



Best in the World
Best for the World

sustainable
development
summary report 2009

Guide for Readers

This document is Hong Kong Aero Engines Services Limited's (HAESL's) report in line with the policy of the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines.

HAESL issued an annual Environmental, Health and Safety Report in 2004, 2005, and 2006 migrating to a Corporate Social Responsibility Report in 2007 and a Sustainable Development Report in 2008. This Sustainable Development Report covers the calendar period from 1st January 2009 to 31st December 2009 and is approved to meet the GRI's Application Level C+ (Reference) – see appendix GRI G3.

Information in this report covers the activities of HAESL's business which operates on a single site in Hong Kong. It does not include information relating to Singapore Aero Engine Services Pte Ltd in which HAESL holds a 20% shareholding. This report covers information on HAESL's governance procedures, economic, safety, environmental and social performance and key initiatives undertaken by the company.

The report focuses on the GRI performance indicators that are most relevant to HAESL's activities. Whilst we have endeavoured to provide the most accurate view of the Company's performance we acknowledge that further improvements can be made in respect to data collection and we will continue to refine and improve the accuracy in future reports.

Any feedback on our performance, initiatives, or how we may be able to improve the content and presentation of this report would be most welcome. Please contact Nick Williams, Business Improvement Manager at nick.williams@haesl.com or Scholastica Tsoi, Environmental, Health & Safety Leader at schol.tsoi@haesl.com or through our website www.haesl.com.



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COMPANY PROFILE

HAESL provides civil aero engine repair and overhaul services to Hong Kong, the Middle-East and the Asia Pacific region. HAESL is a joint venture between three companies; namely Hong Kong Aircraft Engineering Company Limited (HAECO), which is a member of the Swire group (45%); Rolls-Royce Group plc (45%); and SIA Engineering Company Private Ltd (SIAEC) (10%).

As a joint venture, HAESL combines the strength of two of Asia's most successful maintenance, repair and overhaul companies with the technical knowledge and experience of one of the World's most respected engineering names.

HAESL commenced operations in 1997, taking over the engine overhaul operations of HAECO established in 1950. Located at Tseung Kwan O in Hong Kong's New Territories, HAESL operates from an advanced US\$120 million facility, which is equipped with one of the largest test cells in Asia capable of testing engines generating up to 130,000 pounds of thrust. The construction of HAESL's new component repair facility building (Phase 5) began in December 2008 and is planned for completion by the end of 2010. The new US\$ 41 million repair facility is seen as an important milestone for the development of the Company.

HAESL is committed to being an environmentally responsible company and contributing towards sustainable development, reflected in the Company's vision statement: "Best in the World, Best for the World".

DIRECTOR & GENERAL MANAGER'S STATEMENT



Our core values ensure that we are able to respond to the challenges of the global economy.

As anticipated 2009 has proven to be a very challenging year for the aviation industry with many airlines continuing to reduce capacity, park aircraft and defer capital expenditure. Despite the challenges facing HAESL, we have continued to focus on raising the awareness of and engaging our employees in environmental, community and health and safety initiatives in order to embed the concept of sustainable development into our long term business strategy.

This report highlights the Company's performance in 2009 relative to the targets we set in 2008 and clearly sets out our goals for 2010 as we seek to expand the scope of the report in accordance with the guidelines of the Global Reporting Initiative (GRI).

I am delighted to report that HAESL has been awarded a Manufacturing Certificate of Merit under the Sectoral Awards of the 2009 Hong Kong Awards for Environmental Excellence. However, due to the decline in workload, particularly during the second half of 2009, our three headline environmental performance indicators highlighted varying degrees of success. Aviation fuel usage was down 10%, Town Gas reported 31% decrease and electricity consumption, whilst reduced 0.12%, **reported an increase of 16.2% per chargeable man-hour.**



A principal of zero tolerance for accidents has been adopted in the business in order to reinforce our commitment to ensuring that all of our employees return home safely to their families at the end of each day. I am pleased to report that we have continued to see significant improvement in safety performance and following a reduction in the lost time injury rate of 45% in 2008, we have reported a further reduction of 44% in 2009. We continue to undertake a wide range of proactive safety related projects, including comprehensive risk assessments designed to highlight potential hazards and minimise risk in the workplace environment.

Our employees have participated enthusiastically in the quarterly community events and planned charitable initiatives in 2009 and we value our continued association with several organisations including the World Wide Fund for Nature, Orbis, Oxfam "Trailwalker" and the Red Cross in addition to a wide range of local charities.

Whilst the events of 2009 have presented some unique challenges to the business, I am pleased to report that our dedicated and capable team has ensured that the business has delivered healthy financial returns and a strong operating performance combined with an increasingly engaged and responsible approach to sustainable development.

We are committed to meeting our responsibility to operate as a sustainable organisation and we recognise that, in accordance with our core values, this will assist us in becoming more competitive, productive, innovative and efficient – all essential qualities to ensure that we are able to respond to the challenges of the global economy.

A handwritten signature in black ink, appearing to read 'Tim Blackburn'.

Tim Blackburn
Director & General Manager
May 2010

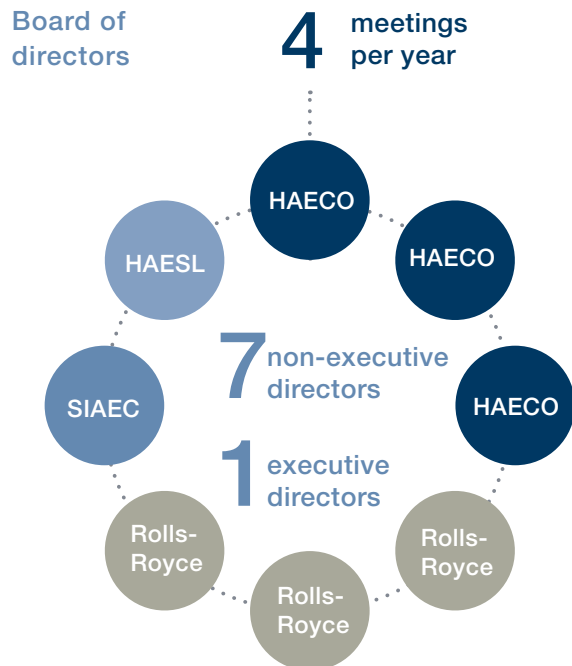
GOVERNANCE AND STAKEHOLDER ENGAGEMENT

Governance

HAESL is committed to operating with integrity and to the highest ethical standards. Its highest governance is the Board of Directors. The Board, made up of seven non-executive directors and one executive director, meets four times a year.

Within the business, HAESL's sustainable development issues are governed by a combination of the Environmental, Health and Safety Committee, the HAESL Executive Committee

(comprising Director & General Manager, GM Operations, GM Commercial and GM Finance & Administration) and the HAESL Staff Committee (HAESL Executive Committee and Human Resources Manager).



Stakeholder Engagement

HAESL's initiative to engage its stakeholders is still very much in its infancy. In 2008 the company introduced a series of three focus group sessions comprising ninety internal stakeholders chosen randomly from the business. The focus groups provided feedback on a wide range of issues. The feedback from these initial sessions was very valuable for the business. We will continue with our stakeholder dialogue in 2010 to develop our engagement strategy.

The focus groups



ENVIRONMENT

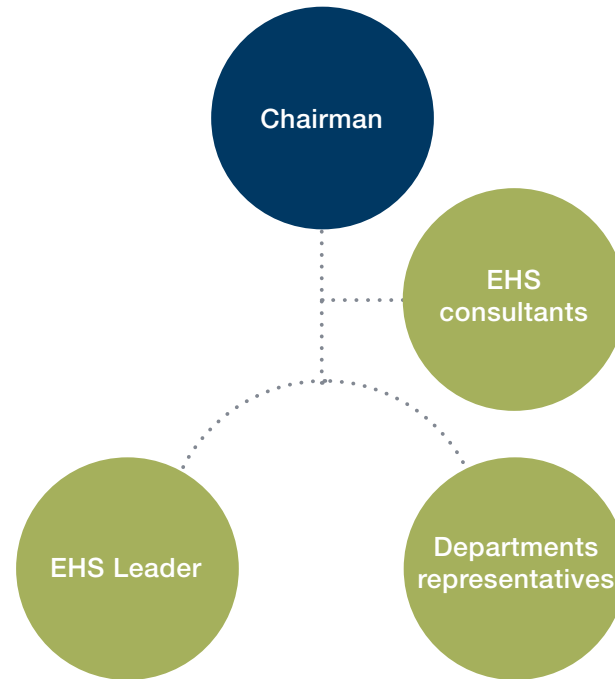


We will continue to work closely with our key stakeholders to promote the concept of sustainable development within our industry.

HAESL Environment, Health & Safety Committee

HAESL's environment, health & safety (EHS) activities are managed by a steering committee and supported by a cross-department work group. In 2009, the steering group committee, which was given the responsibility of implementing HAESL's EHS policy and goals, was chaired by the Company's Director General Manager.

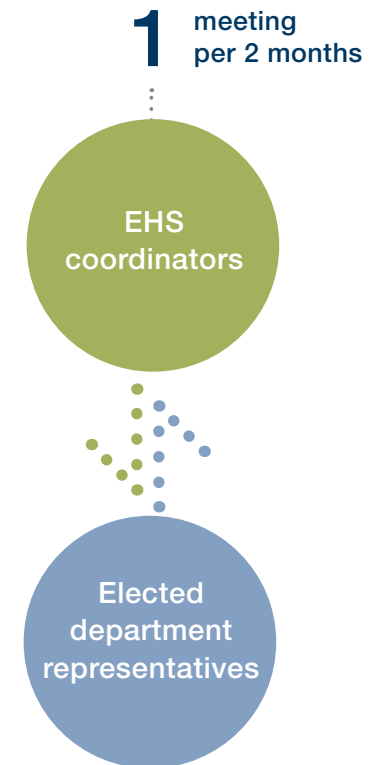
EHS Steering Committee



The EHS work group

The EHS work group is made up of elected representatives from various departments and is chaired by EHS coordinators, meeting every two months. The work group assists the steering group in the implementation of EHS policy.

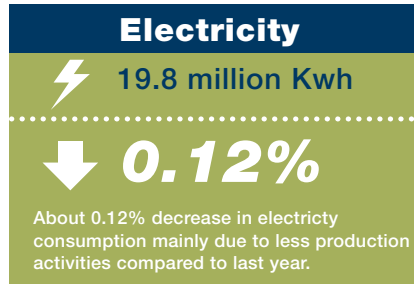
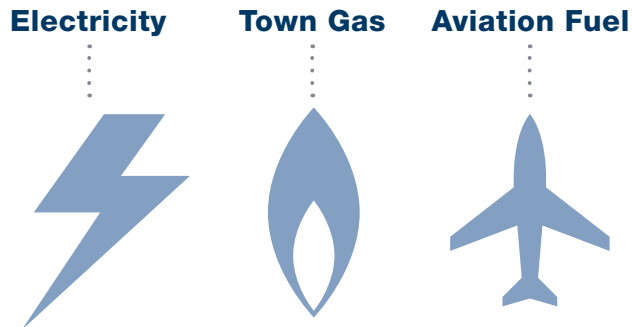
EHS work group



Carbon Footprint

Carbon dioxide (CO₂) is directly released into the atmosphere from the burning of town gas, consuming aviation fuel and the combustion of acetylene. Indirect emissions come from the usage of electricity. Electricity was primarily used in production process equipment, air-conditioning, compressed air plant and lighting; town gas was solely used in the kitchen supporting the staff canteen; and aviation fuel was consumed during engine tests. Any direct or indirect road fuel usage figures have been excluded from this report.

Energy consumption in HAESL's 2009 operations



2009 performance | The total electricity consumption decreased by 0.12% due to less production activities compared to last year.

2010 challenge | In the future, the Company intends to separate all production related electricity usage to produce a revised specific monitoring and targeting mechanism, with a separate floor area related figure for air conditioning and lighting amongst other criteria. There will still be some interdependence between the two categories, but overall an improvement in the validity of specific reporting figures is anticipated.

Progress Against 2009 Action Plan	Status
Introduce Stage 3 and 4 Building Management Services upgrade works to improve central plant efficiency and increase electricity metering capabilities.	✓
Implementation of energy efficient projects on air conditioning unit modification, such as renewal of Paint Shop Air conditioning unit with 'free re-heat' heat recovery, control of cooling tower fans to match cooling loads.	✓
Introduction of an automatic load-demand related step speed control of chiller primary pumps and condenser water pumps.	<i>On going</i>
Implementation of replacing T8 lighting to T5 luminaires in working areas.	<i>On going</i>

Agenda for 2010
To pilot the Company's "Carbon Audit".
To develop a separate energy reporting mechanism for core building services and production equipment with appropriate weightings for effects of weather against production output volume.
To integrate the operation of new chillers into the existing chiller population and develop optimised mix of plant use for maximised efficiency under varying load.
To identify heavy usage process equipment and arrange additional power metering via Building Management System for equipment moves to new component repair facility building.

ENVIRONMENT

Waste Management

Material Usage and Recycling

Titanium & Steel
Alloy being recycled
6,343 kg

↓ **33%**

We managed a 26% reduction to the alloy during a challenge year.

HAESL applies the 5Rs principle – Reduce, Re-use, Re-cycle, Recover and Replace – in its operations. In 2005 we employed a specialist recycling company to recycle Plasma Spray and Waterjet machine dust and sludge. To date HAESL has expanded the scale and scope to send scrapped waste aluminium, bolts and nuts, steel and titanium alloy for recycling. In 2009 HAESL collected waste steel and titanium alloy for recycling amounting to 9,094 kg and 3,616 kg respectively.

We recycle engine oil from the workshops. Oil that cannot be recycled will be collected by licensed contractors.

In 2010, the Company is seeking to reach an agreement with Rolls Royce to allow the recycling of scrap engine parts directly.

Major Types of Used Materials Collected for Recycling or Reuse



The company's effluent treatment plant provides a means of treating chemicals in the plant's effluent. Suspended or dissolved metals are ionised and precipitated; heavy metals including hexagonal chromium, cadmium, nickel and others are separated from waste water and disposed of as sludge and resin by an approved disposal company.



Access to clean water is increasingly under threat around the world. HAESL conserves water by collecting rain water that is directed to top up the reservoir which produces chilled water for HAESL's air conditioning system. The Company also collects condensate from the air handling units and directs this to the evaporation towers as top up and replenishment water to reduce fresh water usage.

NB Please refer to the EHS Performance Summary for information on water discharge.

HAESL's 'Earth Hour'

In 2009, HAESL supported 'Earth Hour' organised by the WWF and turned off the lights for one hour at 8:30 pm on 28th March 2009. The company switched off as many remaining lights as possible, together with around 100 PC screens, vending machines, photocopiers and air conditioning units using the Building Management System (BMS).

By 8:30pm the BMS power analyser system was recording a reduction of around 200kW. This electricity reduction over a one hour period represented a reduction of about 100 kg's of CO₂ emissions.

Awards

Clean Air Charter Certificate Scheme



HAESL was successfully certified to the Clean Air Charter Scheme. A Certificate of Compliance granted by the Hong Kong General Chamber of Commerce, Hong Kong Business Coalition on the Environment and Business Environment Council was issued in February 2009 in recognition of the Company's efforts in energy conservation and emission reduction.

Hong Kong Awards for Environmental Excellence

In 2009, HAESL received the certificate of merit "Hong Kong Awards for Environmental Excellence – Manufacturing" in recognition of its efforts to implement energy conservation measures, including solar water heaters, optimising air-conditioning settings, T5 fluorescent lamps installation and using smart control timers for lighting.

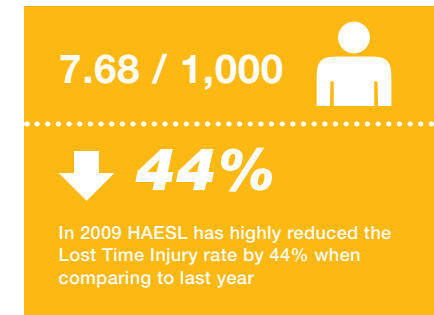
HEALTH & SAFETY



Strong performance in HS&E is important to our stakeholders and is synonymous with good business performance.

HAESL is committed to protecting the health and safety of our employees, customers and contractors. Our Health and Safety goals are to have no occupational related illnesses and to have continuous improvement in safety performance. We will focus on improving our “Near Miss” accident reporting in 2010 in order to take a more proactive approach to achieving our goal of “Zero Tolerance”.

In 2009, our Lost Time Injury (LTI) rate was 7.68 per 1,000 staff, showing a significant decline of 44% in lost time when compared to our 2008 figures. In total, 143 man-days were lost in 2009 due to those injuries, with five minor injuries requiring simple first aid treatment and no reported occupational illness.



Progress Against 2009 Action Plan	Status
To reduce 44 % of the Lost Time Injury Rate (LTIR) in 2009 compared with 2008 (Please refer to note 1)	✓
To reduce 44% of the Man-days Lost Rate (MLR) in 2009 compared with 2008 (Please refer to note 2)	✓
To maintain zero prosecution on health and safety issues from the Government	✓

Agenda for 2010 – Health & Safety Target
To reduce cases of work-related ill health by 10% by 2012
To reduce Total Reportable Injury rate by 50% by 2012
To achieve OHSAS 18001 certification by 2012
To improve “Near Miss” reporting

Note

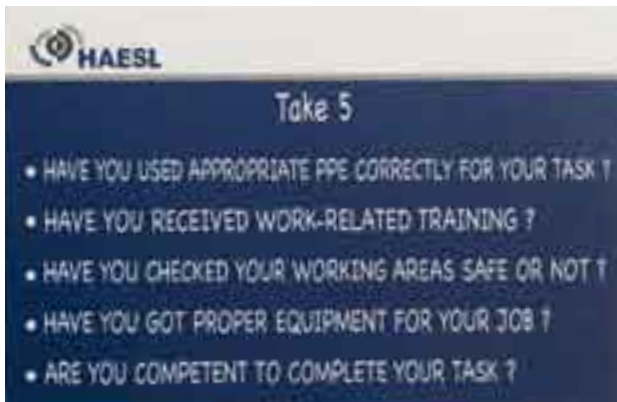
1 The actual rate of LTI for 2009 is 7.7 which is lower than the actual LTIR of 13.7 for 2008.

2 The actual rate of MLR for 2009 is 157 which is lower than the actual MLR of 278.8 for 2008.



Take 5

As part of our “Zero Tolerance” strategy, we have introduced “Take 5”. Take 5 is encouraging every individual to take just a few minutes to carry out 5 simple checks before they perform the task.



“ Only when you can answer **yes** to all the questions, is it **safe** to proceed with the task. ”



Safety Wall

A key element to broaden safety awareness within the business has been the introduction of the Safety Wall. The wall covers six issues; namely the Safety Team, Hazard Control, First Aid, Accident Reporting, EHS Committee and Safety – Starts with You. It provides an opportunity to convey safety messages, raise employees’ awareness, and to be used as a platform to engage our employees’ via a Safety Question and Answer competition.

We prepare “Accident Learnt” documents that are posted on the Wall to increase the safety awareness of our staff.

Health & Safety Suggestion Campaign

We continue to organise Health and Safety Suggestion Campaigns to encourage staff to suggest any health and safety related ideas or report any potential hazards. In 2009, our employees made around 97, in total 47 suggestions were selected and adopted to deliver improved standard operations.

Emergency Readiness

Fire safety training was organised to all Fire Wardens in 2009. The aim of the training was to provide the comprehensive knowledge of basic fire protection and how to use fire extinguishers in case of emergency.

We organised emergency drills including fire, chemical spillage and gas leakage at regular intervals to test and evaluate our readiness for emergency actions. We also wanted to establish an effective programme to provide first aid and emergency treatment to accident victims.

Fire drills were conducted with the Fire Services Department in August 2009 which proved the effectiveness of the fire safety measures adopted in HAESL.

Training

Through Safety Training, employees can reinforce the concept and awareness of safety, consolidate necessary skills, gain relevant knowledge and foster a positive attitude to safety.

As such, HAESL has developed a comprehensive training plan for both frontline and supervisory staff. We conducted 1,348 hours on different kinds of internal safety training programmes, such as chemical safety, workplace safety, fire safety and first aid to our employees.



Improving First Aid Box

First aid is an essential element for the emergency readiness programme in the workshop and office. In order to standardise first aid box and first aid items in HAESL, we carried out a review of first aid boxes in 2008. We relocated the first aid boxes in convenient locations and introduced portable first aid boxes to employees for easy access at any time.

Progress Against 2009 Action Plan	Status	Remarks
Review the purchasing of safety shoes for employees	<i>On going</i>	New models safety shoes trial in 2010 and the programme will be roll out in 2011.
Carry out workshop indoor air quality survey	<i>On going</i>	An indoor air quality survey in competent repair workplace was undertaken progressively during 2010.
Safety Wall introduced to production department and logistics	✓	
To implement a simple visual tool of the safety performance – Safety Cross in all departments to update each day	✓	
Standardise all install first aid box at workplace and office	✓	

Agenda for 2010

Safety Management

To enhance communication of Roles and Responsibilities of Steering Committee members and ownership of the Steering Committee members

Health and Safety Awareness

To develop and implement employee Occupational Health Assurance Programs
To organise “Health and Safety Day” to enhance safety awareness to HAESL employees

Risk Assessment

Every operation shall identify and assess its hazards and implement risk assessments and control strategies to minimise risks

EMPLOYEE DEVELOPMENT



Our strengths lie in having a highly dedicated team focused on meeting the considerable challenges which are facing the industry.

Being a responsible employer, HAESL is committed to ensuring that our employees work in a healthy and safe environment. We also invest heavily in staff training and development to ensure that we have sufficient skilled and talented people to support the sustainable development of our business. At the end of 2009, we have a total workforce of 891 employees and the staff turnover rate for the whole year is 3.01%.



Staff Training and Development

In 2009, we organised 559 in-house training events with 8,282 participants. Areas of training covered management training, technical knowledge, computer courses and environmental, health & safety courses.

Employee Wellness Programme

We provide comprehensive health care to our employees and their dependants. The scheme covers hospitalisation, outpatient clinical visits and primary dental care. In 2008, we introduced general health check for employees aged over 40.

Our employee wellness programme also includes an Employee Assistance Programme (EAP) which provides personal counselling and consultation service to our employees.

Staff Activities


To promote work-life balance, the HAESL Recreational and Sports Club has a total of 8 interest groups (i.e. football, basketball, tennis, table-tennis, badminton, bowling, golf and hiking) and organises sports events and interest groups activities for their members regularly.


Communication

To maintain effective communication with employees, HAESL's management conduct regularly meetings with General Staff Consultative Committee and Contract Staff Association to address staff concerns, solicit their opinions on employee welfare services and keep them updated about the Company's business.

With an aim to communicate with all staff in a highly interactive way, the "HAESL Storyboard" was rolled out in December 2009. The Storyboard was conducted with over 40 sessions in groups of approximately 20 people, covering all staff and shifts.

Town Gas

 **867 million KJ**


 **31%**


In 2009 HAESL has reduced the town gas usage by 31%.

2009 performance | A reduction in gas usage and average cost was seen in 2009. Such usage reduction was attributed to reduced production of nightshift related meals and reduced canteen business due to migration of HAECO staff to Chek Lap Kok (CLK), and less contractor presence on site due to decreased project activity in 2009. Changes in gas equipment were also a contributing factor in improved efficiency and transferred load to electricity.

2010 Challenge | Unless compelling improvements in both cost and efficiency of production of the gas supply in CO₂ content are achieved (such as by direct use of natural gas and conversion of appliances per standard international practice), the use of electricity remains preferred for catering use, with the proviso that the timing of heavy usage especially in mid-morning is less than ideal due to coincidence with known overall peak electricity demand on site.

Aviation Fuel

 **11 tonnes/engine**

 **10%**

This is the average of aviation fuel used for an engine test in 2009.

2009 performance | Aviation fuel consumption remains consistent with recent years. The consumption is related to engine thrust, fuel efficiency and the number of each engine types tested. Due to the mandatory rules provided by the Original Equipment Manufacturer (OEM) – Rolls-Royce for testing aero engines there is a lack of direct control by the company over fuel usage, except to minimise the need for repeat testing as part of the re-manufacturing process. In 2009, aviation fuel consumption fell by 10%. This was a result of an absolute reduction in the number of engines tested and the product mix of those engines.

2010 challenge | As the consumption of Aviation Fuel is essentially prescribed by the test requirements of the OEM and the mix of engines received over the course of the year we have unfortunately very limited influence in this area. We can however make a contribution by avoiding test rejects and minimising engine trouble-shooting through improvements in the initial production build quality.

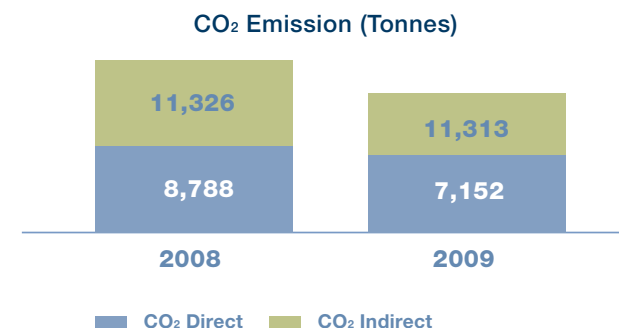
Conclusion

1,649 Tonnes

Total CO₂ emission is saved in 2009.

China Light & Power (CLP)'s declared local CO₂ content for electricity reduced from 0.84 to 0.83 kg/kWh for 2009 over 2008. This reduction substantially offset the CO₂ impact of HAESL's consumption of electricity.

The amounts of CO₂ emission content of electricity in 2008 and 2009 were substantially similar, however, the specific emissions of CO₂ per man-hour in 2009 was adversely affected by the reduction and in the future we will categorise it into two groups – Buildings and Production to ensure clarity.



**Cathay Pacific's
Fly Greener Offset Scheme**

Total distance of
HAESL's business travel in 2009

688,000km 

CO₂ of emissions

168,000kg =

Payment made to
offset business travel

HK\$12,600

CHARITABLE AND COMMUNITY PROGRAMMES



We will encourage and empower our staff to be proactive on sustainable development matters both at work and in the community.

To reach out to the local community and fulfil our corporate social responsibility, we actively participate in a number of volunteer programmes and charitable donations. Thanks to the unwavering support of our employees and their families, various initiatives were concluded with success in 2009.

Charitable Donation

We make the following donations to charitable organisations in 2009.



Cash Donation

In 2009, we made cash donations to

- World Wide Fund for Nature
- Orbis
- "Operation Santa Claus"

We lent our support to SPCA Raffle Charity Sale and sponsored Cathay Pacific team in Oxfam's "Trailwalker".



Blood Donation

HAESL organised blood donation days on two afternoon sessions on 17th and 18th June 2009, a total of 88 participants donated blood to help the needy.



Other Donations

Including food, computer equipment, furniture and other re-usable items.

Charitable Support

HAESL works closely with a number of local charities. We encourage and sponsor our employees and their family members with a matching fund to participate in wide range of annual fund raising events.



Evangel Children's Home - Washer-Drier

To respond to the urgent call for support from Evangel Children's Home which is in need of a heavy clothes washer-drier to solve the problem of drying clothes for their children, HAESL encouraged staff to make donations for such charitable cause through sponsorship to those colleagues who joined the Standard Chartered Marathon.



Pedal Kart Race

To support the Hong Kong Round Table in fund raising for people in need, HAESL entered two teams, HAESL Rollers and HAESL Fun Kart in the Hong Kong 24-hour Charity Pedal Kart Grand Prix on 14th and 15th November 2009.

We invited employees to donate books for a charity book sale, and the Company donated HAESL T-shirts and track suits for a charity sale.



Walk for Nature @ Mai Po

On 8th November 2009, 28 HAESL employees and their family members joined the Walk for Nature @ Mai Po to raise funds for WWF Hong Kong's conservation and education programmes.

CHARITABLE AND COMMUNITY PROGRAMMES

Education

We support education for young people in Hong Kong through various activities, including sponsoring scholarships at local University for employees' children, offering internship opportunities during the University Summer break and organising visits to our production facility.

- *Scholarship*
- *Summer Internship*
- *Plant Visits*



Plant Visits



Recipients of HAESL Scholarships for employees' children

Employee Volunteering

Our HAESL volunteer team, consisting of our employees, their friends and families continued to reach out to the local community and lend their helping hand to the people in need in 2009.

- *Elderly Household Fix & Clean*
- *Visiting the WWF Hoi Ha Marine Life Centre*
- *Christmas Party for the Visually Impaired*



Christmas Party for the Visually Impaired



Visiting the WWF Hoi Ha Marine Life Centre

PURCHASING POLICY AND ECONOMIC PERFORMANCE

Purchasing policy

The purchasing function in HAESL is responsible for the procurement of materials, supplies, equipment and services in line and consistent with the quality, safety and environmental standards required to support HAESL's operation, and to maximize the value of the purchase. All suppliers providing aeronautical parts to HAESL must comply in all respects with HK CAD, FAA, and EASA airworthiness requirements.

HAESL's corporate Code of Conduct sets out its commitment to conducting all business with integrity and fairness. HAESL is committed to conducting its business without conflicts of interest and the Code of Conduct requires all Relevant Persons to avoid any situation which may lead to an actual or perceived conflict of interest.

Supply Chain Management

Everything being equal, preference will be given to suppliers who are in full compliance with our Supplier Code of Conduct in accordance with the following core standards:



Economic Performance 2009

Turnover

US\$902m

Taxation

US\$18.4m

Dividends paid to shareholders

US\$99.6m

Charitable donations

US\$36,300

PERFORMANCE DATA

	Unit	2009	2008	Difference between 2008 and 2009
Energy and Fuel Usage				
Electricity purchased	kWh	19,847,328	19,870,856	-0.12%
Town gas consumed	MJ	866,544	1,253,904	-30.89%
Aviation fuel consumed	T	2,371	2,118	-10%
Greenhouse Gas				
Total CO ₂ emission (indirect)	T	11,313	11,326	-0.11%
Total CO ₂ emission (direct)	T	7,152	8,799	-18.71%
Water Usage				
Seawater used for flushing	m ³	10,301	10,403	-0.98%
Potable water used for cooling	m ³	20,104	19,428	3.48%
Potable water consumed for properties and landscaping	m ³	9,439	8,984	5.06%
Potable water consumed (for industrial wash/process)	m ³	51,092	59,647	-14.34%
Materials Usage				
Plastics (packaging material) consumed	kg	15,235	18,385	-17.13%
Paper & paper products consumed	kg	5,590	34,187	-83.65%
Printing cartridges purchased (new)	No.	547	677	-19.20%
Paints consumed	L	12,164	12,847	-5.32%
Chemicals consumed in processes – liquid	L	29,809	31,486	-5.33%
Chemicals consumed in processes – solid	kg	24,142	18,536	30.24%
Chemicals consumed in wastewater treatment – liquid	L	80	220	-63.64%
Chemicals consumed in wastewater treatment – solid	kg	109,100	89,470	21.94%
Acetylene consumed	kg	3,228	3,337	-3.27%
CO ₂ consumed in production	kg	138	115	20%
Solid Waste				
Commercial/industrial waste disposed of	kg	386,270	430,320	-10.24%
Grease trap waste disposed of	m ³	73	79	-7.59%
Food waste disposed of	kg	56,336	56,622	-0.51%

PERFORMANCE DATA

	Unit	2009	2008	Difference between 2008 and 2009
Solid Waste Recycling				
Paper recycled	kg	15,250	15,300	-0.33%
Cardboard recycled	kg	15,240	14,860	2.56%
Aluminum recycled	kg	241	308	-21.75%
Metal recycled – titanium alloy	kg	3,522	4,144	-15.01%
Metals recycled – steel	kg	9,262	13,153	-29.58%
Metals recycled – others	kg	6,298	9,600	-34.40%
Printing cartridges sent for recycling	No.	306	328	-6.71%
Chemical Waste				
Waste lubrication oil disposed of	L	4,037	4,077	-0.98%
Waste paints disposed of	L	7,777	6,542	18.88%
Other chemical concentrates disposed of (liquid)	L	9,147	15,231	-39.94%
Heavy metal concentrates – hexagonal chromium disposed of	L	4,752	3,799	25.09%
Heavy metal concentrates – cadmium disposed of	L	0	849	-100%
Heavy metal concentrates – nickel disposed of	L	4,164	2,725	52.81%
Heavy metal concentrates – others disposed of	L	1,311	619	111.79%
Sludge/resin (heavy metal contaminated) disposed of	L	3,397	3,893	-12.74%
Chemical Waste Recycling				
Waste lubrication oil recycled	L	12,800	17,600	-27.27%
Health and Safety				
Number of employees	No.	913	879	3.87%
Number of hours worked	Hrs	1,977,289	2,149,635	-8.02%
Number of accidents	No.	7	12	-44.00%
Number of incidents	No.	5	18	-72.22%
Number of lost hours	Hrs	872	1,960	-55.51%
Number of fatalities	No.	0	0	0.00%
General Legal Compliance				
Air pollution – number of warning letters received	No.	0	0	0
Air pollution – number of prosecution actions	No.	0	0	0
Water pollution – number of warning letters received	No.	0	0	0
Water pollution – number of prosecution actions	No.	0	0	0
Waste (MSW) pollution – number of warning letters received	No.	0	0	0
Waste (MSW) pollution – number of prosecution actions	No.	0	0	0

GRI INDEX

To meet technical standards, we have applied the GRI G3 framework to the preparation of this report. The GRI G3 framework provides reporting principles and recommends specific report content. Through a third party verification conducted by the HKQAA, it has been confirmed that this report complies with level C+ based on the extent of coverage of the G3 framework. GRI G3 references are shown in the table below.

GRI G3 references	Pages	GRI G3 references	Pages	GRI G3 references	Pages
Profile		Governance, Commitments and Engagement		Labour Practices and Decent Work Performance Indicators	
1.1	2	4.	3, 4	LA1	11
-----		4.2 – 4.4	3, 4	LA7	8
Organisational Profile		4.14 – 4.15	3	LA8	9, 10, 11
2.1 – 2.4, 2.6	1	-----		LA10 – LA12	10, 11
2.5	1	Management Approach and Performance Indicators		-----	
2.7	1	Economic Management Approach		Human Rights	
2.8	2	EC1	14	HR4	8
2.9	2	-----		-----	
2.10	2, 7	Environmental Performance Indicators		Society Performance Indicators	
-----		EN1	5, 6, 7, 15, 16	SO1	12, 13
Report Parameters		EN3 – 4	5, 6, 7, 15, 16	-----	
3.1 – 3.8, 3.11	front and back covers	EN8	7, 15	Product Responsibility Performance	
3.9 – 3.10	15, 16	EN10	7, 15	PR1	14
3.12	17	EN16 – 17	6, 15		
3.13	15	EN21 – 22	7, 15, 16		
		EN26	5, 6, 7		
		EN28	16		

VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency (hereinafter referred to as “HKQAA”) was commissioned by Hong Kong Aero Engine Services Limited (hereinafter referred to as “HAESL”) to conduct an independent verification of the Sustainable Development Report 2009 (hereinafter referred to as “the Report”). The Report stated the sustainable development performance of HAESL for the period from 1st January 2009 to 31st December 2009. The purpose of the verification exercise was to independently review the materiality, completeness, accuracy, consistency and reliability of the information presented in the Report.

Methodology

The verification procedure included reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the Report and verifying selected sample of data and information consolidated in the Report. The process we used in this verification exercise is based on current best practices. In this respect, the Report has been evaluated against the following criteria:

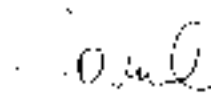
- Adherence to the principles of completeness, accuracy, neutrality, comparability and responsiveness, as set out in the Institute of Social and Ethical AccountAbility Standard AA1000, and
- The Global Reporting Initiative (GRI) 2006 Guideline.

Conclusion

In our opinion, the Report meets the content and quality requirements of the Global Reporting Initiative (GRI) Sustainability Reporting Guideline Version 3.0 (G3). As a result of this verification, it is confirmed that the “C+ Application Level” has been achieved.

The information presented in the Report provided a structured, balanced, reliable, consistent and accurate representation of the sustainable development performance of HAESL. In addition, it is a fair and honest representation of HAESL’s initiatives, targets, progress and achievements upon their continual efforts in sustainable development. All selected data examined during our verification were consistent with the supporting information reviewed. In conclusion, the information provided in the Report is confirmed to be reliable, material, complete and accurate.

Signed on behalf of Hong Kong Quality Assurance Agency



Connie Sham
Senior Manager, Strategic Business Manager



This summary report provides a general overview of our environmental, safety and social highlights for the year, please visit www.haesl.com for our on-line full report for more detailed information of our activities and achievements.

Tell Us What You Think!

Your comments would be very much appreciated, whether on this summary report or our sustainability performance overall.

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