



**SIA ENGINEERING
COMPANY**

ENGINEERING A SUSTAINABLE FUTURE

**SUSTAINABILITY
REPORT 2020/21**





ABOUT SIA ENGINEERING COMPANY

[102-1] [102-2] [102-3] [102-4]
[102-5] [102-6] [102-7]

The SIA Engineering Company (SIAEC) Group is a leading aviation maintenance, repair and overhaul (MRO) service provider based in Singapore and with presence in Hong Kong, Indonesia, Japan, Philippines, United States and Vietnam. The Group comprises 23 subsidiaries, joint ventures and associated companies (JVs) and employs more than 9,000 people.

The Group provides a comprehensive suite of MRO services to airline customers and aerospace equipment manufacturers worldwide, ranging from airframe and line maintenance, fleet management, repair and overhaul of engines and components, engineering and material management support, to additive manufacturing. Today, we have a client base of more than 80 international carriers and aerospace equipment manufacturers.

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

[102-16]

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



PURSUIT OF EXCELLENCE

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



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.



CUSTOMER FIRST

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



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.



INTEGRITY

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



TEAMWORK

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

OUR MEMBERSHIPS

[102-13]

The Company is a member of the Singapore Business Federation, Singapore International Chamber of Commerce, Singapore National Employers Federation, Singapore Institute of Aerospace Engineers and Association of Aerospace Industries (Singapore).

ABOUT THIS REPORT

This is the fourth Sustainability Report from SIAEC.

Reporting Period

[102-50] [102-51] [102-52]

The report highlights our economic, environmental, social and governance (EESG) initiatives and performance for the financial year 1 April 2020 to 31 March 2021 (FY2020/21). Data and information from past reporting cycles have been included, where available. Our report is published on an annual basis on SIAEC's website, with our last report published in June 2020.

Reporting Scope and Boundary

[102-7] [102-45]

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 aim to progressively expand our reporting to include our key subsidiaries and have started to gather data in preparation for future reporting.

SIAEC's JVs are listed on page 20. Financial information relating to the SIAEC Group's business can be found in the FY2020/21 Annual Report.

Reporting Framework

[102-12] [102-54]

Global Reporting Initiative (GRI)

The report has been prepared in accordance with the GRI Standards: Core option. The GRI Standards is selected as it represents the global best practice for reporting an organisation's sustainability impacts.

SGX Sustainability Reporting Listing Rules and Guide

The report has been prepared in accordance with the five primary components set out in the SGX-ST Listing Rule 711B, and takes reference from the SGX Sustainability Reporting Guide, which provides guidelines on component requirements and reporting principles.

United Nations Sustainable Development Goals (SDGs)

SIAEC supports the United Nation's 2030 Agenda for Sustainable Development. Recognising that businesses are integral to the achievement of these goals, we have reviewed the aspects important to the Company and our stakeholders against the SDGs and identified 13 SDGs that our sustainability practices are in support of.

Reporting Quality

[102-56]

SIAEC has not sought external assurance for this report but will consider doing so for future reports.

Feedback

[102-53]

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

Over the past year, there has been an increasing focus on a green and resilient recovery from COVID-19 globally and in Singapore. In February 2021, Singapore launched the national blueprint for sustainable development, the Singapore Green Plan 2030, signalling the nation's resolve to work towards a net-zero aspiration. SIAEC recognises the importance and is fully committed to supporting decarbonisation. As part of the aviation ecosystem, we play an important role in contributing to the collective efforts to reduce carbon emissions generated by the aviation industry. In FY2020/21, we established the Sustainability Steering Committee to work closely with the Board on the sustainability strategy and direction, and to accelerate the implementation of sustainability initiatives in SIAEC.

During the year, we achieved an important milestone of our plan to reduce SIAEC's carbon footprint with the adoption of renewable energy in our operations. We installed solar photovoltaic systems on the roofs of our buildings and hangars, which would reduce our electricity consumption from non-renewable sources by 20%. In addition, one of our hangars achieved the Building and

Construction Authority's Green Mark Platinum rating and Super Low Energy Building status, as well as Public Utilities Board's Water Efficient Building certification. We have also enhanced our waste recycling programme and started to report waste and water data in this report.

Our sustainability drive goes beyond SIAEC and extends to our Group companies. Our subsidiary in the Philippines has installed a solar photovoltaic system, which will be able to supply 15% of its electricity requirements. Several of our joint venture and associated companies have also installed solar photovoltaic systems at their facilities or are planning to embark on similar projects to tap solar energy for their operations.

The COVID-19 pandemic has upended the lives and livelihoods of many people and economies globally. SIAEC Group's businesses had not been spared and were severely impacted by the sharp reduction in flight activities. In response to this unprecedented crisis, tight cost controls were implemented. As the situation escalated, we had to introduce difficult measures including compulsory no-pay leave, furlough and salary cuts. Surplus manpower was redeployed to support areas with increased demand, such as aircraft disinfection and preservation maintenance. Schemes were also rolled out to reskill and upskill employees during the downturn. These measures and support from the Singapore government have protected jobs and avoided layoffs. Throughout this difficult period, we maintained close communication with the unions and provided support to released contract employees, such as arranging job placement fairs to help them seek alternative employment opportunities. We are grateful to have received strong support from our employees and unions to manage costs, as

well as the Singapore government for the wage support.

Protecting the health and safety of our workforce remains a priority during the pandemic. To safeguard the health and well-being of our stakeholders, the Company implemented safe management measures and processes to keep our workplace safe. Under a rostered routine testing programme, frontline employees who are at risk of exposure to COVID-19 have to undergo regular testing, for early detection and to prevent spread of infections. Employees were also strongly encouraged to sign up for COVID-19 vaccination when priority was given to the aviation community. As of July 2021, 92% of our workforce has received at least one dose of the vaccine. We have also set up a one-stop COVID-19 support portal for employees to access consolidated information on relevant regulatory updates, industry news, health and mental wellness tips and helplines.

Arising from changes in the operating environment, we continually identify and put in place measures to manage new safety risks, such as aircraft towing in the congested airport due to the large number of parked aircraft. Following the success of our Aviation Safety Promotion Centre in 2019, we have set up the Workplace Safety Promotion Centre in FY2020/21 to augment existing safety training and programmes with the aim to reinforce workplace safety culture and mindset amongst our workforce.

In spite of the challenges brought about by the pandemic, we have not forgotten our commitment to contributing to the community. While several of our Corporate Social Responsibility (CSR) activities had to be suspended due to COVID-19 restrictions, our

employee volunteers participated in community events where permissible. We continued to hold our annual charity run virtually and raised funds for beneficiaries of our CSR partner.

Our focus on sustainable growth was not disrupted by the pandemic as we forged ahead with our vision to be the MRO service provider of choice. In January 2021, phase two of our Transformation programme was launched to better strengthen SIAEC's value creation for our stakeholders, and support the aviation community's recovery from the crisis. We are positioning ourselves to emerge stronger by optimising our operational processes through Lean methodology and digital tools, developing new technology-enabled products and services for customers and industry partners, and continually reskilling and upskilling our people. To this end, we are honoured and encouraged to be recognised and awarded the 2021 Asia-Pacific MRO of the Year Award by Airline Economics magazine.

The recovery of the MRO business is contingent on the resumption of global air travel. The roll-out of COVID-19 vaccinations globally has provided some encouraging signs of growing confidence in international air travel, a more meaningful increase in flight frequencies and the subsequent demand for MRO services. Countries that are well-advanced in their vaccination programmes and with effective containment measures in place are easing travel restrictions and re-opening their economies. Through our initiatives to drive sustainability, productivity and innovation, we aim to emerge from this crisis stronger and greener.

NG CHIN HWEI
Chief Executive Officer

SUSTAINABILITY FRAMEWORK

At SIAEC, we continually engineer change to create a sustainable future.

In our pursuit to be the MRO service provider of choice, we seek to foster a sustainability mindset throughout the organisation and embed sustainability practices in our operations.

Our sustainability ambitions are guided by the three pillars of SIAEC's Sustainability Framework, and working with our stakeholders to address their needs and concerns.

At SIAEC, we **create** growth through innovation, technology and transformation, and collaborate with our business partners. We act **responsibly**, ensuring environmental and social sustainability in our operations and supply chain, with emphasis on the safety of our workforce and quality of our services. We contribute to our society and **deliver** value to our employees and local communities.



SUSTAINABILITY GOVERNANCE STRUCTURE

[102-18] [102-19] [102-20] [102-26] [102-31] [102-32]

Sustainability at SIAEC is spearheaded by the Sustainability Working Group (SWG) with oversight by the Sustainability Steering Committee (SSC) and the Board. Support for our sustainability agenda is one of the philosophies of the remuneration policies for Senior Management to promote the long-term success of SIAEC.



BOARD STATEMENT

The Board recognises the importance of leadership involvement in sustainability management at SIAEC.

The Board is actively involved through various Board committees and regular engagement with Senior Management to ensure oversight of sustainability within SIAEC. The Board provides guidance and works closely with the Sustainability Steering Committee on SIAEC's overall sustainability strategic approach, policies and business objectives, taking into consideration material economic, environment, social and governance factors. This includes the review, management and monitoring of SIAEC's material sustainability topics, performance and initiatives. In FY2020/21, the Board was involved in the evaluation of SIAEC's material sustainability topics, especially providing guidance on SIAEC's response to the impact of the COVID-19 pandemic and the review of SIAEC's Sustainability Report.

SUSTAINABILITY PILLARS

SUSTAINABILITY PILLARS

SUSTAINABILITY GOALS AND TOPICS

SUPPORTING THE SDGs

SUSTAINABILITY OUTCOMES



CREATING CHANGE Driving Sustainable Growth

Creating Sustainable Long-term Economic Growth:

- JV portfolio
- Innovation, technology and business transformation



RESPONSIBLE CHANGE Ensuring Safety, Accountability and Sustainability

Ensuring Safety of Employees and Delivering High Quality Services to our Customers

- Workplace safety and health*
- Service quality* (NEW)

Upholding High Corporate Governance Standards

- Corporate governance
- Risk management
- Anti-corruption/anti-bribery*

Managing Environmental Impact from our Operations

- Energy*
- Emissions*
- Water and effluents
- Waste
- Environmental compliance* (NEW)

Selecting Responsible Supply Chain Partners

- Supply chain management* (NEW)



DELIVERING CHANGE Committing to our Communities

Nurturing and Investing in SIAEC's Human Capital

- Employment*
- Training and development*
- Diversity, equal opportunity and non-discrimination* (NEW)
- Human rights, child and forced/compulsory labour (NEW)
- Labour/management relations* and freedom of association and collective bargaining

Connecting and Giving Back to Local Communities where SIAEC Operates

- Local communities



CONTRIBUTE TO GLOBAL SUSTAINABLE DEVELOPMENT
EMERGE STRONGER AND BE FUTURE READY

* High materiality sustainability topics

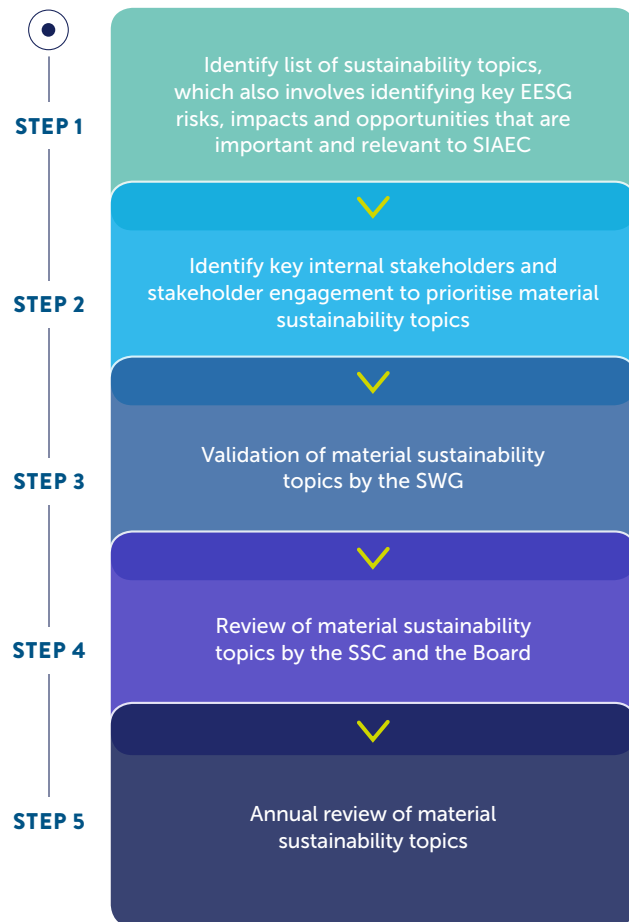
(NEW) Topics which have been newly identified or existing topics elevated to high materiality status

MATERIALITY ASSESSMENT

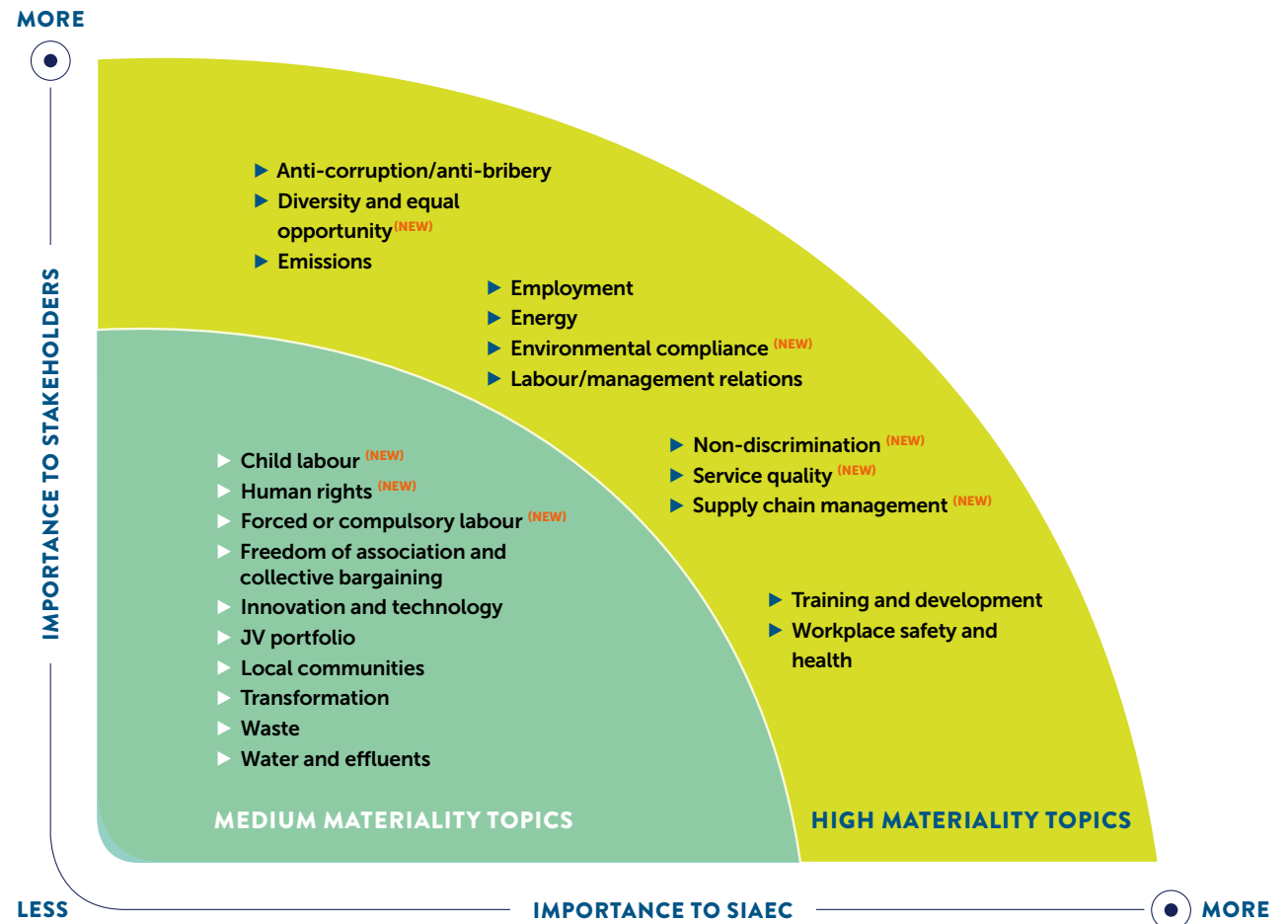
[102-12] [102-27] [102-42] [102-46]

SIAEC conducts materiality assessment annually to better understand the key sustainability topics pertaining to SIAEC and its stakeholders to formulate and calibrate our responses to address these topics effectively. After identifying and prioritising the sustainability topics, the material topics are reviewed by the SWG and presented to the SSC and the Board for review. The materiality assessment process and the list of material sustainability topics are summarised in the following segment.

Stages for Materiality Assessment:












Materiality Matrix FY2020/21:















HIGH MATERIALITY SUSTAINABILITY TOPICS, TARGETS, PERFORMANCE AND CONTRIBUTION TO THE SDGs

[102-47]

HIGH MATERIALITY SUSTAINABILITY TOPICS	FY2020/21 TARGETS	TARGETS	PERFORMANCE	SUPPORTING THE SDGs
Workplace safety and health	Zero work-related fatalities	Perpetual	Achieved	 
Service quality ^(NEW)	No major findings from external audits by airworthiness authorities and regulatory bodies Quality and safety outreach programmes/initiatives	Perpetual	Achieved	
Anti-corruption/ anti-bribery	Zero incidents of corruption or bribery	Perpetual	Achieved	
Energy	Reduce FY2013/14 electricity consumption level by 15% by FY2021/22	FY2021/22	On track	
Emissions	Reduce FY2013/14 carbon emissions intensity level by 24.48% by FY2030/31	FY2030/31	On track	 
Environmental compliance ^(NEW)	Zero environmental-related fines or non-monetary sanctions	Perpetual	Achieved	 

HIGH MATERIALITY SUSTAINABILITY TOPICS, TARGETS, PERFORMANCE AND CONTRIBUTION TO THE SDGs (Cont'd)

[102-47]

HIGH MATERIALITY SUSTAINABILITY TOPICS	FY2020/21 TARGETS	TARGETS	PERFORMANCE	SUPPORTING THE SDGs
Supply chain management ^(NEW)	Screen suppliers ¹ on social and environmental criteria	Perpetual	Achieved	  
Employment	Zero cases of non-compliance with labour and employment laws	Perpetual	Achieved	
Training and development	Maintain average of 34 training hours per employee per year	Perpetual	Achieved	
Diversity and equal opportunity ^(NEW)	Continue to promote diversity and equal opportunity in the workplace and Boardroom	Perpetual	Achieved	  
Non-discrimination ^(NEW)	Zero incidents of discrimination	Perpetual	Achieved	  
Labour/management relations	Maintain harmonious industrial relations	Perpetual	Achieved	

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


STAKEHOLDER ENGAGEMENT

[102-15] [102-21] [102-29] [102-42] [102-43]

As part of SIAEC's stakeholder engagement², we maintain regular communications with our stakeholders to understand key stakeholder interests and concerns. Stakeholders affected by or have influence over SIAEC business operations are identified and key findings and feedback through our stakeholder engagement are taken into consideration in our management of material sustainability topics.

Stakeholder Engagement Methods, Key Topics of Interest and Our Responses



[102-40] [102-44]

Key Stakeholders And Our Commitment	Engagement Methods	Frequency	Topics Of Interest	Our Responses
 <p>EMPLOYEES We value our employees and care for their well-being and development.</p>	<p>Mobile application:</p> <ul style="list-style-type: none"> • 1SQ mobile web application • Employee Self-Service On-The-Go <p>In-house communication channels:</p> <ul style="list-style-type: none"> • Intranet portal Electronic Bulletin Board • In-house magazine Precision • Communication Packages <p>Dialogues with Senior Management:</p> <ul style="list-style-type: none"> • Updates from Senior Management at virtual Business Meetings after the announcements of half-year and full-year financial performance • Senior Management dialogues with employees <p>Surveys:</p> <ul style="list-style-type: none"> • Organisational Climate Survey • Pulse Surveys on Transformation • Digital survey <p>Events:</p> <ul style="list-style-type: none"> • Safety & Security Week held virtually from 27 to 30 October 2020 • Innovation Week held virtually from 24 to 27 November 2020 • Innovation Challenge <p>Engagement with unions:</p> <ul style="list-style-type: none"> • Meetings between Management and unions to discuss employees-related issues • Informal get-together sessions and retreats to maintain collaborative relationships with union partners <p>Grievance mechanisms:</p> <ul style="list-style-type: none"> • Whistle-blowing programme 	<p>Throughout the year</p> <p>Throughout the year</p> <p>Biannually</p> <p>Monthly</p> <p>Biennially</p> <p>Throughout the year</p> <p>Biannually</p> <p>Annually</p> <p>Annually</p> <p>Throughout the year</p> <p>Monthly</p> <p>Ad-hoc</p> <p>Throughout the year</p>	<ul style="list-style-type: none"> • Company/Group performance and sustainability of business • Transformation initiatives • Employee policies, welfare and activities • Workplace, safety and work environment-related issues • Impact of COVID-19 and measures taken by the Company • Mental wellness 	<ul style="list-style-type: none"> • Various communication channels with employees and unions to provide updates on topics of interest (Precision magazines, CEO Insights, Senior Management dialogues, etc.) • Providing employees with welfare benefits and organising social and recreational virtual activities • Fostering a strong workplace safety culture through initiatives such as the Workplace Safety Promotion Centre • Setting up of a one-stop portal on information relating to COVID-19

2 These engagements were not conducted specifically for the Sustainability Report

Stakeholder Engagement Methods, Key Topics of Interest and our Responses (Cont'd)

[102-40] [102-44]

Key Stakeholders And Our Commitment	Engagement Methods	Frequency	Topics Of Interest	Our Responses
 <p>CUSTOMERS We are committed to providing our customers high quality aviation engineering services.</p>	<p>Regular engagement with customers:</p> <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 Customer Newsletter and LinkedIn <p>• Customer visits</p> <p>Surveys:</p> <ul style="list-style-type: none"> Independent customer survey and follow-ups from survey <p>Events:</p> <ul style="list-style-type: none"> Singapore Airshow International MRO shows and exhibitions <p>Grievance mechanisms:</p> <ul style="list-style-type: none"> Whistle-blowing programme 	<p>Throughout the year</p> <p>Throughout the year Ad-hoc</p> <p>Annually</p> <p>Biennially Ad-hoc</p> <p>Throughout the year</p>	<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 Transformation 	<ul style="list-style-type: none"> Maintaining regular contact with our customers Fostering a strong aviation safety culture through initiatives such as the Aviation Safety Promotion Centre Improving service quality and reputation
 <p>SHAREHOLDERS We aim to create sustainable shareholder value by maximising returns for long-term profitability.</p>	<p>Communication channels:</p> <ul style="list-style-type: none"> Investor relations contact details are available on SIAEC's corporate website <p>Reports and Annual General Meeting (AGM):</p> <ul style="list-style-type: none"> Annual Report Sustainability Report Annual dialogue between shareholders and Board of Directors and Senior Management at the AGM Half-yearly analyst briefings Business updates and interim financial results <p>Events:</p> <ul style="list-style-type: none"> Management participation in non-deal road shows, corporate access forums and conferences, institutional investor meetings and conference calls <p>Grievance mechanisms:</p> <ul style="list-style-type: none"> Whistle-blowing programme 	<p>Throughout the year</p> <p>Annually Annually Annually</p> <p>Biennially Quarterly</p> <p>Ad-hoc</p> <p>Throughout the year</p>	<ul style="list-style-type: none"> Challenges facing the Group Financial performance of the Group Transformation Sustainability policies and practices 	<ul style="list-style-type: none"> Maintaining communication channels with shareholders through platforms such as AGM, analyst briefings, business updates and interim financial reporting Ensuring timely disclosure of information as required by the SGX listing rules

Stakeholder Engagement Methods, Key Topics of Interest and our Responses (Cont'd)

[102-40] [102-44]

Key Stakeholders And Our Commitment



JV PARTNERS

We strive to develop long-term growth opportunities with our JV partners.

Engagement Methods

Regular engagement with partners:

- Partnership Management Division which oversees and coordinates with JV partners. This includes frequent engagement to explore growth opportunities, develop new capabilities, provide advice and support for strategic restructuring and acquisition/divestment activities
- Management review of JVs' performance and issues
- Representation and participation of SIAEC nominee directors at JV Board meetings
- Presentation to SIAEC's Board on JVs' performance and growth plans
- A Partners' Forum was organised to explore how SIAEC and its JV network can collaborate on strategic and business opportunities, which was participated by representatives from the Economic Development Board, SIA, JV partners and leadership

Regular audits:

- Internal audits to monitor JVs' internal controls and compliance
- Regulatory audits to ensure safety and quality standards are maintained

Grievance mechanisms:

- Whistle-blowing programme

Frequency

Throughout the year

Ad-hoc

Throughout the year according to audit plans

Throughout the year

Topics Of Interest



- JVs' performance and issues
- Growth and strategic development of the JVs

Our Responses

- Maintaining regular engagements with JV partners
- Conducting regular meetings to track performance of JVs
- Providing oversight and support to JV partners

Stakeholder Engagement Methods, Key Topics of Interest and our Responses (Cont'd)

[102-40] [102-44]

Key Stakeholders And Our Commitment	Engagement Methods	Frequency	Topics Of Interest	Our Responses
 <p>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.</p>	<p>Regular engagement with suppliers:</p> <ul style="list-style-type: none"> Meetings, emails, teleconferences with suppliers to discuss commercial and operational matters <hr/> <p>Review of suppliers:</p> <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 Conduct³ Questionnaire for new suppliers Supplier risk assessments during the selection phase <hr/> <p>Grievance mechanisms:</p> <ul style="list-style-type: none"> Whistle-blowing programme 	<p>Throughout the year</p> <hr/> <p>Throughout the year</p> <hr/> <p>Throughout the year</p>	<ul style="list-style-type: none"> Cost-effective and socially responsible suppliers Suppliers' performance and sustainability practices Adherence to Supplier Code of Conduct 	<ul style="list-style-type: none"> Maintaining regular engagements with suppliers Selecting responsible suppliers
 <p>COMMUNITY 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 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"> Collaborations with CSR partners on community projects

3 Our Supplier Code of Conduct sets out the ethical and business conduct requirements which we require our suppliers to comply with

OUR RESPONSE TO COVID-19

The COVID-19 pandemic has disrupted the economy globally and impacted aviation industry severely. Adjusting to the evolving situations and preparing for a post-COVID landscape has been a key focus for SIAEC in FY2020/21.

At the onset of the pandemic, SIAEC activated its Pandemic Taskforce and the plans that had been introduced in response to previous outbreaks were reactivated to ensure the safety of all stakeholders. The Taskforce was involved in directing and coordinating the measures, including aligning with the authorities' advisories and SIA Group pandemic responses.

Steps have also been taken to safeguard the sustainability of the Group's businesses. We will continue to work closely with our stakeholders to emerge stronger in a post-COVID world.



EMPLOYEES

SIAEC continues to ensure the health, safety, welfare and development of our employees.

ENHANCING HEALTH AND SAFETY MEASURES

- Issued guidelines to employees on safe distancing and safe management measures
- Reviewed business operations and implemented health and safety measures
- Supported employee mental well-being through wellness talks, educational posters, mental health tips, and counselling services through doctor referrals provided by our medical benefits administrator. There are plans to engage a dedicated counselling service provider moving forward
- Introduced aircraft disinfection processes to protect employee safety
- Provided masks and other personal protective equipment to employees

PROTECTING JOBS

- Introduced reskilling and upskilling programs for employees, with a focus on building digital capabilities
- Trained and redeployed employees to business lines with higher work demand, such as aircraft disinfection and preservation maintenance
- Prioritised jobs protection to avoid layoffs
- Maintained close engagement with unions on employee measures
- Provided support to released contract employees and arranged job placement fairs for them to seek alternative employment opportunities

ENABLING WORK-FROM-HOME ARRANGEMENTS

- Digitalised workflows and IT support to enable employees to remain connected while working from home
- Updated cyber security and data protection measures to protect IT systems

PRIORITY FOR COVID-19 VACCINATION

- Encouraged employees to sign up for COVID-19 vaccination, including arranged shuttle services from the workplace to the vaccination facility
- Arranged webinar to address employees' concerns on COVID-19 vaccination

COMMUNICATING WITH OUR EMPLOYEES

- Established a one-stop COVID-19 Support Portal on COVID-19-related information:
- COVID-19 updates
 - News and advisories
 - Employee measures and guidelines
 - Industry news
 - Health tips for employees
 - Registration and information on COVID-19 vaccination



SIAEC CEO, Mr Ng Chin Hwee (fourth from the right), SVPHR, Mr Chua Hock Hai (first from the right) and NTUC Deputy Secretary-General, Ms Cham Hui Fong (third from the right) with our union representatives at the NTUC Aerospace and Aviation Cluster's vaccination drive at Changi Airport Terminal 4, which was a designated vaccination facility for aviation workers



CUSTOMERS

SIAEC strives to exceed our customers' expectations and maintain service quality of the highest standard.

ENSURING SERVICE QUALITY

- Ensured aircraft remain airworthy through preservation maintenance and maintained customers' cabin products in top condition
- Performed cabin disinfection services for the safety of passengers and airline crew, as well as our employees
- Continued to operate as essential service provider to support our customers during the Circuit Breaker period

WORKING WITH OUR CUSTOMERS

- Regular engagement with customers to address their needs and concerns
- Engaged our customers to understand changes to their business, adapted our operational support and modified the commercial terms to meet their requirements



SHAREHOLDERS

SIAEC aims to sustain shareholder value and has stepped up measures to mitigate the business impacts and reposition our business post-COVID.

ONGOING ENGAGEMENT AND TRANSPARENT DISCLOSURES

- Maintained ongoing engagement with shareholders to address key concerns and provided updates on key developments
- Maintained timely disclosure and quarterly update of performance through business updates, interim financial report, Annual Report and Sustainability Report

PRUDENT FINANCIAL MANAGEMENT

- Pay cuts with Management taking the lead
- Furlough, compulsory no-pay leave, early retirement with release of employees as last resort
- Reduced operating costs and deferred non-critical capital expenditures
- Maintained adequate liquidity
- Maintained sufficient funds for investment and growth

STRENGTHENING COMPETITIVENESS AND RESILIENCE

- Launched Phase 2 of SIAEC's Transformation programme "Power Up and Break Through", which will focus on boosting competitiveness and emerging stronger from COVID-19



JV PARTNERS

SIAEC continues to work closely with our JV partners while streamlining our international operations to optimise resources for areas of high-growth potential and competitive advantage, with the aim to ensure long-term sustainability of our portfolio.

CLOSE REVIEW AND MONITORING OF JVS

- Maintained ongoing discussions with JV partners, primarily through Partnership Management Division
- Ensured close engagement with JV partners and potential partners to ensure smooth completion of transactions for acquisitions/divestments, and support commencement of operations for new JVs

SEEKING NEW OPPORTUNITIES

- Invested in opportunities that can strengthen SIAEC's core competencies and reputation as a leading MRO service provider
- Organised Partners' Forum with participation from representatives of the Economic Development Board, SIA, JV partners and leadership to explore how SIAEC and its JV network can collaborate on strategic and business opportunities



SUPPLIERS

SIAEC works with our suppliers to manage any disruption to the supply chain brought about by the pandemic.

MANAGING SUPPLY CHAIN RISKS AND IMPACT TO OPERATIONS

- Assessed the impact on SIAEC's supply chain, inventories, cost implications and ability to deliver our contractual obligations
- Engaged suppliers to monitor developments, negotiated terms in contractual agreement as necessary
- Maintained ready access to labour suppliers, including wholly-owned subsidiary, Singapore Aero Support Services, for contingency workforce to supplement SIAEC's workforce as required
- Conducted assessment to ensure in-house expertise in core functions are not impacted or eroded over time

IMPLEMENTING CONTINGENCY PLANS

- Assessed and adopted contingency supply options such as sourcing from alternative suppliers



GOVERNMENT AND AUTHORITIES

SIAEC maintains close coordination and collaboration with the Singapore government and authorities to prevent the spread of COVID-19.

ADHERING TO SAFETY MANAGEMENT MEASURES

- Strengthened health and sanitation measures including enhanced disinfection
- Introduced SafeEntry and subsequently, TraceTogether check-in processes and temperature screening for visitors
- Introduced social distancing demarcations at common facilities
- Implemented staggered mealtimes
- Adopted team segregation and work-from-home arrangements to reduce number of employees on-site
- Provided personal protective equipment

WORKING WITH THE GOVERNMENT AND AGENCIES

- Coordinate with authorities on implementation of safe management measures, in particular the measures pertaining to operations in the airport, as well as arranging vaccinations for our employees when priority was given to the aviation community
- Engaged the Changi Airport Group to mitigate the risks of airport congestion at Changi Airport due to a large number of parked aircraft



COMMUNITY

SIAEC remains committed to contribute to our local communities despite the challenges brought about by the pandemic.

SUPPORTING THE AVIATION ECOSYSTEM

- Provided training programmes through SIAEC's Training Academy to develop a pipeline of skilled workers for the industry
- Delivered customised training to the aviation community, such as Airport Emergency Services, operating under the Changi Airport Group, to equip personnel with essential aircraft systems knowledge and new technologies

CONTRIBUTING TO LOCAL COMMUNITIES

- Although several CSR activities were suspended due to COVID-19 restrictions, we remain committed to contributing to the society and continued with our annual charity run virtually to raise funds for our CSR partner
- Where permissible, our employee volunteers continued to participate in community projects, such as Project HomeWorks and Fú Dài packing and delivery

CREATING CHANGE

DRIVING SUSTAINABLE GROWTH

CREATING
SUSTAINABLE LONG-TERM
ECONOMIC GROWTH

- JV Portfolio
- Innovation, Technology and Business Transformation



CREATING SUSTAINABLE LONG-TERM ECONOMIC GROWTH

[102-10] [201-1]

The key to continued success of SIAEC is to achieve sustainable long-term economic growth, which will create value for our customers, employees, shareholders and local economies. The drive to enhance value creation provides impetus for continual innovation and transformation.

Our operations also generate employment and contribute to the economies in the countries that we operate. In FY2020/21, the SIAEC Group generated S\$443.0 million in revenue, and distributed S\$247.5 million in operating costs, employee wages and benefits, interest payments and taxes. Please refer to the FY2020/21 Annual Report for more details on the economic value generated and distributed by SIAEC in FY2020/21.

JV Portfolio

SIAEC has formed JVs and partnerships with original equipment manufacturers (OEMs) and strategic partners over the years to enhance our service offerings to customers. Together with our network of JVs covering different locations, we offer our customers a comprehensive suite of MRO services in the region and worldwide.

To ensure a sustainable return on our investments, we are constantly reviewing our JV portfolio. In the year, we acquired full ownership and control of our base maintenance JVs, Heavy Maintenance Singapore Services Pte Ltd and SIA Engineering

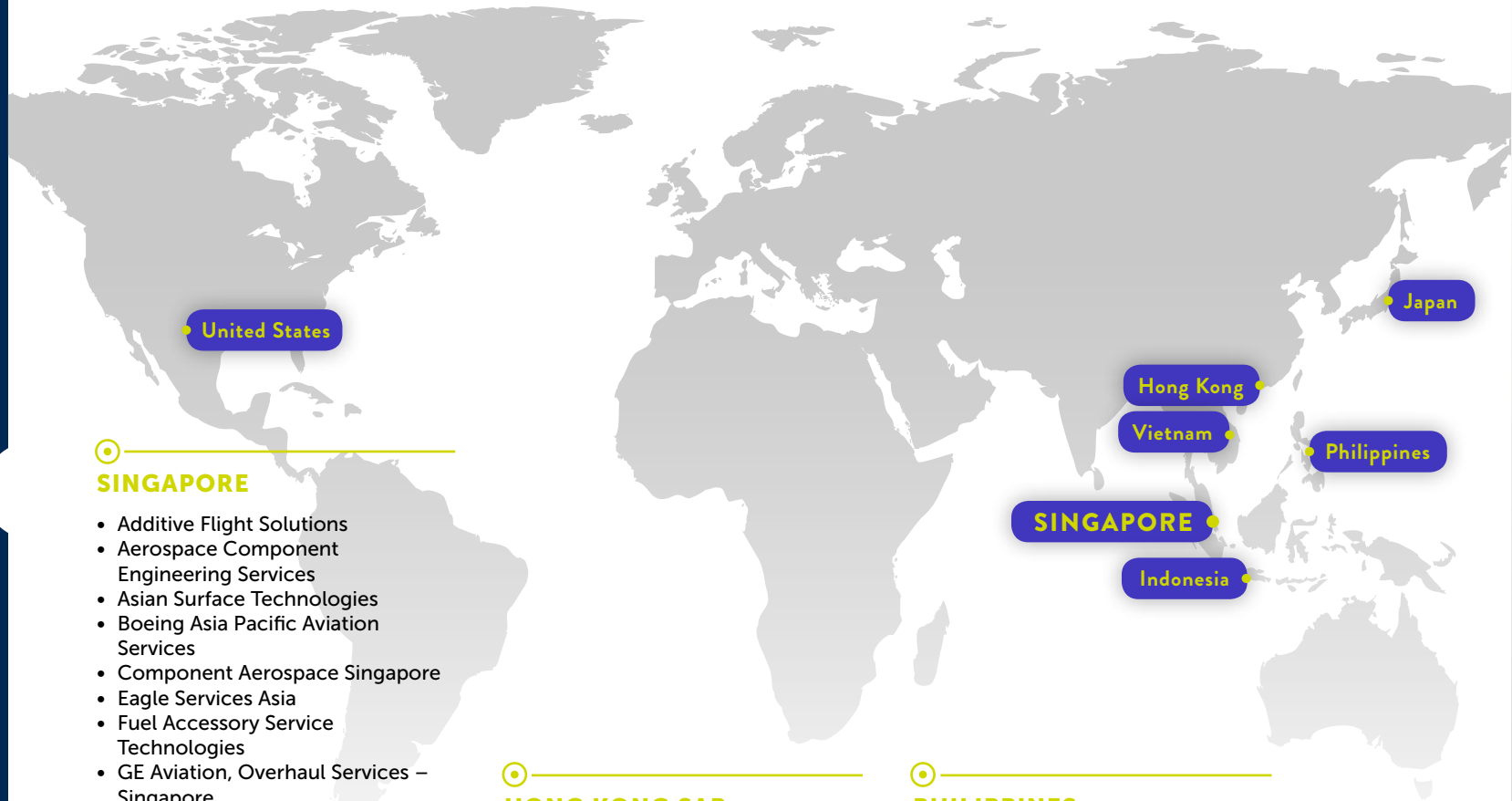
(Philippines) Corporation. As part of the rationalisation of our line maintenance international operations, we have divested our shareholdings in Aviation Partnership (Philippines) Corporation and dissolved Line Maintenance Partnership (Thailand) Company Limited. In March 2021, we entered into a Memorandum of Understanding with SR Technics Switzerland AG (SRT) on the potential acquisition of SRT Malaysia following a review of the synergies that SRT Malaysia would bring to SIAEC's existing component repair and overhaul services and fleet management programs.



● CASE STUDY

New Business Unit to Tap on Growth in the Engine Services Market

In February 2021, SIAEC set up a new business unit, Engine Services Division (ESD), to tap on growth in the aircraft engine services market. ESD will focus on increasing value to its OEM partners and airline customers, enhancing its integration in the engine MRO value chain and strengthening SIAEC's engine services ecosystem. All engine-related services performed by the Company will be consolidated and developed under ESD, which will be the lead business channel to complement SIAEC's network of engine JVs in Singapore. ESD will develop and provide a comprehensive portfolio of engine-related value-added services, including engine maintenance, parts repair, storage and preservation, material management, on-wing services and engine testing. ESD will also invest in a facility to accommodate growing demand in engine quick turn maintenance, where engine shop visits are driven by specific work to minimise engine time off-wing, thereby optimising both engine availability and reliability on-wing.



● SINGAPORE

- Additive Flight Solutions
- Aerospace Component Engineering Services
- Asian Surface Technologies
- Boeing Asia Pacific Aviation 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

● HONG KONG SAR

- Pan Asia Pacific Aviation Services

● INDONESIA

- PT JAS Aero-Engineering Services

● JAPAN

- SIA Engineering Japan

● PHILIPPINES

- SIA Engineering (Philippines)

● UNITED STATES

- SIA Engineering (USA)

● VIETNAM

- Southern Airports Aircraft Maintenance Services

INNOVATION, TECHNOLOGY AND BUSINESS TRANSFORMATION

As an important part of Singapore's aviation ecosystem, SIAEC has made significant strategic investments in innovation and technology that are aligned with the wider national and industry efforts, such as the Ministry of Trade and Industry's Air Transport Industry Transformation Map; the Emerging Stronger Taskforce's emphasis on digitalisation, robotics and sustainability; and the preservation of Changi Airport's global air hub status.

To guide SIAEC's business transformation and innovation and technology efforts, three committees have been set up – the Transformation Steering Committee, Technology Advisory Committee and Digital and Technology Committee.

TRANSFORMATION STEERING COMMITTEE

- Led by Chairman of the Board, and comprises Senior Management as members
- Meets monthly with the Management and union leaders
- Oversees transformation strategy and reviews progress, project initiatives and productivity metrics

TECHNOLOGY ADVISORY COMMITTEE

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

DIGITAL AND TECHNOLOGY COMMITTEE

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

CASE STUDY

Steering Ahead through Transformation

Against the backdrop of fast-changing technologies and an increasingly competitive MRO market, innovation and technology have been key enablers of our Transformation programme since 2017. Three years on, SIAEC is embarking on Phase 2 of the Transformation programme to stay ahead of the competition. Our Transformation roadmap focuses on delivering value to our internal and external stakeholders through an enhanced operating system and new products and services, enabled by empowerment, ownership and participation of all our employees.



Transformation Phase 2 - "Power Up and Break Through"

Timeframe

2021 to 2023



Minister for Transport, Mr Ong Ye Kung, officiating the launch of Phase 2 of SIAEC's Transformation programme. Joining him at the launch were SIAEC Chairman, Mr Tang Kin Fei, CEO, Mr Ng Chin Hwee and Civil Aviation Authority of Singapore Director-General, Mr Kevin Shum

Focus

- Boost competitiveness and emerge stronger from COVID-19
- Create value for key stakeholders
- Strengthen ecosystem and improve culture

Scale

- More than S\$40 million to be invested in digitalisation, automation and adoption of Lean methodology
- More than 200 Transformation initiatives as of 31 March 2021; progress and delivery plans are in line with Transformation roadmap

● CASE STUDY (CONT'D)

Transformation Phase 2 - "Power Up and Break Through" (Cont'd)

Objectives

- Deliver high quality services at competitive prices through improved productivity and efficiency
- Develop capabilities within our organisation
- Enhance our value to customers, suppliers and partners along the value chain through optimisation, integration and collaboration
- Improve employee experience through engagement and empowerment
- Promote a culture of innovation, continuous improvement and collaboration

Key Thrusts



Lean Methodology



Digitalisation



Technology



Organisation Design

Examples of Initiatives

- Line Maintenance Lean pilot project on Boeing 787 'A' checks achieved 25% improvement in turnaround time
- Base Maintenance Lean pilot project on Boeing 787 'C' checks achieved 30% improvement in turnaround time
- Introduction of SMART MX, a one-stop mobile application for engineers to access information on-the-go, update aircraft serviceability status, and enable decision support to increase productivity
- Development of data analytic tools such as Fleet Management digital dashboards to assist in inventory management, and Cognitive Advisor, a platform which uses machine learning and natural language processing to identify aircraft defects
- Development of automated engine lifter for aircraft engine change, to increase productivity and assist workers with physical-demanding tasks; expected reduction in manpower and time taken for engine change
- Development of assistive tools, such as tools for lifting of aircraft seats during the removal and installation of passenger seats, to reduce physical efforts and risk of injury
- Ongoing campaign for Transformation champions where employees stand to be nominated for various awards to encourage ground-up initiatives and drive transformation efforts

“

WITH THE LAUNCH OF TRANSFORMATION PHASE 2, WE WILL STRIVE TO BE MORE PRODUCTIVE AND INNOVATIVE AND EMERGE FROM THIS CRISIS WITH ENHANCED COMPETITIVENESS. WE WILL SUPPORT OUR EMPLOYEES THROUGH DIGITAL TRAINING AND EQUIP OURSELVES WITH DIGITAL TOOLS THAT ENABLE REAL-TIME SHARING OF INFORMATION AND DATA-DRIVEN DECISIONS.

NG CHIN HWEE
Chief Executive Officer

”

Cybersecurity and Data Privacy

The Company's push for digitalisation and the increase in telecommuting have underscored the importance of protection against cybersecurity threats and data privacy breaches. SIAEC is committed to proactively managing its information technology (IT) risks and maintaining high standards of data confidentiality through robust policies and governance structures. All employees are required to attend recurrent online training on information security.

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 and conducts independent review to monitor that IT security infrastructure and networks are continually kept up with evolving threats. 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. Annually, the business units and support divisions conduct tests of business continuity plans to ensure preparedness and effectiveness of responses to disruptions on critical IT

systems. 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 selected Group companies to ensure compliance with IT controls and where required, follow-up actions are introduced to improve standards and resilience.

The management and use of our employees', customers' and suppliers' data are governed by SIAEC's Personal Data Protection Policy to ensure compliance with the Personal Data Protection Act. Any data privacy concerns can be raised to SIAEC's Data Protection Officer.

In view of COVID-19 and work-from-home arrangements, SIAEC has introduced various digital workflows in place of previous hardcopy approval workflows, such as in the area of invoice verification and approval. Employees working from home are given secure virtual private network (VPN) and virtual desktop infrastructure (VDI) access to office applications and resources. This provides an added measure of security over the Company's data and resources when employees access them from home.



RESPONSIBLE CHANGE

ENSURING SAFETY, ACCOUNTABILITY AND SUSTAINABILITY

ENSURING

SAFETY OF EMPLOYEES AND
DELIVERING HIGH QUALITY
SERVICES TO OUR CUSTOMERS

- Workplace Safety and Health
- Service Quality

UPHOLDING

HIGH CORPORATE
GOVERNANCE STANDARDS

- Corporate Governance
- Risk Management
- Anti-corruption/
Anti-bribery

MANAGING

ENVIRONMENTAL IMPACT
FROM OUR OPERATIONS

- Energy
- Emissions
- Water and Effluents
- Waste
- Environmental Compliance

ENSURING

RESPONSIBLE SUPPLY
CHAIN PARTNERS

- Supply Chain Management





ENSURING SAFETY OF EMPLOYEES AND DELIVERING HIGH QUALITY SERVICES TO OUR CUSTOMERS

KEY POLICIES, PROCESSES AND PROCEDURES	OUR COMMITMENT	TARGETS	PERFORMANCE
<ul style="list-style-type: none"> Safety Management System (ISO 45001: 2018 OHSMS certified) Integrated Safety Management System Policy 	<ul style="list-style-type: none"> Provide a safe work environment Continual improvements in our workplace safety and health standards Maintain a world class standard in aviation safety Maintain high quality aviation engineering services 	<p>Zero work-related fatalities</p> <p>No major findings from external audits by airworthiness authorities and regulatory bodies</p> <p>Quality and safety outreach programmes/initiatives</p>	<ul style="list-style-type: none"> No work-related fatalities in FY2020/21 No major findings from external audits by airworthiness authorities and regulatory bodies in FY2020/21 Initiatives conducted in FY2020/21 included Workplace Safety Promotion Centre, Safety & Security Week, Maintenance Line Operations Safety Assessment programme

● Achieved ● On track ● Not achieved

Workplace Safety and Service Quality

Ensuring the safety of our employees is of foremost priority to SIAEC's business and operations. As a leading MRO service provider, ensuring aviation safety is of paramount importance. We uphold high standards of quality and safety in aircraft maintenance to ensure that our customers' aircraft are airworthy and safe for flight. Our safety culture also applies to workplace safety as we continually strive for zero safety incidents. We instil and promote safety consciousness among our employees to prevent accidents and injuries. We also continually review our practices and processes, and implement initiatives and technologies to enhance safety at our operations.

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

Thrust 1: Board and Management Oversight

[403-3] [403-4]

Safety is one of our core values. The emphasis is reflected in the level of attention given to the oversight of safety. SIAEC's safety governance structure comprises three levels of safety management and oversight – the Board Safety and Risk Committee, Safety, Health, Environment and Quality Council, and Safety, Health and Environment Committees.

<p>BOARD SAFETY AND RISK COMMITTEE</p>	<ul style="list-style-type: none"> • 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
<p>SAFETY, HEALTH, ENVIRONMENT AND QUALITY COUNCIL</p>	<ul style="list-style-type: none"> • Meets quarterly • Led by the CEO and comprises Senior Management from the operations and representatives from 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
<p>SAFETY, HEALTH AND ENVIRONMENT COMMITTEES</p>	<ul style="list-style-type: none"> • Each committee meets monthly • Each committee is led by a Senior Vice President and comprises key representatives from the Management and unions, and divisional 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

Thrust 2: Safety Management Systems

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

Safety Management System

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.

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 the 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 incidents⁴ are investigated under the supervision of the Vice President of Workplace Safety and Facilities. This includes issuance of a preliminary accident/incident report based on the 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.

HAZARD IDENTIFICATION AND RISK ASSESSMENT PROCESS

The process for work-related hazard⁵ identification and risk assessment in the Safety Management System is outlined below:

Preparation Work	Hazard Identification	Risk Evaluation and Assessment	Risk Control	Implementation and Review
<ul style="list-style-type: none"> Gather relevant information (accident data, unsafe acts, etc.) Identify activities and prepare Hazard Identification and Risk Assessment 	<ul style="list-style-type: none"> Identify hazards, hazardous events and associated foreseeable causes 	<ul style="list-style-type: none"> Determine consequence to assess severity Identify existing control measures Determine likelihood of occurrence and risk level 	<ul style="list-style-type: none"> Determine additional control measures required Assessment of risk reduction actions Review risk assessment and establish residual risks 	<ul style="list-style-type: none"> Review and approval by relevant teams and Management Communicate to operational employees

Examples of COVID-related safety risks identified as part of SIAEC's hazard identification and risk assessment process:

Event	Risks	Mitigating Measures
Redeployment of employees across different operations divisions	Unfamiliarity with new working environment and inherent safety hazards	<ul style="list-style-type: none"> Induction training programme for employees deployed to new work areas or returning employees Training for all new hires and contractors
Maintaining skill proficiency of employees who are away from work for extended periods	Lack of task familiarity for operational employees returning from furlough or new hires when operations recover	
Outbreak of COVID-19 infections at workplace	Loss of operational employees due to infections	<ul style="list-style-type: none"> Adhere to safe management measures SafeEntry and subsequently, TraceTogether check in/out of premises to facilitate contact tracing Increased cleaning and disinfecting of common areas Rostered routine testing for frontline employees

4 5 Please refer to the Appendix for definitions and methodologies

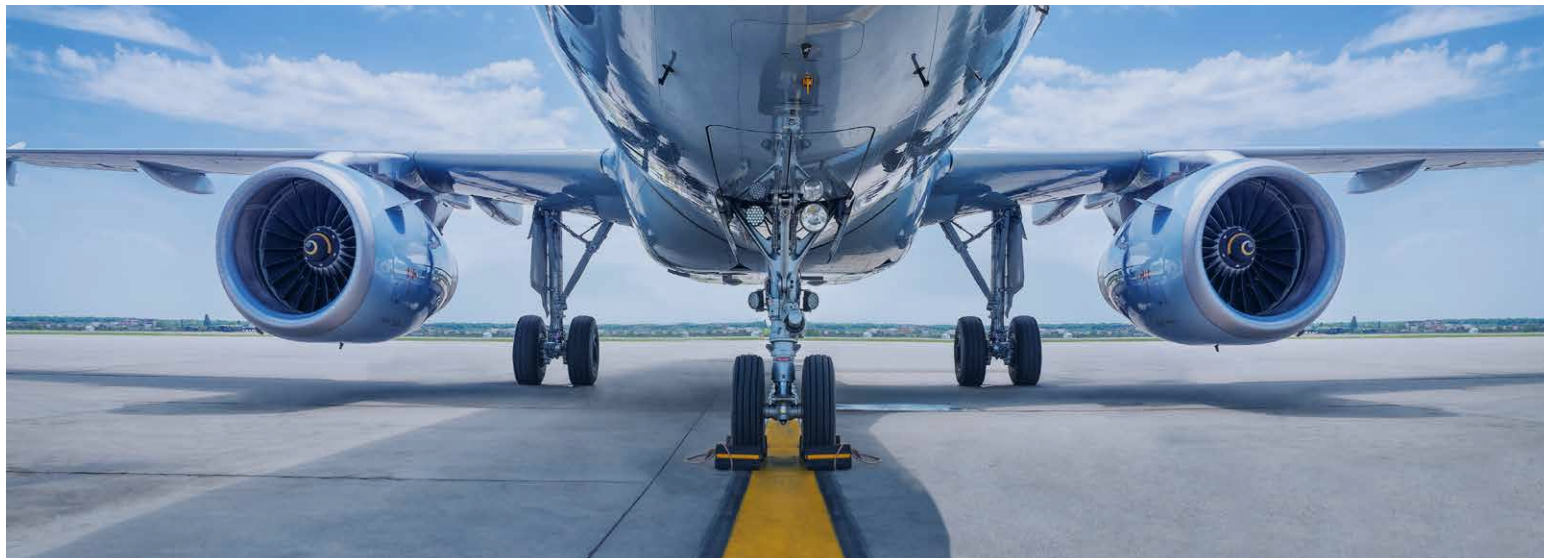
Aviation Safety Management System

SIAEC has an Aviation Safety Management System to ensure all matters relating to aviation safety meet the requirements set by the Civil Aviation Authority of Singapore and are in accordance with the International Civil Aviation Organisation's standards and recommendations. The Aviation Safety Management System ensures all negative safety and operational impacts are prevented or mitigated. The Executive Vice President Operations is the Accountable Manager for aviation safety and is responsible for ensuring an effective and functioning Aviation Safety Management System.

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

As of June 2021, SIAEC holds certifications from 26 airworthiness authorities globally, including the Civil Aviation Authority of Singapore, the Federal Aviation Administration and the European Union Aviation Safety Agency. In FY2020/21, SIAEC passed 190 audits by the authorities and airline customers, affirming our adherence to operational and safety standards.

In FY2020/21, all of SIAEC's significant service categories⁶ had been assessed for health and safety impacts and improvements.



⁶ Significant service categories refer to SIAEC's MRO activities

Thrust 3: Training and Communication

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

Training and Communication on Occupational Health and Safety

SIAEC recognises the importance of having open communication with our employees to allow them to voice their concerns regarding occupational health and safety issues. As such, we actively involve our employees in the implementation and review of our safety management systems. 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 Safety, Health and Environment Committee meetings, etc. We also promote a Just Culture and encourage employees to report errors so that the organisation can learn from the mistakes.

To ensure all key stakeholders are kept informed and up to date with the latest occupational safety practices and requirements, the Safety, Health and Environment Handbooks are made available to all employees and contractors. 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, we also conduct targeted health and safety courses for certain job functions to ensure employees carry out their work activities safely.

Training and Communication to Ensure Service Quality

To raise awareness on the importance of ensuring quality service and aviation safety, we provide regular training to our employees and communicate the 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 to date with the latest regulations and procedures. Listening to our customers' needs is an important aspect of improving our service quality. We conduct annual customer engagement surveys to gather feedback, which will help us improve our services and enhance customers' satisfaction.



CASE STUDY

SIAEC Workplace Safety Promotion Centre

Following the successful launch of the Aviation Safety Promotion Centre in 2019, SIAEC established the Workplace Safety Promotion Centre in FY2020/21 to augment existing programmes and training on workplace safety with the aim to reinforce workplace safety culture and mindset amongst our workforce.

The Centre focuses on workplace hazards and includes lessons learnt from past workplace accidents in the industry. The Centre offers an integrated learning environment combining classroom-based lessons and experiential and visual learning for participants. All employees are scheduled to attend the training at the Workplace Safety Promotion Centre.



CASE STUDY

SIAEC Aviation Safety Promotion Centre

In 2019, SIAEC launched the Aviation Safety Promotion Centre, which is dedicated to raising awareness and importance of aviation safety. Being the first-of-its-kind in the MRO industry, the Centre highlights important lessons from past maintenance-related aviation incidents through immersive media, informational displays and interactive activities.

All employees are required to undergo an instructor-led training at the Aviation Safety Promotion Centre. As of 31 March 2021, 88% of operational employees and 39% of non-operational employees have undergone the training.

Maintenance Line Operations Safety Assessment

In FY2019/20, the Maintenance Line Operations Safety Assessment (M-LOSA) programme was introduced. The programme adopts a non-punitive and proactive approach to identify threats and errors, and address issues before incidents occur. To date, more than 80 employees have been trained as observers, with more than 1,440 observations gathered. All observations are analysed and addressed through action plans formulated.

Thrust 4: Partnering our Stakeholders on Safety

[403-7]

SIAEC collaborates with our stakeholders through various partnerships and joint programmes to promote safety. Some of our key partners include the Changi Airport Group (CAG) and the Civil Aviation Authority of Singapore. SIAEC is also a member of the Singapore Airside Operations Safety Committee (SAOSC), which is chaired by the CAG. The main objective of the SAOSC is to provide a platform to discuss, resolve and decide on airside operational matters.

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 since 2017 and is honoured to receive five awards in 2020. The awards are a testament to the Company's commitment to building a strong safety culture.

EXAMPLES OF AWARD-WINNING SOLUTIONS

- SIAEC's Aviation Safety Promotion Centre, which focuses on educating employees on aviation safety through past maintenance-related aviation incidents, was recognised by CAG for demonstrating a positive disposition towards building a strong safety culture.
- SIAEC's Line Maintenance and Innovation & Technology Divisions designed a system to prevent vehicular accidents that may be caused by driver fatigue. The system includes infrared detectors that can identify signs of fatigue or lack of attention, through eye-tracking algorithms and monitoring of facial movements. Upon detection of signs of possible fatigue, an audio alarm and seat vibrators will be activated to alert drivers. The system is also capable of generating reports for analysis.
- A team of SIAEC employees came up with an initiative to install cameras at the rear end of the mobile lifts with markers displayed on the monitors. The cameras and markers serve to guide the drivers to position the mobile lifts accurately and safely.



Team members who spearheaded the establishment of the Aviation Safety Promotion Centre

SIAEC also seeks to promote a strong safety culture within our JVs, in particular the subsidiaries and JVs with management control. We actively engage the JVs on their safety performance, and render support and assistance as necessary. These include conducting audits, providing training and advices and sharing of best practices and lessons learnt.

Occupational Health of Employees

[403-6]

Occupational health services are provided to our employees to safeguard their health and well-being while on the job. 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, Environment and Quality Council meeting every quarter.

Our Safety Performance⁷

[403-9]

There were no cases of high-consequence work-related injuries and fatalities for both employees and workers in FY2020/21, and the number of work-related and recordable work-related injuries have also decreased compared to FY2019/20.

FOR EMPLOYEES	FY2017/18		FY2018/19		FY2019/20		FY2020/21	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Work-related injuries	70	5.79	71	6.06	60	5.29	40	4.72
High-consequence work-related injuries	2	0.17	0	-	2	0.18	0	-
Recordable work-related injuries	52	4.30	63	5.38	54	4.76	36	4.25
Fatalities	0	-	0	-	1	0.09	0	-

FOR WORKERS	FY2017/18		FY2018/19		FY2019/20		FY2020/21	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Work-related injuries	11	3.10	9	2.51	17	4.87	3	2.66
High-consequence work-related injuries	0	-	0	-	0	-	0	-
Recordable work-related injuries	11	3.10	9	2.51	17	4.87	3	2.66
Fatalities	0	-	0	-	0	-	0	-

7 Please refer to the Appendix for definitions and methodologies

Ensuring Workplace Safety and Health amidst COVID-19

Working in the airport environment, our frontline employees face a higher risk of exposure to COVID-19. To prevent workplace infections, SIAEC coordinates with the authorities to schedule our frontline employees for regular rostered routine testing for early detection of COVID-19. In January 2021, Singapore's aviation community was given priority for the COVID-19 vaccination. SIAEC encourages all employees to sign up for the vaccination to protect themselves and their families. A webinar was also organised to address employees' concerns and queries regarding the vaccination. As of July 2021, 92% of our workforce has received at least first dose of the vaccine. We have also implemented safe management measures to ensure the safety of our employees. Underpinning our safe management measures are three pillars – Protection, Facilities and Monitoring.



Protection

Safe Management Officers:

- Appointed Safe Management Officers across all divisions to oversee and enforce safe management measures

Personal protective equipment:

- Provided face masks for all employees
- Provided full personal protective equipment for employees accessing aircraft cabin

Safe distancing measures:

- Reduced number of employees on-site; for on-site employees, segregated teams to prevent risk of cross-infections
- Implemented work-from-home arrangements for non-operational employees
- Staggered mealtimes for crowd control
- Virtual meetings by default

Handling suspect or confirmed infections:

- Developed guidelines for employees who have come into contact with confirmed/suspect cases, as well as employees who are unwell and exhibit relevant symptoms



Facilities

Increased cleaning and disinfecting:

- Frequent cleaning and disinfection of high-touch areas (door handles, lift buttons, etc.)

Social distancing:

- Reduced capacity of meeting rooms and set up demarcations in common areas
- Limited canteen dine-in to reduce crowds and gatherings



Monitoring

Monitoring of safe management measures:

- Inspection of work areas by Safe Management Officers to ensure adherence

Monitoring of employees and screening of visitors:

- Implemented SafeEntry and subsequently, TraceTogether requirements
- Temperature-taking and health screening for visitors

Rostered routine testing:

- Regular tests for COVID-19 for frontline employees

Ensuring Service Quality amidst COVID-19

SIAEC is not spared from the business and operational disruptions arising from COVID-19. As part of our Aviation Safety Management System, we have conducted hazard identification and risk assessments and implemented mitigating measures to ensure that the quality of our services would not be compromised.

As a result of reduced air travel in FY2020/21, there was a large number of parked aircraft, posing a challenge to carry out maintenance and towing activities in a congested airport. Some of the measures implemented include ensuring adequate marshallers during aircraft towing and limiting maintenance activities on aircraft parked at taxiways.

In addition, as we redeploy our employees to areas with higher work demand, we are mindful of risks such as unfamiliarity with the new working environment and inherent safety hazards. To prevent these risks, all redeployed employees have to go through a safety induction training before commencing work in the new areas.



UPHOLDING HIGH CORPORATE GOVERNANCE STANDARDS

KEY POLICIES, PROCESSES AND PROCEDURES	OUR COMMITMENT	TARGETS	PERFORMANCE
<ul style="list-style-type: none"> • Anti-corruption/Anti-bribery Policy • Whistle-blowing programme • Employee Code of Conduct • Supplier Code of Conduct 	<ul style="list-style-type: none"> • To act lawfully with integrity in every aspect of our business 	Zero incidents of corruption or bribery	<ul style="list-style-type: none"> ● No reported incidents of corruption or bribery in FY2020/21

● Achieved ● On track ● Not achieved

Corporate Governance

We believe that strong corporate governance is critical to the sustainability of our business and is important to all stakeholders. Our Board and Management are committed to conducting our business ethically and responsibly. SIAEC has in place a rigorous governance framework, underpinned by well-defined policies and processes, that promotes quality corporate performance, excellence, integrity, active stewardship, accountability and transparency.

Board of Directors

[102-23] [102-26]

The Board is responsible for the Group's corporate governance standards and policies and has set out clear division of duties, 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. The Board also oversees the financial and non-financial strategies of the Company, and provides guidance to Management, conferring with them regularly.

Board Committees

[102-18]

The Board is supported by six Board committees which oversee both financial and non-financial matters. All Board committees are constituted with clear written terms of reference, defined duties delegated to each of them by the Board, compositions, qualifications for membership and other procedural matters such as quorum and decision-making processes.

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 of Directors, the independence of Directors, and to oversee the Board performance evaluation process, and the training and development of the Board
Compensation and Human Resource 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 Composition and Diversity**[102-22]**

SIAEC is committed to having diversity on the Board, taking initiatives designed to attract talented individuals as Directors, regardless of their race, ethnicity, religion, age, gender, disability status or any other dimension of diversity. The Board views diversity as an important element to ensure that Board members provide the necessary range of perspectives, insights, experiences and expertise for effective stewardship and management of the Company's business.

Please refer to the FY2020/21 Annual Report for more details on the composition and diversity of SIAEC's Board.

Board Nomination and Independence**[102-24]**

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 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.

At of July 2021, the Board consists of 11 Directors of which 10 are Non-Executive Directors, and seven 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**[102-27]**

The Board of SIAEC has also adopted a policy on continuous professional development to ensure all Directors can effectively discharge their statutory and fiduciary duties and to continually enhance the performance of the Board. All Directors are

encouraged to undergo continual professional development during the term of their appointment that may relate to a particular subject matter, committee membership, or key developments in the Group's environment, markets or operations.

Conflicts of Interest**[102-25]**

To ensure conflicts of interest are avoided and well managed, SIAEC has in place a Conflicts of Interest Policy 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.

Please refer to the FY2020/21 Annual Report for more details on the Company's Corporate Governance.

Risk Management

[102-11]

SIAEC recognises that having an effective risk management process facilitates sound business decision-making by anticipating potential risk events and taking steps to minimise the risks and associated costs.

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, cyber security and information technology, compliance and human resources and industrial relations risks.

Board's Governance of Risk

[102-30]

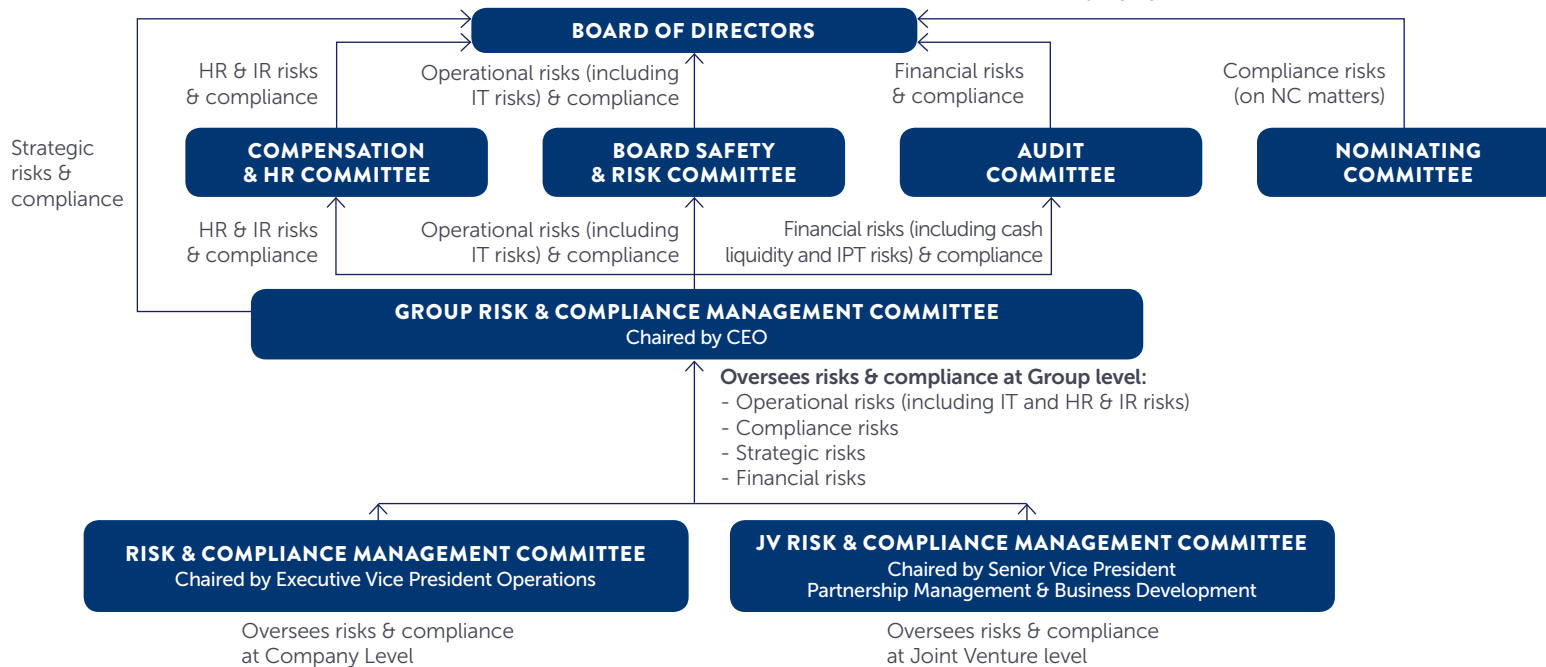
The Board, supported by various Board committees, maintains oversight of the key risks to the Group's business. Annually, the Board reviews the adequacy and effectiveness of the risk management and internal control systems. In particular, the Board Safety and Risk Committee assists the Board in overseeing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

Management's Governance of Risk

[102-29]

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 continuing 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 FY2020/21 Annual Report for more details on SIAEC's Risk Management Framework.



Compliance with Regulations

[102-17] [102-33]

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 our operations and impact our reputation. SIAEC is fully committed to complying with applicable laws and regulatory requirements, and conducting business with integrity, transparency and honesty.

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 the 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.

<p>Employee Code of Conduct</p>	<p>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, reporting of wrongdoings and anti-corruption. 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.</p>
<p>Supplier Code of Conduct</p>	<p>We require all our suppliers to uphold the same standards of ethics and integrity. SIAEC's 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.</p>

Whistle-blowing Programme

As part of SIAEC's stakeholder grievance process, we have in place a whistle-blowing programme for the reporting and investigation of wrongdoings, which was updated and endorsed by the Audit Committee in 2020. Internal and external stakeholders can communicate their grievances confidentially through a dedicated email or a 24/7 hotline. All whistle-blowing reports are reviewed by the Whistle-Blowing Committee and reported to the Audit Committee. Our internal processes also ensure that there is independent investigation of any reported incidents and appropriate follow-up actions.

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 and concessionary offers. In addition, SIAEC conducts regular training programme on anti-corruption/anti-bribery policy. Employees are required to complete the recurrent online training on the policy and the completion status is reported to Management on a quarterly basis. As at March 2021, 2,798 or 98.9% of employees had completed the recurrent training.

In FY2020/21, there were no reported incidents of corruption or bribery.



MANAGING ENVIRONMENTAL IMPACT FROM OUR OPERATIONS

KEY POLICIES, PROCESSES AND PROCEDURES	OUR COMMITMENT	TARGETS	PERFORMANCE
<ul style="list-style-type: none"> Environmental Policy Environmental Management System 	<ul style="list-style-type: none"> Energy and greenhouse gas (GHG) emissions management and ongoing energy performance monitoring Continual improvement through energy and emissions reduction programmes Continual improvement of our Environmental Management System Comply with all regulatory requirements and relevant environmental standards 	<p>Reduce FY2013/14 electricity consumption level by 15% by FY2021/22</p> <p>Reduce FY2013/14 carbon emissions intensity level by 24.48% by FY2030/31</p> <p>Zero environmental-related fines or non-monetary sanctions</p>	<ul style="list-style-type: none"> Electricity consumption in FY2020/21 was 28% lower than FY2013/14 level Note: Although electricity consumption surpassed the long-term target ahead of FY2021/22, the reduction was mainly attributed to reduced business activities caused by COVID-19. In FY2019/20 prior to COVID-19, the electricity consumption was 14% lower compared to FY2013/14 level and on track to exceed the long-term target by FY2021/22. Carbon emissions intensity in FY2020/21 was 1% higher than FY2013/14 level Note: Although carbon emissions were 45% lower in FY2020/21 compared to the previous year, a significant reduction in revenue resulted in an increase in the carbon emissions intensity. In FY2019/20 prior to COVID-19, the carbon emissions intensity was 18% lower compared to FY2013/14 level and on track to meet the long-term target by FY2030/31. No environmental-related fines or non-monetary sanctions in FY2020/21

● Achieved ● On track ● Not achieved

Every Climate Action Matters

The World Economic Forum's Global Risks Report 2021 shows that "failure of climate-change mitigation and adaption" has been rated as the number one long-term risk by impact⁸. The consequences of climate change are increasingly widespread, with more governments and businesses declaring "climate emergency" and taking actions to tackle climate change. Locally, the Singapore government has announced the Singapore Green Plan 2030 in February 2021⁹ which aims to secure a green, liveable and sustainable home for Singaporeans.

SIAEC acknowledges that we have the responsibility to protect and preserve the environment for future generations. We are committed to operate in an environmentally responsible manner, continually explore sustainable solutions and contribute to the global efforts to combat climate change.

8 The Global Risk Report 2021, World Economic Forum, January 2021

9 Singapore Budget 2021 (Emerging Stronger Together), Budget 2021, February 2021

SIAEC's Environmental Policy Statement

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



Reduce Energy Consumption and Wastage

Energy and emissions reduction initiatives at facilities:

- Implemented an energy management control system that monitors energy consumption on an ongoing basis. In FY2020/21, SIAEC installed electricity submeters on our chiller systems and air compressors in our hangars to identify areas with high consumption
- Ongoing energy improvement plans to reduce energy consumption and wastage:
 - > Installation of motion sensors and replacement to light-emitting diode (LED) lightings at common areas and offices – approximately 35% in energy savings
 - > Use of efficient central chilled water system for buildings' air-conditioning – approximately 45% in energy savings
 - > Installation of variable speed drives system on pumps – approximately 15% in energy savings

Promote energy conservation

- Encourage employees' participation in "Earth Hour" event, a worldwide movement held annually 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

Energy and Emissions

Management of Energy and Emissions

A majority of SIAEC's energy and emissions arises from the use of electricity to support daily MRO activities in our hangars, workshops and offices.

To manage SIAEC's energy and emissions, the Energy Management Committee comprising the Facilities Department and our building contractor, was set up in 2018 to monitor energy consumption and drive energy management programmes across SIAEC.

SIAEC's approach towards energy and emissions management includes reducing energy consumption and wastage and shifting towards cleaner sources of energy. Underscoring our commitment towards Singapore's ambition to green 80% of Singapore's buildings by 2030⁹, SIAEC plans to achieve the Building and Construction Authority's (BCA) Green Mark Certification for all facilities moving forward. We also plan to deepen the engagement with our JVs to reduce the carbon footprint of the Group.



Shift to Sustainable Sources of Energy

Adoption of solar photovoltaic systems:

- Collaborated with Sembcorp Solar to install solar photovoltaic systems on the roofs of five hangars and the Engine Test Facility in FY2020/21. The system was operational as of January 2021

Shifting towards cleaner vehicles

- Undertook a feasibility study to replace our petrol and diesel-operated vehicles with electric vehicles
- Embarked on an operational trial of electric tow tractors, which emit 55% less carbon emissions compared to conventional tractors

CASE STUDY

Greening our Operations

Singapore

In 2020, SIAEC signed an agreement with Sembcorp Solar to install solar photovoltaic systems on the roofs of SIAEC's hangars and Engine Test Facility. The system is made up of 8,206 solar panels covering about 17,000 sqm of roof space area. It is expected to generate 4,500 MWh of clean energy yearly, equivalent to powering 1,000 four-room HDB a year, and reduce the consumption of fossil fuel-generated electricity by 20%.

Philippines

In FY2020/21, our operations in the Philippines also embarked on a rooftop solar photovoltaic system project, which was commissioned in April 2021. The system comprises 1,260 solar panels and is expected to supply 15% of the SIA Engineering (Philippines)'s electricity needs.

CASE STUDY

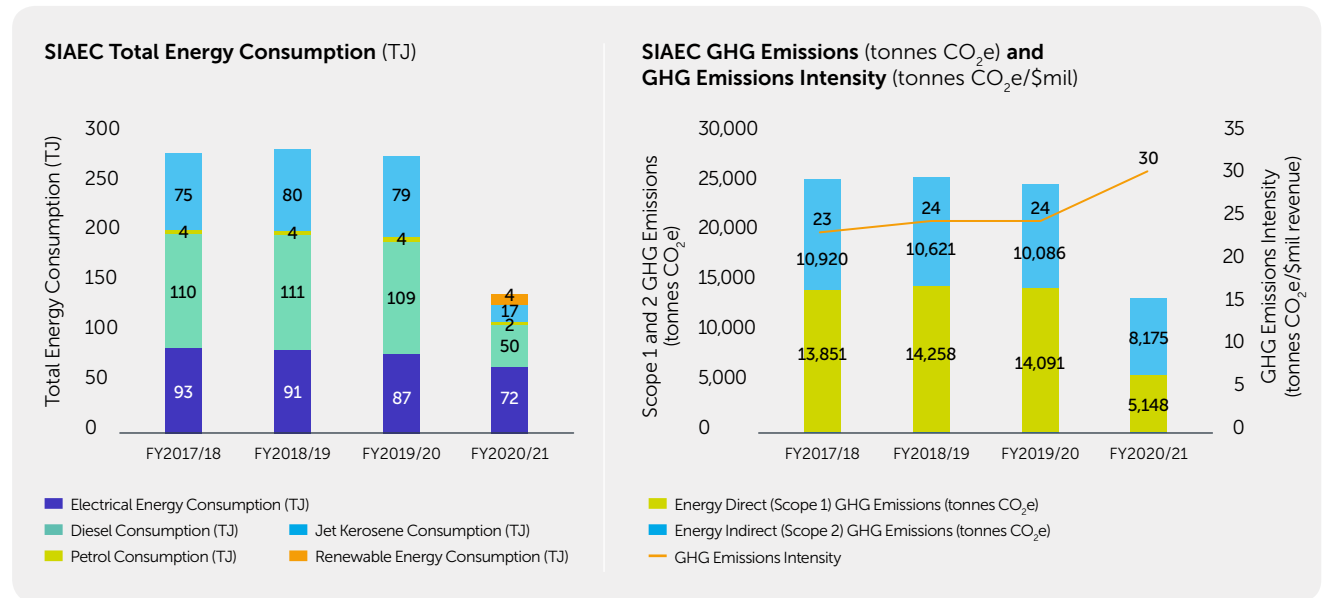
Greening our Buildings

In April 2021, SIAEC's Hangar 2 was awarded the BCA Green Mark Platinum rating, the highest rating for Green Mark Certification by BCA. In addition, Hangar 2 was also awarded the Super Low Energy Building status, a category for recognition of best-in-class energy performing Green Mark Building that achieves at least 40%* energy savings based on prevailing code.

* Equivalent to 60% energy savings above the 2005 building code

Our Energy and Emissions Performance¹⁰

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



In FY2020/21, the total energy consumption by SIAEC was 145 TJ, a 48% decrease from 279 TJ in FY2019/20. Correspondingly, our total GHG emissions was 13,323 tonnes of CO₂e in FY2020/21, a 45% decrease from 24,177 tonnes of CO₂e in FY2019/20. The reduction in total energy consumed and GHG emissions was largely attributed to a decline in MRO activities arising from the adverse impact of COVID-19 pandemic on the aviation industry. The significant decrease in revenue has also impacted the GHG emissions intensity performance, which may not provide a meaningful comparison with previous financial years. In FY2020/21, our GHG emissions intensity was 30 tonnes CO₂e/\$million revenue. We will continue to monitor the performance in subsequent periods.

¹⁰ Please refer to the Appendix for definitions and methodologies

Water and Effluents

Every Drop Counts

The quest for water security has been ongoing since Singapore's founding days. With the expectation that water demand is likely to double by 2060¹¹ to 860 million gallons a day, SIAEC recognises the importance of making water conservation a priority and promoting discipline in water usage across our operations.

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 pillars driving water management at SIAEC include:

- Implement water conservation and efficiency measures
- Increase use of recycled water
- Achieve Public Utilities Board's (PUB) Water Efficient Building (WEB) Certification
- Manage water as a shared resource



Implement water conservation and efficiency measures

- The facilities maintenance 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. In FY2020/21, we have installed additional water meters to facilitate ongoing monitoring of water usage
- Adopt water fittings with Water Efficiency Labelling "Excellent" (4 ticks)
- Maintain efficient cooling tower water treatment systems



Increase the use of recycled water

- Collected rainwater at three of our hangars which is used for flushing toilets and topping up water in the cooling towers



Achieve WEB Certification

- Obtained the WEB Certification from PUB for Hangar 2 in FY2020/21. The WEB Certification Programme encourages businesses, industries, schools and buildings to adopt water-efficient measures as part of their operations. Moving forward, SIAEC plans to achieve WEB Certification for the other facilities



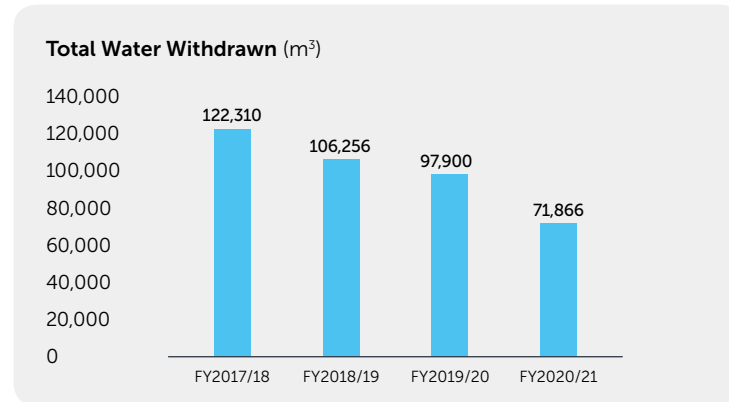
Manage water as a shared resource

- Participated in the Singapore International Water Week 2020, a global platform to share and co-create innovative water solutions
- 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

11 Singapore Water Story, Public Utilities Board



Our Water Performance¹²
[303-3]



Total water withdrawn from SIAEC's assets decreased by 27% from 97,900 m³ in FY2019/20 to 71,866 m³ in FY2020/21. This was largely attributed to the decline in operational activities as a result of the pandemic during the reporting year.

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 four wastewater treatment plants. Regular audits and inspections are also carried out to ensure that the wastewater discharge and the 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 for the recent audit and 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.

¹² Please refer to the Appendix for definitions and methodologies

Waste

Towards Resource Circularity and Zero Waste

As with any country with a growing economy and population, Singapore is facing an impending waste and resource management issue. In response, Singapore has designated 2019 as the Year Towards Zero Waste and published a Zero Waste Masterplan to raise awareness on the waste situation in Singapore, and to articulate key policies and strategies that the government will be implementing to enable sustainable waste and resource management.

Conscious that Singapore's only landfill in Pulau Semakau is expected to run out of space a decade earlier than planned by 2035, SIAEC seeks to align ourselves with the Singapore government's agenda. To play our part in advancing towards a zero-waste nation, SIAEC is committed to reducing our waste generated and to adopt a circular economy approach to increase our waste diversion.

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 pillars driving waste management at SIAEC include:

- Ensuring responsible disposal of waste
- Reducing waste from our offices and operational activities
- Raising awareness on the 3Rs (reduce, reuse, recycle)

SIAEC's waste journey started with paper conservation and recycling. Since then, we have expanded our focus to other types of waste including plastic, cardboard, scrap metal and electronic waste. The Recycling Committee comprising representatives from various divisions was established in May 2019 to implement waste initiatives across the organisation as we work towards reducing waste across our operations.



Ensure responsible disposal of waste

- Introduced waste sorting and disposal processes as well as a contamination prevention process, 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 our 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.
- Guidance on the proper disposal of toxic industrial waste is also articulated via SIAEC's Safety, Health and Environment Handbook which is made available to all employees



Reduce and recycle waste from our offices and operational activities

- Introduced a recycling scheme to recycle paper, cardboard, scrap metal and electronic waste from our offices and operational areas
- Enhanced recycling programme in FY2020/21 to increase the amount and types of waste recycled. This involves engaging licensed recycling service providers to collect and process recyclable materials¹³ and set up new collection points to facilitate collection of scrap metal and papers for recycling. In FY2020/21, 67 tonnes of non-hazardous waste was recycled



Raise awareness on the 3Rs

- Conducted environmental awareness activities and upcycling workshops to raise employee awareness on the 3Rs and to educate employees on the importance of recycling and proper segregation of recyclables
- Provided stainless steel reusable cutleries and straws to discourage use of single-use plastics
- Regular publication of environmental conservation and sustainability articles

¹³ This includes paper, carton boxes, scrap ferrous and non-ferrous metals, plastic and electronic waste

● CASE STUDY

Reducing Consumption of Paper through Digitalisation

Several company-wide paperless initiatives have been implemented to digitalise work processes to reduce paper consumption and improve productivity.



E-Task to Digitalise Maintenance Paperwork



E-billing, Issuance of E-letters to Employees, Online Submission of Hangar Entry Passes and Claims (Medical, Reimbursement, etc.) via Mobile Applications

Through our efforts to digitalise work processes and encourage our employees to practise the 3Rs, we have reduced our paper consumption over the years. In FY2020/21, we achieved a 58% reduction in our paper consumption compared to the year before, which is equivalent to saving 713 trees. In the coming year, we will continue our digitalisation efforts to further reduce our paper usage.

Our Waste Performance¹⁴

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

In FY2020/21, SIAEC generated a total of 2,156 tonnes of waste, of which 67 tonnes of non-hazardous waste was diverted through recycling efforts. The remaining 2,089 tonnes of waste, comprising 538 tonnes of non-hazardous waste and 1,551 tonnes of hazardous waste, was disposed according to regulatory requirements.



¹⁴ Please refer to the Appendix for definitions and methodologies



Environmental Compliance

Responsibility for Environmental Compliance

[307-1] [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 in the locations we operate in. SIAEC upholds environmental compliance through the establishment of our Environmental Management System. SIAEC's Environmental Management System, certified to the ISO 14001 standards since 1998, articulates our commitment to comply with all environmental legislation requirements and minimise the environmental impact from our 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. In addition, to ensure compliance with legislation requirements, we have in place a register of legal requirements which is regularly reviewed and updated.

The Management maintains oversight over environmental compliance issues via the Sustainability Steering Committee meetings, which take place quarterly. To ensure competency and awareness on environmental compliance, Management is kept updated on key environmental legislative developments, compliance status and results of environmental compliance tests, audits and inspections. SIAEC incorporates environmental training as part of the induction programme for all new employees.

In FY2020/21, there were no non-compliances with environmental laws and/or regulations.





SELECTING RESPONSIBLE SUPPLY CHAIN PARTNERS

KEY POLICIES, PROCESSES AND PROCEDURES	OUR COMMITMENT	TARGETS	PERFORMANCE
<ul style="list-style-type: none"> Supplier Code of Conduct 	<ul style="list-style-type: none"> To treat our suppliers with respect and fairness Work towards a sustainable supply chain by procuring ethically and responsibly 	Screen suppliers on social and environmental criteria	<ul style="list-style-type: none"> All suppliers¹⁵ screened on social and environment aspects in FY2020/21

● Achieved
 ● On track
 ● Not achieved

Supply Chain Management

SIAEC's Supply Chain [102-9]

SIAEC's suppliers are principally based in Singapore, the United States and Europe and consist of OEMs such as Airbus and Boeing, 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 (50%) and non-aircraft parts or services (50%).

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

Management of Supply Chain Risks

[308-1] [414-1]

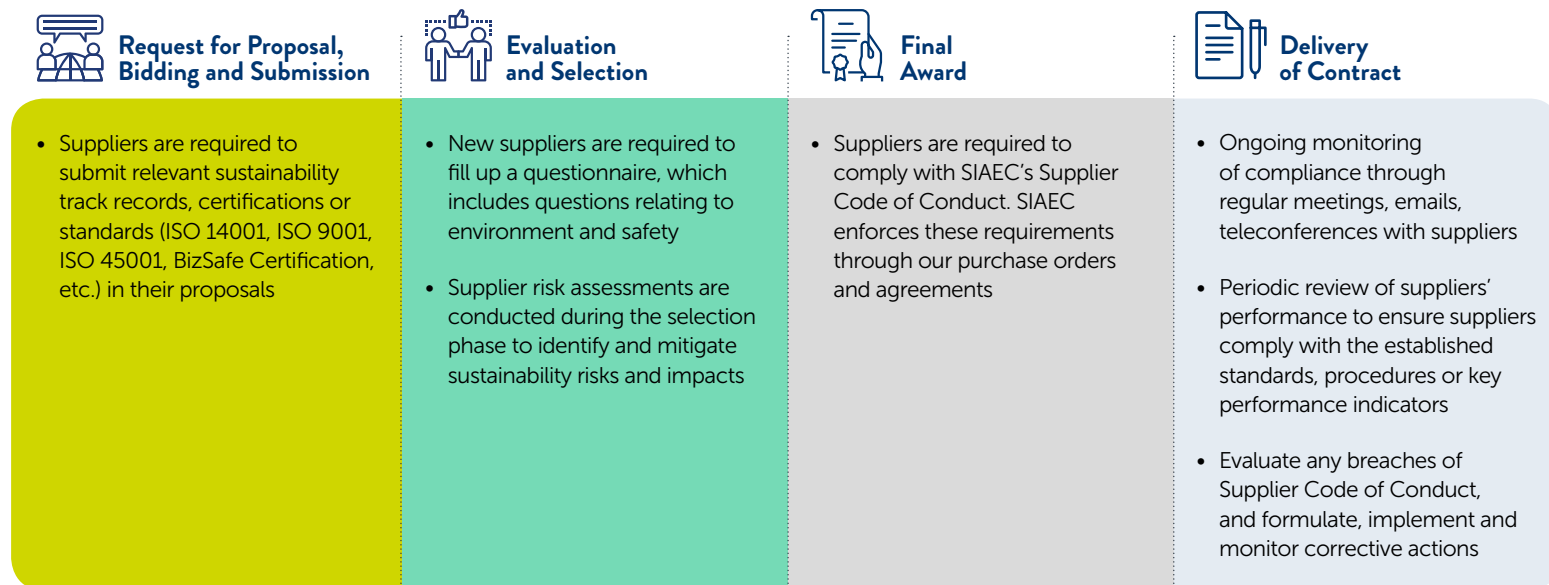
As part of supply chain management, we have introduced processes to integrate sustainability in our supply chain approach and supplier selection process.

SIAEC has in place 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 SIAEC's Supplier Code of Conduct and ongoing monitoring of suppliers' compliance through questionnaires, audits and site visits by SIAEC's personnel. For aircraft-related parts and services, there are stringent evaluation criteria to assess the qualifications and capabilities of the non-OEM suppliers or service providers before they can be appointed.

Upon the award of contracts, all suppliers are expected to comply with our Supplier Code of Conduct which sets out our ethical and business conduct requirements and is made publicly available 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. Reinforcing the supply chain risk management process is our whistle-blowing programme, which allows internal and external stakeholders to provide confidential feedback on possible improprieties by our suppliers.

In FY2020/21, no suppliers were found to have breached SIAEC's Supplier Code of Conduct from our reviews.

In November 2020, SIAEC enhanced the supplier selection process to screen all new suppliers¹⁶ on sustainability criteria. This involves suppliers filling up a questionnaire, audits and assessing suppliers based on their ability to meet minimum sustainability standards or requirements such as the ISO 14001.



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



DELIVERING CHANGE

COMMITTING TO OUR COMMUNITIES

NURTURING AND INVESTING IN SIAEC'S HUMAN CAPITAL

- Employment
- Training and Development
- Diversity, Equal Opportunity and Non-discrimination
- Human Rights, Child and Forced/Compulsory Labour
- Labour/Management Relations and Freedom of Association and Collective Bargaining

CONNECTING AND GIVING BACK TO LOCAL COMMUNITIES WHERE SIAEC OPERATES

- Local Communities



NURTURING AND INVESTING IN SIAEC'S HUMAN CAPITAL



EMPLOYMENT

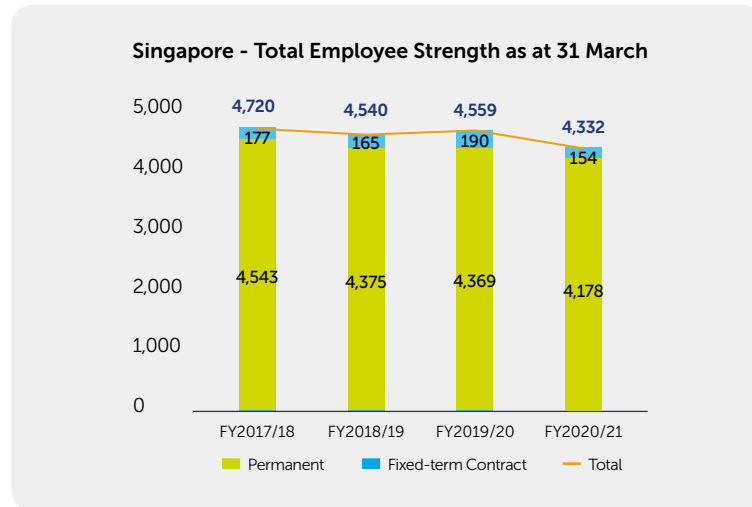
KEY POLICIES, PROCESSES AND PROCEDURES	OUR COMMITMENT	TARGETS	PERFORMANCE
<ul style="list-style-type: none"> • Human Resources Policy • Merit-based reward systems 	<ul style="list-style-type: none"> • Be a good employer by providing an environment in which all employees are treated fairly with respect, and can realise their full potential • Ensure SIAEC employees are rewarded through fair and merit-based employment practices, based on their abilities, performance, contribution and experience 	<p>Zero cases of non-compliance with labour and employment laws</p>	<ul style="list-style-type: none"> ● No cases of non-compliance with labour and employment laws in FY2020/21

● Achieved ● On track ● Not achieved

Our Employee Profile

[102-8]

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. The decrease in the number of our employees in FY2020/21 compared to the previous year was mainly due to manpower rationalisation measures taken to mitigate the surplus situation arising from the severe reduction in business activities during the year.



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

New Employee Hires and Employee Turnover^{17,18}

[401-1]

In FY2020/21, our hiring rate was 3.6% (FY2019/20: 5.3%) and our turnover rate was 8.9% (FY2019/20: 4.9%). The voluntary employee turnover rate was unchanged from FY2019/20 at 2.6%. The decline in hiring and increase in turnover rate were due to the Company's measures to protect jobs and manage costs. We remain committed to inclusive recruitment practices and retaining diverse, qualified employees. For more information, please refer to Diversity, Equal Opportunity and Non-discrimination section.



17 18 Please refer to the Appendix for definitions and methodologies

Employee Satisfaction and Well-being

[403-6]

Our employees are SIAEC's greatest asset. We seek to retain our human capital by ensuring employee satisfaction, welfare and well-being. To better understand our employees' needs, SIAEC engages our employees through various activities, including biennial organisational climate surveys and regular employee pulse surveys. Our employee pulse 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, employees' sentiment towards changes and SIAEC's Transformation initiatives.

There are also initiatives to promote employee health and well-being, especially during COVID-19.



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.) for duty travels
- COVID-19 vaccination priority for aviation community; arranged shuttle services to vaccination facility



Physical and Mental Health Activities

- Regular health talks and fitness activities (conducted virtually during COVID-19)
- Sharing of health tips via SIAEC's in-house magazines
- Monthly fruit days (prior to COVID-19)



Sports and Recreational Committee

- Organisation of sports, social and other recreational activities for employees, including interdivisional sports competitions and outdoor excursions (prior to COVID-19; most events were held virtually during COVID-19)



A group of employees participated in a kayaking expedition to explore the mangroves along Simpang River

Performance Review

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, to facilitate two-way feedback and alignment on goals and expectations. To further motivate and reward good performance, there are incentive schemes in place.

OPERATIONAL EXCELLENCE FRAMEWORK	STAR EMPLOYEE AWARDS	TRANSFORMATION CHAMPIONS
<p>Under the Operational Excellence Framework, employees in operations divisions are rewarded when they achieve operational targets.</p> <p>In FY2020/21, S\$139,400 worth of grocery vouchers were issued to over 2,000 eligible employees in our operations divisions. In addition, over S\$20,000 was disbursed for employee get-together sessions at the divisions.</p>	<p>The quarterly STAR Employee Award recognises outstanding engineers, technicians and clerical employees. These employees have exemplified excellence in their work, rendered care and service beyond their normal course of duty, and consistently demonstrated the Company's core values.</p>	<p>As the Company continues its Transformation journey, recognition is given to individuals and/or teams who have contributed to their respective divisional initiatives. Besides Transformation Champions, champions in the areas of Lean, Digital and Innovation are also recognised.</p> <p>In addition, to encourage participation, an EVP Challenge Shield has been introduced to award the division with the most number of Champions every quarter.</p>

Responding to Employees' Needs During COVID-19

With economic uncertainty impacting job security and work-from-home arrangements potentially leading to feelings of isolation, there is an increasing focus on employees' mental well-being. In light of these concerns, SIAEC has made it a priority to support our people as they navigate and adjust to the new normal.



Ensuring Employee Well-being

When the pandemic first broke out, SIAEC distributed masks to all its employees. In May 2020, a COVID-19 support portal was set up to facilitate employee engagement. Using this portal, employees could stay updated on the latest COVID-19 news and advisories, industry happenings, and resources for physical and mental well-being. To complement the portal, articles promoting mental wellness are periodically published in the Company's newsletter, and posters with helplines for employees to reach out on mental health matters have also been put up at the work areas. Currently, employees have access to counselling services through doctor referrals provided by our medical benefits administrator. Recognising the importance of mental well-being even beyond the pandemic, we are planning to engage a dedicated counselling service provider for our employees to reach out to moving forward.



Upskilling for the Future

With operational activities significantly reduced due to the pandemic, SIAEC ramped up its efforts to reskill and upskill workers with an emphasis on aircraft-related training and skills in three key areas: Digital, Transformation & Innovation, and Lean Process Improvement.

To ensure the continuity of training despite constraints posed by the pandemic, approval has been obtained from the regulatory authorities and government agencies to conduct training through videoconferencing platforms. Where in-person training is required, safe management measures are in place to safeguard the health of our people. These measures include reducing classroom capacity to allow for safe distancing and increasing the cleaning frequency of facilities.

Employees are also encouraged to upskill themselves through online courses. On a monthly basis, a curated set of recommended LinkedIn Learning courses would be disseminated to employees for their self-learning.



TRAINING AND DEVELOPMENT

KEY POLICIES, PROCESSES AND PROCEDURES	OUR COMMITMENT	TARGETS	PERFORMANCE
<ul style="list-style-type: none"> Learning and development programmes 	<ul style="list-style-type: none"> Provide equal opportunities and invest in our employees' training and development based on their strengths and needs, to help them achieve their full potential 	<p>Maintain average of 34 training hours per employee per year</p>	<ul style="list-style-type: none"> Average of 50 training hours per employee in FY2020/21

● Achieved ● On track ● Not achieved




Building Workforce for the Future

[404-1]

For SIAEC to achieve business resilience and excellence, nurturing a competent workforce with a future-ready skillset is essential. Our employees enjoy myriad structured training and development programmes that build both technical competencies and soft skills. In FY2020/21, S\$5.3 million was invested in the training of our people. The average training hours per employee increased compared to the previous year as the Company used the downturn to ramp up the training of our workforce. The average training hours for male employees are higher than female employees as the operations divisions, which consist of a higher proportion of male engineers and technicians, sent more employees for training during the prolonged period of low workload.

AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDER AND EMPLOYEE CATEGORY			
	FY2018/19	FY2019/20	FY2020/21
Male	Note: Starting FY2020/21, the breakdown of average training hours per employee by gender is tracked and reported.		53.3
Female			25.2
Managers and above	34.7	22.7	19.2
Executives	59.4	31.5	42.5
Other employees	43.0	39.7	52.3

The COVID-19 pandemic is likely to accelerate the retirement of older fleet types, which will impact the MRO business demand as newer aircraft require less maintenance. In preparation for the post-COVID operating landscape, SIAEC used the opportunity of reduced maintenance activities during the pandemic to upskill its workforce with training on new-generation aircraft and digital competencies. SIAEC has also been working with the Singapore Polytechnic on a structured training needs analysis framework that will help our employees attain competencies needed for their jobs, enabling them to excel in their career. Additionally, as part of SIAEC's three-year Transformation programme which will run from 2021 to 2023, targets have been set for a number of employees to attend applicable training programs in the following three key areas:

FOCUS AREAS	DESCRIPTION OF TRAINING PROGRAMME
 Digital	Digital Awareness, Data Analytics, Internet of Things (IoT) 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

CASE STUDY

Building the Ecosystem through SIAEC Training Academy

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 the training needs of our employees, JVs and strategic customers/partners, and helps to build a pipeline of talents for the growing demand for qualified and skilled technical personnel in the aviation industry.

Aerospace Professional Conversion Programme

The Academy has been appointed by Workforce Singapore as the Programme Manager for the Aerospace Professional Conversion Programme. This placement programme aims to help professionals, managers, executives and technicians (PMETs) 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 Program 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 Civil Aviation Authority of Singapore. Graduates from this programme will help to fulfil the manpower demand from the aviation and MRO industry in Singapore, including SIAEC's need for licensed aircraft engineers. In September 2020, the Programme saw an increase in the student intake for the third cohort.

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 in 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 cabin trainee technicians for SIAEC. Students undergo a structured programme at the institutes of higher learning and SIAEC. The programme at Temasek Polytechnic commenced in 2019 and had two trainee intakes to date. The Work Study Diploma is set to have its first intake in 2021.



DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

[405-1] [406-1]

KEY POLICIES, PROCESSES AND PROCEDURES	OUR COMMITMENT	TARGETS	PERFORMANCE
<ul style="list-style-type: none"> Human Resources Policy Inclusive work practices 	<ul style="list-style-type: none"> Foster an inclusive work environment which provides equal opportunities for all our employees to achieve their full potential Provide a work environment that fosters equality and respect for our employees 	<p>Continue to promote diversity and equal opportunity in the workplace and Boardroom</p> <p>Zero incidents of discrimination</p>	<ul style="list-style-type: none"> No significant shifts in workforce diversity in FY2020/21 No reported cases of discrimination in FY2020/21

● Achieved ● On track ● Not achieved

Operating in an increasingly diverse environment with employees of various backgrounds, ensuring diversity and equal opportunity is an important aspect of SIAEC's human capital management.

Our people management policies and processes are guided by the principles of inclusion and equal opportunity. Notwithstanding the nature of MRO work which typically attracts more males to join the industry as engineers and technicians, we are committed to increasing the proportion of our female workforce and retaining female talents at all levels. We welcome Women in Aviation International, a non-profit organisation dedicated to the encouragement and advancement of women in all aviation career fields and interests, in the establishment of its Singapore Chapter, which will further advocate for more women to join the industry.

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' superiors or via our whistle-blowing channels, which will be duly investigated. In FY2020/21, there were no reported cases of discrimination.

CASE STUDY

Supporting Working Parents

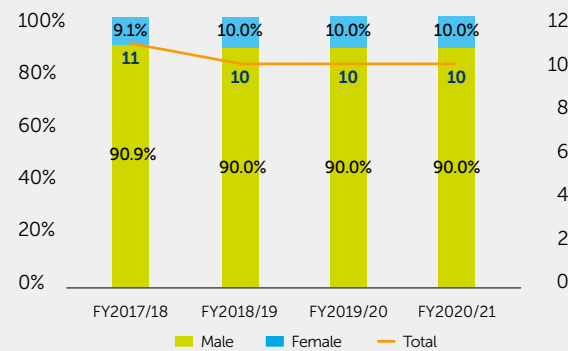
SIAEC is committed to supporting working parents. Besides maternity/paternity leave and childcare leave in accordance with the Ministry of Manpower's guidelines, we have a Flexible Start-Of-Day scheme to allow working parents the option of starting their workday earlier or later to accommodate their schedules.

Diversity of Governance Bodies as at 31 March

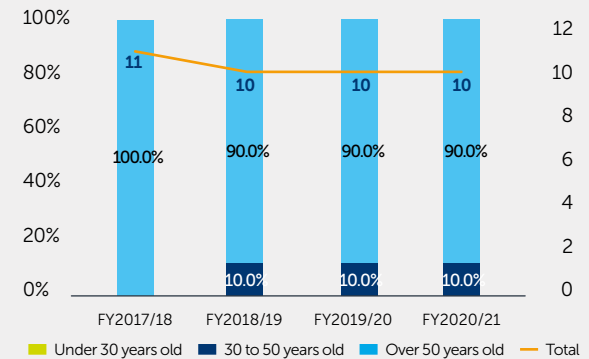
[405-1]

Breakdown by Gender and Age Group

Board of Directors - Breakdown by Gender



Board of Directors - Breakdown by Age Group



Note: As at 1 April 2021, the Board consists of 11 Directors of which two are female.

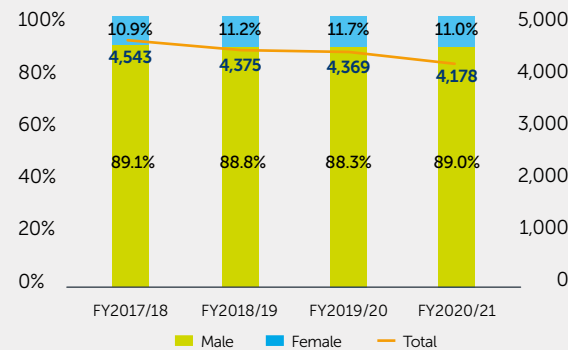
Please refer to the FY2020/21 Annual Report for more details on the composition and diversity of SIAEC's Board.

Diversity of Employee Profile as at 31 March

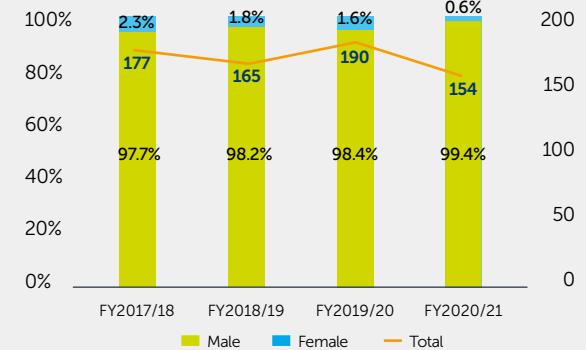
[102-8] [405-1]

Breakdown by Employee Contract and Gender

Singapore - Total Permanent Employees - Breakdown by Gender



Singapore - Total Fixed-term Contract Employees - Breakdown by Gender

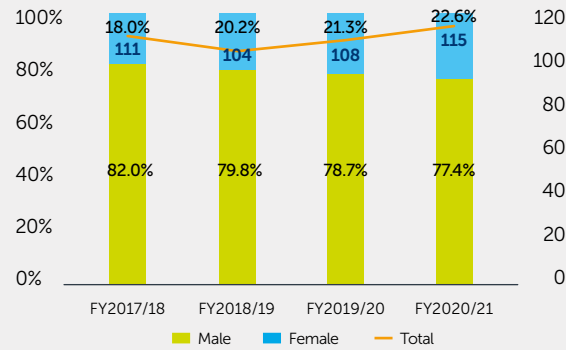


Diversity of Employee Profile as at 31 March (Cont'd)

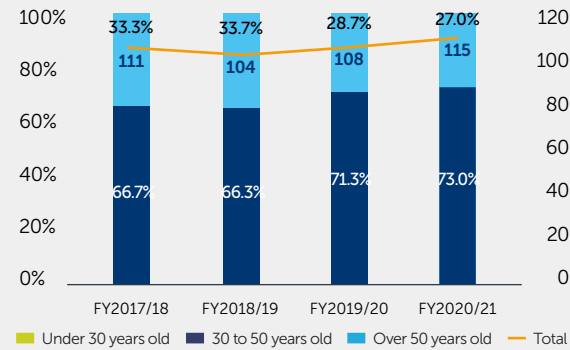
[102-8] [405-1]

Breakdown by Employee Category, Gender and Age Group

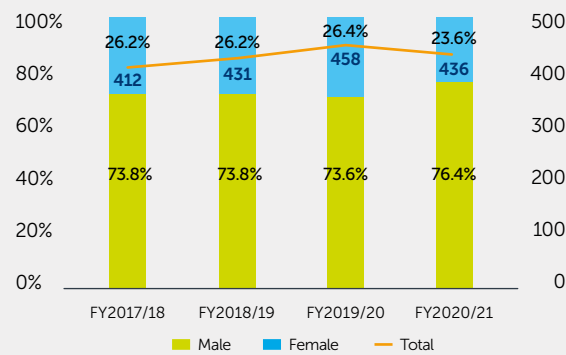
Managers and above - Breakdown by Gender



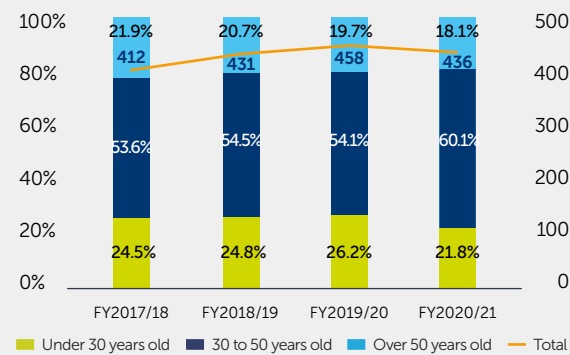
Managers and above - Breakdown by Age Group



Executives - Breakdown by Gender

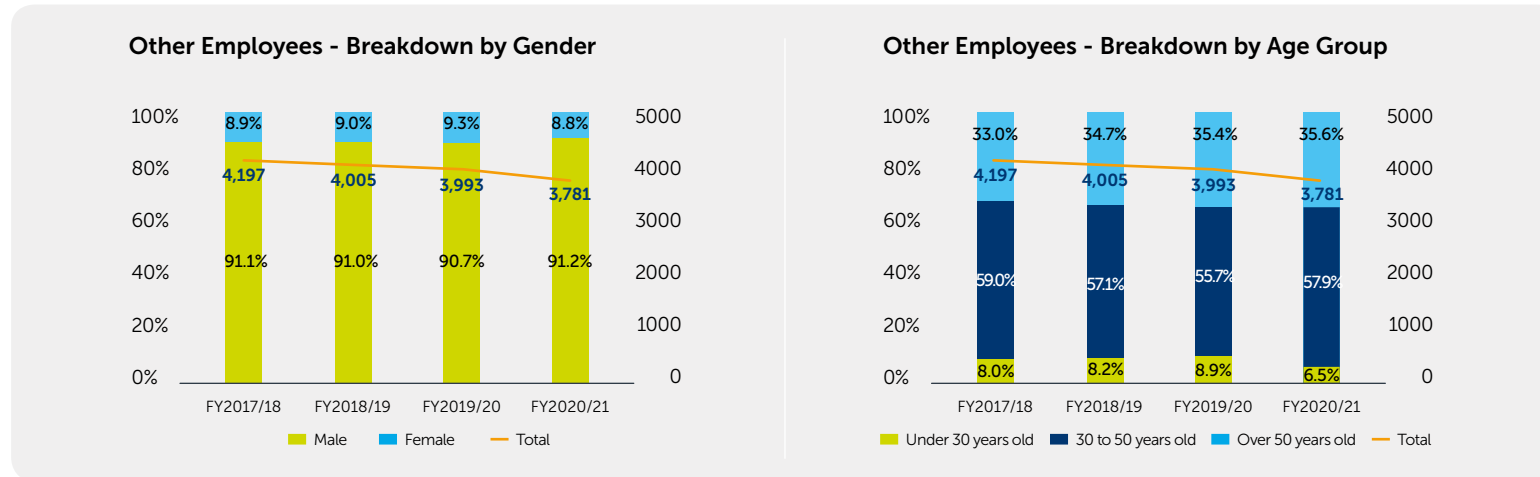


Executives - Breakdown by Age Group



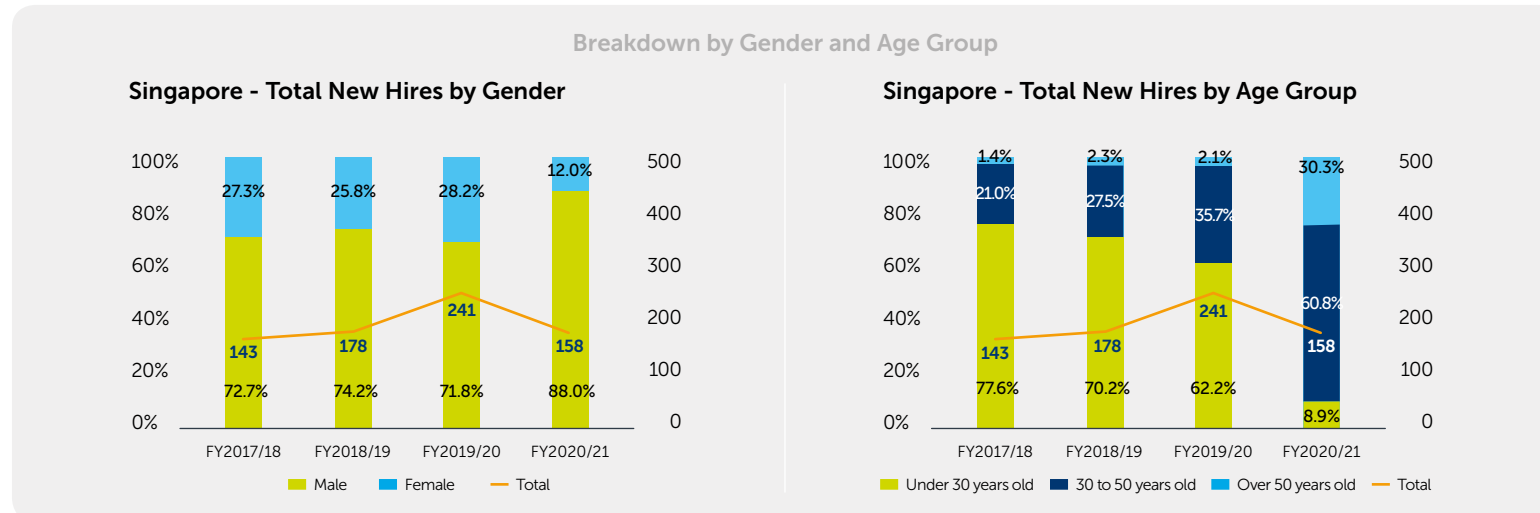
Diversity of Employee Profile as at 31 March (Cont'd)

[102-8] [405-1]



Breakdown of New Employee Hires and Turnover

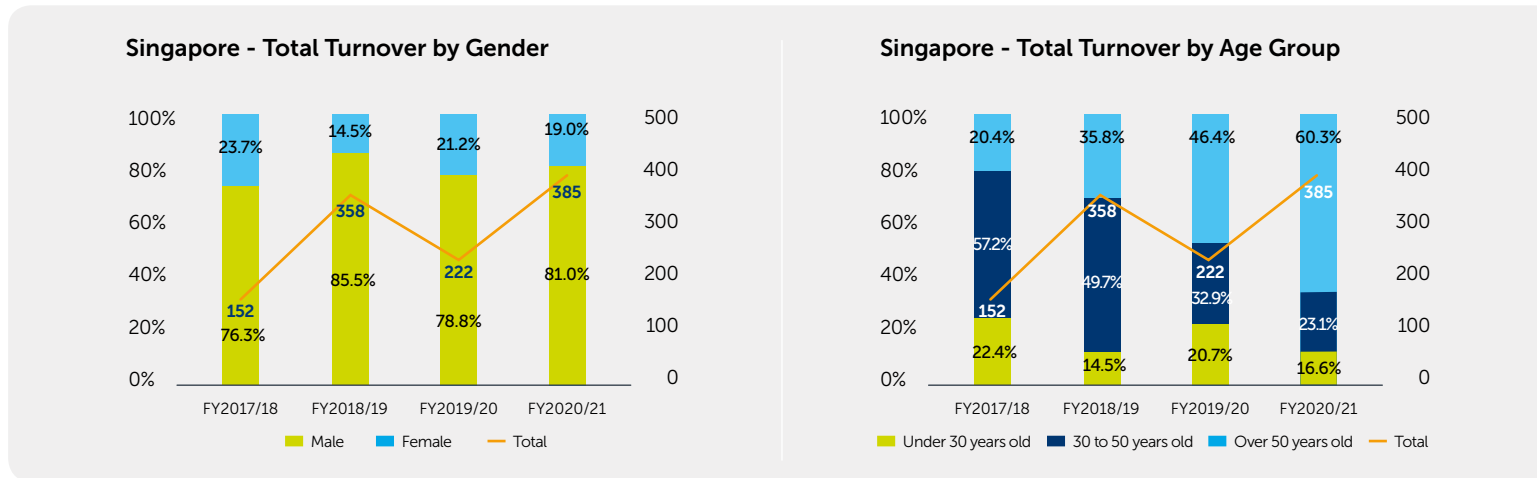
[401-1]



Note: The high proportion of new hires above 50 years old 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.

Breakdown of New Employee Hires and Turnover (Cont'd)

[401-1]



Human Rights, Child and Forced/Compulsory Labour

SIAEC recognises that the dignity and equal rights of all humans is the foundation for a world of freedom, justice and peace. Respecting the rights of all persons, regardless of their background, is essential for society and organisations to function and grow collectively. At SIAEC, respecting human rights is a value which we integrate across our operations and value chain. We endeavour to support and respect the protection of human rights and prevent any abuse. Through clauses in our Supplier Code of Conduct, we address issues such as child labour, forced/compulsory labour and modern slavery. Our human capital management policies are also guided by the principles of inclusion and equal opportunity to prevent the occurrence of discriminatory practices within our organisation.



LABOUR/MANAGEMENT RELATIONS AND FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

[102-41] [402-1]

KEY POLICIES, PROCESSES AND PROCEDURES	OUR COMMITMENT	TARGETS	PERFORMANCE
<ul style="list-style-type: none"> Regular engagement with unions Collective agreements 	<ul style="list-style-type: none"> 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 	<p>Maintain harmonious industrial relations</p>	<ul style="list-style-type: none"> Continued collaboration with our unions in FY2020/21 to address the challenges of the COVID-19 pandemic

● Achieved ● On track ● Not achieved

SIAEC is committed to ensuring fair employment terms for all our employees and maintaining good industrial relations with our union partners. 86% of SIAEC's executive employees, engineers, technicians and general employees are currently covered by collective agreements with our unions. 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.

In support of the National Trade Union Congress's goal to form Company Training Committees (CTCs) with at least 1,000 companies to provide workers with training co-developed by unions, training providers and institutes of higher learning, SIAEC has formed a CTC with our unions in 2019. The CTC serves as a platform for the Company and our unions to discuss matters relating to the training needs and programmes for our employees.

Our Union Partners



Air Transport Executive Staff Union (AESU)

- Represents employees in the executive grades in the Company
- About 63% 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 96% of our engineers are members of SEEU



Singapore Airlines Staff Union (SIASU)

- Represents technicians and employees in the general grades in the Company
- About 86% 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.

Since the start of the pandemic, Management has been providing regular updates to the unions. These updates include industry news, the impact of COVID-19 on SIAEC's performance and the manpower situation amidst the challenging operating environment. We are grateful for the support from the unions on the operational and cost management measures that the Company has taken.

Unions are also kept abreast of the latest initiatives and progress of Phase 2 of SIAEC's Transformation programme through monthly Transformation Steering Committee meetings and periodic meetings with the Management.



NTUC Secretary-General Mr Ng Chee Meng (centre) with CEO, Mr Ng Chin Hwee (third from left); EVP Operations, Mr Ivan Neo (fourth from left); NTUC Deputy Secretary-General, Ms Cham Hui Fong (third from right) and Union Leaders

CONNECTING AND GIVING BACK TO LOCAL COMMUNITIES

Local Communities



Action Against Poverty and Hunger

[413-1]

In the spirit of our CSR motto of 'Enabling People, Improving Lives', we strive to make a difference to the lives of the underprivileged in the communities where SIAEC operates. The two pillars driving our CSR strategy are access to food and having a decent place to live. Our CSR activities are centred around providing food and housing aid to communities in Singapore and Southeast Asia through our partnerships with organisations such as Food from the Heart, Community Chest and Habitat for Humanity. We have plans to expand our CSR initiatives to include environmental outreach activities.

As a result of the restrictions arising from the COVID-19 pandemic, SIAEC had to scale down our community development efforts in FY2020/21 to protect the health and safety of our employees and beneficiaries. In spite of the challenges, SIAEC remains committed to giving back to the local communities.

Access to Food

 <p>ANNUAL CHARITY RUN</p>	<p>SIAEC's Annual Charity Run is typically held at one of the Wildlife Reserve Parks in Singapore. Due to COVID-19, we held a month-long charity run virtually in November 2020. All proceeds raised were donated to our adopted charity, Food from the Heart.</p>	 <p>138 participants</p>	 <p>S\$50,000 donated</p>
 <p>COLLABORATION WITH FOOD FROM THE HEART</p>	<p>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. As of end-2020, Food from the Heart has reached out to over 53,000 beneficiaries across Singapore.</p> <p>Donations</p> <ul style="list-style-type: none"> • Annual donations from SIAEC's Annual Charity Run • Sponsor household provisions to families of needy students from Yu Neng Primary School and Changkat Primary School <p>Participation in Food from the Heart Programmes</p> <ul style="list-style-type: none"> • Self-Collection Centre programme • Toy Buffet <p>In FY2020/21, all programmes with Food from the Heart were suspended but SIAEC continued with donations to the charity.</p>	 <p>S\$66,000 donated</p>	

CONNECTING AND GIVING BACK TO LOCAL COMMUNITIES (CONT'D)

Access to Food (Cont'd)



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 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, isolated seniors and persons with mental health conditions.

In FY2020/21, SIAEC was a bronze sponsor for Community Chest Fú Dài. This is an annual event where volunteers pack and deliver Fú Dài to more than 6,000 seniors and families. Volunteers from SIAEC participated in this event and delivered Fú Dài to seniors and low-income families. All donations raised through this event were channelled to more than 80 social service agencies supported by Community Chest.



A team of SIAEC volunteers at the Fú Dài packing event



S\$5,000
donated



17
volunteers



57
beneficiaries

A Decent Place to Live



COLLABORATION WITH HABITAT FOR HUMANITY

Founded in 2004, Habitat for Humanity is an international non-profit organisation that helps families build and improve homes.

Annually, a team of employee volunteers from SIAEC will participate in overseas outreach programme in Southeast Asia. During these outreach programmes, volunteers will help to improve the living conditions of the less fortunate by constructing new homes. Due to the travel restrictions this year, the overseas outreach programme was suspended.

Staying true to our commitment, SIAEC organised a team of volunteers to participate in Habitat for Humanity's local programme, Project HomeWorks in FY2020/21. The team worked with vulnerable persons and families who needed help to clean up their homes.



Our volunteers participated in Project HomeWorks

LIST OF KEY ABBREVIATIONS AND ACRONYMS

3Rs	Reduce, Reuse, Recycle	kWh	kilowatt-hour
AESU	Air Transport Executive Staff Union	LED	Light-emitting diode
AGM	Annual General Meeting	M-LOSA	Maintenance Line Operations Safety Assessment
AWS	Alliance for Water Stewardship	MOM	Ministry of Manpower (Singapore)
BCA	Building and Construction Authority	MRO	Maintenance, Repair and Overhaul
CAG	Changi Airport Group	MWh	Megawatt-hour
CEO	Chief Executive Officer	OEM	Original Equipment Manufacturer
CFO	Chief Financial Officer	OHSMS	Occupational Health and Safety Management System
CSR	Corporate Social Responsibility	PMETs	Professionals, Managers, Executives and Technicians
CTC	Company Training Committee	PUB	Public Utilities Board
EESG	Economic, Environmental, Social, Governance	SAOSC	Singapore Airside Operations Safety Committee
EMA	Energy Market Authority	SIA	Singapore Airlines
EPH	Environmental Public Health	SDG	Sustainable Development Goals
ESD	Engine Services Division	SEEU	SIA Engineering Company Engineers and Executives Union
EU	European Union	SGX	Singapore Exchange
EVP	Executive Vice President	SIAEC	SIA Engineering Company
GEF	Grid Emission Factor	SIASU	Singapore Airlines Staff Union
GHG	Greenhouse gas	sqm	square metres
GRI	Global Reporting Initiative	SSC	Sustainability Steering Committee
GWP	Global Warming Potential	SWG	Sustainability Working Group
ILO	International Labour Organization	UNEP	United Nations Environment Programme
IoT	Internet of Things	VDI	Virtual Desktop Infrastructure
IPCC	Intergovernmental Panel on Climate Change	VPN	Virtual Private Network
ISO	International Organization for Standardization	WEB	Water Efficient Building
IT	Information technology	WHO	World Health Organisation
JV	Joint Ventures		

DEFINITIONS AND METHODOLOGIES

[102-48] [102-49]

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, joint ventures and associated companies, unless otherwise stated. The companies in which SIA Engineering Company directly and indirectly owns are separate legal entities. More information on the SIAEC Group, including its corporate structure, can be found in SIAEC's FY2020/21 Annual Report.
Reporting Scope	All sustainability data and information presented in our report primarily relates to SIAEC's operations in Singapore, unless otherwise stated.
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

<p>Occupational Health and Safety Management Systems</p>	<p>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. <i>This definition is based on the International Labour Organization (ILO), Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001, 2001.</i></p> <p>Boundary:</p> <ul style="list-style-type: none"> 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. 	<p>Work-related Injury</p>	<p>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.</p> <ul style="list-style-type: none"> 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, 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 <p><i>* This definition is based on the ILO, Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001, 2001.</i></p> <p>Methodology: Rates were calculated based on 1,000,000 hours worked.</p> <p>Boundary: Number and rate of work-related injuries reported covers SIAEC's employees in Singapore. It does not include workers who are not directly employed by SIAEC, such as contractors and workers from our labour suppliers.</p>
<p>Work-related Hazards</p>	<p>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 Ministry of Manpower's (MOM) list of Dangerous Occurrences in the Workplace Safety and Health Act (Chapter 354A), Section 4(1). <i>* This definition is based on ILO Guidelines on Occupational Safety and Health Management Systems from 2001 and ISO 45001:2018.</i></p>		
<p>Work-related Incidents</p>	<p>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:</p> <ul style="list-style-type: none"> 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 <p><i>* This definition is based on ISO 45001:2018 and MOM's Guidelines.</i></p> <p>Methodology: Rates were calculated based on 1,000,000 hours worked.</p> <p>Boundary: Number and rate of work-related incidents reported covers SIAEC's employees in Singapore. It does not include workers who are not directly employed by SIAEC, such as contractors and workers from our labour suppliers.</p> <p>Types of injuries: Most of SIAEC's work-related injuries relate to sprains, strains, lacerations, bruises and contusions.</p>	<p>High-consequence Work-related Injury</p>	<p>Definition and boundary: 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. <i>This definition is based on GRI 403: Occupational Health and Safety 2018.</i></p> <p>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.</p> <p>Boundary: Number and rate of high-consequence work-related injuries reported covers SIAEC's employees in Singapore. It does not include workers who are not directly employed by SIAEC, such as contractors and workers from our labour suppliers.</p>

SAFETY (CONT'D)

ENVIRONMENT

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 employees in Singapore. It does not include workers who are not directly employed by SIAEC, such as contractors and workers from our labour suppliers.

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 based on the United States Occupational Safety and Health Administration, General recording criteria 1904.7.*

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 employees in Singapore. It does not include workers who are not directly employed by SIAEC, such as contractors and workers from our labour suppliers.

Energy Consumption

Definition and boundary:

- **Electricity consumption:** Total electricity consumed within the organisation, expressed in watt-hours, joules or multiples. Unless otherwise stated, this relates to the purchased electricity consumption of SIAEC Hangars 1 to 6, Engine Test Facility, airport operations at Changi Airport and Training Academy.
- **Fuel consumption:** Total fuel consumed within the organisation, expressed in joules or multiples. All of SIAEC's fuel consumption are from non-renewable sources. Unless otherwise stated, this relates to diesel, petrol and jet kerosene consumption by SIAEC's company vehicles and engine tests conducted in Singapore.
- **Renewable energy consumption:** Total renewable energy from SIAEC's solar photovoltaic systems consumed within the organisation expressed in watt-hours, joules or multiples.

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 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories.

Changes in reporting scope:

In FY2020/21, we redefined our reporting boundary for electricity consumption to include SIAEC Hangars 1 to 6, Engine Test Facility, airport operations at Changi Airport and Training Academy, as well as included the reporting of diesel, petrol and jet kerosene consumption.

ENVIRONMENT (CONT'D)

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.

- **Direct (Scope 1) GHG emissions:** Direct GHG emissions occur from sources that are owned or controlled by SIAEC, 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

For diesel, petrol and jet kerosene, CO₂, methane (CH₄) and nitrous oxide (N₂O) were included in the GHG calculation. Default emissions factors were sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories while the global warming potential (GWP) values were sourced from the 2014 IPCC Fifth Assessment Report (AR5).

- **Electricity indirect (Scope 2) GHG emissions:** Indirect GHG emissions from the generation of purchased electricity consumed by SIAEC Hangars 1 to 6, Engine Test Facility, airport operations at Changi Airport and Training Academy, expressed in kilograms of carbon dioxide (kgCO₂) or multiples. A location-based method was adopted to reflect the average emissions intensity of the national grid on which energy consumption occurs.

Emission Source	Conversion Factors	Year	Unit	Conversion Numbers	References
Electricity	kWh to kgCO ₂	FY2017/18	kg CO ₂ /kWh	0.4237	EMA, Singapore GEF 2016
		FY2019/18	kg CO ₂ /kWh	0.4192	EMA, Singapore GEF 2017
		FY2020/19	kg CO ₂ /kWh	0.4188	EMA, Singapore GEF 2018
		FY2020/21	kg CO ₂ /kWh	0.4085	EMA, Singapore GEF 2019

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

ENVIRONMENT (CONT'D)

Greenhouse Gas (GHG) Emissions and GHG Intensity (Cont'd)

Definition and boundary (Cont'd):

- **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. SIAEC currently does not report on Scope 3 GHG emissions but may be monitoring and reporting on our Scope 3 GHG emissions moving forward.

GHG emissions intensity methodology:

Total GHG emissions intensity ratio for SIAEC is expressed in kgCO₂e/\$mil. The organisation-specific metric (the denominator) used was SIAEC Group revenue (includes 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.

Restatement:

Direct (Scope 1) and Electricity Indirect (Scope 2) GHG emissions for past reporting cycles (FY2017/18, FY2018/19, FY2019/20) have been restated to reflect updated emission factors.

Changes in reporting scope:

In FY2020/21, we redefined our reporting boundary for GHG emissions and GHG emissions intensity to include SIAEC Hangars 1 to 6, Engine Test Facility, airport operations at Changi Airport and Training Academy.

Water and Effluents

Definition:

Refers to total water drawn for the organisation's use, expressed in cubic metre (m³) or multiples. All water withdrawn by SIAEC is water drawn from the Public Utilities Board (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).

Boundary:

Water withdrawal reported covers SIAEC's operations in Singapore including SIAEC Hangars 1 to 6, Engine Test Facility, airport operations at Changi Airport and Training Academy.

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).

ENVIRONMENT (CONT'D)

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.

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.

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.

SUPPLY CHAIN		EMPLOYEES	
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>Boundary: 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>	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 covers SIAEC's operations in Singapore.</p>
New Suppliers	<p>Definition: Refers to new suppliers that have not been contracted by SIAEC before.</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 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 or temporary 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. 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 covers SIAEC's operations in Singapore.</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>	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 operations in Singapore.</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>

EMPLOYEES (CONT'D)

<p>Turnover or Resignees</p>	<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 operations in Singapore.</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> <p>Restatement: In FY2020/21, prior year turnover rates were restated. Turnover rates in prior years' sustainability reports were computed based on voluntary employee resignations divided by total employee strength at the end of the reporting period. These have been recomputed in FY2020/21, based on the number of employees who leave the organisation voluntarily or due to dismissal, retirement or death in service divided by total employee strength at the end of the reporting period.</p>	<p>Training</p>	<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 operations in Singapore.</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. Overheads in FY2020/21 were lower due to the wage support provided by the Singapore government through the Jobs Support Scheme.</p> <p>Restatement: In FY2020/21, prior year average training hours per employee were restated. Average training hours per employee in prior years' sustainability reports were computed based on total training hours divided by average of the employee headcount as at the end of each quarter. For alignment with GRI 404-1 reporting recommendations, the computation methodology has been revised from this reporting year onwards.</p>
<p>Health Promotion</p>	<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>	<p>Discrimination</p>	<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 operations in Singapore.</p>

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