

Sustainable Development Report 2012

Last year, we published our first HAECO Group Sustainable Development Report, which provides our stakeholders with the most up-to-date information on our ongoing sustainable development activities and performance. We continue to publish this report following the same model – combining a strategic framework with projects updates – to allow readers to keep track of the progress of our sustainability performance. This fast fact provides a quick reference of our achievements we made in 2012 and our plans for 2013.

For more details on our sustainability performance, please view our full Sustainable Development Report 2012 at our website: www.haeco.com

We welcome your feedback on our performance and views on how we might improve our reporting or approach to sustainable development. You may reach us via our website or email.

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To view the full report
www.haeco.com



Sustainable Development Report

2012



CEO's Message

“HAECO has been operating as a leading aircraft maintenance, repair and overhaul (MRO) services provider for over six decades, and it is fully committed to its longstanding objectives of creating sustainable contributions to the community and growth in shareholder value.”

Augustus Tang
Chief Executive Officer

About HAECO

Strategically located in Hong Kong – the heart of Asia – HAECO is one of the world's leading aeronautical engineering groups providing a comprehensive range of services encompassing Airframe Maintenance, Cabin Reconfiguration/Integration Services, Cabin Completion Centre/Design Engineering, Freighter Conversion, Parts Manufacturing, Line Maintenance, Fleet Technical Management, Inventory Technical Management, Component Services, Engine Overhaul and Technical Training.

Plans for 2013

Strategic Objectives for Sustainable Development

- Establish HAECO Group's Strategic Objectives & Action Plans for Sustainable Development

Environment

- Establish Energy Management System (EnMS)
- Establish HAECO Carbon Reduction Roadmap

Business Partners

- Risk Assessment on key suppliers
- Periodic survey/audit on high-risk vendors

Health & Safety

- Enhance safety organisation at HAECO (Health and Safety Steering Committee)
- Enhance safety training, in particular chemical safety and emergency handling for all staff
- Revamp safety training structure and introduce health and safety training requirements as part of Individual Development Plan
- Conduct Risk Assessment related to Air Quality of Hangars

Employee

- Launch HR Study project to review and develop competitive reward strategy for attracting, motivating and retaining talent to support business operations and growth objectives
- New HAECO Internship Programme
- Trainee Schemes for General Staff
- Knowledge Management

Community

- Establish HAECO's Community Engagement Strategy



Environment

HAECO believes that its business need not necessarily grow at the cost of the environment. Instead, it aspires to achieve a net zero impact on the environment through innovation, investment and operational excellence.



- Completed 50 winglet modifications that help aircraft save fuel
- Conducted a strategic energy review at our hangars to identify energy-saving opportunities
- Generated 1.2 million kWh renewable energy from solar panels on top of buildings
- Introduced a new aircraft disinfection process to save 20 gallons of chemical cleaning agents every month
- Recycled over 400,000 kg of materials including food wastes, paper, plastics and metals

Health and Safety

The Group aims to operate in a manner that protects the health and safety of its employees, customers, business associates, contractors, as well as the public.

- Introduced new personal protective equipment (PPE) to protect the head and hands of our staff
- Conducted risk assessment on cabin environments to prevent staff from suffering heat stroke
- Lowered the Lost Time Injury Rate (LTIR) by 20%
- Re-designed windscreen servicing stands to improve access and working-at-height safety



Employee

The Group recognises that the development of its staff is key to the sustainable development of its business, and places particular emphasis on supporting, rewarding and motivating its staff.

- Invested over RMB200 million in a Technical Training Centre in Xiamen
- Introduced an Employee Referral Programme to attract new staff
- Enhanced the Graduate Trainee Programme to develop future professionals for HAECO's core business and major functional areas



Community

HAECO is committed to maintaining good relationships with the communities in which it operates and enhancing the opportunities and lifestyles available to members of these communities while respecting their cultures and heritage.

Business Partners

HAECO favours suppliers who ensure that sustainability standards are upheld, and share the Group's commitment to honesty and integrity.

- Verified 70% of significant suppliers on their compliance with our Supplier CSR Code of Conduct
- Conducted a pilot audit of an identified supplier on its compliance with our Supplier CSR Code of Conduct

- Made a charitable donations for community purposes, including contributions of HK\$3 million to Hong Kong charities through the Swire Group Charitable Trust
- Supported the establishment of an Aviation Services Research Centre (ASRC), jointly run by the Hong Kong Polytechnic University and the Boeing Company that will further strengthen and expand the capabilities of the aircraft engineering industry
- Launched the Zhujiang River Sea Expedition in partnership with Xiamen University to promote and engage our staff and the community in environmental protection