



SUSTAINABILITY REPORT

2022/2023



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SIA ENGINEERING COMPANY



ABOUT SIA ENGINEERING COMPANY

[2-1] [2-6]

SIA Engineering Company (SIAEC) is a leading aviation maintenance, repair and overhaul (MRO) service provider based in Singapore. With a network of 23 subsidiaries, joint venture (JV) and associated companies spanning Singapore, Hong Kong, Indonesia, Japan, Malaysia, the Philippines, the United States and Vietnam, SIAEC provides a comprehensive suite of MRO services to airline customers and aerospace equipment manufacturers worldwide. SIAEC's range of services encompasses airframe and line maintenance, fleet management, repair and overhaul of engines and components, aircraft cabin modifications, engineering and material management support.

SIA Engineering Company Limited is listed on the Mainboard of the Singapore Exchange (SGX) and is a subsidiary of Singapore Airlines Limited (SIA).



OUR MISSION AND CORE VALUES

[2-23]

OUR MISSION IS UNDERPINNED BY OUR CORE VALUES,
WHICH DEFINE SIAEC'S CORPORATE CULTURE.

MISSION STATEMENT

SIA Engineering Company is engaged in providing aviation engineering services of the highest quality, at competitive prices for customers and a profit to the Company.

CORE VALUES

TEAMWORK

We work with pride as one team to achieve success together.



PURSUIT OF EXCELLENCE

We strive for the highest professional standards in our work and aim to be the best in everything we do.



CONCERN FOR STAFF

We value our staff and care for their well-being. We treat them with respect and dignity and seek to provide them with appropriate training and development so that they can lead fulfilling careers.



CUSTOMER FIRST

Our customers are foremost in our minds all the time. We go the extra mile to exceed their expectations.



SAFETY

We regard safety as an essential part of all our operations. We maintain and adopt practices that promote the safety of our customers and staff.



INTEGRITY

We strive for fairness in all our business and working relationships.





ABOUT THIS REPORT

THIS IS THE SIXTH SUSTAINABILITY REPORT FROM SIAEC

REPORTING PERIOD

[2-3]

This report highlights our economic, environmental, social and governance initiatives and performance for the financial year 1 April 2022 to 31 March 2023 (FY2022/23). Data and information from past reporting cycles have been included, where available. The report is published on an annual basis on our [website](#), with our last report published in August 2022.

REPORTING SCOPE AND BOUNDARY

[2-2]

All information, including data, statistics and targets presented in this report, relates to SIAEC's operations in Singapore where the majority of our activities are carried out, unless stated otherwise. We are progressively expanding the scope of our reporting and have included in this report sustainability data for four subsidiaries: SIA Engineering (Philippines) Corporation, Singapore Aero Support Services Pte. Ltd, SIA Engineering Japan Corporation and SIA Engineering (USA) Inc.

Please refer to page 21 for the full list of SIAEC's subsidiaries, JV and associated companies. Financial information relating to SIAEC Group's business can be found in the FY2022/23 Annual Report.

REPORTING FRAMEWORK

Global Reporting Initiative (GRI)

This report has been prepared with reference to the latest GRI Universal Standards 2021. The GRI Universal Standards is selected as it is widely used and internationally recognised by organisations for sustainability reporting.

SGX Sustainability Reporting Listing Rules and Guide

This report has been prepared in accordance with the six primary components set out in SGX-ST Listing Rule 711B and takes reference from SGX Practice Note 7.6 Sustainability Reporting Guide, which provides guidelines on component requirements and reporting principles. The report has incorporated new requirements of Listing Rule 711B and Sustainability Reporting Guide for financial years beginning on or after 1 January 2022, such as climate-related disclosures, internal review of the sustainability reporting process and mandatory sustainability training for directors. SIAEC is adopting a phased approach towards implementation of recommendations of Task Force on Climate-related Financial Disclosures by the required date of FY2024/25 set by SGX and is progressively reporting on the climate-related disclosures.

United Nations Sustainable Development Goals (SDGs)

SIAEC supports the United Nations 2030 Agenda for Sustainable Development. Recognising that businesses are integral to the achievement of these goals, we have reviewed aspects important to SIAEC and our stakeholders against the

SDGs and identified 13 SDGs that our sustainability practices are in support of.

REPORTING QUALITY

[2-5]

SIAEC has not sought external assurance for this report and is considering doing so for future reports. To address internal review requirements in accordance with Rule 711B of the SGX-ST Listing Manual, SIAEC engaged an external consultant to review identified key aspects of the FY2022/23 Sustainability Report.

FEEDBACK

[2-3]

We value your feedback, which will help us to improve our reporting and sustainability practices. You can reach out to SIAEC's Sustainability Working Group at siaec@singaporeair.com.sg.





CEO'S MESSAGE

[2-22]

The past year saw the strongest recovery of flight activities since the pandemic with border restrictions mostly lifted towards the end of the year. Against the busy backdrop of increased flight activities and business volume, SIAEC remained steadfast in advancing our sustainability agenda. In FY2022/23, we acted on our plans to reduce carbon emissions, invested in employees, gave back to the community, and made further progress on Transformation Phase 2 initiatives, positioning SIAEC for sustainable growth in the years to come.

PROGRESS ON THE ENVIRONMENT

There is growing evidence that the effects of climate change have become more pronounced with each passing year, with record heat waves and floods affecting countries across the world. Sharing the same interest as the global community in combatting climate change, we committed in June 2022 to reach net-zero emissions by 2050. To ensure that we stay on course to achieve this goal, we have further set an intermediate target to halve our FY2019/20 Scope 1 and 2 emissions level by 2030.

In establishing these carbon emission targets, we have identified key pathways that will aid SIAEC in meeting its decarbonisation objectives in the near to longer term. We have additionally embarked on a climate risk

assessment study to develop a preliminary understanding of the risks faced by SIAEC based on recommendations from the Task Force on Climate-related Financial Disclosures. This will enable SIAEC to implement appropriate mitigating plans after assessing the impact of these risks.

Besides reducing emissions as part of our endeavour to mitigate SIAEC's environmental impact, we are also pursuing the efficient use of water within the business. Through implementation of water saving initiatives, we were able to attain in FY2022/23 Water Efficient Building (WEB) certification from Public Utilities Board for three of our hangars and Engine Test facility, thereby accomplishing WEB status for all SIAEC-owned hangars and buildings.

ENGAGING OUR STAKEHOLDERS

Our employees are integral to SIAEC's success, and their steadfast commitment and contributions were critical in seeing us through the difficult period during the pandemic. We value the work and experience of our people, and will continue to invest in them and take care of their well-being.

Training and upskilling our people remains a priority for us as we position the Company for our next phase of growth. At the same time, with employee well-being emerging as an

area of increasing significance and focus, an organisation-wide survey was conducted to have in-depth understanding of the overall well-being of our workforce. In response, we have implemented new initiatives such as dedicated counselling services and formation of employee support groups. Our one-stop wellness portal was also enhanced so employees may avail themselves to the range of wellness activities and services available, such as health and lifestyle talks, and well-being tips and articles.

SIAEC has continued to be proactive in our engagement and contributions to the community in the past year. With the lifting of social restrictions, we were able to step up our engagement with our Corporate Social Responsibility partners. After conducting virtual run events for the prior two years, the annual Charity Run returned to a physical format and was held at the Jurong Bird Park. The funds raised from these events enable the charities to help their beneficiaries, and we are honoured to receive the Charity Silver Award from Community Chest for our contributions.

To ensure that we align stakeholders' priorities and expectations with our sustainability objectives, we conducted a materiality reassessment survey in FY2022/23 with key stakeholders to revalidate our sustainability topics. The results from this exercise have provided valuable inputs for our future activities and planning.





CEO'S MESSAGE

[2-22]

TOWARDS FULL RECOVERY

Our decision to retain our core employees paid dividends when we were able to respond quickly to the rapid recovery experienced during the year. In doing so, we were able to capture the revenue opportunities and uphold Changi Airport's hub reputation.



Recognising the importance of people development, we signed a Memorandum of Understanding (MOU) with seven Institutes of Higher Learning to establish diverse pipelines of skilled professionals, provide lifelong learning opportunities for our workforce and promote bilateral knowledge exchange between industry and academia. This MOU underpins our commitment to nurture and provide good career opportunities for our employees, and support the continuous upskilling and reskilling of our workforce to ensure they can meet existing and future business demands.

Phase 2 of our Transformation programme commenced in 2021 with objectives of boosting competitiveness and emerging stronger from COVID-19, creating value for key stakeholders and improving our culture. A key lever for success in this programme has been the adoption of Lean principles at the workplace. We are pleased to see many ground-up Lean initiatives from our employees which have resulted in improved work efficiency and productivity, enhanced employee experience, and better quality of our services to customers. Building on the success of Transformation, SIAEC plans to transition to build a culture of Continuous Improvement. We aim to embed a culture within all levels of the organisation where everyone continuously looks at ways to enhance work processes and optimise operations to improve productivity and efficiency, so that we stay ahead of competition and grow our business.

Our efforts were recognised by the industry, with two awards over the past year – the Asia-Pacific MRO of the Year Award by Airline Economics Magazine for the second consecutive year, and the Asia MRO of the Year – Airframe Award by Aviation Week Network. These awards are testament to the progress achieved in our organisational capabilities and

performance through the collective effort of our employees, as well as the support and collaboration between SIAEC and our valued customers and partners.

BUILDING A SUSTAINABLE FUTURE

Building on our commitment to halve carbon emissions by 2030 and reach net zero by 2050, we updated SIAEC's sustainability framework to outline our ambitions to achieve in key sustainability areas by 2030, serving as a blueprint to guide SIAEC's development and initiatives in this decade. Besides emissions, we have set environmental goals on conserving water and increasing recycling waste, as well as ambitions in the areas of economic, social and governance. We aim to grow sustainably and responsibly, mitigate the environmental impact of our business and contribute to the communities that SIAEC operates in.

We are encouraged by the improvement in SIAEC's ratings in 2022 by sustainability agencies and will continue to pursue further improvement in performance and reporting transparency. Included in our disclosures now are Scope 3 emissions and performance of additional subsidiaries, as well as identification of climate risks. With assistance from external consultants, we also completed a review of our reporting processes to ensure a high level of quality and accuracy for the information disclosed in sustainability report.

We thank all our stakeholders for their continued support and look forward to building a sustainable future together.

Ng Chin Hwee
Chief Executive Officer



SUSTAINABILITY HIGHLIGHTS



Commit to
Net Zero by 2050 and
Halve Scope 1 and 2 Emissions
by 2030

Achieved PUB
Water Efficient Building
certification for
ALL SIAEC-owned buildings



23.0%
of waste recycled

Established
Diversity Task Force
to promote inclusiveness
and attract talents from
various backgrounds



Partnership with
**Institutes of
Higher Learning**
to establish diverse pipelines of skilled professionals,
provide lifelong learning opportunities for
SIAEC workforce and promote bilateral knowledge
exchange between industry and academia

45.5
average training hours
per employee, above the target of 34 hours

Asia-Pacific
MRO OF THE YEAR
award by Airline Economics magazine
for the 2nd consecutive year

ASIA MRO OF THE YEAR
- Airframe Award
by Aviation Week Network

**BEST
RISK MANAGEMENT
AWARD (Bronze)**
at the Singapore Corporate Awards 2022





APPROACH TO SUSTAINABILITY

At SIAEC, we are committed to working towards a sustainable future. Guided by the Board and Board Sustainability Committee, we strive to continually improve our sustainability practices and performance. We constantly seek to enhance our disclosures and are encouraged by improvement in our ratings from Sustainalytics and S&P Global Corporate Sustainability Assessment in 2022.

SUSTAINABILITY GOVERNANCE

[2-9] [2-11] [2-12] [2-13] [2-14] [2-18] [2-19] [2-20]

Sustainability at SIAEC is led by the Sustainability Working Group, which reports to the Management Committee and under the oversight of the Board and Board Sustainability Committee. To promote long-term success and in line with the sustainability agenda under the enhanced Senior Management Total Remuneration Philosophy, sustainability objectives have been incorporated into Senior Management's

performance scorecards. While these performance targets are unique for each Senior Management, they are assessed on the same principles across the following five broad categories of targets including economic, environmental, social and governance metrics aligned with the Company's sustainability strategy:

- Financial and Business
- Investment and Operations

- People and Organisational Development
- Safety and Quality
- Strategic, Transformational and Sustainability Initiatives

For more details on SIAEC's remuneration policies, please refer to the FY2022/23 Annual Report.

BOARD STATEMENT

[2-22]

The Board recognises the importance of its involvement in sustainability management and is committed to ensuring SIAEC achieves its long-term sustainability targets.

The Board provides guidance and works closely with the Management Committee on SIAEC's overall sustainability strategy, policies and business objectives, taking into consideration material economic, environmental, social and governance factors. This includes the review, management and monitoring of SIAEC's material sustainability topics, targets and performance, and initiatives. The Board has also established the Board Sustainability Committee to oversee sustainability matters by accelerating, leading and guiding SIAEC's sustainability efforts.

In FY2022/23, the Board was involved in evaluation and approval of SIAEC's updated material sustainability topics. The Board also approved SIAEC's Sustainability Report, which incorporated inaugural reporting of Task Force on Climate-related Financial Disclosures to provide enhanced transparency around sustainability governance and long-term strategy, as well as reduction targets for carbon emissions, water and waste.

SUSTAINABILITY GOVERNANCE

BOARD OF DIRECTORS

The Board, which is chaired by a non-executive and independent director, oversees sustainability in SIAEC through the various Board committees and ongoing engagement with Senior Management. Through these engagements, the Board provides strategic guidance and direction on SIAEC's sustainability strategy and performance. This includes review and approval of the material sustainability topics and Sustainability Report.

BOARD SUSTAINABILITY COMMITTEE

The Board Sustainability Committee, which comprises three Independent Directors, the Chief Executive Officer (CEO) and Chief Sustainability Officer, assists the Board with its oversight responsibilities in accelerating, leading and guiding SIAEC Group's sustainability efforts.

MANAGEMENT COMMITTEE

The Management Committee, which convenes weekly, comprises Senior Management as members and is chaired by CEO. The Management Committee guides the Sustainability Working Group on sustainability matters. The Management Committee also maintains oversight of the potential and actual impact of SIAEC's activities on the economy, environment and people. The Management Committee also reviews material sustainability topics, targets and performance, initiatives and the Sustainability Report. The Management Committee updates the Board Sustainability Committee on key sustainability matters.

SUSTAINABILITY WORKING GROUP

The Sustainability Working Group was formed to foster a culture of sustainability and advance sustainability initiatives in SIAEC. The Sustainability Working Group meets monthly and is co-chaired by the Chief Sustainability Officer and Chief Financial Officer. The Sustainability Working Group comprises representatives from operations and key support divisions in SIAEC.

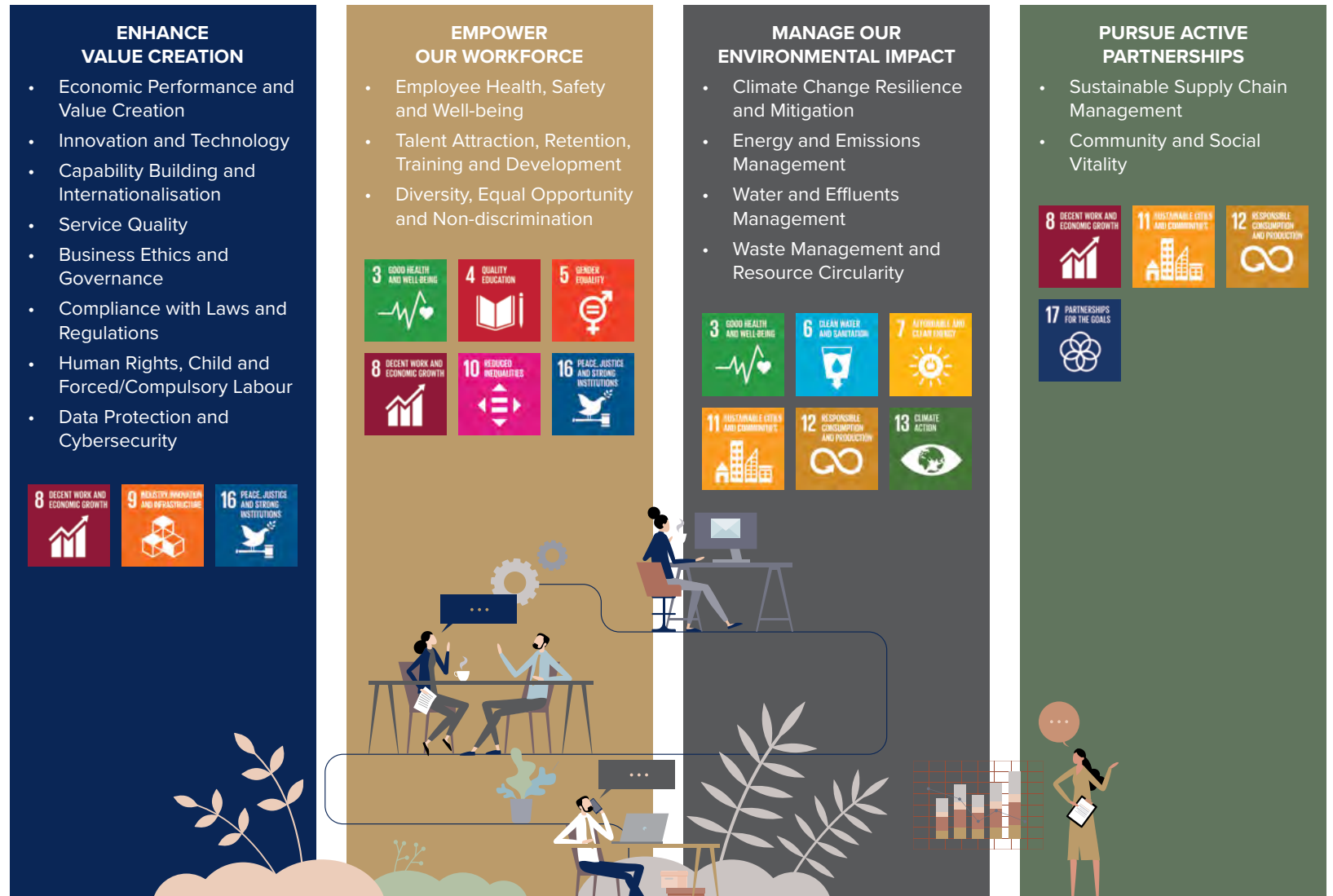


SUSTAINABILITY FRAMEWORK

The Sustainability Framework outlines SIAEC's approach in management of our sustainability topics under four key pillars, which are aligned to the six capitals (financial, manufactured, intellectual, human, natural, and social and relationship capitals) defined by the International Integrated Reporting Council:

1. Enhance Value Creation;
2. Empower Our Workforce;
3. Manage Our Environmental Impact; and
4. Pursue Active Partnerships.

We have identified 13 United Nations SDGs that SIAEC supports. We have also enhanced the Sustainability Framework and set targets to achieve by 2030.





SIAEC'S SUSTAINABILITY TOPICS AND 2030 TARGETS

SUSTAINABILITY TOPICS	2030 TARGETS
Economic Performance and Value Creation	<ul style="list-style-type: none"> Continue to generate and distribute sustainable economic value to our shareholders and stakeholders, while ensuring long-term value creation
Innovation and Technology	<ul style="list-style-type: none"> Continue to develop innovative solutions to meet customers' changing needs
Capability Building and Internationalisation	<ul style="list-style-type: none"> Continue to expand our capabilities and geographical footprint to better serve customers' needs
Service Quality	<ul style="list-style-type: none"> No major findings from external audits by aviation authorities and regulatory bodies
Business Ethics and Governance	<ul style="list-style-type: none"> No non-compliance with regulatory laws and corruption
Compliance with Laws and Regulations	
Data Protection and Cybersecurity	<ul style="list-style-type: none"> No major incidents of cybersecurity and data breaches
Talent Attraction, Retention, Training and Development	<ul style="list-style-type: none"> Grow capabilities and continuous improvement culture for sustainable business growth Develop people strategy centred on personal development, talent management, employee well-being and engagement Maintain average of 34 training hours per employee
Employee Health, Safety and Well-being	<ul style="list-style-type: none"> No work-related fatalities Continue to promote employee health, safety and well-being as ongoing priorities for the Company through regular engagement and activities
Diversity, Equal Opportunity and Non-discrimination	<ul style="list-style-type: none"> No incidences of discrimination Continue to promote diversity and equal opportunity in the workplace Maintain harmonious industrial relations through collaborative partnership
Climate Change Resilience and Mitigation	<ul style="list-style-type: none"> Halve Scope 1 and 2 emissions (against FY2019/20 baseline) and towards net-zero emissions by 2050
Energy and Emissions Management	
Water and Effluents Management	<ul style="list-style-type: none"> 15% reduction in water intensity (against average intensity from FY2017/18 to FY2019/20) No non-compliance with regulations on effluents management
Waste Management and Resource Circularity	<ul style="list-style-type: none"> 30% recycling rate
Sustainable Supply Chain Management	<ul style="list-style-type: none"> Strong collaboration with key suppliers who support our sustainability ambitions, to work towards a sustainable supply chain
Human Rights, Child and Forced/Compulsory Labour	<ul style="list-style-type: none"> No non-compliance with employment laws
Community and Social Vitality	<ul style="list-style-type: none"> Continue to support underprivileged and raising awareness on environmental sustainability



MATERIALITY ASSESSMENT

[3-1] [3-2]

In FY2022/23, SIAEC conducted a comprehensive materiality reassessment to validate internal and external stakeholder expectations. Key stakeholders were invited to participate in a survey to provide their feedback on the impact of various sustainability topics on SIAEC, the society and environment. The results were incorporated into the updated SIAEC's sustainability framework to outline our ambitions to achieve in key sustainability areas by 2030, serving as a blueprint to guide SIAEC's development and initiatives in this decade.

The survey affirmed the continued relevance of existing sustainability topics with a newly added topic of "Climate Change Resilience and Mitigation". Following the enhancement to reorganise and consolidate the topics, 17 topics have been identified. The materiality reassessment process and the list of sustainability topics are summarised in the following segment. The sustainability topics will be revalidated annually.

STAGES FOR MATERIALITY REASSESSMENT

STEP
1

Based on internal research and initial review, SIAEC's existing list of sustainability topics were consolidated with new potential topics added for stakeholder assessment

STEP
2

Key internal and external stakeholders were invited to rank the importance of topics to SIAEC's business activities via an online survey

STEP
3

Taking into account results from the survey, sustainability topics were prioritised and validated by the Sustainability Working Group and Management Committee

STEP
4

Review of material sustainability topics by the Board Sustainability Committee and the Board

UPDATED MATERIALITY MATRIX



Sustainability Topics

Material Topics

- Climate Change Resilience and Mitigation ^{new}
- Energy and Emissions Management
- Waste Management and Resource Circularity
- Water and Effluents Management
- Employee Health, Safety and Well-being
- Talent Attraction, Retention, Training and Development
- Sustainable Supply Chain Management
- Business Ethics and Governance
- Compliance with Laws and Regulations
- Data Protection and Cybersecurity
- Service Quality
- Economic Performance and Value Creation
- Capability Building and Internationalisation
- Innovation and Technology

Topics of Ongoing Importance

- Diversity, Equal Opportunity and Non-discrimination
- Human Rights, Child and Forced/ Compulsory Labour
- Community and Social Vitality



STAKEHOLDER ENGAGEMENT

[2-28] [2-29] [3-1] [3-3]

We maintain regular communications with our stakeholders to understand key stakeholder interests and concerns. Stakeholders who are affected by or have influence over SIAEC's business operations are identified, and key findings and feedback through stakeholder engagement are assessed in the management of material sustainability topics.

KEY STAKEHOLDERS AND OUR COMMITMENT	ENGAGEMENT METHODS	FREQUENCY	TOPICS OF INTEREST	OUR RESPONSE	
EMPLOYEES We value our employees and care for their well-being and development.	Digital applications:				
	<ul style="list-style-type: none"> 1SQ mobile web application myHR 	Throughout the year	<ul style="list-style-type: none"> Company/Group performance and sustainability of business Employee policies, welfare and activities 	<ul style="list-style-type: none"> Multiple communication channels with employees to update on topics of interest (Precision magazine, CEO Insights, Senior Management dialogues, etc.) Providing employees with welfare benefits and organising social, sports and recreational activities Fostering a strong safety culture through initiatives such as the Aviation and Workplace Safety Promotion Centres Supporting employee mental well-being through wellness talks, educational posters, mental health tips, and counselling helpline and services; all information relating to well-being is consolidated into a new Employee Wellness Portal which was set up in FY2022/23 Conducted Organisation Climate Survey to better understand the overall well-being of employees, and organised focus group discussions to follow up on the results to gain better insights into areas of strength or requiring improvement 	
	In-house communication channels:				
	<ul style="list-style-type: none"> Intranet portal In-house online magazine Precision Toolbox briefings Communication Packages 	Throughout the year	<ul style="list-style-type: none"> Workplace, safety and work environment-related issues Employee well-being 		
	Senior Management Communication:				
	<ul style="list-style-type: none"> Updates from Senior Management at Business Meetings after announcement of half-year and full-year financial performance Senior Management dialogue 	Biannually			
	Surveys:				
<ul style="list-style-type: none"> Organisational Climate Survey Surveys on selected subjects like sustainability, mental well-being, etc. 	Biennially Ad-hoc				
Events:					
<ul style="list-style-type: none"> Safety & Security Week Innovation Week 	Annually				
Grievance mechanisms:					
<ul style="list-style-type: none"> Whistle-blowing programme Grievance procedure set out in Collective Agreements 	Throughout the year				



STAKEHOLDER ENGAGEMENT

KEY STAKEHOLDERS AND OUR COMMITMENT	ENGAGEMENT METHODS	FREQUENCY	TOPICS OF INTEREST	OUR RESPONSE
UNIONS We work closely with our union partners to maintain good industrial relations and ensure fair employment terms for our employees.	Regular engagement with unions: <ul style="list-style-type: none"> Meetings between Management and unions to discuss employee-related issues Informal get-together sessions and retreats to maintain collaborative relationships with union partners 	Monthly	<ul style="list-style-type: none"> Employee policies, training and labour practices 	<ul style="list-style-type: none"> Actively involving unions in discussion of workforce-related matters Providing unions with regular updates on SIAEC's business outlook and activities
		Ad-hoc		
CUSTOMERS We are committed to providing our customers high quality aviation engineering services.	Regular engagement with customers: <ul style="list-style-type: none"> Regular updates to customers on status of the aircraft maintenance checks or performance of key performance indicators through emails, teleconferences and meetings Sharing Company updates through LinkedIn Customer visits 	Throughout the year	<ul style="list-style-type: none"> On-time completion of the maintenance checks and within budget Fulfilment of key performance indicators and service levels Quality standards of aircraft maintenance 	<ul style="list-style-type: none"> Maintaining regular contact with our customers Coordinating with customers on resources and operations to support business recovery Improving service quality and reputation
		Annually		
		Biennially Ad-hoc		
		Throughout the year		
SHAREHOLDERS We aim to create sustainable shareholder value by maximising returns for long-term profitability.	Communication channels: <ul style="list-style-type: none"> Company announcements, press releases and information of interest to shareholders available on SGXNet and SIAEC's corporate website Investor relations contact details are available on SIAEC's corporate website 	Throughout the year	<ul style="list-style-type: none"> Challenges facing the Group Financial performance of the Group Sustainability policies and practices 	<ul style="list-style-type: none"> Maintaining communication channels with shareholders through platforms such as Annual General Meetings, analyst briefings, business updates and interim financial reporting Ensuring timely disclosure of information as required by the SGX Listing Rules
		Annually		
		Biennially Quarterly		
		Ad-hoc		
		Throughout the year		
Reports and Annual General Meeting: <ul style="list-style-type: none"> Annual Report Sustainability Report Annual dialogue between shareholders and Board of Directors and Senior Management at the Annual General Meeting Analyst briefings Business updates and interim financial results 	Events: <ul style="list-style-type: none"> Management participation in non-deal road shows, corporate access forums and conferences, institutional investor meetings and conference calls 	Annually	<ul style="list-style-type: none"> Challenges facing the Group Financial performance of the Group Sustainability policies and practices 	<ul style="list-style-type: none"> Maintaining communication channels with shareholders through platforms such as Annual General Meetings, analyst briefings, business updates and interim financial reporting Ensuring timely disclosure of information as required by the SGX Listing Rules
		Biennially Quarterly		
Grievance mechanisms: <ul style="list-style-type: none"> Whistle-blowing programme 	Events: <ul style="list-style-type: none"> Management participation in non-deal road shows, corporate access forums and conferences, institutional investor meetings and conference calls 	Annually	<ul style="list-style-type: none"> Challenges facing the Group Financial performance of the Group Sustainability policies and practices 	<ul style="list-style-type: none"> Maintaining communication channels with shareholders through platforms such as Annual General Meetings, analyst briefings, business updates and interim financial reporting Ensuring timely disclosure of information as required by the SGX Listing Rules
		Ad-hoc		
Grievance mechanisms: <ul style="list-style-type: none"> Whistle-blowing programme 	Events: <ul style="list-style-type: none"> Management participation in non-deal road shows, corporate access forums and conferences, institutional investor meetings and conference calls 	Annually	<ul style="list-style-type: none"> Challenges facing the Group Financial performance of the Group Sustainability policies and practices 	<ul style="list-style-type: none"> Maintaining communication channels with shareholders through platforms such as Annual General Meetings, analyst briefings, business updates and interim financial reporting Ensuring timely disclosure of information as required by the SGX Listing Rules
		Ad-hoc		
Grievance mechanisms: <ul style="list-style-type: none"> Whistle-blowing programme 	Events: <ul style="list-style-type: none"> Management participation in non-deal road shows, corporate access forums and conferences, institutional investor meetings and conference calls 	Annually	<ul style="list-style-type: none"> Challenges facing the Group Financial performance of the Group Sustainability policies and practices 	<ul style="list-style-type: none"> Maintaining communication channels with shareholders through platforms such as Annual General Meetings, analyst briefings, business updates and interim financial reporting Ensuring timely disclosure of information as required by the SGX Listing Rules
		Ad-hoc		
Grievance mechanisms: <ul style="list-style-type: none"> Whistle-blowing programme 	Events: <ul style="list-style-type: none"> Management participation in non-deal road shows, corporate access forums and conferences, institutional investor meetings and conference calls 	Annually	<ul style="list-style-type: none"> Challenges facing the Group Financial performance of the Group Sustainability policies and practices 	<ul style="list-style-type: none"> Maintaining communication channels with shareholders through platforms such as Annual General Meetings, analyst briefings, business updates and interim financial reporting Ensuring timely disclosure of information as required by the SGX Listing Rules
		Ad-hoc		
Grievance mechanisms: <ul style="list-style-type: none"> Whistle-blowing programme 	Events: <ul style="list-style-type: none"> Management participation in non-deal road shows, corporate access forums and conferences, institutional investor meetings and conference calls 	Annually	<ul style="list-style-type: none"> Challenges facing the Group Financial performance of the Group Sustainability policies and practices 	<ul style="list-style-type: none"> Maintaining communication channels with shareholders through platforms such as Annual General Meetings, analyst briefings, business updates and interim financial reporting Ensuring timely disclosure of information as required by the SGX Listing Rules
		Ad-hoc		
Grievance mechanisms: <ul style="list-style-type: none"> Whistle-blowing programme 	Events: <ul style="list-style-type: none"> Management participation in non-deal road shows, corporate access forums and conferences, institutional investor meetings and conference calls 	Annually	<ul style="list-style-type: none"> Challenges facing the Group Financial performance of the Group Sustainability policies and practices 	<ul style="list-style-type: none"> Maintaining communication channels with shareholders through platforms such as Annual General Meetings, analyst briefings, business updates and interim financial reporting Ensuring timely disclosure of information as required by the SGX Listing Rules
		Ad-hoc		



STAKEHOLDER ENGAGEMENT

KEY STAKEHOLDERS AND OUR COMMITMENT	ENGAGEMENT METHODS	FREQUENCY	TOPICS OF INTEREST	OUR RESPONSE
JV PARTNERS We strive to develop long-term growth opportunities with our JV partners.	Regular engagement with partners: <ul style="list-style-type: none"> Partnership Management Division to oversee and coordinate engagement activities with JV partners to explore growth opportunities, develop new capabilities, provide advice and support for strategic restructuring and acquisition/divestment activities Management review of subsidiaries, JV and associated companies' performance and issues Representation and participation of SIAEC nominee directors at JV Board meetings Presentation to SIAEC Board on subsidiaries, JV and associated companies' performance and growth plans JVs & Partners Forum with JV network to collaborate on strategic and business opportunities, which was attended by representatives from the Economic Development Board, SIA, JV partners and leadership 	Throughout the year	<ul style="list-style-type: none"> Subsidiaries, JV and associated companies' performance and issues, including sustainability Growth and strategic development of the subsidiaries, JV and associated companies 	<ul style="list-style-type: none"> Maintaining regular engagements with JV partners Conducting regular meetings to track performance of subsidiaries, JV and associated companies Providing oversight and support to JV partners Promoting collaborations among subsidiaries, JV and associated companies to tap into synergies for mutual benefits
	Regular audits: <ul style="list-style-type: none"> Internal audits to monitor subsidiaries, JV and associated companies' internal controls and compliance Regulatory audits to ensure safety and quality standards are maintained 	Throughout the year according to audit plans		
	Grievance mechanisms: <ul style="list-style-type: none"> Whistle-blowing programme 	Throughout the year		
SUPPLIERS We treat our suppliers with respect and fairness, and expect them to uphold high standards of business ethics and adhere to applicable laws and regulations.	Regular engagement with suppliers: <ul style="list-style-type: none"> Meetings, emails, teleconferences with suppliers to discuss commercial and operational matters 	Throughout the year	<ul style="list-style-type: none"> Cost-effective, socially and environmentally responsible suppliers Suppliers' performance and sustainability practices 	<ul style="list-style-type: none"> Maintaining regular engagements with suppliers Selecting responsible suppliers
	Review of suppliers: <ul style="list-style-type: none"> Review of suppliers' performance to ensure compliance with the established standards, procedures or key performance indicators Regular review of suppliers' sustainability practices and evaluate any breaches of Supplier Code of Conduct Questionnaire for new suppliers Supplier risk assessments during the selection phase 	Throughout the year	<ul style="list-style-type: none"> Adherence to Supplier Code of Conduct 	
	Grievance mechanisms: <ul style="list-style-type: none"> Whistle-blowing programme 	Throughout the year		



STAKEHOLDER ENGAGEMENT

KEY STAKEHOLDERS AND OUR COMMITMENT	ENGAGEMENT METHODS	FREQUENCY	TOPICS OF INTEREST	OUR RESPONSE
<p>GOVERNMENT AGENCIES, AUTHORITIES AND TRADE ASSOCIATIONS</p> <p>We work closely with government agencies, authorities and trade associations, and ensure compliance with applicable laws and regulations, as well as participate in industry-wide initiatives.</p>	<p>Membership in industry associations:</p> <ul style="list-style-type: none"> Participation in events and activities of trade associations. The Company is a member of the Singapore Business Federation, Singapore Institute of Directors, Singapore National Employers Federation, Singapore Institute of Aerospace Engineers and Association of Aerospace Industries (Singapore) <p>Regular engagement with government agencies, authorities:</p> <ul style="list-style-type: none"> Meetings Visits by aviation authorities' auditors Collaborations with industry and government agencies 	<p>Throughout the year</p>	<ul style="list-style-type: none"> Compliance with applicable laws and regulations Industry collaboration on growth and sustainability 	<ul style="list-style-type: none"> Maintaining close coordination and collaboration with the Singapore government agencies, authorities and trade associations
<p>COMMUNITY</p> <p>We strive to create positive impact to local communities where SIAEC operates through local community engagement projects.</p>	<p>Community engagement programmes:</p> <ul style="list-style-type: none"> Participation of employee volunteers in community projects and environment-themed outreach activities Donations 	<p>Throughout the year</p>	<ul style="list-style-type: none"> Contributions and support towards social and environmental causes 	<ul style="list-style-type: none"> Collaborating with corporate social responsibility partners and social enterprises on community projects and environment-themed outreach activities





ENHANCE VALUE CREATION

INNOVATING AND CONTINUOUS IMPROVEMENT
FOR SUSTAINABLE GROWTH



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ECONOMIC PERFORMANCE
AND VALUE CREATION

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INNOVATION AND TECHNOLOGY

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COMPLIANCE WITH LAWS
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HUMAN RIGHTS, CHILD AND
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DATA PROTECTION
AND CYBERSECURITY



DRIVING SUSTAINABLE ECONOMIC PERFORMANCE AND VALUE CREATION THROUGH INNOVATION, CONTINUOUS IMPROVEMENT AND GROWTH

Maintaining sustainable economic performance is essential for business success and to generate positive outcomes for our stakeholders. We are committed to driving innovation and technology, and continuous improvement to meet evolving market demands, while building our capabilities and maintaining high-quality services to our customers to remain competitive in a rapidly changing business landscape. As we continue to grow and expand our operations, we remain committed to upholding ethical business practices and compliance with relevant laws and regulations.

[2-27]

OUR COMMITMENT

- **Maintain a world class standard in aviation safety**
- **Maintain high quality aviation engineering services**
- **To act lawfully with integrity in every aspect of our business**

KEY POLICIES, PROCESSES AND PROCEDURES

- **Aviation Safety Management System**
- **Risk Management Framework**
- **Employee Code of Conduct**
- **Supplier Code of Conduct**
- **Whistle-blowing Programme**
- **Anti-corruption/Anti-bribery Policy**
- **Personal Data Protection Guidelines**

TARGETS

No major findings from external audits by aviation authorities and regulatory bodies

No incidents of corruption or bribery

No cases of non-compliance with labour and employment laws

No major incidents of cybersecurity and data breaches

PERFORMANCE

✔ No major findings from external audits by aviation authorities and regulatory bodies in FY2022/23

✔ No substantiated cases of corruption or bribery in FY2022/23

✔ No cases of non-compliance with labour and employment laws in FY2022/23

✔ No major incidents of cybersecurity and data breaches in FY2022/23

✔ Achieved ● On Track ✘ Not achieved



ECONOMIC PERFORMANCE AND VALUE CREATION

[3-3] [201-1]

DIRECT ECONOMIC VALUE GENERATED IN FY2022/23

\$557.9 million

Total value
added for distribution



SIAEC recognises that strong financials, efficient operational processes and an optimised asset base are critical to any successful business. A robust and sustainable economic performance not only creates a positive financial standing for the Company, it also generates employment and contributes to the economies in countries that we operate in. Therefore, we seek to continually pursue growth to enhance the value for our stakeholders and generate positive economic outcomes.

Value generation is a measure of wealth created for our stakeholders. The table shows the Group's value generated, value distribution by way of payments to employees, the government and to those who have provided capital, and value retained for future capital requirements. Please refer to the FY2022/23 Annual Report for more details on the economic value generated and distributed by SIAEC.

ECONOMIC VALUE DISTRIBUTED IN FY2022/23

\$438.3 million

value added
for distribution
to employees



\$63.8 million

value added
for distribution
to suppliers of capital

\$(13.0) million

value added
for distribution
to government

ECONOMIC VALUE RETAINED IN FY2022/23

\$68.8million

value retained for future capital
requirements





INNOVATION AND TECHNOLOGY

[3-3]

While the costs of developing and implementing new technologies may be high, there are several benefits, including improved safety and reliability of operations, and increased efficiency and productivity – both of which are important for SIAEC to maintain its position as a key component of Singapore's aviation ecosystem and contribute to Changi Airport's global air hub status. SIAEC's focus and investments in innovation and technology are aligned with the wider national and industry efforts, such as the Ministry of Trade and Industry's Air Transport Industry Transformation Map and the Emerging Stronger Task Force's emphasis on digitalisation, robotics and sustainability.

In SIAEC, there are two committees to guide innovation and technology efforts. These committees oversee innovation and technology strategies and review regularly to monitor progress and outcomes.

Technology Advisory Committee

- Led by a Board Director, and comprises CEO and a panel of academia leaders and industry experts
- Provides advisory guidance and feedback on technological and digital concepts, major technology-related projects, as well as emerging trends and opportunities in technologies
- Meets biannually

Digital and Technology Committee

- Led by CEO and comprises Senior Management as members
- Oversees digital and technology strategies and delivery plans, and progress against digital and technology transformation roadmap
- Meets quarterly



SPOTLIGHT:

DATA CHALLENGE 2022

Besides the 2022 edition of Innovation Week which was conducted from 4 to 8 April 2022, the inaugural Data Challenge themed 'Data Storytelling using Data Visualisation' was held from September to November 2022 to encourage innovative ways to visualise data. There were 22 teams with 42 employees across various divisions who participated in the Challenge.

Insightful dashboards were generated by participants using Tableau on topics such as "Market and Price Discovery for

MRO Business Opportunities by Airlines Fleet Analysis", "Base Maintenance Manpower Coverage Dashboard" and "Fleet Components Monitoring Dashboard". Six teams were shortlisted based on Solutioning, Storytelling and Business Value proposition, and their projects were presented in the finale on 23 November 2022. The winning team's project was "Gathering Insights to Resolve Airport Towing Issues", which provided a detailed overview using a fishbone chart, datasets to be used, dashboard wireframe detailing different types of towing delays and proposed improvements.





INNOVATION AND TECHNOLOGY

[3-3]



Lean and Continuous Improvement

SIAEC commenced Phase 2 of its Transformation in 2021 to boost competitiveness and emerge stronger from COVID-19, create value for key stakeholders and establish a culture of continuous improvement. The Transformation Steering Committee led by CEO meets quarterly with Management to oversee transformation strategy and reviews project initiatives, progress and productivity metrics.

One key thrust of Transformation Phase 2 is the adoption of Lean practices. The launch of the Lean Academy in September 2021 reflects the Company's emphasis on Lean adoption

and its dedication towards continual reskilling, upskilling and development of workforce capabilities to enhance competitiveness. The Lean Academy aims to deliver a suite of Lean training to the workforce and facilitate enterprise- and industry-wide adoption of Lean methodologies. It is an extension of SIAEC's Training Academy, which provides aerospace-related training programmes for employees and the aerospace industry.

To accelerate the adoption of Lean in the Company, a Lean Advisory Committee has been established. The Lean Advisory Committee, which meets quarterly and is chaired by Executive

Vice President Operations and comprises Senior Vice Presidents and Management as members, oversees all long-term strategic goals, plans and activities for SIAEC enterprise Lean.

The Company has mapped out a detailed Lean Training Matrix comprising a mix of interactive e-learning modules, instructor-led classes and practical training. In the longer term, training at the Lean Academy will be extended to the wider aerospace MRO community. The Lean curriculum will also strengthen the Training Academy's extensive suite of aerospace-related training programmes. To date, approximately 90% of our employees have undergone training on Lean.

The Lean projects have resulted in improved work efficiency and productivity, enhanced staff experience, and elevated the quality of our services to customers. One of the key outcomes is 15-25% reduction in aircraft check turn around time. One project which contributed to this improvement involved the review and enhancement of the current process flow for aircraft parts which are returned from Line Maintenance Operations to Component Control. This review reduced unnecessary delivery and collection of parts, resulting in reduced packaging material used for transportation, and improved workplace ergonomics and safety.

Building on the foundations of Transformation, SIAEC is transitioning to the next phase of Continuous Improvement, where we aim to embed a culture of striving for continuous improvement in all levels of the organisation, where employees constantly look at ways to enhance processes and optimise operations to improve productivity and efficiency. This will enable SIAEC to stay ahead of competition and grow the business.



CAPABILITY BUILDING AND INTERNATIONALISATION

[3-3] [2-6]

SIAEC is dedicated to enhancing its service offerings and maintaining a competitive edge by continually assessing and strengthening its competencies. This includes developing MRO capabilities on new generation aircraft and engines, forming joint ventures and partnerships with Original Equipment Manufacturers (OEMs) and strategic partners, as well as investing in the training of our employees so that they are equipped with the necessary maintenance knowledge and skills to meet market demand. This enables the Company to stay ahead of competition, gain access to new markets and customers, and enhance its reputation for providing high-quality aviation engineering services. To ensure a sustainable return on our investments, we constantly review our businesses and portfolio of subsidiaries, JV and associated companies.

HONG KONG SAR

Pan Asia Pacific Aviation Services

INDONESIA

PT JAS Aero-Engineering Services

MALAYSIA

Asia Pacific Aircraft Component Services

VIETNAM

Southern Airports Aircraft Maintenance Services

JAPAN

SIA Engineering Japan

PHILIPPINES

SIA Engineering (Philippines)

UNITED STATES

SIA Engineering (USA)

SINGAPORE

- Additive Flight Solutions
- Aerospace Component Engineering Services
- Component Aerospace Singapore
- Eagle Services Asia
- Fuel Accessory Service Technologies
- GE Aviation, Overhaul Services – Singapore
- Goodrich Aerostructures Service Center – Asia
- JAMCO Aero Design & Engineering
- Moog Aircraft Services Asia
- Panasonic Avionics Services Singapore
- Safran Electronics & Defense Services Asia
- Safran Landing Systems Services Singapore
- Singapore Aero Engine Services
- Singapore Aero Support Services
- Turbine Coating Services





CAPABILITY BUILDING AND INTERNATIONALISATION

[3-3] [2-6]

In April 2022, SIAEC entered into a MOU with Impeccable Vintage Properties Sdn Bhd to potentially lease two hangar facilities in Subang, Malaysia to support the maintenance, repair and overhaul of aircraft. The following month, SIAEC completed the acquisition of 75% stake in SR Technics Malaysia Sdn Bhd, which has since been renamed Asia Pacific Aircraft Component Services, allowing the Company to expand our existing component repair and overhaul capabilities.

Arising from our regular review of businesses and portfolio of subsidiaries, JV and associated companies, SIAEC's joint venture with Boeing Singapore to provide fleet management services for a range of Boeing passenger aircraft in the Asia-Pacific region, Boeing Asia Pacific Aviation Services Pte Ltd, ceased operations after considering the challenges amid the changing business environment.

As an MRO service provider, SIAEC is naturally positioned to support the aviation industry in becoming more environmentally sustainable, by extending the useful life of aircraft and their components. We offer customers emissions-reducing services such as using blended Sustainable Aviation Fuel for engine tests in our test cell, and Ground Support Assisted Transit and Ground-Powered Towing services to reduce the usage of aircraft's auxiliary power units during aircraft transit and towing respectively.



SPOTLIGHT:

GROUND-POWERED TOWING

Ground-Powered Towing (GPT) is one of the emissions-reducing initiatives being explored by SIAEC. An aircraft tow tractor and tow bar have been retrofitted to allow a ground power unit (GPU) to be mounted. The GPU

supplies power to the aircraft during towing. This will reduce the usage of aircraft's auxiliary power unit (APU), which consumes jet fuel at a higher rate than the amount of diesel used by the GPU.





SERVICE QUALITY

[3-3]

As a leading MRO service provider, SIAEC is committed to providing high-quality aviation engineering services to its customers and maintaining world-class standards in aviation safety. This commitment to service quality not only allows the Company to increase customer satisfaction and attract new customers, it also enhances Changi Airport's overall reputation as an international air hub. To maintain the high quality standards, SIAEC invests in staff training, equipment and technology. In addition, the Company has implemented a robust aviation safety management system for operations and focused on communication and training of employees to ensure service quality.

We are honoured to have been presented with two awards over the past year – the Asia-Pacific MRO of the Year Award by Airline Economics Magazine for the second consecutive year in May 2022; and the Asia MRO of the Year – Airframe Award by Aviation Week Network in September 2022. These awards are testament to our maintenance capabilities and performance, as well as the support and collaboration between SIAEC and our valued customers and partners.

Aviation Safety Management System

[416-1]

SIAEC adopts a systematic approach to manage and continuously improve aviation safety through the Aviation Safety Management System and Quality Management System, which are regulated by the aviation authorities and ISO 9001/ AS 9100 requirements. The Aviation Safety Management System is in accordance with International Civil Aviation Organisation standards and recommendations, and meets requirements set by the Civil Aviation Authority of Singapore (CAAS), specifically the Singapore Airworthiness Requirements Part 145 and its related CAAS Advisory Circulars AC 1–3 and AC 145-11. The Aviation Safety Management System ensures all safety and operational risks are prevented or mitigated.

SIAEC Executive Vice President Operations is the Accountable Manager for aviation safety and is responsible for ensuring an effective and functioning Aviation Safety Management System.

In adherence to the mandated standards of safety and quality, SIAEC's Aviation Safety Management System is subjected to regular audits by aviation authorities and airline customers. In addition to external audits, our Quality Assurance Department conducts regular internal audits on operations.

As at 31 March 2023, SIAEC holds certifications from 29 aviation authorities globally, including CAAS, the Federal Aviation Administration and European Union Aviation Safety Agency. In FY2022/23, 252 audits were conducted by the authorities and airline customers with no major findings, affirming our adherence to operational and safety standards.

In FY2022/23, all of SIAEC's key service categories¹ were assessed for health and safety impacts and improvements with no significant findings observed.

Training and Communication to Ensure Service Quality

To raise awareness on the importance of ensuring service quality and aviation safety, we provide regular training to employees and communicate latest information related to aviation safety via Quality & Safety Briefing Sheets, Quality Notices, etc. Operational employees have to undergo specific training that are mandatory and recurrent, to refresh their knowledge and to keep them up to date with latest regulations and procedures. The training programme also includes an instructor-led course at the Aviation Safety Promotion Centre, which was set up in 2019 to reinforce aviation safety awareness. Additionally, the Company has implemented a process to collect and review feedback from operational employees regarding oversight of aviation safety via the Quality & Safety Reporting platform.

Listening to our customers' needs is another important aspect of improving our service quality. We conduct annual customer engagement surveys to gather feedback, which help us improve our services and enhance customers' satisfaction.



1 Significant service categories refer to SIAEC's MRO activities



BUSINESS ETHICS AND GOVERNANCE

[3-3]

SIAEC recognises that strong corporate governance is critical to the sustainability of business and important to all stakeholders, and failure to meet ethical and governance standards can lead to negative publicity and reputational damage. SIAEC's commitment to strong business ethics and governance is reflected in the Company's comprehensive governance framework, underpinned by well-defined policies and processes that promote quality corporate performance, excellence, integrity, active stewardship, accountability and transparency. As part of this commitment, SIAEC aims to act lawfully with integrity in every aspect of its business, comply with relevant regulations and laws, and proactively managing current and emerging risks, including cybersecurity.

CORPORATE GOVERNANCE

[2-9] [2-12]

Board of Directors

The Board is responsible for the Group's corporate governance standards and policies and has set out clear division of powers, strong internal controls and risk management, and robust checks and balances across the Group to promote the appropriate culture, values and ethical standards of conduct at all levels.

Board Committees

The Board is supported by seven Board committees which oversee both financial and non-financial matters. All Board committees are constituted with clear written terms of reference, defining the duties delegated to each of them by the Board. These Terms of Reference set out in detail the composition of each Board committee, criteria and qualifications for membership, and other procedural matters such as quorum and decision-making processes.

The Board committees are also supported where required by an internal audit function in providing reasonable assurance about the adequacy, effectiveness and efficiency of internal controls; the reliability of financial information processes; compliance with applicable laws and regulations; and compliance with policies and procedures of the Company, its subsidiaries, joint venture and associated companies. The

Company's internal audit function is undertaken by SIA Internal Audit pursuant to an agreement between the Company and SIA. The Head of Internal Audit reports directly to the Audit

Committee and appointment of the Head of Internal Audit is reviewed by the Audit Committee.

Audit Committee	<ul style="list-style-type: none"> Oversees matters relating to financial reporting and risk management, internal controls, internal and external audits, interested person transactions, compliance and whistle-blowing
Nominating Committee	<ul style="list-style-type: none"> Reviews the structure, size, composition and diversity of the Board, the appointment and reappointment, the independence of Directors Oversees the Board performance evaluation process, and the training and development of the Board
Compensation and HR Committee	<ul style="list-style-type: none"> Oversees the remuneration framework and policies for the Directors and Key Executives of the Company as well as for the Company in general Reviews talent management and succession planning, and administration of share schemes and related programmes
Board Safety and Risk Committee	<ul style="list-style-type: none"> Oversees the Group's safety and risk management systems, frameworks and policies Ensures Management maintains a sound system of risk management to safeguard the interests of the Group and the Company's shareholders
Executive Committee	<ul style="list-style-type: none"> Oversees Management's execution of the overall strategy relating to the Group Deputise for the Board on routine matters to facilitate day-to-day administration and approve certain expenditures
Technology Advisory Committee	<ul style="list-style-type: none"> Provides advisory guidance and feedback on technological and digital concepts, major technology-related projects, including technology-led innovation and digitalisation Provides perspective on emerging trends and opportunities in technologies
Board Sustainability Committee	<ul style="list-style-type: none"> Oversees sustainability matters by accelerating, leading and guiding the Group's sustainability efforts Develops and reviews the Group's sustainability framework, policies, goals, priorities and guidelines



BUSINESS ETHICS AND GOVERNANCE

[3-3]

Board Composition and Diversity

To build an open culture and avoid groupthink, the Company is committed to having diversity on the Board, taking initiatives designed to attract the most talented individuals as Directors, regardless of their gender, race, ethnicity, religion, age, disability status or any other aspect of diversity. The Board views diversity as important to ensure that Board members provide the necessary range of perspectives, insights, experience and expertise for effective stewardship and management of the Company's business, and to help the Company build business resilience while making a difference. A diverse Board can also offer a cognitive diversity of perspectives in addressing a range of issues from strategy to corporate governance to addressing social and environmental stewardship and ensuring sustainable growth. To this end, the Company has maintained its Board Diversity Policy and has set targets to achieve 30% female Board representation by 2030; and to identify and appoint director(s) with the relevant expertise and experience that would complement those already on the Board to broaden the skillsets of the Board. Please refer to the Diversity, Equal Opportunity and Non-discrimination section of this report, and the FY2022/23 Annual Report for more details on the composition and diversity of SIAEC's Board.

Board Nomination and Independence

[2-10]

In discharging its duties in its review of the structure, size and composition of the Board and the Board committees,

the Nominating Committee gives due regard to the benefits of all aspects of diversity. In support of gender diversity and in accordance with its Terms of Reference, the Nominating Committee will ensure that appropriate efforts are made to include suitably qualified women in the list of candidates for a Board position. The Nominating Committee has developed a Skills Matrix, which denotes the experience, skillsets and expertise of Directors in relation to the Company's business activities and strategic goals. The Skills Matrix, which serves as a guide to identify the competencies and attributes for new Board appointments, is regularly updated and reviewed by the Nominating Committee.

As at 31 March 2023, the Board consists of 11 Directors of which 10 are Non-Executive Directors, and 7 are Independent Directors. There are no alternate Directors on the Board. The Company satisfies the requirements of the Code of Corporate Governance 2018 as the Independent Directors and the Non-Executive Directors, separately, make up a majority of the Board. The high representation of Independent Directors serves the Company well as no individual or select group of individuals dominates the Board's decision-making process.

Continuous Professional Development of the Board

[2-17]

The Board of SIAEC is committed to ongoing professional development and has therefore adopted a policy on continuous professional development to ensure all Directors can effectively discharge their statutory and fiduciary duties.

To continually enhance the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject matter, committee membership, or key developments in the Group's environment, markets or operations. In FY2022/23, in line with the updated SGX requirements for financial years beginning on or after 1 January 2022, all our Directors have undergone the required training on sustainability matters as prescribed by SGX.

Conflicts of Interest

[2-15]

To ensure conflicts of interest are avoided and well managed, SIAEC has in place a Code of Conduct and Ethics for the Board of Directors which sets out disclosure obligations in the event of a conflict of interest. As part of the policy, a Director facing a conflict of interest must disclose such conflict and recuse himself/herself from participation in any discussion and/or decision on the matter. Annually, an exercise is conducted to require all employees to declare any conflict of interest, or as and when such a situation arises.

Please refer to the FY2022/23 Annual Report for more details on the Company's Corporate Governance.



BUSINESS ETHICS AND GOVERNANCE

[3-3]

RISK MANAGEMENT

[2-12]

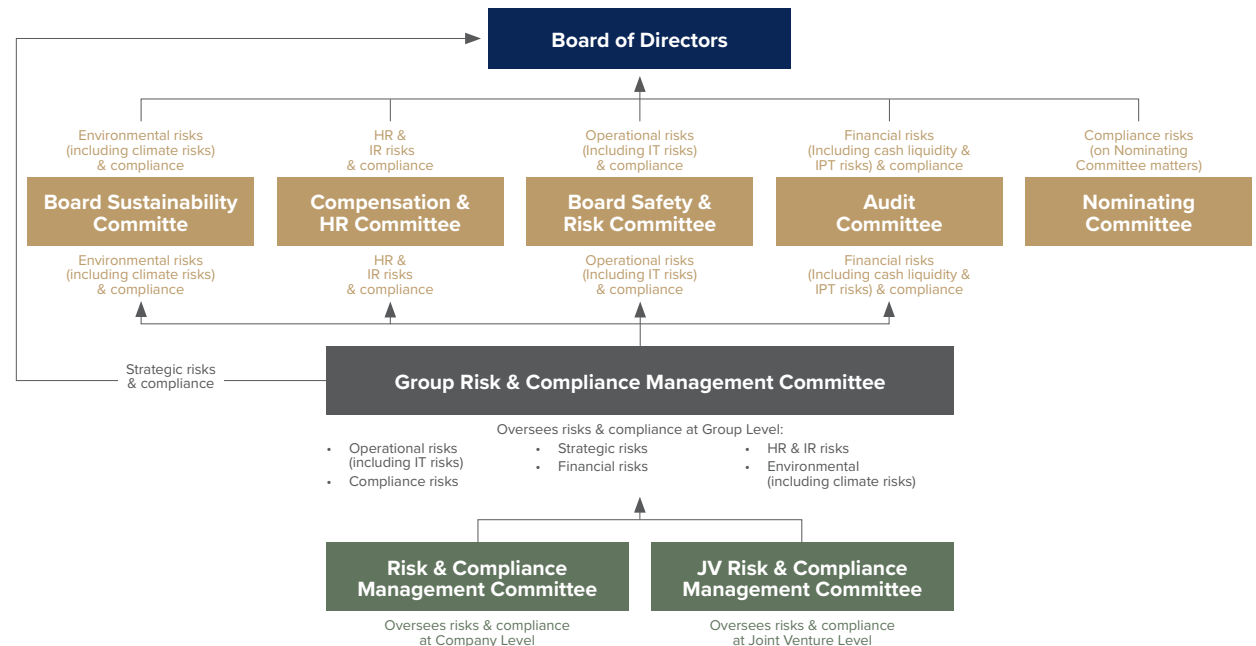
SIAEC continues to prioritise the implementation of effective risk management practices to support informed decision-making and mitigate potential risks and associated costs. In FY2022/23, we continue to maintain the high maturity level of our risk management system as assessed by an independent consultant in FY2021/22. As testament to our good risk management practices, SIAEC was awarded the Best Risk Management Award (Bronze) at the Singapore Corporate Awards in August 2022.

To ensure the ongoing adequacy and effectiveness of our risk controls, we conduct regular internal assurance of our risk management system. This internal assurance process is outsourced and audited by an independent team from the SIA Internal Audit, which reports directly to the Audit Committee. We are committed to complying with our risk management framework and procedures across all divisions of the organisation, and selected groups of employees have to undergo a recurrent online course on enterprise risk management.

Risk Management Framework

SIAEC has in place a risk management framework that sets out the policies, processes and procedures for identifying, evaluating and managing risks. SIAEC advocates a continuous and iterative risk management process, which has been developed with reference to the principles and guidelines of the ISO 31000 risk management standards and the Code of Corporate Governance 2018. The risks identified are wide-ranging, covering strategic, financial, operational, cybersecurity and information technology (IT), compliance, human resources and industrial relations, environmental and climate.

This year, in line with the updated SGX requirements for financial years beginning on or after 1 January 2022, we have assessed and will be reporting on our climate-related risks and governance in line with the Task Force on Climate-related



Financial Disclosures recommendations on a phased basis, which are covered in the Climate Change Resilience and Mitigation section on Page 51.

Board's Governance of Risk

The Board, supported by various Board committees, maintains oversight of the key risks to the Group's business. Annually, the Board reviews the adequacy and effectiveness of the risk management and internal control systems. In particular, the Board Safety and Risk Committee assists the Board in overseeing the adequacy and effectiveness of the Group's risk management framework and policies.

Management's Governance of Risk

The Management is responsible for the identification and management of risks, and ensuring that key risks are proactively identified, addressed and reviewed on an ongoing basis. To ensure the continued relevance and adequacy of identified risks and the effectiveness of preventive and mitigating measures, the Group's risk registers are reviewed every six months. During these half-yearly reviews, close attention is also paid to the identification of new and emerging risks.

Please refer to the FY2022/23 Annual Report for more details on SIAEC's Risk Management Framework.



BUSINESS ETHICS AND GOVERNANCE

[3-3]

COMPLIANCE WITH LAWS AND REGULATIONS [3-3]

Compliance with laws and regulations is critical for SIAEC to maintain its reputation, and positive outcomes of compliance can include enhanced safety for employees and customers, improved reputation and reduced legal risks. At the same time, SIAEC recognises that failure to adhere to the laws and regulations may result in fines, penalties, or the revocation of its licences or other regulatory approvals, which may disrupt operations, lead to human rights infringements and impact reputation. Therefore, SIAEC is fully committed to complying

with applicable laws, sanctions and regulatory requirements, and conducting business with integrity, transparency and honesty. To achieve this, we have a comprehensive suite of policies, procedures and systems in place to establish guidelines and processes for the business to operate in a compliant, transparent and ethical manner.

Codes of Conduct

[2-23] [2-24]

SIAEC has put in place a comprehensive set of policies to maintain a robust system of risk management and internal controls.

These policies are reviewed regularly, and any introduction of new policies or revisions of existing policies are published on SIAEC's intranet, which is accessible to all employees.

Our Employee Code of Conduct sets out the conduct that is expected from our employees, while our Supplier Code of Conduct requires our suppliers to uphold the same high standards of ethics and integrity as SIAEC.

Employee Code of Conduct

To foster high standards of professionalism and conduct in our workforce, our Employee Code of Conduct provides comprehensive policies on employees' regulations and conduct, including harassment (covering all forms of harassment such as racial, ethnic, sexual, religious or disability), reporting of wrongdoings and anti-corruption. The policy ensures that human rights are respected by committing to foster an inclusive work environment for all employees and that any form of discrimination is not tolerated. A disciplinary inquiry process is in place for the handling of misconduct and all employees are informed about the channels through which they can raise concerns or report cases of misconduct.

Supplier Code of Conduct

We require all our suppliers to uphold the same standards of ethics and integrity. Our Supplier Code of Conduct details the environmental, social and governance requirements, including a list of ethical and business conduct requirements which we require our suppliers to comply with. This includes specific commitments to upholding human rights such as ensuring that no forced, coerced, bonded, indentured or involuntary labour is used by our suppliers, and that their workers get to work in a secure working environment and are fairly compensated. The full Supplier Code of Conduct is available on our [website](#).





BUSINESS ETHICS AND GOVERNANCE

[3-3]

Environmental Management System

[2-27] [413-2]

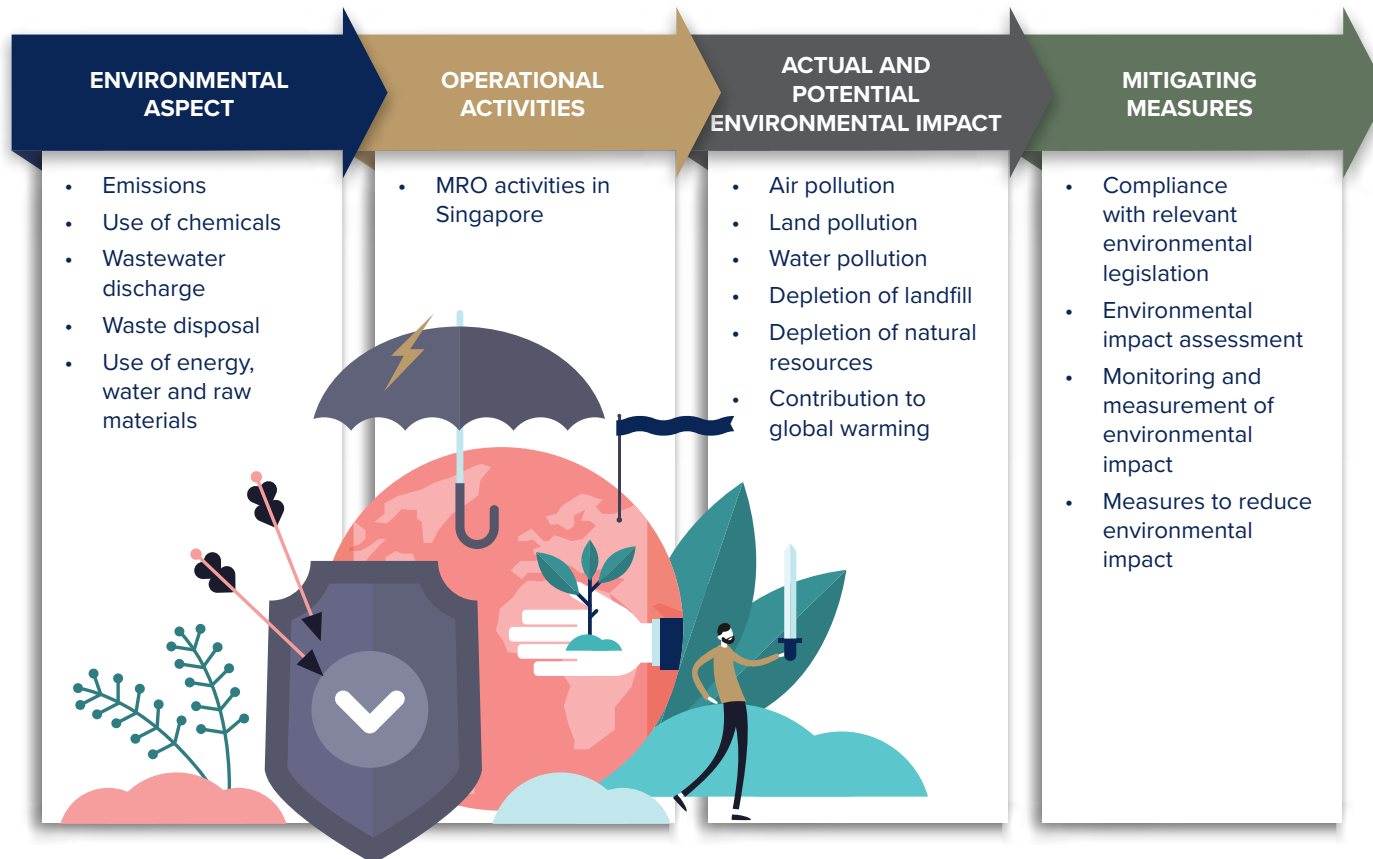
SIAEC recognises that environmental compliance is a corporate responsibility for businesses and is essential to protect the environment and prevent harm to human health.

We have an Environmental Management System, which has been certified to meet ISO 14001 standards. The system reflects our dedication to adhering to all environmental laws and regulations, as well as minimising the environmental impact of its operations.

As part of our Environmental Management System, SIAEC has established procedures to identify key environmental aspects of our activities, determine the impact and likelihood of those aspects and ensure these environmental aspects are addressed through appropriate preventive and mitigating measures.

The Management maintains oversight over environmental compliance issues via the Sustainability Working Group and Management Committee meetings. To ensure competency and awareness on environmental compliance, the Company keeps track of key environmental legislative developments, compliance status and results of environmental compliance tests, audits and inspections. SIAEC also incorporates environmental training as part of the induction programme for all new employees. In addition, to ensure compliance with legislation requirements, we have in place a register of licences which is regularly updated and reviewed by Risk & Compliance Management Committee.

In FY2022/23, there were no cases of non-compliance with environmental laws and/or regulations.





BUSINESS ETHICS AND GOVERNANCE

[3-3]

Whistle-blowing Programme

[2-16] [2-25] [2-26]

As part of SIAEC's stakeholder grievance process, we have in place a whistle-blowing programme for the reporting and investigation of wrongdoings. Our whistle-blowing policy encourages employees, vendors and third parties to report improprieties, malpractices, misconduct and wrongdoings relating to the Group or its officers. The policy is communicated clearly to all employees on the Company's intranet and via a web-based training course introduced in FY2022/23. Reports to the Whistle-blowing Committee can be lodged via the whistle-blower reporting services independently managed by an external service provider by calling the hotline at +65 3158 1087 (24-hour), via email at SIAGroup_whistleblow@tipoffs.com.sg, by post to Attn: SIA Group Whistleblowing Programme, Tanjong Pagar Post Office, P.O. Box 405, Singapore 910814 or online at https://singapore.deloitte-halo.com/SIAGroup_whistleblow/. SIAEC is committed to ensuring the protection of the whistle-blower against detrimental or unfair treatment. All information received is treated confidentially to protect the identity of whistle-blowers. Anonymous disclosures are accepted. Employees who have reported in good faith will be protected from reprisal. The Audit Committee is responsible for the oversight and monitoring of whistle-blowing and reviews all whistle-blowing complaints at its quarterly meetings to ensure timely, independent and thorough investigation and adequate resolution. SIAEC has internal processes in place to ensure that all reported incidents undergo an independent and thorough investigation and that appropriate follow-through actions are taken.

Anti-corruption/Anti-bribery

[205-3]

SIAEC has a zero-tolerance policy towards bribery and corruption. Our Anti-corruption/Anti-bribery Policy sets out

clear guidelines and procedures for the giving and receiving of corporate gifts, concessionary offers and charitable donations. Employees should ensure that any charitable contribution is not an indirect way of conferring a personal benefit on a government official or related party, and the contribution is not in exchange for a purchasing or other decision affecting the Company's interests. Similarly, it is against our policy on political contributions for the Company or our employees to make any payments to political candidates, political officials or political parties for the purpose of obtaining, retaining or directing business to the Company or any other entity.

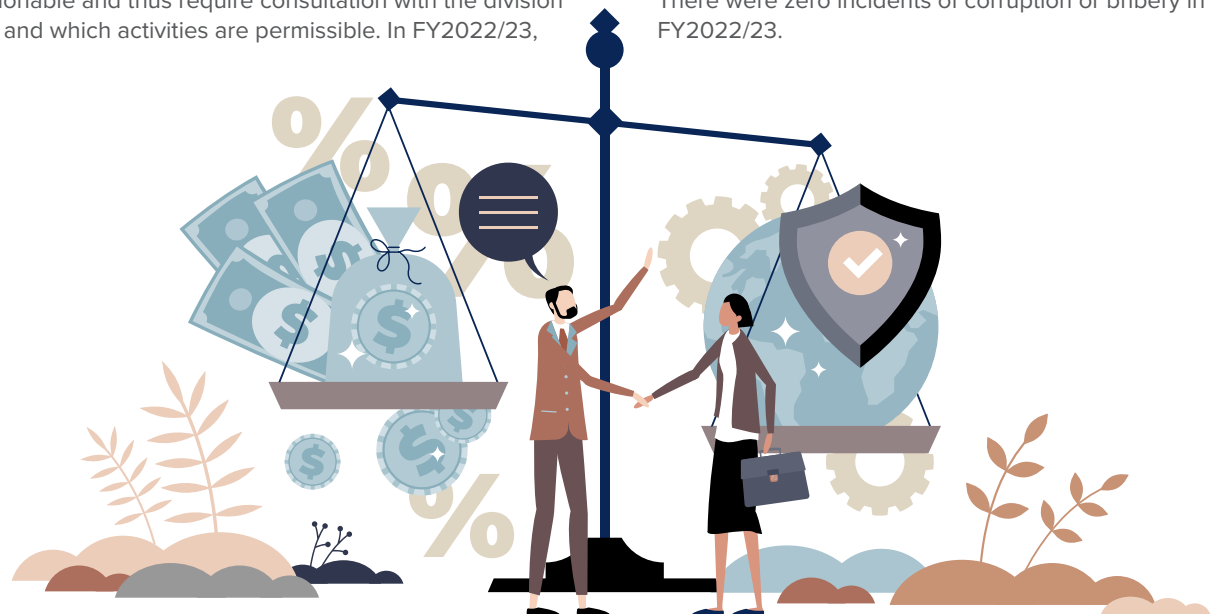
To clearly guide our employees to display the appropriate acceptable behaviours when faced with potential corruption or bribery situations, the guidelines depict various examples and scenarios on what actions are clearly prohibited, which are questionable and thus require consultation with the division head, and which activities are permissible. In FY2022/23,

there was no breach of our policy and no improper political contributions were made by SIAEC or its employees.

In addition, SIAEC communicates and conducts a regular training programme on our Anti-corruption/Anti-bribery Policy. Employees are required to complete the recurrent online training on the policy and the completion status is reported to the Risk & Compliance Management Committee on a quarterly basis. As at end-March 2023, 97.7% of employees have completed the recurrent training.

Similarly, all suppliers have to comply with anti-corruption/anti-bribery laws as part of compliance with SIAEC Supplier Code of Conduct to ensure that high standards of ethics and business conduct are adhered to across the value chain.

There were zero incidents of corruption or bribery in FY2022/23.





BUSINESS ETHICS AND GOVERNANCE

[3-3]

HUMAN RIGHTS, CHILD AND FORCED/ COMPULSORY LABOUR

[2-23] [2-24]

SIAEC recognises that the dignity and equal rights of all humans is the foundation for a world of freedom, justice and peace. We are committed to uphold the basic principles of human rights and prevent child and forced/compulsory labour, which are important for a fair and just society. We work closely with our tripartite partners and suppliers to adhere to local employment laws. While compliance may have economic and social costs such as changes to existing supply chain relationships or investments in employee training, they are outweighed by positive impacts such as upholding social justice and supporting the communities where we operate.

Our staff regulations enunciate the need for all staff to act with integrity at the workplace and to comply with applicable laws. There are mechanisms in place such as our whistle-blowing channels for breaches of the code of conduct or laws to be brought to the Company's attention. Our established

investigation procedures provide a structured process to handle any potential violations, while a disciplinary inquiry process is in place for an impartial determination of disciplinary actions for individuals found guilty of such offences. This governance framework ensures that the risk of such incidents occurring is minimised and provides transparency on the actions by SIAEC if such an incident occurs.

DATA PROTECTION AND CYBERSECURITY

[3-3] [2-26] [418-1]

As SIAEC continues its push for digitalisation and hybrid working arrangements become a new working norm, there is a need for cyber protection and security to safeguard against potential cybersecurity threats and data breaches. SIAEC recognises the importance of proactively managing its IT risks and maintaining high standards of data confidentiality through robust policies and governance structures, which will earn the trust of customers. With the everchanging cyber climate and occurrence of new and rapidly evolving risks, SIAEC continues to invest in employee upskilling and training, and the latest cyber protection and security measures to prevent cyberattacks and reduce system vulnerabilities.

SIAEC adopts the SIA Group's information security policy, which takes reference from the ISO/IEC 27001 standard on information security management. In addition, the Company leverages on the SIA Group's IT infrastructure and maintains oversight of the systems relevant to SIAEC, as well as conducts independent review to monitor that IT security infrastructure and networks are continually kept up with evolving threats. Internal and external IT security audits, which include vulnerability assessments and penetration tests, are also conducted on SIAEC's systems and platforms. To ensure cyber resilience of the SIAEC Group, IT audits and assessments are conducted on Group companies to ensure

compliance with IT controls, and where required, follow-up actions are introduced to improve standards and resilience.

A Cyber Incident Response Team within the Crisis Management Directorate is in place to manage IT-related crises and responses in the event of a cybersecurity incident. In February 2023, the Company engaged a cybersecurity firm to facilitate a desktop cyber crisis exercise to test the incident handling responses. In addition, the business units and support divisions conduct yearly tests of business continuity plans to ensure preparedness and effectiveness of responses to disruptions on critical IT systems.

Employees who are working from home are given secure virtual private network and virtual desktop infrastructure access to office applications and resources. With the rise of phishing scams, we have increased the frequency of reminders to employees to raise awareness on phishing scams. The reminders also include details on safeguards against scams and instructions on how to report any suspected scam emails, which will be followed by IT personnel for investigation. All employees are also required to attend recurrent online training on information security.

SIAEC is committed to act responsibly with regard to the personal data that it holds. The management and use of our employees', customers' and suppliers' data are set out in SIAEC Personal Data Protection Guidelines to ensure compliance with the Personal Data Protection Act. All employees and subsidiaries are expected to comply with the guidelines. Any data privacy concerns can be raised to SIAEC Data Protection Officer.

In FY2022/23, there were no major cybersecurity incidents and no complaints concerning breaches of customer privacy and losses of customer data.





EMPOWER OUR WORKFORCE

PROTECTING, NURTURING AND
RESPECTING OUR PEOPLE



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EMPLOYEE HEALTH, SAFETY
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TALENT ATTRACTION, RETENTION,
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DIVERSITY, EQUAL OPPORTUNITY
AND NON-DISCRIMINATION



PROTECTING, NURTURING AND RESPECTING OUR PEOPLE

At SIAEC, we believe our employee culture, competencies, capabilities and experience are critical to our success. That is why we are committed to creating a work environment that not only fosters talent attraction, retention and development, but also prioritises employee health and safety, well-being, diversity and equal opportunities. We are honoured to be recognised as one of Singapore's top 250 employers in the Singapore's Best Employers 2023 survey, conducted by The Straits Times and Statista.

OUR COMMITMENT

- Provide a safe work environment
- Continual improvements in our workplace safety and health standards
- Ensure SIAEC employees are rewarded through fair and merit-based employment practices, based on their abilities, performance, contribution and experience
- Foster an inclusive work environment and provide equal opportunities for all employees
- Invest in our employees' training and development based on their strengths and needs, to help them achieve their full potential

KEY POLICIES, PROCESSES AND PROCEDURES

- Safety Management System (ISO 45001: 2018 OHSMS certified)
- Integrated Safety Management System Policy
- Merit-based reward systems
- Learning and development programmes
- Human Resources Policy
- Inclusive work practices

TARGETS	PERFORMANCE
No work-related fatalities	✓ • No work-related fatalities in FY2022/23
Average of 34 training hours per employee per year	✓ • Average of 45.5 training hours per employee in FY2022/23
No incidents of discrimination	✓ • No reported cases of discrimination in FY2022/23
Continue to promote diversity and equal opportunity in the workplace	<ul style="list-style-type: none"> • No significant shifts in workforce diversity in FY2022/23 • Set up a Diversity Task Force to implement initiatives to promote inclusiveness and attract talents from various backgrounds

✓ Achieved ● On Track ✗ Not achieved



EMPLOYEE HEALTH, SAFETY AND WELL-BEING

[3-3]

Ensuring the health, safety and well-being of our employees is a top priority for SIAEC. Through promoting safety consciousness, we strive for zero safety incidents and prevent accidents and injuries. We continually review our practices and processes, and implement initiatives and technologies to enhance safety in operations. Providing a safe work environment also results in improved productivity and reduced absenteeism. When incidents or near misses occur, we conduct thorough reviews and share lessons learnt with employees to strengthen safety culture and processes.

SIAEC's approach towards safety is guided by four key thrusts, comprising Board and Management oversight, safety management system, training and communication, and partnership with stakeholders.

Thrust 1: Board and Management Oversight

At SIAEC, safety is encapsulated in our values, and we prioritise it at every level of our organisation. This is enshrined in various levels of management and oversight under our safety governance structure, which ensures safety is a top priority in operations.



SAFETY, HEALTH AND ENVIRONMENT COMMITTEES

- Meets monthly
- Each committee is led by a Senior Vice President and comprises unions and representatives from the operations and support divisions
- Focuses on addressing aviation and workplace safety issues and performance, including the identification and elimination of hazards and risks in their respective work areas

QUALITY AND SAFETY REVIEW COMMITTEE

- Meets monthly
- Led by Executive Vice President Operations and comprises representatives from Operations, Quality, Workplace Safety and Training Academy
- Reviews the monthly quality audit results and plan, and aviation and workplace safety indices, including updates on workplace safety campaigns and action plans arising from past incidents
- Reviews safety-related training matters bimonthly

SAFETY, HEALTH AND QUALITY COUNCIL

- Meets quarterly
- Led by CEO and comprises representatives from the operations and various Safety, Health and Environment Committees
- Oversees the Safety Management System and provides leadership in the implementation of safety policy, requirements and initiatives
- Conducts annual review of the Safety Management System to ensure that it remains relevant, adequate and effective
- Reviews safety matters and performance to improve work practices, as well as to promote safety awareness throughout the organisation

BOARD SAFETY AND RISK COMMITTEE

- Meets quarterly
- Led by an independent Board Director and comprises Board Members, with meetings attended by Senior Management
- Assists the Board in reviewing the safety and risk management framework and policies, and assesses their adequacy and effectiveness
- Oversees Management in ensuring that the Company has an effective safety management system that is compliant with regulatory requirements and best practices in the MRO industry
- Monitors safety performance on a regular basis



EMPLOYEE HEALTH, SAFETY AND WELL-BEING

[3-3]

Thrust 2: Safety Management Systems

[403-1] [403-2] [403-7] [416-1]

SIAEC's Safety Management System focuses on effective safety management at the workplace and promotes safety ownership among our employees. Our Safety Management System is certified under ISO 45001: 2018 Occupational Health and Safety Management System (OHSMS) Standard, which covers all our MRO activities in Singapore. In addition, SIAEC has attained bizSAFE Star certification in May 2022.

Our Safety Management System includes components such as safety roles and responsibilities, hazard identification and risk assessment process, training requirements, performance monitoring, audits and inspections, investigation process and key safety procedures. To ensure continued relevance and effectiveness, the Safety Management System is reviewed annually.

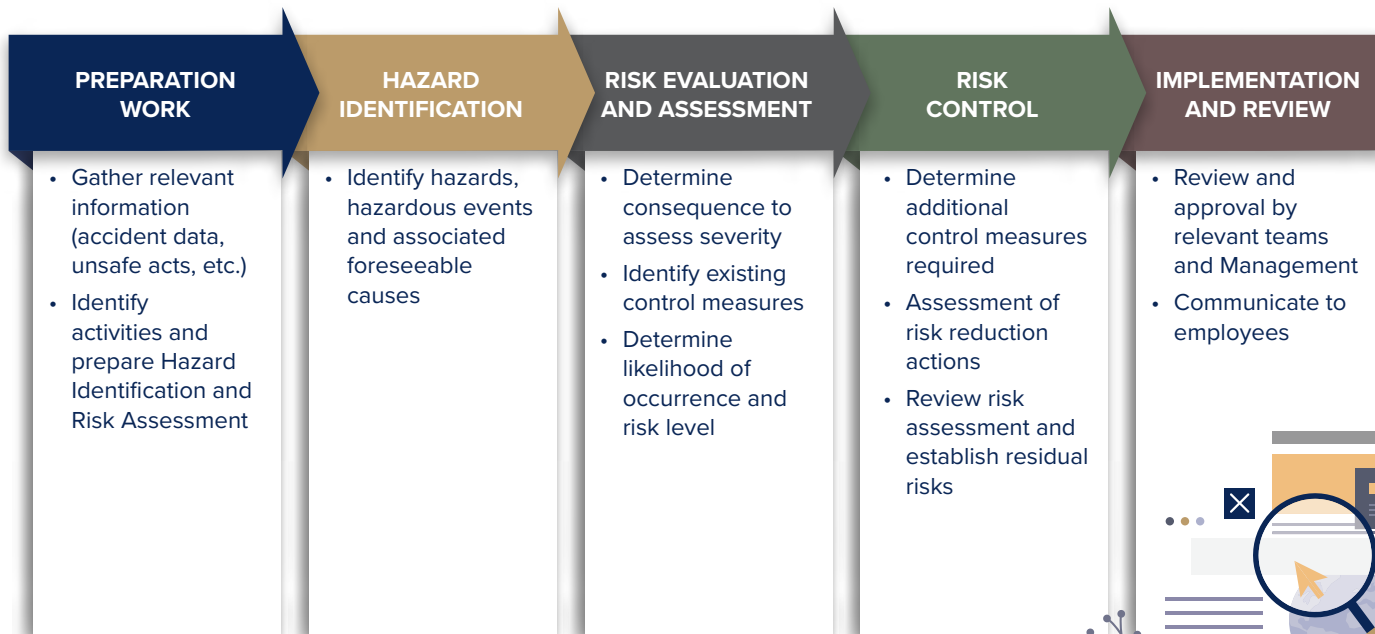
Reporting safety-related matters is another important component of the Safety Management System. All employees are required to report work-related incidents promptly to their immediate supervisor or section head. In addition, a confidential reporting hotline for quality or safety concerns is also available for our employees to provide anonymous feedback. These inputs facilitate analysis and safety intervention to be implemented.

All work-related incidents³ are investigated by the Workplace Safety and Facilities Division. The investigation process includes issuance of a preliminary accident/incident report based on initial investigation, and a final report which will identify risks and factors associated with the incident, corrective actions to be implemented and recommendations to improve the Safety Management System.

In light of a rise in workplace accidents in Singapore, the Ministry of Manpower (MOM) mandated companies in certain industries such as construction and marine to conduct a safety time-out in September 2022, which required companies to review risk assessments, improve site safety and communicate the importance of workplace safety to all workers. Recognising the benefits of refreshing employees' safety awareness, SIAEC responded to MOM's call and took a step further by conducting additional voluntary safety time-outs in FY2022/23 to review safety procedures for enhancement, as well as stepping up safety communication to the workforce.

HAZARD IDENTIFICATION AND RISK ASSESSMENT PROCESS

The process for work-related hazard² identification and risk assessment in the Safety Management System is outlined below:



2, 3 Please refer to the Appendix for definitions and methodologies



EMPLOYEE HEALTH, SAFETY AND WELL-BEING

[3-3]

Thrust 3: Training and Communication

[403-3] [403-4] [403-5] [403-7]

SIAEC recognises the importance of having open communication with our employees to allow them to voice their concerns regarding occupational health and safety issues. We actively involve our employees in the implementation and review of our safety management system. This includes engaging our employees to identify and mitigate any potential work-related hazards, develop and review occupational health and safety procedures, and involve them in the discussions on occupational health and safety at divisional Safety, Health and Environment Committee meetings.

We promote a Just Culture and encourage employees to report errors so that the Company can learn from the mistakes. Workplace safety reminders and engagement efforts are implemented to encourage employees to report on any hazards and near misses such as worn or faulty equipment or unsafe conditions in the work areas. Reports can be submitted through SIAEC quality and safety confidential digital form, which can be accessed using QR code.

To ensure all key stakeholders are informed and kept up to date, the latest occupational safety practices and requirements are disseminated timely to all employees and contractors. A safety promotion SharePoint also consolidates all information related to workplace safety. All new employees and contractors are required to undergo safety awareness training conducted by qualified workplace safety and health officers before commencing work. For existing employees, health and safety courses targeted at certain job functions are organised as refresher training. These safety trainings are conducted at the Workplace Safety Promotion Centre, which was set up in FY2020/21 to provide an integrated learning environment combining classroom-based lessons with experiential and visual learning for participants. The Centre augments existing



SPOTLIGHT:

SAFETY AND SECURITY WEEK 2022 – EMERGING STRONGER, SAFE AND SECURE

The SIAEC Safety and Security Week was held from 21-22 September 2022 and this year's theme was "Forging Ahead Together Safely and Securely". Four seminars were held covering topics such as prevention of slips, trips and falls, and exhibits in safety initiatives were featured at the event. During the event, the Company also

presented awards and citations to staff as recognition of their conscientious safety efforts, such as demonstrating good judgement and skills in handling or averting a safety incident. In the lead-up to the event, safety quizzes were also conducted to generate publicity.



programmes and training on workplace safety and highlights workplace hazards and lessons learnt from past workplace accidents in the industry.

To keep our Board Safety & Risk Committee updated on safety developments, the Company shares with the Committee relevant safety-related information via regular safety news bulletins.



EMPLOYEE HEALTH, SAFETY AND WELL-BEING

[3-3]

Thrust 4: Partnering our Stakeholders on Safety

SIAEC collaborates with our stakeholders through various partnerships and joint programmes to promote safety. Some of our key partners include the CAAS and the Changi Airport Group (CAG).

The Airport Safety Awards is an initiative by the CAG to recognise the safety efforts of employees and partners of the airport community. SIAEC has been participating in the Airport Safety Awards and is honoured to receive three awards in 2022. The awards are testament to SIAEC's commitment to building a strong safety culture.

SIAEC also seeks to promote a strong safety culture among our subsidiaries, JV and associated companies. We actively engage them on their safety performance and render support and assistance as necessary, in particular the subsidiaries and JVs with management control. These include conducting audits, providing training and advices, and sharing of best practices and lessons learnt. A JV Quality and Safety Seminar was also held on 24 March 2023 as part of regular engagement on safety.



SPOTLIGHT:

EXAMPLE OF AWARD-WINNING SOLUTIONS

A team from SIAEC Line Maintenance Division won an award at the Airport Safety Awards with an initiative to apply luminous paint on the aircraft axle jack adaptors, which are used for jacking of aircraft during wheel or brake change. This facilitates operations and maintenance teams to position the jack correctly. When positioned properly, the luminous painted portion would not be visible.



The consequence of improper installation of the axle jack adaptor may result in aircraft damage or injuries to personnel during aircraft wheel or brake change. This simple innovative solution helps to ensure the work is conducted properly and safely.



SPOTLIGHT:

GROUND-UP IDEAS TO IMPROVE SAFETY

SIAEC constantly engages staff to provide suggestions to improve productivity and safety, and contribute innovative ideas through platforms such as the Innovation Challenge. One such ground-up initiative was developed to address difficulties during the transport of gas cylinders in the Safety Equipment Shop. The size of these cylinders caused inspection and transportation to be ergonomically inefficient and posed a safety risk as employees could be injured during manual handling of the canisters. The Safety Equipment Team created a custom trolley with the ability to rotate the gas cylinders, which facilitated quicker and safer inspections of gas cylinders, and reduced the effort needed and risks involved in transferring cylinders from one location to another.





EMPLOYEE HEALTH, SAFETY AND WELL-BEING

[3-3]

OCCUPATIONAL HEALTH OF EMPLOYEES

[403-6]

Occupational health services are provided to our employees to safeguard their health and well-being. SIAEC provides periodic medical examinations, and monitors and reports on the health status of employees who may be exposed to excessive noise, radiation and harmful chemicals. Updates on occupational health status of our employees are reported at the Safety, Health and Quality Council meetings every quarter.

The risk of prolonged exposure to loud noises during maintenance work may cause work-related ill health such as noise-induced deafness. In FY2022/23, SIAEC recorded 3 new cases of advanced noise-induced deafness for its employees. To prevent noise-induced deafness, relevant employees and workers will attend an annual audiometric examination along with regular training on the use and maintenance of hearing protection equipment.

OUR SAFETY PERFORMANCE⁴

[2-8] [403-9]

There were no cases of high-consequence work-related injuries for both employees and workers in FY2022/23, and the rate of work-related and recordable work-related injuries have decreased compared to FY2021/22. The main types of work-related injuries include cuts and abrasions, bruises and contusions. Root causes were identified and actions were

taken to prevent recurrence. SIAEC continues to conduct ground safety engagement efforts such as monthly safety

campaigns to promote the reporting of near misses and safety hazards.

	FY2018/19		FY2019/20		FY2020/21		FY2021/22 ⁵		FY2022/23	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate
For Employees										
Work-related injuries	71	6.06	60	5.29	40	4.72				
Recordable work-related injuries	63	5.38	54	4.76	36	4.25	43	4.81	35	3.62
High-consequence work-related injuries	0	–	2	0.18	0	–	0	–	0	–
Fatalities as a result of work-related injuries	0	–	1	0.09	0	–	0	–	0	–
For Workers										
Work-related injuries	9	2.51	17	4.87	3	2.66				
Recordable work-related injuries	9	2.51	17	4.87	3	2.66	9	7.92	12	6.10
High-consequence work-related injuries	0	–	0	–	0	–	0	–	0	–
Fatalities as a result of work-related injuries	0	–	0	–	0	–	0	–	0	–

Note: The total number of worker man-hours is 1,966,538 in FY2022/23. They include cleaners, aircraft technicians from aerospace labour suppliers, and workers from wholly-owned subsidiary, Singapore Aero Support Services, who are working on-site at SIAEC's premises.

⁴ Please refer to the Appendix for definitions and methodologies

⁵ Since 1 September 2020, all work-related lost time injuries (LTI) are reportable to MOM



TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

[3-3]

SIAEC is committed to fostering a nurturing work environment that supports and empowers employees to develop to their full potential. Through various opportunities, training and upskilling programmes, along with a range of employee benefits and well-being initiatives, SIAEC strives to enhance job satisfaction of employees and boost productivity. With strong recovery in the aviation industry as countries reopen their borders after the pandemic, our earlier approach to retain employees during the downturn allows SIAEC to mitigate manpower constraints as the flight activities increase. Amid the tight labour market and competition for talent, SIAEC periodically conducts benchmarking to ensure employee remuneration packages remain competitive. SIAEC mitigates the costs with Lean, innovation, digitalisation and automation initiatives to improve productivity.

OUR EMPLOYEE PROFILE

[2-7]

Our competent and talented workforce of executives, licensed aircraft engineers and technicians remain a cornerstone of SIAEC's success. We are committed to building a fair and supportive work environment and culture for our people and organisation.

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

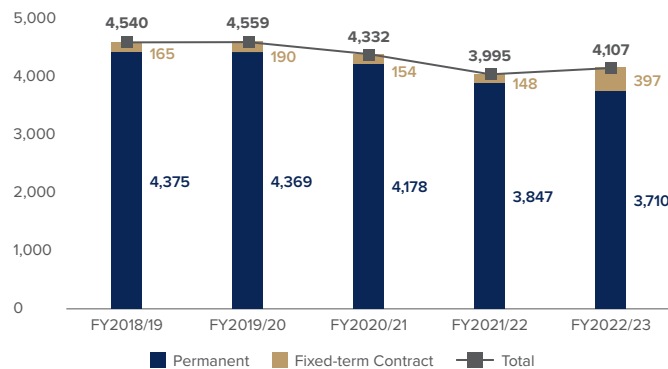
[401-1]

In FY2022/23, our hiring rate was 11.2% (FY2021/22: 4.7%) as the Company stepped up recruitment in tandem with recovery of aviation industry. Our employee turnover rate was 7.2% (FY2021/22: 13.1%) as more staff who reached retirement age

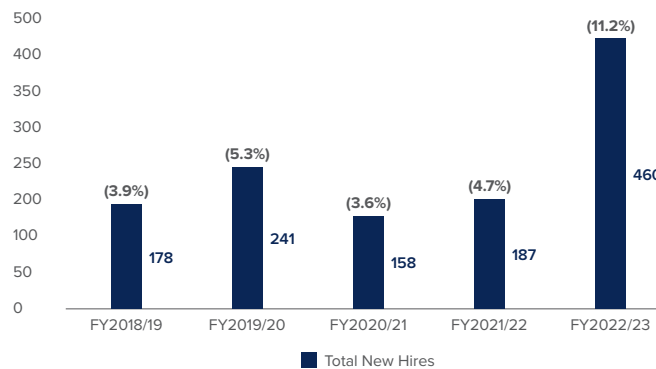
were re-employed compared with the previous year. The voluntary employee turnover rate increased marginally to 6.2% (FY2021/22: 5.5%) amid the competition for talents.

We remain committed to inclusive recruitment practices and maintaining a diverse and qualified workforce. For more information, please refer to the Diversity, Equal Opportunity and Non-discrimination section of this report.

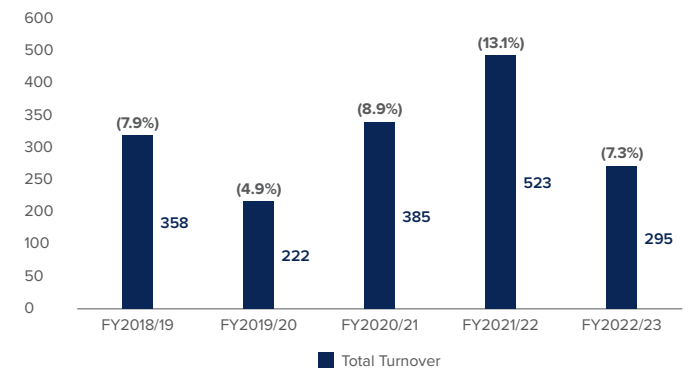
TOTAL EMPLOYEE STRENGTH



TOTAL NEW HIRES AND NEW HIRE RATE



TOTAL EMPLOYEE TURNOVER AND EMPLOYEE TURNOVER RATE



Note: All our employees are employed on full-time basis.



TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

[3-3]

EMPLOYEE SATISFACTION AND WELL-BEING [403-6]

Our employees are SIAEC's greatest asset. We seek to retain our human capital by prioritising employee satisfaction, welfare and well-being. To better understand our employees' needs, SIAEC engages our employees through various activities, including regular employee pulse surveys and a biennial organisational climate survey which was conducted in August

2022, with focus group discussions organised to follow up on the results to gain better insights into areas of strength or requiring improvement. Our employee surveys provide a channel for our people to voice their concerns and views. These surveys cover a range of topics including mindset shifts, operational improvements, sustainability, mental well-being, etc.

There are also initiatives to promote employee health and well-being to encourage our employees to lead a healthy lifestyle.



SPOTLIGHT:

AUGUST EVENTS TO CELEBRATE NATIONAL DAY

To celebrate Singapore's 57th birthday, the Sports and Recreational Committee organised a series of four events for SIAEC employees. Employees participated in Laser Clay shooting, a Hiking trail from the North to the South of Singapore, and two month-long challenges – a 57km Walk/Run challenge and a Round-Island Adventure Cycling challenge. Prizes such as exclusive tee-shirts and gift cards were distributed to employees as rewards.

EMPLOYEE HEALTH BENEFITS

- Complimentary basic health screening for all employees annually
- Subsidies from the Company for more comprehensive health check-ups every two years
- Portable Medical Benefits Scheme
- Free recommended vaccinations (yellow fever, etc.)



PHYSICAL AND MENTAL WELL-BEING ACTIVITIES

- Regular health talks and fitness activities
- Sharing of health tips via SIAEC's in-house magazine
- Hotline for employees to contact and seek assistance from counsellors and psychiatrists
- Peer support group comprising employees of various background for employees who require assistance
- Well-being talks and training to educate employees on physical and mental health issues and how they can be managed, as well as tips to improve overall well-being
- Survey to understand employees' mental well-being
- In FY2022/23, the Employee Wellness Portal was created to promote and consolidate all well-being information and activities

SPORTS AND RECREATIONAL COMMITTEE

- Organisation of sports, social and other recreational activities for employees such as:
 - o Yoga, hiking and cycling activities
 - o Interdivisional sports tournaments
 - o Virtual walk/run challenge as part of National Day celebrations
 - o Environment-themed activities





TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

[3-3]

PERFORMANCE REVIEW

[404-3]

Our employees are rewarded based on their abilities, performance, contribution and experience. We believe in the importance of having regular performance reviews and dialogues between employees and their supervisors, hence all employees receive appraisals that facilitate two-way feedback and alignment on goals and expectations. There are incentive schemes in place to motivate and reward good performance.

OPERATIONAL EXCELLENCE FRAMEWORK

Under the Operational Excellence Framework, employees in operations divisions are rewarded when they achieve operational targets. The scheme aims to:

- drive operational excellence and promote quality and safety
- achieve transformation through the adoption of Lean methodology and ground-up initiatives/feedback

STAR EMPLOYEE AWARDS

The quarterly STAR Employee Award recognises outstanding employees who have exemplified excellence in their work, rendered care and services beyond their normal course of duty and consistently demonstrated the Company's core values.

In December 2022, the STAR Employee Award was enhanced to also recognise employees who demonstrate behaviours that contribute or actively drive Lean, Digital or Transformative initiatives.





TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

[3-3]

TRAINING AND DEVELOPMENT

For SIAEC to achieve business resilience and excellence, nurturing a competent workforce with a future-ready skillset is essential. Our employees undergo various structured training and development programmes that build both technical competencies and soft skills.

Training Academy

SIAEC is committed to establish an ecosystem of aerospace professionals by harnessing our technical expertise in the MRO business to develop a series of training programmes. Our Training Academy is an approved Maintenance Training Organisation recognised by civil aviation authorities across the world, a training provider recognised by SkillsFuture Singapore for continuing education and training, and a Workforce Skills Qualifications Approved Training Organisation.

Through our robust curriculum of ab-initio and specialised aerospace and aircraft-related courses, the Training Academy supports training needs of our employees, subsidiaries, JV and associated companies, strategic partners and key customers, and helps to build a pipeline of talent for the growing demand for qualified and skilled technical personnel in the aviation industry.



PROGRAMMES UNDER SIAEC TRAINING ACADEMY

AEROSPACE CAREER CONVERSION PROGRAMMES

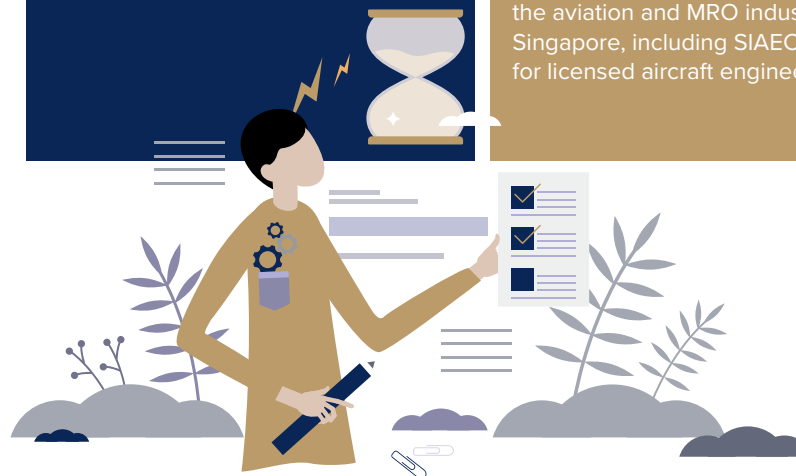
The Academy has been appointed by Workforce Singapore as the Programme Manager for the Aerospace Career Conversion Programmes. This placement programme aims to help professionals, managers, executives and technicians transition into new occupations by reskilling them for new job roles in fleet management, quality assurance, technical services, workshop engineering, structural maintenance and cabin retrofitting works.

INTEGRATED WORK STUDY PROGRAMME IN COLLABORATION WITH SINGAPORE INSTITUTE OF TECHNOLOGY

SIAEC, in collaboration with Singapore Institute of Technology, jointly delivers a three-year direct honours degree programme leading to a Bachelor of Engineering with Honours in Aircraft Systems Engineering. The programme incorporates an eight-month Integrated Work Study Programme at SIAEC, which also grants qualified students with a Certificate of Recognition recognised by the CAAS. Graduates from this programme will help to fulfil manpower demand from the aviation and MRO industry in Singapore, including SIAEC's need for licensed aircraft engineers (LAEs).

WORK STUDY CERTIFICATE AND DIPLOMA IN COLLABORATION WITH TEMASEK POLYTECHNIC AND INSTITUTE OF TECHNICAL EDUCATION

SIAEC and our wholly-owned subsidiary, Singapore Aero Support Services, are collaborating with Temasek Polytechnic and Institute of Technical Education on the Work Study Certificate and Work Study Diploma respectively. The two programmes create additional pathways for local graduates to explore careers in the aviation industry and provide a pipeline of trainee technicians for SIAEC. Students undergo a structured programme at the IHLs and SIAEC. The programmes with Temasek Polytechnic and Institute of Technical Education commenced in December 2019 and April 2022 respectively.





TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

[3-3]



SPOTLIGHT:

COLLABORATION WITH INSTITUTES OF HIGHER LEARNING (IHLs) TO DEVELOP NEXT GENERATION OF SKILLED PROFESSIONALS

SIAEC has signed a MOU with seven IHLs to establish diverse pipelines of skilled professionals, provide lifelong learning opportunities for its workforce and promote bilateral knowledge exchange between industry and academia. The seven IHLs are Institute of Technical Education, Nanyang Polytechnic, Ngee Ann Polytechnic, Republic Polytechnic, Singapore Polytechnic, Temasek Polytechnic and Singapore Institute of Technology.

SIAEC will work closely with the IHLs to curate training curriculum for industry-relevant skills, provide structured internships and industry attachments, increase employment placement offers, as well as participate in interdisciplinary projects and research with IHL students and academic staff. The collaboration is an extension of SIAEC's existing programmes to support lifelong learning and ensure a continuous pipeline of talents.

Drawing from SIAEC's experience as a leading aerospace company specialising in aircraft maintenance, academia can gain invaluable insights into the latest industry practices and technologies, and exposure to industry developments

such as new aircraft types. This will empower and pre-equip academia with the essential competencies to stay in step with the requirements of an evolving aerospace landscape. While nurturing future generations of licensed aircraft engineers and technicians remain a key priority, new initiatives under this collaboration with IHLs will focus on attracting talents from diverse disciplines integral to the future development of the aerospace industry. This will be made possible by creating greater awareness to a range of professional expertise required by the aerospace industry in areas such as sustainability, digital innovation, maintenance operations planning, continuing airworthiness management, business development and more.

Continuing Education and Training programmes will also be an important facet of the partnership. SIAEC can leverage the breadth of knowledge and expertise of IHLs to enhance such programmes. This reinforces SIAEC's commitment to support lifelong learning of its employees through equipping them with emerging skills beyond aerospace engineering that are necessary for the future.



Minister for Education, Mr. Chan Chun Sing, was present at the ceremony to witness the signing of MOU between SIAEC and seven IHLs.



TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

[3-3]

Employee Development

As part of employee development, the Company has various schemes in place for employees to upgrade themselves such as Continuing Education Scheme, Technician Progression Pathway and LAE-Executive Programme.

SIAEC DEVELOPMENT SCHEMES

CONTINUING EDUCATION SCHEME

We believe in lifelong learning and support our employees to upgrade themselves. The Continuing Education Scheme provides sponsorships for employees to pursue higher educational qualifications.

TECHNICIAN PROGRESSION PATHWAY

Our technicians are given the opportunity to undergo training to become certifying technicians (CTs) and upgrade themselves further to become LAEs. This provides a good career progression pathway for our technicians. By assigning CTs to perform routine aircraft transit checks, we can deploy the LAEs to perform other critical maintenance tasks such as defect trouble-shooting and rectification.

LAE DEVELOPMENT PROGRAMME

Our promising LAEs are given opportunities to join a development programme which exposes them to different work experiences beyond an operational role, in areas such as planning, continuous improvement and quality standards. LAEs under this programme will broaden their understanding of the business, participate in core business activities, key projects and initiatives, and acquire broad leadership and business skills. With further development, these employees can look forward to becoming the future leaders in our operations divisions.

To support SIAEC's growth, the Company also invests significantly in the training of its workforce. In addition, as part of Transformation Phase 2, our employees are being trained in Lean methodology covering the following three key areas:

Focus Areas	Description of Training Programme
Digital	Digital Awareness, Data Analytics, Internet of Things and Data Visualisation
Transformation and Innovation	Agile Awareness and Fundamentals, Scrum, Robotics, and Operations Management and Planning
Process Improvement (Lean)	Lean Fundamentals, Operational Excellence through Lean – Flow, Value Streams, Kaizen

Further information about Lean and SIAEC Lean Academy can be found under Lean and Continuous Improvement on Page 20.

INVESTMENTS IN TRAINING

[404-1]

In FY2022/23, S\$12.6 million was invested in the training of our people, an increase of S\$5.0 million compared to S\$7.6 million in FY2021/22. Our employees received a total 155,853 hours of technical training and 27,912 hours of development and soft skills training respectively.

AVERAGE TRAINING HOURS	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
By Gender					
Male	Note: Starting FY2020/21, the breakdown of average training hours per employee by gender is tracked and reported.		53.3	44.5	46.3
Female			25.2	23.0	39.1
By Employee Category					
Managers and above	34.7	22.7	19.2	23.6	27.6
Executives	59.4	31.5	42.5	37.5	47.1
Other employees	43.0	39.7	52.3	43.3	45.8



DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

[406-1]

SIAEC is committed to promoting diversity and equal opportunity in the workplace as we believe a diverse workforce can provide richer varied perspectives which can promote innovation, creativity and problem-solving, leading to improved employee engagement, productivity and retention.

Our policies and processes aim to foster an inclusive culture and create a work environment that is conducive to people of diverse religious and ethnic backgrounds, physical capabilities and gender. This will result in a more diverse and skilled workforce, with improved employee satisfaction, well-being and mental health, as well as a more positive workplace culture. In FY2022/23, a Diversity Task Force was formed to implement initiatives to promote inclusiveness and attract talents from various backgrounds.

We seek to prevent the occurrence of discriminatory practices not limited to nationality, ethnicity, gender, religion, age and disability.

Alleged incidents of discrimination can be reported to the employees' supervisors or via our whistle-blowing channels, which will be duly investigated. In FY2022/23, there were no reported cases of discrimination.



SPOTLIGHT:

DIVERSITY TASK FORCE

As we work to foster a more diverse and inclusive work environment, a Diversity Task Force led by the Chief Financial Officer was formed in FY2022/23. A key objective of the Task Force is to make the work environment more conducive for female employees, with the aim to attract more females to join SIAEC. One of the initiatives is the setting up of nursing facility in office to support new mothers as they return to work.

Together with existing schemes such as Flexible Start-Of-Day to allow employees the option of starting their workday earlier or later to accommodate their personal schedules, as well as permanent hybrid working arrangements for eligible roles where employees are allowed to work up to two days per week from home, we strive to better support working parents and attract and retain diverse talents.





DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

[406-1]

DIVERSITY OF GOVERNANCE BODIES

[405-1]

The Board views diversity as important to ensure that Board members provide the necessary range of perspectives, insights, experience and expertise for effective stewardship and management of the Company's business, and to help the Company build business resilience while making a difference. As at 31 March 2023, the Board consisted of 11 Directors of whom 3 are female. Please refer to the FY2022/23 Annual Report for more details on composition and diversity of the Board.

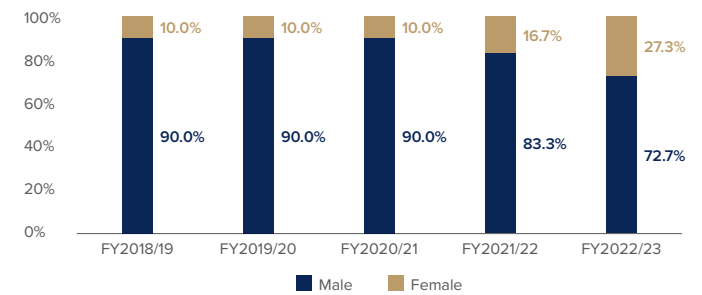


DIVERSITY OF GOVERNANCE BODIES

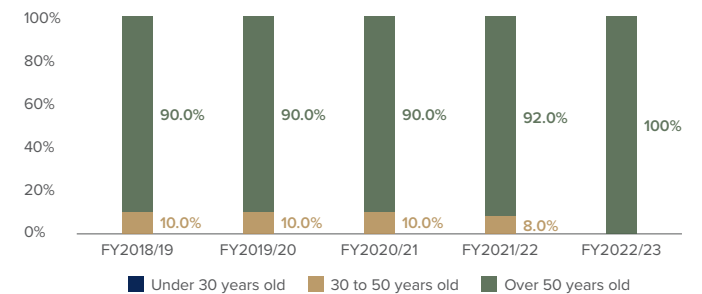
BOARD OF DIRECTORS

Total	10	10	10	12	11
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BREAKDOWN BY GENDER



BREAKDOWN BY AGE GROUP





DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

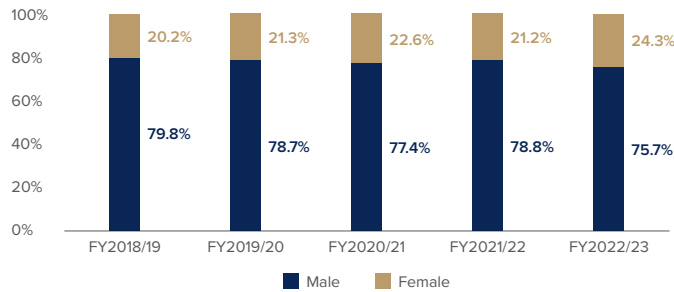
[406-1]

DIVERSITY OF EMPLOYEE PROFILE [2-7] [405-1]

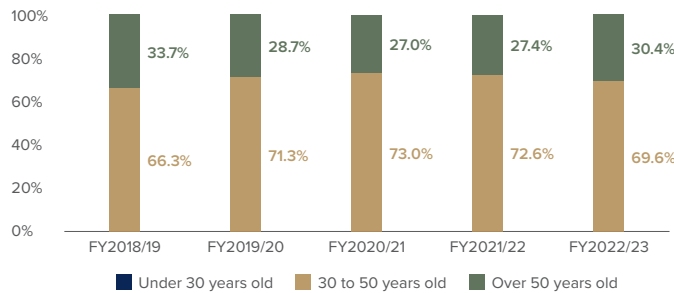
MANAGERS AND ABOVE

Total	104	108	115	113	115
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BREAKDOWN BY GENDER



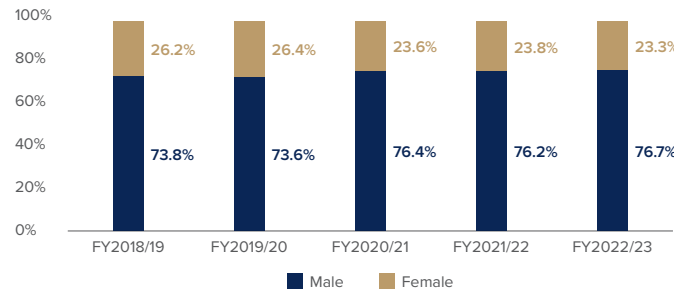
BREAKDOWN BY AGE GROUP



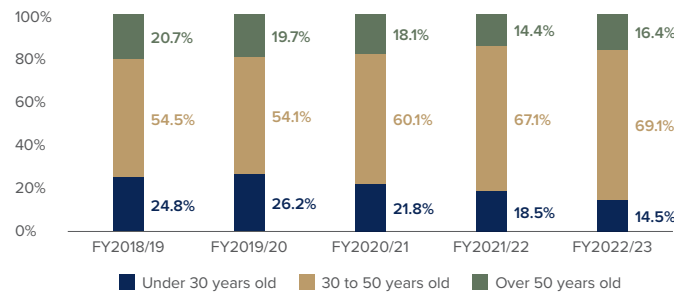
EXECUTIVES

Total	431	458	436	471	463
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BREAKDOWN BY GENDER



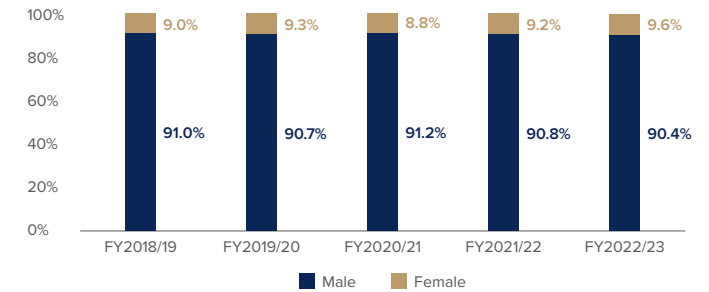
BREAKDOWN BY AGE GROUP



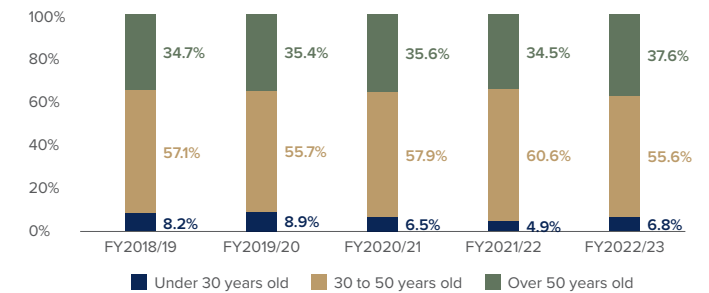
OTHER EMPLOYEES

Total	4,005	3,993	3,781	3,411	3,529
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BREAKDOWN BY GENDER



BREAKDOWN BY AGE GROUP





DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

[406-1]

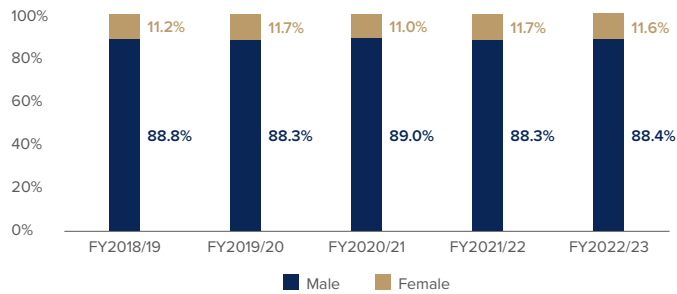
DIVERSITY OF EMPLOYEE PROFILE

[2-7] [405-1]

PERMANENT EMPLOYEES

Total	4,375	4,369	4,178	3,847	3,710
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BREAKDOWN BY GENDER



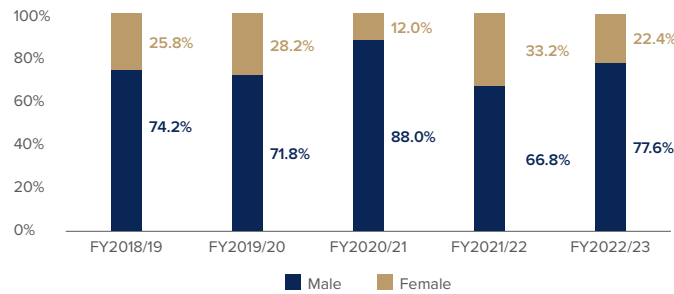
BREAKDOWN OF NEW EMPLOYEE HIRES AND TURNOVER

[401-1]

NEW HIRES

Total	178	241	158	187	460
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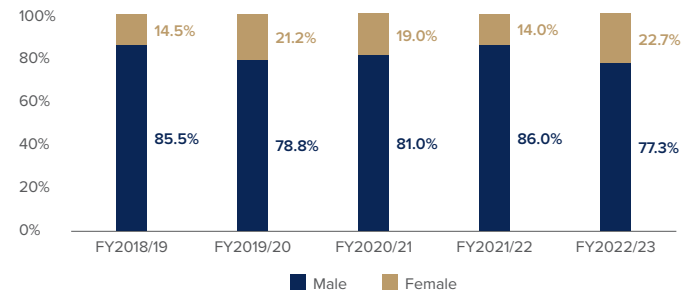
BREAKDOWN BY GENDER



EMPLOYEE TURNOVER

Total	358	222	385	523	295
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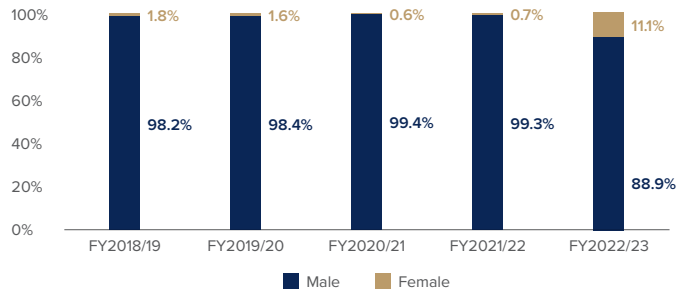
BREAKDOWN BY GENDER



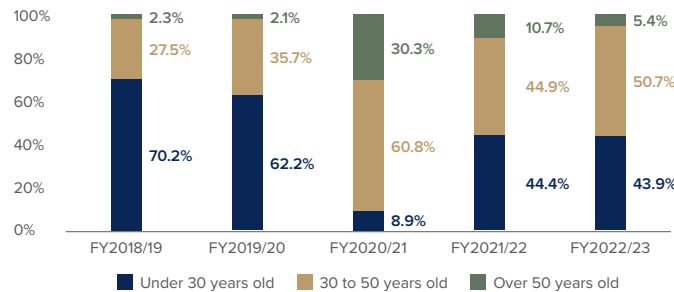
FIXED-TERM CONTRACT EMPLOYEES

Total	165	190	154	148	397
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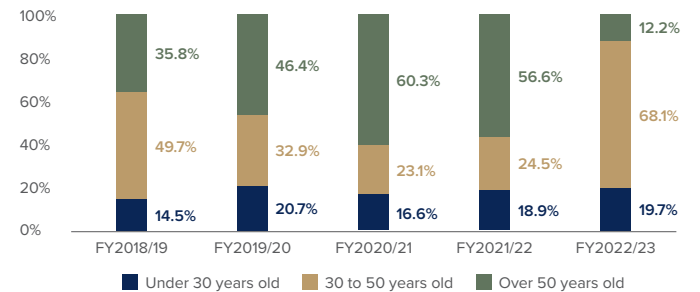
BREAKDOWN BY GENDER



BREAKDOWN BY AGE GROUP



BREAKDOWN BY AGE GROUP



Note: The high proportion of new hires above 50 years old in FY2020/21 was due to employees transferred from wholly-owned subsidiary, Heavy Maintenance Singapore Services, following the integration of its operations into the parent company for greater efficiency.

Note: The increase in number of fixed term-contract employees was due to recruitment of contract technicians and planners to ramp up operations.



MANAGE OUR ENVIRONMENTAL IMPACT

BEING ENVIRONMENTALLY RESPONSIBLE
AND COMBATTING CLIMATE CHANGE



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CLIMATE CHANGE RESILIENCE
AND MITIGATION

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ENERGY AND EMISSIONS
MANAGEMENT

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WATER AND EFFLUENTS
MANAGEMENT

58

WASTE MANAGEMENT AND
RESOURCE CIRCULARITY



BEING ENVIRONMENTALLY RESPONSIBLE AND COMBATTING CLIMATE CHANGE

Acknowledging the urgent need for significant reductions in global greenhouse gas (GHG) emissions to halt rising temperatures, SIAEC is committed to doing our part in reducing emissions and preserving natural resources for future generations.

As an MRO service provider, SIAEC's work contributes towards environmental sustainability by prolonging the lifespan of aircraft and components. We conduct our operations in an environmentally responsible manner and actively explore sustainable solutions to contribute to global efforts in combatting climate change.

[2-27]

OUR COMMITMENT

- **Net-zero emissions by 2050, and halve Scope 1 and 2 emissions by 2030**
- **Continual improvement of our Environmental Management System through energy and emissions reduction programmes, as well as performance monitoring**
- **Comply with environmental regulations and standards**

KEY POLICIES, PROCESSES AND PROCEDURES

- **Environmental Policy**
- **Environmental Management System**

TARGETS	PERFORMANCE
Driving decarbonisation plans to halve Scope 1 and 2 emissions by 2030 (against FY2019/20 baseline)	⊖ Embarked on plans to install additional solar panels, replace with energy-efficient chillers in hangars and optimise the usage of air compressors in operations to conserve electricity
Pursuing water conservation initiatives to reduce 15% of water intensity by 2030 (against average intensity from FY2017/18 to FY2019/20)	⊖ Additional three hangars and Engine Test Facility achieved the PUB Water Efficient Building certification in FY2022/23
Ensuring compliance with regulations on effluents management	⊕ No non-compliance with regulations on effluents management in FY2022/23
Continue with recycling efforts to achieve 30% recycling rate by 2030	⊖ 23.0% recycling rate in FY2022/23
No environmental-related fines or non-monetary sanctions	⊕ No environmental-related fines or non-monetary sanctions in FY2022/23

⊕ Achieved ⊖ On Track ⊗ Not achieved



BEING ENVIRONMENTALLY RESPONSIBLE AND COMBATTING CLIMATE CHANGE



SPOTLIGHT:

SIAEC'S ENVIRONMENTAL POLICY STATEMENT

[2-23]

SIAEC is committed to environmental sustainability. We strive to achieve this through continual improvement of our Environmental Management System. We work towards enhancing environmental performance and managing environmental risks through:

- Cultivating an environmentally responsible mindset through training and engagement

- Ensuring compliance with all regulatory requirements and relevant environmental standards that are applicable to our activities and services

- Integrating environmental considerations into our business processes where applicable, and ensuring our operations are carried out in an environmentally responsible manner

- Adopting a proactive approach in protecting the environment by focusing on the prevention of pollution and reducing our carbon footprint





CLIMATE CHANGE RESILIENCE AND MITIGATION

[3-3]

SIAEC recognises the importance of building resilience to climate change to ensure a sustainable business. A lack of resilience will leave the business vulnerable to impacts of climate change, including more frequent and severe weather events which can affect operations. SIAEC has thus taken steps to play a part to combat climate change such as decarbonising operations and initiating engagement with its value chain to do the same.

NET-ZERO EMISSIONS

The Paris Agreement is an international treaty which aims to limit global warming to well below two, and preferably to 1.5 degrees Celsius, compared to pre-industrial levels. The latest synthesis report published in March 2023 for the sixth Intergovernmental Panel on Climate Change (IPCC) assessment cycle warned that a failure to limit global warming to 1.5°C would lead to more severe heatwaves, floods, droughts and other adverse effects across the globe, and that significant investments in climate change mitigation and adaptation measures are needed.

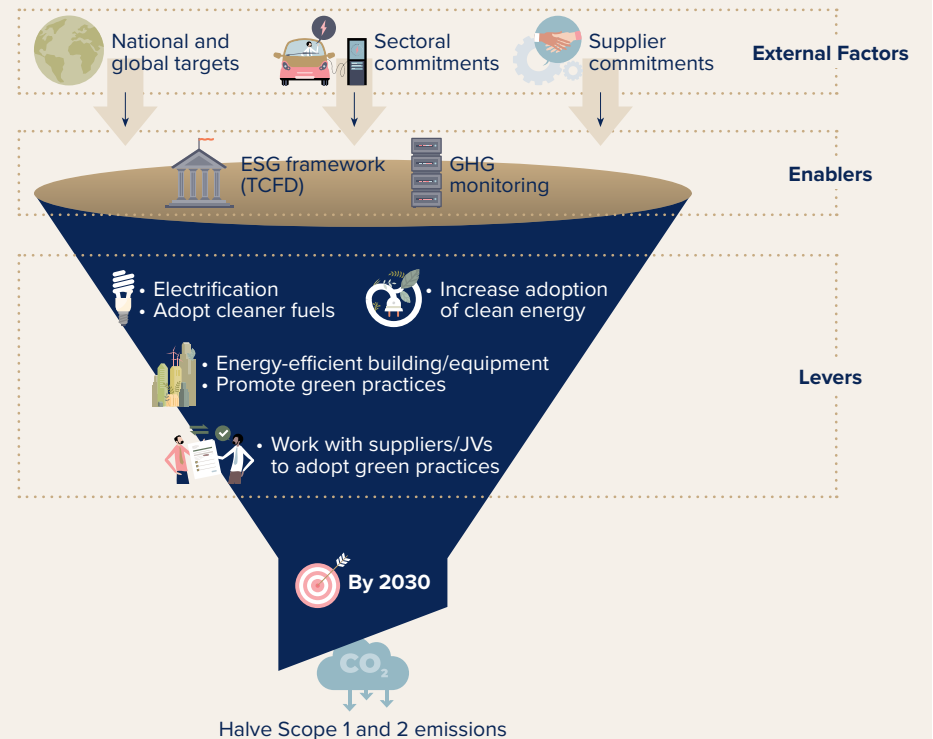
Given this pressing urgency, the International Air Transport Association and International Civil Aviation Organisation have committed to achieving net-zero emissions for the global aviation industry by 2050. In line with these industry targets and Singapore's climate targets, SIAEC is also committing to achieving net-zero emissions by 2050. To ensure that the Company remains on track to achieve the goal by 2050, we have set an intermediate target to halve Scope 1 and 2 emissions by 2030 (against FY2019/20 baseline).



SPOTLIGHT:

SIAEC DECARBONISATION FRAMEWORK

In FY2021/22, SIAEC engaged an external consultant to establish a path towards net-zero emissions by 2050. Taking reference from methodology by Science Based Targets initiative, the Company has set an intermediate target to halve Scope 1 and 2 emissions by 2030 (against FY2019/20 baseline). As part of the process to set the intermediate target, the Company has established the Group's GHG inventory for Scope 1, 2 and 3 emissions. A framework of potential levers and enablers to decarbonise operations has been developed to guide efforts towards achieving the 2030 intermediate target.





CLIMATE CHANGE RESILIENCE AND MITIGATION

[3-3]

REPORTING ON CLIMATE-RELATED RISKS AND OPPORTUNITIES

As part of our commitment to transparency and effective climate governance, we will be reporting our progress in addressing climate-related risks and opportunities based on phased adoption of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

During the year, we began to identify and evaluate the climate-related risks and opportunities in our operations and business. More information on the progress of implementing TCFD recommendations can be found in the following sections.

Governance

The Board oversees sustainability in SIAEC through the establishment of various Board committees such as the Board Sustainability Committee, Management Committee and Sustainability Working Group. The Board Sustainability Committee was established to assist the Board in accelerating, leading and guiding the SIAEC Group's sustainability efforts. Its responsibilities also include the management of the Company's environmental risks, and include climate-related risks/opportunities.

The Management Committee comprises Senior Management as members and is chaired by CEO. The Management Committee supports the Board Sustainability Committee and the Board in setting out SIAEC's sustainability strategy and direction, and overseeing potential and actual impacts of

SIAEC's activities on the economy, environment and people. The Management Committee also provides periodic updates to the Board and Board Sustainability Committee on key sustainability initiatives and matters.

The Sustainability Working Group, which reports to the Management Committee, comprises representatives from the operations and key support divisions, and is co-chaired by the Chief Sustainability Officer and Chief Financial Officer. It drives sustainability efforts and initiatives, and seeks to foster a culture of sustainability in SIAEC.

Strategy

SIAEC is in the process of conducting a climate scenario analysis to understand the Company's resilience to climate change across the short term (by 2025), medium term (by 2030) and long term (by 2050). The time horizons were selected to align with SIAEC's 2030 targets and 2050 net-zero ambition. The analysis takes into account two climate pathways, namely a Net-Zero Emissions scenario (2°C or lower) and a Middle-Of-The-Road scenario (approx. 2.4°C to 2.8°C)⁶, primarily taking reference from the Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) published by IPCC⁷.

- **Net-Zero Emissions Scenario (IPCC RCP 2.6 and SSP1-2.6)**

This scenario assumes that the world shifts gradually, but pervasively, toward a more sustainable path, emphasising

more inclusive development that respects perceived environmental boundaries. Management of the global commons slowly improves, educational and health investments accelerate the demographic transition, and the emphasis on economic growth shifts towards a broader emphasis on human well-being. Driven by an increasing commitment to achieving development goals, inequality is reduced both across and within countries. Consumption is oriented towards low material growth and lower resource and energy intensity.

- **Middle-Of-The-Road Scenario (IPCC RCP 4.5 and SSP2-4.5)**

This scenario assumes that the world follows a path in which social, economic and technological trends do not shift markedly from historical patterns. Development and income growth proceed unevenly, with some countries making relatively good progress while others fall short of expectations. Global and national institutions work towards but make slow progress in achieving sustainable development goals. Environmental systems experience degradation, although there are some improvements and overall the intensity of resource and energy use decline. Global population growth is moderate and levels off in the second half of the century. Income inequality persists or improves only slowly and challenges to reducing vulnerability to societal and environmental changes remain.

6 The estimated temperature range referenced here is for representation purposes and draws upon four sources – IPCC RCP 4.5, IPCC SSP 2-4.5, International Energy Agency (IEA) Stated Policies Scenario (STEPS) and the Network for Greening the Financial System (NGFS) Nationally Determined Contributions (NDCs).

7 The description of the scenarios were referenced from O'Neill et al., 'The roads ahead: Narratives for shared socioeconomic pathways describing world futures in the 21st century' (2017) and Riahi et al., 'The Shared Socioeconomic Pathways and their energy, land use, and greenhouse gas emissions implications: An overview' (2017).



CLIMATE CHANGE RESILIENCE AND MITIGATION

[3-3]

SIAEC is aware of the potential impacts of transition⁸ and physical⁹ climate risks on our operations and will continue to closely monitor and review these issues to ensure any potential operational disruption will be minimised. The table on the right provides an overview of some of the identified climate-related risks from our preliminary assessment. More details on the identified climate-related risks, opportunities and relevant mitigation measures will be disclosed in future reports upon completion of the full climate scenario analysis.

Risk Management

At the Company level, SIAEC has a Risk & Compliance Management Committee chaired by the Executive Vice President Operations and comprises members from Management. The Risk & Compliance Management Committee reviews risks and controls relating to the management of risks across the Company, including climate-related issues. Additionally, the Joint Ventures Risk & Compliance Management Committee, which is chaired by Senior Vice President Partnership Management and Business Development and comprises members from Management and Partnership Management Division, oversees all risks faced by the subsidiaries, JV and associated companies.

At the SIAEC Group level, SIAEC has the Management Committee and Group Risk & Compliance Management Committee, both of them are chaired by CEO and comprise Senior Management as members. The Group Risk & Compliance Management Committee reviews group-wide risks and controls, and together with the Management Committee, is a forum for coordination of policies and risk controls as well as climate-related issues, across the Group.

As detailed in the risk management section on page 26, SIAEC has in place a risk management framework that sets out the policies, processes and procedures for identifying, evaluating and managing risks. Upon completion of the climate scenario

RISK CATEGORY	RISK TYPE	RISK DESCRIPTION	POTENTIAL FINANCIAL IMPACTS
Transition Risk	Policy and Legal	Increased operating expenses from rising national carbon tax	<ul style="list-style-type: none"> Increased carbon taxes could lead to increased operating expenses from the rising utility costs on fuel and energy
	Policy and Legal	Current and emerging climate-reporting regulations for listed firms	<ul style="list-style-type: none"> Increased costs to implement processes to ensure compliance against mandatory climate and carbon emissions reporting requirements Resources needed to meet climate-related disclosures
	Reputation	Association with high-emitting companies across value chain (high Scope 3 emissions)	<ul style="list-style-type: none"> Increased operating expenditure from managing Scope 3 emissions Adverse publicity from association with high-emitting suppliers or value chain partners which could potentially negatively impact reputation and revenue
Physical Risk	Increased severity of extreme weather events such as flash floods	Properties located in high flood risk areas	<ul style="list-style-type: none"> Physical damage or impairment of assets Increased insurance costs

analysis, SIAEC will start to incorporate identified climate-related risks and opportunities into the existing Enterprise Risk Management Framework to identify, assess, monitor and manage climate-related risks and opportunities.

Climate-related risks and opportunities are prioritised and assessed by probability and consequence, using SIAEC's existing risk assessment matrix as a guide. Prioritisation also takes into account the resources and objectives of SIAEC balanced against the risk tolerance and control policies. The identified climate-related issues are reviewed by the respective business units to evaluate the risk rating and impact on their business and operations.

To ensure the continued relevance and adequacy of identified risks and the effectiveness of preventive and mitigating measures, the Group's risk registers are reviewed every six months. During these half-yearly reviews, close attention

is also given to the identification of new and emerging risks. More details on the identified climate-related risks, opportunities and resilience strategies will be disclosed in future reports.

Metrics and Targets

SIAEC has been monitoring its performance in environmental metrics such as electricity and water consumptions, waste and carbon emissions – Scope 1 and 2 emissions. In this report, the Company is also disclosing Scope 3 category for business travel (by air) following our GHG inventory study. Please refer to the subsequent section of Energy and Emissions Management for more information.

SIAEC has set a 2030 target to halve Scope 1 and 2 emissions and will regularly monitor our progress. Additionally, SIAEC has set 2030 targets for other priority areas, which is covered on page 10 of this report.

⁸ Transition risks arise from the process of shifts towards a low-carbon economy, which can include regulatory changes, disruptive technological developments, and shifts in consumer and investor preferences.

⁹ Physical risks arise from the impact of weather events and long-term or widespread environmental changes, which can include increased severity of extreme weather events such as floods, rising mean temperatures and sea levels, and weather patterns.



ENERGY AND EMISSIONS MANAGEMENT

[3-3]

Energy and emissions management is a critical aspect of sustainability for any business. It is particularly important for SIAEC as effective energy and emissions management can result in cost savings, improve the Company's reputation, ensure regulatory compliance and reduce our carbon footprint. While initiatives to reduce emissions and optimise energy consumption may require substantial investments such as replacement to energy-efficient equipment, there are benefits in the long run for the environment and in terms of lower electricity costs. These reinforce SIAEC's commitment to be a sustainable and environmentally responsible organisation.

Management of Energy and Emissions

SIAEC's energy consumption mainly arises from the use of electricity to support daily MRO activities in our hangars, workshops and offices. Our approach to energy and emissions management involves close monitoring of energy

consumption of our facilities, reducing energy consumption and transitioning to cleaner sources of energy. Additionally, we work closely with our subsidiaries and JVs to decrease the Group's carbon footprint.

The key approaches to driving energy and emissions management at SIAEC include:

Reduce energy and emissions at facilities

- Implemented an energy management control system that monitors energy consumption.
- Ongoing energy improvement plans to reduce energy consumption and wastage:
 - Installation of motion sensors and replacement to light-emitting diode lightings at common areas and offices
 - Use of efficient central chilled water system for buildings' air-conditioning
 - Installation of variable speed drives system on pumps

Shift to sustainable sources of energy

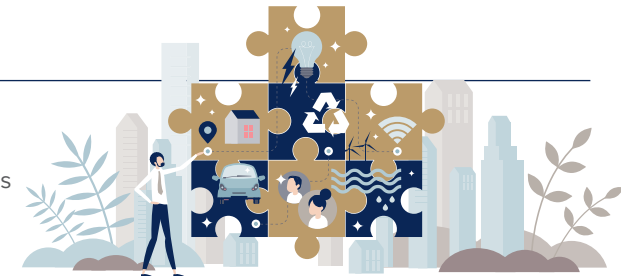
- Since January 2021, SIAEC's solar photovoltaic systems in Singapore, comprising 8,206 solar panels installed on the roofs of five hangars and the Engine Test Facility, have been generating about 4,500 MWh of clean energy yearly, which is the equivalent of powering 1,000 four-room HDB flats for a year.
- Our operations in the Philippines have also installed a rooftop solar photovoltaic system, comprising 1,260 solar panels which generates about 600 MWh of clean energy yearly.

Achieve BCA Green Mark Certification

- In support of Singapore's ambition to green 80% of Singapore's buildings by 2030,¹⁰ SIAEC plans to achieve the Building and Construction Authority (BCA) Green Mark Certification for all facilities. The BCA Green Mark Certification Scheme evaluates a building's environmental impact and performance in areas such as climatic responsive design, building energy performance, resource stewardship, smart and healthy buildings, and advancement of green efforts, to promote sustainable design and best practices in construction and operations in buildings.
- Two of SIAEC's hangars have achieved the highest Platinum rating for the Green Mark Certification, including attaining Super Low Energy Building status.

Promote energy conservation

- Participation in annual "Earth Hour" event, a worldwide movement where individuals, communities and businesses are encouraged to turn off non-essential lightings for one hour to raise awareness of the environmental issues facing our planet.
- Set up a Sustainability Corner to update employees on the Company's green initiatives. The Sustainability Corner is fully powered by our solar photovoltaic system and the design incorporated materials repurposed from recycled chopsticks. Besides sharing environmental facts and figures, the Sustainability Corner has included an interactive feature which will light up the display when used bottles, papers or cans are deposited into the recycling bin.



10 By gross floor area



ENERGY AND EMISSIONS MANAGEMENT

[3-3]

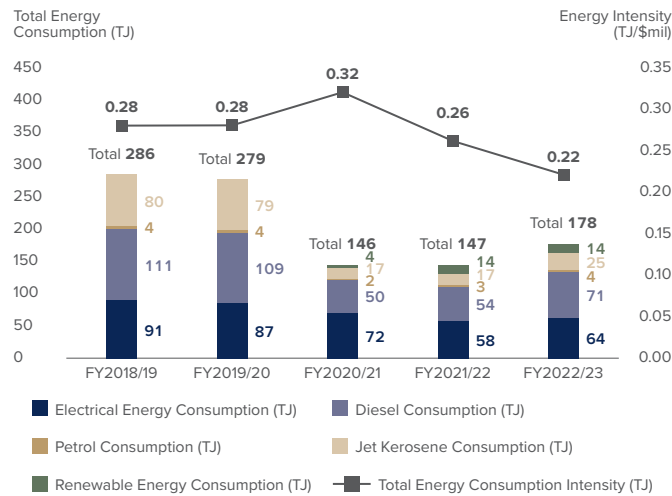
OUR ENERGY AND EMISSIONS PERFORMANCE¹¹

[302-1] [302-3] [305-1] [305-2] [305-3] [305-4]

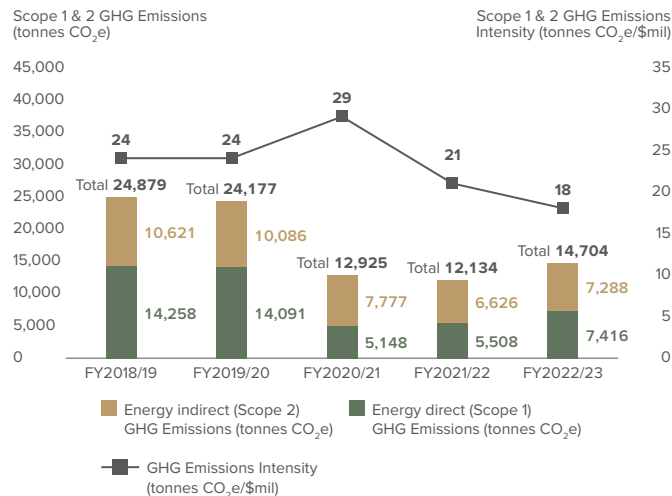
In FY2022/23, our Scope 1 and 2 emissions totalled 14,704 tonnes of CO₂e, a 21% increase from 12,134 tonnes of CO₂e in FY2021/22. The total energy consumption and corresponding emissions increased but at a slower pace than business recovery.

In addition, we are disclosing Scope 3 emissions arising from business travel by air for the first time, which was 3,157 tonnes of CO₂e for FY2022/23.

SIAEC TOTAL ENERGY CONSUMPTION (TJ) AND INTENSITY (TJ/\$mil)



SIAEC GHG EMISSIONS (tonnes CO₂e) AND GHG EMISSIONS INTENSITY (tonnes CO₂e/\$mil)



11 Please refer to the Appendix for definitions and methodologies



WATER AND EFFLUENTS MANAGEMENT

[3-3]



Every Drop Counts

[303-1]

Water is an essential resource for every nation. The importance has led to the first ever United Nations 2023 Water Conference to mobilise Member States and stakeholders to take actions and bring successful solutions globally. In Singapore, the quest for water security is ongoing, with an expected doubling of water demand by 2060 to 860 million gallons a day².

SIAEC recognises the importance of making water conservation a priority and promoting discipline in water usage across operations. By implementing measures such as reducing water consumption and treating wastewater, SIAEC can minimise the impact of its operations on the environment. This will contribute to ensuring water security for Singapore and support

sustainable growth of the aviation industry in the long run, while also mitigating the environmental impact on local communities. SIAEC has set a 2030 target to reduce its water intensity by 15% (against the three-year average intensity baseline from FY2017/18 to FY2019/20).

Management of Water as a Shared Resource

[303-1]

SIAEC's water consumption mainly arises from the use of water to support daily MRO activities in our hangars, workshops and offices.

The four main approaches in driving water management at SIAEC include:

Implement water conservation and efficiency measures

- The facilities team tracks the water consumption data and conducts monthly inspection of water pipes and valves to ensure no water leakages. Any unusual increase in water usage will be investigated and remedied.
- Adopt water fittings with Water Efficiency Labelling "Excellent" (4 ticks).
- Maintain efficient cooling tower water treatment systems.

Increase use of recycled water

- Rainwater is collected at three of our hangars and is used for flushing toilets and topping up water in the cooling towers.

Manage water as a shared resource

- Regular employee circulars to encourage employees to reduce water usage.
- Trained employees on the importance of water conservation as part of our Safety, Security and Environment training.

Achieve WEB Certification

- The Public Utilities Board (PUB) Water Efficient Building (WEB) Certification is a programme to encourage businesses, industries, schools and buildings to adopt water-efficient measures as part of their operations. SIAEC had achieved WEB Certification for two of the hangars in November 2020 and June 2021 respectively. As part of the Company's plans to achieve WEB Certification for all buildings, the remaining three hangars as well as the Engine Test Facility have obtained WEB Certification in FY2022/23.



WATER AND EFFLUENTS MANAGEMENT

[3-3]

Management of Water Discharge-related Impacts

[303-2]

A key aspect of SIAEC's Environmental Management System is the prevention of pollution through effluents management and compliance with local regulations such as the Sewerage and Drainage (Trade Effluents) regulations by PUB. To ensure the proper disposal of wastewater generated from our operations, we have equipped our hangar facilities with wastewater treatment plants. Regular audits and inspections are also carried out to ensure that the wastewater discharge and operation of wastewater treatment plants comply with ISO 14001 and relevant regulatory requirements. During the reporting period, SIAEC's trade effluent discharge monitoring tests have complied with the legal limits set by PUB. There were no findings from the recent audits and the operation of wastewater treatment plants conforms to ISO 14001 requirements.

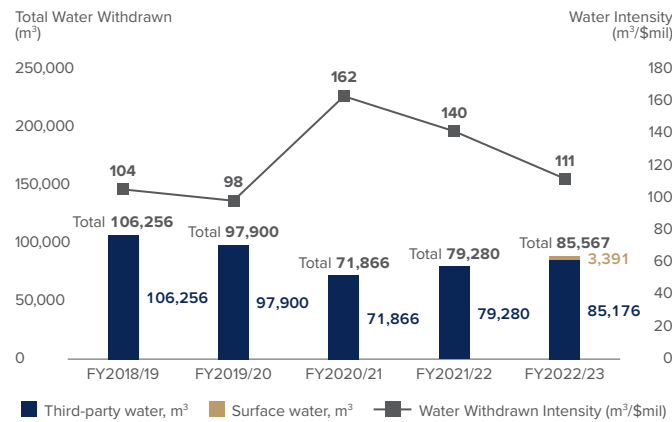
In addition, liquid hazardous waste collected by our licensed toxic industrial waste collector is treated at its wastewater treatment plant according to regulatory requirements.

Our Water Performance¹³

[303-3]

As part of our efforts to improve the quality of our water disclosures, SIAEC has started to monitor and report on harvested rainwater from our hangars in Singapore as an additional water source of surface water. The total water withdrawn is 88,568m³ in FY2022/23, and the water intensity decreased by 21% from 140m³/\$ million revenue in FY2021/22 to 111m³/\$ million revenue as revenue increased with business recovery.

TOTAL WATER WITHDRAWN (m³) AND WATER INTENSITY (m³/\$mil)



Note: Excludes water withdrawal at Hangar 1 as data could not be segregated from SIA's. The Company is in the process of identifying water withdrawal attributed to SIAEC's operations in Hangar 1.

The increase in water intensity in FY2020/21 was due to a significant decrease in revenue arising from the impact of COVID-19 pandemic, which outpaced the reduction in water consumption.

Third party water is potable water supplied by PUB. Surface water is non-potable harvested rainwater.



13 Please refer to the Appendix for definitions and methodologies



WASTE MANAGEMENT AND RESOURCE CIRCULARITY

[3-3]

Towards Resource Circularity and Zero Waste

As part of the Singapore Green Plan 2030, Singapore aims to build a sustainable, resource-efficient and circular economy, with national targets to reduce the amount of waste sent to landfill per capita per day by 20% and 30%, by 2026 and 2030 respectively. SIAEC recognises the importance of adopting a circular economy approach to increase waste diversion and have set a target to increase our recycling rate to 30% by 2030.

Through implementation of waste reduction and recycling programmes, and promoting resource recovery, SIAEC can contribute to achieving national targets and support the development of a circular economy in Singapore. Proper waste management can also help to reduce emissions arising from the disposal and treatment of waste generated, which contributes to Scope 3 emissions. By reducing waste, SIAEC

can also minimise environmental impact and reduce economic costs associated with waste management.

Management of Waste

[306-1] [306-2]

SIAEC's waste is mainly generated from the MRO activities in our hangars and workshops. The three main approaches in waste management at SIAEC are:

Reduce and recycle waste from our offices and operational activities

- SIAEC's waste journey started with paper conservation and recycling and has since expanded to include other types of waste such as plastic, cardboard, scrap metal and electronic waste. The Company has a Recycling Committee comprising representatives from various divisions to implement waste initiatives across the organisation.
- A recycling scheme is in place to collect paper, cardboard, plastic, wood, scrap metal and electronic waste from our offices and operational areas, for processing and recycling by licensed recycling service providers. To promote awareness of our recycling programme, all occupants of SIAEC are informed of the locations of recycling bins and educated on the categories of recyclables that can be collected.
- The Company also continually digitalises work processes to reduce paper consumption such as digitalisation of maintenance paperwork, requests for facilities-related works, etc. In FY2022/23, we have used 9,158 fewer reams of paper compared to the previous year.

Ensure responsible disposal of waste

- Waste sorting and disposal processes as well as a contamination prevention process are in place, which is managed by a licensed toxic industrial waste collector. These processes also regulate the disposal of toxic industrial waste and the storage, transportation and disposal of aircraft parts to minimise the environmental impact from operations. All hazardous waste that is collected by our licensed toxic industrial waste collector is treated and disposed according to regulatory requirements. Solid waste is incinerated at our contractor's waste-to-energy incineration plant and all liquid waste is treated at its wastewater treatment plant.
- Guidelines on the proper disposal of toxic industrial waste are set out in SIAEC Safety, Health and Environment Handbook which is accessible to all employees.

Raise awareness on the 4Rs

- Conducted environmental awareness activities and upcycling workshops to raise employee awareness on the 4Rs (Reduce, Reuse, Repurpose, Recycle) and to educate employees on the importance of recycling and proper segregation of recyclables.
- In FY2022/23, activities conducted include an upcycling workshop where waste was converted to lamps and coasters, beach clean-up events. A Green Market event aimed at raising employee awareness was also held in November 2022 where vendors were invited to promote environmentally-friendly products.
- Regularly publish environmental conservation and sustainability articles to raise employees' awareness.





WASTE MANAGEMENT AND RESOURCE CIRCULARITY

[3-3]

Our Waste Performance¹⁴

[306-3] [306-4] [306-5]

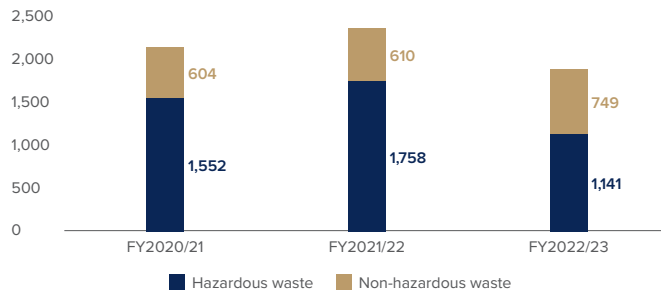
In FY2022/23, SIAEC generated a total of 1,890 tonnes of waste, of which 213 tonnes of non-hazardous waste were

diverted through recycling efforts. We achieved a recycling rate of 23.0% in our day-to-day operations (i.e. not including ad-hoc bulk disposal exercises). The remaining 1,677 tonnes of waste comprising 536 tonnes of non-hazardous waste and

1,141 tonnes of hazardous waste were disposed according to regulatory requirements. We will step up our efforts in waste reduction and recycling.

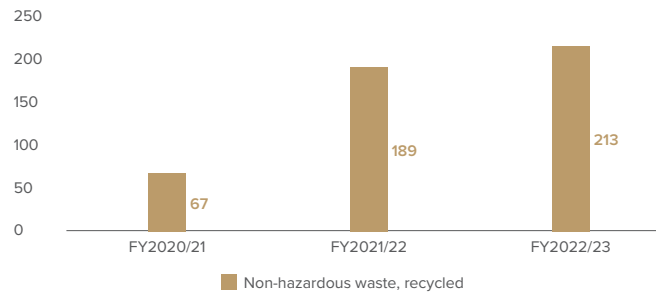
SIAEC TOTAL WASTE GENERATED

(tonnes)



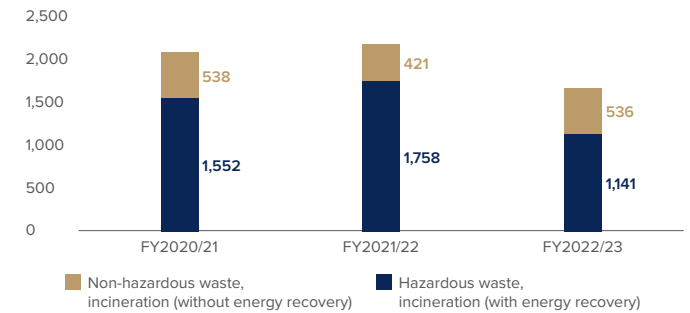
SIAEC TOTAL WASTE DIVERTED FROM DISPOSAL

(tonnes)



SIAEC TOTAL WASTE DISPOSED

(tonnes)



14 Please refer to the Appendix for definitions and methodologies



PURSUE ACTIVE PARTNERSHIPS

BUILDING STRONG RELATIONSHIPS
AND MAKING A POSITIVE IMPACT



62

SUSTAINABLE SUPPLY CHAIN
MANAGEMENT

64

LABOUR-MANAGEMENT RELATIONS, AND FREEDOM OF
ASSOCIATION AND COLLECTIVE BARGAINING

65

COMMUNITY AND
SOCIAL VITALITY



BUILDING STRONG RELATIONSHIPS AND MAKING A POSITIVE IMPACT

Strategic partnerships and stakeholder engagement are crucial components of our social and relationship capital, for fostering trust, enabling action and enhancing our social license to operate. At SIAEC, we recognise the importance of managing our social and environmental impacts and risks, including those associated with our supply chain. We work closely with our suppliers, local communities and government agencies to create a positive impact within our communities and promote responsible business practices to ensure that human rights are respected and no forced/child labour is present in our supply chain.

In addition to our partnerships with external stakeholders, we actively engage with our unions to work towards a shared vision of elevating SIAEC to an even higher level. Our focus on stakeholder engagement and social responsibility is critical to our long-term success and ability to create value for all our stakeholders.

OUR COMMITMENT

- **Maintain good industrial relations by working closely with our union partners to ensure that fair and sustainable wage settlements and employment terms are provided to our employees**
- **To treat our suppliers with respect and fairness**
- **Work towards a sustainable supply chain by procuring ethically and responsibly**

KEY POLICIES, PROCESSES AND PROCEDURES

- **Supplier Code of Conduct**
- **Regular engagement with unions**
- **Collective agreements**
- **Corporate Social Responsibility (CSR) Framework**

TARGETS

Screen suppliers on social and environmental criteria

Maintain harmonious industrial relations through collaborative partnership

PERFORMANCE

✔ All suppliers¹⁵ screened on social and environment aspects in FY2022/23, with nil significant impacts identified

✔ Continued to work closely with our unions in FY2022/23 to meet business ramp-up requirements

✔ Achieved ● On Track ✘ Not achieved

15 Screenings are performed only for purchases above \$500k in contract value, which was introduced in November 2020



SUSTAINABLE SUPPLY CHAIN MANAGEMENT

[3-3]

SIAEC recognises the importance of sustainable supply chain management in creating value for all our stakeholders. At SIAEC, we seek to manage our supply chain so that our suppliers also share our commitment to conduct business ethically, responsibly and reduce impact to the environment where they operate. By adopting sustainable practices in our supply chain, we also aim to minimise any potential disruption to supply chain and operations, and manage operating costs. Through our sustainable supply chain management initiatives, we strive to create a positive influence on our suppliers while continuing to meet the evolving needs of customers in the aviation industry.

SIAEC's Supply Chain

[2-6]

SIAEC is committed to treat our suppliers with respect and fairness, and work towards a sustainable supply chain by procuring ethically and responsibly. SIAEC's suppliers are principally based in Singapore, the United States and Europe and consist of OEMs such as Boeing and Airbus, which supply aircraft parts and tooling, authorised distributors/repairers, and engineering spares and service providers. Our suppliers can be classified into two main categories, namely, suppliers of aircraft parts and services, and suppliers of non-aircraft parts or services.

Management of Supply Chain Risks

[308-1] [414-1]

SIAEC has introduced processes to integrate sustainability in our existing supply chain approach and supplier selection process.

The Company builds a resilient supply chain by diversifying our supplier sources and service providers to mitigate potential disruption to operations due to supply chain issues. We plan

material requirements in advance and monitor inventory and critical equipment status to ensure adequate parts and availability of equipment respectively to support operations.

SIAEC has implemented a formalised process to identify and monitor sustainability risks in our supply chain. This involves conducting supplier risk assessments during the selection phase, requiring suppliers to adhere to our Supplier Code of Conduct and ongoing monitoring of suppliers' compliance through questionnaires, audits and site visits by SIAEC personnel. For aircraft parts and related services, there are additional evaluation criteria to assess qualifications and capabilities of non-OEM suppliers or service providers before they can be appointed. Since November 2020, SIAEC has enhanced the supplier selection process to screen all new suppliers¹⁶ on sustainability criteria. This involves suppliers filling up a questionnaire and assessing suppliers based on their ability to meet minimum sustainability standards or requirements such as the ISO 14001, ISO 45001 and BizSafe Certification. Currently, the scope of the Company's supplier risk assessments covers all of SIAEC's operations.

All suppliers are expected to comply with our Supplier Code of Conduct which sets out our ethical and business conduct requirements and is available publicly to all suppliers (refer to our [website](#) for details). It covers areas relating to environmental standards for suppliers' processes, products or services, child labour, working conditions, remuneration, occupational health and safety, anti-corruption/anti-bribery and business ethics. Compliance with this policy is an essential component for all our quotations, tenders and agreements. Any suppliers who are found to be in breach of the policy must take prompt corrective actions or risk termination of contract. In FY2022/23, no suppliers were found to have breached SIAEC's Supplier Code of Conduct from our reviews.

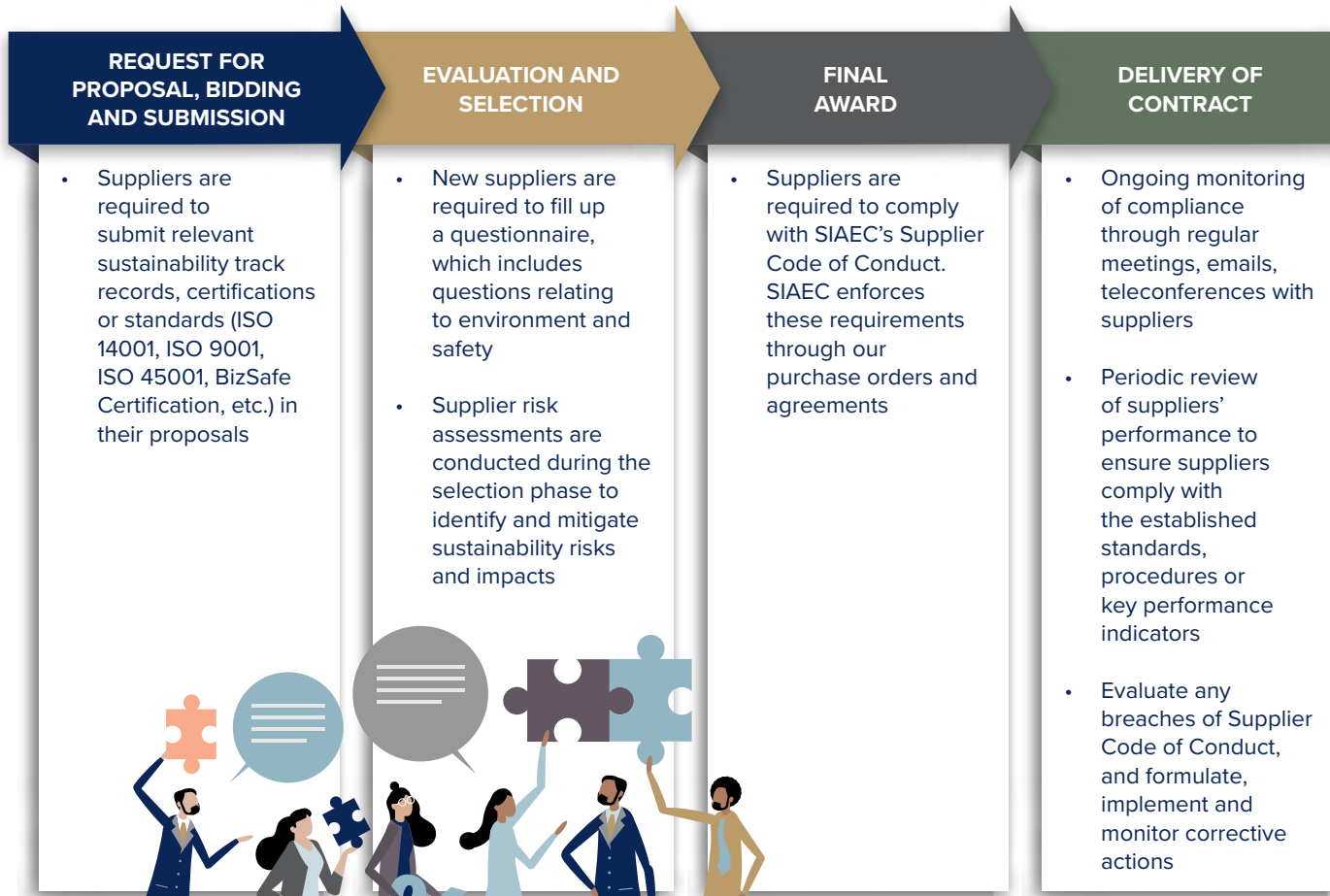
Reinforcing the supply chain risk management process is our whistle-blowing programme, which allows internal and external stakeholders to provide confidential feedback on potential improprieties by our suppliers.

16 Screenings are performed only for purchases above \$500k in contract value



SUSTAINABLE SUPPLY CHAIN MANAGEMENT

[3-3]



The Company is stepping up management of Scope 3 emissions from suppliers with plans to engage key suppliers to better understand their sustainability practices and goals, in particular targets relating to emissions, which will contribute towards our net-zero goal by 2050.





LABOUR-MANAGEMENT RELATIONS, AND FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

[2-25] [2-30] [402-1]

SIAEC is committed to ensuring fair employment terms for all our employees and maintaining good industrial relations with our union partners. We actively involve our unions through formal and informal engagement, including regular meetings between Management and unions to discuss workforce-related matters, and to provide updates on SIAEC's business outlook and initiatives. Currently, 81% of SIAEC's executive employees, engineers, technicians and general employees are covered by collective agreements with our unions.

OUR UNION PARTNERS



AIR TRANSPORT EXECUTIVE STAFF UNION (AESU)

- Represents employees in the executive grades in the Company
- About 54% of the Company's executives are members of AESU



SIA ENGINEERING COMPANY ENGINEERS AND EXECUTIVES UNION (SEEU)

- Represents the licensed aircraft engineers in the Company
- About 91% of our engineers are members of SEEU



SINGAPORE AIRLINES STAFF UNION (SIASU)

- Represents technicians and employees in the general grades in the Company
- About 83% of our technicians and clerical employees are members of SIASU

All our labour practices adhere to the Employment Act and other employment-related laws. SIAEC ensures that reasonable advance notices are provided to employees and unions before implementation of any significant operational changes. These notice periods are not detailed in the collective agreements as they could vary depending on circumstances. The collective agreements also set out the labour grievance mechanisms.

In 2019, in support of the National Trades Union Congress's call to form Company Training Committees (CTCs) to provide workers with training co-developed by unions, training providers and IHLs, SIAEC formed a CTC with our unions. The CTC, which meets quarterly, serves as a platform for the Company and our unions to discuss matters relating to the training needs and programmes for our employees.



COMMUNITIES AND SOCIAL VITALITY

As a responsible corporate citizen, SIAEC strives to create positive impact in the communities where we operate. By giving back to the communities, we promote a culture of social responsibility among our employees and improve the well-being of people living in these communities. Through our CSR Framework, we seek to contribute to local communities and make a difference to people's lives.

Enabling People, Improving Lives and Protecting the Environment

[413-1]

The three pillars under our CSR Framework are access to food, education, and raising awareness on environmental sustainability. We forge strong CSR partnerships with organisations such as Food from the Heart, Community Chest and Green Nudge. Since FY2021/22, we have also stepped up on environmental outreach activities such as beach clean-up activities, as well as upcycling workshops with participation from persons with disabilities.

With the relaxation of COVID-19 measures in FY2022/23, SIAEC resumed various in-person initiatives and community development activities, allowing volunteers to gather face-to-face as part of our continued efforts to give back to the local communities.



CHARITY FUN RUN AT JURONG BIRD PARK

After two years of virtual Charity Runs due to the COVID-19 pandemic, SIAEC's Annual Charity Fun Run returned as a physical event and was held at the Jurong Bird Park on 5 November 2022. There were more than 1,900 participants from SIAEC, SIA and JVs' employees, their families and friends, who collectively raised \$50,000 for our adopted charity, Food from the Heart.

An upcycling workshop was also set up at the Charity Fun Run for the first time to raise awareness on environmental responsibility among the participants and their families.



Runners participating in the Charity Run held at the Jurong Wildlife Park



Participants and their families learning to upcycle used materials

1,900+
participants

S\$50,000
donated

S\$72,000
donated

20
Participants for
Food Packing

COLLABORATION WITH FOOD FROM THE HEART

Founded in 2003, Food from the Heart is an independent non-profit organisation with a vision to alleviate hunger in Singapore through food distribution programmes. In 2021, Food from the Heart reached out to over 59,500 beneficiaries across Singapore.

Donations

- Annual donations from SIAEC's Annual Charity Run
- Sponsor household provisions to 50 students from needy families from Yu Neng Primary School and Changkat Primary School each

Participation in Food from the Heart Programmes

- SIAEC employees pack and distribute food packs to needy families in MacPherson on a monthly basis under the Self-Collection Centre programme.





COMMUNITIES AND SOCIAL VITALITY



BEACH CLEAN-UP ACTIVITIES

In FY2021/22, SIAEC carried out our first beach clean-up activities at Tanah Merah and Selimang Beach in Sembawang. In FY2022/23, we returned to Tanah Merah for beach clean-up in October 2022 and a new location at Yishun Dam beach in March 2023. Volunteers collected 770 kg of marine debris from the two beach clean-ups.



Team of volunteers who participated in the beach clean-up events

COLLABORATION WITH COMMUNITY CHEST

Established in 1983, Community Chest was set up to raise funds for social service agencies in Singapore. The public funds raised are channelled to programmes run by over 100 social service agencies that provide direct social support services to the disadvantaged in Singapore. These include children with special needs, youths-at-risk, low-income families, adults with disabilities, seniors in need of support and persons with mental health conditions.

In FY2022/23, SIAEC continued to participate in Community Chest's annual Fú Dài event, where Fú Dài (which means "bags of blessings" in Mandarin) containing food and household items were distributed to seniors and low-income families. Volunteers from SIAEC participated by packing and delivering Fú Dài to the beneficiaries over two days. All donations raised through this event were channelled to the Community Chest.

In November 2022, SIAEC received the Charity Silver award at Community Chest Awards 2022 for its contributions.



SIAEC received
Charity Silver
Award from
Community Chest

45
Volunteers

770 kg
of waste collected



\$5,000
donated

20
Volunteers

80
beneficiaries



SUSTAINABILITY PERFORMANCE OF KEY SUBSIDIARIES

We are progressively expanding our reporting to include our subsidiaries and key JV and associated companies. Included in this report is data for four subsidiaries: SIA Engineering (Philippines) Corporation (SIAEP), Singapore Aero Support Services Pte. Ltd. (SASS), SIA Engineering Japan Corporation (SIAEJ), and SIA Engineering (USA) Inc (SEUS).

ANTI-CORRUPTION

[205-3]

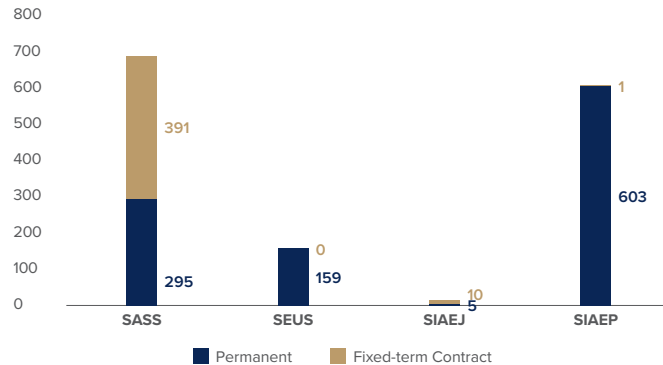
In FY2022/23, there were no reported cases of corruption or bribery in the four subsidiaries.

OUR EMPLOYEE PROFILE

[2-7] [405-1]

TOTAL EMPLOYEE STRENGTH

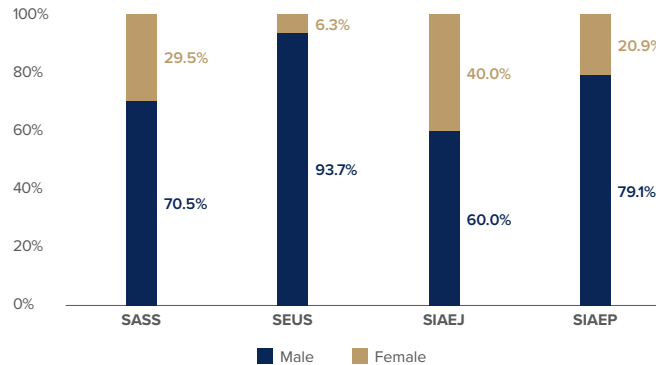
Total	686	159	15	604
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PERMANENT EMPLOYEES

Total	295	159	5	603
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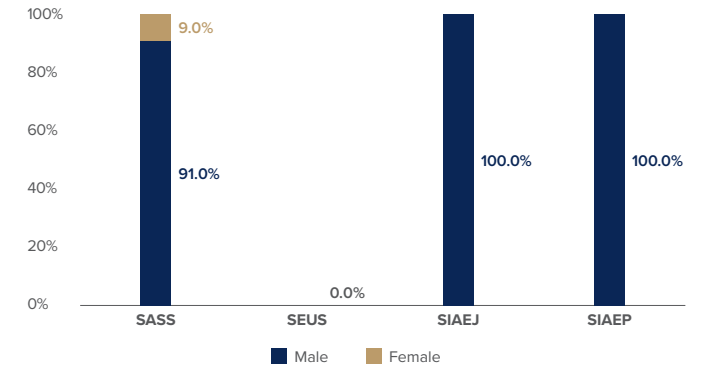
BREAKDOWN BY GENDER



FIXED-TERM CONTRACT EMPLOYEES

Total	391	0	10	1
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BREAKDOWN BY GENDER



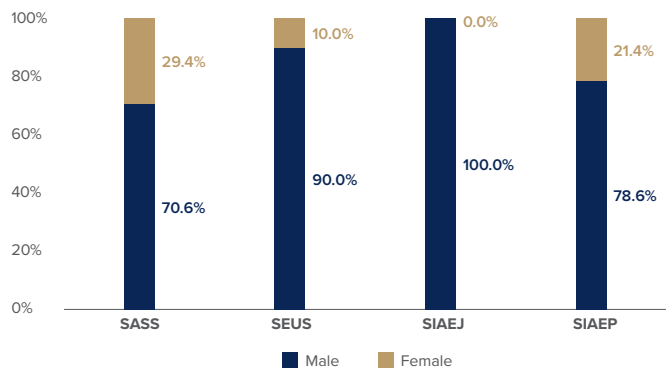


SUSTAINABILITY PERFORMANCE OF KEY SUBSIDIARIES

MANAGERS AND ABOVE

Total	17	10	2	14
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BREAKDOWN BY GENDER



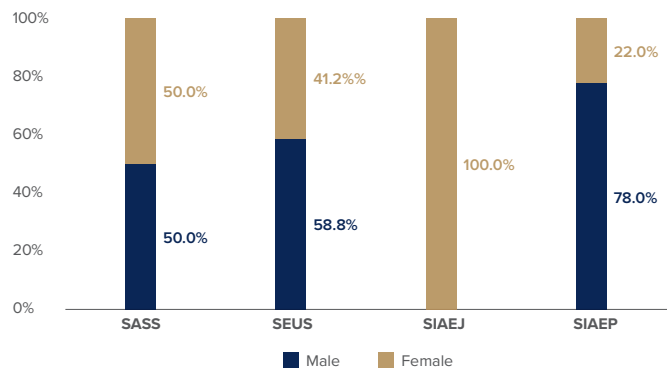
BREAKDOWN BY AGE GROUP



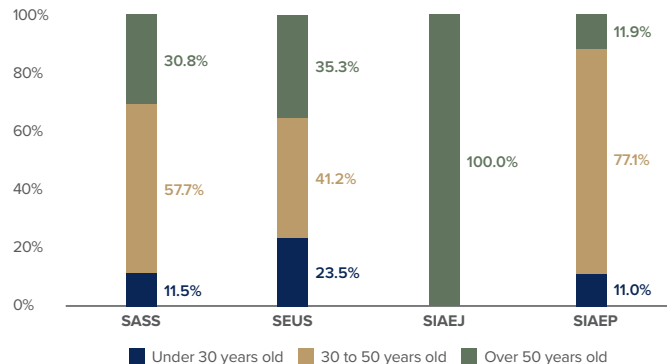
EXECUTIVES

Total	26	17	1	109
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BREAKDOWN BY GENDER



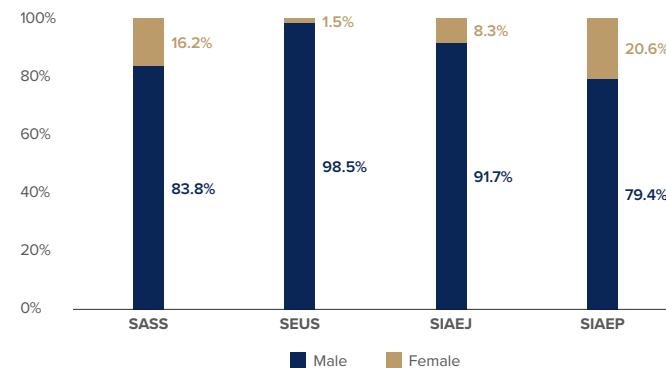
BREAKDOWN BY AGE GROUP



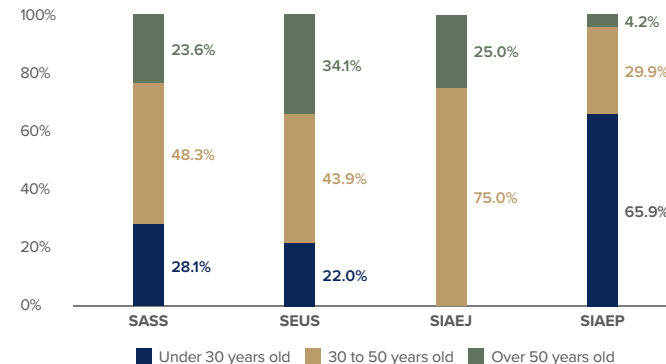
OTHER EMPLOYEES

Total	643	132	12	481
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BREAKDOWN BY GENDER



BREAKDOWN BY AGE GROUP





SUSTAINABILITY PERFORMANCE OF KEY SUBSIDIARIES

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER [401-1]

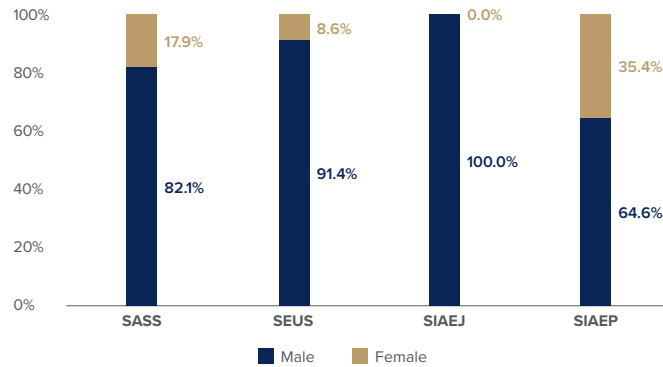
NEW HIRES

Total New Hires	453	58	5	79
New Hire Rate	66.0%	36.5%	33.3%	13.1%

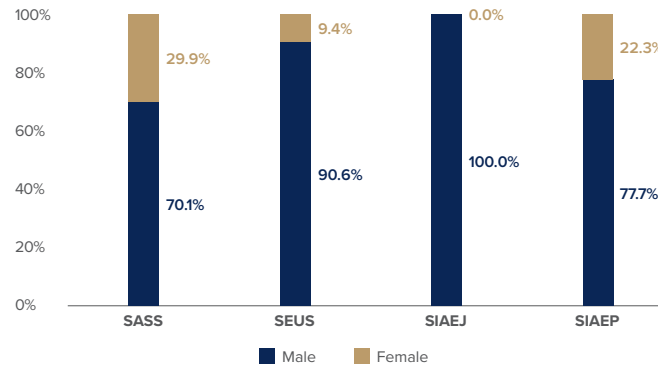
EMPLOYEE TURNOVER

Total Employee Turnover	187	53	1	220
Employee Turnover Rate	27.3%	33.3%	6.7%	36.4%

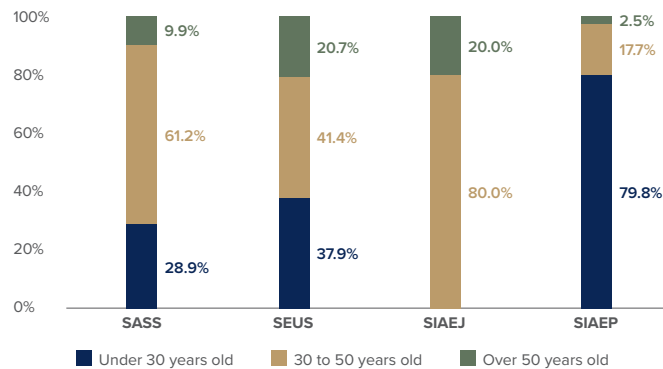
BREAKDOWN BY GENDER



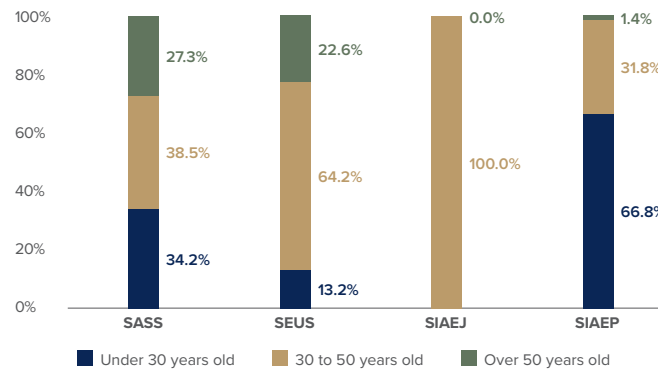
BREAKDOWN BY GENDER



BREAKDOWN BY AGE GROUP



BREAKDOWN BY AGE GROUP





SUSTAINABILITY PERFORMANCE OF KEY SUBSIDIARIES

DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

[406-1]

In FY2022/23, there were no reported cases of discrimination in the four subsidiaries.

TRAINING AND DEVELOPMENT

[404-1]

AVERAGE TRAINING HOURS	FY2022/23			
	SASS	SEUS	SIAEJ	SIAEP
Male	32	144	93	58
Female	32	144	0	39.5
Management	32	60	10	5.9
Executives	32	60	0	82.5
Other employees	32	154	83	52.1

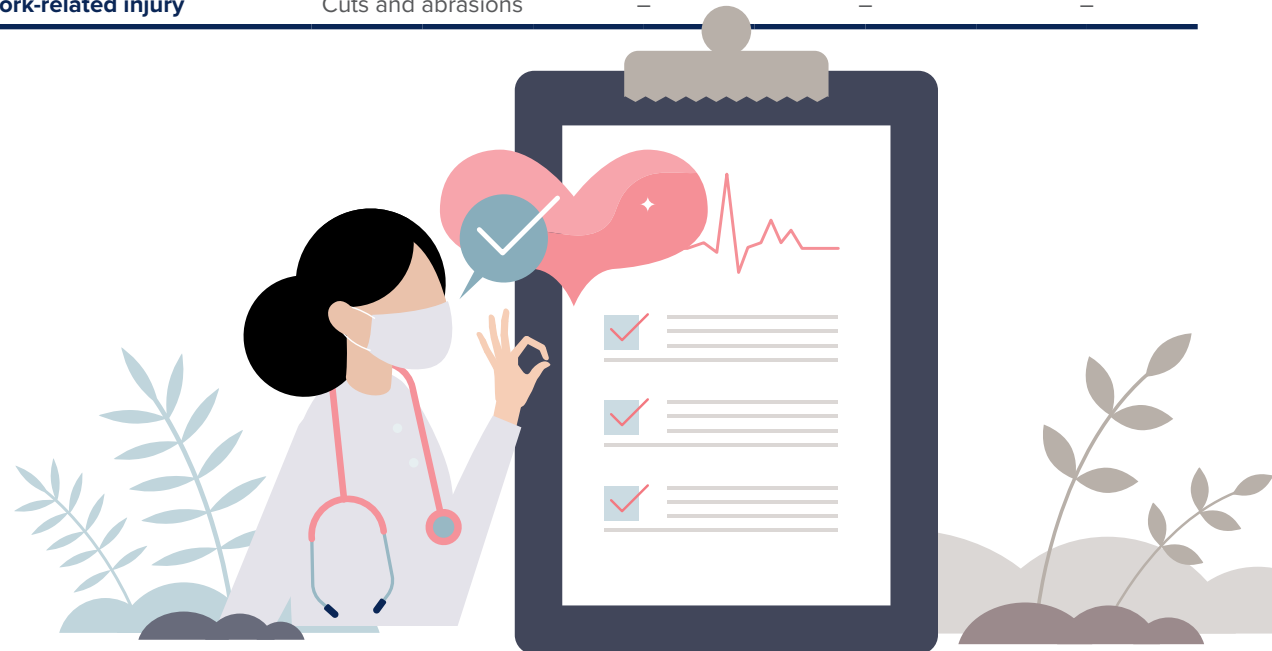


OCCUPATIONAL HEALTH OF EMPLOYEES

Work-related injuries¹⁷

[403-9]

FY2022/23	SASS		SEUS		SIAEJ		SIAEP	
	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE
Work-related injuries	5	4.3	0	–	0	–	0	–
Recordable work-related injuries								
High-consequence work-related injuries	0	–	0	–	0	–	0	–
Fatalities as a result of work-related injuries	0	–	0	–	0	–	0	–
Main types of work-related injury	Cuts and abrasions							



17 Please refer to the Appendix for definitions and methodologies

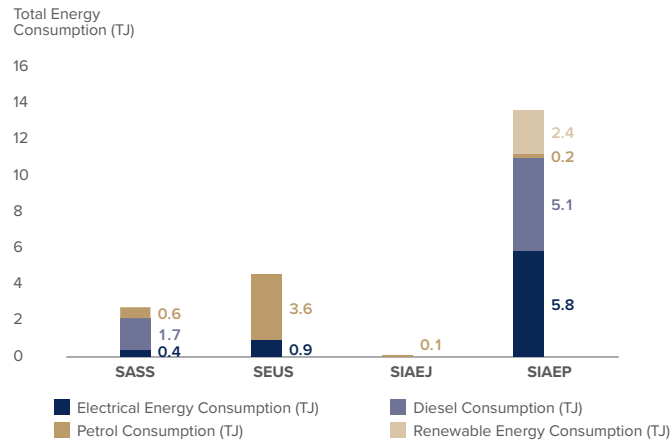


SUSTAINABILITY PERFORMANCE OF KEY SUBSIDIARIES

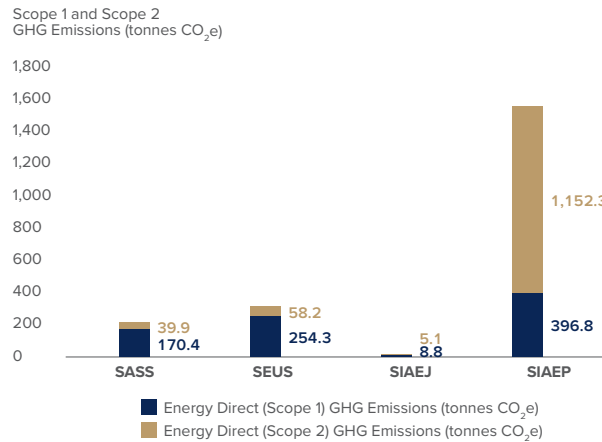
ENERGY AND EMISSIONS PERFORMANCE

[302-1] [305-1] [305-2]

ENERGY CONSUMPTION (TJ)



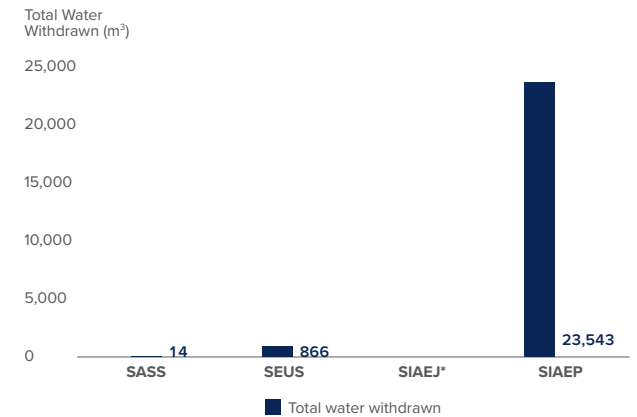
GHG EMISSIONS (tonnes CO₂e)



WATER PERFORMANCE

[303-3]

TOTAL WATER WITHDRAWN (m³)



***Note:** For SIAEJ, water withdrawal is for sanitary purposes and the amount attributed to its employees' use cannot be segregated from the airport's common facilities.



DEFINITIONS AND METHODOLOGIES

[2-4]

LIST OF KEY ABBREVIATIONS AND ACRONYMS

AESU	Air Transport Executive Staff Union
APU	Auxiliary Power Unit
BCA	Building and Construction Authority
CAAS	Civil Aviation Authority of Singapore
CAG	Changi Airport Group
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
CT	Certifying Technician
CTC	Company Training Committee
DEFRA	UK Department for Environment, Food & Rural Affairs
EMA	Energy Market Authority
EPA	Environmental Protection Agency
EPH	Environmental Public Health
EU	European Union
GEF	Grid Emission Factor
GHG	Greenhouse Gas
GPT	Ground-Powered Towing
GPU	Ground Power Unit
GRI	Global Reporting Initiative

GWP	Global Warming Potential
IEA	International Energy Agency
IHL	Institute of Higher Learning
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standardization
IT	Information Technology
JV	Joint Venture
LAE	Licensed Aircraft Engineer
LTI	Lost Time Injury
MOM	Ministry of Manpower (Singapore)
MOU	Memorandum of Understanding
MRO	Maintenance, Repair and Overhaul
NDC	Nationally Determined Contributions
NGFS	Network for Greening the Financial System
OEM	Original Equipment Manufacturer
OHSMS	Occupational Health and Safety Management System
PUB	Public Utilities Board
RCP	Representative Concentration Pathway

SASS	Singapore Aero Support Services Pte. Ltd.
SDG	Sustainable Development Goals
SEEU	SIA Engineering Company Engineers and Executives Union
SEUS	SIA Engineering (USA) Inc
SGX	Singapore Exchange
SIA	Singapore Airlines
SIAEC	SIA Engineering Company
SIAEJ	SIA Engineering Japan Corporation
SIAEP	SIA Engineering (Philippines) Corporation
SIASU	Singapore Airlines Staff Union
SSP	Shared Socioeconomic Pathway
STEPS	Stated Policies Scenario
TCFD	Task Force on Climate-related Financial Disclosures
UNEP	United Nations Environment Programme
WBCSD	World Business Council for Sustainable Development
WEB	Water Efficient Building
WHO	World Health Organisation
WRI	World Resource Institute



DEFINITIONS AND METHODOLOGIES

[2-4]

GENERAL

Mode of Narration

Throughout this Sustainability Report, “SIA Engineering Company”, “SIAEC”, “we”, “us” and “our” are generally used to make reference to SIA Engineering Company (“the Company”) and its employees, unless otherwise stated.

“SIAEC Group” and “The Group” are used to make reference to SIA Engineering Company and its subsidiaries, unless otherwise stated. This does not include joint ventures (“JVs”) and associated companies which are separate legal entities that SIA Engineering Company directly and indirectly owns. More information on SIAEC, its subsidiaries, joint ventures and associated companies can be found in SIAEC’s FY2022/23 Annual Report.

Future-looking Statements

Aside from statements of historical fact, this Sustainability Report contains statements that are future-looking in nature relating to SIAEC’s sustainability management approach. These are identified by terms and phrases such as “aim”, “ambition”, “anticipate”, “believe”, “continue”, “expect”, “goal”, “maintain”, “objective”, “plan”, “seek” and “target” and could also be expressed by way of future or conditional verbs such as “could”, “should”, “would”.

These statements are based on assumptions and expectations at the time of publication, and are subject to risks and uncertainties determined by factors beyond the control of SIAEC. As we operate in a continually changing environment, readers are cautioned not to place undue reliance on forward-looking statements.

SAFETY

Occupational Health and Safety Management Systems

Definition: Occupational Health and Safety Management Systems refers to a set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives.

This definition is based on the International Labour Organization (ILO), Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001, 2001.

Boundary: SIAEC’s Safety Management System is certified under ISO 45001: 2018 OHSMS Standard and covers all maintenance, repair and overhaul of aircraft and associated components activities for SIAEC’s operations in Singapore.

Work-related Hazards

Definition: Refers to any source of situation with the potential to cause injury or ill health*. This includes types of dangerous occurrences as defined by the MOM list of Dangerous Occurrences in the Workplace Safety and Health Act (Chapter 354A), Section 4(1).

**This definition is based on ILO Guidelines on Occupational Safety and Health Management Systems from 2001 and ISO 45001:2018.*



DEFINITIONS AND METHODOLOGIES

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Work-related Incidents **Definition:** Refers to an unexpected and unplanned occurrence arising out of or in the course of work that could or does result in injury or ill health or death*. As per MOM's definition, it could also be a Dangerous Occurrence, an Occupational Disease or:

- Traffic accidents that happen at the workplace or in the course of work, such as a traffic accident while commuting to work on company transport
- Accidents that are incidental to or from work, such as slipping and falling within the workplace but when not performing official work duties
- Conditions of a medical nature, such as heart attacks or strokes, that may be triggered by work

**This definition is based on ISO 45001:2018 and MOM's Guidelines.*

Methodology: Rates were calculated based on 1,000,000 hours worked.

Boundary: Number and rate of work-related incidents reported covers SIAEC's and SASS' employees in Singapore, SIAEP's employees in the Philippines, SIAEJ's employees in Japan, and SEUS' employees in the USA. Data is also reported for workers which includes workers who are working on-site at SIAEC's premises in Singapore, such as cleaners, aircraft technicians from aerospace labour suppliers, and workers from wholly-owned subsidiary – Singapore Aero Support Services, but does not include workers from the respective overseas subsidiaries.

Types of injuries: Most of SIAEC's work-related injuries relate to cuts and abrasions, bruises and contusions.

Work-related Injury **Definition:** Refers to any negative impacts on health arising from exposure to hazards at work*. This includes minor, major and fatal injuries as defined by MOM.

- Fatal: Results in death
- Major: Non-fatal, but severe injuries defined by nature of injury, part of body injured, incident type and duration of medical leave. These include amputation, blindness, deafness, paralysis, crushing, fractures and dislocations to head, back, chest, neck and hip, exposure to electric current, asphyxia or drowning, burns with more than 20 days of medical leave, concussion with more than 20 days of medical leave, mosquito borne diseases with more than 20 days of medical leave, virus outbreak with more than 20 days of medical leave
- Minor: Non-severe injuries which result in more than three days of medical leave, or at least 24 hours of hospitalisation

**This definition is based on the ILO, Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001, 2001.*

A LTI (Lost Time Injury) is an injury sustained by an employee that leads to loss of productive work in the form of absenteeism or delays, or when the employee is unable to perform regular duties, takes time off to recover or is assigned to modified tasks during recovery.

Methodology: Rates were calculated based on 1,000,000 hours worked.

Boundary: Number and rate of work-related injuries reported covers SIAEC's and SASS' employees in Singapore, SIAEP's employees in the Philippines, SIAEJ's employees in Japan, and SEUS' employees in the USA. Data is also reported for workers which includes workers who are working on-site at SIAEC's premises in Singapore, such as cleaners, aircraft technicians from aerospace labour suppliers, and workers from wholly-owned subsidiary – Singapore Aero Support Services, but does not include workers from the respective overseas subsidiaries.

High-consequence Work-related Injury **Definition:** Refers to a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

This definition is based on GRI 403: Occupational Health and Safety 2018.

Methodology: High-consequence work-related injury rates were calculated based on 1,000,000 hours worked and does not include work-related fatalities as per GRI 403-9 requirements.

Boundary: Number and rate of high-consequence work-related injuries reported covers SIAEC's and SASS' employees in Singapore, SIAEP's employees in the Philippines, SIAEJ's employees in Japan, and SEUS' employees in the USA. Data is also reported for workers which includes workers who are working on-site at SIAEC's premises in Singapore, such as cleaners, aircraft technicians from aerospace labour suppliers, and workers from wholly-owned subsidiary – Singapore Aero Support Services, but does not include workers from the respective overseas subsidiaries.



DEFINITIONS AND METHODOLOGIES

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Work-related Fatality

Definition: Refers to a work-related injury that results in a fatality/death.

This definition is based on GRI 403: Occupational Health and Safety 2018.

Methodology: Work-related fatality rates were calculated based on 1,000,000 hours worked.

Boundary: Number and rate of work-related fatalities reported covers SIAEC's and SASS' employees in Singapore, SIAEP's employees in the Philippines, SIAEJ's employees in Japan, and SEUS' employees in the USA. Data is also reported for workers which includes workers who are working on-site at SIAEC's premises in Singapore, such as cleaners, aircraft technicians from aerospace labour suppliers, and workers from wholly-owned subsidiary – Singapore Aero Support Services, but does not include workers from the respective overseas subsidiaries.

Recordable Work-related Injury

Definition: Work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

This definition is extracted from GRI 403: Occupational Health and Safety 2018, which is based on the United States Occupational Safety and Health Administration, General recording criteria 1904.7.

A LTI (Lost Time Injury) is an injury sustained by an employee that leads to loss of productive work in the form of absenteeism or delays, or when the employee is unable to perform regular duties, takes time off to recover or is assigned to modified tasks during recovery.

Methodology: Recordable work-related injury rates were calculated based on 1,000,000 hours worked.

Boundary: Number and rate of recordable work-related injuries reported covers SIAEC's and SASS' employees in Singapore, SIAEP's employees in the Philippines, SIAEJ's employees in Japan, and SEUS' employees in the USA. Data is also reported for workers which includes workers who are working on-site at SIAEC's premises in Singapore, such as cleaners, aircraft technicians from aerospace labour suppliers, and workers from wholly-owned subsidiary – Singapore Aero Support Services, but does not include workers from the respective overseas subsidiaries.

Recordable Work-related ill health

Definition: Work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

Work-related ill health can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. They include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents (e.g., noise-induced hearing loss, vibration-caused diseases), and mental illnesses (e.g., anxiety, post-traumatic stress disorder). The work-related ill health in this report pertains to advanced cases of noise-induced deafness.

This definition is extracted from GRI 403: Occupational Health and Safety 2018, which is based on the United States Occupational Safety and Health Administration, General recording criteria 1904.7.

Boundary: Number and rate of recordable work-related injuries reported only covers SIAEC's employees in Singapore and not workers who are not directly employed by SIAEC, such as contractors and workers from our labour suppliers. It does not include employees and workers from the respective overseas subsidiaries



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ENVIRONMENT

Energy Consumption

Definition and boundary:

- Electricity consumption: Total electricity consumed relates to electrical energy consumption and renewable energy consumption as defined below.
- Electrical energy: Total electrical energy consumed within the organisation, expressed in watt-hours, joules or multiples. Unless otherwise stated, for SIAEC this relates to the purchased electricity consumption of SIAEC Hangars 1 to 6, Engine Test Facility, Aircraft Engine Service facility, airport operations at Changi Airport and Training Academy. For SIAEP, this relates to purchased electricity consumption of SIAEP's hangars and offices. For SIAEJ and SEUS, this relates to purchased electricity consumption of their offices. For SASS, this relates to purchased electricity consumption of airport operations at Changi Airport.
- Fuel consumption: Total fuel consumed within the organisation, expressed in joules or multiples. All of SIAEC's, SIAEP's, SASS', SIAEJ's and SEUS' fuel consumption are from non-renewable sources. Unless otherwise stated, this relates to diesel, petrol and jet kerosene consumption by SIAEC's, SIAEP's, SASS', SIAEJ's and SEUS' company vehicles and engine tests conducted in Singapore. For SASS, the data for December 2022, January, February, March 2023 is based on assessed figures.
- Renewable energy consumption: Total renewable energy from SIAEC's and SIAEP's solar photovoltaic systems consumed within the organisation expressed in watt-hours, joules or multiples.
- Energy consumption intensity methodology: Total energy consumption intensity ratio for SIAEC is expressed in TJ/\$mil. The organisation-specific metric (the denominator) used was SIAEC Group revenue (including subsidiaries) in the reporting year to align with financial reporting.

Conversion factors:

Emission Source	Conversion Factors	Unit	Conversion Numbers
Electricity	Conversion to energy units	kWh to TJ	0.0000036
Diesel	Fuel density for gas/diesel oil	kg/litre	0.84
	Net calorific value for gas/diesel oil	GJ/tonne	43.0
Petrol	Fuel density for motor gasoline	kg/litre	0.74
	Net calorific value for motor gasoline	GJ/tonne	44.3
Jet Kerosene	Fuel density for jet kerosene	kg/litre	0.79
	Net calorific value for jet kerosene	GJ/tonne	44.1

Above values relating to diesel, petrol and jet kerosene were derived from 2006 IPCC Guidelines for National Greenhouse Gas Inventories.



DEFINITIONS AND METHODOLOGIES

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Greenhouse Gas (GHG) Emissions and GHG Intensity

Definition and boundary: GHG emissions refer to gas that contributes to the greenhouse effect by absorbing infrared radiation. The GHG Protocol Corporate Accounting and Reporting Standard was adopted for the reporting of SIAEC's GHG emissions. SIAEC accounts for GHG emissions using operational control criteria to report its direct (Scope 1) and electricity indirect (Scope 2) GHG emissions. GHG emissions reported covers SIAEC's operations in Singapore, SASS' operations at Singapore (Changi Airport), SIAEP's operations in the Philippines, SIAEJ's operations in Japan and SEUS' operations in USA.

- **Direct (Scope 1) GHG emissions:** Direct GHG emissions occur from sources that are owned or controlled by SIAEC, SIAEP, SASS, SIAEJ and SEUS expressed in kilograms of carbon dioxide (kgCO₂), kilograms of carbon dioxide equivalents (kgCO₂e) or multiples. These include emissions from fuel consumption. Emission factors used are as follows:

Emission Source	Conversion Factors	Unit	Conversion Numbers
Diesel	CO ₂ Emission Factor	kg CO ₂ /GJ	74.1
	CH ₄ Emission Factor	kg CH ₄ /GJ	0.0039
	Global Warming Potential for CH ₄	-	28
	N ₂ O Emission Factor	kg N ₂ O/GJ	0.0039
	Global Warming Potential for N ₂ O	-	265
Petrol	CO ₂ Emission Factor	kg CO ₂ /GJ	69.3
	CH ₄ Emission Factor	kg CH ₄ /GJ	0.0038
	Global Warming Potential for CH ₄	-	28
	N ₂ O Emission Factor	kg N ₂ O/GJ	0.0057
	Global Warming Potential for N ₂ O	-	265
Jet Kerosene	CO ₂ Emission Factor	kg CO ₂ /GJ	71.5
	CH ₄ Emission Factor	kg CH ₄ /GJ	0.003
	Global Warming Potential for CH ₄	-	28
	N ₂ O Emission Factor	kg N ₂ O/GJ	0.0006
	Global Warming Potential for N ₂ O	-	265

Global warming potential (GWP) values were sourced from the 2021 IPCC Fifth Assessment Report (AR5). For diesel, petrol and jet kerosene, CO₂, methane (CH₄) and nitrous oxide (N₂O) were included in the GHG calculation and default emissions factors were sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.



DEFINITIONS AND METHODOLOGIES

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- **Electricity indirect (Scope 2) GHG emissions:** For SIAEC, indirect GHG emissions from the generation of purchased electricity consumed by SIAEC Hangars 1 to 6, Engine Test Facility, Aircraft Engine Services facility, airport operations at Changi Airport and Training Academy, expressed in kilograms of carbon dioxide (kgCO₂) or multiples. For SIAEP, indirect GHG emissions from the generation of purchased electricity consumed by SIAEP's hangars and offices. For SIAEJ and SEUS, indirect GHG emissions from the generation of purchased electricity consumed by their respective offices. For SASS, indirect GHG emissions from the generation of purchased electricity consumed by airport operations at Changi Airport. A location-based method was adopted to reflect the average emissions intensity of the national grid on which energy consumption occurs. For SASS, the data for February and March 2023 is unavailable at time of publication.

Emission Source	Conversion Factors	Year	Unit	Conversion Numbers	References
Electricity	kWh to kgCO ₂	FY2018/19	kgCO ₂ /kWh	0.4192	EMA, Singapore GEF 2017
		FY2019/20	kgCO ₂ /kWh	0.4188	EMA, Singapore GEF 2018
		FY2020/21	kgCO ₂ /kWh	0.4085	EMA, Singapore GEF 2019
		FY2021/22	kgCO ₂ /kWh	0.4080	EMA, Singapore GEF 2020
		FY2022/23	kgCO ₂ /kWh	0.4057	EMA, Singapore GEF 2021

For SIAEC and SASS, emission factors were sourced from Energy Market Authority's (EMA) Grid Emission Factor (GEF) annual publication on energy statistics in Singapore. For consistency, the GEF used for the reporting year was sourced from the latest published factor at time of publication. SIAEC and SASS adopted the Average Operating Margin figures which measures Singapore's system-wide emissions factor.

Emission Source	Conversion Factors	Year	Unit	Conversion Numbers	References
Electricity	kWh to kgCO ₂	FY2022/23	kgCO ₂ /kWh	0.7122	Republic of Philippines Department of Energy, Luzon-Visayas GEF 2017
Electricity	kWh to kgCO ₂	FY2022/23	kgCO ₂ /kWh	0.4615	The Climate Transparency Report for Japan, 2022
Electricity	kWh to kgCO ₂	FY2022/23	kgCO ₂ /kWh	0.2421	United States Environmental Protection Agency's (EPA) eGrid 2021 database

For SIAEP, emissions factors were sourced from the Republic of Philippines Department of Energy's website on energy statistics in the Philippines. SIAEP adopted the Average Operating Margin figures for the Luzon-Visayas grid. Emission factors for SIAEJ were sourced from the 2022 Climate Transparency Report for Japan using the latest emission intensity value for the power sector. For SEUS, emissions factors were sourced from EPA's eGRID 2021 database where the CO₂e total output emission rates for the California subregion was adopted. For consistency, the GEF used for the reporting year was sourced from the latest published factor at time of publication.

- **Other indirect (Scope 3) GHG emissions:** Other indirect GHG emissions that are a consequence of SIAEC's activities but occur from sources that are not owned or controlled by SIAEC. In FY2022/23, SIAEC has started to report on Scope 3 GHG emissions for Category 6: Business Air Travel only. This includes both domestic and international air travel by SIAEC employees. GHG emissions are derived in accordance with the requirements of the GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The data is computed using the distance-based method, with emission factors sourced from the UK Department for Environment, Food & Rural Affairs (DEFRA) considering the different ticket classes.

GHG emissions intensity methodology: Total GHG emissions intensity ratio for SIAEC is expressed in tonnes CO₂e/\$mil. The organisation-specific metric (the denominator) used was SIAEC Group revenue (including subsidiaries) in the reporting year to align with financial reporting. Types of GHG emissions included in the intensity ratio are direct Scope 1 and energy indirect Scope 2 emissions. Gases considered in calculation includes CO₂, CH₄ and N₂O.



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Water and Effluents

Definition: Refers to total potable water and surface water drawn for the organisation's use, expressed in cubic metre (m³) or multiples. All water withdrawn by SIAEC is water drawn from PUB, a third-party water provider in Singapore. Water provided by PUB is considered freshwater as Singapore's quality of drinking water is regulated by the Environmental Public Health (EPH) (Water Suitable for Drinking) (No.2) Regulations 2019 which follows the World Health Organisation (WHO) Guidelines for Drinking-water Quality (≤1,000 mg/L Total Dissolved Solids). All surface water withdrawn refers to the harvested rainwater at SIAEC hangars in Singapore.

Boundary: Potable water reported covers SIAEC's operations in Singapore including SIAEC Hangars 2 to 6, Engine Test Facility, Aircraft Engine Services facility, airport operations at Changi Airport and Training Academy; SASS' operations at Changi Airport; SIAEP's operations in the Philippines including SIAEP's hangars and offices; and SEUS's operations in the USA including its offices. For SASS, the data for February and March 2023 is unavailable at time of publication. Surface water reported only covers SIAEC's operations in Singapore including Hangars 4 to 6.

Definition of effluents: Refers to treated or untreated wastewater that is discharged such as any liquid, including particles of matter and other substances in suspension in the liquid, which is the outflow from any trade, business or manufacture or of any works of engineering or building construction.

This definition is based on the Alliance for Water Stewardship (AWS), AWS International Water Stewardship Standard, Version 1.0, 2014 and Singapore's Sewerage and Drainage Act (Chapter 294).

Water intensity methodology: Total water intensity ratio for SIAEC is expressed in m³/\$mil. The organisation-specific metric (the denominator) used was SIAEC Group revenue (including subsidiaries) in the reporting year to align with financial reporting.

Waste

Definition: Refers to anything that the holder discards, intends to discard, or is required to discard expressed in kilograms (kg) or multiples and excludes effluents.

This definition is based on the United Nations Environment Programme (UNEP), Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, 1989.

- **Hazardous waste:** Waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation. This includes toxic industry waste as defined by the National Environment Agency as wastes which by their nature and quality may be potentially detrimental to human health and/or the environment and which require special management, treatment and disposal.

This definition comes from the UNEP, Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, 1989.

In Singapore, the handling of toxic waste is highly regulated and only licensed toxic waste contractors can collect, treat and dispose toxic industrial waste.

- **Waste diverted from disposal:** Any operation wherein products, components of products, or materials that have become waste are prepared to fulfil a purpose in place of new products, components, or materials that would otherwise have been used for that purpose (reuse, recycling, etc).

This definition comes from the UNEP, Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, 1989.

At SIAEC, most of our waste are diverted through recycling activities. Recycling refers to any operation wherein products, components of products, or materials that have become waste are prepared to fulfil a purpose in place of new products, components, or materials that would otherwise have been used for that purpose.

This definition is based on the UNEP, Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, 1989.

- **Waste directed to disposal:** Refers to the end-of-life management of discarded products, materials, and resources in a sink or through a chemical or thermal transformation that makes these products, materials, and resources unavailable for further use (incineration with or without energy recovery, landfilling, etc).

This definition is based on the European Union (EU), Waste Framework Directive, 2008.

In Singapore, licensed waste contractors transport incinerable solid waste to the waste-to-energy plants for incineration (Tuas, Senoko, Tuas South and Keppel Seghers Tuas Waste-To-Energy Plant). Incinerated ash and other non-incinerable wastes are then disposed at Singapore's offshore landfill, Semakau Landfill.

Boundary: Waste generated, diverted from disposal and directed to disposal reported covers SIAEC's operations in Singapore including SIAEC Hangars 1 to 6, Engine Test Facility, airport operations at Changi Airport and Training Academy. Additionally, hazardous waste generated and directed to disposal covers Aircraft Engine Service facility.



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SUPPLY CHAIN

Suppliers	<p>Definition: Refers to an organisation or person that provides a product or service used by SIAEC's operations and is characterised by a direct or indirect commercial relationship with SIAEC.</p> <p>Supplier categories: SIAEC's suppliers can be broadly classified into two main categories</p> <ul style="list-style-type: none"> • Aircraft parts and services • Non-aircraft parts or services <p>Scope of supplier screening: The screening of suppliers on social and environmental criteria applies for purchases above \$500k in contract value, which was introduced in November 2020.</p>
New Suppliers	<p>Definition: Refers to new suppliers that have not been contracted by SIAEC before.</p>
Supplier Code of Conduct	<p>Scope of Supplier Code of Conduct: All suppliers are required to adhere to SIAEC's Supplier Code of Conduct which is incorporated as part of our purchase orders and agreement contracts with suppliers.</p>

EMPLOYEES

Employees	<p>Definition: Refers to individuals in an employment relationship with SIAEC, according to national law or its application.</p> <p>Employee categories: SIAEC's employees can be broadly classified into three main levels</p> <ul style="list-style-type: none"> • Managers and above • Executives • Other employees <p>Boundary: Employee profile reported is as at 31 March 2023 and covers SIAEC's and SASS' operations in Singapore, SIAEP's operations in the Philippines, SIAEJ's operations in Japan and SEUS's operations in the USA.</p>
Employment Contract	<p>Definition: Refers to employment contract as recognised under national law or practice that can be written, verbal, or implicit (that is, when all the characteristics of employment are present but without a written or witnessed verbal contract).</p> <p>Employee contract categories: SIAEC's employment contracts can be broadly classified into three main categories</p> <ul style="list-style-type: none"> • Permanent contract: A permanent employment contract is a contract with an employee, for full-time or part-time work, for an indeterminate period. • Fixed-term contract: A fixed term employment contract is an employment contract as defined above that ends when a specific time period expires, or when a specific task that has a time estimate attached is completed. • Temporary contract: A temporary employment contract is of limited duration, and is terminated by a specific event, including the end of a project or work phase or return of replaced employees. <p>Boundary: Employee profile reported is as at 31 March 2023 and covers SIAEC's and SASS' operations in Singapore, SIAEP's operations in the Philippines, SIAEJ's operations in Japan, and SEUS' operations in the USA.</p>



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New Hires	<p>Definition: Refers to individuals who entered into an employment relationship with SIAEC, according to national law or its application, in the reporting year.</p> <p>Boundary: New hires reported covers SIAEC's and SASS' operations in Singapore, SIAEP's operations in the Philippines, SIAEJ's operations in Japan, and SEUS' operations in the USA.</p> <p>New hire rate methodology: Computation of new hire rates is based on number of new hires divided by total employee strength at the end of the reporting period.</p>
Turnover or Resignees	<p>Definition: Refers to employees who leave the organisation voluntarily or due to dismissal, retirement, or death in service.</p> <p>Boundary: Turnover levels reported covers SIAEC's and SASS' operations in Singapore, SIAEP's operations in the Philippines, SIAEJ's operations in Japan, and SEUS' operations in the USA.</p> <p>Turnover rate methodology: Computation of employee turnover rates is based on number of resignees divided by total employee strength at the end of the reporting period.</p>
Health Promotion	<p>Definition: Refers to any initiatives to enable employees to increase control over and improve their health. These activities are identified by terms and phrases such as "health promotion", "well-being" and "wellness"</p> <p><i>This definition comes from the WHO, 'Ottawa Charter for Health Promotion', 1986.</i></p>
Training	<p>Definition: Excludes on-site coaching by supervisors, and refers to</p> <ul style="list-style-type: none"> • All types of vocational training and instruction • Paid educational leave provided by an organisation for its employees • Training or education pursued externally and paid for in whole or in part by an organisation • Training on specific topics <p>Boundary: Average training hours reported covers SIAEC's and SASS' operations in Singapore, SIAEP's operations in the Philippines, SIAEJ's operations in Japan, and SEUS' operations in the USA.</p> <p>Average training hours per employee methodology: Computation of average training hours per employee is based on total number of training hours provided to employees divided by total employee strength at the end of the reporting period.</p> <p>The breakdown of average training hours per employee by gender is tracked and reported starting FY2020/21.</p> <p>Total training spend includes overheads incurred by SIAEC Training Academy.</p>
Discrimination	<p>Definition: Refers to act and result of treating persons unequally by imposing unequal burdens or denying benefits instead of treating each person fairly on the basis of individual merit. Also includes harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.</p> <p>Boundary: Cases of discrimination reported covers SIAEC's and SASS' operations in Singapore, SIAEP's operations in the Philippines, SIAEJ's operations in Japan, and SEUS' operations in the USA.</p>



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TCFD DISCLOSURES

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a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Reporting on Climate-related Risks and Opportunities – Strategy	52
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