

Director & General Manager Statement

Looking forward into 2014, our objective is to continue to develop the more successful of our initiatives, and further to develop our framework in ensuring a meaningful and consistent approach to developing HAESL's Sustainability objectives. In doing so we will develop an approach based on materiality assessment to ensure that what we both do and report on is making a positive contribution to our aims.

Richard Kendall

Director & General Manager

Stakeholder engagement



We continue to engage with stakeholders from different levels of seniority and operational functions in Hong Kong and beyond.

Stakeholder	Profile	Our Engagement/ Activity
Customers	Airlines	Customer satisfaction survey and focus group meeting
Employees	All employees	Employee satisfaction survey, company story board, regular departmental briefing, and staff group meeting
Business partners	International	Regular dialogue with our joint venture partners and partners from the Rolls-Royce Global Repair Service (GRS) network.
Suppliers	Local and International	Purchasing policy survey and self-assessment (since 2011).




HAESL

Sustainable Development Report 2013



Best in the World
Best for the World



Please tell us what you think!

Your comments on this report or on HAESL's sustainability performance are welcome and appreciated. For any enquiries or information, please contact our Sustainable Development Manager, Kenny Tsang by email at sd@haesl.com or direct mail to the following address:

2/F Administration Building,
Hong Kong Aero Engine Services Limited,
70 Chun Choi Street,
Tseung Kwan O Industrial Estate,
Tseung Kwan O, N.T., Hong Kong.

Environment

Overall environmental friendly program held in 2013

1. Green wall
2. One man one plant campaign
3. Paperless electronic Engineering Procedure Manual (e-EPM) across HAESL

Improved energy performance

Item	% absolute change	Absolute value
Towngas consumption	-24.11%	623,376 MJ
Electricity Consumption	-4%	29,245,993 KWH

Energy performance and other performance with improvement need.

Item	% absolute change	Absolute value
Jet Kerosene - Engine Test	+14%	3,200,000 kg
Water consumption	+ 9.3%	136,199 c.M
Paper and paper products consumed	- 6.1%	26,389 kg
Paper recycled	- 26.6%	10,884 kg

2014 objective

1. Reduce paper consumption by 20%
2. Implement new scheme to reduce HAESL canteen food waste by 2%

Health and Safety



Lost Time Injury(LTI)* has been reduced by 19.6% compared to 2012.



2014 Objectives

1. Fully implement comprehensive Job Safety Analysis scheme
2. Maintain weekly safety walk by HAESL senior management team in 2014.
3. Safety awareness training for supervisors
4. Occupational Safety and Health Poster / Video competition

Economic information of HAESL

HAESL delivered another solid financial performance in 2013. Revenues dropped 9.6% in 2013. Breaking down our sales into two components – sold man-hours and engine materials, sold man-hours reduced by 4% while engine output dropped by 12.3%.

Economic Performance	2012	2013	% Difference
Engine Output	220.0	193.0	-12.3%
Revenues generated (US\$M)	1,553.5	1,405.0	-9.6%
Dividends paid to shareholders (US\$M)	111.6	94.8	-15.1%
Employee Cost (US\$M)	49.5	50.3	1.6%
Taxation (US\$M)	23.9	20.8	-13.0%
Charitable donations made directly by HAESL (USD)	35,063.0	29,619.0	-15.5%



Charitable and community programs

In 2013, a significant scheme for social engagement was developed and approved by HAESL Senior Management. From 1/1/2014, every staff that participates in 10 hours of volunteer work organized or approved by HAESL will be eligible for one day's "volunteer service leave" with a maximum of 2 days per year.

Charitable programs held in 2013

- 24-hour Charity Pedal kart Grand Prix 2013
- Moon Cake Box recycling program
- Red Packet recycling campaign
- Blood Donation

