HEALTH AND SAFETY

Health and safety has been deeply integrated into our business operations as part of our effort to set best-in-class quality standards within the MRO industry. In order to protect our employees and deliver value to customers, we are committed to providing a more sustainable, safer and healthier workplace for our staff and ensuring greater health and safety for customers.

We have adopted the OHSAS 18001 international standard for occupational health and safety management, with defined roles and responsibilities in safety for different levels of staff. Safety performance is monitored with systems in place to alert management to workplace hazards or unsafe practices and to address safety concerns from our employees.
### 2018 Progress Update

<table>
<thead>
<tr>
<th>Objective</th>
<th>Progress</th>
<th>Remarks / Further Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review Safety Management System (SMS) to enhance the effectiveness and maturity of each element</td>
<td>✔️ <strong>Completed</strong></td>
<td>All HAECO Group principal companies in Xiamen have been cross-checked</td>
</tr>
<tr>
<td>Deliver event investigation training to operational staff across HAECO Group business units</td>
<td>✔️ <strong>Ongoing</strong></td>
<td>Safety professionals are being trained at respective sites</td>
</tr>
<tr>
<td>Implement Job Safety Analysis (JSA) programme using the BowTie Risk Assessment Methodology</td>
<td>✔️ <strong>Ongoing</strong></td>
<td>Relevant staff are being trained at respective sites</td>
</tr>
</tbody>
</table>

### 2019 Action Plans

**Key Action Plans**

- Review fire risk of all HAECO Group principal companies
- Review safety culture maturity at each company and develop improvement plan
- Promote behaviour-based safety programme
### Occupational Health and Safety Performance [GRI 403-2]

In 2018, we recorded a total of 222 lost time injury cases for a decrease of 10.7% in the Lost Time Injury Rate (LTIR). The number of lost days under our operational control was 8,264 days. The Lost Day Rate (LDR) fell by 34.2% from 2017.

We are not aware of any work-related fatalities among our employees and workers during the reporting period.

#### Our Journey of Improvement

We focus on four key dimensions to improve our safety performance:

- **Proactive risk management.** We aim to identify, review and mitigate risks better. This involves preparing, testing and coordinating risk management and safety plans, and crisis management protocols.

- **Development of a safety culture.** We aim to have more positive and less reactive attitudes about safety and to improve training, communication and leadership. The elevation of safety cultural maturity from “dependent” to “independent” at HAECO is one of the Group’s primary objectives.

- **All-inclusive safety management.** We aim to understand hazards by analysing incidents, improving our investigation of their root causes, and reviewing our management of health and safety.

- **Comprehensive hazard reporting.** We aim to identify safety hazards, analyse them and reduce or eliminate the associated risks. To achieve this, we will continue to report hazards and measure leading safety indicators.
Proactive Risk Management

Job Hazard Analysis

HAECO Hong Kong has adopted the BowTie method as our standard tool for identifying and managing risk. The tool creates a clear differentiation between the proactive and reactive side of risk management, which allows for a clear visualisation of the relationship among cause, loss of control and consequence. Management can thus visualise and ensure all significant risks are identified, prioritised, and managed effectively. Relevant training in the BowTie method has been provided to health and safety representatives.

Development of a Safety Culture

Safety Video Shooting Competition

In 2018, HAECO Xiamen organised a safety video shooting competition to raise staff awareness of safety and share best operating practices. Staff participation in these activities is particularly valued for building a robust safety culture.

Leading Indicators

With a strong commitment to safety excellence, HAECO Americas is developing a strong reporting and learning culture among its staff. It has also adopted a combination of leading and lagging indicators as measurement tools that will help to improve safety through insight and prevention.
All-inclusive Safety Management

Upgrade of the Water Pump System

In line with our rigorous safety management system, we proactively tackle safety hazards by regularly engaging our people and reviewing our operating processes. For example, HAECO Composite Services upgraded its water pump system in order to provide a safer environment for staff. The new system reduces noise levels by 16dB and eliminates the risk of slips and falls due to water leakages.

Comprehensive Hazard Reporting

Hazard Hunting

HAECO Hong Kong has been developing a more proactive reporting culture through a treasure hunt game. Staff who participate in this game walk around a hangar to identify safety hazards and report them through a mobile reporting channel. In addition to making hazard identification more enjoyable, the programme helps staff become familiar with the reporting system.

Customer Satisfaction and Service Responsibility [GRI 416-1]

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

HAECO takes every incident very seriously. In cases of nonconformity, we will perform an incident investigation to identify their root causes to put in place effective corrective actions and follow-up plans to prevent a reoccurrence.

In addition to the internal audits we conduct, our customers and the aviation authorities also carry out audits of HAECO Group companies. On average, there are 600+ external audits per year, covering all significant product and service categories.