



OVERVIEW

ABOUT THIS REPORT

SIA Engineering Company ("the Company" or "SIAEC") is firmly committed in upholding its role as a responsible global corporate citizen in every aspect of its business and operations. Since FY2007/08, SIAEC's Annual Reports have outlined the Company's environmental management efforts and corporate social responsibility activities. This year marks the first time we are expanding the sustainability section in the Annual Report into a comprehensive Sustainability Report based on international reporting standards of the Global Reporting Initiative ("GRI").

Our report sets out to encapsulate the sustainable business practices and strategies which we have or are intending to roll out. We aim to report our performance in a transparent and accountable manner.

REPORTING PERIOD

SIAEC's Sustainability Report will be published annually. This report provides an overview of the approach, priorities and progress of our sustainability efforts for the financial year from 1 April 2017 to 31 March 2018 ("FY2017/18").

REPORTING SCOPE AND BOUNDARY

The Sustainability Report for FY2017/18 addresses our strategy and sustainable practices of our operations in Singapore where the majority of our activities are carried out. The report currently excludes our subsidiaries, joint ventures and associated companies ("JVs") which are listed on page 17. As we progress in our sustainability reporting

journey, we will include material JVs. Financial information relating to the SIAEC Group's ("the Group") business can be found in the Annual Report from page 83.

SUSTAINABILITY REPORTING FRAMEWORK

This report has been prepared with reference to the criteria of GRI Standards: Core option. We have not sought external assurance for this report, but will review this at the appropriate time when our reporting format and contents are more mature.

FEEDBACK

We welcome feedback from our stakeholders and members of the public on this report and our sustainability journey at siaec@singaporeair.com.sg.

CEO'S MESSAGE

2018 marks the release of SIAEC's first Sustainability Report, and a new chapter in our journey towards a sustainable future.

Recognising that our business and actions have an impact on our stakeholders, at SIAEC, we endeavour to integrate sustainability in every aspect of our operations. As we continue our pursuit to be the maintenance, repair & overhaul ("MRO") service provider of choice, we do not forget our duty as a responsible corporate citizen, and continue to contribute to our society and protect our environment.

Since FY2007/08, we have been communicating our environmental management initiatives and corporate social responsibility ("CSR") activities through our Annual Reports. In 2016, the Singapore Exchange introduced a formalised sustainability reporting framework. We welcome this development as this will bring about greater awareness and increased focus in the business community that whilst contributing to the economy, we must also do our part to protect groups that may be affected by our operations.

To this end, we established the Sustainability Working Group, chaired by the Chief Financial Officer and comprising staff representatives from the various divisions, to consolidate, develop and coordinate our sustainability initiatives across the organisation. The performance of such sustainability initiatives are overseen by SIAEC's Management Committee, which I chair. We have also adopted the Global Reporting Initiative Standards, an internationally recognised standard, to guide us in our sustainability reporting.

Economic

We are committed to creating sustainable shareholder value by maximising returns for long-term profitability. Our network of JVs formed with strategic partners has enhanced the Group's service offerings and value propositions to our customers. To strengthen our position as a leading MRO, we have embarked on a holistic transformation journey to enhance our productivity, streamline processes and increase our competitiveness.

Governance

Good corporate governance is the hallmark of a well-managed organisation. We are committed to conduct our business ethically and responsibly by adhering to a set of well-defined corporate governance principles and maintaining effective structures and processes for compliance with these principles. Integrity, being one of our corporate core values, represents our resolve to uphold high standards of corporate governance.

Safety

Safety is of utmost importance to our operations. It is our commitment to ensure that our staff return home safely to their families each day. As part of our Integrated Safety Management Policy, SIAEC's management, in partnership with the unions, staff and contractors, work together as a team to ensure a safe working environment, while providing high quality aviation engineering services to our customers.

Employees

Our staff are our biggest asset. Staff training and development, as well as talent attraction and retention, are integral components of the Company's social sustainability strategy. Developing a skilled and qualified workforce that is ready to meet our customers' needs is at the core of our success. We aim to develop our staff to their fullest potential and provide them with a fulfilling career.

Environment

SIAEC supports initiatives and projects that contribute towards the protection of our environment. Our Environment Management Policy outlines our goal to achieve a world class standard in environmental management through continuous improvement and enhancement of our environmental management system.

Supporting our Communities

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 2017, we have collaborated with charitable organisations such as 'Food from the Heart' and 'Habitat for Humanity', and the main highlight in our CSR calendar is the annual charity run that we organise to raise funds for our beneficiaries.

Looking Ahead

As economic, governance, social and environmental landscapes evolve around the world, we will seek out best sustainability practices for integration into our operations.

On behalf of the Company, I welcome you to join us in our sustainability journey.

PNG KIM CHIANG

Chief Executive Officer

BOARD STATEMENT

The Board provides guidance and works with the Management Committee on SIAEC's overall strategic direction, policies and business objectives, taking into consideration key material environmental, social and governance factors. The Board oversees the management of these factors through its involvement in the various Board Committees and regular engagement with Senior Management.

ABOUT SIA ENGINEERING COMPANY

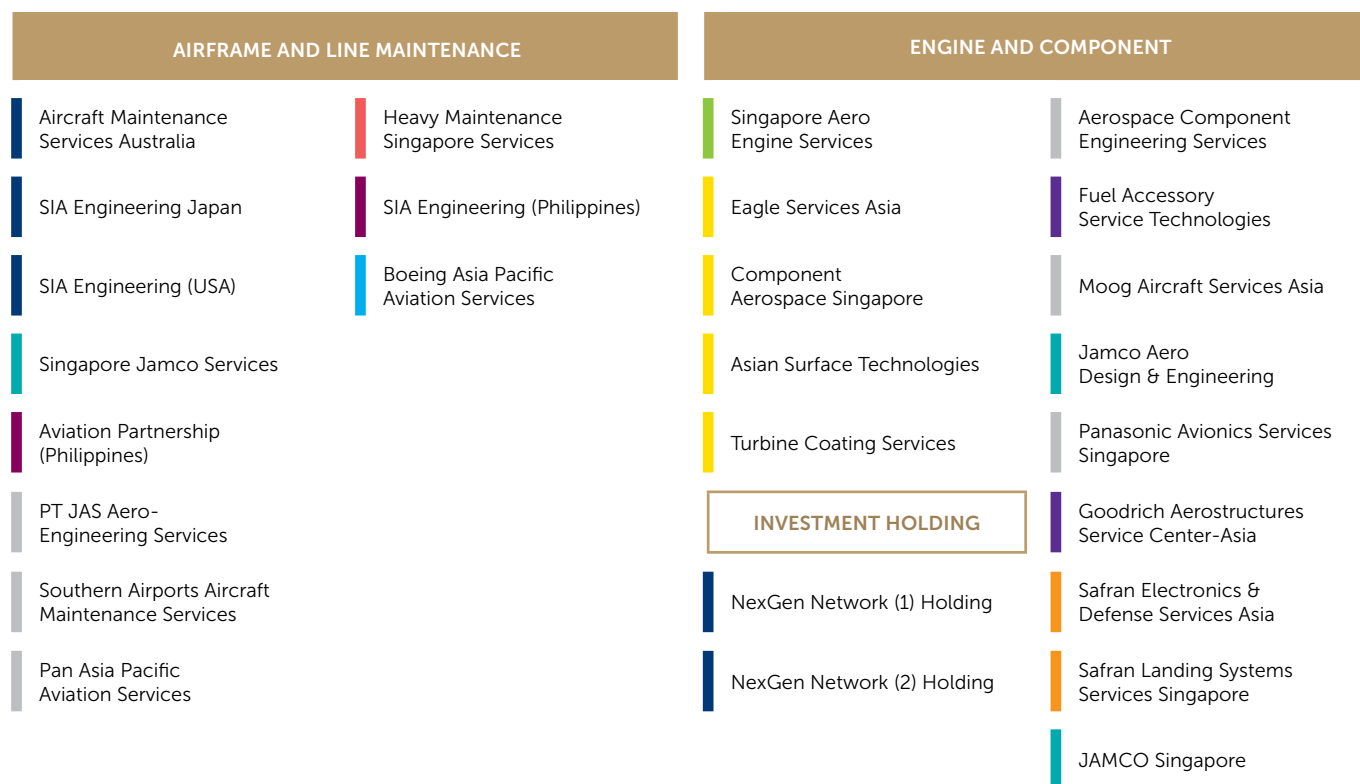
SIA Engineering Company Limited is a limited liability company incorporated in Singapore. The registered office is located at 31 Airline Road, Singapore 819831. The Company has been listed on the Singapore Exchange Securities Trading Limited since May 2000 and is a subsidiary of Singapore Airlines Limited.

As a leading maintenance, repair and overhaul ("MRO") service provider in Asia-Pacific, our maintenance facilities in Singapore provide a one-stop suite of MRO services¹ to global customers and comprise six hangars, including one of the world's first purpose-built hangar to handle the Airbus A380, the world's largest commercial airliner. In addition, we have extended our outreach to airline customers in the region with another three hangars in Clark, Philippines.

1. None of our services are banned in the locations that we operate.

Our extensive network of line maintenance stations covers 39 airports in eight countries. These line maintenance stations handle more than 1,000 flights daily around the clock for 90 airline customers.

Complementing the full spectrum of MRO services is our portfolio of JVs in Australia, Hong Kong, Indonesia, Japan, Philippines, Singapore, United States of America and Vietnam. These JVs were forged with strategic partners, including leading Original Equipment Manufacturers ("OEM").



Rolls-Royce	Pratt & Whitney	UTAS	Safran	Cebu Air
JAMCO	Boeing	Airbus	Wholly-Owned	Others

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.

MEMBERSHIP OF ASSOCIATIONS

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

SUSTAINABILITY AT SIAEC

Sustainability Strategy

We aim to achieve the goals of our mission statement in a sustainable manner, including contributing to the communities in which we operate. Our objective is to develop and grow our role as a responsible business entity and corporate citizen, with key focus on sustainability issues in areas of Economic, Governance, Social and Environment.

Stakeholders

We recognise that our business and actions have an impact on our stakeholders and have defined our philosophy in the engagement with them.

Employees

We value our staff and care for their well-being and development.

Customers

We are committed to providing our customers with high quality aviation engineering services.

Shareholders

We maximise returns for long-term profitability, with the aim of creating sustainable shareholder value.

JV Partners

We work with our JV partners to build long-term growth at our JVs.

Suppliers

We treat our suppliers with respect and emphasise fairness in our relationships and dealings with them.

Sustainability Organisational Structure

The Sustainability Working Group ("SWG"), which was formed in 2016, drives sustainability initiatives across the organisation. The SWG is chaired by the Chief Financial Officer and comprises vice presidents, managers and executives from operational and support divisions as members.

The SWG reports to the Management Committee, which is chaired by the Chief Executive Officer. The Board is engaged on sustainability matters through the Management.



Materiality Assessment

The SWG conducted a materiality assessment in 2017 and the material topics identified were reviewed by the Management Committee and subsequently endorsed by the Board.

The SWG first identified the key stakeholders critical to the business or are affected by the Company's operations. The materiality assessment process includes considering the views and feedback of stakeholders to identify issues that are important to them. The identified topics were then prioritised, taking into account considerations such as the interests and expectations of stakeholders, the Group's top risks, as well as our policies and processes.



Economic

- Investment in JVs
- Transformation
- Innovation and Technology



Governance

- Anti-Corruption/Bribery*



Social

- Workplace Safety*
- Aviation Safety
- Non-Discrimination
- Training and Development*
- Diversity and Equal Opportunity
- Employment
- Labour/Management Relations
- Freedom of Association and Collective Bargaining
- Supplier Social Assessment
- Local Communities



Environment

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

* Material topics



ECONOMIC

The Company's core competencies and wide portfolio of JVs allow us to offer airline customers a comprehensive suite of MRO services. We will continue to invest and develop new capabilities for next generation aircraft and engine types, in addition to pursuing innovation and technology initiatives. Strategic collaborations with OEMs and leading companies will also remain a key thrust in growing our portfolio of partnerships across the various MRO business segments.

INVESTMENT IN JVS

The Company has formed JVs with OEMs and airlines over the years to enhance our service offerings to the customers. Together with our network of 25 JVs, we are able to offer our customers a comprehensive suite of services covering different geographical locations globally.

As part of the on-going review of the JV portfolio and to ensure a sustainable return on our investments, we work with our JV partners to develop solutions to address the challenges from product life-cycle changes. Such collaborative efforts with the partners include restructuring

of associated entities, introduction of new partners that can add value to the JV businesses, and development of new capabilities.

TRANSFORMATION

Over the last two years, we have invested in systems, facilities and equipment to strengthen our fundamentals. Building on this foundation, we have embarked on a Company-wide transformation program to enhance our position as a leading MRO. This transformation is a holistic program which aims to redefine operational excellence and improve organisation health. Besides growth, initiatives in the operational areas such as resource optimisation and improvement of processes and operating practices will increase our productivity and efficiency as well as enhance our competitiveness.

INNOVATION AND TECHNOLOGY

Innovation is a key driver of the value propositions that we continually develop and offer to our customers. In 2016, we announced that we are investing up to \$50 million over the next few years on innovation initiatives and technology adoption projects, with the support of the Economic Development Board. These investments, in areas of additive manufacturing, automation & robotics, data analytics and digitalisation, are expected to bring greater efficiencies and help us stay ahead of the competition. An Innovation & Technology Group was formed to lead the business units in tracking emerging technologies and trends, exploring new ideas and developing new services to constantly add value for our customers.

FINANCIAL RESILIENCE

We are prudent in our approach to managing our finances and financial risks, making calibrated adjustments to changes in economic conditions as required, so as to sustain shareholders and market confidence. In managing the Company's capital structure, our primary objective is to maintain an appropriate capital base, while retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events.

We aim to provide a return to shareholders yearly through the payment of dividends, after reviewing our financial performance, investment plans and business outlook.

For more details, please refer to the Annual Report pages 175 to 180 on financial risk management objectives and policies, and page 184 on capital management.



GOVERNANCE

CORPORATE GOVERNANCE

The Board and Management are committed to conduct our business ethically and responsibly by adhering to a set of well-defined corporate governance principles, and maintaining effective structures and processes within the Group for compliance with these principles and the Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore.

The focus of the governance framework is to promote accountability and transparency. This is represented through the composition of the Board and Board Committees, clear division of powers and duties between the Board and Management, adoption of checks and balances, relevant measures on internal controls, and sound corporate ethics and risk management practices across the Company and its subsidiaries.

The Board oversees the business of the Company and provides stewardship to Management, conferring with them regularly. The Board and Board Committees have written guidelines on matters that require their approval.

The Board is supported by the Audit Committee in the review of the adequacy and effectiveness of the Group's system of internal controls and financial reporting. The Company's internal control structure consists of policies and procedures established to provide reasonable assurance that transactions undertaken are aligned with the achievement of the Company's objectives. A Control Self-Assessment programme, established since FY2003/04, provides a framework that establishes accountability among functional managers and staff, while internal audits provide independent and objective assessments of the processes and controls which may have a material financial impact on the Company.

The Compensation & HR Committee oversees long-term succession planning of Key Executives, and the structure and levels of remuneration to attract, retain and motivate key management personnel. An independent consultant is engaged to provide guidance on market practices and benchmarks.

Please refer to pages 39 to 82 of the Annual Report for more details on the Company's corporate governance framework.

BOARD EVALUATION AND DIVERSITY

The Board through the Nominating Committee, has a formal process for assessing the effectiveness of the Board Committees and the Board as a whole, as well as the contributions of the Chairman and individual Directors. For impartiality, the process is managed by an external firm of human resource consultants, which has no other connection with the Company or any of its Directors.

The Company is committed to having diversity on the Board, and will continue to strive in that direction. Our diversity initiatives are designed to attract the most talented individuals as Directors, regardless of their race, ethnicity, nationality, sexual orientation, religion, age, gender, disability status or any other dimension of diversity. Diversity is important to ensure that the profiles of Board members provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management of the Company's business.

As part of the director nomination and selection process, the Nominating Committee considers diversity criteria, among other relevant criteria, when determining the optimum composition and balance for the Board. In support of the specific objective of gender diversity, the Nominating Committee ensures that appropriate efforts are made to include women in the list of candidates being considered for a Board position. On an annual basis, the Committee assesses the effectiveness of the director nomination and selection process in terms of whether it meets the Company's commitment on Board diversity.

RISK MANAGEMENT

Risk management is an integral part of our decision-making process. Through a holistic approach to identifying and managing risks, we instil effective risk ownership and management across all business units and support divisions.

The Board has overall responsibility for the governance of risk. Annually, the Board reviews the adequacy and effectiveness of the risk management and internal control systems, including financial, operational, compliance and information technology risks. The Board, supported by the Board Committees, oversees the key risks of the Group's business.

The Board Safety and Risk Committee assists the Board in overseeing the adequacy and effectiveness of the Group's risk management framework and policies, with the objective

of maintaining a sound system of risk management to safeguard shareholders' interests and the Group's assets.

Management is responsible for the effective implementation of the risk management strategy, policies and processes to facilitate the achievement of the Group's business and strategic objectives. Key risks are proactively identified, addressed and reviewed in detail on an ongoing basis. The Company has in place a continuous and iterative risk management process, which is developed with reference to the principles and guidelines of the ISO 31000:2009 Risk Management standards and the Code of Corporate Governance 2012. The Risk Management framework is published on our website and further details can be found in the Annual Report on pages 45 to 48.

ETHICS AND INTEGRITY

Ethics and integrity are key prerequisites to SIAEC's long-term success. Failure to adhere to the laws and regulations may result in criminal liabilities such as fines, penalties, or the revocation of its licenses and/or other regulatory approvals which may disrupt the Company's operations.

The Company is committed to act lawfully, and in accordance with high standards of integrity and ethics in every aspect of its business. To this end, the Company has introduced a comprehensive set of policies, including but not limited to the policies on Corporate Gifts, Anti-Corruption/Bribery and Employee Code of Conduct, as part of its commitment to maintain a robust system of risk management and internal controls.

Policies are being reviewed regularly and any introduction of new policies and revision of existing policies are broadcasted via the Company's intranet which are accessible to all employees. Policies applicable to the Company's vendors, suppliers and other external stakeholders, such as the Suppliers' Code of Conduct, are incorporated as provisions in agreements with external stakeholders, which can be found on the Company's website (www.siaec.com.sg).

ANTI-CORRUPTION/BRIBERY

The Company has adopted a zero-tolerance policy against bribery and corruption in its operations, which extends to all of its dealings with internal and external stakeholders (including but not limited to third-party service providers and vendors).

We believe that effective corporate governance and internal controls aligned with responsible and sustainable methods increases the Company's value. Our policies on anti-corruption/bribery are compliant with the Prevention of Corruption Act, Singapore's main anti-bribery legislation. Our approach to anti-corruption/bribery is also in line with international standards, including the United Nations Sustainable Development Goal to substantially reduce corruption and bribery in all their forms, which is central to the Company's goal to maintain transparency in the relationship with its stakeholders.

Clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers have been instituted. To ensure compliance, the Company has an online training programme on the Company's anti-corruption/bribery policies and requires employees that may be susceptible to illegal and/or unethical influences to complete this online training regularly. Such recurrent training serves as a reminder to the employees to maintain the highest standards of integrity in their work and business dealings with the Company's stakeholders, and its completion rates are reported to the Company's Management Committee on a quarterly basis. In FY2017/18, all employees who may be susceptible to illegal and/or unethical influences, ranging from junior administrative officers up to Senior Management, based in its Singapore office or seconded to its affiliated companies have completed this online training programme. In total, 516 employees have been trained.

In addition to regular training and education, the Company has an established whistle-blowing programme for the reporting and investigation of wrongdoings. The programme provides the means for internal and external stakeholders to provide confidential feedback or raise concerns about possible improprieties in any matter. All whistle-blower reports are reviewed by the Audit Committee to ensure independent investigation and adequate resolution. In FY2017/18, there were no reported incidents of corruption involving the Company's business operations.

EMPLOYEE CODE OF CONDUCT

To foster high standards of professionalism and conduct in our workforce, our Employee Code of Conduct provides comprehensive policies on staff regulations and conduct, ranging from harassment and reporting of wrongdoing to

online courses on anti-corruption and competition laws. A disciplinary inquiry process is in place for the handling of misconduct and all employees are made aware of the channels to raise their concerns that they may have or for reporting misconduct.

SUPPLIERS' CODE OF CONDUCT

We have adopted the following best practices with our suppliers:

Suppliers' Compliance with Applicable Laws

Through our procurement agreements, suppliers are obliged to commit and warrant that all products and services supplied to us are in compliance with applicable laws and regulations.

Anti-Corruption/Bribery Practices

All purchase orders and agreements for goods and services to the Company incorporate anti-corruption and anti-bribery provisions. These provisions mandate that: (i) the supplier shall be compliant with the laws of the countries in which they operate, (ii) the supplier warrants that it has not and shall not provide any favours, payments or other transfers of value, directly or indirectly, to any government official or private person in order to influence any decision or act, or to secure any improper advantage, and (iii) acts which are contrary to the Company's acceptable standards on ethics and integrity shall be disclosed to the Company immediately.

Suppliers who participate in our requests for quotations or tenders are expected to have adopted our Suppliers' Code of Conduct. By accepting our purchase orders/agreements, suppliers confirm that they will adopt the Code of Conduct. Suppliers' subcontractors and service providers are also required to adhere to the principles set out under the Code of Conduct. In addition, any instances of wrongdoing in the conduct and behaviour by the supplier or the Company may be reported to, and investigated by, the Audit Committee in accordance with the Company's whistle-blowing programme.



Safety is of utmost importance in every aspect of our business and operations. Our safety journey is one without a finish line. We are committed to continuously improving our workplace safety and health standards, and maintaining a world class standard in aviation safety within our organisation. We work towards ensuring a safe working environment while providing high quality aviation engineering services to our customers through four key thrusts:

- Board and Management Emphasis and Oversight
- Implementing a Well-Structured Safety Management System
- Training and Communication to Enhance Safety Awareness
- Partnering our Stakeholders on Safety Ownership

WORKPLACE SAFETY

Any staff injury will adversely affect our productivity, costs and staff morale. As such, we strive towards zero safety incidents. We instil and promote safety consciousness among our staff to prevent accidents and injuries, and focus on safety as an essential part of all our operations.

AVIATION SAFETY

We strive to maintain the highest standards of quality and safety in aircraft maintenance to ensure that our customers' aircraft are airworthy and safe for flight.

Operating in a highly regulated industry, we are subject to regular audits conducted by airworthiness authorities and customer airlines in adherence to mandated standards of safety and quality. In FY2017/18, the Company successfully passed 88 audits by the authorities and 155 audits by customers.

The Company holds certifications from 26 national airworthiness authorities worldwide, including Singapore.

THRUST 1: BOARD AND MANAGEMENT EMPHASIS AND OVERSIGHT

SIAEC's safety governance structure covers the following three levels of safety management and oversight:

- Board Safety and Risk Committee
- Safety, Health, Environment and Quality ("SHEQ") Council
- Safety, Health and Environment ("SHE") Committees

The Board Safety and Risk Committee assists the Board in reviewing the safety and risk management framework and policies, and in assessing its adequacy and effectiveness. The Committee 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. The Committee, as well as the Management Committee chaired by the Chief Executive Officer, also monitors safety performance on a regular basis.

The SHEQ Council, chaired by the Chief Executive Officer, meets quarterly to oversee the Safety Management System ("SMS") programme, and provides leadership in the implementation of safety policy, requirements and initiatives. The Council reviews safety matters to improve work practices and safety, as well as promote safety awareness within the Company. A review of the SMS is conducted annually to ensure that it remains relevant, adequate and effective.

Additionally, SHE Committees are set up within each operational division to address aviation and workplace safety issues and performance. Reviews are conducted by the various operational divisions on a monthly basis.

THRUST 2: SAFETY MANAGEMENT SYSTEM

The Company's Safety Management System consists of an integrated framework which focuses on effective safety management at the workplace and promoting safety ownership within the workforce.

The Management, in collaboration with the operational divisions and unions, leads continual efforts to strengthen safety compliance and improve safety performance.

In upholding our priority on aircraft safety, the Company has implemented an Aviation SMS that fully meets the requirements set by the Civil Aviation Authority of Singapore, and in accordance with the International Civil Aviation Organisation's standards and recommendations.

The Executive Vice President Operations is the Accountable Manager for Aviation Safety at SIAEC. The Accountable Manager, supported by the Management, is responsible for ensuring an effective and functioning Aviation SMS.

To ensure that our operations are aligned with internationally recognised standards of occupational health and safety, our safety processes are accredited with OHSAS 18001 certification.

THRUST 3: TRAINING AND COMMUNICATION

We believe that all staff must understand risks at the workplace and partake in identifying them. The heightened situational awareness enables the workforce to provide feedback on potential safety concerns and recommendations, making the work environment safe while maintaining operational performance.

Staff are kept abreast of the latest safety requirements, in-house rules and industry best practices, through regular and comprehensive training. Through our safety training courses, each of them has been provided with our Safety Handbook, as part of the Company's comprehensive safety awareness and knowledge development program to engage and educate these stakeholders with the latest safety knowledge. We are pleased to report that all our employees have completed this training program.



Staff attending safety training

At SIAEC, we strive to anticipate and eliminate hazards in the workplace that may result in personal injury or illness and/or loss or damage to property and equipment. We have a comprehensive Hazard Identification and Risk Assessment ("HIRA") process for the Company's operations and activities. In order to strengthen staff awareness on hazard identification and risk management, a computer-based workplace safety training module has been developed.

The HIRA process is applied to all new work processes and activities as a means of systematically assessing inherent risks and hazards, and determining ways to eliminate or prevent the risk. To ensure relevance, each HIRA document is reviewed periodically or when changes to the operational processes occur. The same HIRA process is also applied to aviation safety. Platforms for identifying hazards are not only reactive, such as when an incident occurs, but proactive (audits, surveillances and confidential reporting) and predictive (trend analysis) as well. Once a hazard has been identified, its risk is evaluated and control measures are implemented to manage the risk.

THRUST 4: PARTNERING OUR STAKEHOLDERS ON SAFETY OWNERSHIP

In 2016, the Company embarked on the Safety Excellence Programme, which was developed with an international safety consultant. The comprehensive safety programme, which involves the unions and all staff and covers both Aviation Safety and Workplace Safety, aims to inculcate a strong and sustainable safety culture within the Company.

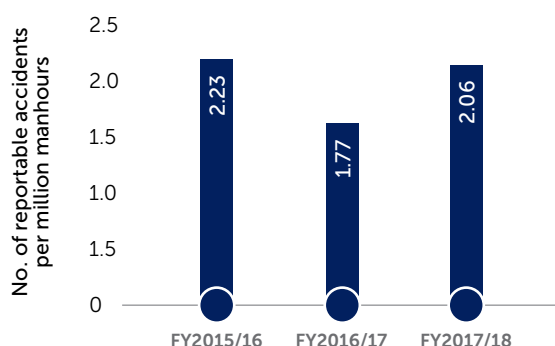
The Safety Excellence Programme includes both training and practical elements that cover all operational areas of our business. Working with the safety consultant, tailored initiatives were developed jointly with the workforce to strengthen safety practices and foster safety ownership.

PERFORMANCE MEASUREMENT

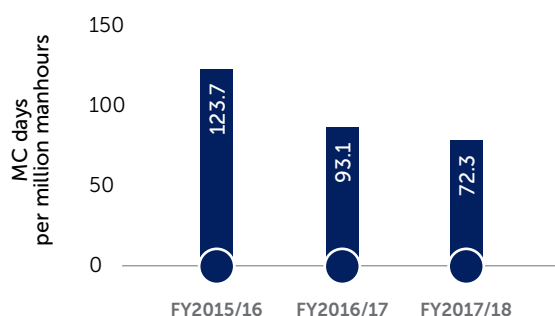
Both quantitative and qualitative performance indicators are used to measure the effectiveness of our safety efforts, and the indicators are reviewed quarterly. It is of critical importance to keep our employees safe and two key indicators are Reportable Accident Rate and Reportable Severity Rate. The reportable accident rate is slightly higher in FY2017/18 than FY2016/17 but lower than FY2015/16, while the Reportable Severity Rate is showing a declining trend. There have been no fatalities in the past three years.

The majority of accidents contributing to the increase in Reportable Accident Rate were hand and finger injuries. The Company has launched a Pinch-Point and Cuts Awareness Programme to propagate safety awareness regarding pinch-points and cuts. Staff have been issued with cut-resistant gloves for additional protection in the performance of their duties at work.

REPORTABLE ACCIDENT RATE (per million manhours)



REPORTABLE SEVERITY RATE (per million manhours)



All Employees			
	FY2015/16	FY2016/17	FY2017/18
Reportable Accident Rate (per million manhours)	2.02	1.61	1.74
Reportable Severity Rate (per million manhours)	106.2	85.6	68.0
Occupational Disease Rate (per million manhours)	0	0	0
Fatalities	0	0	0

Note: Injuries are mainly bruises, fractures, lacerations, sprains and strains.

Workers (Excluding Employees)

	FY2015/16	FY2016/17	FY2017/18
Reportable Accident Rate (per million manhours)	1.73	1.22	1.41
Fatalities	0	0	0

Notes:

- (1) Injuries are mainly dislocations, fractures, punctures and lacerations.
(2) Accident count relates to all workers but manhours exclude indirect contract labour.



EMPLOYEES

Our staff are our biggest asset. Educating and motivating our talented workforce is key to our Company's growth and success. Our high staff retention rates reflect our efforts as a responsible employer while providing assurance to our customers that they are being serviced by a highly skilled and experienced workforce. We firmly believe in actively engaging our staff to always perform to the best of their abilities and potential.

SIAEC employees are rewarded through fair and merit-based employment practices, based on their abilities, performance, contribution and experience. We implement practices which adhere to all applicable labour laws and other regulations governing our Singapore workforce. Beyond what is required from us by law, we constantly work to develop career opportunities and pathways for our employees that simultaneously meet the Company's talent needs. We are committed to ensuring that our employees are treated fairly and given the opportunities to develop their careers.

The Company's employment practices are built on the tenets of staff welfare, diversity and positive partnerships with the unions. These collectively create a work environment where employees and their contributions are valued, as we work together as a team to deliver high quality MRO services to all our customers.

TALENT ATTRACTION AND RETENTION

Investing in our people is pivotal to the Company's success as a global MRO player. We recognise the need to identify and attract the best talents, so as to build a sustainable pool of business and technical leaders - for now and the future.

To attract the best talents to join our organisation, we offer scholarships and internships to outstanding students who have a passion to pursue a career in the MRO industry. Through the Singapore Industry Scholarship programme, scholarships are offered for undergraduate studies to students who have demonstrated well-rounded excellence at school.

Through our internal Scholarship Programme and the Continuing Education Scheme, we provide financial sponsorship to staff who are keen to pursue higher educational qualifications, including diplomas, bachelor and master's degrees. During the year in review, 24 executives, engineers, technicians and clerical staff were awarded sponsorships under these schemes. Currently, 48 staff are pursuing their education under these schemes.

In nurturing our leadership talents, we partner tertiary education institutions in developing programmes for our top executives and future leaders. Senior executives are equipped with the necessary skills and knowledge required to navigate the competitive business environment and to ensure the Company's continued success. We are in partnership with the National University of Singapore ("NUS") in developing the NUS-SIAEC Leadership and Management Development Programme for our staff in managerial positions. Our Senior Management also participate in strategy or leadership based programmes at top business schools overseas.

All new staff in executive grades undergo the Onboarding Programme, which provides them with a broad overview of the Company and the functions performed by each division. In addition, they are placed under the Mentorship Scheme, which gives them a unique opportunity to engage with and learn from the knowledge and experience of the Management. These engagement sessions with mentors, who share their experience of our corporate culture, as well as their personal experiences and work values, help our new executives assimilate into our diverse workforce.

TRAINING AND DEVELOPMENT

SIAEC is fully committed to developing our workforce and fostering a continuous learning culture. We recognise that having a highly skilled workforce is critical in ensuring that the Company is ready to take on challenges and opportunities in this ever-changing business landscape – especially given the highly specialised, fast changing environment that we operate in and the need to always be on top of the latest regulations and requirements.

We continually upgrade the skills of our engineers, technicians and support teams, equipping them with the relevant skill sets and knowledge to meet operational needs and be kept abreast of the latest technological developments in the aviation industry. We are committed to providing equal opportunities and investing in our employees' training and development based on their strengths and needs to help them achieve their full potential. Our employees enjoy a wide range of well-structured training and development programmes that help them build up both their technical competencies and soft skills. In the reporting period, 665 of our engineers and certifying technicians have successfully completed aircraft type training for a variety of aircraft and engines, including the new generation aircraft Boeing 787 and Airbus A350.

Our commitment as a responsible employer and provider of work environment optimised for personal growth is reflected in the skills and development training that we customise for all levels of staff. These training opportunities include various initiatives such as learning and developmental programmes, on-the-job training and coaching, overseas postings and job rotations.

We offer a full range of learning programmes, which are mapped to the Company's core competencies and core values. They include structured learning roadmaps which provide our staff with targeted and relevant learning opportunities at the appropriate time in their careers, and functional training programmes that equip our staff with the requisite knowledge and skills to succeed in their current roles. Learning needs and course syllabi are reviewed on a regular basis to ensure that the courses offered are current and relevant.

Under the Technician Development Scheme, our operationally experienced technicians are given the opportunity to undergo training to become certifying technicians. This provides an attractive career progression path for our technicians while simultaneously increasing the productivity of our technician workforce.

We launched a new 'Team Fly High' service excellence programme in September 2016. Since its commencement, 258 staff have been trained under the programme, which aims to improve working relationships by training authorisation holders in advanced management and communications skills. Through the programme, employees advance their knowledge of good customer service for internal and external customers, develop professionalism at work, and hone their leadership skills.

SKILLSFUTURE

In FY2017/18, we launched the SkillsFuture for Digital Workplace programme which is a national initiative developed by SkillsFuture Singapore to help Singaporeans prepare for the future economy. SIAEC has partnered Nanyang Polytechnic as one of the early adopters to launch this training programme. The objective of the programme is to develop a digitally literate workforce which is confident, resilient, adaptable and attuned to a technology-rich environment. Through this training programme, our employees are provided with foundational digital literacy skills, and learn about mind-set change, cybersecurity, innovation, data analysis and e-learning, which are essential skills for them to be ready for the future. All SIAEC employees are progressively scheduled to attend the training programme and 1,134 staff have attended this training course in FY2017/18.

as skills and aircraft practical training, to support ab initio training programmes. This serves to ensure a sustainable pool of competent technical personnel to support the Company's growth.

We continue to expand our pool of qualified licensed aircraft engineers and technicians through regularly scheduled aircraft type courses, in preparation for the new and growing fleets of our customers. The Training Academy has trained our technical staff to support the entry-into-service of Singapore Airlines' Airbus A350, SilkAir's Boeing 737MAX and Scoot's Boeing 787 fleets.

The academy utilises the latest training devices and courseware from Airbus and Boeing to develop new competencies among our staff, thereby maximising their potential and helping them realise exciting career opportunities. Recognising the need to sustain the proficiency of critical skill sets in our workforce, the academy implements a recurrent training curriculum to ensure that all our staff remain up to date in knowledge and skills.

Training Highlights	FY2017/18
Amount invested on staff training	\$8.5M
Total training days	25,700
- Technical training	18,727
- Development and soft skills training	6,973
Average training hours	39 hours
- Technical staff	40 hours
- Support staff	34 hours

For FY2017/18, we invested over \$8.5M on staff training, covering a total of 25,700 training days. Of these, 18,727 training days were dedicated to technical training, with the remaining 6,973 training days focused on developmental and soft skills training to provide a holistic development regime. On average during the year, each technical staff received 40 hours and each support staff 34 hours of training. Our target is to maintain an average 34 training hours per employee.

Training Academy

Our pursuit in developing the technical and soft skills of our people supports the Company's status as a Maintenance Training Organisation approved by civil aviation authorities and recognised by the Singapore Workforce Development Agency. The Company's dedicated Training Academy provides basic and aircraft type theory courses, as well

Beyond having a keen interest in enhancing the competency of its staff, the Company has taken a new step forward to share its experience in aerospace training, by partnering Singapore Institute of Technology ("SIT") in the development and launch of their new three-year degree programme, the Bachelor of Engineering with Honours in Aircraft Systems Engineering, in September 2018. Being actively involved in the industry-university collaboration, where curriculum will be jointly delivered by SIT lecturers and Training Academy's instructors, the Company seeks to impart its knowledge in aircraft maintenance at foundational level to prepare a new generation of skilled aviation workforce with a head start in their career toward acquiring an aircraft maintenance license, to support the growth of the industry.

STAFF WELFARE

Staff Well-Being and Health Initiatives

A healthy workforce is crucial in supporting the Company's growth and performance. We regularly organise health talks and exercise activities, and provide tips on healthy living in the Company magazine, to encourage staff to pursue a healthy lifestyle. We received the Merit Award at the 2017 Singapore Health Awards in recognition of our efforts in health promotion at the workplace.

We encourage our staff to take an active ownership of their own well-being. The Company provides staff with comprehensive medical coverage. We conduct

regular reviews and surveillance inspections of the work environment as part of our ongoing effort to improve workplace safety and health. The occupational health of our staff are also monitored closely through the relevant medical examinations such as audiometry examinations, to ensure their well-being.

Pro-Family Staff Benefits

The Company strongly supports Singapore Government's pro-family initiatives. We understand the need for working parents to be able to spend quality time with their children while they pursue their careers. As such, we provide benefits which are aligned with Singapore's pro-family legislation such as childcare leave, extended childcare leave, maternal leave, paternity leave and shared parental leave.

DIVERSE WORKFORCE

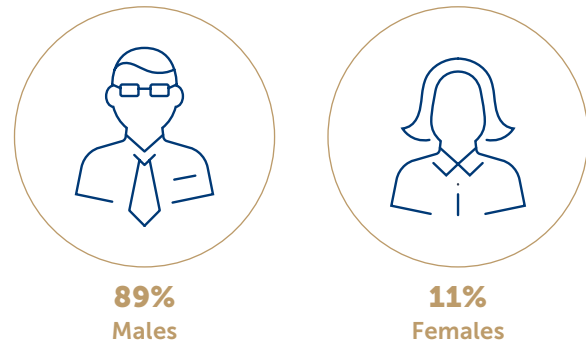
As at 31 March 2018, our employee strength was 4,720. We strongly encourage an inclusive culture within our workforce, as it provides the best environment for every employee to achieve his or her full potential, both personally and professionally.



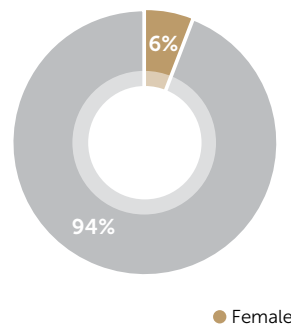
Our diverse workforce

We value the loyalty and dedication of our long-serving staff, as they contribute positively to the wealth of experience of our multi-generation workforce. In 2011, we signed a Memorandum of Understanding with our unions to offer re-employment opportunities to employees beyond the retirement age of 62, ahead of legislation enacted in 2012. Since January 2017, we have re-employed employees beyond the age of 65, again ahead of the legislation that came into effect on 1 July 2017.

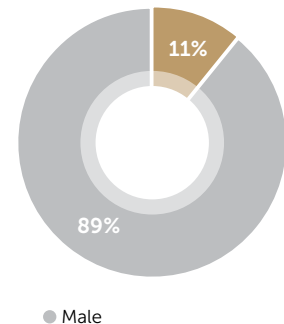
Breakdown of all SIAEC Employees by Gender



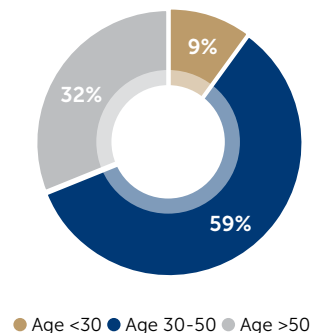
Breakdown of all Contract Employees by Gender



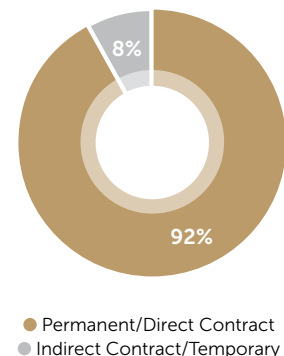
Breakdown of all Permanent Employees by Gender



Breakdown of all SIAEC Employees by Age Group



Breakdown of SIAEC Workers by Employment Type



EMPLOYEE TURNOVER

Employee Turnover by Gender		
Gender	Total	Turnover
Female	25	5.0%
Male	72	1.7%
Total	97	2.1%

Employee Turnover by Age Group		
Age Group	Total	Turnover
Below 30	27	6.3%
30 to 50	63	2.2%
Above 50	7	0.5%
Total	97	2.1%

Note: Refers to resignation only.

NEW HIRES

Breakdown of New Hires by Gender		
Gender	Total	%
Female	40	28
Male	104	72
Total	144	100

Breakdown of New Hires by Age Group		
Age Group	Total	%
Below 30	112	78
30 to 50	30	21
Above 50	2	1
Total	144	100

STAFF PERFORMANCE REVIEW

We believe that recognising and valuing the good work of our staff motivates them and contributes to our success. Performance reviews are conducted regularly so that both employees and their supervisors can have a two-way feedback forum and jointly set expectations for continued job performance. Beyond performance reviews, the Company has initiatives such as the Operational Excellence Framework and the Star Employee Awards to recognise and reward good performance.

INDUSTRIAL RELATIONS

Good industrial relations is key to the continued success of the Company. The Company maintains cordial relations by working closely with our union partners to ensure that fair and sustainable wage and employment terms are provided to our staff. Our union partners comprise the following three staff unions:

AIR TRANSPORT EXECUTIVE STAFF UNION ("AESU")

- Represents staff in executive grades in the Company.
- About 81% 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 95% of our engineers are members of SEEU.

SINGAPORE AIRLINES STAFF UNION ("SIASU")

- Represents graded/junior staff in the Company.
- About 95% of our technicians and clerical staff are members of SIASU.

Collective Agreements are in place for each of these unions and in total, about 90% of the Company's executive employees, engineers, technicians and graded staff are covered by these Collective Agreements. Labour grievance mechanisms are detailed in all our Collective Agreements. All labour practices relating to child labour, forced or compulsory labour, human rights grievance mechanisms, diversity and equal opportunity are carried out in accordance with the Employment Act and other laws governing Singapore.

We actively involve our unions in matters relating to our employees through regular union engagement activities and discussions. Monthly union-Management meetings are held to update our union partners on developments in the industry and to discuss labour-management issues. We value our strong ties with our union partners, who represent the majority of our employees. We are committed to working together with the unions to resolve issues, seize business opportunities and meet new challenges through a collaborative approach.



ENVIRONMENT

ENVIRONMENTAL POLICY AND SYSTEM

Environmental Policy

We believe in operating responsibly by understanding and managing the environmental impact of our business. We have a responsibility to protect the environment and are committed to maintaining high standards of environmental management in all our operations, and complying with environmental rules and regulations governing our business.

To achieve this goal, the Company has an Environmental Action Programme to actively promote the efficient use of energy and natural resources, and adoption of environmentally friendly means of waste management. This policy is communicated across our business units and support divisions to propagate environmental awareness to all persons working for and on behalf of the Company.

Environmental Management System

The Company's Environmental Management System ("EMS") focuses on minimising the impact that our operational activities may have on the environment. We continue to seek opportunities to improve our environmental performance.

Environmental impacts are assessed in accordance with the EMS, which has been certified to ISO 14001 standards since 1998. We consider proper design, handling, storage and disposal of materials as early as the planning stage, and regularly review product operation and service performance for improvements in our environmental sustainability. In 2017, the Company has upgraded the certification standards to the ISO14001:2015 standards, which incorporates additional requirements on environmental sustainability.

The Company maintains a stringent auditing system for all environmental matters, comprising internal environmental audits and inspections performed by the SHE Committees. To ensure continuous and effective operation of the EMS, a two-fold check system involving both internal and external audits is implemented. This ensures strict compliance with the applicable legislations and regulations.

ENERGY

The Company's main utility usage is the electricity used to carry out daily MRO activities in the hangars, workshops

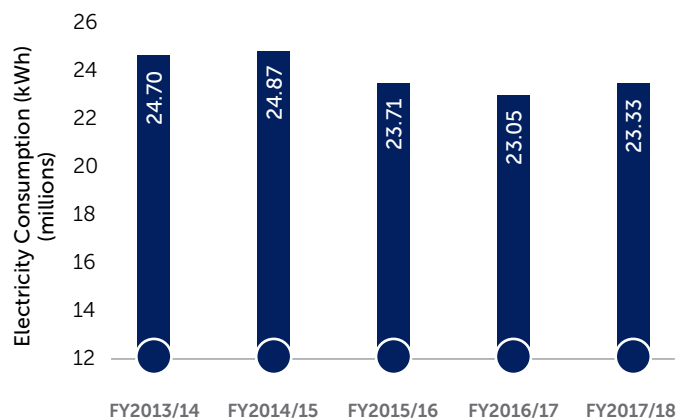
and offices. Any disruption to energy will jeopardise our operations. As the amount of electricity consumed impacts the environment, proper energy management control and measures can reduce energy wastage.

The Company is committed to monitoring the electricity usage and implementing improvement initiatives throughout the organisation to reduce energy consumption. SIAEC is a registered Energy Efficiency National Partner ("EENP") with National Environmental Agency ("NEA"). It is our commitment to be more energy efficient, in order to enhance long-term business competitiveness and to reduce carbon footprint. NEA supports EENP through learning network activities, provision of energy efficiency-related resources, incentives and recognition.

An Energy Management Committee, comprising the Facilities Development Division and our building contractor, actively drives energy management programs to control energy consumption and to avoid wastages. The Committee identifies area of high consumption and formulate solutions to reduce electricity usage. The energy data are reviewed by the Committee on a monthly basis and any significant deviation will be identified, investigated and remedied. On a quarterly basis, the Management is updated on the trends.

All proposed projects are discussed with the Management, and approval is sought before commencement. Once the projects are implemented, the data are collected and checked against the design data, and the results are reported back to the Management.

ELECTRICITY CONSUMPTION FOR HANGAR 1 TO 6 (KWH)



Our goal is to achieve 15% reduction in energy consumption by FY2023/24 compared to base year FY2013/14. We will continue to monitor energy consumption, address significant deviations and implement energy-saving measures. Where possible, we will tap the application of innovative technologies as part of our efforts to reduce energy consumption.

The replacement of the air-conditioning chiller systems in two of the hangars with energy-efficient systems in 2013 and 2016 respectively have resulted in reduced energy usage and cost savings. We plan to install variable speed drives for the air-conditioning systems for another three hangars, which will further improve the energy efficiency of the systems.

We are adopting the Light-Emitting Diode technology for lighting systems. Plans are underway to progressively replace office lightings, hangar bay lights and building neon signs with these energy-saving devices.



Air-conditioning chiller systems

EMISSIONS

We actively manage emissions produced from our operations. To minimise emissions, efforts are focused on sourcing and using environmentally preferred chemicals and processes. Additionally, emission levels are closely monitored to ensure that they are within thresholds set by the authorities.

Transport vehicles undergo regular maintenance and inspections to minimise air pollution from vehicular emissions. All vehicles operated by the Company comply with the regulations and requirements, including smoke emissions and fuel usage restriction, of the Land Transport Authority and NEA.

WATER CONSUMPTION

Although our water consumption is not significant compared to the manufacturing industry, we promote discipline in water usage and our facilities maintenance team tracks the water consumption data regularly. Any unusual increase in water usage will be investigated and remedied. We will continue to monitor water consumption closely and implement water-saving measures.

TRADE EFFLUENTS AND WASTE MANAGEMENT

Trade Effluents Management

As part of the Environmental Management System Policy in preventing pollution under ISO14001, SIAEC is focused on effluents management, particularly in preventing water pollution from the wastewater generated from our operations. Our hangar facilities are equipped with wastewater treatment plants using chemical treatment process. The wastewater undergoes a chemical treatment process to make them safe for discharge into the public sewers.

Regular audits and inspections are carried out to ensure that the wastewater discharge and operation of wastewater treatment plants are in compliance with relevant legal and ISO14001 requirements. The water from our wastewater treatment plants is rigorously monitored to ensure strict compliance with the standards prescribed by the Public Utilities Board under the Sewerage & Drainage (Trade Effluent) regulations.



Wastewater treatment plants

Waste Management

The Company pays close attention to waste management. We aim to reduce waste from our operational and office activities. Promotion and facilitation of waste reduction are conducted through new and ongoing efforts to reduce, reuse and where possible, recycle. To minimise domestic waste generation, a recycling scheme is in place to recycle all paper waste from our offices. We actively encourage initiatives from all operational and support divisions to explore ways to reduce paper consumption across the Company.

A waste sorting and disposal process, as well as a contamination prevention process, is applied to operational activities and involve the storage, transportation and disposal of aircraft parts to minimise environmental impacts.






ENGAGING OUR STAKEHOLDERS


We regularly engage our stakeholders to understand and address their interests and concerns. Feedback is actively solicited on decisions and issues that affect our stakeholders. Regular communications with stakeholders enable us to identify emerging trends, issues and concerns. As we progress in our sustainability reporting, we will continue to improve the engagement with our stakeholders.

Engagement² with our stakeholders takes place in a wide variety of forums, as shown below. We have also highlighted in the table the key topics and concerns of our stakeholders and examples of our responses.

Stakeholders	Engagement Forum	Key Topics and Concerns	Examples of Approach / Responses
 Employees	<ul style="list-style-type: none"> • Staff communication and engagement • Monthly newsletter • Electronic Bulletin Board • Management walkabout • Half-yearly Business Meeting • Organisational Climate Survey • Industrial relations meeting with unions • Management/union retreat • Informal walkabout enabling direct feedback and communication with staff 	<ul style="list-style-type: none"> • Company/Group performance, business news, staff policies and activities • Company/Group business updates and initiatives • Workplace-related issues • Collective Agreement matters and staff-related issues • Building and maintaining a collaborative partnership with the unions 	<ul style="list-style-type: none"> • Regular articles and notices in Company magazine 'Precision' and Electronic Bulletin Board provide timely updates to staff on latest news and information. • Walkabouts aligned with various initiatives/campaigns e.g. Safety Campaign, demonstrate Management's commitment towards these initiatives/campaigns. • Half-yearly Business Meetings to update staff on the Company's performance and ongoing initiatives. • Organisational Climate Survey to gather feedback from staff on workplace related issues. • Monthly union-Management meetings to discuss staff-related issues. • Informal get-together sessions and retreats for unions and Management to maintain collaborative relationships with our union partners. • Channels for staff to give feedback.

2. These engagements were not conducted just specifically for the Sustainability Report.

Stakeholders	Engagement Forum	Key Topics and Concerns	Examples of Approach / Responses
 Customers	<ul style="list-style-type: none"> • Meetings • Customer surveys • Customer events • Singapore Airshow • MRO trade shows • Feedback 	<ul style="list-style-type: none"> • Engaging our customers through feedback channels such as email communications, phone calls and meetings to: <ul style="list-style-type: none"> (i) Update them on the progress of their maintenance check (ii) Address concerns and queries (iii) Share new engineering capabilities and services 	<ul style="list-style-type: none"> • Progress reports on the aircraft maintenance check. • Annual independent customer survey to gather feedback from customers. • Quarterly review of compliments and complaints received.
 Shareholders	<ul style="list-style-type: none"> • Annual General Meetings • Analyst briefings • Investor luncheon • Correspondence with investors to address their queries 	<ul style="list-style-type: none"> • Challenges facing the Company • Financial performance of the Group 	<ul style="list-style-type: none"> • Presentation to shareholders at Annual General Meeting on the challenges of the MRO industry and the strategies to position the Company for the future. The Annual General Meeting serves as a platform for shareholders to raise queries regarding the Company's performance and strategy. • Timely and consistent disclosure of pertinent information to enable a transparent assessment of the Company's value. • Analyst briefings are held on a half-yearly basis and the presentations are made available on SGXNet and the Company's website. • All financial results, as well as price sensitive information, are released in a timely manner through the Company's website and disclosure via SGXNet. • We value dialogue with shareholders. The Company's investor relations email and telephone contacts are publicised for investors to reach out to the Company for queries.
 JV Partners	<ul style="list-style-type: none"> • Regular meetings at working and management levels • JV Board meetings • Singapore Airshow and MRO trade shows • Visits to partners' facilities • Periodic presentation by JV management and/or partners to SIAEC Board on JV performance 	<ul style="list-style-type: none"> • Review of JV performance • Review of key issues affecting growth and strategic objectives of the JVs with the partners • Matters requiring alignment with the JV agreements 	<ul style="list-style-type: none"> • Weekly internal meetings to review JV performance and issues with Senior Management. • Nomination of directors to JV Boards. • JV issues are raised through the JV Board meetings and partners' meetings. • Scheduled JV internal audits on internal controls and compliance. • Partnership Management Division engaging JV management on issues affecting JV performance.

Stakeholders	Engagement Forum	Key Topics and Concerns	Examples of Approach / Responses
 Suppliers	<ul style="list-style-type: none"> Questionnaire for new suppliers Engagement with suppliers regularly or on a need basis through face-to face meetings, emails and phone calls 	<ul style="list-style-type: none"> Increase collaboration and sharing with suppliers to ensure that Company continues to engage the most cost effective and socially responsible suppliers Supplier performance Latest updates in procurement strategy matters Breaches to Suppliers' Code of Conduct 	<ul style="list-style-type: none"> Engage selected suppliers at least once a year to discuss both commercial and operational matters. This forum allows the Company to discuss ongoing issues and procurement strategy matters. Periodic presentations by suppliers on performance to ensure that suppliers comply with the established standards, procedures or key performance indicators. Evaluate the breaches in Suppliers' Code of Conduct, formulate, implement and monitor corrective actions.

Employees

We constantly engage our staff through internal platforms, wellness and health activities, as well as at community service and social functions. The latest news and information on the Company's activities and how they relate to our employees are communicated to our people through various channels. These include the Company's intranet, in-house magazine, half-yearly Business Meetings, monthly Communication Packages and regular Toolbox Briefings to update all related staff on issues pertaining to our operations and occupational health and safety.

An Organisational Climate Survey is conducted every two years to gather staff feedback on employee engagement and workplace issues. The last survey was conducted in 2016 and the Company fared well in areas of organisational commitment, employee engagement and employee enablement. The results are analysed to guide action plans and measures – from the overall staff engagement strategy at the Company level to specific action plans at the divisional level.

Customers

Customer First, one of our core values, remains foremost in our minds and we go the extra mile to exceed their expectations. To enhance customer expectations and experience, attention to their needs is important.

Our customers expect us to provide service that is of high standards, safe and reliable. For the Company to thrive well into the future, we have responsibility to provide solutions that address these expectations. Enhancing customer expectations through service excellence and innovation, and improving on the quality of our services are key thrusts of our customer expectation strategy.

We improve our customer service by equipping ourselves with the knowledge and skills to service the latest aircraft that customers operate. To keep abreast of the new generation aircraft, we are developing new products and services for Boeing 777X and 787-10.

We engage customers regularly through visits, meetings, telephone calls and emails. Using these channels, we build strong working relationships with our customers, and are updated on their needs, which allow us to review and develop new service offerings.

Another outreach to our customer is through regular customer satisfaction survey. The survey is done Company-wide to gauge customer satisfaction on several key areas. The survey enables our customers to rate our performance and gives us opportunity to follow up with our customers' concerns and improve our services.

Shareholders

The financial performance of the Group is reported quarterly to shareholders via SGXNet and press releases, and through the Annual Report to all shareholders. These reports are aimed at presenting to shareholders a balanced assessment of the Group's performance, position and prospects.

We are committed to the disclosure of material or price-sensitive information in a clear, detailed and timely manner. The Company holds analyst briefings for its mid and full-year results. Following the release of these results, the Chief Financial Officer and key management representatives meet with investors to explain the results.

The Annual General Meetings are principal forums for dialogues with shareholders. At these meetings, the Chief Executive Officer updates shareholders on the business outlook and strategic direction of the Company. Shareholders are encouraged at these meetings to raise questions or seek clarification on the Group's business and performance, and resolutions tabled at the meetings. The Chairman, Directors and Management are in attendance at the meetings to address questions from shareholders.

Shareholders have the opportunity to participate in and vote at general meetings of shareholders. Since 2012, the Company has adopted electronic poll voting for greater transparency in the voting process. The number of votes cast for or against each resolution is displayed immediately after the voting of each resolution, and results of the resolutions are posted on SGXNet.

JV Partners

Through collaborations with leading industry players and formation of JVs, we have established a strong network with the major OEMs and strategic partners. Such relationships enable the JVs to leverage the joint strengths of JV partners' technical competency and local knowledge and SIAEC's extensive MRO experience and intimate understanding of airline customers' needs, to offer high quality and competitive maintenance solutions to the market.

To optimise the benefits and returns from our investments in the JVs, we actively track the performance of the JVs through our Partnership Management Division. This division acts as the liaison between the JV partners, JV management and SIAEC management. Through this Division, we are in continual engagement with the JV partners in the management of the JVs, reviewing the performance, and identifying business, commercial and marketing synergies to advance the growth of the JVs.

Suppliers

SIAEC's supply chain comprises many local and overseas suppliers of products and services. Our purchases in support of operations include aircraft components, engineering spares and services. We source from OEMs and approved distributors to uphold high standards of maintenance.

We believe that building strong relationships and collaborating with our suppliers is essential to achieving desired deliverables and seamless operations. Our suppliers are urged to place emphasis on health, safety, environment and community impact, and uphold policies which share our sustainability values.

Together with our suppliers, the Company works to improve sustainability across all aspects of operations, developing a shared mindset on sustainability issues, and building supplier ownership of their sustainability vision, strategy and performance. We believe in raising awareness and encouraging suppliers to integrate and drive sustainability into their business through setting expectations, ongoing monitoring and partnering the Company for improvements.

The Company's practice is to purchase from suppliers who currently are or working towards being responsible and sustainable companies. To promote sustainable good practices among our suppliers, all new and key suppliers are invited to participate in an annual self-assessment questionnaire. The questionnaire deals with ethics, human rights, regulatory compliance, forced labour, child labour, subcontractor management, workplace health, safety and environment. Review are carried out periodically to ensure we are dealing with a pool of socially responsible suppliers.

To ensure that operations remain seamless and to maintain high standards of service and quality to our customers, the service levels of our suppliers are regularly monitored. We work with suppliers to formulate action plans, remediation programmes and long-term sustainability management systems for breaches of service levels. If suppliers do not correct such issues within a reasonable time period, the Company has the right to terminate the supplier's contract.



SUPPORTING OUR COMMUNITIES

The Company strives to make a difference to the lives of the underprivileged in the communities where our business operates. We provide 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'.

SUSTAINABILITY REPORT

The CSR programmes and activities conducted in FY2017/18 include the following:

Fun Run at the Zoo 2017

SIAEC's annual charity run 'Fun Run @ Zoo 2017' was held on 11 November 2017 at the Singapore Zoo. The event drew a participation of 2,750 registrants. The charity run raised a total of \$62,830 which was donated to our beneficiary 'Food from the Heart'.

Food Goodie Bags Programme

Every month, the Company supplies food provisions to 100 underprivileged families from two adopted schools – East Coast Primary School and Wellington Primary School.

Self-Collection Centre Programme

In collaboration with 'Food from the Heart', 150 staff volunteers participate in the monthly packing and distribution of food packets to needy families in Macpherson and Marine Terrace.

Housing Construction in Indonesia

In partnership with 'Habitat for Humanity', the Company sent a team of staff volunteers for overseas build projects in Surabaya, Indonesia.



Build trip in Surabaya, Indonesia

Toy Buffet

We participated in 'Food from the Heart Toy Buffet' for the sixth year running, on 10 November 2017 at Nanyang Polytechnic. Pre-loved and new toys collected from our staff and other organisations were distributed to 2,300 underprivileged students (7-12 years old) from 18 neighbourhood schools.



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102-8	Information on employees and other workers	Diverse Workforce
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102-10	Significant changes to the organisation and its supply chain	N.A. – This is SIAEC's First Sustainability Report
102-11	Precautionary Principle or approach	Risk Management

GRI Standards	Disclosure	Page Reference and Remarks
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102-51	Date of most recent report	N.A. – This is SIAEC's First Sustainability Report
102-52	Reporting cycle	Reporting Period
102-53	Contact point for questions regarding the report	Feedback
102-54	Claims of reporting in accordance with the GRI Standards	This material references Disclosures 205-3 from GRI 205: Anti-corruption, 302-1 from GRI 302: Energy, 403-2 from GRI 403: Occupational Health and Safety, 404-1 from GRI 404: Training and Education, and 103-1, 103-2 and 103-3 from GRI 103: Management Approach 2016.
102-55	GRI content index	GRI Content Index
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GRI Standards	Disclosure	Page Reference and Remarks
MATERIAL TOPICS		
Anti-Corruption/Bribery		
103-1 to -3	<ul style="list-style-type: none"> Explanation of the material topic and its Boundary Management approach and its components Evaluation of the management approach 	Corporate Governance, Ethics and Integrity, Anti-Corruption/Bribery
205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption/Bribery
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103-1 to -3	<ul style="list-style-type: none"> Explanation of the material topic and its Boundary Management approach and its components Evaluation of the management approach 	Energy
302-1	Energy consumption within the organisation	Energy
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403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	Performance Measurement
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404-1	Average hours of training per year per employee	Training and Development