which are passed on to customers, providing them with excellent value for money.

Over the Group's sixty plus years of operation, HAECO has built strong and lasting relationships with customers. Our teams demonstrate technical expertise, operational excellence and a

customer-centric attitude in everything we do, offering services that are above and beyond our customers' expectations.

HAECO is publicly listed on the Hong Kong Stock Exchange (Stock Code: 00044). HAECO's website: www.haeco.com.

HAECO's strategy

The strategic objective of HAECO is to deliver sustainable growth in shareholder value over the long term. To achieve this aim, we will continue to increase the range, depth and quality of our aircraft engineering services; employ staff who will be committed to HAECO for the long term and provide them with training consistent with

HAECO's strategic objectives; and maintain and develop strategic relationships with manufacturers of aircraft and aircraft equipment.

At HAECO, our decision and actions are inspired by our vision, mission and core values.

Our Vision

To be the best-in-class service provider of aircraft engineering and maintenance solutions, recognised for technical expertise, operational excellence and the determination to deliver.

Our Mission

We firmly believe that delivering aircraft engineering and maintenance solutions above and beyond expectations is fundamental to safe and enjoyable skies.

Our Attributes:

- ▶ "Can-do" Spirit
- ▶ Technical Expertise
- ▶ Service Innovation
- ▶ Operational Excellence
- ▶ Integrity & Trust

One Group, Full Services

Airframe Services

HAECO Group offers airframe maintenance, cabin reconfiguration, structural modification, freighter conversion fulfilment and line services, covering transit checks and certification, defect clearance, cabin management, ramp services and 24/7 aircraft-on-ground support across Asia and the United States.



Cabin Solutions

We provide turnkey cabin integration solutions for commercial aircraft and private jets, covering design engineering, certification and vendor management. The Group is an authorised aircraft seat and cabin interior products original equipment manufacturer.



Component Services

The Group can also provide component repair and overhaul services for hydraulic, mechanical, avionics and pneumatic systems across the Airbus and Boeing commercial aircraft fleets. We also offer repair and overhaul services for wheels and brakes, tyres, aerostructures, landing gear and auxiliary power units through the Group's subsidiaries and joint ventures facilities.



Engine Services

HAECO operates world-class repair, overhaul and testing facilities for Rolls-Royce RB-211 and Trent engines in Hong Kong, a GE Aviation-authorized GE-90 facility in Xiamen, Mainland China, and a Pratt & Whitney JT8D facility in Oscoda, Michigan in the United States.



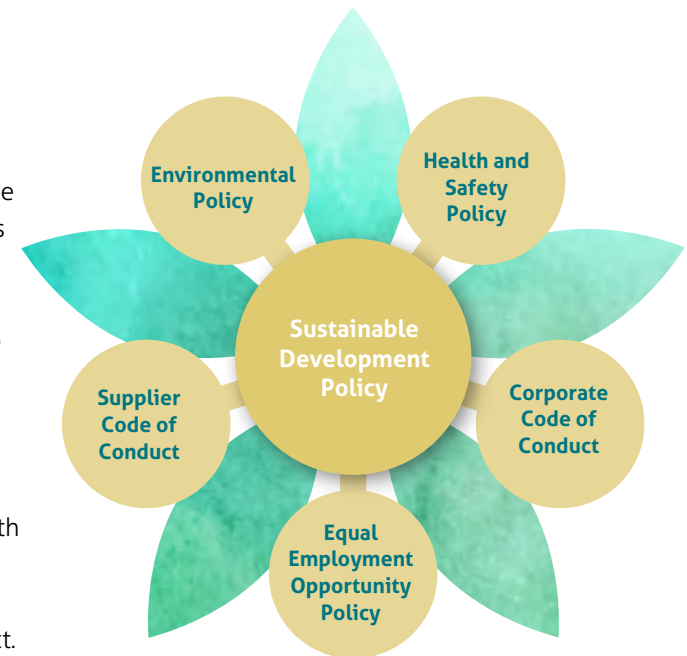
Corporate Governance and Sustainability Management

Corporate Governance

The Company is governed by a Board of Directors, which has responsibility for strategic leadership and control of the Group designed to maximise shareholder value, while taking due account of the interests of those with whom the Group does business and others. The Board is led by the Chairman and comprises four other Executive Directors and six Non-Executive Directors. The roles of Chairman and Chief Executive are separate and not performed by the same individual to ensure there is a clear division of responsibilities between the running of the Board and the executives who run the business. More information can be found in the HAECO Annual Report 2015 under the Corporate Governance section (pp. 28 - 29).

Sustainable Development Policy

The HAECO Group has adopted the Sustainable Development (SD) Policy of Swire Pacific. We are committed to running and growing our business with a view to minimising our impact on the environment, focusing on the wellbeing of our employees and maintaining a good relationship with the communities in which we operate. We strive to excel in our corporate citizenship by establishing, implementing and maintaining corporate governance with high ethical standards. Our five pillars of Environment, Health and Safety, Employees, Business Partners and Community indicate the key areas in which the Group seeks to have a positive or neutral impact. Guided by this overarching SD Policy, the Group has developed specific policies or codes of conduct to address particular issues within these five areas. These guiding principles govern the way each operating company pursues sustainability within its own business.



The SD Policy is supported by a set of Environmental, Social and Governance (ESG) policies or codes of conduct, which govern individual sustainability areas.

Sustainable Development Committee

In 2015, the HAECO Group established a Sustainable Development Committee composed of the management representatives of each operating company. The Committee is chaired by the Group Director Airframe service and meets on a quarterly basis to review the Group's sustainable development strategy and specific action plans.

The functions of this committee also include, but are not limited to, the following:

- ▶ ensuring sustainable development requirements are established, implemented and maintained;
- ▶ reviewing the sustainable development management system to ensure its continuing implementation, suitability, adequacy and effectiveness;
- ▶ establishing and reviewing high priority sustainable development issues, requirements, targets and management programmes;

- ▶ driving continuous improvement in the overall performance, efficiency and effectiveness of the Company through the use of business planning, objectives and metrics, audit results, analysis of data, corrective and preventive actions, and management review;
- ▶ enhancing internal communication regarding sustainable matters between management and employees and promoting awareness of these matters among staff; and
- ▶ ensuring the availability of appropriate resources.

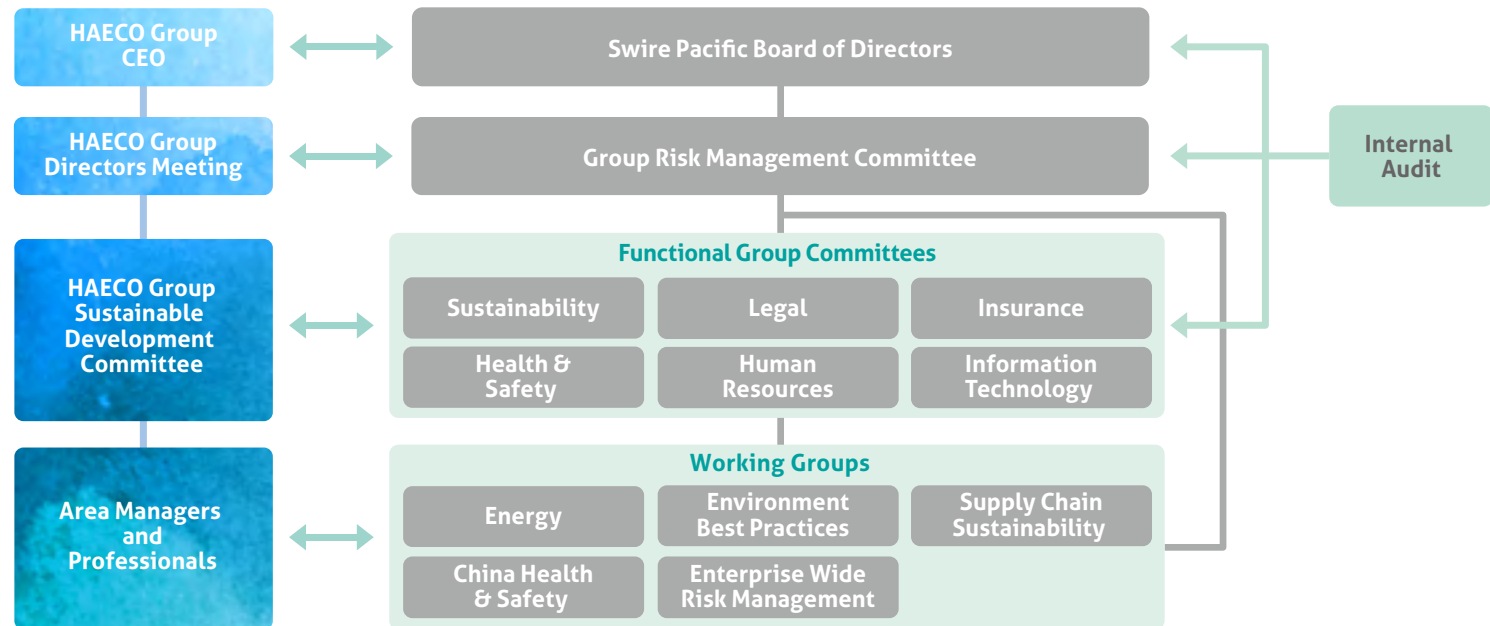
Risk Management

The Board of Directors and the management team have a responsibility to identify and analyse any risks underlying the achievement of business objectives, and to determine how such risks should be managed and mitigated. An Enterprise Risk Register has been established to facilitate continual evaluation of the impact of risks as well as the effectiveness of the mitigation measures implemented. The Group has a clear organisational structure that, to the extent required, delegates day-to-day

responsibility for the design, documentation and implementation of procedures, and monitoring of risks.

As a subsidiary of Swire Pacific, HAECO Group reports on sustainability management matters to the highest governance body – the Board of Directors at Swire. In turn, the Board at Swire oversees sustainability issues through the Group Risk Management Committee (GRMC), which comprises the Corporate Development and Finance Director, Executive Directors and the Executive Officer in charge of the operating divisions. Chaired by the Corporate Development and Finance Director, this committee oversees a number of other committees and working groups responsible for Sustainability, Environmental Best Practices, Health & Safety, Energy and Enterprise Risk Management, Human Resource and the Supply Chain, all of which are actively engaged with a broader group of experts in various sustainability areas. For more details on how Swire Pacific's GRMC and functional group committees operate in terms of risk management, please refer to the Swire Pacific Annual Report 2015 (p. 107).

Governance Structure for Risk Management at HAECO and Swire Pacific



Internal Review

An internal review on sustainability management is conducted through a self-assessment questionnaire (SAQ) designed by the Swire Pacific Group Internal Audit Department and the Sustainable Development Office. HAECO Group companies are required to complete the SAQ every year to report on the progress of their sustainability management strategies. To understand the role of the Internal Audit Department, please refer to the HAECO Annual Report 2015 (p.38).

Stakeholder Engagement

The Group recognises the importance of listening to stakeholders. Engaging stakeholders is part of the process by which the Group formulates its business strategy and defines how and what should be reported. The Group identifies the priorities of stakeholder groups, according to the impact our business has on them, as well as the influence they have on our business. Stakeholders are engaged in a planned and systematic manner, including, but not limited to,

on-going dialogues, face-to-face meetings, questionnaires and focus group discussions. In 2014, we undertook a comprehensive survey of all our key stakeholder groups so that we could discover their expectations of HAECO Group in the years ahead. This exercise will be carried out on a regular basis in order to update stakeholders on our progress and understand their evolving expectations.



Materiality Assessment

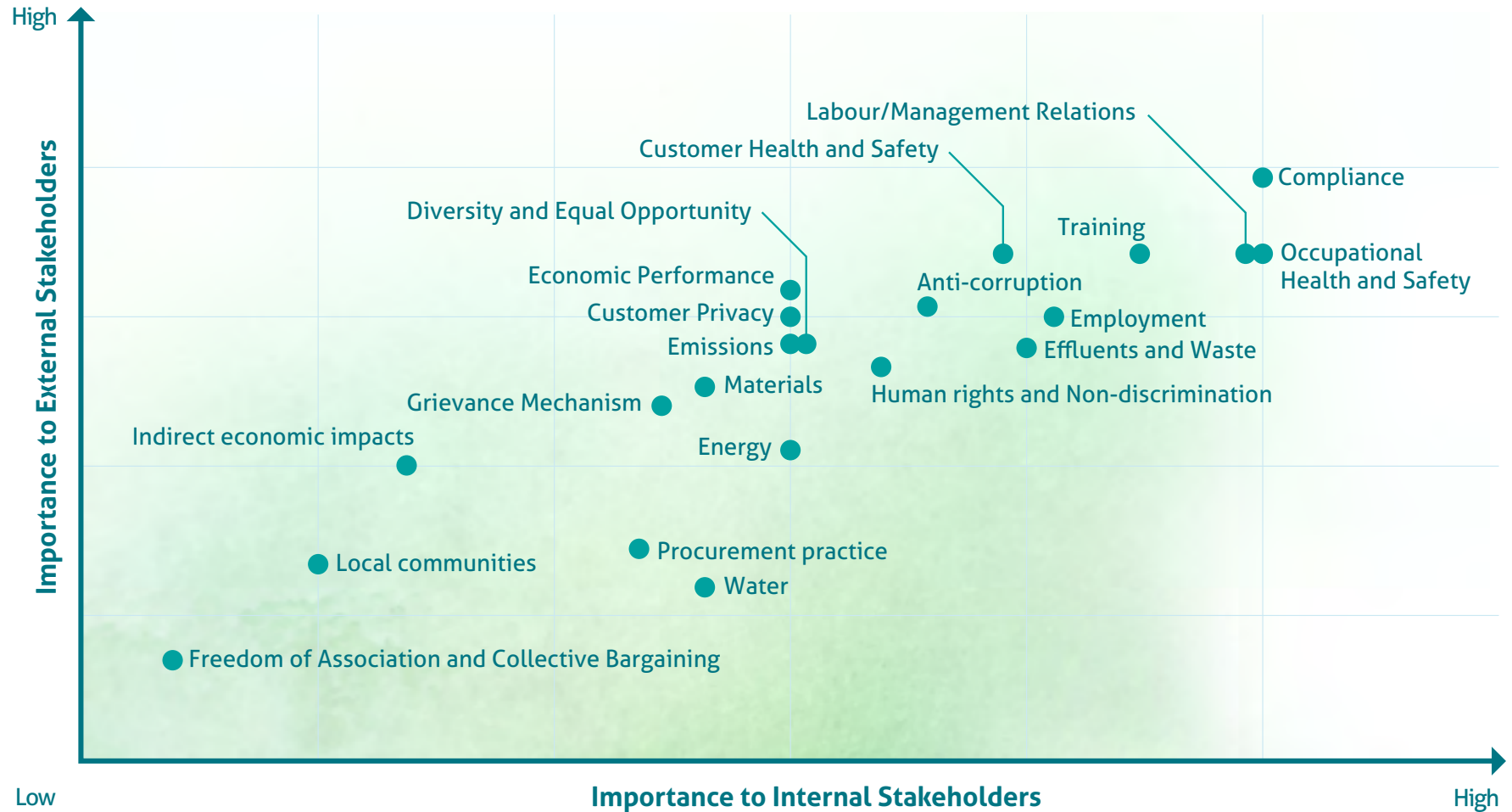
The Group determines and prioritises material issues using a matrix methodology that focuses on two dimensions: i) risk level and impact of issues on the business, and ii) their significance and impact on stakeholders. For operations, we prioritise issues according to the likelihood of their occurrence and potential impact on

business continuity. For stakeholders, we prioritise issues based on the level of stakeholder interest and the potential influence or impact these interests might have.

A materiality matrix was created following a comprehensive survey of around 100 stakeholders, which included the Group’s management team, different staff associations

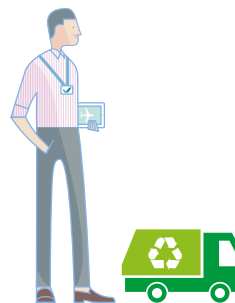
and external stakeholders from government bodies, suppliers, customers, academic professionals and local communities. Disclosure of key performance indicators was mapped into the G4 framework. This exercise helps us to understand stakeholders’ expectations and refine our future sustainability strategies (this practice will be regularly reviewed). Material issues of a high priority are discussed in detail in this report.

HAECO Materiality Survey





At HAECO, we recognise the importance of managing our impact on the environment. The Group is committed to improving our operational efficiency through innovation, investment in energy-efficient equipment, reducing our waste to landfill and working closely with our business partners.



2015 Progress Update

Objective

Progress

Remarks/Comments

To review the energy saving plan at HAECO Xiamen and HAESL

Completed
▶▶▶

HAECO Xiamen, HAESL and HAECO Hong Kong carried out energy audits in 2015 to identify energy management opportunities.

To encourage waste reduction at HAECO Group

On-going
▶▶▶

HAECO Group will continue to encourage waste reduction and recycling. HAECO Hong Kong initiated a uniform upcycling programme in 2015. The programme aims to turn old uniforms into useful products such as tote bags and pencil cases.

To reinforce the carbon offset policy

Completed
▶▶▶

HAECO Group encourages offsetting of carbon dioxide from passenger and commercial cars.

To implement a food waste reduction programme at HAESL

Completed
▶▶▶

HAESL joined the Government's Food Waste Recycling Partnership Scheme to enhance awareness of reducing food waste among staff.

2016 Action Plans

Key Action Plans



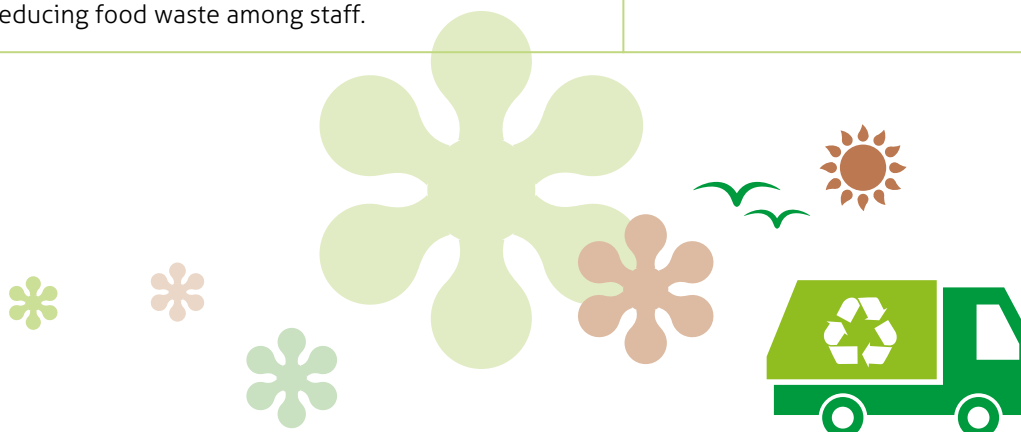
Reduce electricity intensity by 10% in 2020 referencing baseline in 2015;



Introduce Intelligent Energy Building Management Systems in facilities to measure, control and reduce energy consumption and promote proactive equipment maintenance;



Introduce Environment Management Systems in China to manage all environmental risks and promote continual improvement.



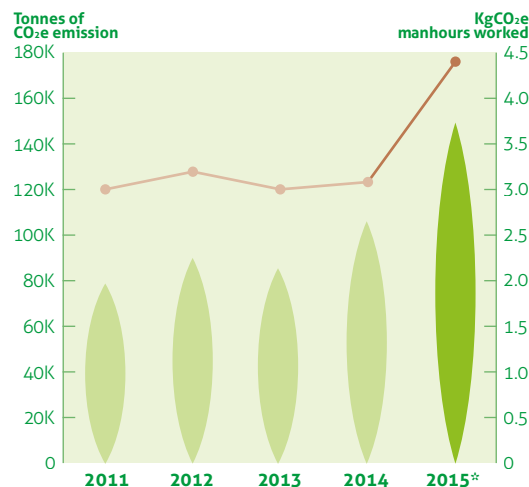
Climate Change and Energy Management

We believe that climate change poses a risk to our operations. Accordingly, we disclose our carbon footprint through the CDP and work with our business partners to reduce our emissions.

In 2015, our total greenhouse gas emissions generated from operations amounted to 149,173 tonnes of carbon dioxide equivalent (CO₂e), an increase of 41% from 2014. The rise in emissions can be mainly ascribed to the inclusion of natural gas consumption by HAECO Americas in the scope of reporting. We measure our impact on the environment based on energy

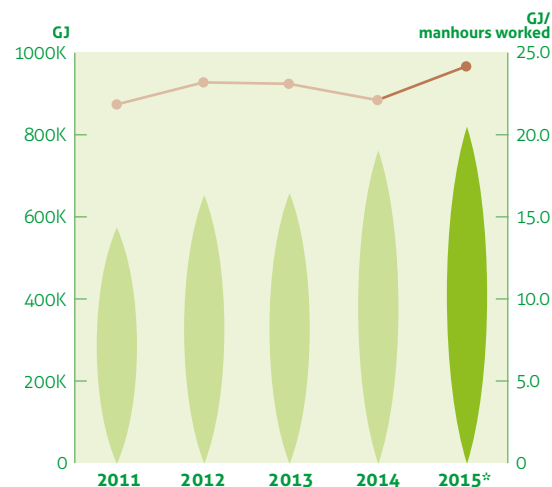
consumed per manhour worked. Total emissions in 2015 were equivalent to 817,879 GJ of energy consumed, and the energy intensity was 24.14MJ/manhour worked. Energy intensity increased by 9% due to the aforesaid reasons and the reduction in the number of hours worked by staff.

Total GHG Emission from Operation*

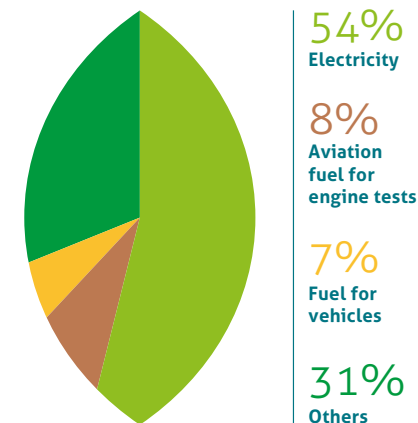


*Note: We expanded our scope of reporting in 2015 to include Natural Gas consumption in HAECO Americas

Total Energy Consumption*





HAECO Group Carbon Footprint



Electricity consumption accounts for approximately 54% of our carbon footprint. Over the years, we have invested in the latest energy efficient equipment and systems for our operations. In 2015, the HAECO Group saved over 2,000MWh in electricity consumption. HAECO Hong Kong has reinforced both its engineering and administrative controls through measures such as the installation of energy efficient lighting, thermometers in offices to monitor temperatures, and enhanced energy saving awareness among staff. At HAECO Xiamen, a pilot test has been introduced to replace R22 refrigerants with Synergy refrigerant in the air conditioning system. Synergy refrigerant is a hydrocarbon refrigerant considered to be more eco-friendly with low Global Warming Potential (GWP). The adoption of this refrigerant is

expected to save approximately 250MWh per annum. HAECO Xiamen also replaced its air-cooled central air conditioning units with the water cooled type in two of its facilities in order to save energy.

Other energy saving projects at HAECO Group included the following:

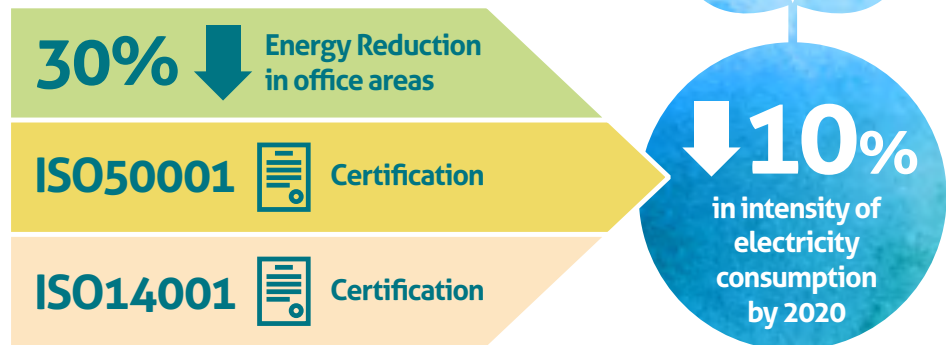
-  Installation of frequency invertors in air compressor systems and replacement of unsuitable pneumatic fittings for the compressed air pipe at HAECO Spirit Aerosystems;
-  Enhancement of automatic controls and monitoring of the centralised cooling system, as well as redefining the air conditioning and lighting zones at HAESL.

In order to encourage further savings, we have set a target for reducing the intensity of electricity consumption by 10% by the year 2020, with 2015 as the baseline. We have also requested our Group companies to achieve a 30% energy reduction in office areas from their pre-defined baseline. For the sake of continuous improvement, all companies are required to carry out an energy audit every 5 years, look for energy management opportunities and manage their environmental impacts by introducing ISO 14001 and ISO50001 standards by 2020.



Synergy refrigerant adopted by HAECO Xiamen

2020 Environmental strategy



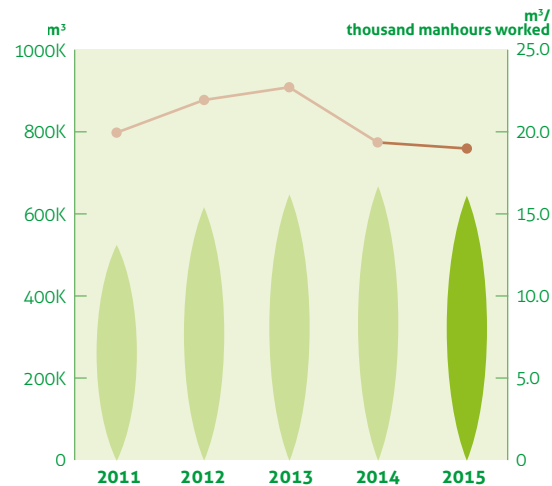
Renewable Energy

The Group's objective is to make maximum use of renewable energy in all daily operations. In 2015, the solar panels at HAECO Xiamen's premises generated approximately 1200MWh of electricity, while HAECO Hong Kong will continue to adopt solar panels in its main office, mobile planning office and the windscreen working stands as energy saving measures.

Water Management

We continually strive to reduce our water consumption through the optimisation of our day-to-day operations, such as the introduction of specialised machinery for many of our cleaning processes such as aircraft washing. At HAECO Hong Kong, we minimise water consumption by capturing rainwater for use in toilet flushing and have installed dual flushing cisterns and automatic taps to reduce water usage. Both HAECO Hong Kong and HAESL have installed water saving nozzles at water taps capable of saving up to 40% in water

HAECO Group Water intensity



consumption. HAECO Americas has also installed a touchless water saver for its wash sinks, toilets and urinals. In Xiamen, we reuse treated water

for toilet flushing and equipment washing. As a result of all these initiatives, our water intensity in 2015 fell by 1.9% compared with 2014.

All treatment process waste water must meet or exceed legal requirements before it is returned to the environment. HAECO Xiamen purchased heavy metal on-line monitoring equipment and a portable heavy metal detector to check all effluents prior to discharge. In addition, HAECO Landing Gear has a wastewater treatment plant to handle the increasing demands of its electroplating work process. HAECO Group also encourages recycling of wastewater. HAECO Xiamen uses treated waste water for green field irrigation, car cleaning, toilet flushing and watering the apron to lower temperatures during summer, while TEXL makes use of treated water for flushing and greening.

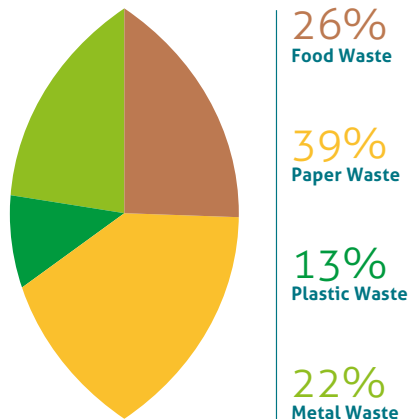


Wastewater treatment system at HAECO Landing Gear

Waste Management

To minimise the amount of waste generated by our operations, we have adopted waste separation at source and recycle whenever possible. In 2015, a total of 4,448 tonnes of waste was disposed, and 14% was recycled.

Waste recycled by HAECO Group



HAECO Hong Kong's recent adoption of tablet computers and smartphones in line services represents a giant leap forward in an industry traditionally characterised by labour-intensive processes and tedious documentation. It has also developed an app that provides real-time work-related information for its line services staff, enabling them to use their handheld devices to keep up-to-date with flight information,

maintenance project details, tools on loan, airport weather and more. HAECO Hong Kong is now exploring opportunities with a number of customers to adopt paperless operations and avoid double data entry in daily operations through system integration.



Moving towards a paperless HAECO Hong Kong



HAESL has joined the Hong Kong SAR Government's Food Waste Recycling Partnership Scheme to enhance awareness of the need to reduce food waste among staff. Upon completion of the programme, HAESL partnered with a local food waste recycler to turn food waste into feed for fish and other animals. HAECO Hong Kong continues its cooperation with Hong Kong International Airport Authority to recycle food waste.



Waste Recycling Programme in HAESL

Recognition and Awards

In 2015, HAECO Hong Kong received a Gold medal in the China Light & Power (CLP) Green Plus Recognition Awards, a Bronze medal in the Hong Kong Awards of Environment Excellence (HKAEE) and a Silver medal in the Bank of China EcoChallenger Awards.

to safety and health in order to provide a sustainable, safer, and healthier workplace for our staff. In line with this commitment, we have implemented Group Health and Safety strategies with measureable objectives and targets.

2015 Progress Update

Objectives

Progress

Remarks/Comments

Introduce an online system to facilitate integration of occupational health and safety and aviation safety

On-going
▶▶▶

Reporting module of the online platform is established in Hong Kong and its function will be extended to other HAECO Group companies

Revamp risk assessment register and the occupational health and safety management system

Completed
▶▶▶

Risk level is re-defined and standardized among HAECO Group companies

Enhance accident investigation skills for staff in HAECO Hong Kong

On-going
▶▶▶

Evaluation of investigation tools have been carried out.

2016 Action Plans

Key Action Plans

- ♥ Acquire OHSAS 18001 accreditation in HAECO Group companies in Xiamen and Hong Kong
- ♥ Conduct safety culture survey
- ♥ Introduce occupational health programme in HAECO Hong Kong to prevent musculoskeletal illness
- ♥ Continue to develop a cloud based safety management system in Xiamen

Safety Management

Effective interaction of the Systems, Processes and People operating within HAECO is critical to the success of our safety related initiatives.



Systems, Processes and People

Systems

The Group will embed a world-class safety management system into our operations and is developing an integrated safety management system for aviation and people safety in order to achieve continual improvement. The Group promotes and encourages compliance with the international standards for Occupational Health & Safety, such as OHSAS 18001. All Group companies in Asia have set a target for obtaining this accreditation by 2016. Achieving internationally-recognised standards will help us to align and standardise occupational health and safety management across the HAECO Group.

Our risk matrix for corporate and operational risk has been refined and will be standardised among all group companies. This integrated system will help to identify and manage risk from both a preventive and corrective perspective at the Group level. It will be used to ensure safe and consistent performance at a global standard for mediating risk processes.

Processes

We encourage what we term the “journey of improvement”. As part of this journey, HAESL has implemented a programme “Point-Of-Use Tooling” to reduce the risk of manual handling due to bulky toolboxes and for better tooling management. Engineers at HAECO Xiamen have



Example of Point-Of-Use Tooling at the HAESL work centre

also introduced a tailored access stand to address the problems of working over the pylon area.

HAECO Hong Kong launched a traffic safety improvement project in 2015 for incident avoidance and efficient fleet management, and provided a series of engineering controls, administrative enhancements and training for all relevant staff. It also issued a driving handbook and installed Global Position System (GPS) devices for its fleet. HAECO Landing Gear has revamped their traffic signs within the plant, and HAECO Xiamen continued its traffic safety campaign for accident prevention.

In the US, HAECO Americas and the Occupational, Safety and Health Administration (OSHA) joined forces to develop a set of Aircraft Hazardous



The Aircraft Hazardous Energy Control (AHEC) board at HAECO Americas

Energy Control (AHEC) Procedures suitable for all HAECO Americas facilities. Through these procedures, HAECO Americas aims to prevent injuries from unexpected energising of aircraft electrical, mechanical, hydraulic and pneumatic components. Used in conjunction with aircraft-specific safety procedures and danger tags, these procedures will ensure complete isolation of associated hazards.

People

We encourage employee participation as a positive step towards preventing and controlling hazards and empower all staff to identify safety related hazards. A user-friendly interface for mobile devices is under development for staff to report hazards, and staff reporting will be measured through a safety performance index.

Safety Culture

A safety culture is based on a set of values, attitudes, perceptions, competences and pattern of behaviours. Creating excellence in our safety culture is one of the Group's primary objectives. To achieve this, the Group will be conducting a survey measuring the maturity of the safety culture at all HAECO Group companies in the years ahead. HAECO Hong Kong has already adopted a compliance culture and introduced "zero tolerance" for some incidents with high consequence. The plan for 2016 is to switch the emphasis on safety mindset from "what-to-do" to "why-to-do". Promotional activities have been organised to facilitate the change. HAESL continued its management safety walks and initiatives to promote proactive reporting. HAECO Xiamen established an OHS safety award programme to motivate staff to contribute to occupational safety. HAECO

Xiamen organised its third maintenance technique competition to promote awareness of people safety, aviation safety and quality. Customer representatives also participated.

For communicating safety information, all operating companies have established their own channels, including display screens, mobile applications, staff notices and regular publications.

Safety Training

We provide regular mandatory safety training based on operational needs, as well as various training programmes for skills and awareness enhancement. During the reporting period, HAECO Xiamen invited their Personal Protective Equipment (PPE) supplier to conduct a roadshow to demonstrate the safe use of PPE in the Xiamen facility. It also provided consultation services as well as safety training for relevant

staff. HAESL revised its safe use of chemicals training for its operation staff. All facilities in China have mandated four days safety training for senior management, while HAECO Spirit Aerosystems and HAECO Landing Gear published safety guidelines and a leaflet for their visitors.



PPE roadshow at HAECO Xiamen



Promotional activities in HAECO Hong Kong



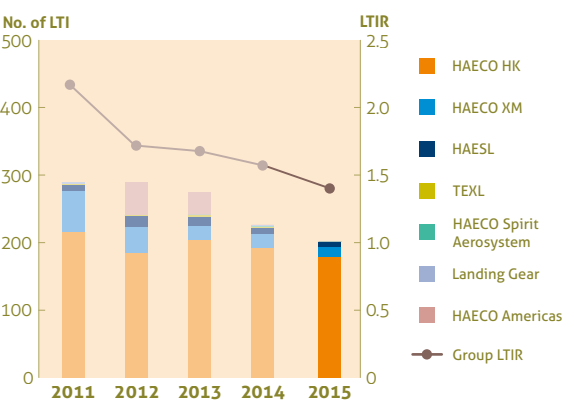
Safety leaflet for visitors at HAECO Spirit Aerosystems

Safety Performance

We benchmark our safety performance by measuring our Lost Time Injury Rate and the Lost Day Rate. These refer to the number of lost time injuries or lost days measured over 200,000 working hours, which is equivalent to around 100 staff working hours in a year.

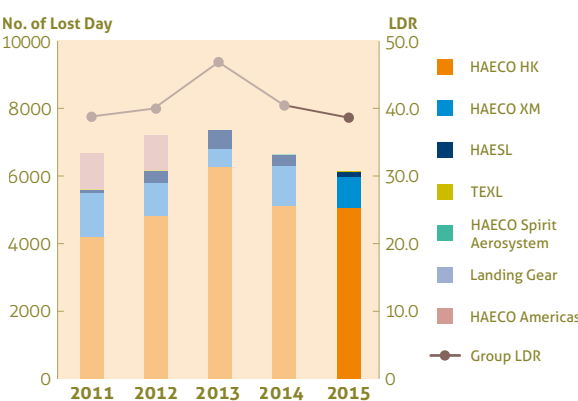
In 2015, we recorded 238 cases of Lost Time Injuries (LTI) and 7,196 days lost under our operation control, representing a reduction of 10.5% in the lost time injury rate. The lost day rate (LDR) fell by 5% from 2014, which reflects a reduction in the severity of cases.

Lost Time Injury Statistics (2011 – 2015)



Remark: Lost Time Injury Rate represents the number of lost time injuries per 100 employees per year. It is calculated as the total lost time injuries multiplied by 200,000 and then divided by total hours worked. The factor of 200,000 is the annual hours worked by 100 employees, based on 40 hours per week over 50 weeks a year.

Lost Day Statistics (2011 – 2015)



Remark: Lost day rate represents the number of lost scheduled working days per 100 employees per year. It is calculated as the total lost days multiplied by 200,000 and then divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week over 50 weeks a year.

Customer Satisfaction and Service Responsibility

As part of our uncompromising commitment to safety and quality, we regularly organise internal and external audits to ensure HAECO services meet and exceed the requirements of the regulatory authorities and our customers.

HAECO takes every incident seriously. On top of incurring repair and insurance costs for the Company, aircraft incidents also affect

customers' satisfaction/trust levels and HAECO's brand image within the industry. In cases of nonconformities, HAECO will perform an incident investigation to identify the root causes and work with other departments to put in place effective corrective actions and follow-up plans to prevent a recurrence.

In addition to internal audits, our customers and the aviation authorities will also carry out audits of HAECO Group companies. On average, there are approximately 700+ external audits per year,

or at least 2 audits per week for each company. No significant findings were identified during external audits.

Recognition and Awards

In 2015, HAECO Hong Kong received the Accident Prevention Measures Award and Good Safety Suggestion Award in the Airport Safety Recognition Scheme. HAECO Hong Kong also received the OHS Annual Report Award. HAECO Xiamen received the award of the Municipal Model of Safety Culture.

2015 Progress Update

Objective	Progress	Remarks/Comments
To introduce a Health Management Programme (HMP) to staff	Achieved ▶▶▶	The Health Management Programme with focus on chronic illness was launched. Special medical attention and related health/medical information was given to HMP members regularly.
To provide extra support to staff working in the remote airport area by introducing a transportation allowance	Achieved ▶▶▶	Transportation allowance introduced
To review and enhance bus service frequency during duty and off duty hours for the convenience of staff	On-going ▶▶▶	Liaised with public transportation companies and successfully added new routes with higher service frequency
To organise additional team-building workshops in various departments to enhance cooperation and team spirit at HAESL	Achieved ▶▶▶	
To streamline and optimise workflow and deliverables in succession planning, staff development management and training course management	On-going ▶▶▶	A new E-management system and a designated module were launched in order to streamline and optimise succession planning. Another two modules will be implemented in the next 2–3 years
To review the job structure and promotion/progression requirement for career development to groom and retain talent	On-going ▶▶▶	HAECO Hong Kong is carrying out a progression review exercise to provide a clear career path for staff that meets actual operational needs and aligns positions with the Company grading structure

2016 Action Plans

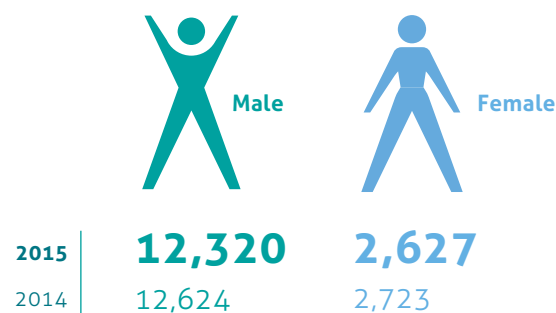
Key Action Plans

- Develop a Group Staff Intra-companies Movement/ Transfer Guideline
- Continue reviewing and improving the public transportation services/options available to staff
- Launch the first phase of a work-life balance programme by establishing thresholds at HAECO Hong Kong for maximum working hours and minimum rest times
- Streamline and optimise workflows and deliverables in succession planning, staff development management and training course management at HAECO Hong Kong, HAESL and HAECO Xiamen.
- Launch Health Week to promote health awareness of common/chronic diseases
- Develop employee engagement initiatives for HAESL
- Launch a mobile communication platform at HAECO Xiamen to improve efficiency of staff administration




Our Employees

In 2015, key HAECO Group companies employed over 14,900 staff globally, a reduction of 3% from the end of 2014, mainly as a result of the higher turnover rates at HAECO Americas and HAECO Xiamen. Most of our staff are based in Hong Kong and Mainland China.

HAECO Group Employee Profile



Geographic Distribution of Employees

By region		Number of Employees	%
HONG KONG		6,786	45.4%
MAINLAND CHINA		5,448	36.4%
USA		2,713	18.2%
TOTAL		14,947	100%

*HAECO HK Career Expo*

Staff Development and Technical Training

Apart from trainings required by law, we strive to provide trainings necessary for staff to develop their full potential. In 2015, we offered a total of 880,711 hours of training, which is equivalent to approximately 60 hours of training per employee, an increase of 12% compared with 2014. Additional training hours were provided to executive staff.

Recruitment and Talent Retention

The Group participates in job fairs, forums, recruitment events and exhibitions, where we provide potential recruits with an understanding of the Group and our employment opportunities.

In 2015, we continued to review our remuneration packages, career development plans and human resources management culture. HAECO Hong Kong also carried out a progression review to assure a clear career path for staff that meets actual operational needs. Additionally, HAESL organised workshops for senior staff and supervisors in order to help them get involved in the career development of their own staff.

Rather than basing career advancement solely on the hierarchical ladder, HAECO Group believes that building a “career lattice” can provide employees with more opportunities. At HAECO Hong Kong, an internal vacancy policy was launched for retaining staff and providing them with job skills while ensuring the Company is hiring the most qualified and suitable people to fill vacancies. The Group plans to extend this policy to other Group companies in 2016.

Training Hours Per Employee

Year 2014
52.97
Hours

Year 2015
59.53
Hours

The Group extended its training to supervisory and managerial staff outside Hong Kong during the year. At HAECO Americas, ongoing training is provided to all employees using e-learning and classroom training, and HAECO Hong Kong is now exploring e-learning systems to assist colleagues with aspirations to acquire a basic aircraft maintenance license from the relevant authority. During 2015, the tuition reimbursement benefit

and certification assistance programmes at HAECO Americas were enhanced to help employees gain education and skills that support the business. The Group continued to operate trainee schemes designed to equip new recruits with the knowledge and experience they need to become skilled professionals in the aircraft maintenance industry. Graduate trainees are rotated throughout the Group's businesses.

In 2015, HAECO Group entered into a long-term agreement with Airbus to provide maintenance and engineering training in Mainland China and Southeast Asia on Airbus aircraft. Under this agreement, HAECO Group will apply Training by Airbus standards, dynamic tools and teaching techniques in order to provide Aircraft Original Equipment Manufacturer-backed maintenance training to its own personnel and third-party customers around the region. This collaborative arrangement will enable trainees to attain the very highest competence levels through access to industry-leading technology, training media and optimised courseware.

Also in 2015, HAECO Group acquired from The Boeing Company an advanced, simulation-based maintenance training suite for the Boeing 787 Dreamliner. The HAECO Group is the first Maintenance, Repair and Overhaul (MRO)

Organisation and Aircraft Maintenance Training Organisation (AMTO) in China to be equipped with the Boeing 787 training suite. Following the acquisition of this training suite, HAECO is now fully licensed to provide computer-based Boeing 787 training to its own personnel and to third-party customers, as well as engineering and maintenance support to airlines worldwide operating this aircraft type.

Diversity, Equal Opportunity and Non-discrimination

The Group is committed to providing a diverse working environment free from discrimination. All staff members must observe the relevant requirements, ensuring full compliance with applicable laws, and must not tolerate unlawful discrimination or other breaches of applicable laws. HAECO recognises the importance of fair dealing and integrity in the course of achieving commercial success. Our Corporate Code of Conduct sets out expected standards of behaviour for our employees and anti-bribery compliance procedures. Employees have the right to raise their concerns/complaints via established procedures. We are committed to addressing each concern/complaint raised properly and fairly, in the strictest confidence.

Employee Relations, Compensation and Benefits, Work-life Balance

To strengthen communication with our colleagues, in 2015 HAECO Hong Kong launched a new intranet catering for the needs of colleagues, as well as a physical staff help desk service.

We encourage our staff to enjoy a healthy work-life balance. This is important in terms of the overall health and well-being of individual employees which will bring positive outcomes for the business. Our work-life balance programme creates stronger bonds among staff, more accountability and higher commitment. Respective Group companies have organised



Activity Room at TEXL



Wellness Day at HAESL

annual dinners, Christmas parties and various sports activities to support this initiative. In 2015, TEXTL also set up a new fitness room for employees.

During the year, HAECO Hong Kong provided a health management programme at its in-house clinic, under which selected staff with chronic health conditions are entitled to long-term medications. HAESL also hosted the first Employee Wellness Day to enhance health knowledge among staff, with over 800 participating. Health information was delivered through health talks, interactive games and a number of sports activities.

The Group continued to invest in the improvement of staff amenities. HAECO Hong Kong, for example, has reserved an annual sum of HK\$3 million for its Staff Amenities Fund.

It also established an exclusive on-site convenience store, provided intelligent laundry lockers for uniform washing and increased air conditioning coverage for staff working in cabins at ramp areas. At HAECO Xiamen, street lighting in the staff quarters was retrofitted.

Recognition and Awards

HAECO and HAESL again received the Honour of Manpower Developer award from the Employee Retraining Board (ERB) in recognition of their significant commitment to manpower training and development, as well as their contributions to the promotion of a learning culture within the Company.





The Group values suppliers who share our sustainability standards. To this end, we invite all suppliers to demonstrate their commitment to legal compliance, safe operations, environmental protection and

the wellbeing of their staff. HAECO also collaborates with different business partners to achieve synergy in cost savings, people development, functional expertise and best practices.

2015 Progress Update

Objective

Progress

Remarks/Comments

To formulate a Group Procurement Policy to standardise good practices in vendor management to promote sustainability

Completed
▶▶▶

The HAECO Group Procurement Policy Manual was issued upon endorsement by the HAECO Group Executive Committee. Individual HAECO Group companies are required to update their own policy manuals

To conduct a sustainability risk assessment of HAECO's business partners

Completed
▶▶▶

The top 20 suppliers of all Group companies were identified and their sustainability risk assessed. Risk mitigation measures were developed

2016 Action Plans

Key Action Plans

- ✱ Further explore the potential of green procurement
- ✱ Review the supplier pre-qualification process for aviation items
- ✱ Explore other up-cycling opportunities for uniforms

Supply Chain Sustainability

The Group is committed to complying with all applicable laws, directives, and regulations. To ensure a common approach to corporate social responsibility (CSR), all registered suppliers are requested to submit a declaration confirming compliance with our Supplier CSR Code of Conduct when registering, a key factor in supplier selection.

The Code prescribes, among other things, that the following duties be included in all agreements with suppliers:

- ✱ Compliance with all national and other applicable laws and regulations.
- ✱ Commitment to high standards of environmental protection, health and safety, human rights and labour policies, business ethics and community relations. In particular, suppliers should work towards the elimination of forced labour and child labour as well as discriminatory practices; providers of services should also strive to meet the principles of the Code.
- ✱ Consent to audits by companies of the HAECO Group.

Key suppliers are invited to carry out a periodic self-assessment survey on CSR to provide ongoing review.

A sustainability risk assessment was carried out in 2015 based on the above Supplier Code of Conduct. With a focus on the top 20 high risk suppliers that we do the most business with, and risk mitigation measures were subsequently developed.



Greater Efficiency through Synergy

In 2015, HAECO Group acted as a lead buyer of green products for the Swire supply chain sustainability working group. Stationery, pantry and printing accessory items were the focus in the initial stage. We believe that potential savings of HK\$500K can be achieved by taking advantage of our joint bargaining power and that our combined purchasing helps to drive demand for sustainable products in the market.

As waste minimisation is a challenge for HAECO, the supply chain working group collaborated with ambassadors of the Low Carbon Ambassadors Programme of Hong Kong Baptist University to identify innovative ways to handle old uniforms. In a pioneering initiative, the group up-cycled over 1,000 uniforms to create tote bags, oversleeves and pencil bags for donation to underprivileged students. In the year ahead, HAECO will continue to identify other opportunities for uniform recycling.

To ensure fair and effective procurement among Group companies, a new HAECO Group Procurement Policy Manual was issued upon endorsement by the HAECO Group Executive Committee in July 2015.



Uniforms upcycled into tote bags

Understanding Our Customers

HAECO supports MRO conferences and organises customer symposiums around the world to discuss the latest issues and concerns of operators, their service providers and suppliers, as well as to exchange ideas with airline customers. After carefully listening to customers about what they most desired in new, state-of-the-art passenger seating, HAECO Americas embarked on the development of the new Vector™ line of seats. A key improvement is the lighter weight of the seats, which are just 31 kg as compared with the 58 kg of the older seats. This 27 kg weight saving per standard triple seat ensures lower fuel consumption and consequently lower carbon dioxide emissions.

HAECO also continued to engage business partners to look for opportunities to drive further sustainability improvements. A recent co-venture between HAECO Hong Kong and Cathay Pacific on optimised phase service checks identified over 100 improvement opportunities and led to a 16% reduction in the average turnaround time.

Recognitions

In April, HAECO Group was named Leading Independent MRO Organisation at the Aviation week MRO of the Year Awards. The award honours the best MRO service providers around the world for pioneering achievements and value-adding accomplishments.



The Group is committed to maintaining strong relationships with the communities in which we operate, creating value, enhancing their capabilities and respecting their culture and heritage.

2015 Progress Update

Objective

Progress

Remarks/Comments

To review HAECO Hong Kong's CSR strategy

Completed
▶▶▶

HAECO Hong Kong carried out a CSR survey to engage its staff in deciding HAECO Hong Kong's CSR direction.

To introduce an incentive programme to encourage staff to participate in company volunteer services at HAECO Hong Kong

On- going
▶▶▶

HAECO Hong Kong introduced a volunteer service leave programme to encourage staff volunteering.

2016 Action Plans

Key Action Plans

Encourage employees to participate in volunteer services

Fundraising

In 2015, the Group contributed HK\$3.2 million in donations for charitable and community engagement. Among the causes supported were child and youth development, environmental protection, minority groups and engagement with our customers. Over 700 volunteers put in more than 4,000 hours of their own time towards charitable events.



Child and Youth Development

To support and encourage the next generation of aviation professionals, HAECO Americas, in conjunction with a local chamber of commerce and local schools, hosted a new Tri-County Aviation Maintenance Academy. The academy is located on the grounds of HAECO Americas' aircraft maintenance, repair and overhaul (MRO) facility in Lake City, Florida. With three classrooms and a hands-on learning lab, the academy offers high school students the opportunity to learn more about the aviation maintenance industry. In addition to hosting the academy facility, HAECO Americas provides classroom instructors, job shadowing and paid internship opportunities for students as they progress through the programme.

HAECO Americas has also pledged to establish an endowed scholarship benefiting aerospace engineering and aviation maintenance science students at Embry-Riddle Aeronautical University's Daytona Beach campus in Florida. The scholarship will be awarded annually to a full-time undergraduate student majoring in aerospace engineering or aviation maintenance/aviation maintenance science with outstanding academic performance. Moreover, HAESL continued to support the Innovation Technology Scholarship Award Scheme, which allows students to attach to HAESL for job shadowing,



Ribbon-cutting ceremony for the new Tri-County Aviation Maintenance Academy at HAECO Americas

In 2015, HAECO Xiamen and HAECO Hong Kong organised over 20 activities promoting aerospace education and general aviation knowledge to students visiting HAECO facilities.

Caring for the Underprivileged and Minority Groups

HAECO Americas again supported the March of Dimes' initiatives for preventing birth defects and infant mortality as well as the Purple Heart Homes, which provides housing for disabled military veterans. We also continued to lend our support to the Salvation Army in Greensboro for a 15th year through a variety of programmes,

including the fundraising Angel Tree Programme. This fun-filled programme features Christmas trees decorated with paper angel tags containing information about a child in need. Contributors simply remove one or more tags from the trees and purchase appropriate gifts for the children described on the tags. Around 100 children and senior citizens are sponsored each year by HAECO Americas.

In China, HAECO Spirit Aerosystems provided its ongoing support to the Quanzhou Welfare Centre and encouraged staff to visit orphans and disabled children at the centre. HAECO Xiamen also continued its support of the Hope Primary School.

Protecting the Environment

HAECO Xiamen supports the global Earth Hour campaign organised each year by the World Wide Fund for Nature (WWF). During the year, more than 1,000 employees showed their commitment to the event by signing their names on a signature wall. Through this event, HAECO Xiamen reinforced the concept of energy saving among its employees.

With Xiamen University (XMU), HAECO Xiamen started a mangrove project in 2009. By the end of 2015, HAECO XIAMEN had organised 23 planting activities, with over 1,800 volunteers participating. To date, 36,700 mangroves have been planted in an area of 38,000 square metres along 2,500 metres of coastline.

In Hong Kong, HAESL supported environmental initiatives through activities such as gardening at WWF's historical monument, a red packet collection and recycling programme, toy collection programme, and wall calendar donations to an elderly home.

Engaging our customers

HAECO Group joins with customers in order to synergise our efforts for the community. In July 2015, HAECO Group hosted over 57

young Mainland Chinese participants in the Cathay Pacific/Dragonair "I Can Fly" programme at its Hong Kong International Airport facility. Organised each year by the airlines, and celebrating its seventh anniversary this year, the "I Can Fly" programme promotes enthusiasm for aviation

and involvement in social services among young people. During the visit, secondary and tertiary students from different parts of China were given an introductory presentation about HAECO Group's business and service offerings, followed by a guided tour of our hangars and workshops.



"I Can Fly" programme

On 15 November 2015, the B-KOO Inspiration – the first homebuilt RV-8 aircraft constructed, registered and certified in Hong Kong – took off from Hong Kong International Airport on its inaugural flight, with Cathay Pacific pilot and project leader Hank Cheng at the controls. The B-KOO Inspiration project, which began in 2008, encourages young people to develop an interest in aviation and Hong Kong's aviation industry. HAECO Hong Kong provided technical support in avionics, composites, engine installation, tooling and painting.

Supporting Volunteerism

To encourage staff participation in volunteer activities, HAECO Hong Kong has launched the Volunteer Service Leave Scheme, which allows staff to take a day off (up to a maximum of 2 days per year) for every 10 hours of volunteer work approved or organised by HAECO. HAESL and HAECO Xiamen have similar initiatives to encourage volunteerism.



HAECO Hong Kong supporters of the B-KOO Inspiration

Recognition and Awards

In 2015, HAECO Hong Kong and HAESL received the 5 Years Plus Caring Company award from the Hong Kong Council of Social Service for good corporate citizenship. HAECO Hong Kong also received the Drive for Corporate Citizenship award from the Hong Kong Productivity Council.

In the United States, HAECO Americas was honoured by the Salvation Army with its prestigious Doing The Most Good award. This award is presented to an organisation or individual who honours their commitment to the Salvation Army's mission of helping people in need.



Performance Data

Performance Data Collection and Calculation Method

Our general approach is to request data owners to confirm the accuracy of their data either through documented evidence or past operational performance. The data was approved and checked for any material errors both internally and externally.

Table 1 – Economic Performance

	HAECO Group	
	2015 HK\$'M	2014 HK\$'M
Economic value generated = (1)	12,375	12,277
Turnover	12,095	11,927
Interest income	20	30
Other net gains	14	6
Share of after-tax results of JCC	246	314
Economic value distributed = (2)	11,943	11,980
Operating costs	6,608	6,848
Employee wages and benefits	4,813	4,573
Payment to providers of capital		
– dividend to company shareholders (previous year's final dividend paid and current year's interim dividend paid)	341	324
– dividend to non-controlling interest	49	38
– interest expenses	96	100
Payment to government (taxation)	33	94
Community investments including charitable donations	3	3
Economic value retained = (1) – (2)	432	297

Table 2 – Environmental Performance

	unit	HAECO Hong Kong	HAECO Xiamen	HAESL	TEXL	HAECO Spirit Aerosystems	HAECO Landing Gear	HAECO Americas	HAECO Group Total	
									2015	2014
Energy Consumption										
Direct energy consumption	GJ	112,661	16,809	81,477	73,163	501	292	76,732	361,636	313,589
Indirect energy consumption	GJ	141,660	78,640	107,599	19,545	5,240	8,791	94,767	456,243	446,665
Total energy consumption	GJ	254,322	95,449	189,077	92,708	5,741	9,084	171,499	817,879	760,255
Greenhouse Gas Emission (Note 1)										
Direct emission (Scope 1)	kg CO ₂ e	10,245,587	1,903,016	6,475,326	5,249,329	197,122	20,712	43,775,815	67,866,907	25,936,464
Indirect emission (Scope 2)	kg CO ₂ e	25,209,938	16,268,619	19,134,254	4,043,419	1,084,058	1,818,680	13,747,844	81,306,812	79,838,414
Other indirect emission (Scope 3) by business air travel	kg CO ₂ e	689,250	690,420	254,890	138,850	37,468	63,560	–	1,874,438	1,644,590
Total GHG emission	kg CO ₂ e	36,144,775	18,862,055	25,864,470	9,431,598	1,318,648	1,902,951	57,523,659	151,048,156	107,419,464
Ozone Depleting Substances										
Ozone depleting substances emitted	kg CFC-11e	1,000	31	–	–	812	–	76	1,919	9,070
Fuel										
Jet kerosene	tonnes	–	–	1,845	1,660	–	–	96	3,600	3,736
Diesel	L	2,830,306	386,383	–	–	20	870	268,573	3,486,152	3,512,855
LPG/propane	kg	13,980	30,102	–	–	–	–	17,196	61,277	58,752
Petrol (Gasoline)	L	251,291	46,971	1,519	9,385	15,233	8,002	209,371	541,772	323,505
Towngas/natural gas	MJ	2,096,160	–	446,064	–	–	–	54,842,609	57,384,833	3,617,688
Electricity										
Total electricity consumed	kWh	37,755,483	21,844,403	29,888,662	5,429,230	1,457,020	2,460,000	26,324,258	125,159,056	124,073,745

Table 2 – Environmental Performance (con't)

	unit	HAECO Hong Kong	HAECO Xiamen	HAESL	TEXL	HAECO Spirit Aerosystems	HAECO Landing Gear	HAECO Americas	HAECO Group Total	
									2015	2014
Refrigerant/ Fire Extinguishing Agent										
Refrigerant/ fire extinguishing agent consumed	kg	1,696	1,084	490	–	473	–	1,488	5,232	3,981
Water										
Potable water used	m ³	206,856	213,178	137,648	29,664	2,635	10,319	25,753	626,053	666,063
Water discharged to sewer	m ³	196,329	111,821	137,648	26,698	2,022	9,287	24,108	507,913	444,743
Materials										
Paper and paper products consumed	kg	94,618	62,252	15,128	867	2,003	–	326,928	501,796	2,786,103
Printing cartridges purchased	No.	376	771	458	287	35	–	1,027	2,954	3,995
Vehicle tyres consumed	kg	41,644	3,411	–	–	–	–	166	45,221	51,880
Solid Waste Management										
Industrial/commercial waste disposed of	kg	1,798,650	1,040,500	362,300	225,000	13,060	–	996,820	4,436,330	4,308,521
Grease trap waste disposed of	kg	168,000	8,640	80,040	–	384	–	–	257,064	289,978
Vehicle tyres disposed of	kg	46,609	437	–	–	–	–	11,730	58,776	51,545
Food waste recycled	kg	70,586	93,996	12,389	–	1,255	–	–	178,226	153,574
Paper/cardboard recycled	kg	37,851	54,892	10,027	–	747	–	170,386	273,903	293,710
Plastics recycled	kg	350	77,000	437	–	262	188	9,714	87,951	271,191
Metal recycled	kg	14,677	1,750	1,197	–	–	22,517	136,773	176,915	380,129
Printing cartridges recycled	No.	120	771	148	–	35	–	124	1,198	2,370

Table 2 – Environmental Performance (con't)

	unit	HAECO Hong Kong	HAECO Xiamen	HAESL	TEXL	HAECO Spirit Aerosystems	HAECO Landing Gear	HAECO Americas	HAECO Group Total	
									2015	2014
Hazardous Waste Management										
Solid chemical waste disposed	kg	221,087	436,968	9,858	4,050	6,770	–	62,119	740,853	594,029
Liquid chemical waste disposed	L	420,015	113,770	40,880	30,152	1,820	–	27,253	633,891	394,821
Significant chemicals/ oil spills	No.	–	–	–	–	–	–	–	–	–
Compliance										
Significant fines and total number of non-monetary sanctions for non- compliance with environmental laws and regulations	No.	–	–	–	–	–	–	–	–	–

Note

1. We adopted an operational control approach according to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) in calculating our Group's GHG footprint, which covers the GHG emissions of our subsidiaries, and where we have control of their operating policies, our associated companies and jointly controlled entities. In this report, we only cover HAECO, TAECO, HAESL, TEXL, TSJ and TALSCO's GHG emission at 100% and intend to cover other Group's operations in the future.

Table 3 – Social Performance

		HAECO Hong Kong	HAECO Xiamen	HAESL	TEXL	HAECO Spirit Aerosystems	HAECO Landing Gear	HAECO Americas	HAECO Group Total	
<i>unit</i>									2015	2014
Occupational Health & Safety										
Manhours worked (total attended hour by all staff)	<i>No.</i>	14,702,033	9,905,235	1,889,287	577,579	285,439	332,799	6,191,997	33,884,368	34,394,966
Work-related fatalities (employees)	<i>No.</i>	–	–	–	–	–	–	–	–	–
Lost time injuries (Note 1)	<i>No.</i>	177	15	7	1	2	2	34	238	270
Minor injuries/first aid cases	<i>No.</i>	232	328	2	8	3	3	176	752	860
Total lost days	<i>No.</i>	5,028	934	160	4	3	5	1,061	7,194	7,696
Lost time injury rate (Note 2)		2.41	0.30	0.74	0.35	1.40	1.20	1.10	1.40	1.57
Lost day rate (Note 3)		68.39	18.86	16.94	1.21	2.10	3.00	34.27	42.46	44.75
Training and Education										
Total average hours of training	<i>No. of hours</i>	53.91	86.67	73.11	98.53	36.54	49.18	18.36	59.53	52.97
Breakdown by employee category										
– Top/senior management	<i>No. of hours</i>	28.18	57.77	3.00	52.88	49.98	15.00	–	43.28	27.05
– Middle/junior management & supervisory	<i>No. of hours</i>	11.34	97.75	47.63	59.94	16.00	13.75	8.00	68.71	70.00
– Customer facing staff	<i>No. of hours</i>	6.44	92.32	8.50	–	35.74	13.33	–	57.20	61.20
– Non-customer facing/operational/technical staff	<i>No. of hours</i>	84.19	35.90	88.09	128.36	33.13	51.49	20.00	60.02	44.67
– Others	<i>No. of hours</i>	12.13	26.43	44.77	20.85	36.54	–	1.00	20.06	30.94

Table 3 – Social Performance (con’t)

	By age group			By gender		By region			Total Turnover Rate of Employees (%)
	under 30 years old	30 to 50 years old	over 50 years old	Male staff	Female staff	Hong Kong	Mainland China	USA	
Employee Turnover Rate									
HAECO Group 2015	15%	10%	15%	16%	15%	12%	7%	27%	13%

	By age group			By gender		By region			Total New Hires Rate (%)
	under 30 years old	30 to 50 years old	over 50 years old	Male staff	Female staff	Hong Kong	Mainland China	USA	
New Hire Data									
HAECO Group 2015	19%	7%	5%	13%	13%	12%	3%	20%	10%

Note

- Lost time injuries** are defined as work-related injuries which result in lost time of a minimum of one scheduled working day.
- Lost time injury rate** represents the number of injuries per 100 employees per year. It is calculated as the total lost time injuries multiplied by 200,000 and then divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.
- Lost day rate** represents the number of lost scheduled working days per 100 employees per year. It is calculated as the total lost time injuries multiplied by 200,000 and then divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

Standard Disclosures & Performance Indicators

Table 1 – General Standard Disclosures

Material Aspects	HKEx	GRI Indicators	Disclosures	Reference	External Assurance
Strategy and Analysis: A strategic view of the organisation's sustainability.	–	G4.1	Chairman's statement	Message from the CEO (p.6)	✓
		G4.2	Description of key impacts, risks, and opportunities	About HAECO (p.8)	✓
Organisational Profile: An overview of the organisational characteristics to provide context for the details in the report.	–	G4.3	Name of the organisation	About HAECO (p.8)	✓
	–	G4.4	Primary brands, products and services	About HAECO (p.8)	✓
	–	G4.5	Location of the organisation's headquarters	About HAECO (p.8)	✓
	–	G4.6	Countries where the organisation operates	About HAECO (p.8)	✓
	–	G4.7	Nature of ownership or legal form	About HAECO (p.8)	✓
	–	G4.8	Markets served (geographic, sectors, types of customers and beneficiaries)	About HAECO (p.8)	✓
	–	G4.9	Scale of the organisation (Number of employees and operations; net sales; capitalisation; quantity of products)	About HAECO (p.8) Annual Report 2015 – Review of Operation (p.10)	✓
	KPI A1.1, A1.2	G4.10	Employee analysis (contract, gender, employment type, region, self-employed or supervised employees of contractors)	Employees (p.27)	✓
	–	G4.11	% of employees covered by collective bargaining agreements	Employees (p.27)	✓
	KPI C1.1 ,1.2	G4.12	Describe the organisations supply chain	Business Partners (p.33)	✓
	–	G4.13	Significant changes during the reporting period in size, structure, ownership or supply chain. Also capital structure, location and location of suppliers	About this report (p.4)	✓

Table 1 – General Standard Disclosures (Con’t)

Material Aspects	HKEx	GRI Indicators	Disclosures	Reference	External Assurance
	–	G4.14	How the precautionary principle is addressed	Health and Safety (p.22)	✓
	–	G4.15	List of externally developed charters, principles, etc to which the organisation subscribes	HAECO supports the no shark fin initiative from WWF and has developed a sustainable food policy to encourage consumption of sustainable food	✓
	–	G4.16	Membership list of industry and advocacy associations	We worked closely with Hong Kong International Airport to learn from experience of other industry peers. HAECO Hong Kong, HAECO Xiamen and HAECO Americas are members of the International Airlines Technical Pool and HAECO Americas is a member of the Aeronautical Repair Station Association	✓
Identified Material Aspects and Boundaries: The process followed to define: – the Report Content, – the identified material Aspects and the Boundaries; – restatements.		G4.17	List of entities included in the organisations consolidated financial statements	About HAECO (p.8) Performance Data- Economic Performance (p.42)	✓
		G4.18	The process for defining the report content and Aspect Boundaries. How the Reporting Principles are used to Define Report Content	Corporate Governance and Sustainability Management (p.11)	✓
		G4.19	List of material Aspects identified	Corporate Governance and Sustainability Management (p.11)	✓
	–	G4.20	The Aspect Boundary within the organisation for each material Aspect	Corporate Governance and Sustainability Management (p.11)	✓
	–	G4.21	The Aspect Boundary outside the organisation for each material Aspect	Corporate Governance and Sustainability Management (p.11)	✓
	–	G4.22	Effect of any restatements of information	No restatements of information from earlier reports	✓
	–	G4.23	Changes in Scope and Aspect Boundaries	About this report (p.4)	✓

Table 1 – General Standard Disclosures (Con't)

Material Aspects	HKEx	GRI Indicators	Disclosures	Reference	External Assurance
Stakeholder Engagement: An overview of the organisation's Stakeholder Engagement during the reporting period.		G4.24	List stakeholder groups engaged	Corporate Governance and Sustainability Management (p.11)	✓
	–	G4.25	Basis for identifying and selecting stakeholders with whom to engage	Corporate Governance and Sustainability Management (p.11)	✓
	–	G4.26	Approach to stakeholder engagement	Corporate Governance and Sustainability Management (p.11)	✓
	–	G4.27	Key topics and concerns raised through stakeholder engagement and how the organisation is responding to these concerns	Corporate Governance and Sustainability Management (p.11)	✓
Report Profile: Basic information on the report, GRI Content Index and approach on external assurance.	–	G4.28	Reporting period	About this report (p.4)	✓
	–	G4.29	Date of most recent report	About this report (p.4)	✓
	–	G4.30	Reporting cycle (e.g. annual or biennial)	About this report (p.4)	✓
	–	G4.31	Contact point for questions on the report	Contact us (p.58)	✓
	–	G4.32	GRI Content Index showing: – In Accordance option chosen. – Page disclosures made and if/how each is assured	About this report (p.4)	✓
	–	G4.33	Practice on seeking external assurance for the report	Verification statement (p.57)	✓
Governance: Overview of governance structure, role of the highest governance body plus details on remuneration.	–	G4.34	Governance structure: Highest governance body and other committees responsible for decision making	About this report (p.4) Corporate Governance and Sustainability Management (p.11)	✓
Ethics and Integrity	–	G4.56	Describe the organisation's values, standards and norms of behaviour – e.g. code of conduct	Corporate Governance and Sustainability Management (p.11)	✓

Table 2 – Performance Indicators

Aspects	HKEx	GRI G4 Parameters	Disclosures	Reference	External Assurance
A. Environmental					
Emissions	General Disclosures		<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste</p> <p>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations</p>	HAECO Group is committed to managing the adverse impact that its operations may have on the environment. Going beyond legal compliance, the Group is continually improving its environmental management practices and measures to reduce energy and other resources use, minimise wastes and increase recycling. Environmental statement is included in HAECO Group Sustainable Development Policy and in the environmental policies in respective companies	✓
	KPI A1.1		The types of emissions and respective emissions data.	<p>The following gases are included in GHG calculations: carbon dioxide (CO₂), methane, sulphur dioxide and nitrous oxide. These are expressed in carbon dioxide equivalents (CO₂e)</p> <p>Emission data are presented in Performance Data – Environment (p.42)</p>	✓
	KPI A1.2	EN15, EN16, EN17, EN20	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Performance Data – Environment (p.42) Environment (p.16)	✓
	KPI A1.3	EN23	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Performance Data – Environment (p.42) Environment (p.16)	✓
	KPI A1.4		Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Performance Data – Environment (p.42) Environment (p.16)	✓
	KPI A1.5		Description of measures to mitigate emissions and results achieved	Environment (p.16)	✓
	KPI A1.6		Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Environment (p.16)	✓
		EN24	Total number and volume of significant spills	Performance Data – Environment (p.42)	✓

Table 2 – Performance Indicators (Con’t)

Aspects	HKEx	GRI G4 Parameters	Disclosures	Reference	External Assurance
Use of Resources	General Disclosures		Policies on the efficient use of resources, including energy, water and other raw materials Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc		
	KPI A2.1	EN3, EN4, EN5, EN6	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ‘000s) and intensity (e.g. per unit of production volume, per facility)	Performance Data – Environment (p.42) Environment (p.16)	✓
	KPI A2.2	EN8, EN10	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Performance Data – Environment (p.42) Environment (p.16)	✓
	KPI A2.3		Description of energy efficiency initiatives and results achieved	Environment (p.16)	✓
	KPI A2.4		Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Environment (p.16)	✓
	KPI A2.5		Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	HAECO Group follows the requirement of customers and best practices in aviation industry for packing materials. We do not report the total packing material used, but will consider doing so in the future	✓
The Environment and Natural Resources	General Disclosures		Policies on minimising the issuer’s significant impact on the environment and natural resources		
	KPI A3.1		Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environment (p.16)	✓

Table 2 – Performance Indicators (Con't)

Aspects	HKEx	GRI G4 Parameters	Disclosures	Reference	External Assurance
B. Social: Employment and Labour Practices					
Employment	General Disclosures		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	HAECO is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects the Group’s belief that, in the achievement of its long-term objectives, integrity, transparency and accountability should be the key guiding principles by which it conducts business. In so acting, HAECO believes that shareholders, its employees, those with whom it does business and the communities in which it operates will all benefit. A set of guidelines and procedures have been developed for employees to follow, which includes the Corporate Code of Conduct, Equal Opportunities and Diversity Policy and procedures on reporting of improprieties The Group is committed to comply with relevant laws and regulations. All staff members must observe the relevant requirements, ensuring fully compliance with applicable laws and must not tolerate unlawful discrimination or other breaches of applicable law	✓
	KPI B1.1	G4.10	Total workforce by gender, employment type, age group and geographical region	We report the employee profile by gender, employment type, age group and geographical region. Performance Data provided	✓
	KPI B1.2	G4-LA1	Employee turnover rate by gender, age group and geographical region	We report the employee profile by gender, employment type, age group and geographical region. Performance Data provided	✓
		G4.11	Percentage of employees covered by collective bargaining agreements	In Hong Kong, there is no legal framework for collective bargaining with trade unions. In Mainland China, we are normally required to deal with official trade unions	✓
		G4 - LA4	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	There is no collective agreement established but the management will consult and update Staff consultative committee members for significant operational changes	✓

Table 2 – Performance Indicators (Con’t)

Aspects	HKEx	GRI G4 Parameters	Disclosures	Reference	External Assurance
		G4- LA12	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	The composition of the Board of Director is listed in the Annual Report (p42-43)	✓
		G4- HR3	Total number of incidents of discrimination and actions taken	The breakdown of employee per category is detailed in Performance Data	
		G4- SO5	We did not record any confirmed cases in 2015	We do not have a definition of minority status	✓
Health and Safety	General Disclosures		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	The health and safety of our staff and those with whom we engage is of critical importance. We aim continually to improve our management of health and safety with a view to causing zero harm. Occupational Health and Safety statement are included in our Sustainable Development Policy, Health & Safety Policy and also Supplier Code of Conduct	
	KPI B2.1	LA6	Number and rate of work-related fatalities	Performance Data – Safety (p.45)	✓
	KPI B2.2		Lost days due to work injury	Performance Data – Safety (p.45)	✓
	KPI B2.3		Description of occupational health and safety measures adopted, how they are implemented and monitored	Health and Safety (p.22)	✓
Development and Training	General Disclosures		Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities Note: Training refers to vocational training. It may include internal and external courses paid by the employer	The Group places great emphasis on the training and development of employees from both technical and non-technical perspective. Respective Group companies will assess their own training needs and provide various training programmes to the employees for skill enhancement as well as career development	
	KPI B3.1		The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Training has been provided to all employee	✓
	KPI B3.2	LA9	The average training hours completed per employee by gender and employee category	We report the average training hours completed per employee by employee category. Performance Data are provided. We do not report by gender	✓

Table 2 – Performance Indicators (Con’t)

Aspects	HKEx	GRI G4 Parameters	Disclosures	Reference	External Assurance
B. Social: Operating Practices					
Labour Standards	General Disclosures		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	HAECO Group does not operate in circumstances and environments with high exposure to risk concerning child or forced labour	
	KPI B4.1		Description of measures to review employment practices to avoid child and forced labour	HAECO Group does not operate in circumstances and environments with high exposure to risk concerning child or forced labour	✓
	KPI B4.2		Description of steps taken to eliminate such practices when discovered	HAECO Group does not operate in circumstances and environments with high exposure to risk concerning child or forced labour	✓
Supply Chain Management	General Disclosures		Policies on managing environmental and social risks of the supply chain	Although supply chain issues were not considered to be among the most material issues by the majority of participants, we will continue to monitor our supply chain management approach, as it is important to ensure suppliers adhere to high sustainability standards. We believe that by working with suppliers, customers and consumers, we can encourage and influence the adoption and improvement of sustainable practices in the industries and places in which we operate. We therefore established a Supplier Corporate Social Responsibility Code of Conduct. It deals with regulatory compliance, forced labour, child labour, health and safety, environmental issues, compensation and working hours, human rights, subcontractor management, ethics and reporting	
	KPI B5.1		Number of suppliers by geographical region	Over 80% of our suppliers are from UK. Others are located at North Americas, Europe, Hong Kong, China and Southeast Asia	✓
	KPI B5.2		Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	All registered suppliers are requested to submit a declaration confirming compliance with our Supplier CSR Code of Conduct upon vendor registration. The Code is also included in all agreements with the suppliers. Key suppliers are invited to carry out a self-assessment survey on CSR periodically to provide ongoing review	✓

Table 2 – Performance Indicators (Con’t)

Aspects	HKEx	GRI G4 Parameters	Disclosures	Reference	External Assurance
		G4.12	Description of supply chain	HAECO Group’s supply chain is comprised of hundreds of suppliers of products and services. Significant procurement categories include those related to supply of engines, aviation parts, chemicals and fuels. Landlord is also a key business partner of HAECO Group	✓
		G4.13	Significant changes during the reporting period in size, structure, ownership or supply chain	No significant changes during the reporting period	✓
Product Responsibility	General Disclosures		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	<p>Dedicated Quality Department of the HAECO Group companies ensures the HAECO services meet and exceed the requirements of regulatory authorities and our customers</p> <p>The HAECO Group holds approvals from 29 national aviation authorities around the world. At HAECO, every staff member is responsible for building quality into our products and services</p>	
	KPI B6.1	G4-PR2	Percentage of total products sold or shipped subject to recalls for safety and health reasons. Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Health and Safety (p.22)	✓
	KPI B6.2		Number of products and service related complaints received and how they are dealt with	Commercial Departments of HAECO Group companies maintain a strong relationship with our customers. When a complaint is received, Commercial Departments of HAECO Group companies will liaise with customers proactively and work out a solution with engineering team to meet customers’ expectations	✓
	KPI B6.3		Description of practices relating to observing and protecting intellectual property rights	Every staff in the HAECO Group of companies is responsible for observing and protecting intellectual property rights. Relevant guidelines are available in the Corporate Code of Conduct	✓

Table 2 – Performance Indicators (Con’t)

Aspects	HKEx	GRI G4 Parameters	Disclosures	Reference	External Assurance
	KPI B6.4		Description of quality assurance process and recall procedures	Dedicated Quality Department of the HAECO Group companies ensures the HAECO services meet and exceed the requirements of regulatory authorities and our customers. At HAECO, every staff member is responsible for building quality into our products and services	✓
	KPI B6.5		Description of customer data protection and privacy policies, how they are implemented and monitored	Customer data protection and privacy policies are well described in the Corporate Code of Conduct. HAECO is committed to respecting and safe guarding the data privacy policy under relevant local legislation	✓
Anti-corruption	General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	HAECO believes that conducting business with integrity is critical to HAECO's development as a successful, sustainable and responsible business group. It is HAECO's policy that all relevant persons should comply with the anti-bribery laws to which they are subject to. The Corporate Code of Conduct sets out the standards of behaviour and the anti-bribery compliance procedures adopted by HAECO	✓
	KPI B7.1	G4-SO5	Number of concluded legal cases regarding corrupt practices brought against the issuer, its employees, or when contracts with business partners were terminated or not renewed during the reporting period, and the outcomes of the cases	No confirmed cases were recorded in 2015	✓
	KPI B7.2		Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Whistle-blowing procedure is available in the Corporate Code of Conduct	✓

Verification Statement



Scope and Objective

Hong Kong Quality Assurance Agency (HKQAA) was commissioned by the Hong Kong Aircraft Engineering Company Limited (hereinafter referred to as "HAECO") to undertake an independent verification of the HAECO Group Sustainable Development Report 2015 (hereinafter called "the Report"). The Report stated the overall sustainability performance and efforts made by HAECO Group for the period from 1st January 2015 to 31st December 2015. Quantitative data regarding the economic, environmental and social performances such as greenhouse gas emission, number of lost time injury and average training hours of employees is verified based on the methodology described below. The verification team did not partake in the compilation of the data and information of the Report.

The aim of this verification was to provide assurance on the completeness and accuracy of the information stated in the Report. The Report covers the standard disclosures defined in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 4 (G4) with "Core" option and the Key Performance Indicators that defined in the Environmental, Social and Governance (ESG) Reporting Guide of The Stock Exchange of Hong Kong Limited (SEHK).

Methodology

The process used in this verification was based on current best practices. The Report was reviewed based on the following criteria:

- International Standard on Assurance Engagement 3000 (ISAE 3000) – "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board;
- The Global Reporting Initiative (GRI) G4 Guidelines; and
- ESG Reporting Guide published by SEHK

The verification procedure included reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the Report and verifying the selected representative sample of data and information consolidated in the Report. Raw data and supporting evidence of the selected samples were thoroughly examined.

Conclusion

Based on the outcome of the verification process, it is opined that the Report is in accordance with the GRI G4 Guidelines – "Core" option and covers the Key Performance Indicators of the ESG Reporting Guide.

The information presented in the Report provided a structured, balanced and consistent representation of the performance of HAECO Group in the context of sustainable development. We are satisfied that the Report includes factual statements and the data contained within the Report is accurate and reliable. It is a fair and honest representation of initiatives, targets, progress and performance on the sustainable development achievements of HAECO Group.

Opportunities for improvement on the reporting structure and content are separately submitted to HAECO for their consideration on the compilation of future sustainable development reports. It does not affect our opinion on the Report.

Signed on behalf of Hong Kong Quality Assurance Agency

Jorine Tam
Director, Corporate Business
November 2016

Contact us

Thank you for reading this report.

Request for feedback

We welcome your views on how we may further our environmental and social commitments or improve our reporting.

Please contact us via our website or email.

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