



2019 SUSTAINABLE DEVELOPMENT HIGHLIGHTS

The Sustainable Development highlights provide, at a glance, the Group sustainable development performance in 2019, and our way forward for 2020.

For further details and information, you can visit our newly revamped website at sd.haeco.com/en/. With enhanced navigation and user experience, you can easily find out how sustainability is embedded within our daily operations.

HEALTH AND SAFETY

HAECO's aim is to achieve Zero Harm throughout our operations. We place safety, and the health and well-being of all our stakeholders, as our highest priority.

Commitment and Way Forward

2019 Key Progress

- All Group companies have developed platforms to promote the proactive reporting of hazards within the workplace.
- We extended to Group companies in Xiamen our 'Olympic weightlifting' manual handling programme.
- HAECO Hong Kong has begun to incorporate behaviour-based safety initiatives into its safety awareness programmes.
- HAECO Hong Kong held a 'health week', under the theme of "Healthy Life-Style", to further promote staff well-being.

2020 Plan

- Continue to align Group safety standards and common procedures.
- Extend existing job hazard risk assessment initiatives across Group companies.
- Further develop our Safety Culture enhancement programmes.

Performance

- Lost Time Injury Rate: **1.11** ↓ **13.9%***
- Lost Day Rate: **43.03** ↓ **10.6%***
- Work Related Fatalities: **0**

*Compared to last year



ENVIRONMENT

At HAECO, we fully understand the importance of managing our environmental impacts. The Group commitment is to reduce its carbon footprint, investing in energy-efficient equipment, turning waste into resources, using water responsibly, sourcing materials ethically, building climate resilience into its operations and promoting stewardship of natural resources.

Commitment and Way Forward

2019 Key Progress

- Group companies in Mainland China carried out cross-company audits to promote best practice sharing and continuous improvement.
- All group companies in Xiamen have acquired ISO 14001:2015 certification.

2020 Plan

- Establish ISO 50001 frameworks in all group companies in Mainland China.
- HAECO Hong Kong and HAESL will install solar panel systems in 2020-2021.
- Implement sustainability targets for 2030 in accordance with the United Nations Sustainable Development Goals.

Performance

Carbon

GHG Intensity
3.11 kg CO_{2e}/attended hour
↓ **6.9%***

Energy Intensity
26.80 MJ/attended hour
↑ **11.0%***

Renewable Energy
Generated **1,302 MWh**
(equivalent to 117M smartphones been charged)
* Compared to base year in 2015

Waste

Total Waste Recycling Rate:
18.3%

Water

Water Intensity
16.96 L/attended hour
↓ **8.2%***

* Compared to base year of 2015.

Recognition and Awards

- HAECO Hong Kong has been awarded "Friends of EcoPark 2019" by the Hong Kong Environmental Protection Department, for recycling the Inflight Entertainment Monitors.
- HAECO Xiamen has been recognised as an "Excellent energy-saving management enterprise" by Xiamen Energy Conservation Association (XMECA).
- HAESL has been awarded "Hong Kong Green Organisation" by the Hong Kong Environmental Campaign Committee (ECC).

COMMUNITY

We are committed to foster and maintain strong relationships with the communities in which we operate. We believe that a thriving community is the foundation of a thriving business.

Commitment and Way Forward

2019 Key Progress

- Encouraged employees' participation in volunteering services; particularly focused on the welfare of children and youth, disadvantaged groups, and the protection of the environment.

2020 Plan

- Further promote employees' participation in volunteering services.

Performance

Charity Donations
\$3.2 M

Volunteering Hours for Charity
>2,300 hours



BUSINESS PARTNERS

We source materials responsibly and sustainably. We value those suppliers who share our sustainability goals. We invite all suppliers to demonstrate their commitment to legal compliance, safe operations, environmental protection and the well-being of their staff.

Recognition and Awards

- HAECO Hong Kong and HAESL received the '10 Years Plus Caring Company Award' and 'Caring Company Award' from the Hong Kong Council of Social Services.

Commitment and Way Forward

2019 Key Progress

Talent Retention

- HAESL collaborated with the Hong Kong Institute of Vocational Education (IVE) to expand the talent pool supply by introducing an elective course, "Introduction to Jet Engines", for its higher diploma, mechanical engineering programme.
- HAECO Landing Gear Services revamped their career development path to retain talent within its production and support functions.

Employee Relations

- HAECO Group corporate values have been integrated into various projects and safety programmes to further promote awareness.
- HAECO Americas has initiated staff surveys and interviews to promote enhanced communication with employees.

Diversity and Inclusion

- HAECO Hong Kong promoted Diversity & Inclusion at the workplace, including related questions in the annual staff survey.
- HAESL established a "Women's Network".

Training

- HAECO Group launched a Leadership Development Programme for high potential individuals in Hong Kong and Xiamen.
- HAECO Americas developed a Repairman Certificate Programme, in conjunction with the Federal Aviation Administration, to increase the skill levels of its workforce.

2020 Plan

Talent Retention

- HAECO Americas will collaborate with local community colleges providing more training classes to develop future generations of aviation professionals.
- TEXL will further develop the Technical Graduate Trainee programme.

Employee Relations

- HAECO Hong Kong and HAECO Xiamen will revamp the human resources management system to enhance staff engagement.
- HAECO Americas will roll out a talent management system facilitating better feedback processing whilst promoting staff commitment to strive towards company goals and values.

Diversity and Inclusion

- HAECO Hong Kong will update its policy related to 'respect at the workplace' and launch an independent reporting channel.
- HAESL will continue to promote Diversity and Inclusion with its staff.

Training

- HAECO Group will launch soft-skills training aimed at developing the management competencies of future leaders, such as communication, problem-solving and negotiation skills.
- TEXL will develop training courses to complement their Technical Graduate Trainee programme.

Performance

Talent Retention*

Staff Turnover Rate: **10.9%**
Staff New Hire Rate: **13.0%**

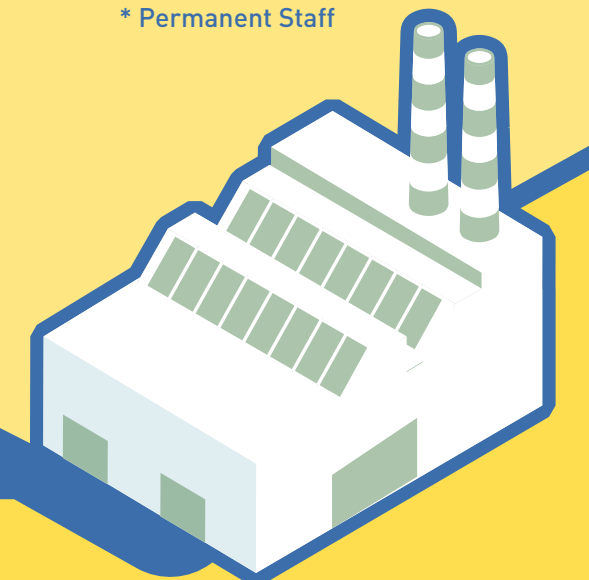
Diversity and Inclusion*

Male to Female Ratio: **82%:18%**

Training *

Training Hours:
759,165 hours
Average Hours of Training/Staff:
52.6 hours/staff

* Permanent Staff



Recognition and Awards

- HAECO Americas has been awarded the Gold level as a "Military Friendly Employer".

Performance

- Tier 1 suppliers (top 20 suppliers) are assessed every **3 years**.
- Critical supplier audits are carried out annually.



Commitment and Way Forward

2019 Key Progress

- An audit of selected (high-risk) suppliers was carried out.

2020 Plan

- Develop and standardise supplier risk measurement and evaluation methodologies across HAECO Group companies.
- Formulate sourcing policies for plastic materials.