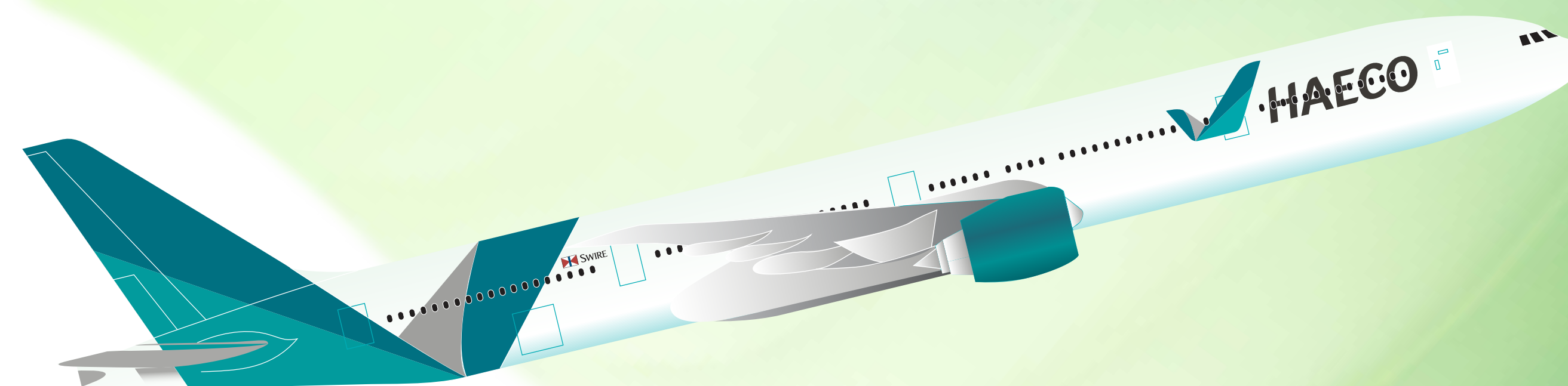


Sustainable Today Thriving Tomorrow



2024 Sustainable Development Highlights

SD 2030 Sustainability Vision

HAECO Group's SD2030 Sustainable Development Strategy sets out a 10-year roadmap for the sustainable development of our businesses as we continue our journey towards a thriving future.

PEOPLE

Safety

90%

Total Injury Rate reduction by 2030 vs 2019
Lost Day Rate reduction by 2030 vs 2019

Diversity & Inclusion

30%

Women (L4-Strategic Leader) by 2030

ENVIRONMENT

Climate

40%

CO₂e reduction by 2030 (Scope 1 & 2) vs 2018

Water

25%

Water intensity reduction by 2030 vs 2018

Waste

60%

of Waste (excluding liquid and hazardous waste)
diversion from landfill by 2030

Suppliers

100%

High Risk & Key Suppliers in compliance with Ethical
& Environmental Standards as per Supplier Code of
Conduct by 2030

COMMUNITIES

4 times

increase in volunteering hours
per employee by 2030 vs 2018

Established a

HAECO Group CSR Fund

which comes from 10% retention from
HAECO's contribution to Swire Trust and
its matching amount, totalling at least
HK\$1 million

Prioritise community engagement
projects on our key focus areas:

Youth Development Community Support Environmental Protection

PEOPLE

Safety

We believe that all injuries are preventable, and we seek to achieve zero harm in all our activities.

▼ 32% Total Recordable Injury Rate 0.52

▼ 40% Lost Time Injury Rate 0.28

2024 Key Progress and Performance

A deep commitment to safety underpins everything we do in the HAECO Group. We set the highest standards in our operations around the world through effective safety and quality systems in place across all facilities.

We saw some positive trends in our key safety metrics in 2024. The total number of recordable injuries reported in 2024 was 89, compared to 130 in 2023, representing a 32% reduction in the number of recordable injuries year on year. Lost time injuries fell from 81 in 2023 to 49 in 2024, a 40% decline. The number of lost days dropped 42%, from 3,741 in 2023 to 2,172 in 2024.

The rollout of our Safety and Quality Three-year Plan in 2024 and the insights gained have enabled us to identify opportunities within the current safety framework, focusing on operational risk and change management. We initiated the implementation of Leading Indicators, which allow us to make more informed decisions in terms of strategic planning and risk management.

Increased engagement with staff across the Group enabled us to collaborate effectively in identifying key operational safety risks, known as Safety and Quality High Potential Risk (HIPO). This collaboration ensures that lessons learned are shared and that mitigation strategies are standardised throughout the organisation.

2025 Plans

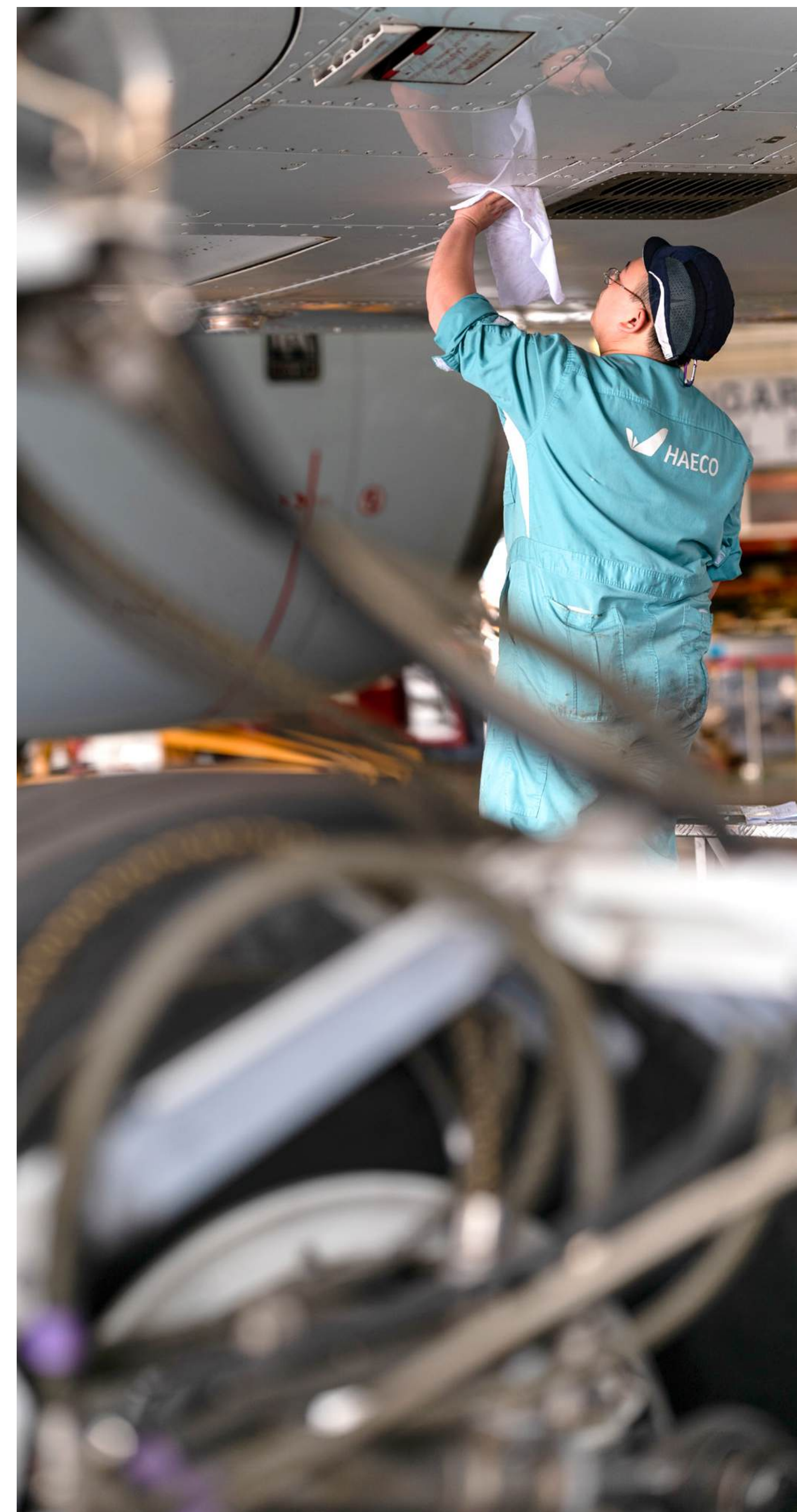
Our mission to achieve zero harm is unrelenting. In 2025, we will build on our work in the previous year and adopt important measures to help us continue with our mission to achieve zero harm.

We will also work to improve the management of safety by consolidating the top risks across HAECO operating companies for Group level oversight and to drive associated initiatives – such as prioritising the replacement of equipment in order to meet the highest safety standards.

The Safety and Quality Three-year Plan is a blueprint for the HAECO Group's efforts to strengthen safety governance across all its operations, helping us develop a comprehensive framework that enhances safety and promotes a culture of continuous improvement.

The enhanced structure provides a clear vision for safety improvements over the next three years, with plans to expand the safety team in 2025 and align safety goals across our operating companies.

To strengthen our resilience in safety with the goal of zero harm, we have established KPIs for three key leading indicators in 2025 after a full year's trial in 2024. Finally, we will continue to work to ensure that all operating companies adhere to the HAECO Integrated Standards and Recommended Practices, effectively managing risks associated with their operations and reinforcing accountability.





Diversity and Inclusion

We are committed to creating an inclusive, equal and fair working environment for all.

2024 Key Progress and Performance

Our employees are at the heart of everything we have achieved at HAECO and it's important to ensure they are always treated with fairness, dignity and respect. We nurture individuals regardless of their age, gender and ethnicity, and support those who are differently abled or of different sexual orientations.

We launched the HAECO Employee Engagement Survey in 2024 to get a better understanding of what colleagues think about their roles in the Company and our effectiveness in engaging with them. The survey received a 69% completion rate.

We recognise that HAECO's success is the product of everyone in the organisation. "One HAECO" is our commitment to fostering a unified and inclusive culture across the Group. It embodies the principles of listening, understanding and leading with empathy. We believe that embracing diversity, equity and inclusion will not only strengthen our team, but also make our work environment more enjoyable and fulfilling for everyone.

Our commitment to building a diverse and fair organisation was acknowledged in the HR Online HR Distinction Awards 2024, where we won Gold for Excellence in Employer Branding, and Bronze in Excellence in Diversity, Equity & Inclusion. We also received recognition from the Hong Kong Institute of Human Resource Management's HR Excellence Awards, winning the Elite award for Disability-Friendly Employment and the Grand Award for Diversity and Inclusion. Several major D&I events were organised by various HAECO entities and network groups in 2024, including Pink Friday, Ethnicity Day and World Mental Health Day. HAECO teams around the world boosted their collaboration with schools and communities, with activities including the Girls in Aviation Day and World of Work school events in the US; Racial Diversity & Career Recruitment fairs in Hong Kong; and a family day hangar tour in Xiamen.

23.3% females in senior leadership positions
(as of December 2024)

2025 Plans

Our focus in 2025 will be on exploring ways to attract more female candidates and increase the number of women hires throughout the organisation.

We will continue with One HAECO so that levels of the organisation incorporate inclusivity into every process. In 2025, the programme will cover 1,100 leaders and 450 culture co-creators named as trusted peers by employees. We will continue with ongoing initiatives and launch new ones, including exploring potential collaborations with HKIE Women in Engineering and The Women's Foundation (TWF).

In the Americas, we have begun objective candidate assessments using the Talent+ tool. This strength-based assessment tool is used at the recruitment stage where candidates are invited to conduct an online assessment that provides a scientifically proven report to evaluate their respective strengths. Training sessions for the tool will be provided to all HAECO recruiters in the US.

In 2024, we ran the Diversity, Equity, Inclusion and Belonging (DEIB) assessment to gain useful insights for improving the overall employee experience. In 2025, we will further specify and prioritise follow-up actions from the DEIB assessment to make them more concrete and strategically aligned, while adding more elements related to employee engagement.

Other measures in 2025 include revised Diversity, Equity and Inclusion KPIs to measure progress, including targets for female representation, throughout the employee journey.



ENVIRONMENT

Climate

We aim to reduce carbon emissions from our core business and value chain and enhance our resilience to climate change.

2024 Key Progress and Performance

Climate change is a significant global threat, making the need for decisive action increasingly urgent. As such, the HAECO Group continues to prioritise and commit to climate action across its global operations.

HAECO Hong Kong earned recognition in the CLP Smart Energy Award 2024. Six operating companies, including HAECO Hong Kong, HAECO Xiamen, HAECO Component Overhaul, HAECO Landing Gear Services, HAECO Composite Services and HAECO Engine Services, obtained ISO 14001:2015 Environmental Management System certification. HAECO Xiamen and HAECO Landing Gear Services have also achieved ISO 50001:2018 Energy Management Systems certification.

Renewable energy adoption is a cornerstone of our environmental sustainability strategy. A notable achievement in 2024 was the completion of solar panel installation on the rooftop of HAECO Hong Kong's Hangar 1 in December. This Swire Pacific Sustainable Development Fund-supported initiative is projected to reduce carbon emissions by 420 tonnes annually. With an additional 2,200 solar panels and 1.3 million kWh of electricity produced annually on Hangar 1, the expanded solar photovoltaic (solar PV) system across all three hangars has become Hong Kong's largest single-site solar PV system. The whole system generates more than 4 million kWh of electricity annually, equivalent to powering about 1,300 households.

The HAECO Hong Kong initiative builds on solar panel projects at the Group's facilities in the Chinese Mainland. Four operating companies including HAECO Xiamen, HAECO Landing Gear Services, HAECO Composite Services and HAECO Engine Services collectively generated over 4.2 million kWh of solar power in 2024. This led to a significant reduction of nearly 2,500 tonnes in carbon emissions, which underscores the Group's dedication to lowering its carbon footprint.

HAECO Hong Kong implemented several significant decarbonisation projects in 2024. For instance, the replacement of 6,263 light tubes with energy-efficient LED lights is expected to reduce 315 tonnes of carbon emission annually. Cooling paint was applied to four curtain walls of the cargo building, with an expected 62 tonnes of carbon savings annually. Furthermore, HAECO Hong Kong continued to electrify its fleet by acquiring nine electric vans in 2024. This effort not only supports the Group's ongoing commitment to emissions reduction, but also aligns with the Airport Authority Hong Kong's Airside Vehicle Electrification Plan.

Building on previous efforts, the HAECO Group continues to address Scope 3 emissions by developing its value chain emissions inventory and improving data quality, with the long-term goal of progressive Scope 3 emission reductions.

56,911 tonnes CO₂e
(Scope 1 & 2)





2025 Plans

The HAECO Group continues to reduce carbon emissions through solar energy adoption and enhancing and optimising energy efficiency. The HAECO Americas facility in Greensboro, North Carolina, is in the process of implementing a 4.6 MW rooftop solar panel project with support from the Swire Pacific Sustainable Development Fund. This project is expected to contribute to more than 40% of the site's electrical power consumption upon completion in 2026.

HAECO Hong Kong will ramp up its fleet electrification programme by replacing an additional 13 vehicles with electric vans as well as introducing seven electric tractors. In addition, the LED replacement project will be completed in 2025. The upgrading of some 19,000 lights to LEDs is expected to conserve more than 1.3 million kWh of electricity annually, reducing carbon emissions by approximately 530 tonnes each year.

HAECO Engine Services will optimise energy efficiency by installing a new vacuum furnace in its Component Repair shop. This advanced furnace is designed to be a quarter of the size and use half the electrical power compared to the current furnace, aiming to save 240,000 kWh of electricity annually and reduce carbon emissions by approximately 140 tonnes per year. Meanwhile, HAECO Landing Gear Services will continue its project of heat recovery from air compressors for plating tank heating. These efforts demonstrate the HAECO Group's ongoing commitment to decarbonisation across its operations.



ENVIRONMENT

Water

We aim to reduce the water used in our core business operations and safeguard water resources where we operate.

10.54 litres per attended hour

2024 Key Progress and Performance

Water is a precious resource that should never be taken for granted. The HAECO Group recognises this and we continue to make every effort to conserve water across our global operations.

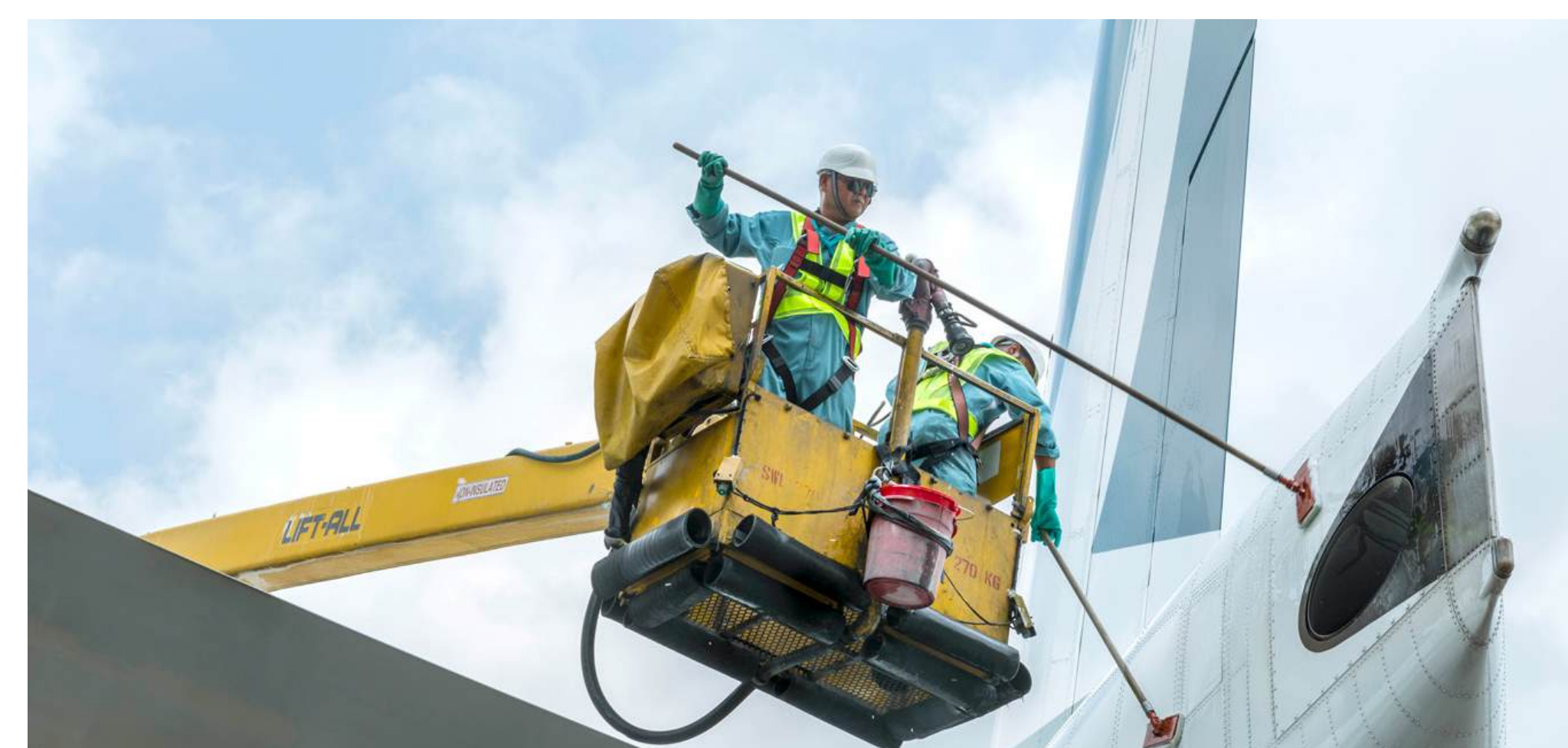
At HAECO Hong Kong, water intensity has declined from 11.6 to 10.3 litres per attended hour between 2018 and 2024. The installation of 38 Internet of Things (IoT) water meters in different locations of the facility, such as scrubbers and cooling towers, has facilitated the timely detection of abnormal water usage and so helped to prevent wastage.

HAECO Xiamen has also demonstrated significant achievements in water conservation, reducing water intensity from 22.6 to 12.4 litres per attended hour between 2018 and 2024. The replacement of the ultrafiltration membrane of the reclaimed water system is expected to increase the utilisation of recycled water, lowering water consumption by 2,000 tonnes per annum. The reclaimed water system at HAECO Composite Services effectively treats all wastewater from both personal and industrial sources, resulting in 819 tonnes of reclaimed water in 2024.

2025 Plans

The HAECO Group will continue to enhance its water management efforts. HAECO Hong Kong will undertake a water balancing assessment to review water consumption practices, with an aim to support the identification of leaks and further optimise water usage across its facilities.

HAECO Xiamen plans to install low-flow aerating faucets that infuse air into the water stream, creating bubbles to reduce the amount of water used while maintaining a strong flow. The estimated saving will be 500 tonnes annually. HAECO Landing Gear Services, meanwhile, will explore the reuse of air-conditioner condensate water and rainwater.





67% of total non-hazardous waste diverted from landfill

We aim to reduce the volume of waste from our core business operations going to landfill.

2024 Key Progress and Performance

The HAECO Group continues to reduce total non-hazardous waste generation and improve recycling rates across its operations, as well as educate and engage with our staff.

HAECO Hong Kong carried out a series of activities to boost recycling and enhance environmental awareness. In 2024, the facility's recycling rate increased by 5.7%, with the volume of recyclables up 23.5% compared to 2023. Although total non-hazardous waste generation in Hong Kong increased by 7.9% due to a bigger workforce, general waste decreased by 2.4%. The entity ran the Clutter Clear Week to promote effective waste management and encourage the proper disposal and reuse of items. This initiative resulted in the recycling of 1,650 kg of paper and 15 tonnes of metal, along with the collection of over 1,000 unwanted items that were taken up by staff or donated to The Salvation Army.

In addition, HAECO Hong Kong repurposed around 27 kg of old mechanic's uniforms by upcycling them into multi-purpose bags, diverting fabric waste from landfills while raising environmental awareness. A total of 318 pairs of shoes were broken down into rubber pieces in the safety shoe recycling initiative, with the recycled materials intended for use in the production of new shoe components such as midsoles or outsoles.

Despite business growth at the facility, HAECO Xiamen achieved a remarkable reduction of 13% (170,798 kg) in total non-hazardous waste generation compared to 2023. This was primarily driven by effective environmental governance and the reuse of wood and paper materials for packaging purposes. Between 2022 and 2024, 134,225 kg of wood and paper waste was avoided.

These accomplishments not only contribute to the Group's waste diversion goals, but also underscore HAECO's commitment to sustainable practices and resource efficiency.

2025 Plans

Waste is a diverse and complex issue. The HAECO Group will continue to address the challenges in waste management by learning from the HAECO Xiamen experience, improving waste data quality and completeness and gaining better insights into waste generation and management to help identify opportunities for further improvement.



ENVIRONMENT

Suppliers

100% key suppliers targeted to comply with Ethical & Environmental Standards as per Supplier Code of Conduct

We are partnering with our suppliers to deliver sustainable procurement practices.

2024 Key Progress and Performance

A key development was to embed our Group Procurement Structure, originally established in August 2023, within the broader organisation. We also rolled out our Group Procurement Strategy across every HAECO operating company. In July, we held a One HAECO procurement workshop to help instil a Group mindset and get everyone on the same page in relation to sustainable procurement. This was backed up by the launch of a One HAECO bi-monthly procurement call.

HAECO is proud to be part of the Swire Sustainable Procurement working group. We attended a Swire ESG Forum in October to help ensure alignment with the ESG approach of other Swire operating companies. We also worked with the Swire Sustainable Development Office on automating sustainability risk assessment using the LRQA due diligence tool. This can help us evaluate and manage sustainability related risks across our operations, identifying risks then assessing the framework, tracking improvement and supporting decision-making, compliance and reporting.

We continued to build relationships with external parties to share best practices and gain valuable new insights. In July, the Group Procurement Department attended a workshop at Swire Coca-Cola where they shared the company's 7-Step Sourcing Process (7SSP) and provided an opportunity for collaboration and knowledge transfer on procurement efficiency and decision-making.

In September, representatives from Group Procurement visited a Hong Kong company that is leading the way in transforming plastic bottles into high-quality reusable materials to play a crucial role in plastic waste management in the city. Inspired by the visit, HAECO is exploring collaboration opportunities with the company for the development of new uniforms from recycled materials.

2025 Plans

We will continue to build on the momentum created by initiatives introduced over the past two years. We will hold our third One HAECO procurement workshop in July to help maintain and enhance a One HAECO mindset in the area of sustainable procurement.

The HAECO Group will fully align with the upcoming Swire Sustainable Procurement policy in 2025. Other key initiatives will be to improve our tender evaluation procedure to increase the importance of sustainable procurement, and to embed a paperless philosophy throughout the Group procurement function, reinforced by using the 5S cyclical methodology to eliminate waste.



COMMUNITIES

2,786 volunteering hours

30 NGO partners

We are committed to positively contributing to the communities that we are part of.

2024 Key Progress and Performance

The HAECO Group continues its strong commitment to supporting people in each of the communities in which we operate, with the Company and our employees making positive contributions in our key theme areas, including youth development, community support and environmental protection.

In 2024, HAECO Hong Kong joined HAESL to contribute an annual bursary providing financial support for Hong Kong Polytechnic University students, enabling them to pursue higher education in aviation engineering. HAESL conducted a soap-cycling workshop to promote sustainability while supporting underprivileged communities, and also organised a coastal exploration and shore cleaning event with Outdoor Wildlife Learning Hong Kong.

Meanwhile, HAECO Xiamen organised its annual Bilingual Football Charity Training Camp tailored for the children of migrant workers in Xiamen to help them learn English through football training. The community efforts at HAECO Composite Services included volunteering to help the elderly and disabled in Quanzhou and organising a garbage cleanup at Jinjiang Zimao Mountain in Fujian Province.

At HAECO Americas, the team supported the Annual HAECO Invitational Basketball Tournament, organised by the Greensboro Sports Council, with some of the proceeds in 2024 going to support hurricane relief work in Western North Carolina.

2025 Plans

Our strong focus on supporting the community will continue in 2025, backed by the HAECO Group Corporate Social Responsibility (CSR) Fund.

Different departments in HAECO Hong Kong will organise community activities to celebrate the Company's 75th Anniversary. HAESL will organise a community day that will mobilise about 1,300 staff in 28 different volunteering events to support 21 NGOs. Our colleagues will volunteer their time for National Games events in Hong Kong and we will help the elderly through activities such as visiting an elderly centre for the Tuen Ng Festival and a vegetarian banquet with seniors for the Mid-Autumn Festival, on top of year-round blood donation drives.

HAECO Xiamen and HAECO Engine Services (Xiamen) will continue to offer support for the Fujian Bird's Nest Student Welfare Service Center and visit the Xiang'an Tongxin Children and Family Support Center in May to engage in activities with the children. The team will also continue the Bilingual Football Charity Training Camp and support a tree-planting activity at Bantou Forest.

HAECO Americas will again participate in the Salvation Army Angel Tree programme, providing holiday gifts for children, and give renewed support for the PTI Run on the Runway event, a 5-kilometre race aimed at addressing hunger in the community.

