

2021

SUSTAINABLE DEVELOPMENT HIGHLIGHTS



Sustainable Today

Thriving Tomorrow

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.

SUSTAINABLE TODAY, THRIVING TOMORROW

PEOPLE

We care for our people and believe that when our people thrive, our business thrives.

Safety

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

90% Total Injury Rate reduction by 2030 vs 2019

90% Lost Day Rate reduction by 2030 vs 2019

Diversity & Inclusion

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

30% women (L4-Strategic Leader) by 2030

ENVIRONMENT

We are committed to minimising the impact of our business operations on the environment.

Climate

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

40%

CO_{2e} reduction by 2030 (Scope 1 & 2) vs 2018

Water

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

25%

Water intensity reduction by 2030 vs 2018

Waste

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

60%

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

Suppliers

We aim to partner with suppliers to deliver sustainable procurement practices.

100%

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

COMMUNITIES

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

We believe that if the communities we operate in thrives, then in the long-term this enables our business to thrive and positively impact our people.

4 times

increase in volunteering hours per employee by 2030 vs 2018

Establish a

HAECO CSR Foundation Fund

(min. 1% investment of annual profits, include 0.5% Swire Trust by 2023)

Prioritise community engagement projects on our key focus areas:

Youth Development
Community Support
Environmental Protection

PEOPLE

We care about our people and believe that when our people thrive, our business thrives.



Safety training, HAECO Hong Kong



Safety observation campaign, HAECO Xiamen

↓ 3.5%

TOTAL INJURY RATE 3.00

↑ 53.1%

LOST DAY RATE 62.49

SAFETY

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

2021 Key Progress & Performance

The safety and well-being of our employees are paramount to the Group. Providing our employees with a safe work environment will always remain our top priority.

We established a Group Safety & Quality function with the aim to standardise the safety and quality processes across the Group. A systematic case investigation process was implemented to facilitate the identification of underlying causes and effective countermeasures.

HAECO Group has also implemented the followings to enhance the sustainability of safety management and quality assurance:

- The establishment of Group Safety & Quality Management Framework.
- The development of HAECO Integrated Standards and Recommended Practices – Safety & Quality standards are implemented in all entities across the Group.
- The establishment of the Safety & Quality Seed Fund to encourage entities to adopt new methodologies and ideas to improve people safety and enhance the quality of our work across the Group.

2022 Plan

Fostering a work environment in which employees feel safe is crucial for retaining talent, boosting productivity and nurturing a strong Safety & Quality culture.

Our commitment to zero harm can be achieved by continuously strengthening our safety culture, tracking leading safety indicators and adopting best practices to protect our employees and promote their physical and mental well-being.

In 2022, we will launch a Group Safety & Quality Management Audit Programme, as a governing system for the implementation of Group Safety & Quality standards in all our entities to facilitate best practice sharing.

Moreover, we will further improve our near-miss reporting for proactive risk management under a behaviour-based Safety Observation Programme to be launched across the Group. To recognise our individuals, teams and entities' achievements in safety and quality, we have introduced the Group Safety & Quality Recognition Scheme featuring several award categories in 2022.



Safety recognition ceremony, HAECO Landing Gear Services, Xiamen



Structure repair with full PPE, HAECO Composite Services, Jinjiang

Percentage (%) indicated the performance changes compared to 2020

PEOPLE

We care about our people and believe that when our people thrive, our business thrives.



HAECO Ethnicity Day.



Male Allies

87:13

MALE TO FEMALE RATIO
(STRATEGIC LEADER)

DIVERSITY & INCLUSION

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

2021 Key Progress & Performance

HAECO pledges to create a workplace where people of different gender, ethnicity and cultural background are respected and encouraged to collaborate and contribute to the Group.

As part of our four-year Group Human Resources Transformation Programme, the Group has established three networks – Ethnicity Network, Male Allies and Women’s Network to bring our people together as well as empower and foster our core value of Diversity and Inclusion (D&I).

Some of the campaigns organised across the Group in the 4th quarter of 2021 include:

- HAECO Hong Kong held an Ethnicity Day to spread the message through mini games and international cuisines. Building an inclusive workplace, where people of all ethnicities are respected and equally treated is essential.
- The Women’s Network and Male Allies organised a wide range of activities with more than 1,000 participations, such as Women’s Week and Male Allies Day to foster a more gender balanced and inclusive culture in the workplace.
- To advocate international Pink Friday Pride, HAECO joined with over 80 organisations from different industries to celebrate Pink Friday. HAECO staff dressed in pink on the day to demonstrate our support for LGBT+ inclusion, making the invisible truly visible.

2022 Plan

In 2022, we hope to extend our vision and launch the Disability Inclusion Network as we continue to develop a more inclusive work environment. Furthermore, Train-the-Trainer session on unconscious bias will be provided to managers to educate our people at all levels to carry out the Group’s values.

To move forward, we shall prioritise ethnicity and women empowerment through the Buddy System and Women’s Network Mentoring Programme respectively. The system will offer a channel connecting employees from different cultural background for idea exchange. The programme will provide coaching and feedback to female employees for growth and development.

To help female employees with their career development, Group Human Resources will launch a Female Pipeline Development Programme for high potential contributors. HAECO Group is seeking to raise the ratio of women practitioners by setting an annual target of 50% female trainees.

A comprehensive D&I policy will be rolled out in the coming year as a pledge to protect all our employees. There will be a publication emphasising our key values, which will serve as guidelines for employees.



Diverse female professionals across HAECO Group

ENVIRONMENT

We are committed to minimising the impact of our business operations on the environment.



Solar PV Installation in Hangar 3, HAECO Hong Kong



Newly built wastewater treatment facility, HAECO Engine Services, Xiamen

↓ 9.4%

CARBON EMISSION (SCOPE 1 & 2)
61,513 TONNES CO_{2e}

↓ 10.7%

WATER INTENSITY
14.47L / ATTENDED HOUR

CLIMATE

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

2021 Key Progress & Performance

We have put much effort in mitigating climate change by revising our 2030 CO_{2e} reduction target up to 40% from 26%, which represents a 1.5°C-aligned science-based target as compared with the 2018 baseline.

Putting high value on sustainable development with our business partners, HAECO Hong Kong supported the Hong Kong Airport Authority's 2050 Net Zero Carbon Pledge, marking an important milestone for HAECO's climate change ambition.

To increase the application of renewable energy, HAECO Hong Kong has installed a 3 Megawatt (MW) solar photovoltaic (PV) system, it has become one of the largest at corporate level in Hong Kong.

2022 Plan

Recognising the importance of assessing all carbon emissions in our value chain, a Scope 3 carbon project was started in late 2021 to understand our entire carbon footprint. This will facilitate the Group to review our carbon reduction strategy and to prepare for Science Based Target initiatives (SBTi) registration.

With the initial success of HAECO Hong Kong's solar PV system, our entities in the Chinese Mainland and the Americas are in the scaling-up and feasibility study phases respectively.

To reduce the environmental impact from jet-fuel, we are exploring the adoption of Sustainable Aviation Fuel (SAF), with the aim of adopting 10-15% SAF use out of our total consumption by 2030.

WATER

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

2021 Key Progress & Performance

Minimising water usage and complying with the local wastewater legal requirements are the core values of HAECO's water management.

Wastewater generated from cleaning and other operational processes contain various kinds of chemicals. Therefore, all wastewater is collected and diverted into in-house wastewater treatment facilities for proper treatment before reuse or discharge.

To expand our wastewater treatment capacity, a new inhouse plant has been introduced at HAECO Engine Services in Xiamen, which is able to process 150 tonnes of wastewater per day.

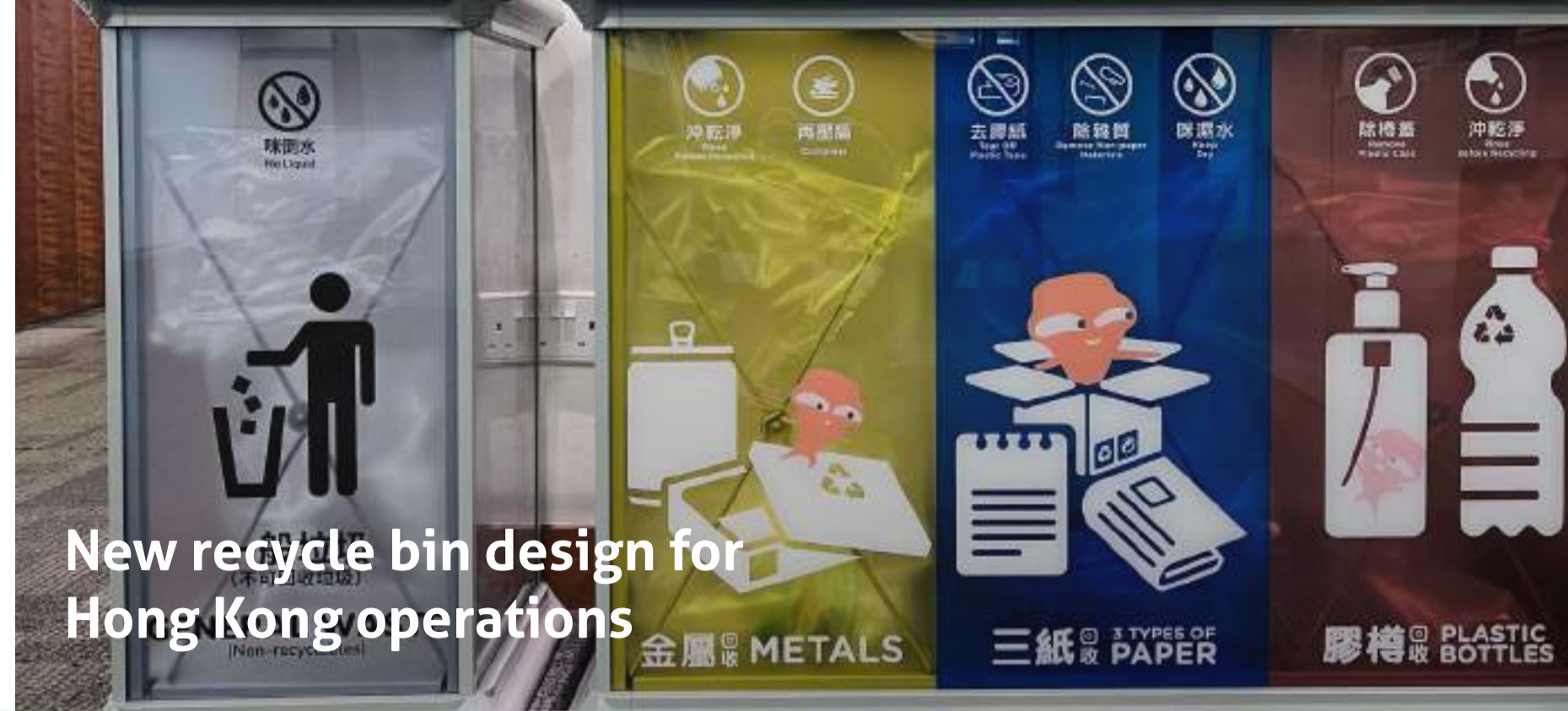
2022 Plan

Controlling and fine-tuning water usage by data management is a crucial step to fully understand the water performance. We are also revisiting our water profile at the Group level to identify areas of significant usage and potential improvement.

In 2022, our focus remains exploring water recycling capabilities and optimising water usage in our operations. We will continue to invest in technology and develop robotic aircraft dry washing process to further reduce water usage, as well as providing a safer working environment for our employees and driving operational efficiency.

ENVIRONMENT

We are committed to minimising the impact of our business operations on the environment.



↑ 40.1%

WASTE DIVERSION FROM
LANDFILL 53.4%

78%

HIGH RISK & KEY SUPPLIERS IN
COMPLIANCE WITH ETHICAL &
ENVIRONMENTAL STANDARDS AS
PER SUPPLIER CODE
OF CONDUCT

WASTE

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

2021 Key Progress & Performance

In 2021, we aligned with Swire Pacific (SPAC) and redefined our SD 2030 target to divert 60% of waste from landfill.

We have also fully adopted the waste-to-energy initiative in all our Xiamen facilities as supported by local zero-landfill policy. This is a key milestone signifying that our facilities in Xiamen have diverted over 98% of waste from landfills.

Recognising the significance of food waste management, HAECO Hong Kong collaborated with the HKSAR Government (HKGov)'s O•Park1, lifting our food waste recycling volume by 57% as compared with previous months.

2022 Plan

As a responsible corporate citizen, we aim to minimise the negative impacts to the local environment in which we operate. In 2022, our Hong Kong operations will implement new waste management and separation practices which are in line with SPAC and HKGov requirements.

With a heightened focus on zero-landfill, our facility in Florida will explore waste-to-energy opportunities in 2022. HAECO shall remain active in pursuing better waste recycling practices along the value chain.

SUPPLIERS

We aim to partner with suppliers to deliver sustainable procurement practices.

2021 Key Progress & Performance

We manage our procurement with a low impact and highly sustainable supply chain in mind. Our key suppliers are subjected to periodic assessment reviews.

The procurement selection process was also further enhanced by defining more sustainable development evaluation criteria to minimise the impact to the environment. Recognising the benefits of plastic material usage control, a sourcing policy for plastic items was also established.

We worked closer with the Group Sustainable Development function on Group-wide environmental projects through collective procurement and spend data analysis on Scope 3 carbon project.

2022 Plan

Sustainable supply chain management includes identifying and pre-empting risks that may impact our financial stability. Our commitments in the coming year will help us anticipate and adapt to the needs and expectations of our stakeholders.

Our goals in 2022 are to clearly identify our key sustainable development risks as well as to optimise our procurement strategies and plans. By engaging with SPAC, we will explore opportunities to fully utilise supplier risk assessment tools to strike a perfect balance between sustainable sourcing and strong business growth.



COMMUNITIES

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

HKD\$ 3M

CHARITY DONATION

~1,000 Hours

VOLUNTEERING HOURS



Hike For The Future, HAECO Hong Kong



Girls in Aviation Day to promote career opportunities, HAECO Americas

2021 Key Progress & Performance

HAECO Group plays an active role in the local communities of our operating regions and strives to maintain close ties with the society. In particular, we hope to promote Corporate Social Responsibility (CSR) through supporting environmental conservation and social activities. With our strong belief and commitment, events such as World Environment Day, Girls in Aviation Day and Cleaning Xiamen were organised in 2021.

Our donations have lent support to more than 20 non-governmental organisations (NGOs) serving a wide spectrum of people in need, including the youth, the elderly and minority groups. Through these charitable contributions and thousands of volunteering hours, we believe that we can create a lasting positive impact on the communities.

Furthermore, the Group has implemented a Volunteer Service Leave Policy to motivate employees to take up social responsibilities and give back to their local communities.

2022 Plan

With all HAECO Group's community work, we aim to create a better future by addressing long-term local issues in our operating regions.

We promise to extensively contribute and participate in the communities in the coming years, not only to protect the environment in which we operate, but also to strengthen our support for the communities and youth development. On the environmental front, we will be united to support environmental days designated by the United Nations.

To expand the depth and breadth of our charitable activities, HAECO Group will establish a CSR Fund by 2023 and offer our entities more support. Meanwhile, our Hong Kong operations will continue to support Swire Trust initiatives in our targeted areas.



Earn and Learn Scholarship Programme, HAECO Hong Kong



Cleaning Xiamen, HAECO Component Overhaul, Xiamen



HAECO Invitational Basketball Tournament, HAECO Americas



Participating in Pillar Event by Swire Trust, HAECO Hong Kong