



In order to fulfill the company's vision of being "Best in the World; Best for the World" we have to go beyond the principles of operational excellence on which the company was founded, and live up to best-in-class practices of sustainable development.

In 2011, I believe we have made significant progress. But the road ahead is long, and one down which we are committed to proceeding - with our goal of continuous improvement along the way. I would like to thank all of HAESL's stakeholders, and in particular our employees, for their support to HAESL as we pursue this important journey of Sustainable Development.

Richard Kendall
Director & General Manager
April 2012



HAESL is committed to operating with the utmost integrity and to the highest ethical standards. Ultimate responsibility for company's decisions, policies and direction lies with its Board of Directors.

Following a comprehensive review of HAESL's key stakeholders in 2010, the company engaged with eleven stakeholder organisation and three employee focus groups to share views on overall performance within the organisation. We remain fully committed to engaging in dialogue and activity with key stakeholders.

Stakeholder engagement



Tell Us What You Think!

Your comments would be very much appreciated, whether on this report or on our sustainability performance overall. Please contact our Sustainable Development Manager, Mr Kenny Tsang by email at sd@haesl.com or through our website at www.haesl.com

HONG KONG AERO ENGINE SERVICES LIMITED
2/F ADMINISTRATION BUILDING
70 CHUN CHOI STREET
TSEUNG KWAN O INDUSTRIAL ESTATE
TSEUNG KWAN O
N.T. HONG KONG

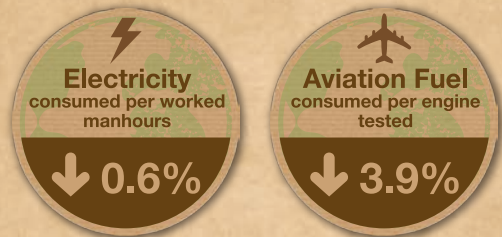


HKQAA
Verified
GRI B+

Our commitment

As part of our commitment to building a greener future, we continually work on new initiatives aimed at conserving and improving the environment. We take care to assess the impact that our activities have on the environment, focusing on key areas such as:

- energy consumption
- material consumption
- waste disposal
- water usage
- greenhouse gas emissions



Material Recycle:

300 tonnes of paper products recycled

Waste disposal:

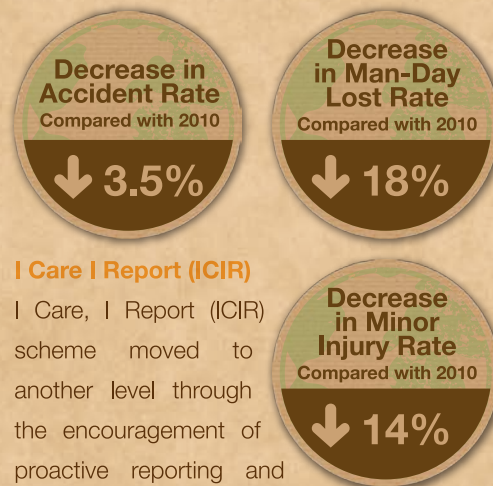
Implemented reusable cups to reduce usage of disposable paper cups.

Water usage:

Water used for cooling is stored and recovered to support the lavatory flushing system within the facility

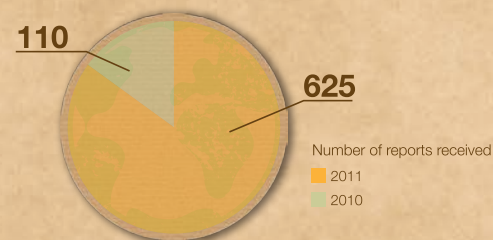
Our zero tolerance journey

Health & Safety performance has always been a top priority within our business. We will continue to adhere to a policy of zero tolerance for unsafe working practices, and make HAESL a better workplace for our staff and everyone within the premises. We believe that a Zero Tolerance approach to Health & Safety is a fundamental sustainability objective within HAESL.



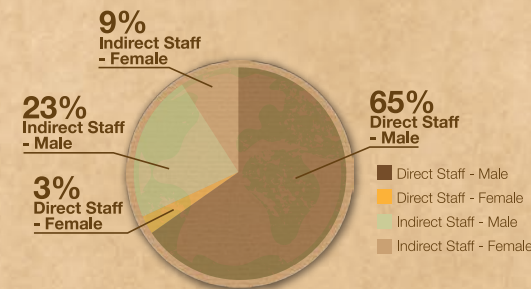
I Care, I Report (ICIR)

I Care, I Report (ICIR) scheme moved to another level through the encouragement of proactive reporting and resolution of issues. The reporting mechanism aims to encourage our staff to report unsafe actions, unsafe conditions and near misses within their normal routine work to promote safety culture.



Our valuable assets

At HAESL, we believe that our workforce has always been and will continue to be one of the company's most valuable assets. We utilise our experience, ability and long-term relationships to maintain our core values in our operations.



Remarks:

Direct Staff - staff whose work are directly charged as man-hours to the customers

Indirect Staff - staff whose work are not directly charged as man-hours to the customers

Staff Training

We have established a comprehensive 160-hour training plan to ensure the best shape of our new staff before work. Training covers an introduction to the company, health and safety training, basic engine concepts, CD Manual reading, parts handling and protection principles, introduction to 5S, a plant tour, etc. New staff members destined to be deployed to either of the production departments – Component Repair or Engine Overhaul Workshop - have to attend additional sessions for specific skill training.

Staff benefits

- | | |
|-------------------------|----------------------------------|
| Employee Health Program | Employee's Children Scholarships |
| HAESL Wellness Day 2011 | Transportation subsidies |
| HAESL Disney Night | Recreational Facilities |

Our valuable assets

HAESL retains its vision of not only being the "Best in the World", but also acting "Best for the World". We are the first to realise that our prosperity originates from the community where we live and work. As such, we are 100% committed to supporting our community's development.

Charitable giving

- 🩸 Blood donation
- 💰 Charitable donation
- 🎁 other donation

Charitable support

- Plant Visit for SARDA
- Oxfam Trailwalker 2011
- BOCHK Outward Bound Corporate Challenge
- Computers and Display Screens Donation

Education

- Innovation Technology Award Scheme

Volunteering

- Visit WWF Mai Po Nature Reserve with Evangel Children's Home
- Elderly Visit