

Sustainable Development Report



MESSAGE FROM CEO



2025 was a year of progress for HAESL as we achieved several important milestones. As our business continued to grow in scale and capability, we remained focused on delivering sustainable financial results, whilst developing our people, improving our operations, protecting the environment, and supporting our communities.

Our Operational and Financial Performance

HAESL achieved strong results through best in class operational delivery enabled by exceptional teamwork and working together with our trusted partners. In 2025, we achieved a record-high output, delivering 382 engines and 37 Trent 1000-TEN module sets. With XWB engines representing the majority of engines overhauled and the success of the Trent 1000 TEN delivery, alongside the recent award of a license to overhaul the Trent 7000, HAESL is well positioned to play an important role in supporting Rolls-Royce's new generation engine fleet for years to come. Since inception, HAESL has overhauled more than 5,700 engines, serving over 50 airline customers worldwide.

Our People

Our people are the foundation of HAESL's long-term success. In 2025, we reached a record high workforce of 1,750 employees, **an increase of 14% year-on-year**, with the percentage of female colleagues increasing by 24%, reflecting continued progress in diversity and inclusion. We enhanced employee experience through workplace improvements such as female uniform redesign, delivering a canteen renovation, and upgrading office spaces. Furthermore, we launched a Mentorship Programme, specifically aimed at supporting the career development of our female colleagues.

Digital transformation continued to empower our people and operations, as we progressed on our journey towards delivering a Digitally enabled SMART Factory. A highlight of the year was the DigitALL Converge 2025, a three-day event engaging over 1,500 staff members and digital partners, showcasing our digital roadmap through live demonstrations of emerging technologies.



MESSAGE FROM CEO



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Our Environment

Environmental stewardship remains a core pillar of our sustainability strategy. In 2025, HAESL was recognised with the Gold Award at the Hong Kong Awards for Environmental Excellence 2024 – Manufacturing and Industrial Services, reflecting our industry-leading environmental performance, strong governance, and continuous improvement.

We achieved a record-high waste diversion rate of 47.7%, supported by staff engagement and enhanced recycling programmes, including the diversion of aluminium oxide for reuse in local cement production, demonstrating practical circular economy solutions through collaboration.

Our Community

HAESL continued to support the communities we serve. In 2025, the HAESL Community Day engaged over 1,140 staff volunteers, contributing more than 4,500 volunteering hours in partnership with over 20 community organisations, reflecting our strong culture of care and social responsibility.

Looking Ahead

Looking forward, we have recently refreshed our Vision to ensure we continue to drive for a more sustainable future.

Our refreshed Vision is “To be the world’s leading Aero Engine solutions provider — powered by innovation and trusted partnerships.”

This refresh is reflective of our view that the aerospace industry is evolving rapidly and we are determined to lead this change. If we achieve our Vision we know we can deliver the world-class quality, speed, and reliability we are known for and our Customers expect. It also ensures that our shareholders see a future where sustainable growth is at the heart of what we do, which in turn will ensure our people have the workplace they deserve, one that is safe, innovative, and future ready.

Our Six Strategic Initiatives:

- Zero Harm
- Zero Defects
- Operational Excellence
- Digital, Technology, and BI 3.0
- Customer Partnerships & Sustainable Growth
- Workforce for the Future

To achieve the Vision, we will continue to invest in our people, accelerate digital and environmental initiatives, strengthen community partnerships, and embed sustainability into our business strategy—supporting the long-term resilience of HAESL and the aviation industry.

GEORGE EDMUNDS

CHIEF EXECUTIVE OFFICER

HONG KONG AERO ENGINE SERVICES LIMITED





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PERFORMANCE AT A GLANCE

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2025 Sustainability Performance at a Glance



In 2025, HAESL delivered record environmental performance while sustaining operational growth and expanding community impact.

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OUR PEOPLE

Build Capability for Future Growth



1,750 Employees

48.7 training hours / employee

 Driving Resource Efficiency & Circularity

47.7% Waste Diversion

Aluminium oxide repurposed into cement production

Gold Award - HKAEE 2024

OUR ENVIRONMENT



OUR COMMUNITY

Community Day

1,140+ staff volunteers engaged

4,500+ volunteering hours

Expanding Social Impact Through Engagement



 Sustaining Operational Excellence

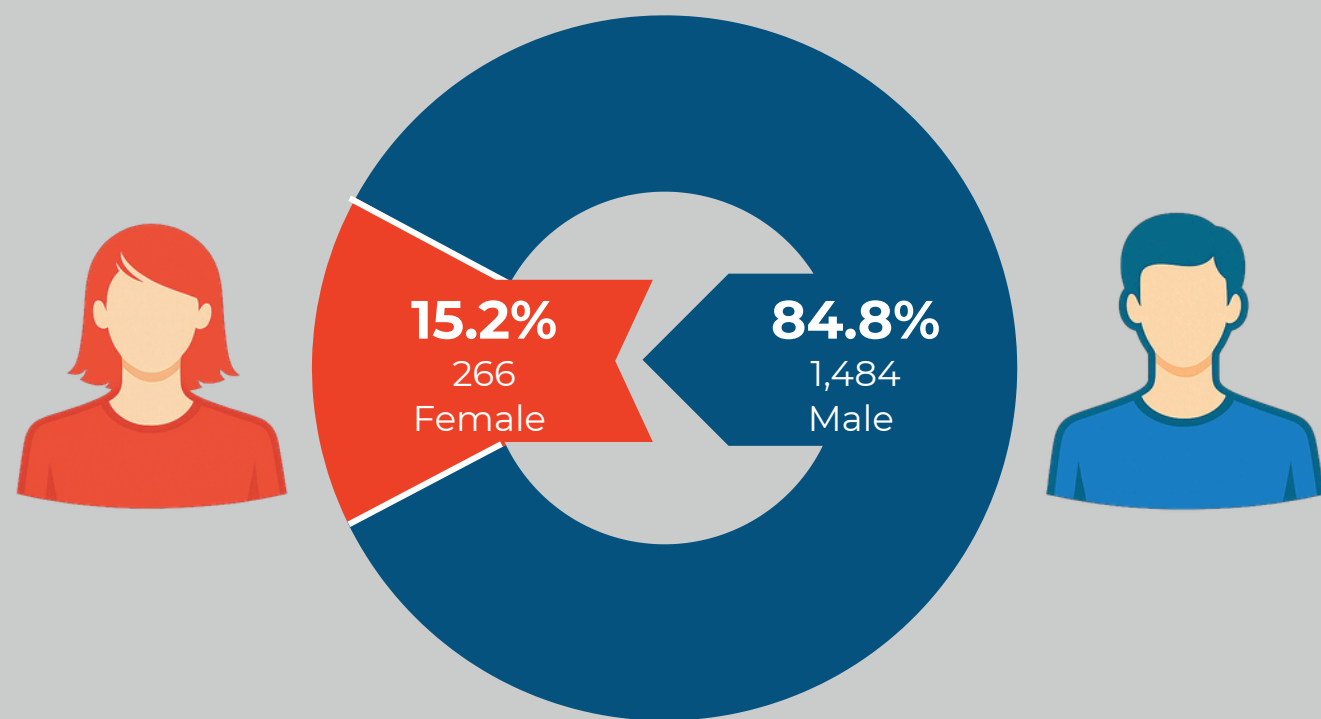
382 engines delivered

OUR ECONOMY



Our People

HAESL Demographic



Total Workforce: 1,750 Staff

By Employment Contract

Permanent Employees:



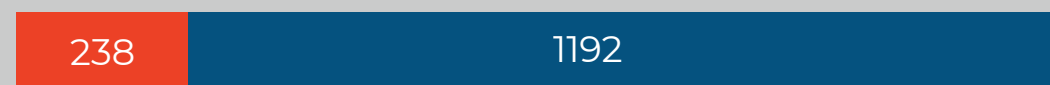
Temporary Employees:



■ Female ■ Male

By Employment Type (Full time Employees)

Full Time Employee:

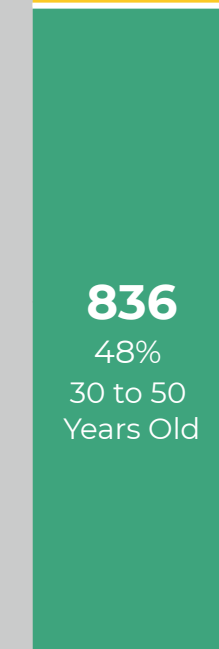
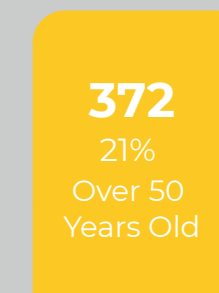


Part Time Employees:

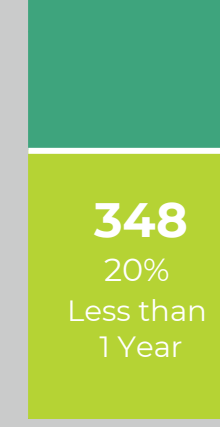
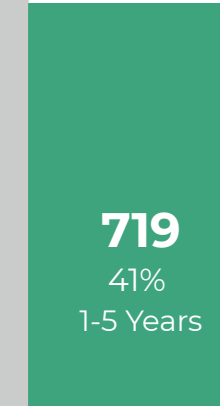
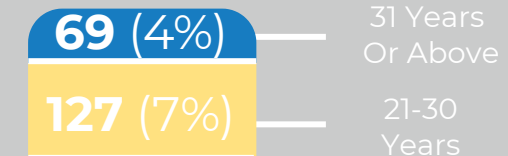


■ Female ■ Male

Age



Year of Service



HAESL's workforce experienced a temporary decline in 2020 to 2022 amid the COVID 19 pandemic. However, from 2022 there has been a steady recovery, with staff numbers reaching a record high of 1,750 by the end of 2025, demonstrating confidence in our sustained business growth. The overall headcount increased by 50% over the period, with female representation more than doubling from 127 (11%) to 266 (15%). HAESL continues to employ overseas staff roles requiring specific skillsets but remains focused on preserving career opportunities for the local community.



Career Expo



Plant Tour

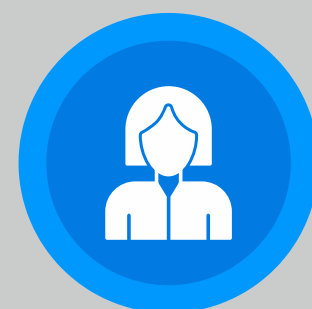
Workforce Growth & Diversity since 2019



+50%

Workforce Growth

Headcount reached 1,750 (2025)



127→266

Female Employees

11%→15% of workfoce (2019-2025)

This is reflected in the Company's diversified recruitment strategy, which aims to support expansion amid a tightening local labour market and increased global demand for specialized aviation skills. To achieve this, HAESL has broadened its talent pipeline with targeted recruitment from overseas and Mainland China, complemented by enhanced local recruitment. Local recruitment initiatives include participation in recruitment fairs, collaboration with local tertiary institutions, and the provision of scholarships for outstanding engineering students, supplemented by plant tours and site visits to expose the younger generations to aero engine overhaul work.





In 2025, HAESL launched an **Employee Value Proposition** initiative focusing on employee experience, career development, diversity and inclusion, and employer branding, supported by digital platforms and learning management systems to enhance workforce capability and agility.

Looking ahead to 2026–2030, HAESL will continue to strengthen its manpower strategy to support its vision of becoming an **Employer of Choice**, building a sustainable talent pipeline and a future-ready, resilient workforce.



Advancing Workforce Capability and Digital Skills

In 2025, HAESL significantly strengthened its training and development approach, expanding learning from role-based and compliance training to workforce-wide capability building. Total training delivery exceeded 85,000 hours, with average training hours rising to 48.7 per employee.

New initiatives included the rollout of a digital eLearning platform and DigitALL Converge 2025, a company-wide event that enhanced employees' awareness of digital tools such as Robotic Process Automation (RPA), AI solutions and Microsoft Copilot. In parallel, HAESL continued to deliver technical, safety leadership and sustainability training, strengthening workforce readiness for an increasingly digital and regulated operating environment.



48.7
Training Hours
Per Staff

- Safety** 100%
- Quality** 100%
- Sustainability** 100%
- Cyber Security** 100%
- Technical training*** 100%
- Compliance** 100%

*Applicable to direct staff only



HAESL Seedling Programme



DigitALL Converge 2025



Talent Management

Skills Development

Adopts a structured approach to talent management through an annual talent review process that references performance review outcomes, potential identification, and future capability needs.



Performance Review

Conducts annual performance review to evaluate individual performance, competencies and development needs



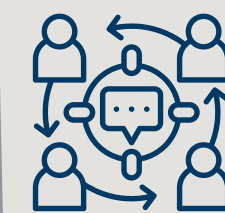
Career Development

Identifies key skilled employees for targeted development and provides mentoring opportunities to high-potential employees to support long-term career development and workforce sustainability.



Internal Mobility

Supports internal mobility through an internal job board informed by talent review insights.



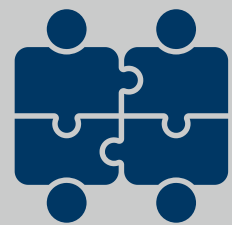
Operating within a traditionally male-dominated aviation MRO industry, HAESL is committed to fostering an inclusive, respectful and engaging workplace for all employees.

Our workforce includes approximately 18% overseas employees (primarily from the Philippines) and 15% female representation, reflecting a diversity of backgrounds, cultures and perspectives.

Recognising that a diverse workforce brings differentiated needs, HAESL adopts a proactive and people-centred approach to ensure fair, supportive and dignified working conditions across the organisation.

Policies & Commitments

HAESL's approach to diversity, inclusion and employee engagement is underpinned by robust governance and policies, aligned with local labour regulations and internationally recognised standards. Key policies include:



Diversity & Inclusion Policy



Guidelines on Diversity & Inclusion Recruitment



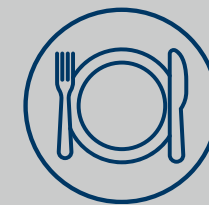
Respect in the Workplace Policy

Workplace Upgrade

To support employee wellbeing, dignity and operational effectiveness, HAESL continues to enhance its physical working environment:



Height-adjustable worktables introduced to enhance ergonomics and accommodate diverse physical needs.



Upgraded canteen facilities, providing a modern, hygienic and welcoming environment that supports employee wellbeing and social interaction.



Gender Inclusion

HAESL recognises the importance of ensuring that female employees' needs, voices and career aspirations are fully supported:

HAESL Women's Network (HWN)

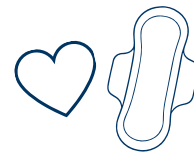


HWN, established in 2019, provides a platform for dialogue, engagement and mutual support; **HAESL Male Allies (HMA)**, launched in 2023, engage male colleagues as partners in fostering an inclusive culture.

Structured Mentorship



Women's Mentorship Programme launched to support female employees' career development through structured mentor-mentee relationships with senior leaders and function heads. Including care support (installation of Good Period sanitary pads in restrooms to provide peace of mind.



Employee Connection & Feedback



Dialogue with HWN Committee members were arranged to hear voices from female colleagues.



Uniform Innovation

Female-specific uniforms are planned to be introduced to improve comfort, safety and suitability for operational roles.



Cultural Integration and Inclusive Communication

To support overseas employees and promote effective collaboration across a multicultural workforce:

Cantonese Language Classes

were provided for Filipino staff to facilitate daily communication and workplace integration.



Cultural Exchange Activities

Cultural sharing initiatives were organised to promote mutual understanding and team cohesion. Local festive activities were introduced to non-local colleagues, while interactive team activities encouraged cross-cultural exchange.




Bilingual communications and inclusive team practices were adopted across operations to reduce cultural and language barriers.



Employee Engagement and Social Cohesion

HAESL actively promotes strong employee engagement and social connection beyond daily operations:



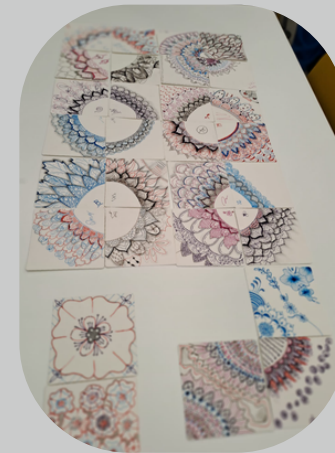
General Staff Consultative Committee (GSCC) and Senior Staff Association (SSA), elected by staff, hold monthly meetings with senior management to discuss staff-related matters.



Company-wide engagement activities, including the Annual Dinner, Christmas Party and team-building events (e.g. Corporate Games), strengthen relationships and foster a sense of belonging.



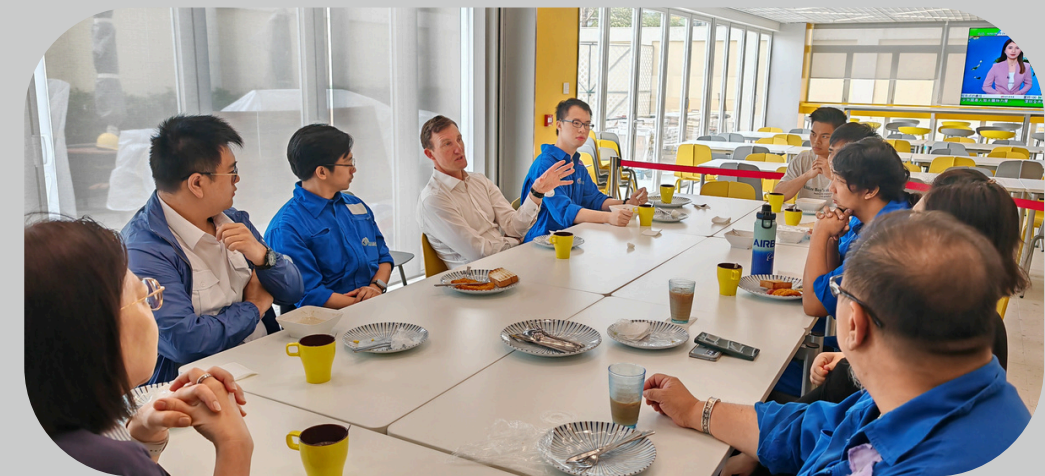
Sports Recreation and Sports Club (SRSC) supports over **15 interest-based clubs** (e.g. badminton, basketball, bowling, fishing, gardening, tennis), providing diverse recreational and wellness opportunities.



Mental wellness programmes, including mindfulness workshops and sensory-based stress management activities, were organised to support employees' psychological wellbeing and promote a healthy workplace culture.



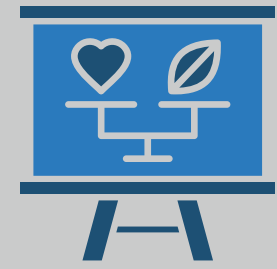
Dialogue with CEO sessions were organised to foster open communication, strengthen leadership engagement, and enhance transparency across the workforce.



Ethical Conduct & Integrity



14



100%

Employee Training Coverage



ISO27001

Certified in 2025



100%

New Suppliers Screened



0

Confirmed Ethics Breaches or Whistleblowing Cases

Systems & Assurance



- ISO 27001-certified Information Security Management System
- Data Protection Officer appointed in line with Hong Kong requirements
- Oversight supported by internal controls and governance processes

We uphold the highest standards of integrity, transparency and accountability across our operations and value chain. Our ethical framework addresses business ethical conduct, anti-bribery and corruption risks, labour and human rights, information protection and responsible procurement across our operations and business relationships. Oversight is maintained through Senior Management and Shareholder governance. No confirmed cases of corruption or material ethics breaches were identified in 2025.



Policies & Governance

- Code of Conduct
- Gifts & Hospitality Policy
- Whistleblowing Policy
- Supplier Code of Conduct
- Know Your Business Partner Policy

Anti-bribery and compliance requirements are embedded into business processes through defined approval workflows and senior management oversight.



Ethics Training & Culture

- 100% employee training coverage
- Code of Conduct check-ins
- D&I and ethics awareness sessions

Reinforces expected behaviours and strengthens an organisation-wide culture of integrity and accountability.



Controls & Due Diligence

- Risk-based approvals (including high-risk escalation)
- Conflict of interest declaration
- Third-party due diligence
- Integrity clauses embedded in contracts

Suppliers are assessed against environmental, labour, ethics and compliance criteria, with ongoing monitoring and documentation requirements.



Speak-Up & Engagement

- EthicsPoint (web / phone reporting)
- Employee voice platforms (surveys, focus groups, Dialogue with CEO)
- Anonymous reporting channels

Accessible to employees and external stakeholders via multiple channels.



Zero harm is a core commitment at HAESL. Our safety management approach is guided by a certified ISO 45001 Occupational Health and Safety Management System, supported by proactive risk identification, leadership accountability and employee engagement. In 2025, we continued to strengthen our safety culture through systematic reporting, structured controls and active participation.

ISO 45001:2018

HAESL maintains a certified ISO 45001:2018 Occupational Health and Safety Management System, integrating systematic hazard identification, risk assessment, incident investigation and continuous improvement across operations. Safety performance is monitored through regular reporting, internal audits and management review processes.



Proactive Reporting

Proactive safety reporting is reinforced through the I Care Report (ICIR) initiative, encouraging employees to report hazards, near misses and improvement opportunities. Strong participation resulted in **7,131 reports submitted** in 2025, supporting early risk identification and contribute to improved safety performance across operations.

Safety Walks

Senior management conducted regular Safety Walks to identify workplace risks, reinforce visible leadership and promote accountability. **188 observations were identified and closed** in 2025, strengthening a prevention-focused safety culture.



Safety & Quality Community

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Established in November 2025, the Safety & Quality Community provides a structured platform for two-way communication, enabling employees to share feedback and contribute to continuous improvement in safety and quality performance.



1 case
Lost Time Injury

7,131 ^{+21% vs. 2024}
Proactive Safety Reports

Safety Events

A series of safety engagement activities were organised in 2025 to enhance awareness, strengthen risk prevention and reinforce safe behaviours across the workforce, supporting a positive safety culture.



Our Environment

Commitments and Targets

Commitment and Management Approach

HAESL is committed to minimising environmental impact across its operations, aligned with HAECO Group and Rolls-Royce commitments.

Our **Environmental Policy** (updated in 2025) defines a structured approach to managing environmental risks and opportunities across climate, water, waste, and responsible procurement.

Environmental performance is managed under an **ISO 14001-certified** Environmental Management System (EMS), with KPIs monitored and regularly reviewed by senior management.



Senior leadership supporting environmental initiatives

2030 Environmental Targets (Baseline: 2018)

HAESL has established clear and measurable environmental targets to be achieved by 2030:



Scope 1 & 2 greenhouse gas (GHG) emissions
18,570→13,893 tonnes of CO₂ -e
-25% achieved (**84%** towards target)



Water intensity
66.2→32.9 litres/ attended hours
Target achieved (**100%**)



Waste diversion
19.1%→47.8% waste diverted
47.8% achieved (**80%** towards target)



Key supplier compliance with Code of Conduct
81% compliant
81% towards target



Progress against 2030 Targets (as of 2025)

Since 2018, HAESL has experienced approximately **80% growth in engine output**, while continuing to improve environmental performance. As of 2025, overall **progress towards the 2030 environmental targets has exceeded 70%**, demonstrating steady advancement despite significant business expansion.



GHG Inventory and Boundary

HAESL maintains a greenhouse gas (GHG) inventory in accordance with the GHG Protocol Corporate Standard and GRI 305: Emissions. Emissions are reported using the operational control approach, covering Scope 1, Scope 2, and selected Scope 3 categories.

Scope 1 and Scope 2 emissions represent impacts within HAESL’s operational control, while Scope 3 emissions reflect indirect value chain impacts and remain under ongoing evaluation for target setting and disclosure.

Methodology

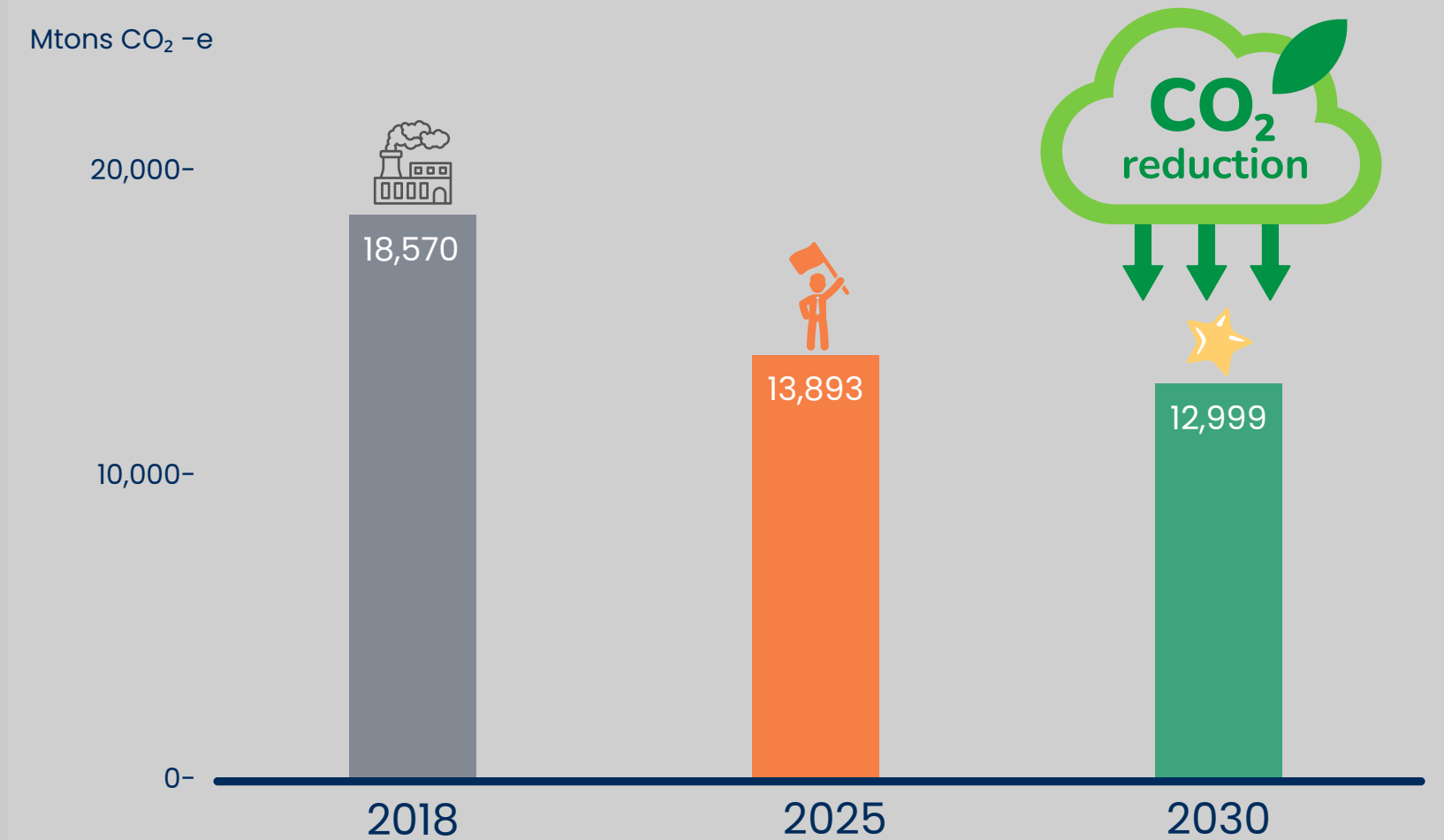
Emissions are calculated based on activity data and relevant emission factors, including CLP emission factor. In 2025, the CLP emission factor decreased from 0.38 to 0.34 kg CO₂-equiv/kWh, contributing to improved emissions performance.

Boundary Change and Data Restatement

In 2025, emissions associated with **jet fuel used in engine testing were reclassified from Scope 1 to Scope 3** (Category 11: Use of Sold Products), reflecting that these emissions occur outside HAESL’s operational control.

To ensure consistency and comparability, the 2018 baseline has been restated, and historical emissions data (2023–2025) have been updated accordingly. Electricity consumption now represents the primary source of Scope 2 emissions.

Scope 1 & Scope 2 GHG Reduction Progress



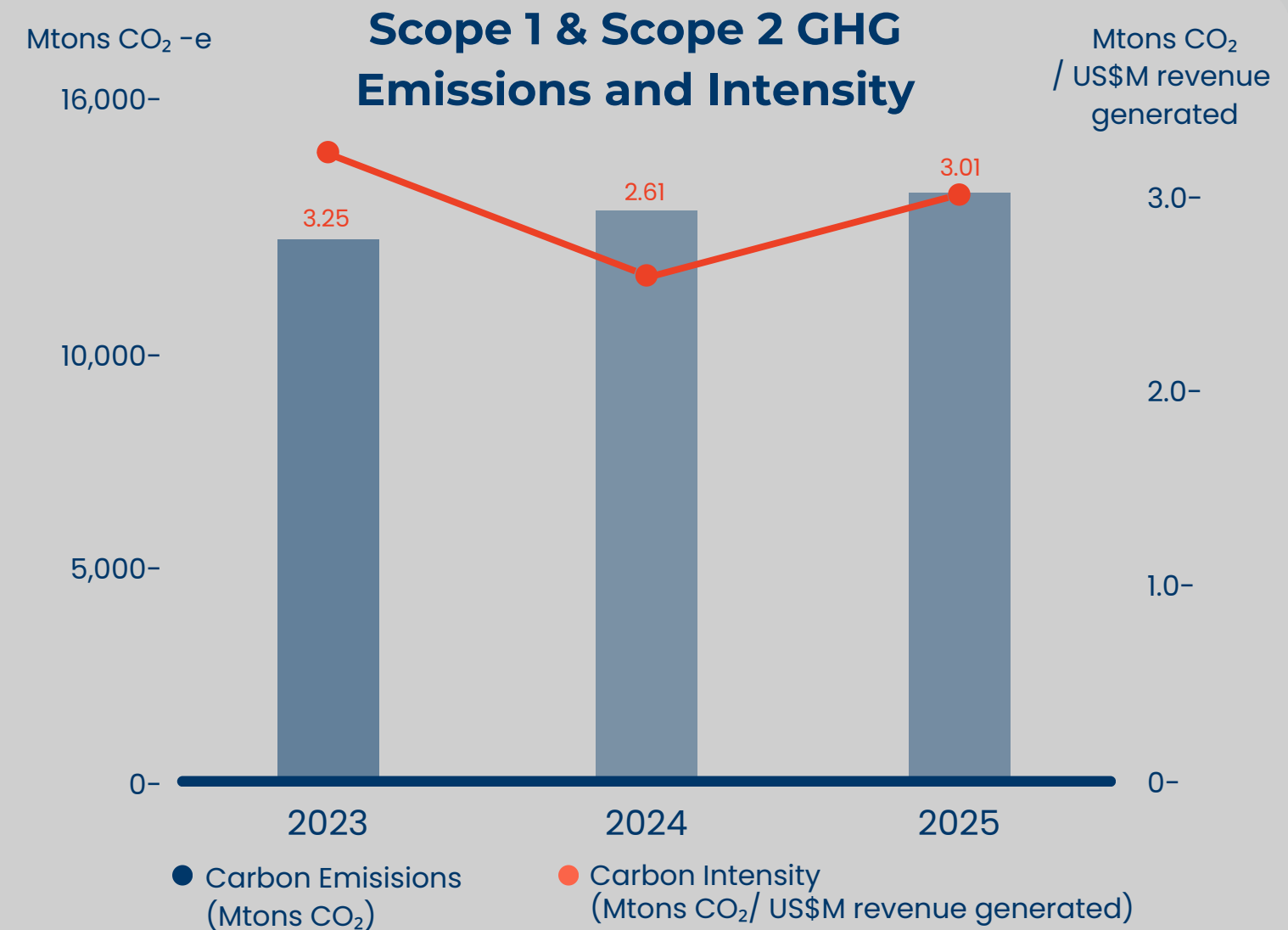
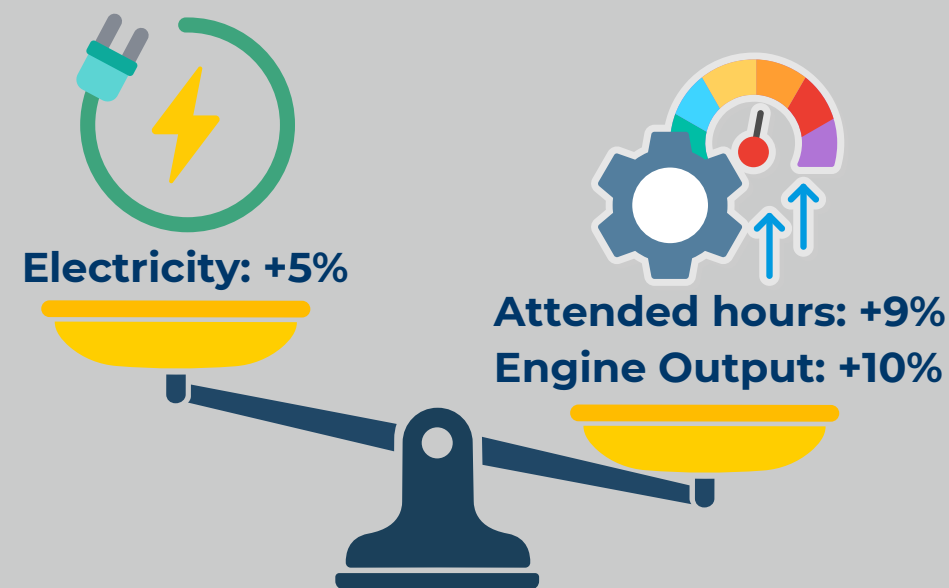
GHG Emissions Performance

In 2025, HAESL recorded total GHG emissions of 14,126 tCO₂e, representing a **3% increase compared to 2024**.

- Scope 1 emissions amounted to 166 tCO₂e, remaining relatively low following boundary reclassification
- Scope 2 emissions totalled 13,727 tCO₂e, continuing to represent the dominant emission source

Electricity consumption accounted for approximately 99% of total emissions, reflecting the energy-intensive nature of operations.

The increase in total emissions was primarily driven by higher operational activity levels, including a 9% increase in attended hours and a 10% increase in engine output. This increase was partially offset by a reduction in the electricity emission factor and ongoing energy efficiency improvements.



Carbon intensity increased in 2025 due to changes in business mix affecting the revenue denominator, despite continued improvements in operational efficiency.

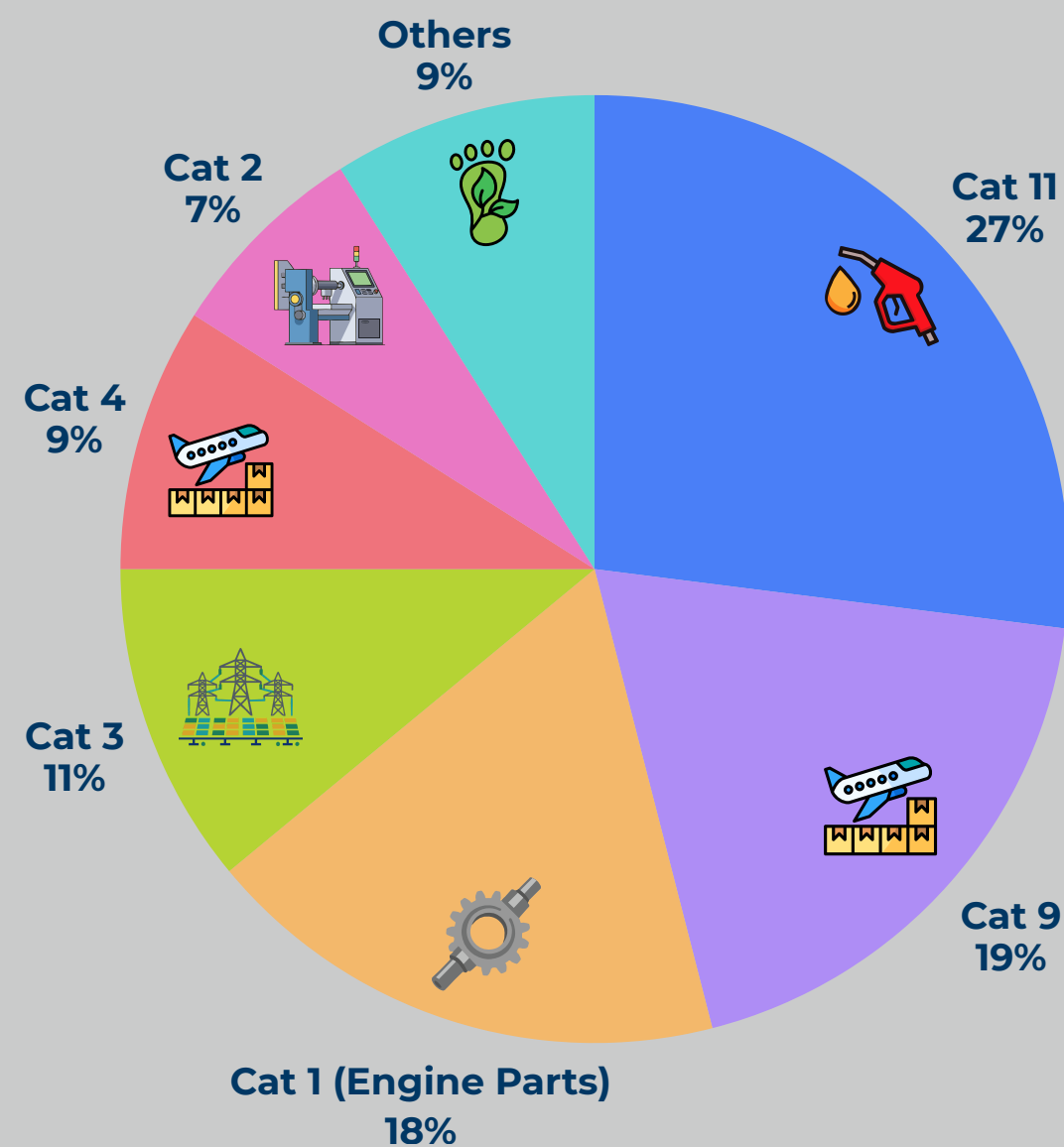
Electricity consumption increased by 5%, which was lower than the corresponding growth in operational activity. This indicates improved energy efficiency, as emissions growth was moderated relative to production output.



Scope 3 and Value Chain Emissions

In 2025, HAESL conducted a Scope 3 emissions mapping exercise using 2024 data to identify key emission sources across the value chain. Based on the results of this exercise, total Scope 3 emissions for 2024 were 60,180 tCO₂e.

The assessment identified several key emission hotspots:



- 11 Use of sold products
- 9 Downstream transportation and distribution
- 1 Purchased goods and services
- 3 Fuel- and energy- related emissions not included in Scope 1 and Scope 2
- 4 Upstream transportation and distribution
- 2 Capital goods
- Others

- Emissions are primarily associated with jet fuel consumption during engine testing
- Emissions are driven by reliance on air freight and global logistics networks
- Emissions arise from carbon-intensive materials and upstream manufacturing processes
- Other contributing categories include fuel- and energy-related activities, upstream transportation, capital goods, and other indirect sources.

Future Development

HAESL will commence formal Scope 3 disclosure from 2026 and is developing corresponding reduction strategies. Initial focus areas include:

- Exploration of Sustainable Aviation Fuel (SAF) use in engine testing
- Strengthening supplier engagement through the Supplier Code of Conduct



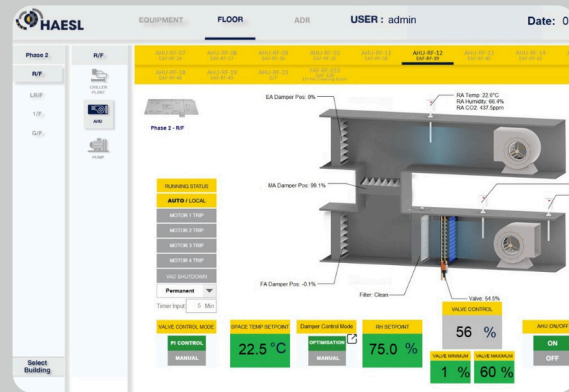
HAESL has established a 10-year energy-saving plan (2024–2033), targeting cumulative **electricity savings of over 13 GWh**, equivalent to more than **35% of 2025 electricity consumption**, supported by an investment of approximately USD 9.5 million.

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In 2025, energy-saving initiatives implemented during the year are expected to deliver annual electricity savings exceeding **1.6 million kWh**.

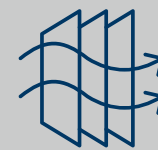
2025 Key Energy-Saving Initiatives and Annual Savings

Long-Term Decarbonisation Approach



Optimization of Air Handling Units (AHUs) and Fan Coil Units (FCUs)

Completed for 10 AHUs, saving 701,525 kWh



Adoption of Sonic Filtration Technology

Enhance air filtration efficiency, saving 179,214 kWh



Replacement of Air Compressor and Air Dryer

With variable speed drive (VSD) systems, saving 378,000 kWh



Electrification of Kitchen Equipment

In Staff Canteen, saving 274,558 kWh

10-Year Electricity Saving Plan (2024–2033)

Focus: Building services (e.g. A/C systems)

Expected savings: >8 million kWh

Phased implementation with annual investment

System Optimisation

- AI chiller optimisation
- CO₂-based ventilation control (AHU/FCU)
- Smart control systems

Equipment Upgrade

- High-efficiency chillers
- VSD air compressors
- LED lighting



In 2025, HAESL's water consumption was mainly driven by industrial operations (51%), followed by HVAC systems (32%) and supporting facilities (16%), including toilets, pantries and staff canteen. The overall water usage increased by 5% year on year, primarily due to business growth and a 10% rise in engine testing.

Total water consumption **increased by 6%** year-on-year, mainly attributable to business growth and a 10% increase in engine testing activities.

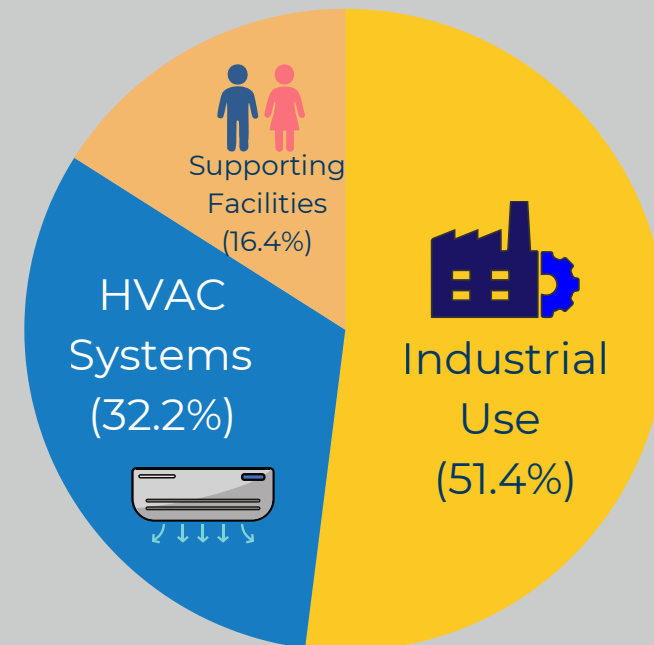
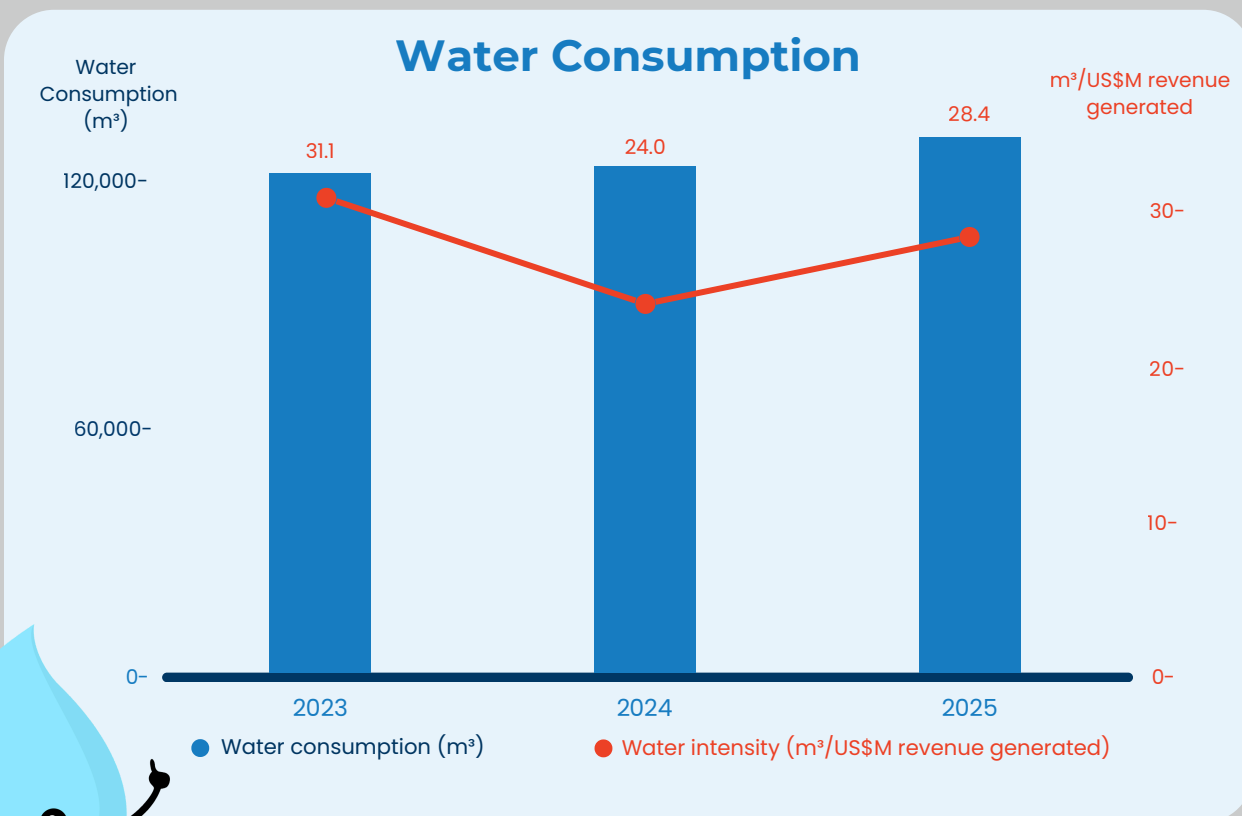
Despite the increase in overall consumption, water use from **cooling tower operations decreased by 21%** compared to 2024, reflecting the effectiveness of the previously mentioned optimisation projects of the AHUs and FCUs.

Water Use Profile and Continuous Improvement

Industrial processes and cooling tower systems continue to represent the majority of HAESL's water demand. HAESL therefore adopts a targeted approach to water management by:

- Identifying key consumption drivers
- Implementing efficiency improvement measures
- Continuously monitoring water usage trends

To further enhance water stewardship, HAESL plans to participate in the **“Water-smart Taskforce Programme”**, a water conservation initiative jointly organised by the Hong Kong Water Supplies Department and the University of Hong Kong. The programme is scheduled to commence in March 2026, supporting the identification of additional water-saving opportunities and performance optimisation measures.



HAESL applies a comprehensive approach to managing wastewater generated from its production processes through **dedicated on-site wastewater treatment facilities** located in Phase 2 and Phase 5 buildings.

Wastewater generated from operations is treated on-site prior to discharge. Residual sludge, resins, and other waste materials, including those containing heavy metals, are carefully handled and disposed of through licensed contractors in accordance with regulatory requirements.

Compliance and Monitoring

HAESL strictly complies with the requirements of its discharge licence under the Water Pollution Control Ordinance (WPCO).

Wastewater quality is regularly monitored and analysed in an in-house laboratory, with monitoring results submitted to the Hong Kong Environmental Protection Department (EPD) for review and inspection. This ensures continued regulatory compliance and effective control of discharge quality.

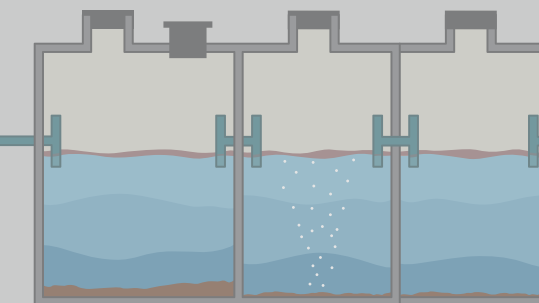


Treatment Capacity

The wastewater treatment facilities provide the following daily treatment capacities:



Phase 2 Plant: up to 170 m³per day



Phase 5 Plant: up to 120 m³per day

These facilities support the effective treatment and management of wastewater generated from HAESL's operations.



HAESL continued to strengthen its recycling performance in 2025. The overall **recycling rate rose** from 39.8% in 2024 **to 47.8% in 2025**, supported by a 36.8% increase in total recyclables collected. At the same time, the amount of **waste sent to landfill decreased by 1.2%**, despite business growth during the year.

Performance Drivers

The improvement in recycling performance was primarily driven by the scaling up of aluminium oxide recycling, a key blasting material generated from workshop operations.

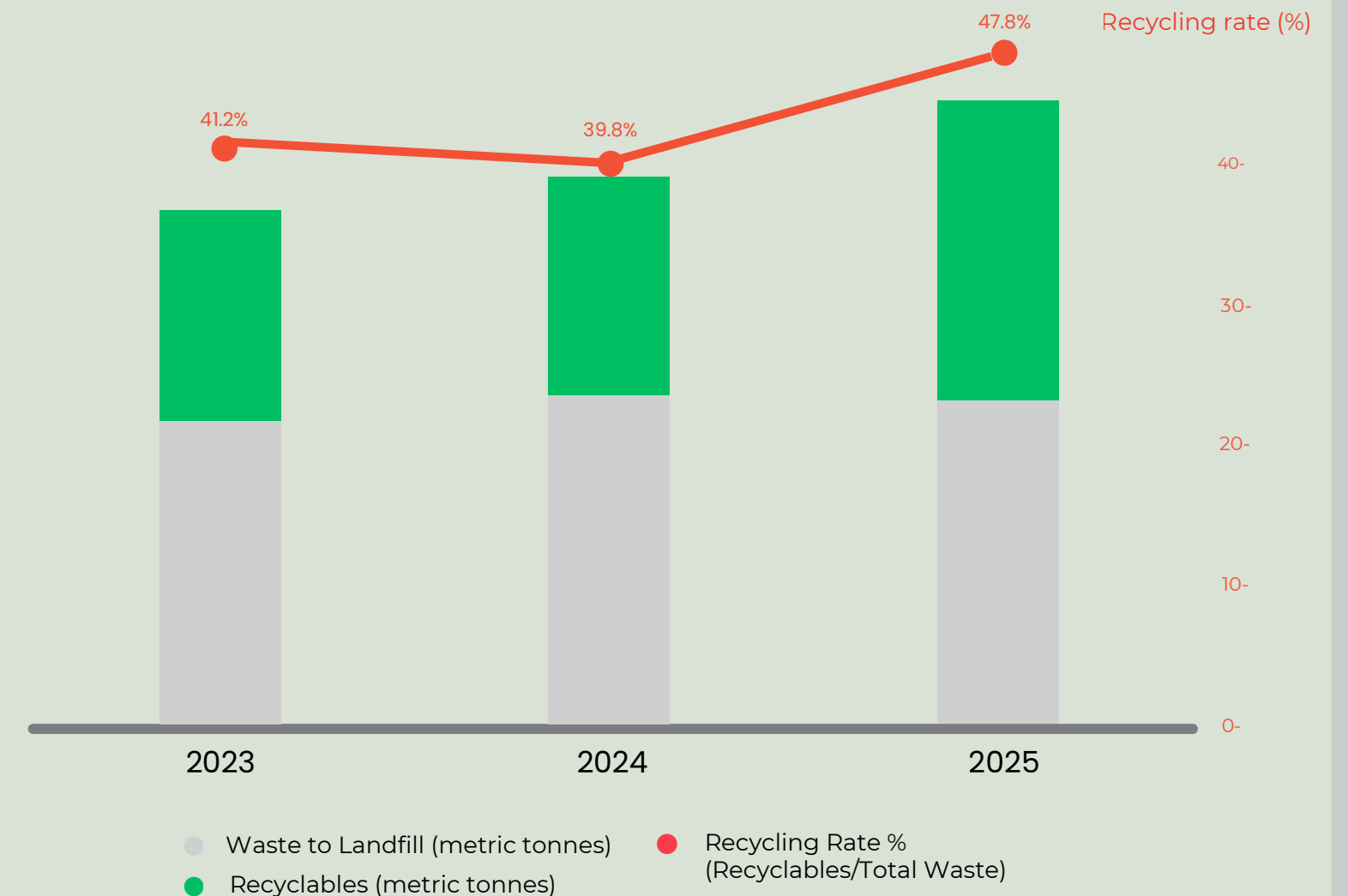
In 2025, over **40 tonnes of aluminium oxide** were diverted from landfill and repurposed through Green Island Cement as a substitute raw material in cement production, contributing to resource recovery and reduced environmental impact.

Recyclable waste streams also recorded significant growth across multiple categories, including:

- Cardboard (+106.6%)
- Food waste (+58.6%)
- Wood (+50%), and
- Polyfoam (+21.0%)

These improvements reflect enhanced waste segregation practices and increased recycling engagement across operations.

Waste, Recyclables and Recycling Rate



Waste Profile

In 2025, HAESL generated a diverse range of waste streams, including general waste, metals, wood, paper, plastics, food waste, and industrial materials such as aluminium oxide.

Recyclable materials accounted for 383.8 tonnes, while 419.5 tonnes of waste were disposed to landfill.

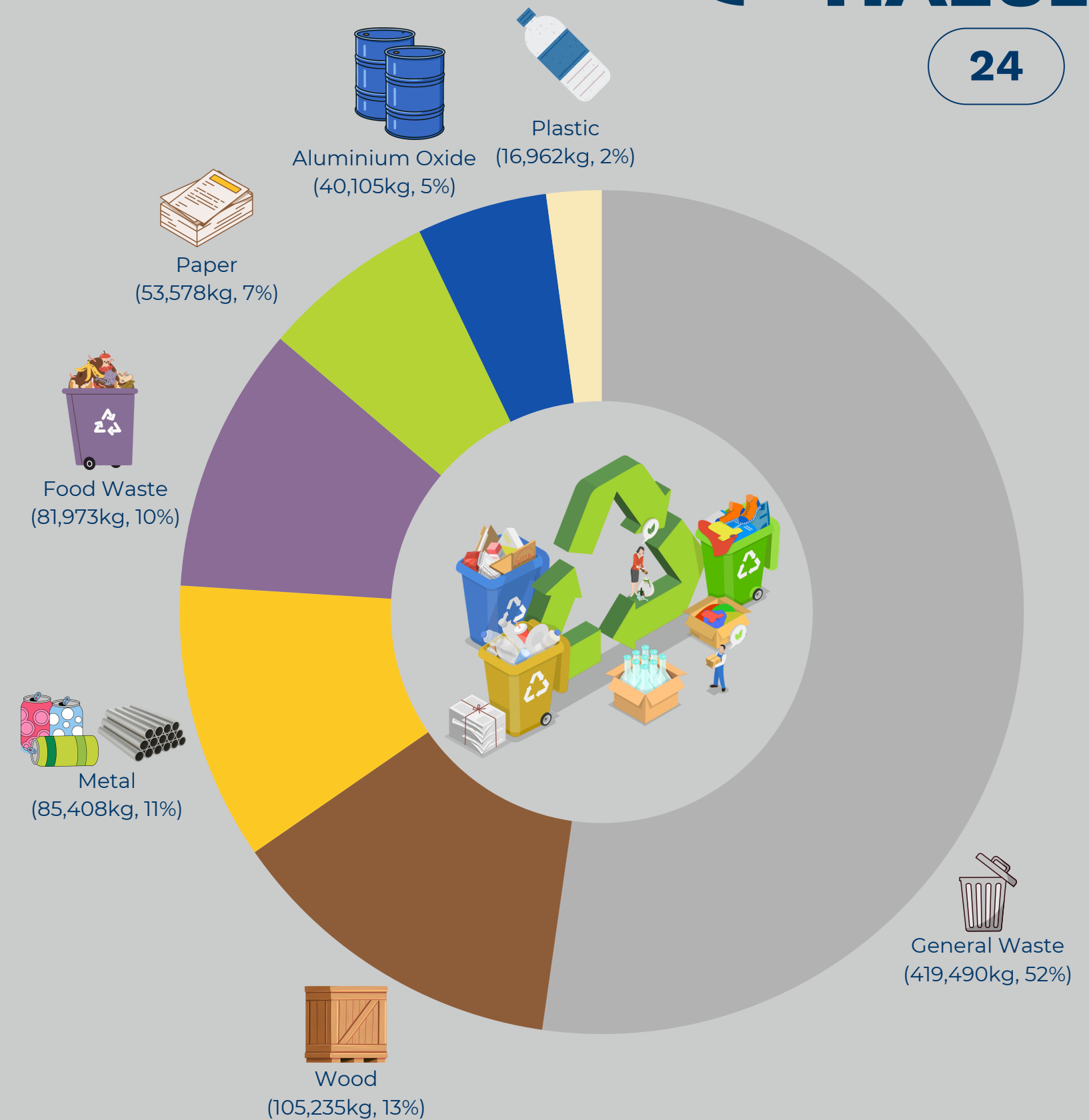
General waste remained the largest component of total waste, indicating ongoing opportunities to further enhance waste segregation and resource recovery.

Waste Management Approach

Waste management at HAESL is implemented in accordance with the principles of:

- Waste minimisation at source
- Reuse and recycling of materials
- Responsible handling and disposal through licensed contractors

Waste streams are regularly monitored and reviewed to identify improvement opportunities and support continuous enhancement of recycling performance.



Waste Reduction Initiatives

In 2025, HAESL implemented a series of initiatives to enhance waste reduction and recycling practices, focusing on both operational improvements and employee engagement.

★ Key Project Highlight - Recycling of Aluminium Oxide

Following a successful trial in 2024, HAESL formalised the aluminium oxide recycling programme in 2025 in partnership with Green Island Cement (GIC).

Aluminium oxide, a key blasting material, is repurposed as an alternative raw material in cement production, reducing landfill disposal and supporting circular economy practices. In 2025, over **40 tonnes** were diverted for recycling, representing approximately **10% of total recyclables**.

Building on this progress, HAESL will continue to expand its recycling scope, including exploring opportunities for ceramic bead recycling and other industrial materials to further enhance waste diversion and resource recovery.



Deployment of On-site Recycling Helpers

To strengthen daily recycling operations, HAESL deployed **on-site recycling helpers** starting from August 2025. The initiative supports:

- Increased collection frequency of recyclables
- Improved waste sorting accuracy
- Enhanced cleanliness and management of recycling stations

With on-site support, recyclable materials are more consistently separated and contamination is reduced, contributing to improved recycling efficiency. As a result, the average monthly collection of key recyclables increased significantly, including:

- Cardboard (+175%)
- Polyfoam (+390%)





Reverse Vending Machine (RVM)

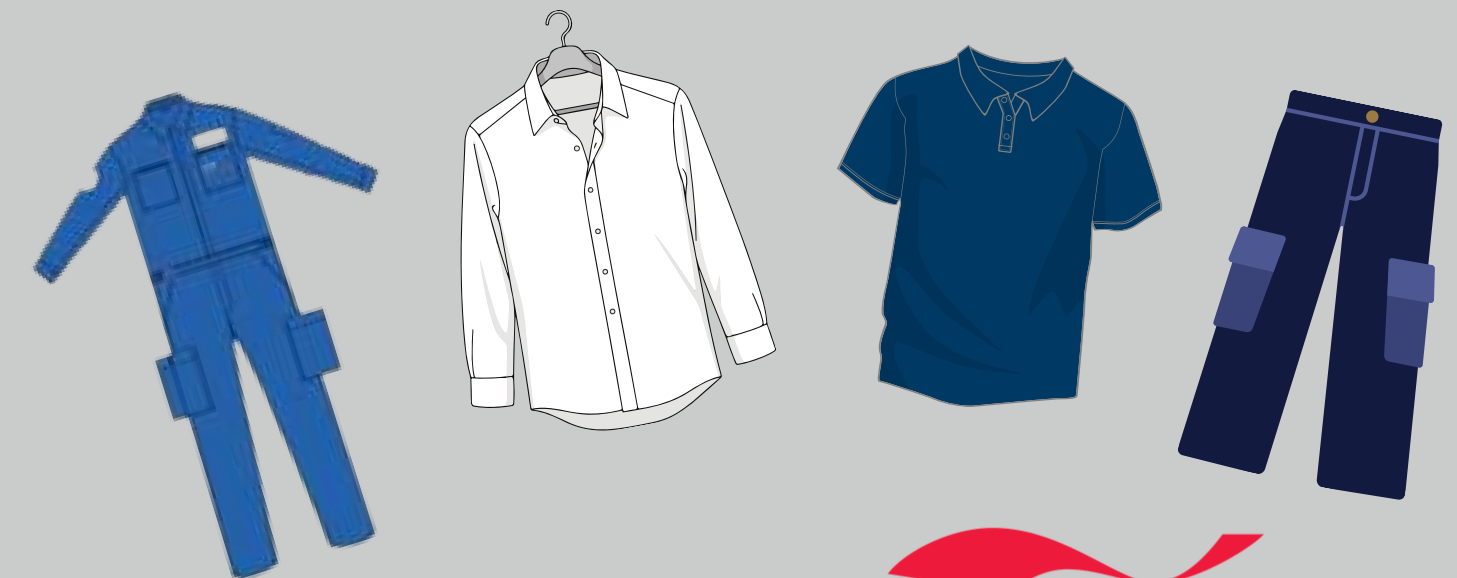
To encourage recycling participation, HAESL upgraded its on-site Reverse Vending Machine (RVM) system in 2025 and maintained a rebate of HKD 0.1 per bottle or can recycled.

The new RVM model offers improved reliability and user experience, supporting higher recycling capacity and engagement. This initiative forms part of ongoing efforts to strengthen recycling infrastructure, incentivise positive recycling behaviour, and promote responsible waste management among employees.



Uniform Recycling Programme

HAESL partnered with the Hong Kong Research Institute of Textiles and Apparel (HKRITA) to launch a uniform recycling programme, supporting circularity in textile waste management. Approximately 240 kg of uniforms were collected and recycled during the year.



Safety Shoes Recycling

More than 900 pairs of safety shoes were collected for cleaning and donation through a charitable programme. HAESL also initiated trials of a new, more durable safety shoe design, incorporating:

- Recycled polyester materials
- Enhanced durability and comfort



This initiative aims to extend product lifespan and reduce replacement frequency, supporting long-term waste reduction objectives.



HAESL engaged employees through a series of structured initiatives to raise awareness of key sustainability topics, including waste reduction, recycling, and energy conservation. These programmes provide practical knowledge and encourage the adoption of responsible environmental behaviours in both workplace operations and daily life.

Green Living Festival

A “Swap Party” was organised to encourage the exchange of pre-loved items among staff, reducing waste generation and promoting a culture of reuse. A wallpaper upcycling workshop, was also arranged, where discarded materials were transformed into wallets, reinforcing circular thinking and creative reuse practices.



Visit to HKRITA's Open Lab

HAESL visited HKRITA's Open Lab to understand uniform recycling processes. Learnings on design for recyclability are being applied to the new female uniform, supporting circularity and waste reduction.

Green Power Hike

16 staff members formed four teams to support Green Power's annual event which aims to teach hikers the importance of "Leave No Trace" and put it into practice while enjoying a green walk in nature.



The Green Talk

The Green Talk series featured expert sharing by Mr. Leung Wing Mo, former Assistant Director of the Hong Kong Observatory, on climate change and its local impacts, enhancing employees' awareness of climate-related risks. In addition, ALBA provided practical guidance on recycling practices, promoting proper waste segregation and encouraging sustainable daily behaviours.



Our Community

HAESL is committed to creating positive social value through structured community engagement programmes. Our approach focuses on **three priority areas: environmental protection, youth development and community support**, aligned with our sustainability strategy and stakeholder expectations.

Through cross-functional collaboration and employee participation, we aim to contribute to local community wellbeing while fostering a culture of responsible citizenship.

In 2025, HAESL delivered measurable community impact through employee volunteering and financial contributions:



4,879

Volunteer Hours
Contributed



US\$87,476

Donated to
Charitable Organisations

These efforts reflect our ongoing commitment to supporting local communities while strengthening employee engagement and social responsibility.



Community Day

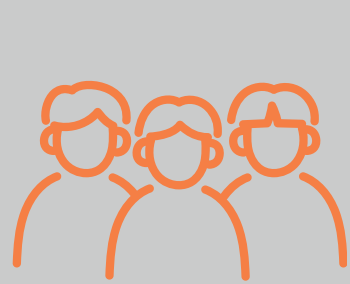


Following the positive response to the 2023 programme, HAESL established Community Day as a biennial flagship volunteering initiative to maximise employee participation and social impact.

In 2025, Community Day was held on 6 January, engaging 1,141 employees across 28 community activities, in collaboration with 22 partner organisations.

The programme created opportunities for employees to contribute to society while strengthening team cohesion and community connection.

Key outcomes:



1,141

Volunteers Participated



22

Partners Supported



4,564

Volunteer Hours Contributed

Through diverse activities — including environmental clean-ups, elderly services and youth engagement — Community Day delivered tangible benefits to local communities while reinforcing HAESL's culture of volunteerism.



Environmental Protection

HAESL actively engages employees in environmental protection initiatives, supporting waste reduction, ecosystem conservation, and biodiversity awareness in the local community.



Tai O Service Day

Over 40 volunteers participated in coastal clean-up activities in Tai O, removing marine refuse to support habitat protection and reduce pollution in ecologically sensitive areas.



HAESL's Community Day

During Community Day, 502 employees participated in environmental clean-up initiatives across 3 hiking trails and 9 coastal locations, collecting over 940 kg of waste.

These activities contributed to protecting natural habitats and raising employee awareness of environmental stewardship.



HAESL is committed to supporting youth development and nurturing future talent in the aviation engineering industry through education, exposure and financial support.



Industry Exposure – Plant Tours

Plant visits were organised to provide students with first-hand exposure to aero engine overhaul and repair operations, enhancing understanding of industry practices and career pathways.



Scholarship

HAESL has provided USD \$13,845 annually in scholarships to outstanding engineering students at The Hong Kong Polytechnic University for over 16 years. In addition, the HAESL Children Scholarship awarded USD \$10,211 to 5 employees' children, recognising academic excellence and supporting their educational development.

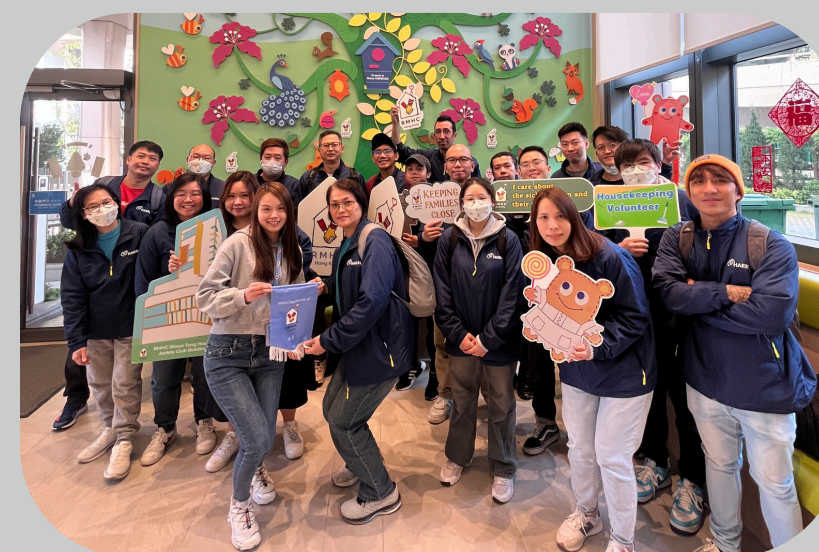


HAESL's Community Day

During Community Day, employees supported youth-focused activities, including:

- Organising workshops and recreational activities for adolescents from diverse backgrounds
- Promoting inclusion and social interaction through sports and creative activities

These initiatives contribute to skills development, social inclusion and career inspiration for younger generations.



HAESL supports local communities through targeted initiatives addressing social needs, including elderly care, underprivileged groups, and community wellbeing.



Tai O Service Day

As part of ongoing community outreach, employees and their families visited Tai O to support elderly residents living in stilt houses, carrying out refurbishment and home improvement works to enhance living conditions.



Molky Fun Day

HAESL volunteers organised recreational activities with elderly residents in Kwun Tong, promoting social interaction, emotional wellbeing and community inclusion.



HAESL's Community Day

A total of 601 employees participated in community-focused activities, delivering tangible support to beneficiaries:

- Produced handcrafted items (e.g. phone stands, aroma stones, bookmarks and pencil cases)
- Delivered 100 Chinese New Year care packs
- Prepared 1,267 meal boxes for those in need
- Recycled 20 kg of soap bars and 16 litres of liquid soap

Additional activities included:

- Supporting community workshops and facility maintenance
- Assisting NGOs in operational activities
- Providing care to vulnerable groups and abandoned animals

These initiatives demonstrate HAESL's commitment to creating meaningful social impact through employee volunteering and community partnerships.



2025 Performance Highlights:

A Record Year of Operational Excellence

HAESL has cumulatively overhauled 5,732 engines for over 50 airline customers, reflecting strong operational capability and customer trust. In response to growing demand, the company expanded office and workshop capacity and developed nearby facilities to enhance scalability and operational resilience.

Key 2025 Performance Metrics

- 5,700+ engines released (cumulative)
- 382 engines delivered in 2025 (record-high annual output)
- 360 engines annual target exceeded

These results reflect continuous improvements in operational efficiency, workforce capability and production capacity.



5,700+

Engines released



382

Engine output

Capability & Operational Enhancement

HAESL continues to strengthen its Hong Kong-based overhaul, repair and testing capabilities for Trent-700, Trent-800 and Trent-XWB engines through targeted investments and process improvements.

2025 Advancements

- Expanded repair portfolio and source approvals to enhance in-house capability
- Introduced new repair solutions to address critical component defects
- Advanced Trent 1000-TEN module capability, completing 37 module sets

Forward Focus

HAESL will continue to invest in capability growth and operational efficiency by:

- Expanding services (e.g. Trent-7000 repair licence)
- Strengthening advanced repair capabilities
- Driving continuous improvement and performance optimisation



Awards and Recognition

★ HKAEE 2025 Gold Award

In 2025, HAESL was honoured with the **Gold Award** in the Manufacturing & Industrial Services Sector at the **Hong Kong Awards for Environmental Excellence (HKAEE)**, recognising its measurable and innovative environmental achievements.

During the year, HAESL advanced multiple environmental initiatives to enhance performance, with a particular focus on carbon and waste reduction. Key highlights included the implementation of the electronic oil (e-oil) consumption test for Trent XWB-97 engines, developed in collaboration with Rolls-Royce, which improved testing efficiency and reduced jet fuel consumption.

In parallel, employee engagement in waste reduction was strengthened through the “30-Day Recycling Challenge”, alongside the adoption of circular economy practices through the recycling of 2–3 tonnes of aluminium oxide per month in partnership with Green Island Cement. These initiatives reflect HAESL’s continued commitment to resource efficiency, waste reduction and carbon mitigation across its operations.

These initiatives demonstrate HAESL’s strong commitment to resource efficiency, waste reduction and carbon mitigation across its core operations.



Awards and Recognition

★ EcoVadis 2025 Bronze Medal

In 2025, HAESL was awarded the **Bronze Medal** by EcoVadis, reflecting significant progress in its overall sustainability performance. Our overall EcoVadis score improved from 54 out of 100 in 2024 to 62 out of 100 in 2025, placing HAESL at the 71st percentile among all companies assessed, which enabled the attainment of the Bronze Medal.

Notably, HAESL achieved a substantial improvement in the environmental pillar, with the score increasing from 50 to 90, driven by the adoption and effective implementation of the ISO 14001 Environmental Management System. Building on this achievement, HAESL aspires to attain the Silver Medal and will continue to strengthen its performance in the areas of Labour and Human Rights, as well as Ethics, through ongoing policy enhancement, management system improvements and targeted initiatives.



★ Caring Company

In 2025, HAESL received the **10 Years Plus Caring Company** logo for the first time, recognising our long-standing commitment to community engagement and corporate social responsibility.

Building on this milestone, HAESL will continue to strengthen its community-caring initiatives by deepening stakeholder engagement, supporting social programmes and encouraging employee participation, with the aim of creating positive and lasting social impact.



Awards and Recognition

★ **Rolls-Royce Finance Award for “Delivering Excellence”**

In 2025, HAESL’s Finance team was honoured with the prestigious Rolls-Royce Finance Award for “Delivering Excellence” in recognition of their outstanding contribution to Project Trent 1000-TEN. This achievement was underpinned by strong strategic planning and close cross-functional collaboration between key leaders from the Commercial & Customer Business and Finance teams.



★ **Best Employer Branding at the LinkedIn Talent Awards 2025**

In 2025, HAESL was recognised with the Best Employer Branding Award at the LinkedIn Talent Awards Hong Kong, acknowledging our authentic representation of its workplace culture and employer value proposition within the aero engine solutions industry.

This recognition reflects HAESL’s ongoing commitment to fostering an inclusive and engaging work environment where employees are supported to grow, thrive and make a meaningful impact.

★ **SuperMD by the Employees Retraining Board (ERB)**

In 2025, HAESL was upgraded as a “Super Manpower Developer (SuperMD)” by the Employees Retraining Board (ERB) for the 2025–2030 period, acknowledging the Company’s decade-long commitment to manpower training and development. This prestigious recognition reflects HAESL’s strategic focus on building workforce capability and nurturing talent to support long-term business sustainability. HAESL will continue to invest in learning and development initiatives to empower its people and strengthen excellence across its MRO operations.



PERFORMANCE DATA



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Economic Performance		2023	2024	2025	%
Revenue Generated	US\$M	3,923	5,158	4,614	-11%
Dividends Paid To Shareholders	US\$M	83.5	88.5	102.9	16%
Employee Cost	US\$M	79.0	97.5	109.9	13%
Taxation	US\$M	16.9	21.3	21.3	-
Charitable Donations Made Directly By HAESL	US\$	51,884	80,958	86,861	7%

Environmental Performance		2023	2024	2025	%
<u>Energy Consumption</u>					
Direct Energy Consumption	GJ	204,707*	228,521	250,508	10%
Indirect Energy Consumption	GJ	116,475*	123,443	130,046	5%
Total Energy Consumption	GJ	321,182*	351,964	380,554	8%
Renewable Energy - Feed-in Tariff	kWh	745,286	623,071	769,346	23%
<u>Greenhouse Gas Emission</u>					
Direct Emission (Scope 1)	mtons CO ₂ e	124*	90*	166	84%
Indirect Emission (Scope 2)	mtons CO ₂ e	12,625	13,379	13,727	3%
Other Indirect Emission (Scope 3) By Business Air Travel	mtons CO ₂ e	97	216	233	8%
Other Indirect Emission (Scope 3) By Jet Fuel Consumption	mtons CO ₂ e	14,632	16,345	17,956	10%
Total GHG Emission	mtons CO ₂ e	27,478	30,030	32,082	7%

Environmental Performance		2023	2024	2025	%
<u>Fuel</u>					
Jet Kerosene - Engine Test	Tonnes	4,645	5,189	5,700	10%
Unleaded Petrol - Passenger Car Hong Kong	L	1,333	1,159	634	-45%
Towngas	MJ	596,736	539,952	13,344	-98%
Diesel	L	1,250	210	1,742	730%
<u>Electricity</u>					
Electricity - Hong Kong (CLP)	kWh	32,354,127	34,289,815	36,123,948	5%
<u>Refrigerant / Fire Extinguishing Agent</u>					
HCFC-22	kg	0	0	0	-
HCF-410A	kg	0	0	0	-
HCF-404A	kg	0	0	0	-
HCF-134A	kg	68	45	123	172%
<u>Water</u>					
Potable Water Used	m3	121,856	123,764	131,186	6%
Water Discharged To Sewer	m3	121,856	123,764	131,186	6%
<u>Materials</u>					
Paper and Paper Products Consumed	kg	18,514	20,547	23,211	13%

*Data is restated to reflect the actual performance



PERFORMANCE DATA



Environmental Performance		2023	2024	2025	%
Non-hazardous Waste Management					
Industrial / Commercial Waste Disposal Of	kg	389,900	424,550	419,490	-1%
Grease Trap Waste Disposal Of	kg	45,080	44,160	39,500	-11%
Wood Recycled	kg	64,512	70,140	105,235	50%
Food Waste Recycled	kg	65,179	51,837	81,973	58%
Paper Products Recycled	kg	32,794	33,029	53,578	62%
Plastic Products Recycled	kg	9,903	16,488	16,962	3%
Metal Recycled	kg	99,728	107,392	85,408	-20%
Hazardous Waste Management					
Chemical Waste Disposal (Liquid)	L	89,357	68,620	126,500	84%
Chemical Waste Disposal (Solid)	kg	141,775	201,654	251,139	25%
Spent Kerosene (Aircraft Fuel) Recycled	L	5,400	4,600	6,200	35%
Lubrication Oil Recycled	L	17,400	17,600	22,800	30%
Significant Chemicals / Oil Spills	No.	0	0	0	-

Environmental Performance		2023	2024	2025	%
Compliance					
Significant Fines and Total Number of Non-monetary Sanctions for Non-compliance with Environmental Laws and Regulations	No.	0	0	0	-

Occupational Health and Safety Performance		2023	2024	2025	%
Manhours Worked (Total Attended Hour By All Staff, In Thousand)	Hour	3,035	3,645	3,983	9%
Work-related Fatalities (Employee)	No.	0	0	0	-
Lost Time Injuries	No.	2	0	1	-
Minor Injuries / First Aid Cases	No.	2	2	4	100%
Total Lost Day	Day	113	1	24.5	2350%
Total Recordable Injury	No.	4	2	5	150%
Total Recordable Injury Rate		0.26	0.11	0.25	127%
Lost Time Injury Rate		0.13	0.00	0.05	-
Man Day Lost Rate		7.50	0.05	1.20	2087%
Rate Of Fatalities As A Result Of Work-related Injury		0	0	0	-
Rate of High-consequence Work-related Injury		0	0	0	-



PERFORMANCE DATA

Workforce Profile		2023	2024	2025	%
Total Workforce	No.	1,362	1,535	1,750	14%
<u>By Gender</u>					
Male	No.	1,197	1,320	1,484	12%
Female	No.	165	215	266	24%
<u>By Age Group</u>					
Over 50 years old	Age	360	366	372	2%
30 to 50 years old	Age	565	693	836	21%
Under 30 years old	Age	437	476	542	14%
<u>By employment contract</u>					
Permanent	No.	1,133	1,182	1,290	9%
Temporary	No.	229	353	460	30%
<u>Permanent employees by employment type</u>					
Full Time	No.	1,133	1,182	1,290	9%
Part time	No.	0	0	0	-
<u>Temporary employees by employment type</u>					
Full Time	No.	127	135	140	4%
Part time	No.	102	228	320	40%

Note

1) Energy consumption data was based on the amount of greenhouse gas reporting: conversion factors provided by Swire Pacific.

2) GHG inventory of HAESL includes carbon dioxide, methane and nitrous oxide. The GHG emissions data is presented in carbon dioxide equivalent and was based on the reporting requirements of the “GHG Protocol Corporate Accounting and Reporting Standard” (GHG Protocol) issued by the World Resources Institute and the World Business Council for Sustainable Development. HAESL has adopted the “operational control” approach for defining its organisational boundary for the purpose of GHG accounting and reporting.

3) Scope 2 GHG emissions data was calculated according to the location-based method set out in the GHG Protocol as far as reasonably practical.

4) Lost time injuries are defined as work-related injuries which result in lost time of a minimum of one scheduled working day.

5) Lost time injury rate represents the number of injuries per 100 employees per year. It is calculated as the total lost time injuries multiplied by 200,000 and then divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

6) Lost day rate represents total number of lost day per 100 employees per year. It is calculated as the total lost day multiplied by 200,000 and then divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

7) Total recordable injuries represent the total number of lost-time injuries and medical treatment cases.

8) Total recordable injury rate represents the total number of total recordable injuries per 100 employees per year. It is calculated as the total recordable Injuries multiplied by 200,000 and then divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

9) Rate of fatalities as a result of work-related injury represents the number of fatalities per 100 employees per year. It is calculated as the total fatalities multiplied by 200,000 and then divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

10) Rate of high-consequence work-related injury represents the number of high-consequence work-related injury per 100 employees per year. It is calculated as the total high-consequence work-related injuries multiplied by 200,000 and then divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

11) Staff numbers are reported as headcount as at the end of the reporting period.



GRI Content index

GRI Standard	Disclosure	Location of Disclosure	
		Page	Chapter
General Disclosures			
The organization and its reporting Practices			
	2-1 Organisational details	--	Company website-> About us -> Company Profile and History HAESL Sustainable Development Report 2025-> About This Report
	2-2 Entities included in the organization's sustainability reporting HAESL did not have any entities in the reporting year.	--	
	2-3 Reporting period, frequency and contact point	43	HAESL Sustainable Development Report 2025 -> About This Report
	2-4 Restatements of information HAESL did not have any entities in the reporting year.	--	
	2-5 External assurance	43	HAESL Sustainable Development Report 2025 -> About This Report
Activities and workers			
	2-6 Activities, value chain and other business relationships	33	Company website-> Services Company website-> About Us -> Vision and Values HAESL Sustainable Development Report 2025 -> Our Economy
	2-7 Employees	06	HAESL Sustainable Development Report 2025 -> Our People
	2-8 Workers who are not employees	06	HAESL Sustainable Development Report 2025 -> Our People
Governance			
	2-9 Governance structure and composition	--	Company website -> Sustainability -> SD Management Approach -> Corporate Governance
	2-10 Nomination and selection of the highest governance body	--	Company website -> Sustainability -> SD Management Approach -> Corporate Governance
	2-11 Chair of the highest governance body	--	Company website -> Sustainability -> SD Management Approach -> Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	--	Company website -> Sustainability -> SD Management Approach -> Corporate Governance
	2-13 Delegation of responsibility for managing impacts	--	Company website -> Sustainability -> SD Management Approach -> Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	--	Company website -> Sustainability -> SD Management Approach -> Corporate Governance
	2-15 Conflicts of interest	--	Company website -> Sustainability -> SD Management Approach -> Corporate Governance
Conflicts of interest is governed within the THE COMPANIES ORDINANCE (CHAPTER 622) Private Company Limited by Shares AMENDED AND RESTATED ARTICLES OF ASSOCIATION Article of Associations in HAESL.			

GRI Standard	Disclosure	Location of Disclosure	
		Page	Chapter
	2-16 Communication of critical concerns	--	Company website -> Sustainability -> SD Management Approach -> Corporate Governance
	2-17 Collective knowledge of the highest governance body	--	Company website -> Sustainability -> SD Management Approach -> Corporate Governance
	2-18 Evaluation of the performance of the highest governance body The performance of the highest governance body is evaluated by shareholders of HAESL.	--	
	2-19 Remuneration policies		
	2-20 Process to determine remuneration	--	
	2-21 Annual total compensation ratio After careful consideration, HAESL has decided not to disclose information on remuneration due to confidentiality constraints.		
Strategy, policies and practices			
	2-22 Statement on sustainable development strategy	02	HAESL Sustainable Development Report 2025 -> Message from CEO
	2-23 Policy commitments	--	Company Website-> Sustainability -> SD Management Approach -> Corporate Governance
	2-24 Embedding policy commitments	14	Company website-> About us -> Ethics and Compliance HAESL Sustainable Development Report 2025 -> Our People -> Ethical Conduct & Integrity
	2-25 Processes to remediate negative impacts	--	Company website-> About us -> Ethics and Compliance
	2-26 Mechanisms for seeking advice and raising concerns	14	HAESL Sustainable Development Report 2025 -> Our People -> Ethical Conduct & Integrity
	2-27 Compliance with laws and regulations HAESL did not have any non-compliance occurrence related to laws and regulations in the reporting year.	--	
	2-28 Membership associations HAESL is a member of the Aviation Services Research Centre (ASRC) and Employer's Federation of Hong Kong and Institute of Human Resources Management.		
Stakeholder Engagement			
	2-29 Approach to stakeholder engagement	--	Company website -> Sustainability -> SD Management Approach -> Material Topics
	2-30 Collective bargaining agreements HAESL did not have collective bargaining agreements in the reporting year. Our employees have the freedom of association to join organisations of their choice		
Material Topics			
	3-1 Process to determine material topics	--	Company website -> Sustainability -> SD Management Approach
	3-2 List of material topics	--	-> Material Topics
Economic Performance			
	3-3 Management of material topics	--	Company website -> Services
	201-1 Direct economic value generated and distributed	33	HAESL Sustainable Development Report 2025 -> Our Economy
		38	HAESL Sustainable Development Report 2025 ->Appendix -> Performance Data



GRI Content index

GRI Standard	Disclosure	Location of Disclosure	
		Page	Chapter
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	--	Company website -> About us -> Ethics and Compliance
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures The management team holds quarterly Ethics & Compliance Link Calls with the Ethics and Compliance team from our parent company, Rolls-Royce. Values, Code of Conduct, and Compliance training is mandatory for all new joiners. Full participation was achieved in the annual Code of Conduct re-certification and anti-bribery and corruption training among existing staff. In addition, the Supplier Code of Conduct was shared with key suppliers.	--	
	205-3 Confirmed incidents of corruption and actions taken HAESL did not have any confirmed incidents of corruption or actions taken in the reporting year.	--	Company website -> About us -> Ethics and Compliance
Anti-competitive Behaviour			
GRI 3: Material Topics 2021	3-3 Management of material topics	--	Company website -> About us -> Ethics and Compliance
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices HAESL was not involved in any legal actions for anti-competitive behaviour, anti-trust, and monopoly practices in the reporting year.	--	Company website -> About us -> Ethics and Compliance
300 Series (Environmental Topics)			
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	16	HAESL Sustainable Development Report 2025 -> Our Environment
GRI 302: Energy 2016	302-1 Energy consumption within the organisation 302-3 Energy intensity 302-4 Reduction of energy consumption	17 37	Company website -> Sustainability -> Our Environment HAESL Sustainable Development Report 2025 -> Our Environment -> Carbon Emission HAESL Sustainable Development Report 2025 -> Appendix -> Performance Data
Water			
GRI 3: Material Topics 2021	3-3 Management of material topics	16	HAESL Sustainable Development Report 2025 -> Our Environment Company website -> Sustainability -> Our Environment
GRI 303: Water And Effluents 2018	303-2 Management of water discharge related impacts 303-3 Water withdrawal 303-4 Water discharge 303-5 Water consumption We use municipal water as water supply of which consumption is the amount reported in water bills. We assume that all water withdrawn are discharged eventually in our business with no consumption.	21 37	HAESL Sustainable Development Report 2025 -> Our Environment -> Water Management HAESL Sustainable Development Report 2025 -> Appendix -> Performance Data

GRI Standard	Disclosure	Location of Disclosure	
		Page	Chapter
Emission			
GRI 3: Material Topics 2021	3-3 Management of material topics	16	Company website -> Sustainability -> Our Environment
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emssions 305-2 indirect (Scope 2) GHG emssions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity 305-5 Reduction of GHG emissions	17 37	HAESL Sustainable Development Report 2025 -> Our Environment -> Carbon Emission HAESL Sustainable Development Report 2025 -> Appendix -> Performance Data
GRI 3: Material Topics 2021	3-3 Management of material topics	16	HAESL Sustainable Development Report 2025 -> Our Environment
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts 306-2 Management of significant waste-related impacts 306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal	23 37	Company website -> Sustainability -> Our Environment HAESL Sustainable Development Report 2025 -> Our Environment -> Waste Management HAESL Sustainable Development Report 2025 -> Appendix-> Performance Data
400 series (Social Topics)			
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	15	HAESL Sustainable Development Report 2025 -> Our People -> Safety Culture Company website -> Sustainability -> Our People
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation 403-3 Occupational health services 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-8 Workers covered by an occupational health and safety management system 403-9 Work-related injuries	15 15 37	HAESL Sustainable Development Report 2025 -> Our People -> Safety Culture Company website -> Sustainability -> Our People HAESL Sustainable Development Report 2025 -> Our People-> Safety Culture HAESL Sustainable Development Report 2025 -> Appendix -> Performance Data
Customer Health And Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	--	Company website-> Services-> Approvals and Certificates
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories All services we provide to our customers are covered by our Safety Management System and Audit Systems to ensure the quality and safety of engines we overhauled.	--	Company website-> Services-> Approvals and Certificates
Customer Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	--	Company website-> About us-> Ethics and Compliance
GRI 418: Customer Privacy 2016	418-1 Assessment of the health and safety impacts of product and service categories	--	Company website-> About us-> Ethics and Compliance



Verification Statement



INDEPENDENT VERIFICATION STATEMENT

NATURE, SCOPE AND PURPOSE OF THE VERIFICATION

Accredited Certification International Limited (“ACI”) were engaged by Hong Kong Aero Engine Services Limited (“HAESL”) to undertake a limited assurance engagement on selected performance data, as described below, and presented in the Sustainable Development Report 2025 of HAESL for the period of 1 January 2025 to 31 December 2025 (“SR2025”).

We have been engaged to provide a limited assurance conclusion on the selected performance data. The purpose of this verification is to independently verify whether the performance data disclosed by HAESL on the relevant pages and Appendix of the SR2025 Report is true, free from material misstatement and have been prepared in accordance with relevant disclosures in Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”).

ASSURANCE STANDARD AND LEVEL OF ASSURANCE

ACI conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain the appropriate level of assurance about whether the selected performance data are free from material misstatement.

ASSURANCE METHODOLOGY

Our verification procedures were based on professional judgment and included, but were not limited to, inquiries, process observations, document inspections, analytical procedures, and evaluations of quantification appropriateness. As part of the evidence-gathering process, we conducted activities such as reviewing documents and

records, performing on-site observations, inspecting and recalculating historical data, interviewing responsible personnel, and assessing accuracy and consistency against established criteria.

INHERENT LIMITATIONS

ACI verification engagements are based on sampling, which carries an inherent risk of undetected errors. Historical evaluations of effectiveness may not be indicative of future results due to potential control inadequacies arising from human error, changing conditions, or non-compliance with policies and requirements. Consequently, any forward-looking conclusions derived from our findings are subject to the risk of control ineffectiveness.

RESPONSIBILITY AND INDEPENDENCE

HAESL is responsible for data collection, preparation and disclosures of the selected performance data in accordance with the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”).

ACI’s responsibility is to express an independent limited assurance conclusion on the selected performance data as set out in relevant pages and Appendix of Sustainable Development Report 2025 of HAESL, based on the procedures we have performed and the evidence we have obtained.

ACI implements and accordingly maintains a comprehensive management system that complies with the requirements for ISO/IEC 17021 (Conformity assessment - Requirements for bodies providing audit and certification of management systems), ISO/IEC 17029 (Conformity assessment - General principles and requirements for validation and verification bodies) and ISO 14065 (Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition), applicable legal and regulatory requirements. ensures the consistent delivery of independent and impartial verification and assurance services.

ACI selects assurance team members based on their relevant knowledge, experience, competence, and qualifications for this specific engagement. We have not been involved in the preparation, calculation, design, or development of the subject matter information or the report. Our assurance activities are performed independently and are free from any conflicts of interest with the HAESL.

LIMITED ASSURANCE CONCLUSION

Based on the procedures performed and evidence obtained, subject to the inherent limitations, nothing has come to our attention that causes us to believe that the selected performance data as set out in relevant pages and Appendix of Sustainable Development Report 2025 of HAESL for the period of 1 January 2025 to 31 December 2025 are not prepared, in all material respects, in accordance with the verification criteria and relevant disclosures of GRI Standards.

Signed by

Chris Wong

ACI Lead Verifier

EFFAS Certified ESG Analyst®

On Behalf of Accredited Certification International Limited

12 May 2026

About This Report

The HAESL Sustainable Development Report is compiled in accordance with the Global Reporting Initiative (GRI) Standards 2021. The report discloses HAESL's commitment in sustainable development including strategies, targets, management approaches and our environmental performance. The material topics reported in this report are in accordance with GRI topic-specific disclosures and defined through a materiality assessment and stakeholder engagement processes. Details are provided in the section "SD Management Approach" under Sustainability on the website.

REPORTING FREQUENCY

This Sustainable Development Report is published annually. We published an annual Environmental, Health and Safety Report in 2004, 2005 and 2006, before migrating to a Corporate Social Responsibility Report in 2007 and a Sustainable Development Report from 2008 onwards. Historical reports are available for download at the HAESL website: <https://www.haesi.com/en/sustainable-development/sustainability-reports/>

SCOPE AND BOUNDARY

Our Sustainable Development Report describes the challenges and opportunities in social, environmental and economic aspects of our operations at Tseung Kwan O, Hong Kong SAR, China, and details our strategies and solutions in achieving sustainable development. This report covers the calendar year from 1st January 2024 to 31st December 2024. We aim to provide comprehensive, clear and concise information on all topics that we and our stakeholders consider to be of relevance for sustainability.

RECORDING OUR SUSTAINABILITY INDICATORS

Credible reporting is based on transparency and validity of data. We register the data of all relevant organisational departments that fall within the scope of our activities. The data undergoes checks to ensure a high level of data integrity. The reported indicators are rounded in accordance with standard commercial practice. In some cases, due to rounding, the sum of the figures given in this report may not exactly equal the stated totals and percentages may not precisely tally to the figures indicated.

Publication Date: 28 May 2026

REPORT ASSURANCE

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (2021). We entrust the Accredited Certification International Limited (ACI) to verify the completeness and accuracy of our report. You can find a statement to this effect and a summarised GRI Index in this report. The selection of the external assurance company follows the Company's standard purchasing practices and policies.

PRACTICAL INFORMATION

The report is available in English and Traditional Chinese. Designations such as manager and employee refer equally to men and women; the masculine form of personal pronouns is used in such cases solely to simplify the text.

Any feedback on our performance and initiatives, or suggestions as to how we may be able to improve the content and presentation of this report, would be most welcome. Please contact our Sustainable Development Department through our website at www.haesi.com.



REQUEST FOR FEEDBACK

We welcome your views on how we may further improve our economic, environmental and social commitments. Your comments on this report are also appreciated. Please contact us via our website, email at sd@haesi.com or direct mail to the following address:

**70 Chun Choi Street,
Tseung Kwan O Industrial Estate,
Tseung Kwan O, N.T., Hong Kong**

