

DIRECTOR & GENERAL MANAGER'S STATEMENT

In accordance with our Sustainable Development Policy and our vision to be "Best in the World, Best for the World", we are committed to sustainable economic growth without harming the planet or exhausting its resources, while ensuring the safety and wellbeing of our employees, developing productive long term relationships with our stakeholders and supporting our local community.

We will continue to focus on raising the awareness of and engaging with our employees in environmental, community and health and safety initiatives to embed the concept of sustainable development into our long term business strategy. We made some good progress in 2010, while also increasing the quality and frequency of our stakeholder dialogue.

As the aviation industry recovers from the vagaries of the financial markets and the volcanic eruption in Eyjafjallajökull, HAESL will continue to operate as a sustainable organisation. I am confident that we, together with our stakeholders, are well placed to take full advantage of the exciting opportunities that lie ahead.



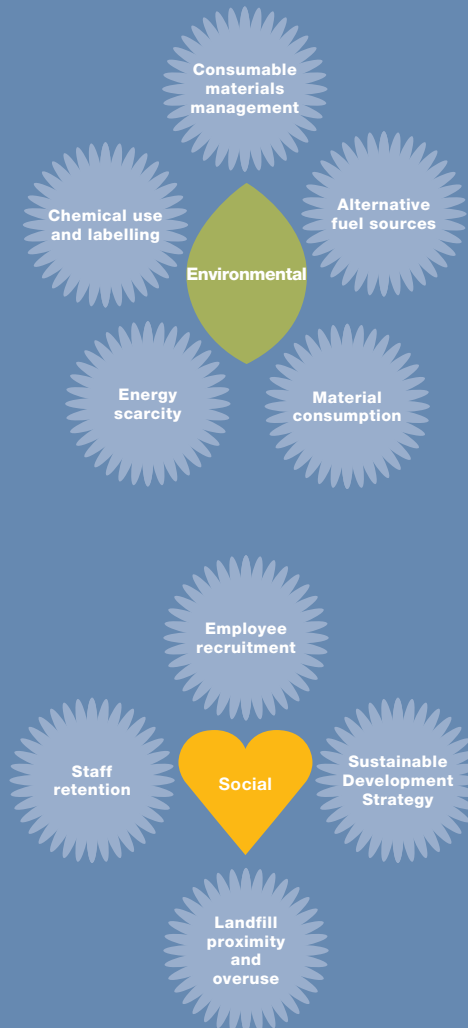
Tim Blackburn
Tim Blackburn
 Director & General Manager
 May 2011

GOVERNANCE AND STAKEHOLDER ENGAGEMENT

To be the Best

HAESL is committed to operating with integrity and to the highest ethical standards. The Board of Directors and several key committees see to this, while also assessing and managing risk. In addition, we make stakeholder engagement a priority when shaping future corporate sustainable development strategies.

Stakeholder Engagement



PLANNING FOR THE FUTURE

Reducing our Carbon Footprint

We have identified specific opportunities to reduce our carbon dioxide emissions in the future, including using sustainable alternative fuels and extracting landfill gas. These will require close collaboration and support from our stakeholders.



Best in the World

Best for the World

Tell Us What You Think!

Your comments would be very much appreciated on our reports and our overall sustainability performance.

Please contact our Sustainable Development Manager or Health & Safety Leader by email at sd@haesl.com or through our website at www.haesl.com.

Download the Full Report at www.haesl.com



sustainable development
 fast facts 2010

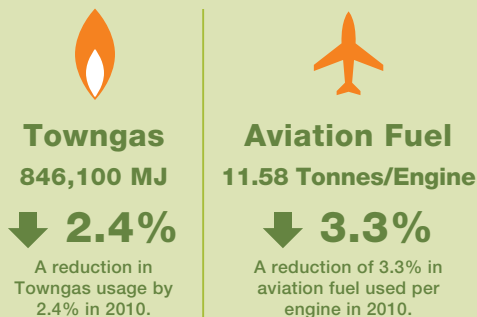
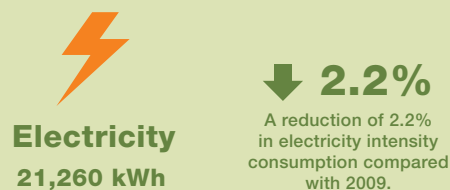


ENVIRONMENT

Building a Greener Future

HAESL is committed to building a greener future and reducing our carbon footprint. We work proactively to protect, conserve and improve the environment through our day-to-day operations. Our efforts include reducing the energy, water, materials and other resources we consume, whilst also minimising environmental pollution such as emissions, effluents, noise and waste.

Conserving Our Resources

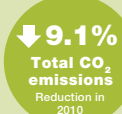


Waste Management

Implement **5Rs** principle to reduce waste



Carbon Footprint



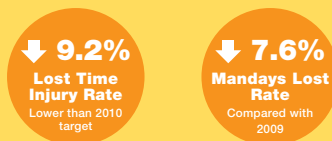
Water Consumption



HEALTH & SAFETY

Our Zero Tolerance Journey

In 2010, HAESL prioritised health and safety performance and this remains a key issue as we work together to achieve our Zero Tolerance approach to injuries in the workplace.



Health & Safety Day **600**

Over 600 staff and stakeholders enjoyed a full day of activities designed to increase health and safety awareness and motivate behavioural change.

HANDSAFE **SAFE** **700**

The aim of the five-themed HANDSAFE programme is to prevent hand injuries. In 2010, over 700 staff were encouraged to identify hazards, promote active risk mitigation and practice safe working procedures.



Our priority is always prevention. We launched "I Care, I Report" in 2010 to encourage staff to report Unsafe Actions, Unsafe Conditions and Near Misses during their daily work.

Enhance Stakeholder's Safety

All visitors are required to wear reflective vests at HAESL premises to ensure they are identifiable and safe. **Since February 2010**

Safety Training **851**

HAESL developed comprehensive training for both frontline and supervisory staff covering chemical safety, workplace safety, fire safety, office safety, first aid, and emergency preparedness and response.

Prescription Safety Glasses **227**

Since October 2010, we have assessed eye hazards at work and identified staff who require prescription safety glasses.

EMPLOYEE DEVELOPMENT

A Responsible Employer

HAESL strives to ensure that our employees have sufficient skills and knowledge to support the sustainable development of our business. To this end, we heavily invested in staff training and development in 2010.



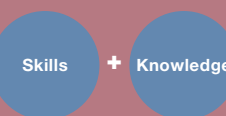
Staff Training and Development

In 2010, we offered courses in management, technical knowledge, computing skills, environment, health and safety.



Competency Training Matrix

Introduced in 2010, this five-step process effectively measures the competence of our staff in each department.



Anti-Corruption Policies and Procedures

An ethics reporting hotline was introduced to enable employees to report misconduct.

Employee Wellness Programme

We provide comprehensive health care to our employees and their dependants, covering hospitalisation, outpatient clinical visits and primary dental care.



Staff Activities

We believe in a healthy work-life balance for our staff, so we organised many fun activities in 2010.



CHARITABLE AND COMMUNITY PROGRAMMES

Contributing to Society

As a responsible corporate citizen, HAESL participated in many volunteer activities and charitable donations to help the needy and the underprivileged.

Charitable Giving

In 2010, we actively participated in a number of charitable activities.



Charitable Support

We strongly encourage our staff to support local charities, and for some events we match the funds they raise.



- Marathon des Sables
- Green Power Hike
- Pedal Kart Race
- Away Days for STAR Silver Recognition

Education

We actively support the education of young people in Hong Kong.



- Scholarships for Hong Kong Polytechnic University Students
- Scholarships for Children of HAESL Staff
- Summer Internships

- Internship for Rolls Royce Trainees
- Engineering Graduate Trainee Internship
- Plant Visits

Mini-Library

A total of 40 new books and magazines were purchased in 2010.

Employee Volunteering

Our HAESL volunteer team, consisting of employees, their friends and families, continued to reach out to the local community in 2010.



- Evangel Children's Home Open Day
- Dolphin watching for families of HAESL staff
- Volunteer programme in Mai Po Nature Reserve
- Outing with the visually-impaired