

# TOWARDS A NET ZERO FUTURE





02

ABOUT SIA  
ENGINEERING  
COMPANY

05

CEO'S  
MESSAGE

07

APPROACH TO  
SUSTAINABILITY

21

ENHANCE VALUE  
CREATION

35

EMPOWER OUR  
WORKFORCE

50

MANAGE OUR  
ENVIRONMENTAL  
IMPACT

60

PURSUE ACTIVE  
PARTNERSHIPS

67

SUSTAINABILITY  
PERFORMANCE OF  
KEY SUBSIDIARIES

71

DEFINITIONS AND  
METHODOLOGIES

79

GRI CONTENT  
INDEX





# 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, Malaysia, Philippines, United States and Vietnam. The Group currently comprises 23 subsidiaries, joint venture and associated companies (JVs) and employs more than 8,000 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, aircraft cabin modifications, engineering and material management support, to additive manufacturing.

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.



**CUSTOMER  
FIRST**

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



**INTEGRITY**

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



**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.



**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.



**TEAMWORK**

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



# About This Report

This is the fifth Sustainability Report from SIAEC.



## REPORTING PERIOD

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

This report highlights our economic, environmental, social and governance (EESG) initiatives and performance for the financial year 1 April 2021 to 31 March 2022 (FY2021/22). Data and information from past reporting cycles have been included, where available. The report is published on an annual basis on our [website](#), with our last report published in August 2021.

## 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 have included in this report data for two key subsidiaries: SIA Engineering (Philippines) Corporation (SIAEP) and Singapore Aero Support Services Pte. Ltd (SASS), and are progressively expanding the reporting to include other key JVs and subsidiaries.

SIAEC's JVs are listed on page 25. Financial information relating to the SIAEC Group's business can be found in the FY2021/22 Annual Report.

## REPORTING FRAMEWORK

[102-12] [102-54]

### GLOBAL REPORTING INITIATIVE (GRI)

This 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 impact. We are reviewing the new GRI Universal Standards effective 1 January 2023 with plans to transition to the new standards in subsequent reports.

### SGX SUSTAINABILITY REPORTING LISTING RULES AND GUIDE

This 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. On 1 January 2022, the SGX-ST Listing Rule

711B and the SGX Sustainability Reporting Guide were updated to include new requirements for financial years beginning on or after 1 January 2022 (for disclosure in reports published in calendar years beginning 1 January 2023), such as climate-related disclosures, internal review of the sustainability reporting process, and mandatory sustainability training for directors. SIAEC has started working towards timely compliance with these requirements.

### UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SIAEC supports the United Nations 2030 Agenda for Sustainable Development. Recognising that businesses are integral to the achievement of these goals, we have reviewed the aspects important to SIAEC 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 and is evaluating doing so for future reports. In line with the updated SGX requirements for financial years beginning on or after 1 January 2022, SIAEC will be performing an internal review of our sustainability reporting processes in FY2022/23.

## 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](mailto:siaec@singaporeair.com.sg).



## CEO's Message

[102-14]

The aviation industry continued to face headwinds in its recovery during the year in review, as resurgence in infections caused by new variants disrupted plans by countries to progressively lift border restrictions. Even as we managed the challenges of a slow recovery, SIAEC remained focused on advancing its environmental, social and governance (ESG) agenda. Decarbonising

operations, investing in employees, engaging the community, pursuing growth and accelerating transformation were some of the key themes in our sustainability programme in FY2021/22.

### COMMITMENT TO A NET ZERO FUTURE

The global community is increasingly working together to tackle climate change, as more countries experience abnormal and severe weather conditions. At SIAEC, we share the same commitment to limit our impact on climate change and will target to reach net zero emissions by 2050. To achieve this goal, we have launched a comprehensive study to establish our greenhouse gas emissions inventory and identify the relevant levers for decarbonisation. Understanding these levers will enable us to develop a feasible pathway to achieve our net zero target.

In FY2021/22, we achieved our target of a 15% reduction in electricity consumption from FY2013/14 levels, a year ahead of the original 10-year schedule. We now also have a second hangar building awarded with Building and Construction Authority's Green Mark Platinum rating and Super Low Energy Building status.

Beyond improving our sustainability performance, we are also working on initiatives that support the aviation industry's efforts to reduce emissions. In February 2022, SIAEC conducted a successful engine test trial using blended sustainable aviation fuel (SAF) at our Engine Test Facility, which generated 32% lower carbon emissions compared to

conventional fossil jet fuel. The trial paves the way for more engine tests to be performed using SAF when the adoption of SAF scales up in the future.

Besides carbon emissions, as a sustainability-conscious MRO service provider, SIAEC is well positioned to support the aviation industry in becoming more environmentally sustainable. This is achieved through performing repairs and embodiment of upgrades to aircraft and components, thereby extending their useful service life. Our subsidiary in the Philippines is also collaborating with an aircraft part-out specialist to provide sustainable aircraft end-of-life solutions, which include recycling and upcycling of materials.

### ENGAGING OUR PEOPLE AND COMMUNITY

The well-being of our employees has remained a key priority during this difficult and uncertain period. Recognising the importance of mental well-being, talks were organised to reach out to our colleagues to raise awareness on the subject. Counselling services were made available to those who required the support.

The pandemic has brought about paradigm shifts in many areas, including workplace norms where Working-From-Home (WFH) has featured strongly. As we transition from pandemic to endemic, we are retaining WFH elements and have implemented permanent hybrid working arrangements for eligible roles to offer employees increased flexibility. In addition to improving employee well-being,

this arrangement will also lead to lower emissions due to reduced employee commute.

During the year, we continued to safely run the Company's community engagement programmes while observing all social distancing measures. The Company supported our employee volunteers to participate in community events and raise funds to support social causes. We have also added environmentally-focused activities into the corporate social responsibility framework, increasing environmental awareness amongst our employees through workshops and talks, as well as outreach events such as beach clean-ups.

### PREPARING FOR THE FUTURE

During the downturn, protecting jobs and retaining talents were among our key concerns. With more countries now easing border restrictions and the industry recovery gathering pace, our focus on employee retention is serving us well as we were able to swiftly ramp up operations to support our airline customers.

As we manage the increase in work volume and business recovery, SIAEC also remains focused on long-term growth. We continue to pursue transformation initiatives, invest in training, grow our capabilities and expand our market reach. In FY2021/22, we acquired a 75% stake in SR Technics Malaysia Sdn Bhd to broaden our scope of component repair and overhaul services. We also opened our new Aircraft Engine Services facility in Singapore to provide engine

maintenance services for CFM LEAP-1A and -1B engines.

Phase 2 of our transformation journey gained strong traction with tangible productivity improvements and cost savings during the year. In September 2021, we have established a Lean Academy to accelerate and sustain enterprise-wide adoption of Lean methodologies within the Company. We continue to encourage ground-up innovation from employees to increase productivity, such as designing assistive tools to aid in accomplishment of physically laborious tasks. This has the benefit of reducing physical exertion and addressing ageing workforce concerns, leading to improved overall safety performance.

### SHIFTING UP A GEAR

Notwithstanding the global economic uncertainties and geopolitical tensions, we are committed to operating in a sustainable and responsible manner. In April 2022, the Board Sustainability Committee was established to provide oversight and guide SIAEC's sustainability strategy. We have also concurrently appointed our Executive Vice President Operations as the Chief Sustainability Officer to drive and accelerate sustainability within SIAEC.

We look forward to working with all stakeholders towards a net zero future.

### NG CHIN HWE

Chief Executive Officer (CEO)

# Sustainability Highlights



ASIA-PACIFIC  
**MRO OF THE YEAR**  
AWARD BY AIRLINE ECONOMICS  
MAGAZINE FOR THE 2<sup>ND</sup>  
CONSECUTIVE YEAR



APPOINTMENT OF  
**CHIEF  
SUSTAINABILITY  
OFFICER**

**GREEN MARK PLATINUM**  
— 8 —  
**SUPER LOW ENERGY**



Building Certifications for  
**2 HANGARS**

**19%**

OF ELECTRICITY FROM  
SOLAR PANELS INSTALLED  
ON OUR PREMISES

MET LONG-TERM TARGET OF

**15%**

REDUCTION IN ELECTRICITY  
CONSUMPTION FROM  
FY2013/14 BASELINE



**31%**  
OF WASTE  
RECYCLED

ESTABLISHMENT OF

**Lean Academy**

to upskill workers, improve work  
efficiency and productivity, enhance  
staff experience and boost service  
delivery to our customers

**41**

AVERAGE  
TRAINING  
HOURS PER  
EMPLOYEE

**BUILT NEW CAPABILITIES**

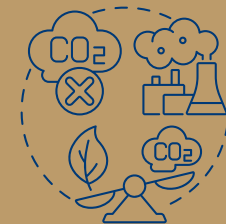


Acquisition of SR Technics Malaysia  
Sdn Bhd to broaden scope of  
component repair and overhaul  
services, and setting up of Aircraft  
Engine Services (AES) facility to  
provide engine maintenance  
services for CFM LEAP-1A and -1B  
engines

SUCCESSFUL TRIAL  
OF ENGINE TESTS  
USING BLENDED SAF,  
WHICH PRODUCES

**32%**

LOWER CARBON EMISSIONS  
THAN FOSSIL JET FUEL



TOWARDS NET ZERO  
EMISSIONS BY

**2050**



SIA ENGINEERING COMPANY



# Approach to Sustainability

At SIAEC, we are committed to working towards a sustainable future. Guided by the Board and Sustainability Steering Committee, we strive to continually improve our sustainability practices and performance.



## SUSTAINABILITY GOVERNANCE

[\[102-18\]](#) [\[102-19\]](#) [\[102-20\]](#)  
[\[102-26\]](#) [\[102-31\]](#) [\[102-32\]](#)

Sustainability at SIAEC is spearheaded by the Sustainability Working Group (SWG) under the oversight of the Sustainability Steering Committee (SSC) and the Board. To promote the long-term success of SIAEC and support for the sustainability agenda, progress of sustainability practices is one of the components in the remuneration policies for Senior Management. For more details on our remuneration policies, please refer to the FY2021/22 Annual Report. To further advance and drive sustainability agenda within SIAEC, Executive Vice President (EVP) Operations has concurrently assumed the role of CSO from 1 April 2022.

### SUSTAINABILITY GOVERNANCE AS AT 31 MARCH 2022

#### BOARD OF DIRECTORS

The Board oversees sustainability in SIAEC through the various Board committees and ongoing communication with the SSC and Senior Management. Through these engagements, the Board provides strategic guidance and direction on SIAEC's sustainability strategy and performance.

#### SUSTAINABILITY STEERING COMMITTEE

The SSC, formed in August 2020 and convenes quarterly, comprises Senior Management as members and is chaired by the CEO. The SSC's responsibilities include setting out SIAEC's sustainability strategy and direction, reviewing material sustainability topics, targets and performance, initiatives, as well as the Sustainability Report. The SSC also provides periodic updates to the Board on key sustainability initiatives and matters.

#### SUSTAINABILITY WORKING GROUP

The SWG was formed in February 2016 to foster a culture of sustainability and advance sustainability initiatives in SIAEC. The SWG, which meets monthly, is co-chaired by the Chief Sustainability Officer (CSO) and Chief Financial Officer (CFO). The SWG comprises representatives from the operations and key support divisions within SIAEC. The SWG reports to the SSC.

Note: In April 2022, the Board Sustainability Committee, which comprises three Independent Directors, CEO and CSO, was established to assist the Board with its oversight responsibilities in accelerating, leading and guiding the SIAEC Group's sustainability efforts and to embed environmental, social and governance considerations into the Group's business, operations and strategies.

## BOARD STATEMENT

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

The Board provides guidance and works closely with the SSC on SIAEC's overall sustainability strategic approach, policies and business objectives, taking into consideration material EESG factors. This includes the review, management and monitoring of SIAEC's material sustainability topics, performance and initiatives. In FY2021/22, the Board was involved in the evaluation of SIAEC's material sustainability topics and matters, and the review of SIAEC's Sustainability Report.

# Sustainability Framework

In FY2021/22, SIAEC updated the Sustainability Framework to consolidate our material topics into four key pillars, which are aligned to the six capitals (financial, manufactured, intellectual, human, natural, and social and relationship capitals) defined by the International Integrated Reporting Council:

1. Enhance value creation;
2. Empower our workforce;
3. Manage our environmental impact; and
4. Pursue active partnerships.

We have identified 13 United Nations SDGs (SDG 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16 and 17) that we support. We are committing to achieve net zero carbon emissions by 2050, in line with national and aviation industry goals.





# Materiality Assessment

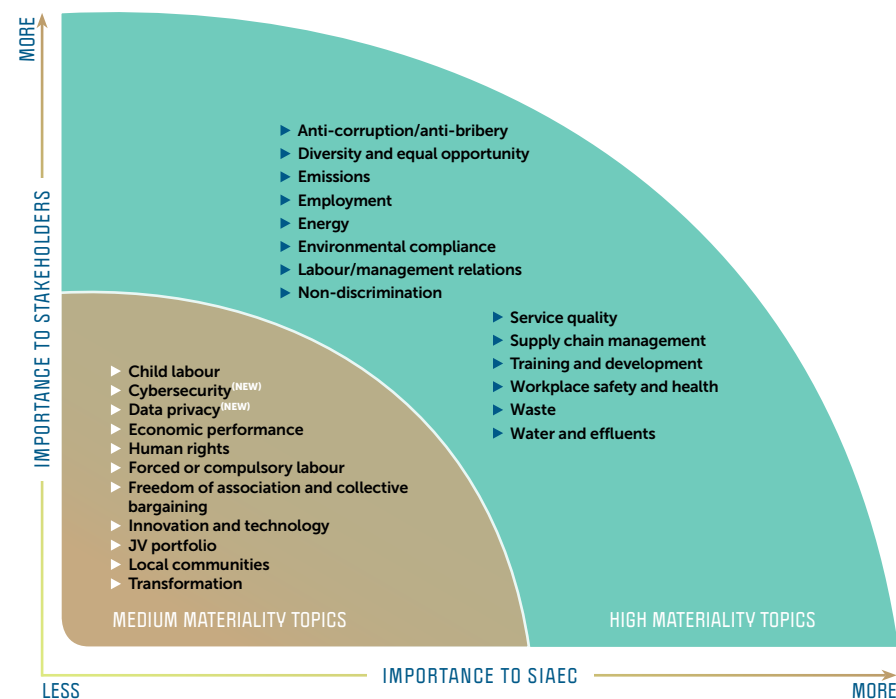
[102-27] [102-42] [102-46]

In FY2017/18, SIAEC conducted its inaugural materiality assessment to better understand the key sustainability topics pertaining to SIAEC and its stakeholders. After identifying and prioritising the sustainability topics based on their importance to SIAEC and its stakeholders, the material topics were validated by the SWG and presented to the SSC and the Board for review. The material topics are reviewed on an annual basis, taking into consideration inputs from external sources obtained through regular engagement with stakeholders. In FY2021/22, "Waste" and "Water and effluents" were elevated to high materiality status, and "Cybersecurity" and "Data privacy" were added to SIAEC's sustainability topics after endorsement by the SSC and Board. The materiality assessment process and the list of material sustainability topics are summarised in the following segment.

## STAGES FOR MATERIALITY ASSESSMENT













## MATERIALITY MATRIX FY2021/22














# Sustainability Topics, Targets, Performance and Contribution to the SDGs

[102-47]

SUSTAINABILITY TOPICS	FY2021/22 TARGETS / LONG-TERM TARGETS	PERFORMANCE	SUPPORTING THE SDGS
Service Quality	No major findings from external audits by aviation authorities and regulatory bodies	Achieved	
Business Ethics and Governance	Zero incidents of corruption or bribery Zero cases of non-compliance with labour and employment laws No major incidents of cybersecurity breaches	Achieved	 
Safety and Health	Zero work-related fatalities Continue to conduct quality and safety outreach programmes/initiatives	Achieved	 
Training and Development	Average of 34 training hours per employee	Achieved	
Diversity and Non-discrimination	Zero incidents of discrimination Continue to promote diversity and equal opportunity in the workplace and Boardroom	Achieved	   



SUSTAINABILITY TOPICS	FY2021/22 TARGETS / LONG-TERM TARGETS	PERFORMANCE	SUPPORTING THE SDGS
Energy	Reduce FY2013/14 electricity consumption level by 15% by FY2021/22	Achieved	
Emissions	Reduce FY2013/14 carbon emissions intensity level by 24.48% by FY2030/31 <sup>1</sup> Net zero emissions by 2050	On track	
Water and Effluents	Zero environmental-related fines or non-monetary sanctions All buildings to achieve Public Utilities Board's (PUB) Water Efficient Building (WEB) certification by FY2023/24	Achieved On track	 
Waste	Zero environmental-related fines or non-monetary sanctions Raise environmental awareness on waste through outreach activities	Achieved	  
Supply Chain Management	Screen suppliers <sup>2</sup> on social and environmental criteria	Achieved	
Local Communities	Continue touching lives and creating positive impact to the communities and environment that we operate in	Achieved	 
Labour/Management relations	Maintain collaborative industrial relations	Achieved	


<sup>1</sup> The target was set in FY2019/20 with reference to Singapore's Nationally Determined Contribution target to achieve 36% reduction in emissions intensity from 2005 levels by 2030

<sup>2</sup> Screenings are performed only for purchases above \$500k in contract value

# Stakeholder Engagement



[102-15] [102-21] [102-29] [102-40] [102-42] [102-43] [102-44]



As part of SIAEC's stakeholder engagement<sup>3</sup>, we maintain regular communications with our stakeholders to understand key stakeholder interests and concerns. Stakeholders who are 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.



KEY STAKEHOLDERS & OUR COMMITMENT	ENGAGEMENT METHODS	FREQUENCY	TOPICS OF INTEREST	OUR RESPONSES
 <b>EMPLOYEES</b> We value our employees and care for their well-being and development.	Mobile application: <ul style="list-style-type: none"> <li>1SQ mobile web application</li> <li>Employee Self-Service On-The-Go</li> </ul>	Throughout the year	<ul style="list-style-type: none"> <li>Company/Group performance and sustainability of business</li> <li>Transformation initiatives</li> <li>Employee policies, welfare and activities</li> <li>Workplace, safety and work environment-related issues</li> <li>Impact of COVID-19 and measures taken by the Company</li> <li>Mental wellness</li> </ul>	<ul style="list-style-type: none"> <li>Various communication channels with employees to provide updates on topics of interest (Precision magazine, CEO Insights, Senior Management dialogues, etc.)</li> <li>Providing employees with welfare benefits and organising social and recreational virtual and in-person activities</li> <li>Fostering a strong safety culture through initiatives such as the Aviation and Workplace Safety Promotion Centres</li> <li>Safe Management Measures and one-stop portal on information relating to COVID-19</li> <li>Supporting employee mental well-being through wellness talks, educational posters, mental health tips, and counselling helpline and services</li> </ul>
	In-house communication channels: <ul style="list-style-type: none"> <li>Intranet portal Electronic Bulletin Board</li> <li>In-house e-magazine Precision</li> <li>Communication Packages</li> <li>Engagement with direct supervisors</li> </ul>	Throughout the year		
	Dialogues with Senior Management: <ul style="list-style-type: none"> <li>Updates from Senior Management at Business Meetings after the announcements of half-year and full-year financial performance</li> <li>Senior Management dialogues with employees</li> </ul>	Biannually  Monthly		
	Surveys: <ul style="list-style-type: none"> <li>Organisational Climate Survey</li> <li>Pulse Surveys on Transformation</li> <li>Digital survey</li> </ul>	Biennially Throughout the year		
	Events: <ul style="list-style-type: none"> <li>Safety &amp; Security Week</li> <li>Innovation Week</li> <li>Innovation Challenge</li> </ul>	Annually		
	Grievance mechanisms: <ul style="list-style-type: none"> <li>Whistle-blowing programme</li> </ul>	Throughout the year		

<sup>3</sup> These engagements were not conducted specifically for the Sustainability Report




KEY STAKEHOLDERS & OUR COMMITMENT	ENGAGEMENT METHODS	FREQUENCY	TOPICS OF INTEREST	OUR RESPONSES
 <p><b>UNIONS</b></p> <p>We work closely with our union partners to maintain good industrial relations and ensure fair employment terms for our employees.</p>	<p>Regular engagement with unions:</p> <ul style="list-style-type: none"> <li>Meetings between Management and unions to discuss employee-related issues</li> <li>Informal get-together sessions and retreats to maintain collaborative relationships with union partners</li> </ul>	<p>Monthly</p> <p>Ad-hoc</p>	<ul style="list-style-type: none"> <li>Employee policies, training, and labour practices</li> </ul>	<ul style="list-style-type: none"> <li>Actively involving unions in discussion of workforce-related matters</li> <li>Providing unions with regular updates on SIAEC's business outlook and activities</li> </ul>
 <p><b>CUSTOMERS</b></p> <p>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"> <li>Regular updates to customers on status of the aircraft maintenance checks or performance of key performance indicators through emails, teleconferences and meetings</li> <li>Sharing Company updates through Customer Newsletter and LinkedIn</li> <li>Customer visits</li> </ul>	<p>Throughout the year</p>	<ul style="list-style-type: none"> <li>On-time completion of the maintenance checks and within budget</li> <li>Fulfilment of key performance indicators and service levels</li> <li>Quality standards of aircraft maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining regular contact with our customers</li> <li>Coordinating with customers on ramping up resources and operations to support business recovery</li> <li>Improving service quality and reputation</li> </ul>
	<p>Surveys:</p> <ul style="list-style-type: none"> <li>Independent customer survey and follow-ups from survey</li> </ul>	<p>Annually</p>		
	<p>Events:</p> <ul style="list-style-type: none"> <li>Singapore Airshow 2022</li> <li>International MRO shows and exhibitions</li> </ul>	<p>Biennially</p> <p>Ad-hoc</p>		
	<p>Grievance mechanisms:</p> <ul style="list-style-type: none"> <li>Whistle-blowing programme</li> </ul>	<p>Throughout the year</p>		

KEY STAKEHOLDERS & OUR COMMITMENT	ENGAGEMENT METHODS		FREQUENCY	TOPICS OF INTEREST	OUR RESPONSES
 <p><b>SHAREHOLDERS</b></p> <p>We aim to create sustainable shareholder value by maximising returns for long-term profitability.</p>	Communication channels:	<ul style="list-style-type: none"> <li>Investor relations contact details are available on SIAEC's corporate website</li> </ul>	Throughout the year	<ul style="list-style-type: none"> <li>Challenges facing the Group</li> <li>Financial performance of the Group</li> <li>Transformation</li> <li>Sustainability policies and practices</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining communication channels with shareholders through platforms such as AGM, analyst briefings, business updates and interim financial reporting</li> <li>Ensuring timely disclosure of information as required by the SGX listing rules</li> </ul>
	Reports and Annual General Meeting (AGM):	<ul style="list-style-type: none"> <li>Annual Report</li> <li>Sustainability Report</li> <li>Annual dialogue between shareholders and Board of Directors and Senior Management at the AGM</li> <li>Analyst briefings</li> <li>Business updates and interim financial results</li> </ul>	Annually   Biannually Quarterly		
	Events:	<ul style="list-style-type: none"> <li>Management participation in non-deal road shows, corporate access forums and conferences, institutional investor meetings and conference calls</li> </ul>	Ad-hoc		
	Grievance mechanisms:	<ul style="list-style-type: none"> <li>Whistle-blowing programme</li> </ul>	Throughout the year		
 <p><b>JV PARTNERS</b></p> <p>We strive to develop long-term growth opportunities with our JV partners.</p>	Regular engagement with partners:	<ul style="list-style-type: none"> <li>Partnership Management Division oversees and coordinates engagement activities with JV partners to explore growth opportunities, develop new capabilities, provide advice and support for strategic restructuring and acquisition/divestment activities</li> <li>Management review of JVs' performance and issues</li> <li>Representation and participation of SIAEC nominee directors at JV Board meetings</li> <li>Presentation to SIAEC's Board on JVs' performance and growth plans</li> <li>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 (EDB), SIA, JV partners and leadership</li> </ul>	Throughout the year  Ad-hoc	<ul style="list-style-type: none"> <li>JVs' performance and issues, including sustainability</li> <li>Growth and strategic development of the JVs</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining regular engagements with JV partners</li> <li>Conducting regular meetings to track performance of JVs, including sustainability</li> <li>Providing oversight and support to JV partners</li> <li>Promoting collaborations among JVs to tap into synergies for mutual benefits</li> </ul>
	Regular audits:	<ul style="list-style-type: none"> <li>Internal audits to monitor JVs' internal controls and compliance</li> <li>Regulatory audits to ensure safety and quality standards are maintained</li> </ul>	Throughout the year according to audit plans		

KEY STAKEHOLDERS & OUR COMMITMENT	ENGAGEMENT METHODS	FREQUENCY	TOPICS OF INTEREST	OUR RESPONSES
 <p><b>SUPPLIERS</b></p> <p>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>	Regular engagement with suppliers:	• Meetings, emails, teleconferences with suppliers to discuss commercial and operational matters	Throughout the year	<ul style="list-style-type: none"> <li>• Cost-effective, socially and environmentally responsible suppliers</li> <li>• Suppliers' performance and sustainability practices</li> <li>• Adherence to Supplier Code of Conduct</li> </ul> <ul style="list-style-type: none"> <li>• Maintaining regular engagements with suppliers</li> <li>• Selecting responsible suppliers</li> </ul>
	Review of suppliers:	• Review of suppliers' performance to ensure compliance with the established standards, procedures or key performance indicators	Throughout the year	
	Grievance mechanisms:	• Regular review of suppliers' sustainability practices and evaluate any breaches of Supplier Code of Conduct	Throughout the year	
 <p><b>GOVERNMENT AGENCIES, AUTHORITIES AND TRADE ASSOCIATIONS</b></p> <p>We work closely with government agencies, authorities and trade associations, and ensure compliance with applicable laws and regulations, and participate in industry-wide initiatives.</p>	Membership in industry associations [102-13]:	• Whistle-blowing programme	Throughout the year	<ul style="list-style-type: none"> <li>• Compliance with applicable laws and regulations</li> <li>• Industry collaboration and promotion of sustainable growth</li> </ul> <ul style="list-style-type: none"> <li>• Maintaining close coordination and collaboration with the Singapore government agencies, authorities and trade associations</li> </ul>
	Regular engagement with government agencies, authorities:	• Participation in events and activities of trade associations. 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)	Throughout the year	
		• Meetings	Throughout the year	
		• Visits by aviation authorities' auditors		
		• Collaborate with industry and government agencies		



KEY STAKEHOLDERS & OUR COMMITMENT	ENGAGEMENT METHODS	FREQUENCY	TOPICS OF INTEREST	OUR RESPONSES
 <p><b>COMMUNITY</b></p> <p>We strive to create positive impact to local communities where SIAEC operates through local community engagement projects.</p>	<p>Community engagement programmes:</p> <ul style="list-style-type: none"> <li>Participation of employee volunteers in community projects and environmental activities</li> <li>Donations</li> </ul>	Throughout the year	<ul style="list-style-type: none"> <li>Contributions and support towards social and environmental causes</li> </ul>	<ul style="list-style-type: none"> <li>Collaborating with corporate social responsibility (CSR) partners and social enterprises on community projects and environmental outreach programmes</li> </ul>



## EMPLOYEES AND UNIONS

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

### PROTECTING SAFETY AND HEALTH

- Implemented vaccination-differentiated safe management measures at workplace, in accordance with the Ministry of Health's guidelines
- Supported employee mental well-being through wellness talks, educational posters, mental health tips, and counselling helpline and services
- Provided Antigen Rapid Test kits, masks and other personal protective equipment to employees
- Enabled work-from-home arrangements to ensure employees' safety

### COMMUNICATING WITH OUR EMPLOYEES

- Provided regular updates and tips on COVID-19-related matters such as advisories, health tips and vaccination information through the one-stop COVID-19 Support Portal which was established in FY2020/21
- Senior Management dialogues with employees have also included segments on the holistic efforts taken by the Company in dealing with the pandemic, as well as regular encouragement of all medically eligible employees to be vaccinated

## Our Response to COVID-19

Since the start of the pandemic, SIAEC has implemented and continually updated the safety measures in accordance with authorities' advisories to protect the safety and health of our employees and customers. The Group also responded to the evolving situation and took steps to safeguard the sustainability of our businesses. We will continue to work closely with our stakeholders to emerge stronger in a post-COVID world.



## CUSTOMERS

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

### ENSURING SERVICE QUALITY

- Performed aircraft return-to-service work to ensure aircraft airworthiness with the recovery of international flight activities
- Performed cabin disinfection services for the safety of passengers and airline crew, as well as our employees

### 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 taken measures to mitigate the business impact 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

- Reduced operating costs and deferred non-critical capital expenditures
- Maintained adequate liquidity
- Maintained sufficient funds for investment and growth

### STRENGTHENING COMPETITIVENESS, RESILIENCE AND GROWING CAPABILITIES

- Continued Transformation Phase 2 "Power Up and Break Through" and established a new Lean Academy to upskill workforce, improve work efficiency and productivity, enhance our staff experience, and boost service delivery to our customers
- Set up AES facility to provide engine maintenance services for CFM LEAP-1A and -1B engines



## 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 of ensuring the long-term sustainability of our portfolio.

### CLOSE REVIEW AND MONITORING OF JVS

- Maintained closed engagements with JV partners to ensure smooth completion of transactions for acquisitions/divestments, such as the divestment of Asian Surface Technologies Pte Ltd in FY2021/22

### SEEKING NEW OPPORTUNITIES

- Invested in opportunities that strengthen SIAEC's core competencies and reputation as a leading MRO service provider. In FY2021/22, these opportunities include the acquisition of a 75% stake in SR Technics Malaysia Sdn Bhd to complement SIAEC's existing component repair and overhaul services and fleet management programmes; and the signing of a 10-year agreement with Rolls-Royce PLC to provide line maintenance and in-field services for its engines
- Continued to work with JV partners to build JVs' capabilities in new generation aircraft





## 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 fulfil 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, SASS, 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
- Assessed and adopted contingency supply options such as sourcing from alternative suppliers

### COLLABORATING TO ENHANCE SUPPLY CHAIN SUPPORT IN REGION

- Entered into an agreement with Iacobucci HF Aerospace S.P.A. (IHFA) to distribute and sell aftermarket spare parts for IFHA's galley insert products in the Asia-Pacific region. SIAEC is currently an authorised repair centre for IHFA's galley insert products, and the agreement will further enhance in-region support for these products



## GOVERNMENT AGENCIES AND AUTHORITIES

SIAEC works closely with government agencies and authorities to prevent workplace clusters, operational disruptions and preparing for recovery of the aviation industry.

### ADHERING TO SAFE MANAGEMENT MEASURES

- Implemented vaccination-differentiated safe management measures and other social distancing and enhanced sanitation measures, in accordance with the Ministry of Health's guidelines
- Adopted team segregation and work-from-home arrangements to reduce number of employees on-site

### WORKING WITH GOVERNMENT AGENCIES

- Liaised with authorities on the implementation of safety measures at the workplace and airport areas
- Worked closely with the Civil Aviation Authority of Singapore (CAAS), Changi Airport Group (CAG) and other stakeholders in the airport community to address challenges arising from the increase in flight activities
- Engaged the Ministry of Transport and EDB to assist with expediting approvals for the recruitment of foreign aircraft technicians to support the increasing operational activities



## COMMUNITIES

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

### SUPPORTING THE AVIATION ECOSYSTEM

- Provided training programmes through our 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 CAG, to equip personnel with essential aircraft systems knowledge and new technologies
- Developed a three-year direct honours programme, the Bachelor of Engineering with Honours in Aircraft Systems Engineering, with the Singapore Institute of Technology. The programme is an integrated work study programme that provides an eight-month work attachment at SIAEC for students

### CONTRIBUTING TO LOCAL COMMUNITIES

- Contributed to our local communities such as the annual charity run (virtual) to raise funds for our CSR partner
- Our employee volunteers continued to participate in community projects, such as Fú Dài packing and delivery. In 2021, we also organised beach clean-up activities



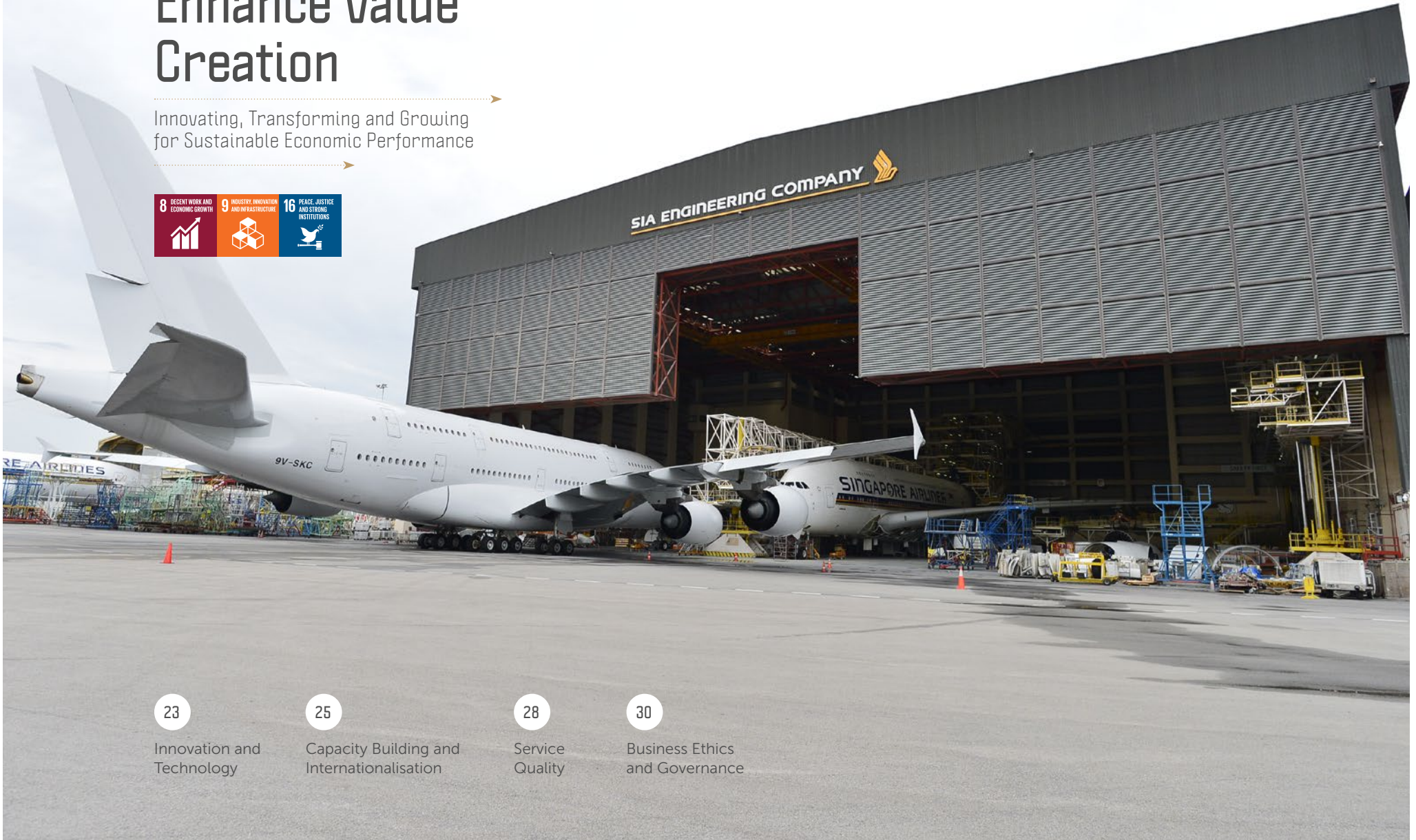
Fú Dài packing and delivery



Beach clean-up

# Enhance Value Creation

Innovating, Transforming and Growing for Sustainable Economic Performance



23

Innovation and Technology

25

Capacity Building and Internationalisation

28

Service Quality

30





Business Ethics and Governance




# Innovating, Transforming and Growing for Sustainable Economic Performance

[102-10] [201-1]

Strong financials, operational processes and an optimised asset base are important capitals to any business. SIAEC recognises that enhancing the value for our stakeholders, including our customers, employees, shareholders, and the wider community, is key to achieving robust, sustainable economic performance. In this regard, we are continually seeking ways to innovate, transform and grow.

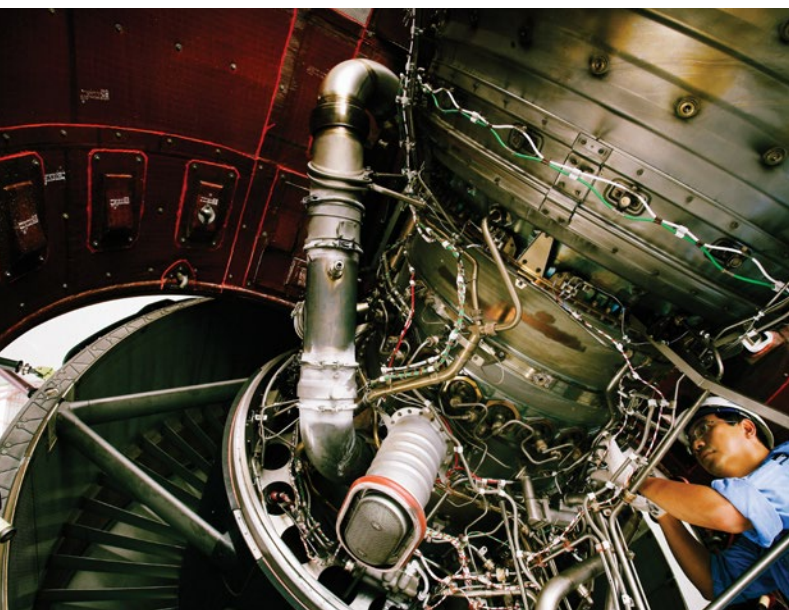
Our operations generate employment and contribute to the economies in the countries that we operate. In FY2021/22, the SIAEC Group generated S\$566.1 million in revenue, and distributed S\$443.0 million in operating costs, employee wages and benefits, interest payments and taxes. Please refer to the FY2021/22 Annual Report for more details on the economic value generated and distributed by SIAEC in FY2021/22.

KEY POLICIES, PROCESSES AND PROCEDURES	TARGETS & PERFORMANCE		OUR COMMITMENT
	TARGETS	PERFORMANCE	
• Aviation Safety Management System	No major findings from external audits by aviation authorities and regulatory bodies	 No major findings from external audits by aviation authorities and regulatory bodies in FY2021/22	<ul style="list-style-type: none"> <li>• Maintain a world class standard in aviation safety</li> <li>• Maintain high quality aviation engineering services</li> <li>• To act lawfully with integrity in every aspect of our business</li> </ul>
• Risk Management Framework	Zero incidents of corruption or bribery	 No reported incidents of corruption or bribery in FY2021/22	
• Employee Code of Conduct	Zero cases of non-compliance with labour and employment laws	 No cases of non-compliance with labour and employment laws in FY2021/22	
• Supplier Code of Conduct	No major incidents of cybersecurity breaches	 No major incidents of cybersecurity breaches in FY2021/22	
• Whistle-blowing programme			
• Anti-corruption/ Anti-bribery Policy			
• Personal Data Protection Policy			

 Achieved  On track  Not achieved



# Innovation and Technology



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, innovation and technology efforts, three committees have been set up – the Transformation Steering Committee, Technology Advisory Committee and Digital and Technology Committee.

One key thrust of Transformation Phase 2 launched in January 2021 is the adoption of Lean practices. The Lean projects have resulted in improved work efficiency and productivity, enhanced staff experience, and elevated the quality of our services to customers. Apart from our key operations divisions which have seen early success from our Lean, we have also commenced projects from our support divisions. SIAEC will continue to advance our digital efforts as we drive a Transformation mindset throughout the organisation.

## 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



The rapid advancements in technology, changing customer needs and increased competition have resulted in companies finding innovative ways to improve operations and maintain its competitive advantage. Innovation Challenge 2021 was organised to encourage employees to be innovative champions and transform the way we work. Employees submitted their ideas either individually or as a team to address problems

faced by customers, the workforce, operations or suppliers. Participants were also encouraged to consider solutions involving technologies or digital tools that assist physically demanding tasks, enhance aviation and workplace safety, or improve overall efficiency and productivity. The Challenge attracted over 50 submissions from employees, and the Company is reviewing and working with the contributors to develop and deliver the ideas.

## SPOTLIGHT

## INNOVATION CHALLENGE 2021 Your Idea, Our Future

## SPOTLIGHT

## LEAN ACADEMY TO UPSKILL WORKFORCE AND BOOST COMPETITIVENESS



Minister of State, Ministry of Education, Ms Gan Siow Huang, officiating the launch of SIAEC's Lean Academy. Joining her at the launch were SIAEC Chairman, Mr Tang Kin Fei and CEO, Mr Ng Chin Hwee.

Lean is a key thrust of SIAEC's Transformation journey to create greater value for our customers, workforce, and the aviation community as the Company readies itself to emerge stronger in the post COVID-19 landscape. Of the S\$40 million in planned investments for Transformation Phase 2 over the next three years, SIAEC will invest more than S\$10 million to accelerate and sustain Lean transformation enterprise-wide. The launch of the Lean Academy

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

The Lean Academy is targeting to have 100% of SIAEC workforce trained in Lean by early 2023, with support from the EDB. The Company has mapped out a detailed Lean Training Matrix comprising a mix of interactive e-learning modules, instructor-led classes and practical training. In the longer term, training at the Lean Academy will be extended to the wider aerospace MRO community. The Lean curriculum will also strengthen the Training Academy's extensive suite of aerospace-related training programmes.



The ongoing wave of transformation across the aviation sector is a reminder of the rapidly changing MRO landscape and the need to constantly improve ourselves to enhance our competitiveness. The progress in our Lean journey has been very encouraging thus far, and we are confident that the Lean Academy will serve as a launchpad for us to scale up our efforts in this space.

It also marks the latest milestone in our ongoing transformation journey that had begun in 2017, and a testament to our unwavering commitment to retain our position as one of the world's leading MRO service providers.

MR NG CHIN HWE  
SIAEC CEO

# Capability building and Internation- alisation

SIAEC is committed to continually evaluating and strengthening our competencies to enhance our service offerings and stay ahead of competition. One of the levers is through the JVs and partnerships formed with original equipment manufacturers (OEMs) and strategic partners over the years. Together with our network of JVs, we offer our customers a comprehensive suite of high-quality aviation engineering services.

To ensure a sustainable return on our investments, we constantly review our JV portfolio. In October 2021, we divested Asian Surface Technologies Pte Ltd, which repairs aircraft engine fan blades, after reviewing the business outlook and synergy with the Group's business. In February 2022, we concluded our joint venture agreement with SR Technics Switzerland Ltd to acquire a 75% stake in SR Technics Malaysia Sdn Bhd which will complement our existing component repair and overhaul services and fleet management programmes.



## HONG KONG SAR

Pan Asia Pacific Aviation Services

## INDONESIA

PT JAS Aero-Engineering Services

## MALAYSIA

SR Technics Malaysia

## VIETNAM

Southern Airports Aircraft Maintenance Services

## JAPAN

SIA Engineering Japan

## PHILIPPINES

SIA Engineering (Philippines)

## UNITED STATES

SIA Engineering (USA)

## SINGAPORE

- Additive Flight Solutions
- Aerospace Component Engineering Services
- 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



During the year, SIAEC has also achieved several commercial milestones. We signed an agreement with Hawaiian Airlines to expand airframe maintenance services for their Airbus A330-200 fleet and secured an agreement with Thai VietJet to provide component support coverage for their Airbus A320 aircraft for six years. In December 2021, we extended our existing collaboration with IHFA which will grant SIAEC the rights in Asia-Pacific to distribute and sell spare parts required for the aftermarket activities of IHFA's galley insert products, such as espresso makers, beverage makers and trash compactors that are mainly featured on the premium cabins. Building on SIAEC's existing on-wing care services with Rolls-Royce, we signed a new agreement in 2022 to provide line maintenance and in-field services for a wide range of Rolls-Royce Trent-powered aircraft, including new capabilities for the Trent 7000 and XWB engines.

In April 2022, SIAEC signed a non-binding Memorandum Of Understanding (MOU) with Impeccable Vintage Properties Sdn Bhd, a wholly-owned subsidiary of Malaysia's sovereign wealth fund Khazanah Nasional Berhad, to potentially lease two hangars located at Sultan Abdul Aziz Shah Airport in Malaysia, which will strengthen our network of base maintenance facilities in the region.

In February 2022, Safran Electronics & Defense Services Asia (SEDSA),

a joint venture between SIAEC and Safran Electronics & Defense, announced that it has expanded its scope of MRO and repair capabilities. SEDSA will be able to conduct maintenance and repair operations on landing gear control systems, such as tyre pressure and brake temperature monitoring, for aircraft ranging from business jets to civilian aircraft. In addition, SEDSA acquired new scope of repairs including a range of products from external lighting, wiper systems, cockpit control to cargo door systems.

Jamco Aero Design & Engineering (JADE), a joint venture between SIAEC and JAMCO Corporation, also signed a MOU with Singapore Polytechnic (SP) to jointly establish the first fully certified flammability test aviation laboratory and data center in Asia Pacific. The five-year partnership will see SP and JADE co-build the flammability test laboratory in the campus. Expected to be ready in 2025, the laboratory will add new capability and strengthen Singapore's position as an aviation hub in the region. JADE will work with SP to offer relevant industry training, accreditation, final-year project collaborations and internships to SP students to build up talent pipelines, foster talent development, as well as upskill the workforce in relevant technical skills through co-development and co-teaching of continuing education and training courses leading to flammability certification.

## SPOTLIGHT

REPOSITIONING FOR  
POST PANDEMIC ERA

On 6 October 2021, Mr. Ng Chin Hwee, SIAEC CEO, attended the Asia Aerospace Leadership Forum as one of the panellists at a discussion on "Repositioning for Post Pandemic Era" organised by the Aviation Week Network. The event brought aerospace and defence, finance and leasing, and air transport leadership together for a high-level strategic dialogue around the industry's recovery. A key highlight from the discussion was the shared optimism towards aerospace recovery in Singapore and Asia amid changes brought by the pandemic. Among the topics discussed was the future of aviation, emerging technologies in new aircraft and innovations in

engine technology which will be essential in the long-term sustainability of aviation.

SIAEC recognises the need to reposition and adapt against the backdrop of fast-changing technologies and an increasingly competitive MRO market. In addition to the launch of the Transformation Phase 2 Programme, a new Component Services Division (CSD) was formed as a new business unit to grow our component MRO business, with all existing component repair and inventory technical management services consolidated under CSD. Leveraging on existing strong capabilities and long-standing relationships with component OEMs, CSD will focus on growth through acquisition and development of new capabilities. In February 2022, SIAEC acquired a 75% stake in SR Technics Malaysia Sdn Bhd, which will complement our existing component repair and overhaul services and fleet management programmes. The formation of CSD will further enhance SIAEC's portfolio of MRO service offerings to its customers and complement our network of JVs with the component OEMs in Singapore and overseas.



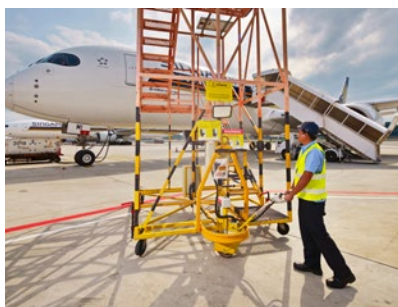
Mr Ng Chin Hwee, CEO, SIAEC and Mr Matthias Düllmann, CFO, SR Technics at the agreement signing event during the Singapore Airshow.



The setting up of this component repair and overhaul JV with SR Technics in Malaysia is a significant step in our strategic plan to grow our component repair and overhaul services network under our recently announced CSD. The JV will complement SIAEC's existing portfolio of engine and component JVs with leading OEMs, and will be an additional platform that will broaden the scope of component repair and overhaul services that SIAEC offers to its airline customers and OEM partners.

MR NG CHIN HWEE  
SIAEC CEO

As an MRO service provider, SIAEC is naturally positioned to support the aviation industry in becoming more environmentally sustainable, by extending the useful life of aircraft and their components. As a sustainability-centric organisation, we offer customers emissions-reducing services such as using blended SAF for engine tests and Ground Support Assisted Transit to reduce the usage of aircraft auxiliary power units on ground. SIAEP, our wholly-owned subsidiary in the Philippines, also signed an agreement with an aircraft part-out specialist to provide sustainable, end-to-end aircraft recycling solutions.



## SPOTLIGHT

## LAUNCH OF A NEW AES FACILITY TO PROVIDE ENGINE MAINTENANCE SERVICES FOR CFM LEAP-1A AND -1B ENGINES

Following the establishment of the Engine Services Division (ESD) in 2021, SIAEC has officially launched its new AES facility in February 2022 to provide engine maintenance services for CFM LEAP-1A and -1B engines. AES is equipped with the latest engine quick turn processes, and state-of-the-art equipment and technology including the use of a Remote Guided Vehicle for transporting engines, one of the first in the aerospace industry. The Changi North facility can perform 60 quick turns per year as well as on-site support and borescope inspection services for the CFM LEAP-1A and -1B engines. Furthermore, AES has 50% more capacity to cope with surge demands and is among the first engine MRO shops in the region to provide enhanced engine maintenance services support for the next generation CFM LEAP-1A and -1B powered aircraft.

Currently, AES is dedicated to serving Safran Aircraft Engines (SAE) following a new 10-year agreement with SAE announced in December 2021 to provide engine test services for the CFM LEAP-1A and -1B engines. This is in addition to the existing engine maintenance services agreement with SAE to provide engine on-site support, quick turns and borescope inspection services for the CFM LEAP-1A and -1B engines. With the added capabilities of AES, SIAEC hopes to extend our services to a wider market in future as a recovery in global air travel leads to greater demand for quick turn maintenance and shorter engine turnaround, particularly those on narrow-body aircraft.



Minister of Trade and Industry, Mr Gan Kim Yong, officiating the launch of SIAEC's AES Facility. Joining him at the launch were SIAEC Chairman, Mr Tang Kin Fei, CEO, Mr Ng Chin Hwee and VP Deputy Commercial Engine Maintenance from SAE, Mr Jean-Philippe Gremont.



**The opening of AES reflects the continual growth of the engine MRO and capabilities of our ESD. We continue to engage and collaborate with our OEM partners with a focus on creating value and bringing enhanced services to our OEM partners and airline customers.**

**MR NG CHIN HWEI**  
SIAEC CEO

## SPOTLIGHT

## COLLABORATION TO PROVIDE AIRCRAFT RECYCLING SOLUTIONS

In FY2021/22, SIAEP signed an agreement with North American Aerospace Industries (NAAI), an aircraft part-out specialist, to provide sustainable, end-to-end aircraft recycling solutions. Under the agreement, SIAEP and NAAI will collaborate to provide a range of services including aircraft component harvesting and dismantling activities on aircraft that will be parted-out and recycled by NAAI. The program will enhance SIAEC's support in the aircraft lifecycle eco-system, centred on a sustainable platform which includes the recycling and upcycling of materials. The services will be undertaken by SIAEP at its facility in Clark, Philippines.

# Service Quality

As a leading MRO service provider, ensuring aviation safety is of paramount importance. SIAEC is committed to maintaining world class standard in aviation safety and providing aviation engineering services of the highest quality to our customers. We are honoured to be awarded the Asia-Pacific MRO of the Year Award by Airline Economics magazine for the second consecutive year.

## AVIATION SAFETY MANAGEMENT SYSTEM

[416-1]

SIAEC adopts a systematic approach to manage and continuously improve aviation safety through the Aviation Safety Management System and Quality Management System, which are regulated by the aviation authorities and ISO 9001/AS 9100/ISO 17025 requirements. The Aviation Safety Management System is in accordance with the International Civil Aviation Organisation's (ICAO) standards and recommendations and meets the requirements set by the CAAS, specifically the Singapore Airworthiness Requirements Part 145 and its related CAAS Advisory Circular AC 1-3. The Aviation Safety Management System ensures all negative safety and operational impacts are prevented or mitigated. The EVP 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 aviation 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 at 31 March 2022, SIAEC holds certifications from 27 aviation authorities globally, including the CAAS, the Federal Aviation Administration and the European Union Aviation Safety Agency. In FY2021/22, SIAEC passed 269 audits by the authorities and airline customers, affirming our adherence to operational and safety standards.

In FY2021/22, all of SIAEC's significant service categories<sup>4</sup> had been assessed for health and safety impacts and improvements.

<sup>4</sup> Significant service categories refer to SIAEC's MRO activities







## TRAINING AND COMMUNICATION TO ENSURE SERVICE QUALITY

To raise awareness on the importance of ensuring service quality and aviation safety, we provide regular training to 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 up to date with the latest regulations and procedures. As at 31 March 2022, 99% of employees have completed an instructor-led training at the Aviation Safety Promotion Centre, which was set up in 2019 to reinforce aviation safety awareness.

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

## ENSURING SERVICE QUALITY AMID COVID-19

SIAEC was not spared from the 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.

At the onset of the pandemic, 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 safety measures introduced during this period were deployment of more aircraft marshallers during aircraft towing and limiting maintenance activities on aircraft parked at taxiways. As more countries reopen their borders, we are correspondingly increasing manpower resources to safely support the increasing number of aircraft returning to service.



### SPOTLIGHT

## CHARTER FOR A STRONG AND POSITIVE SAFETY CULTURE IN SINGAPORE

CAAS launched the "Charter for a Strong and Positive Safety Culture in Singapore" at the annual Aviation Safety Forum held on 7 March 2022. SIAEC is among the organisations who have signed the charter. Other signatories include major airlines, aircraft manufacturers, MRO service providers, training organisations, industry associations and trade unions.

Being the first of its kind in the Singapore aviation sector, the charter strives to foster a shared commitment to jointly uphold safety standards and strengthen safety culture in the respective organisations as air travel recovers. The charter sets out to encourage voluntary reporting of safety hazards, unsafe practices and safety errors, and includes self-disclosure of mistakes, slips and lapses. It also aims to promote confidentiality and protection from disciplinary action for self-disclosure of safety lapses and errors, while having zero tolerance for conduct that constitutes gross negligence, wilful misconduct or criminal activity.



# Business Ethics and Corporate Governance

As part of our commitment to quality corporate performance and accountability, SIAEC aims to act lawfully with integrity in every aspect of our business, and to proactively manage current and arising risks, including cybersecurity.

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.

## CORPORATE GOVERNANCE

### 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 seven 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.

The Board committees are also supported where required by an internal audit function in providing reasonable assurance about the adequacy, effectiveness and efficiency of internal controls; the reliability of financial information processes; compliance with applicable laws and regulations; and compliance with policies and procedures of the Company, its subsidiaries, joint venture and associated companies. The Company's internal audit function is undertaken by SIA Internal Audit pursuant to an agreement between the Company and SIA. The Head of Internal Audit reports directly to the Audit Committee and the appointment of the Head of Internal Audit is reviewed by the Audit Committee.

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

## BOARD COMPOSITION AND DIVERSITY

[102-22]

SIAEC is committed to board diversity, and works to maintain an optimal mix of skills, knowledge, experience, gender and age, amongst other dimensions of diversity, on the Board. To build an open culture and avoid groupthink, the Company is committed to having diversity on the Board, taking initiatives designed to attract the most talented individuals as Directors, regardless of their gender, race, ethnicity, religion, age, disability status or any other dimension of diversity. The Board views diversity as an important element to ensure that Board members provide the necessary range of perspectives, insights, experience and expertise for effective stewardship and management of the Company's business. In relation to gender diversity, it is of the view that gender, while important, is but one aspect of diversity and the Board will continue its diversity policy for Directors to be selected on the basis of their experience, skills, knowledge and insights.

Please refer to the Diversity, Equal Opportunity and Non-discrimination section of this report, and the FY2021/22 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.

As at 31 March 2022, the Board consists of 12 Directors of which 11 are Non-Executive Directors, and 8 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 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. In FY2022/23, in line with the updated SGX requirements for financial years beginning on or after 1 January 2022, our Directors will undergo the necessary training on sustainability matters as prescribed by SGX.

## CONFLICTS OF INTEREST

[102-25]

To ensure conflicts of interest are avoided and well managed, SIAEC has in place a Code of Conduct and Ethics for the Board of Directors which sets out disclosure obligations in the event of a conflict of interest. As part of the policy, a Director facing a conflict of interest must disclose such conflict and recuse himself/herself from participation in any discussion and/or decision on the matter.

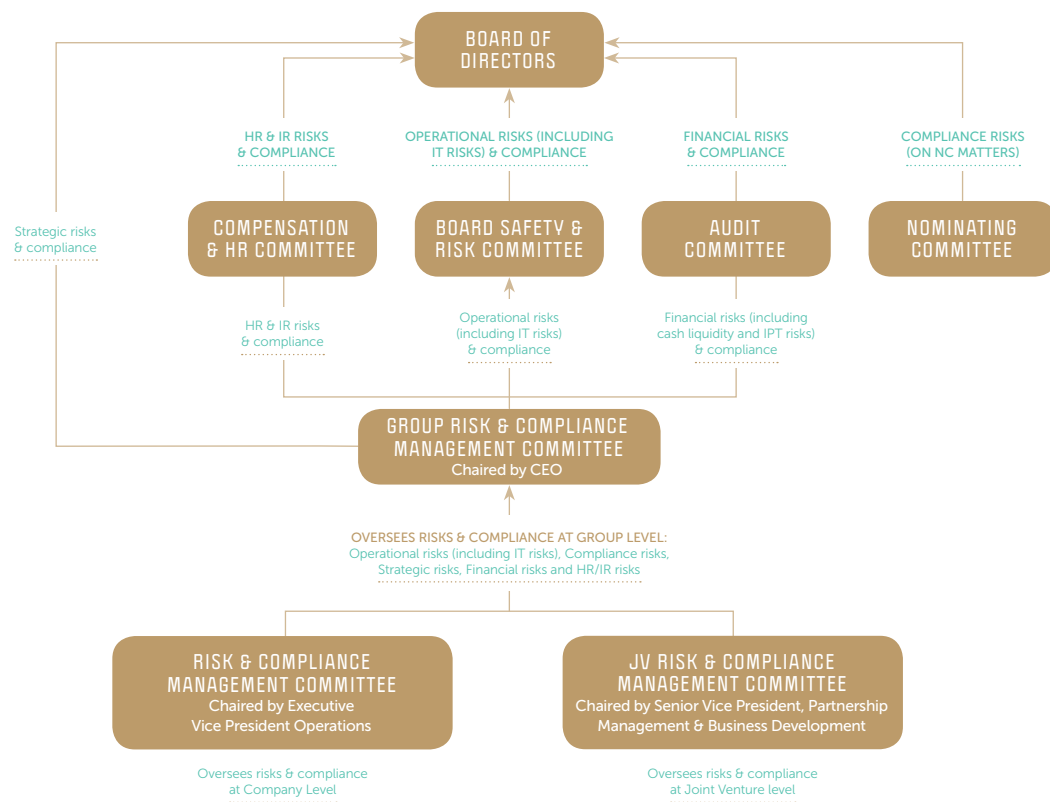
Please refer to the FY2021/22 Annual Report for more details on the Company's Corporate Governance.

## 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. In FY2021/22, we engaged a consultant, Marsh, to perform an independent review of our risk management system, which was rated to be at a high maturity level.

In addition, internal assurance of the risk management system is conducted regularly to ensure adequacy and effectiveness of risk controls, and compliance with the risk management framework and procedures by the divisions in the organisation. The internal assurance is outsourced and audited by an independent team from the SIA Internal Audit, which reports directly to the Audit Committee.



## RISK MANAGEMENT FRAMEWORK

SIAEC has in place a risk management framework that sets out the policies, processes and procedures for identifying, evaluating and managing risks. SIAEC advocates a continuous and iterative risk management process, which has been developed with reference to the principles and guidelines of the ISO 31000 risk management standards and the Code of Corporate Governance 2018. The risks identified are wide-ranging, covering strategic, financial, operational, cybersecurity and information technology (IT), compliance and human resources and industrial relations risks. From FY2022/23, in line with the updated SGX requirements for financial years beginning on or after 1 January 2022, we will be assessing and reporting on our climate-related risks and governance, and adopting Task Force on Climate-related Financial Disclosures (TCFD) recommendations on a phased basis.

## BOARD'S GOVERNANCE OF RISK

[102-30]

The Board, supported by various Board committees<sup>5</sup>, 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 continued relevance and adequacy of identified risks and the effectiveness of preventive and mitigating measures, the Group's risk registers are reviewed every six months. During these half-yearly reviews, close attention is also paid to the identification of new and emerging risks.

Throughout the COVID-19 pandemic, SIAEC continued to monitor the development and take appropriate measures to mitigate the impact of associated risks, while staying nimble and adjusting its responses according to the evolving situation.

Please refer to the FY2021/22 Annual Report for more details on SIAEC's Risk Management Framework.

<sup>5</sup> The Group Risk & Compliance Management Framework is as at 31 March 2022. With the establishment of the Board Sustainability Committee in FY2022/23, the Framework will be updated to reflect risks under the direct purview of the Board Sustainability Committee

## COMPLIANCE WITH REGULATIONS

[102-17]

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, sanctions 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.

### EMPLOYEE CODE OF CONDUCT

To foster high standards of professionalism and conduct in our workforce, our Employee Code of Conduct provides comprehensive policies on employees' regulations and conduct, including harassment, 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.

### SUPPLIER CODE OF CONDUCT

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.

## WHISTLE-BLOWING PROGRAMME

[102-33]

As part of SIAEC's stakeholder grievance process, we have in place a whistle-blowing programme for the reporting and investigation of wrongdoings. Internal and external stakeholders can communicate their grievances confidentially and without fear of reprisal through SIA Group whistle-blowing platform managed by a third-party service provider, which accepts several modes of reporting (submission via online form, email, hotline or post). 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, concessionary offers and charitable donations. Employees should ensure that any charitable contribution is not an indirect way of conferring a personal benefit on a government official or related party, and that the contribution is not in exchange for a purchasing or other decision affecting Company's interests. Similarly, it is against our policy on political contributions for the Company or our employees to make any payments to political candidates, political officials or political parties for the purpose of obtaining, retaining or directing business to the Company or any other entity. In FY2021/22, there were no improper political contributions made by SIAEC in breach of our policies.

In addition, SIAEC conducts a regular training programme on our Anti-corruption/Anti-bribery Policy. Employees are required to complete the recurrent online training on the policy and the completion status is reported to the Risk & Compliance Management Committee on a quarterly basis. As at 31 March 2022, 92% of employees have completed the recurrent training. There were no reported incidents of corruption or bribery in FY2021/22.



## 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, we are fully committed to upholding the basic principles of human rights, in accordance with local laws and statutes. This includes strict adherence to our local employment laws which come under the auspices of the Ministry of Manpower (MOM). The Company also works closely with our tripartite partners, MOM, National Trades Union Congress and our unions. Additionally, our staff regulations enunciate the need for all staff to act with integrity at the workplace and to comply with applicable laws. There are mechanisms in place such as our whistle-blowing channels for breaches of the code of conduct or laws to be brought to the Company's attention. Our established investigation processes provide for a structured way to handle any potential violations, while a disciplinary inquiry process is in place for an impartial determination of disciplinary actions for individuals found guilty of such offences. This governance framework ensures that the risk of such incidents occurring is minimised, and provides transparency in relation to the necessary actions which will be taken by SIAEC if such an incident occurs.

## CYBERSECURITY AND DATA PRIVACY

[418-1]

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 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, as well as conducts independent review to monitor that IT security infrastructure and networks are continually kept up with evolving threats. A Cyber Incident Response

Team (CIRT) within the Crisis Management Directorate is in place to manage IT-related crises and responses in the event of a cybersecurity incident. In November 2021, we engaged a cybersecurity consultant to conduct a desktop cybersecurity incident exercise to test our responses and refine our CIRT playbook accordingly. 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.

Arising from work-from-home arrangements brought about by the COVID-19 pandemic, SIAEC has introduced various digital workflows

in place of previous hardcopy approval workflows. Employees working from home are given secure virtual private network and virtual desktop infrastructure 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.

With the rise of phishing scams, the Company has increased the frequency of reminders to employees to raise awareness on phishing scams. The reminders also include details on safeguards to protect themselves from scams and instructions on how to report any suspected scam emails.

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 FY2021/22, there were no substantiated complaints concerning breaches of customer privacy and losses of customer data.

# Empower our Workforce

Protecting, Nurturing and Respecting our People



37

Employment

40

Safety and Health

45






Training and Development

47

Diversity, Equal Opportunity and Non-discrimination

# Protecting, Nurturing and Respecting our People

Our employee culture, competencies, capabilities, and experience are key components of our human capital, which is an important driver of value. SIAEC constantly strives to foster an environment in which all employees are rewarded and treated fairly with respect, and are empowered to realise their full potential. Our commitment to attract, retain and motivate top talent is essential to SIAEC's success as a leading MRO service provider. The Straits Times and global data firm, Statista, have ranked SIAEC in the top 200 of Singapore's Best Employers 2022.

KEY POLICIES, PROCESSES AND PROCEDURES	TARGETS & PERFORMANCE		OUR COMMITMENT
	TARGETS	PERFORMANCE	
<ul style="list-style-type: none"> <li>Safety Management System (ISO 45001: 2018 OHSMS certified)</li> <li>Integrated Safety Management System Policy</li> <li>Merit-based reward systems</li> <li>Learning and development programmes</li> <li>Human Resources Policy</li> <li>Inclusive work practices</li> </ul>	Zero work-related fatalities	 No work-related fatalities in FY2021/22	<ul style="list-style-type: none"> <li>Provide a safe work environment</li> <li>Continual improvements in our workplace safety and health standards</li> <li>Ensure SIAEC employees are rewarded through fair and merit-based employment practices, based on their abilities, performance, contribution and experience</li> <li>Foster an inclusive work environment and provide equal opportunities for all employees</li> <li>Invest in our employees' training and development based on their strengths and needs, to help them achieve their full potential</li> </ul>
	Continue to conduct quality and safety outreach programmes/initiatives	 Conducted quality and safety outreach programmes/initiatives in FY2021/22, such as the annual Safety and Security Week held on 15 September 2021	
	Average of 34 training hours per employee per year	 Average of 41 training hours per employee in FY2021/22	
	Zero incidents of discrimination	 No reported cases of discrimination in FY2021/22	
	Continue to promote diversity and equal opportunity in the workplace and boardroom	 No significant shifts in workforce diversity in FY2021/22	

 Achieved  On track  Not achieved

# Employment

## OUR EMPLOYEE PROFILE

[102-8]

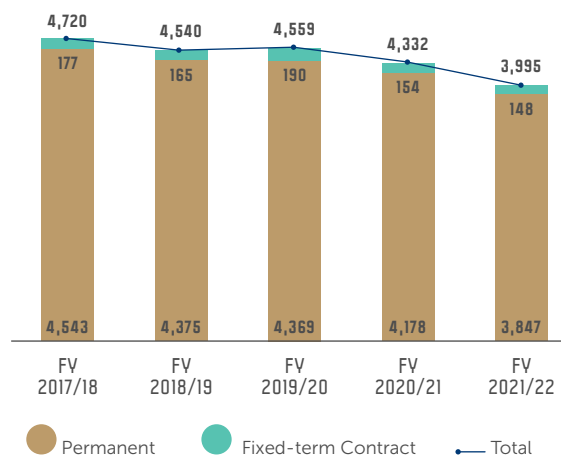
Our competent and talented workforce of executives, licensed aircraft engineers and technicians remain a cornerstone of SIAEC's success. We are committed to building a fair and supportive work environment and culture for our people and organisation.

## NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER<sup>6</sup>

[401-1]

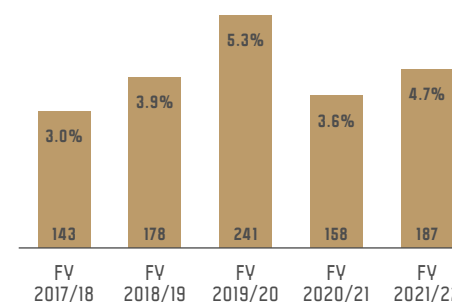
As the industry gradually recovers and employee recruitment resumes, hiring rates increased in FY2021/22 to 4.7% (FY2020/21: 3.6%) while our turnover rate was 13.1% (FY2020/21: 8.9%). The voluntary employee turnover rate was 5.5% (FY2020/21: 2.6%). The increase in turnover rates in FY2021/22 was largely due to competition for talent in the job market. We remain committed to inclusive recruitment practices and retaining diverse, qualified employees. For more information, please refer to the Diversity, Equal Opportunity and Non-discrimination section of this report.

## TOTAL EMPLOYEE STRENGTH AS AT 31 MARCH 2022

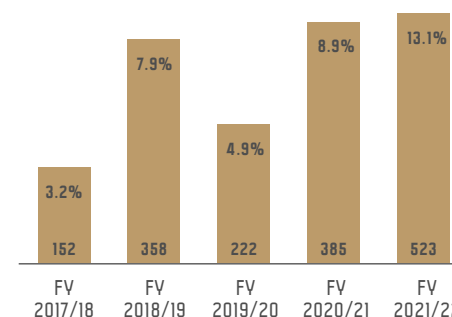


Note: All our employees are employed on full-time basis

## TOTAL NEW HIRES AND NEW HIRE RATE



## TOTAL TURNOVER AND TURNOVER RATE



<sup>6</sup> 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 regular employee pulse surveys and a biennial organisational climate survey which was conducted in March 2022. Our employee surveys provide a channel for our people

to voice their concerns and views. These surveys cover a range of topics including mindset shifts, operational improvements, employees’ sentiment towards changes and Transformation initiatives.

There are also initiatives to promote employee health and well-being, especially during the COVID-19 pandemic where economic uncertainty and work-from-home arrangements may potentially lead to feelings of isolation and increased stress.

EMPLOYEE HEALTH BENEFITS	PHYSICAL AND MENTAL HEALTH ACTIVITIES	SPORTS AND RECREATIONAL COMMITTEE
<ul style="list-style-type: none"><li>• Complimentary basic health screening for all employees annually</li><li>• Subsidies from the Company for more comprehensive health check-ups every two years</li><li>• Portable Medical Benefits Scheme</li><li>• Free recommended vaccinations (yellow fever, etc.) for duty travels</li></ul>	<ul style="list-style-type: none"><li>• Regular health talks and fitness activities</li><li>• Sharing of health tips via SIAEC’s in-house magazines</li><li>• Established a hotline for employees to contact and seek assistance from counsellors and psychiatrists</li><li>• Plans to arrange a support network which includes union representatives for employees to seek peer support</li><li>• Organised mental well-being talks and training to educate employees on mental health issues and how it can be managed, such as a session on “Discovering and utilising the keys to happiness” to provide employees with practical tips to increase happiness, improve overall well-being, and stay positive during the pandemic</li></ul>	<p>Organisation of sports, social and other recreational activities for employees, such as:</p> <ul style="list-style-type: none"><li>• Pulau Ubin night hike</li><li>• Mid-autumn lantern festival guided walk</li><li>• Virtual run challenge</li><li>• Virtual workshops for employees interested in making their own hand sanitizers or to learn about artisanal tea blending</li><li>• As part of the nationwide Active Health Play Mat campaign, a virtual workshop was held to teach employees how the multi-purpose mat can be used for strength-related exercises, improve sensorimotor skills, and assess their fitness abilities</li></ul>

SPOTLIGHT

FLEXIBLE WORKING ARRANGEMENTS

The COVID-19 pandemic has shown that telecommuting can be productive beyond the workplace. Recognising that this will remain a norm after the pandemic, the Company is implementing permanent hybrid working arrangements for eligible roles, where employees are allowed to work up to two days per week from home. This adds to the existing Flexible Start-Of-Day scheme to allow employees the option of starting their workday earlier or later to accommodate their personal schedules.



## PERFORMANCE REVIEW

[404-3]

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

## Operational Excellence Framework

Under the Operational Excellence Framework, employees in operations divisions are rewarded when they achieve operational targets. In FY2021/22, S\$722,000 were paid out to over 3,422 eligible employees in our operations divisions.

## STAR Employee Awards

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

## Transformation Champions

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. In addition, to encourage participation, an EVP Challenge Shield has been introduced to award the division with the most number of Champions every quarter.

# Safety and Health

Ensuring the safety of our employees is of foremost priority to SIAEC's business and operations, and 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. Incidents and near misses are reviewed and lessons learnt are shared with employees and applied to strengthen the Company's safety culture and processes.

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

## THRUST 1: BOARD AND MANAGEMENT OVERSIGHT

[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 several levels of safety management and oversight – the Board Safety and Risk Committee, Safety, Health and Quality Council, Safety, Health and Environment Committees and Quality and Safety Review Committee.

### Safety, Health and Environment Committees

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

### Quality and Safety Review Committee

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

### Safety, Health and Quality Council

- Meets quarterly
- Led by 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

### Board Safety and Risk Committee

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



THRUST 2: SAFETY MANAGEMENT SYSTEM

[102-33] [403-1] [403-2] [403-7] [416-1]

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

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

Reporting safety-related matters is another important component of the Safety Management System. All employees are required to report work-related incidents promptly to their immediate supervisor or section head. In addition, a confidential reporting hotline for quality or safety concerns is also available for our employees to

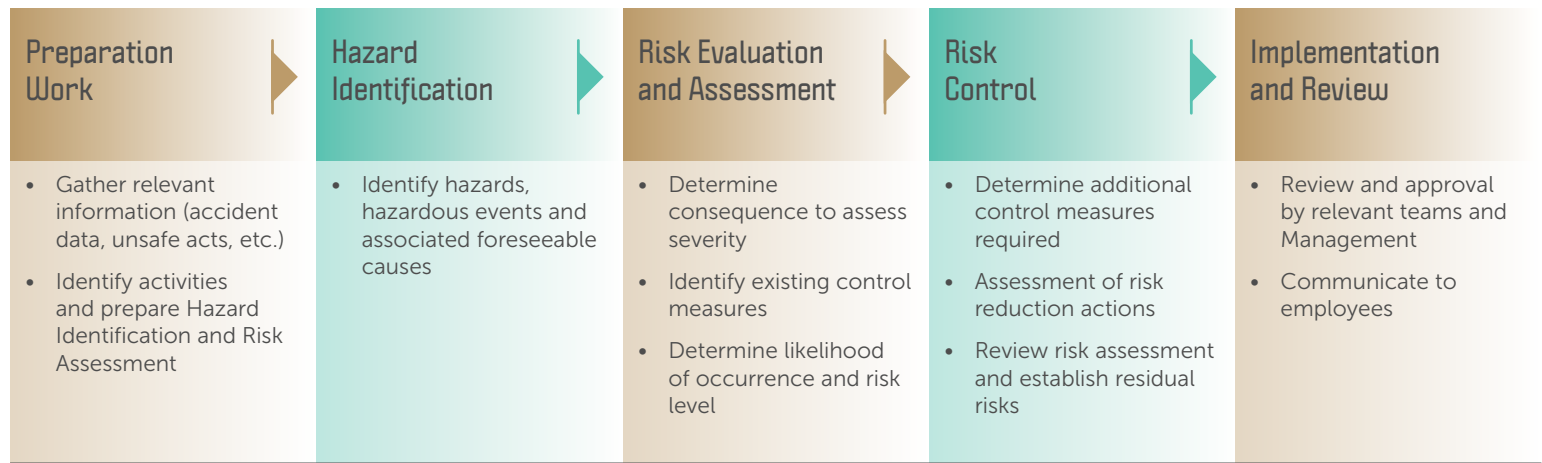
provide anonymous feedback. These inputs facilitate analysis and safety intervention to be implemented.

All work-related incidents<sup>7</sup> are investigated under the supervision of the Vice President 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 hazard<sup>8</sup> identification and risk assessment in the Safety Management System is outlined below:



7 and 8 Please refer to the Appendix for definitions and methodologies



### THRUST 3: TRAINING AND COMMUNICATION

[102-33] [403-3] [403-4] [403-5]

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

We promote a Just Culture and encourage employees to report errors so that the organisation can learn from the mistakes. In FY2021/22, we stepped up workplace safety reminders and engagement efforts to encourage employees to report on any hazards and near misses such as worn or faulty equipment or unsafe conditions in the

work areas. Reports can be submitted through SIAEC's quality and safety confidential digital form, which can be accessed using QR code. We are encouraged by the feedback received.

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 accessible to all employees and contractors. A safety and sustainability promotion SharePoint has also been created to consolidate all information related to workplace safety. All new employees and contractors are required to undergo safety awareness training conducted by qualified workplace safety and health officers before commencing work. For existing employees, health and safety courses targeted at certain job functions are organised as refresher training. These safety trainings are conducted at the Workplace Safety Promotion Centre.

#### SPOTLIGHT

## SAFETY AND SECURITY WEEK 2021 – EMERGING STRONGER, SAFE AND SECURE

Due to COVID-19 restrictions, the 2021 edition of SIAEC Safety and Security Week was held virtually on 15 September 2021. This year's theme was "Emerging Stronger, Safe and Secure". There were presentations on aviation and workplace safety by the CAAS, European Union Aviation Safety Agency and Transport Safety Investigation Bureau. A professional consultant from Fullerton Healthcare also delivered a segment on mental health. During the event, SIAEC also presented awards and citations to staff as recognition of their conscientious safety efforts, such as demonstrating good judgement and skills in handling or averting a safety incident. Over 900 staff took part in the safety quizzes to promote safety awareness.

## SPOTLIGHT

## GROUND-UP IDEAS TO IMPROVE SAFETY

SIAEC constantly engages staff to provide suggestions to improve productivity and safety and contribute innovative ideas through platforms such as the Innovation Challenge. One such initiative is a customised maintenance step to facilitate access to the aircraft wheel well, which came from a ground-up idea. With the improved design of the maintenance step, staff are now able to access previously hard-to-reach areas within the wheel well to perform maintenance tasks such as greasing, which enhances safety and efficiency.



With the customised maintenance step, staff are now able to access hard-to-reach areas easily to perform maintenance.

### 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 CAAS and CAG. SIAEC is also a member of the Singapore Airside Operations Safety Committee (SAOSC), which is chaired by 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 for the past several years and is honoured to receive four awards in 2021. The awards are a testament to the Company's commitment to building a strong safety culture.

SIAEC also seeks to promote a strong safety culture among 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 and Quality Council meetings every quarter.

## SPOTLIGHT

## EXAMPLES OF AWARD-WINNING SOLUTIONS

In 2020, a team was formed to create a Mobile Elevating Work Platform virtual reality simulator to enhance operators' proficiency in positioning equipment. The simulator was designed with real operating situations and work conditions in both the hangar and the airside. With the use of technology, the simulator serves

as an important tool for staff to hone their skills and sharpen their responses to any possible safety hazards.

In 2020, the Workplace Safety Promotion Centre was established to augment existing programmes and training on workplace safety with the aim to reinforce workplace safety culture and mindset amongst our workforce. The Centre was specially curated with relevant content, exhibits and news media to create safety awareness, and offers an integrated learning environment combining classroom-based lessons and experiential and visual learning for participants.



OUR SAFETY PERFORMANCE<sup>9</sup>

[403-9]

There were no cases of high-consequence work-related injuries for both employees and workers in FY2021/22, but the number of work-related and recordable work-related injuries have increased compared to FY2020/21. The main types of work-related injuries include bruises, contusions, and abrasions. SIAEC continues to conduct ground safety engagement efforts such as monthly safety campaigns to promote the reporting of near misses and safety hazards.

ENSURING WORKPLACE SAFETY  
AND HEALTH AMID COVID-19

During the year, safe management measures were in place to ensure the safety of our employees and Safe Management Officers appointed across all divisions to oversee and enforce the measures. Guidelines and protocols were developed for efficient handling of suspected or confirmed infections as well as employees who were unwell and exhibited relevant symptoms. To reduce the risk of infection within our facilities, the frequency of cleaning and

disinfection of high-touch areas (door handles, lift buttons, etc.) were increased.

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.

FOR EMPLOYEES	FY2017/18		FY2018/19		FY2019/20		FY2020/21		FY2021/22 <sup>10</sup>	
	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate
Work-related injuries	70	5.79	71	6.06	60	5.29	40	4.72	43	4.81
High-consequence work-related injuries	2	0.17	0	-	2	0.18	0	-	0	-
Recordable work-related injuries	52	4.30	63	5.38	54	4.76	36	4.25	43	4.81
Fatalities	0	-	0	-	1	0.09	0	-	0	-
FOR WORKERS										
Work-related injuries	11	3.10	9	2.51	17	4.87	3	2.66	9	7.92
High-consequence work-related injuries	0	-	0	-	0	-	0	-	0	-
Recordable work-related injuries	11	3.10	9	2.51	17	4.87	3	2.66	9	7.92
Fatalities	0	-	0	-	0	-	0	-	0	-

<sup>9</sup> Please refer to the Appendix for definitions and methodologies

<sup>10</sup> From 1 September 2020 onwards, all work-related medical leave and light duties injuries are reportable to MOM

## SPOTLIGHT

INSTALLATION OF ULTRAVIOLET  
GERMICIDAL IRRADIATION (UVGI)  
SYSTEMS

To minimise the risk of exposure to airborne pathogens, UVGI systems were installed in all Air Handling Units located at hangars. UVGI is a disinfection method that uses UV-C lamps to eliminate or inactivate micro-organisms, such as bacteria, viruses, mould, and other pathogens. It can prevent the spread of certain infectious diseases and improve overall indoor air quality.

# Training and Development

[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 FY2021/22, S\$7.6 million was invested in the training of our people (FY2020/21: S\$5.3 million). As more employees return to support operations, the average training hours per employee decreased in FY2021/22 compared to the previous year but is higher than the target of 34 training hours per employee. 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 periods of low work volume.

Average Training Hours per Employee by Gender and Employee Category	FY2018/19	FY2019/20	FY2020/21	FY2021/22
Male	Note: Starting FY2020/21, the breakdown of average training hours per employee by gender is tracked and reported.		53.3	44.5
Female			25.2	23.0
Managers and above	34.7	22.7	19.2	23.6
Executives	59.4	31.5	42.5	37.5
Other employees	43.0	39.7	52.3	43.3

To ensure the continuity of training despite constraints posed by the pandemic, approval was 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.

The COVID-19 pandemic is likely to accelerate the retirement of older aircraft 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. 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.

As part of SIAEC's three-year Transformation Phase 2 which runs from 2021 to 2023, SIAEC has ramped up its efforts to reskill and upskill workers. Targets have been set for 100% of the workforce to be trained in Lean by early 2023 in the following three key areas:

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

## SPOTLIGHT

### CONTINUING EDUCATION SCHEME

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

### TECHNICIAN PROGRESSION PATHWAY

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

### LAE-EXECUTIVE PROGRAMME

Our promising LAEs are given opportunities to join a development programme which exposes them to different work experiences in areas such as sales, planning and overseas operations, and to prepare them for greater responsibilities as Operations Managers. With further development, these employees can look forward to becoming the future leaders in our operational divisions.



## TRAINING ACADEMY

SIAEC is committed to establish an ecosystem of aerospace professionals by harnessing our technical expertise in the MRO business to develop a series of training programmes. Our Training Academy is an approved Maintenance Training Organisation recognised by civil aviation authorities across the world, a training provider recognised by SkillsFuture Singapore for continuing education and training, and a Workforce Skills Qualifications Approved Training Organisation. Through our robust curriculum of ab-initio and specialised aerospace and aircraft-related courses, the Training Academy supports the training needs of our employees, JVs, strategic partners and key customers, and helps to build a pipeline of talents for the growing demand for qualified and skilled technical personnel in the aviation industry.

69  
participants

## PROGRAMMES UNDER SIAEC TRAINING ACADEMY

Aerospace Professional Conversion Programme	Integrated Work Study Program in Collaboration with Singapore Institute of Technology	Work Study Certificate and Diploma in Collaboration with Temasek Polytechnic and Institute of Technical Education
<p>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.</p>	<p>SIAEC, in collaboration with Singapore Institute of Technology, jointly delivers a three-year direct honours degree programme leading to a Bachelor of Engineering with Honours in Aircraft Systems Engineering. The programme incorporates an eight-month Integrated Work Study Programme at SIAEC, which also grants qualified students with a Certificate of Recognition recognised by the CAAS. Graduates from this programme will help to fulfil the manpower demand from the aviation and MRO industry in Singapore, including SIAEC's need for licensed aircraft engineers.</p>	<p>SIAEC and our wholly-owned subsidiary, Singapore Aero Support Services, are collaborating with Temasek Polytechnic and Institute of Technical Education on the Work Study Certificate and Work Study Diploma respectively. The two programmes create additional pathways for local graduates to explore careers in the aviation industry and provide a pipeline of 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 while the Work Study Diploma was launched in 2021.</p>
<p>69 participants</p>	<p>46 graduates in 2021 (first batch)</p> <p>4<sup>th</sup> year running and a total of 204 students in the course</p>	<p>124 students received the Work Study Certificate</p>

## SPOTLIGHT

## FIRST BATCH OF GRADUATES FROM THE INTEGRATED WORK STUDY PROGRAM WITH SINGAPORE INSTITUTE OF TECHNOLOGY



Mr Tan Vong Siang is currently a trainee aircraft engineer in SIAEC

The Singapore Institute of Technology celebrated the achievements of its class of 2021 during the week of 18 October 2021. The ceremony also marks the graduation of the first cohort of 46 students from the Aircraft Systems Engineering programme developed in collaboration with SIAEC. This Integrated Work Study Programme provides students the opportunity to put theory into practice and develop practical skills from experienced professionals thereby giving them a competitive edge when they enter the workforce. Mr Tan Yong Siang was among the group of graduates who were selected for SIAEC's trainee aircraft engineer programme and is currently working as an apprentice. Mr Tan's academic journey to university as a former Institute of Technical Education student was not smooth sailing but he enjoyed the course and had the chance to work on various aircraft-related projects which has always been his goal.

# Diversity, Equal Opportunity and Non-discrimination

[406-1]

SIAEC continually promotes diversity and equal opportunity in the workplace and Boardroom, and will continue to encourage and welcome the varied perspectives and knowledge that diverse talent brings.

Our people management policies and processes are guided by the principles of inclusion and equal opportunity. We are always seeking improvements that will foster an inclusive workplace environment conducive to people of diverse religious and ethnic backgrounds, physical capabilities and gender. 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. In FY2021/22, we have appointed Vice President Human Resources to lead a taskforce to encourage more females to join our workforce.

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 FY2021/22, there were no reported cases of discrimination.

## Diversity of Governance Bodies as at 31 March

[405-1]

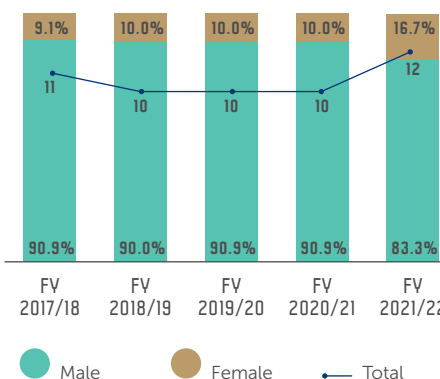
The Board recognises that diversity is an important element to ensure that Board Members provide the necessary range of perspectives, insights, experiences and expertise for effective stewardship and management of the Company's business. As at 31 March 2022, the Board consisted of 12 Directors of which 2 are female, achieving 17% female representation. Please refer to the FY2021/22 Annual Report for more details on the composition and diversity of SIAEC's Board.

## Diversity of Governance Bodies as at 31 March

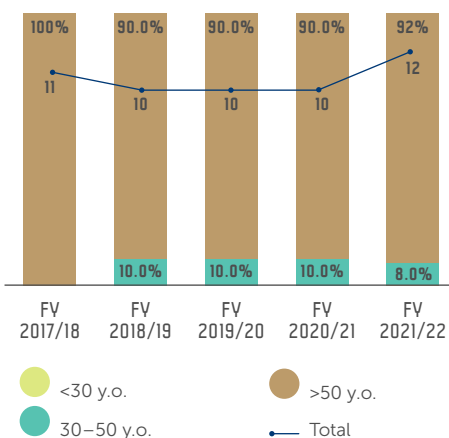
[405-1]

### BREAKDOWN BY GENDER AND AGE GROUP

#### BOARD OF DIRECTORS BREAKDOWN BY GENDER



#### BOARD OF DIRECTORS BREAKDOWN BY AGE GROUP

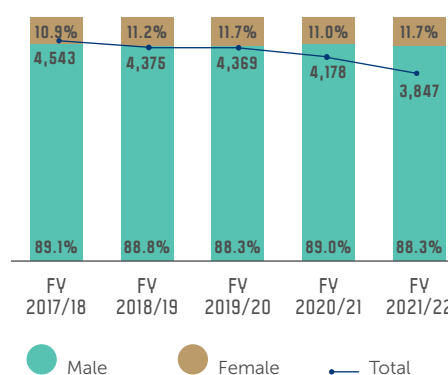


## Diversity of Employee Profile as at 31 March

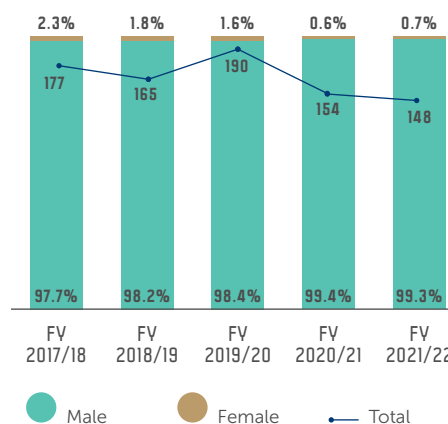
[102-8] [405-1]

### BREAKDOWN BY EMPLOYEE CONTRACT AND GENDER

#### TOTAL PERMANENT EMPLOYEES BREAKDOWN BY GENDER



#### TOTAL FIXED-TERM CONTRACT EMPLOYEES BREAKDOWN BY GENDER

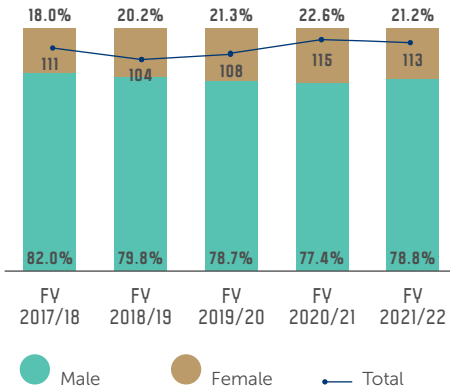


## Diversity of Employee Profile as at 31 March

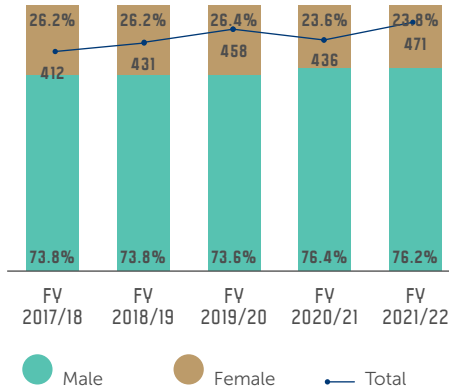
[102-8] [405-1]

### BREAKDOWN BY EMPLOYEE CATEGORY, GENDER AND AGE GROUP

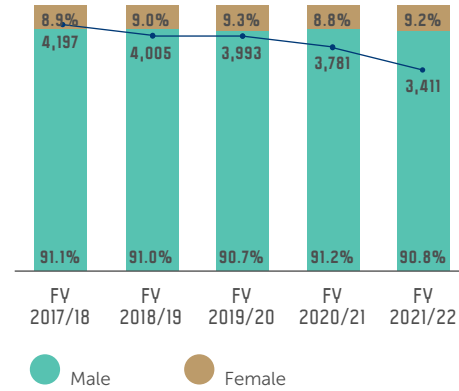
#### MANAGERS AND ABOVE BREAKDOWN BY GENDER



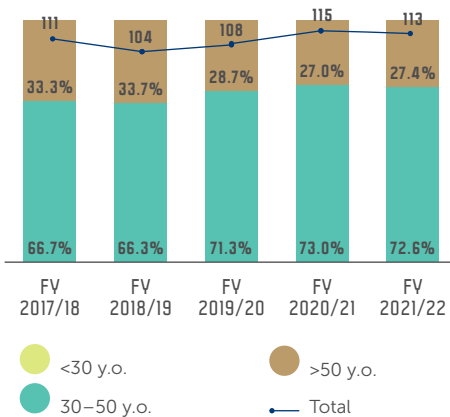
#### EXECUTIVES BREAKDOWN BY GENDER



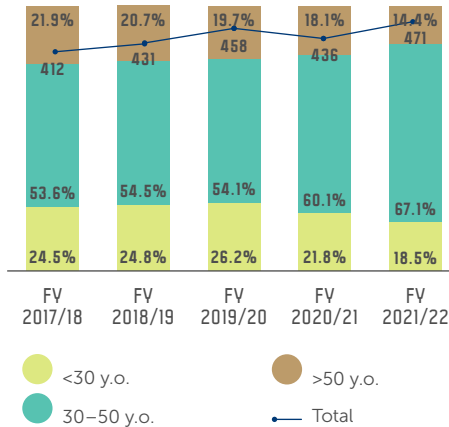
#### OTHER EMPLOYEES BREAKDOWN BY GENDER



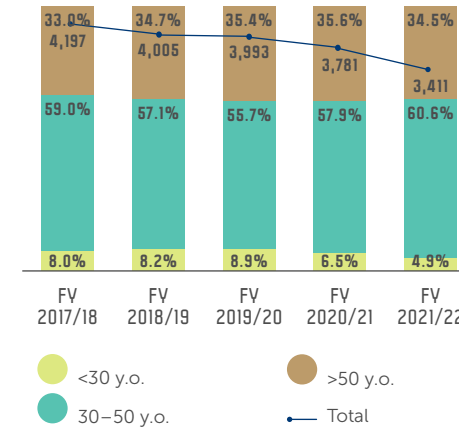
#### MANAGERS AND ABOVE BREAKDOWN BY AGE GROUP



#### EXECUTIVES BREAKDOWN BY AGE GROUP



#### OTHER EMPLOYEES BREAKDOWN BY AGE GROUP

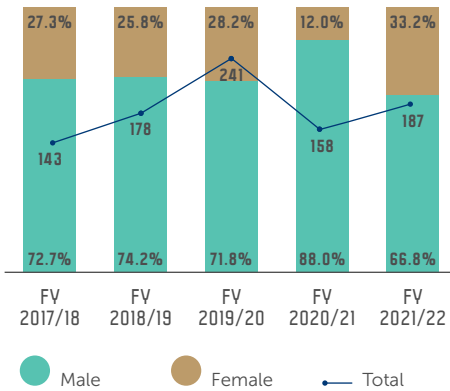


## Breakdown of New Employee Hires and Turnover

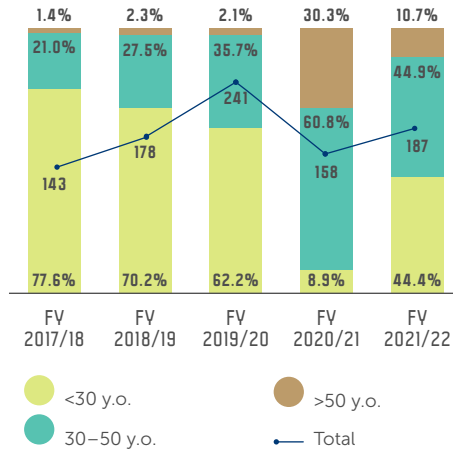
[401-1]

### BREAKDOWN BY GENDER AND AGE GROUP

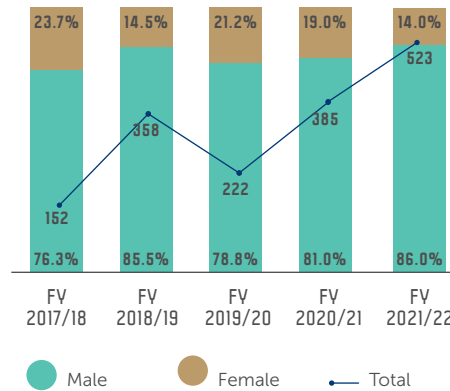
#### TOTAL NEW HIRES BY GENDER



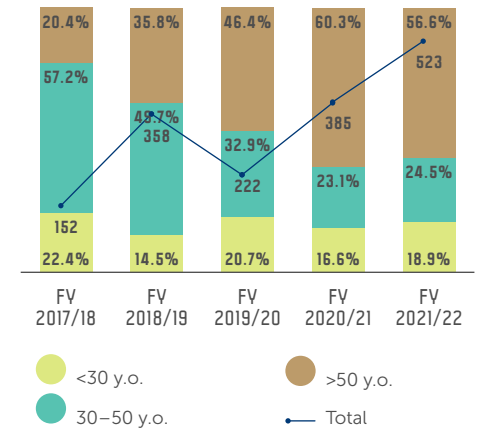
#### TOTAL NEW HIRES BY AGE GROUP



#### TOTAL TURNOVER BY GENDER



#### TOTAL TURNOVER BY AGE GROUP



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



# Manage Our Environmental Impact

Being Environmentally Responsible and Combatting Climate Change








- 52  
Energy and Emissions
- 55  
Water and Effluents
- 57  
Waste
- 59  
Environmental Compliance




# Being Environmentally Responsible and Combatting Climate Change

The sixth Intergovernmental Panel on Climate Change (IPCC) report, published on 9 August 2021, signalled “code red for humanity” and underscored the urgent need for deep cuts in greenhouse gas (GHG) emissions globally to stabilise rising temperatures. Locally, the Singapore government has recently brought forward its

climate ambition to achieve net zero emissions from “as soon as viable in the second half of this century” to “by or around mid-century”. In addition, Singapore also announced the Singapore Green Plan 2030 in February 2021, which highlighted priority areas including energy and emissions, water and waste.

Amid these developments, SIAEC acknowledges our responsibility to protect and preserve our natural capital for future generations. Furthermore, as an MRO service provider, SIAEC is naturally positioned to support the aviation industry in becoming more environmentally sustainable, by extending the useful life of aircraft and their components. We are committed to operate in an environmentally responsible manner, and will continue to explore sustainable solutions and contribute to the global efforts to combat climate change.

KEY POLICIES, PROCESSES AND PROCEDURES	TARGETS & PERFORMANCE		OUR COMMITMENT
	TARGETS	PERFORMANCE	
<ul style="list-style-type: none"> <li>Environmental Policy</li> <li>Environmental Management System</li> </ul>	Reduce FY2013/14 electricity consumption level by 15% by FY2021/22	 Electricity consumption in FY2021/22 was 28% lower than FY2013/14 levels	<ul style="list-style-type: none"> <li>Net zero emissions by 2050</li> <li>Energy and GHG emissions management and ongoing energy performance monitoring</li> <li>Continual improvement through energy and emissions reduction programmes</li> <li>Continual improvement of our Environmental Management System</li> <li>Comply with all regulatory requirements and relevant environmental standards</li> </ul>
	Reduce FY2013/14 carbon emissions intensity level by 24.48% by FY2030/31	 Carbon emissions intensity in FY2021/22 was 28% lower than FY2013/14 levels	
	All buildings to achieve PUB's WEB certification by FY2023/24	 Hangar 3 achieved the PUB WEB certification in June 2021	
	Raise environmental awareness on waste through outreach activities	 Conducted outreach activities in FY2021/22, such as beach clean-up activities and upcycling workshops	
	Zero environmental-related fines or non-monetary sanctions	 No environmental-related fines or non-monetary sanctions in FY2021/22	

 Achieved
  On track
  Not achieved

## SPOTLIGHT

### TOWARDS NET ZERO EMISSIONS

The Paris Agreement is an international treaty which aims to limit global warming to well below two, and preferably to 1.5 degrees Celsius, compared to pre-industrial levels. In August 2021, the sixth IPCC assessment report warned that unless there were deep reductions in carbon emissions in the coming decades, global warming would exceed two degrees Celsius during the 21st century, leading to more intense and more frequent heatwaves, rainfall, and droughts in some regions, amongst other consequences.

Against this urgent backdrop, the International Air Transport Association and ICAO have announced commitments for the global aviation industry to reach net zero emissions by 2050. In line with these industry commitments and Singapore's aspirations to achieve net zero emissions by or around mid-century, SIAEC is committing to the target of reaching net zero emissions by 2050. In FY2021/22, we embarked on the ambitious journey of charting our path towards net zero emissions by 2050. To achieve this, SIAEC has engaged an external consultant to help develop its GHG inventory for Scope 1, 2 and 3 emissions, and explore potential carbon reduction initiatives to achieve its targets.

## 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

# Energy and Emissions

## MANAGEMENT OF ENERGY AND EMISSIONS

SIAEC's energy consumption mainly arises from the use of electricity to support daily MRO activities in our hangars, workshops and offices. To manage SIAEC's energy consumption 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 shifting to cleaner sources of energy. Underscoring our commitment to Singapore's ambition to green 80% of Singapore's buildings by 2030<sup>11</sup>, SIAEC plans to achieve the Building and Construction Authority (BCA) Green Mark Certification for all facilities moving forward. We also plan to deepen the engagement with our subsidiaries and JVs to reduce the carbon footprint of the Group. Starting FY2022/23, we will report on our climate-related progress and governance, adopting TCFD disclosure recommendations on a phased basis for timely compliance with SGX's new requirements.

<sup>11</sup> By gross floor area

### SPOTLIGHT

## SHIFTING TOWARDS CLEANER VEHICLES

In FY2020/21, we undertook a feasibility study to replace our petrol and diesel-operated vehicles with electric vehicles and embarked on an operational trial of electric tow tractors, which emit 55% less carbon emissions compared to conventional tractors. Following the feasibility study and operational trial, a tender was initiated in FY2021/22 to select a model to be rolled out in the hangars as a start. We plan to bring in the first batch of electric tow tractors in FY2022/23.





### Reduce energy and emissions at facilities

- Implemented an energy management control system that monitors energy consumption.
- Ongoing energy improvement plans to reduce energy consumption and wastage:
- Installation of motion sensors and replacement to light-emitting diode (LED) lightings at common areas and offices – achieves approximately 35% in energy savings
- Use of efficient central chilled water system for buildings' air-conditioning – achieves approximately 45% in energy savings
- Installation of variable speed drives system on pumps – achieves approximately 15% in energy savings



### Shift to sustainable sources of energy

- Since January 2021, SIAEC's solar photovoltaic systems in Singapore, comprising 8,206 solar panels installed on the roofs of five hangars and the Engine Test Facility, have been generating about 4,500 MWh of clean energy yearly, which is the equivalent of powering 1,000 four-room HDB flats for a year. In FY2021/22, the system supplied 19% of SIAEC's energy needs.
- Our operations in the Philippines have also installed a rooftop solar photovoltaic system, comprising 1,260 solar panels. In FY2021/22, solar energy supplied about 30% of the SIAEP's electricity needs.



### Achieve BCA Green Mark Certification

- The BCA Green Mark Certification Scheme evaluates a building's environmental impact and performance in areas such as climate responsive design, building energy performance, resource stewardship, smart and healthy buildings, and advancement of green efforts, to promote sustainable design and best practices in construction and operations in buildings. We aim to achieve the certification for all our facilities.
- SIAEC's Hangars 2 and 3 were awarded the BCA Green Mark Platinum rating in April 2021 and March 2022 respectively, the highest rating for Green Mark Certification by BCA. In addition, both hangars were 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% (equivalent to 60% energy savings above the 2005 building code) energy savings based on prevailing code.



### Promote energy conservation

- Encouraged employees' participation in annual "Earth Hour" event, a worldwide movement where individuals, communities and businesses are encouraged to turn off non-essential lightings for one hour to raise awareness of the environmental issues facing our planet.

## SPOTLIGHT

## SUSTAINABILITY CORNER



SIAEC's Sustainability Corner in Hangar 2

To promote environmental awareness, SIAEC has set up a Sustainability Corner to update the workforce on the Company's green initiatives. The Sustainability Corner is fully powered by our solar photovoltaic system and the design incorporated materials repurposed from recycled chopsticks.

Besides sharing environmental facts and figures, the Sustainability Corner has included an interactive feature which will light up the display when used bottles, papers or cans are deposited into the recycling bin.

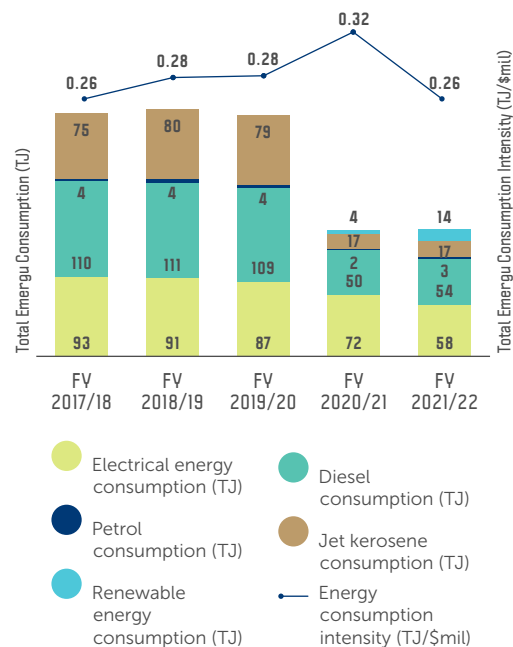


## OUR ENERGY AND EMISSIONS PERFORMANCE<sup>12</sup>

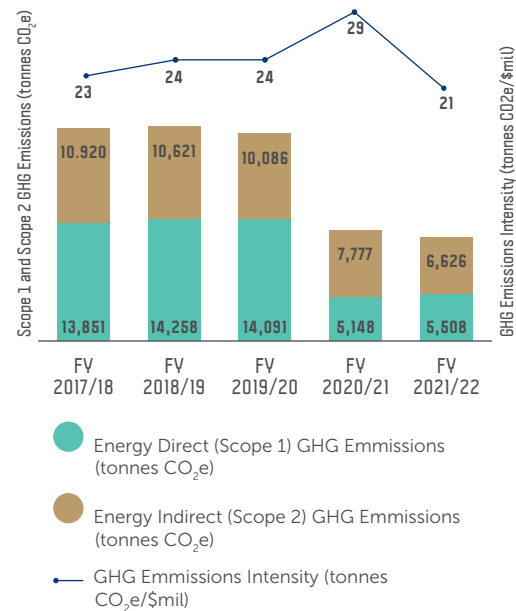
[302-1] [305-1] [305-2] [305-4]

In FY2021/22, our total GHG emissions was 12,134 tonnes of CO<sub>2</sub>e, a 6% decrease from 12,925 tonnes of CO<sub>2</sub>e in FY2020/21. The total energy consumption and corresponding GHG emissions continue to be lower than pre-COVID levels due to a reduction in operational activities. We will continue to monitor the performance.

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



### SIAEC GHG EMISSIONS FOOTPRINT (TONNES/CO<sub>2</sub>e) AND GHG EMISSIONS INTENSITY (TONNES CO<sub>2</sub>e/\$MIL)



In FY2021/22, we have met the long-term target to reduce 15% of our electricity consumption against FY2013/14 levels.

## SPOTLIGHT

## SUCCESSFUL TRIAL OF SAF FOR ENGINE TESTS

In February 2022, SIAEC conducted a successful trial using SAF to perform engine tests at Engine Test Facility. The trial was conducted with SIAEC's joint venture with Rolls-Royce, Singapore Aero Engine Services Private Limited, and set out to test SIAEC's infrastructure and operational readiness to use blended SAF for its test cell, which is a facility to conduct performance checks on an aircraft engine after maintenance. The engine tests were conducted on a Rolls-Royce Trent 900 engine, which is used to power the A380 aircraft, using 38% blended SAF. The blended SAF for the engine tests produced 32% lower carbon emissions compared to conventional fossil jet fuel.

The trial paves the way for more engine tests to be performed using SAF when the adoption of SAF scales up in the future. This initiative, together with existing offerings such as the provision of Ground Support Assisted Transit services to reduce the usage of aircraft auxiliary power units on ground, will position SIAEC as a sustainability-centric MRO service provider.



As SIAEC grows its engine services business, we recognise the importance of mitigating potential impact to the environment.

The successful trial using blended SAF at our Engine Test Facility marks SIAEC's capability and readiness to support the aviation industry towards the net zero carbon emissions goal. We are proud to expand our extensive suite of MRO services to offer additional emissions-reducing services to our customers.

MR NG CHIN HWEE  
SIAEC CEO



The performance tests for a Trent 900 engine were conducted using blended SAF

<sup>12</sup> 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 2060<sup>13</sup> 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



- 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.
- Adopt water fittings with Water Efficiency Labelling "Excellent" (4 ticks).
- Maintain efficient cooling tower water treatment systems.

### Increase use of recycled water



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

### Manage water as a shared resource



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

### Achieve WEB Certification



- Following the certification of Hangar 2 in November 2020, Hangar 3 also obtained the PUB WEB Certification in June 2021. 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 all its buildings by FY2023/24.

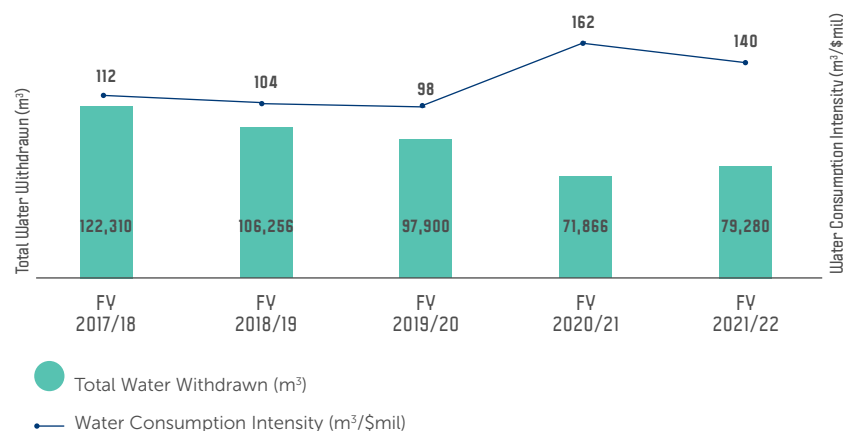
<sup>13</sup> Singapore Water Story, Public Utilities Board

## OUR WATER PERFORMANCE<sup>14</sup>

[303-3]

Total water withdrawn from SIAEC's assets increased by 10.3% from 71,866 m<sup>3</sup> in FY2020/21 to 79,280m<sup>3</sup> in FY2021/22. This was largely attributed to an increase in operational activities arising from flight recovery.

TOTAL WATER WITHDRAWN (M<sup>3</sup>) AND WATER CONSUMPTION INTENSITY (M<sup>3</sup>/\$MIL)



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

## 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 from the recent audits, and

the operation of wastewater treatment plants conforms to ISO 14001 requirements.

In addition, liquid hazardous waste collected by our licensed toxic industrial waste collector is treated at its wastewater treatment plant according to regulatory requirements. In FY2021/22, we embarked on a study to explore the upgrading of our existing wastewater treatment plants to enable the additional processing of wastewater arising from aircraft paint stripping, which is currently disposed as hazardous waste by our toxic industrial waste collector.

14 Please refer to the Appendix for definitions and methodologies

# Waste

## TOWARDS RESOURCE CIRCULARITY AND ZERO WASTE

As part of the Singapore Green Plan 2030, Singapore aims to build a sustainable, resource-efficient and circular economy, with national targets to reduce the amount of waste sent to landfill per capita per day by 20% by 2026, and 30% by 2030. To play our part in advancing a zero-waste nation, SIAEC is committed to reducing our waste generated and adopting a circular economy approach to increase our waste diversion. As emissions arising from the disposal and treatment of waste generated contributes to our Scope 3 GHG emissions, our waste reduction and recycling initiatives will also contribute towards the achievement of our long-term net zero goal.

## 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:

- Reducing waste from our offices and operational activities
- Ensuring responsible disposal of waste
- Raising awareness on the 4Rs (Reduce, Reuse, Repurpose, 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.

### Reduce and recycle waste from our offices and operational activities



- Introduced a recycling scheme to collect paper, cardboard, plastic, wood, scrap metal and electronic waste from our offices and operational areas, for processing and recycling by licensed recycling service providers. To promote awareness of our recycling programme, a circular was issued to all occupants of SIAEC to inform them of the locations of our recycling bins within the building, and to educate them on the categories of recyclables that can be collected. We also continually digitalise work processes to reduce paper consumption.

### 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 accessible to all employees.

### Raise awareness on the 4Rs



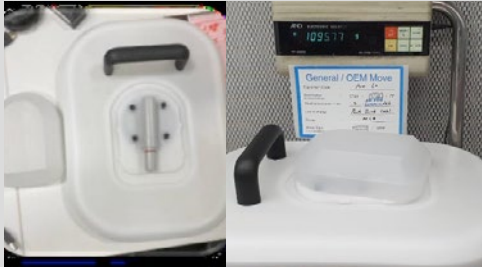
- Conducted environmental awareness activities and upcycling workshops to raise employee awareness on the 4Rs (Reduce, Reuse, Repurpose, Recycle) and to educate employees on the importance of recycling and proper segregation of recyclables. In FY2021/22, activities conducted include a T-shirt to tote bag upcycling workshop, lunch talks on sustainability, and beach clean-up events.
- Regularly publish environmental conservation and sustainability articles.





SPOTLIGHT

## REUSABLE AIRCRAFT WINDOW COVERS



Aircraft window cover for Boeing 737 aircraft.

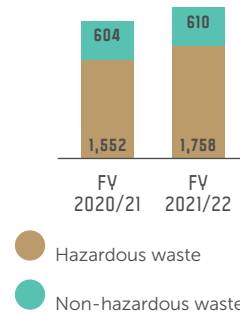
In FY2021/22, SIAEC partnered A\*STAR to design reusable covers to protect the aircraft windows during aircraft paint jobs. Instead of using aluminium sheets and papers to cover the aircraft windows that have to be disposed after each use, the covers are reusable thus eliminate materials wastage. Furthermore, the use of reusable covers improves productivity as there is no need to replace the aluminium sheets and papers at each phase of the paint job. The project started with window covers designed for the Boeing 737 and Airbus A330 aircraft and will be extended to include other types of aircraft.

### OUR WASTE PERFORMANCE<sup>15</sup>

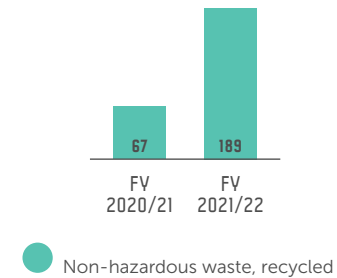
[306-3] [306-4] [306-5]

In FY2021/22, SIAEC generated a total of 2,368 tonnes of waste, of which 189 tonnes of non-hazardous waste was diverted through recycling efforts. The remaining 2,179 tonnes of waste comprising 421 tonnes of non-hazardous waste and 1,758 tonnes of hazardous waste were disposed according to regulatory requirements. While the total amount of waste has increased due to business recovery, we have intensified recycling efforts and will continue to explore initiatives to reduce waste generated.

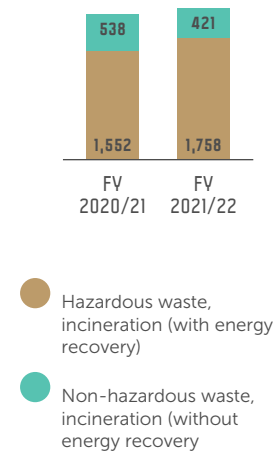
#### SIAEC TOTAL WASTE GENERATED (TONNES)



#### SIAEC TOTAL WASTE DIVERTED FROM DISPOSAL (TONNES)



#### SIAEC TOTAL WASTE DISPOSED (TONNES)



<sup>15</sup> 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 that 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 SSC 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 FY2021/22, there were no cases of non-compliance with environmental laws and/or regulations.

 Environmental Aspect	 Operational Activities	 Actual and Potential Environmental Impact	 Mitigating Measures
<ul style="list-style-type: none"> <li>Emissions</li> <li>Use of chemicals</li> <li>Wastewater discharge</li> <li>Waste disposal</li> <li>Use of energy, water and raw materials</li> </ul>	<ul style="list-style-type: none"> <li>MRO activities in Singapore</li> </ul>	<ul style="list-style-type: none"> <li>Air pollution</li> <li>Land pollution</li> <li>Water pollution</li> <li>Depletion of landfill</li> <li>Depletion of natural resources</li> <li>Contribution to global warming</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with relevant environmental legislation</li> <li>Environmental impact assessment</li> <li>Monitoring and measurement of environmental impact</li> <li>Measures to reduce environmental impact</li> </ul>

# Pursue Active Partnerships

Building Strong Relationships  
and Making a Positive Impact



62

Supply Chain  
Management

63

Local  
Communities




65

Labour/Management Relations  
and Freedom of Association  
and Collective Bargaining

# Building Strong Relationships and Making a Positive Impact

Strategic partnerships and stakeholder engagement are fundamental constituents of social and relationship capital that promote trust, facilitate action and contribute to our social license to operate. SIAEC works closely with our suppliers, local communities and government agencies to better manage the social and environmental impacts and risks including our supply chain, and to create a positive impact within our communities. We also actively engage our unions to work towards a shared vision of bringing SIAEC to an even higher level.

KEY POLICIES, PROCESSES AND PROCEDURES	TARGETS & PERFORMANCE		OUR COMMITMENT
	TARGETS	PERFORMANCE	
<ul style="list-style-type: none"> <li>Supplier Code of Conduct</li> <li>Regular engagement with unions</li> <li>Collective agreements</li> <li>CSR Framework</li> </ul>	<ul style="list-style-type: none"> <li>Screen suppliers on social and environmental criteria</li> <li>Continue touching lives and creating positive impact to the communities and environment that we operate in</li> <li>Maintain collaborative industrial relations</li> </ul>	<ul style="list-style-type: none"> <li>All suppliers<sup>16</sup> screened on social and environment aspects in FY2021/22</li> <li>Continued to organise volunteer events in FY2021/22</li> <li>Donated S\$126,600 to adopted charities in FY2021/22</li> <li>Continued collaboration with our unions in FY2021/22 to address the challenges of the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>To treat our suppliers with respect and fairness</li> <li>Work towards a sustainable supply chain by procuring ethically and responsibly</li> <li>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</li> </ul>

 Achieved
  On track
  Not achieved

<sup>16</sup> Screenings are performed only for purchases above \$500k in contract value, which was introduced in November 2020



# Supply Chain Management

## SIAEC'S SUPPLY CHAIN

[102-9]

SIAEC is committed to treating our suppliers with respect and fairness, and working towards a sustainable supply chain by procuring ethically and responsibly. SIAEC's suppliers are principally based in Singapore, the United States and Europe and consist of OEMs such as 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, and suppliers of non-aircraft parts or services. The split between the two categories is approximately 50% each.

## 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. Currently, the scope of SIAEC's supplier risk assessments covers all of SIAEC's operations. For aircraft parts and related services, there are additional 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 FY2021/22, no suppliers were found to have breached SIAEC's Supplier Code of Conduct from our reviews.

Since November 2020, SIAEC has enhanced the supplier selection process to screen all new suppliers<sup>17</sup> on sustainability criteria. This involves suppliers filling up a questionnaire and assessing suppliers based on their ability to meet minimum sustainability standards or requirements such as the ISO 14001, ISO 45001 and BizSafe Certification.



### 1 Request for Proposal, Bidding and Submission

Suppliers are required to submit relevant sustainability track records, certifications or standards (ISO 14001, ISO 9001, ISO 45001, BizSafe Certification, etc.) in their proposals



### 2 Evaluation and Selection

New suppliers are required to fill up a questionnaire, which includes questions relating to environment and safety

Supplier risk assessments are conducted during the selection phase to identify and mitigate sustainability risks and impacts



### 3 Final Award

Suppliers are required to comply with SIAEC's Supplier Code of Conduct. SIAEC enforces these requirements through our purchase orders and agreements



### 4 Delivery of Contract

Ongoing monitoring of compliance through regular meetings, emails, teleconferences with suppliers

Periodic review of suppliers' performance to ensure suppliers comply with the established standards, procedures or key performance indicators

Evaluate any breaches of Supplier Code of Conduct, and formulate, implement and monitor corrective actions

<sup>17</sup> Screenings are performed only for purchases above \$500k in contract value

# Local Communities

ENABLING PEOPLE, IMPROVING LIVES  
AND PROTECTING THE ENVIRONMENT

[413-1]

We strive to create positive impact in the communities where SIAEC operates. The three pillars driving our CSR strategy are access to food, having a decent place to live in and raising awareness on environmental sustainability. 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 and Community Chest. In FY2021/22, we expanded our environmental outreach activities, such as organising beach clean-up events.

As a result of the restrictions arising from the COVID-19 pandemic, SIAEC had to adapt our community development efforts in FY2021/22 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.

## Charity Virtual Steps Challenge 2021

SIAEC's Annual Charity Run is typically held at one of the Wildlife Reserve Parks in Singapore. Due to COVID-19, we held the month-long charity event virtually in December 2021 for the second year running. All proceeds raised from the virtual steps challenge were donated to our adopted charity, Food from the Heart.



181

PARTICIPANTS



S\$50,000

DONATED

## Collaboration with Food from the Heart

Founded in 2003, Food from the Heart is an independent non-profit organisation with a vision to alleviate hunger in Singapore through food distribution programmes. As of 2021, Food from the Heart has reached out to over 59,000 beneficiaries across Singapore.



S\$66,000

DONATED

### DONATIONS

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

### PARTICIPATION IN FOOD FROM THE HEART PROGRAMMES

- Packing and distributing food packs to needy families in MacPherson and Marine Terrace on a monthly basis under the Self-Collection Centre programme

- Toy Buffet

In FY2021/22, all programmes with Food from the Heart were suspended but SIAEC continued with donations to the charity.

## Collaboration with Green Nudge / Beach Clean-up

Green Nudge was established in 2018 and is currently one of the leading green social enterprises in Singapore. Green Nudge's initiatives focus on creating sustainable mass events, by building long-term engagement with corporations and communities through workshops, outreach and beach clean-up activities.



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

SIAEC collaborated with Green Nudge in 2021 to conduct a series of workshops and talks to discuss and raise awareness on sustainability topics such as tackling fabric waste and the after-life of plastics. The staff engagement programme aims to foster environmentally responsible mindset in our staff.

SIAEC also participated in two beach clean-up activities organised by Green Nudge at the Tanah Merah Beach and Selimang Beach held in October 2021 and March 2022 respectively. In total, volunteers had collected 302 kg of marine debris.



160  
VOLUNTEERS



302kg  
COLLECTED  
WASTE



\$6,600  
DONATED

## 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 FY2021/22, SIAEC was a gold sponsor for Community Chest Fú Dài. This is an annual event where volunteers pack and deliver Fú Dài (which means "bags of blessings" in Mandarin) containing food and household items 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.



\$4,000  
DONATED



13  
VOLUNTEERS



43  
BENEFICIARIES



A team of SIAEC volunteers at the Fú Dài packing event

# Labour/Management Relations and Freedom of Association and Collective Bargaining

[102-41] [402-1]

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 Trades 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 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 55% 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 93% of our engineers are members of SEEU



SINGAPORE AIRLINES  
STAFF UNION (SIASU)

- Represents technicians and employees in the general grades in the Company
- About 90% 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 amid 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.



# List of Key Abbreviations and Acronyms

4Rs	Reduce, Reuse, Repurpose, Recycle	GHG	Greenhouse Gas	PUB	Public Utilities Board
AES	Aircraft Engine Services	GRI	Global Reporting Initiative	SAE	Safran Aircraft Engines
AESU	Air Transport Executive Staff Union	GWP	Global Warming Potential	SAF	Sustainable Aviation Fuel
AGM	Annual General Meeting	ICAO	International Civil Aviation Organisation	SAOSC	Singapore Airside Operations Safety Committee
AWS	Alliance for Water Stewardship	IHFA	Iacobucci HF Aerospace S.P.A.	SASS	Singapore Aero Support Services Pte. Ltd.
BCA	Building and Construction Authority	ILO	International Labour Organization	SDG	Sustainable Development Goals
CAAS	Civil Aviation Authority of Singapore	IPCC	Intergovernmental Panel on Climate Change	SEDSA	Safran Electronics & Defense Services Asia
CAG	Changi Airport Group	ISO	International Organization for Standardization	SEEU	SIA Engineering Company Engineers and Executives Union
CEO	Chief Executive Officer	IT	Information technology	SGX	Singapore Exchange
CFO	Chief Financial Officer	JADE	Jamco Aero Design & Engineering	SIA	Singapore Airlines
CIRT	Cyber Incident Response Team	JV	Subsidiaries, joint venture and associated companies	SIAEC	SIA Engineering Company
CSO	Chief Sustainability Officer	kWh	kilowatt-hour	SIAEP	SIA Engineering (Philippines) Corporation
CSD	Component Services Division	LAE	Licensed Aircraft Engineer	SIASU	Singapore Airlines Staff Union
CSR	Corporate Social Responsibility	LED	Light-emitting diode	SP	Singapore Polytechnic
CT	Certifying Technician	MOM	Ministry of Manpower (Singapore)	sqm	square metres
CTC	Company Training Committee	MRO	Maintenance, Repair and Overhaul	SSC	Sustainability Steering Committee
EDB	Economic Development Board	MWh	Megawatt-hour	SWG	Sustainability Working Group
EESG	Economic, Environmental, Social, Governance	NAAI	North American Aerospace Industries	TCFD	Task Force on Climate-related Financial Disclosures
EMA	Energy Market Authority	OEM	Original Equipment Manufacturer	UNEP	United Nations Environment Programme
EPH	Environmental Public Health	OHSMS	Occupational Health and Safety Management System	UVGI	Ultraviolet Germicidal Irradiation
ESD	Engine Services Division	PMETs	Professionals, Managers, Executives and Technicians	WEB	Water Efficient Building
EU	European Union			WHO	World Health Organisation
EVP	Executive Vice President				
GEF	Grid Emission Factor				

# Sustainability Performance of Key Subsidiaries

We are progressively expanding our reporting to include our key JVs and have included in this report available data for two key subsidiaries: SIA Engineering (Philippines) Corporation (SIAEP) and Singapore Aero Support Services Pte. Ltd. (SASS).

## ANTI-CORRUPTION

[205-3]

In FY2021/22, there were no reported cases of corruption or bribery in both subsidiaries.

## EMPLOYEE PROFILE

[102-8]

Total Employee Strength  
as at 31 March 2022

### SIAEP

734 734

### SASS

378 218 596

Permanent  
Fixed-term Contract

## EMPLOYEE PROFILE

[102-8] [405-1]

BREAKDOWN OF EMPLOYEE  
CONTRACT AND GENDERTotal Permanent Employees  
Breakdown by Gender

Male

Female

Total Fixed-term Contract  
Employees -Breakdown by Gender

Male

Female

BREAKDOWN OF EMPLOYEE  
CATEGORY, GENDER AND AGE GROUPManagers and Above  
Breakdown by Gender

Male

Female

Managers and Above  
Breakdown by Age Group

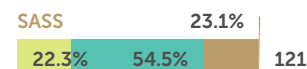
30-50 years old

Over 50 years old

Executives  
Breakdown by Gender

Male

Female

Executives  
Breakdown by Age Group

Under 30 years old

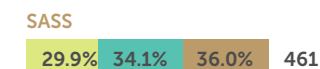
30-50 years old

Over 50 years old

Other Employees  
Breakdown by Gender

Male

Female

Other Employees  
Breakdown by Age Group

Under 30 years old

30-50 years old

Over 50 years old

NEW EMPLOYEE HIRES AND  
EMPLOYEE TURNOVER

[401-1]

BREAKDOWN OF NEW EMPLOYEES  
HIRES AND TURNOVERTotal New Hires and New  
Hire Rate for FY2021/22

## SIAEP

37 (5.0%)

## SASS

192 (32.2%)

 Total New Hires
Total Turnover and Turnover  
Rate for FY2021/22

## SIAEP

48 (6.5%)

## SASS

191 (32.0%)


 Total Turnover
BREAKDOWN OF NEW EMPLOYEES  
HIRES BY GENDER AND AGE GROUPTotal New Hires by  
Gender for FY2021/22


## SIAEP




 37

## SASS

 192

 Male  
 Female
Total New Hires by  
Age Group for FY2021/22
 37

 192

 Under 30 years old  
 30-50 years old  
 Over 50 years old
BREAKDOWN OF TOTAL EMPLOYEE  
TURNOVER BY GENDER AND AGE GROUPTotal Turnover by  
Gender for FY2021/22

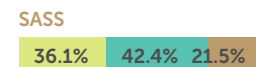
## SIAEP




 48

## SASS

 191

 Male  
 Female
Total Turnover by  
Age Group for FY2021/22
 48

 191

 Under 30 years old  
 30-50 years old  
 Over 50 years old



## DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

[406-1]

In FY2021/22, there were no reported cases of discrimination in both subsidiaries.

## TRAINING AND DEVELOPMENT

[404-1]

Average Training Hours per Employee by Gender and Employee Category for FY2021/22	SIAEP	SASS
Male	79.7	62.0
Female	59.1	32.0
Management	16.0	32.0
Executives	3.0	32.0
Other employees	78.4	32.0

## OCCUPATIONAL HEALTH OF EMPLOYEES

### WORK-RELATED INJURIES<sup>18</sup>

[403-9]

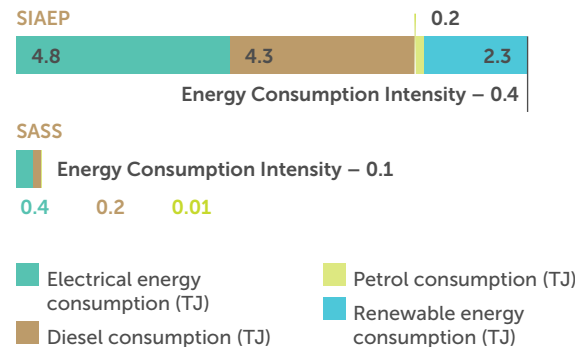
FY2021/22	SIAEP			SASS		
	No.	Rate	Type	No.	Rate	Type
Work-related injuries	0	-	-	7	9.4	Cut/abrasion
High-consequence work-related injuries	0	-	-	0	-	-
Recordable work-related injuries	0	-	-	7	9.4	Cut/abrasion
Fatalities	0	-	-	0	-	-

<sup>18</sup> Please refer to the Appendix for definitions and methodologies

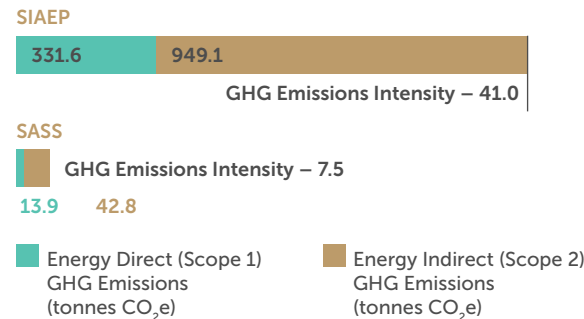
## ENERGY AND EMISSIONS PERFORMANCE

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

Energy Consumption (TJ) and Energy Consumption Intensity (TJ/\$mil) for FY2021/22



GHG Emissions Footprint (tonnes CO<sub>2</sub>e) and GHG Emissions Intensity (tonnes CO<sub>2</sub>e/\$mil) for FY2021/22

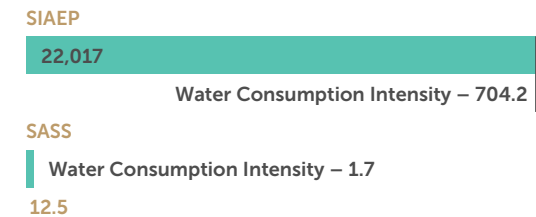


Note: SASS' fuel and electricity consumption and corresponding Scopes 1 and 2 emissions relate only to data for the first quarter of FY2021/22 as its operations were moved to SIAEC Hangar 6 thereafter. Since the second quarter of FY2021/22, SASS' fuel and electricity consumption and corresponding Scopes 1 and 2 emissions have been reported together with SIAEC.

## WATER PERFORMANCE

[303-3]

Total Water Withdrawn (m<sup>3</sup>) and Water Consumption Intensity (m<sup>3</sup>/ \$mil) for FY2021/22



Note: For SASS, this relates to water consumption at its offices only. Since the second quarter of FY2021/22, SASS' water consumption has been reported together with SIAEC after its operations were moved to SIAEC Hangar 6.

# 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 FY2021/22 Annual Report.

### FUTURE- LOOKING STATEMENTS

Aside from statements of historical fact, this Sustainability Report contains statements that are future-looking in nature relating to SIAEC's sustainability management approach.

These are identified by terms and phrases such as "aim", "ambition", "anticipate", "believe", "continue", "expect", "goal", "maintain", "objective", "plan", "seek" and "target" and could also be expressed by way of future or conditional verbs such as "could", "should", "would".

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

## GOVERNANCE

### POLITICAL CONTRIBUTION

As defined by the S&P Global Corporate Sustainability Assessment, political contributions include all direct and indirect spending, contributions or payments to: Political campaigns, ballots measures or referendums; registered lobbyists and lobbying groups; and political organisations, trade associations or tax-exempt groups whose role is to influence political campaigns or legislative activities, including chambers of commerce, trade boards. This includes membership fees towards trade associations, industry associations and business associations.

## SAFETY

### OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS

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

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

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

### WORK-RELATED HAZARDS

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

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

**WORK-RELATED  
INCIDENTS**

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

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

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

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

**Boundary:** Number and rate of work-related incidents reported covers SIAEC and SASS' employees in Singapore, and SIAEP's employees in the Philippines. It does not include workers who are not directly employed by SIAEC, SIAEP and SASS, such as contractors and workers from our labour suppliers.

**Types of injuries:** Most of SIAEC's work-related injuries relate to sprains, strains, lacerations, bruises and contusions.

**WORK-RELATED  
INJURY**

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

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

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

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

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

**HIGH-  
CONSEQUENCE  
WORK-RELATED  
INJURY**

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

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

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

**Boundary:** Number and rate of high-consequence work-related injuries reported covers SIAEC and SASS' employees in Singapore, and SIAEP's employees in the Philippines. It does not include workers who are not directly employed by SIAEC, SIAEP and SASS, such as contractors and workers from our labour suppliers.

# Definitions and Methodologies

[102-48] [102-49]

## 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 and SASS' employees in Singapore, and SIAEP's employees in the Philippines. It does not include workers who are not directly employed by SIAEC, SIAEP and SASS, 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 and SASS' employees in Singapore, and SIAEP's employees in the Philippines. It does not include workers who are not directly employed by SIAEC, SIAEP and SASS, such as contractors and workers from our labour suppliers.

## ENVIRONMENT

### ENERGY CONSUMPTION

#### **Definition and boundary:**

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



# Definitions and Methodologies

[102-48] [102-49]

## Conversion factors:

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

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

## 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 and SASS' operations in Singapore, and SIAEP's operations in the Philippines.

- **Direct (Scope 1) GHG emissions:** Direct GHG emissions occur from sources that are owned or controlled by SIAEC, SIAEP and SASS expressed in kilograms of carbon dioxide ( $\text{kgCO}_2$ ), kilograms of carbon dioxide equivalents ( $\text{kgCO}_2\text{e}$ ) or multiples. These include emissions from fuel consumption. Emission factors used are as follows:

Emission Source	Conversion Factors	Unit	Conversion Numbers
Diesel	$\text{CO}_2$ Emission Factor	$\text{kg CO}_2/\text{GJ}$	74.1
	$\text{CH}_4$ Emission Factor	$\text{kg CH}_4/\text{GJ}$	0.0039
	Global Warming Potential for $\text{CH}_4$	-	28
	$\text{N}_2\text{O}$ Emission Factor	$\text{kg N}_2\text{O}/\text{GJ}$	0.0006
	Global Warming Potential for $\text{N}_2\text{O}$	-	265
Petrol	$\text{CO}_2$ Emission Factor	$\text{kg CO}_2/\text{GJ}$	69.3
	$\text{CH}_4$ Emission Factor	$\text{kg CH}_4/\text{GJ}$	0.0038
	Global Warming Potential for $\text{CH}_4$	-	28
	$\text{N}_2\text{O}$ Emission Factor	$\text{kg N}_2\text{O}/\text{GJ}$	0.0006
	Global Warming Potential for $\text{N}_2\text{O}$	-	265
Jet Kerosene	$\text{CO}_2$ Emission Factor	$\text{kg CO}_2/\text{GJ}$	71.5
	$\text{CH}_4$ Emission Factor	$\text{kg CH}_4/\text{GJ}$	0.003
	Global Warming Potential for $\text{CH}_4$	-	28
	$\text{N}_2\text{O}$ Emission Factor	$\text{kg N}_2\text{O}/\text{GJ}$	0.0006
	Global Warming Potential for $\text{N}_2\text{O}$	-	265

For diesel, petrol and jet kerosene,  $\text{CO}_2$ , methane ( $\text{CH}_4$ ) and nitrous oxide ( $\text{N}_2\text{O}$ ) 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).

# Definitions and Methodologies

[102-48] [102-49]

- **Electricity indirect (Scope 2) GHG emissions:** For SIAEC, indirect GHG emissions from the generation of purchased electricity consumed by SIAEC Hangars 1 to 6, Engine Test Facility, airport operations at Changi Airport and Training Academy, expressed in kilograms of carbon dioxide (kgCO<sub>2</sub>) or multiples. For SIAEP, indirect GHG emissions from the generation of purchased electricity consumed by of SIAEP's hangars and offices. For SASS, indirect GHG emissions from the generation of purchased electricity consumed by SASS' offices. 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 <sub>2</sub>	FY 2017/18	kgCO <sub>2</sub> /kWh	0.4237	EMA, Singapore GEF 2016
		FY 2018/19	kgCO <sub>2</sub> /kWh	0.4192	EMA, Singapore GEF 2017
		FY 2019/20	kgCO <sub>2</sub> /kWh	0.4188	EMA, Singapore GEF 2018
		FY 2020/21	kgCO <sub>2</sub> /kWh	0.4085	EMA, Singapore GEF 2019
		FY 2021/22	kgCO <sub>2</sub> /kWh	0.4080	EMA, Singapore GEF 2020

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

Emission Source	Conversion Factors	Year	Unit	Conversion Numbers	References
Electricity	kWh to kgCO <sub>2</sub>	FY 2021/22	kgCO <sub>2</sub> /kWh	0.7122	Republic of Philippines Department of Energy, Luzon-Visayas GEF 2017

For SIAEP, emissions factors were sourced from the Republic of Philippines Department of Energy's website on energy statistics in the Philippines. For consistency, the GEF used for the reporting year was sourced from the latest published factor at time of publication. SIAEP adopted the Average Operating Margin figures for the Luzon-Visayas grid.

- **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 are tracking and will be reporting on our Scope 3 GHG emissions moving forward.

**GHG emissions intensity methodology:** Total GHG emissions intensity ratio for SIAEC, SIAEP and SASS is expressed in tonnes CO<sub>2</sub>e/\$mil. For SIAEC, the organisation-specific metric (the denominator) used was SIAEC Group revenue (including subsidiaries) in the reporting year to align with financial reporting. For SIAEP and SASS, the organisation-specific metric (the denominator) used was SIAEP and SASS' revenues respectively. Types of GHG emissions included in the intensity ratio are direct Scope 1 and energy indirect Scope 2 emissions. Gases considered in calculation includes CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

- Electricity Indirect (Scope 2) GHG emissions and emissions intensity for FY2020/21 have been corrected.

# Definitions and Methodologies

[102-48] [102-49]

## WATER AND EFFLUENTS

**Definition:** Refers to total water drawn for the organisation's use, expressed in cubic metre (m<sup>3</sup>) or multiples. All water withdrawn by SIAEC is water drawn from PUB, a third-party water provider in Singapore. Water provided by PUB is considered freshwater as Singapore's quality of drinking water is regulated by the Environmental Public Health (EPH) (Water Suitable for Drinking) (No.2) Regulations 2019 which follows the World Health Organisation (WHO) Guidelines for Drinking-water Quality ( $\leq 1,000$  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; SASS' operations in Singapore including SASS' offices; and SIAEP's operations in the Philippines including SIAEP's hangars and offices.

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

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

**Water consumption intensity methodology:** Total water consumption intensity ratio for SIAEC, SIAEP and SASS is expressed in m<sup>3</sup>/\$mil. For SIAEC, the organisation-specific metric (the denominator) used was SIAEC Group revenue (including subsidiaries) in the reporting year to align with financial reporting. For SIAEP and SASS, the organisation-specific metric (the denominator) used was SIAEP's and SASS' revenues respectively.

## WASTE

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

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

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

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

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

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

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

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

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

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

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

# Definitions and Methodologies

[102-48] [102-49]

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

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

## SUPPLY CHAIN

### SUPPLIERS

**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.

**Supplier categories:** SIAEC's suppliers can be broadly classified into two main categories

- Aircraft parts and services
- Non-aircraft parts or services

**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.

### NEW SUPPLIERS

**Definition:** Refers to new suppliers that have not been contracted by SIAEC before.

### SUPPLIER CODE OF CONDUCT

**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.

## EMPLOYEES

### EMPLOYEES

**Definition:** Refers to individuals in an employment relationship with SIAEC, according to national law or its application.

**Employee categories:** SIAEC's employees can be broadly classified into three main levels

- Managers and above
- Executives
- Other employees

**Boundary:** Employee profile reported covers SIAEC's and SASS' operations in Singapore and SIAEP's operations in the Philippines.

### EMPLOYMENT CONTRACT

**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).

**Employee contract categories:** SIAEC's employment contracts can be broadly classified into three main categories

- **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.

**Boundary:** Employee profile reported covers SIAEC's and SASS' operations in Singapore, and SIAEP's operations in the Philippines.

# Definitions and Methodologies

[102-48] [102-49]

## NEW HIRES

**Definition:** Refers to individuals who entered into an employment relationship with SIAEC, according to national law or its application, in the reporting year.

**Boundary:** New hires reported covers SIAEC's and SASS' operations in Singapore and SIAEP's operations in the Philippines.

**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.

## TURNOVER OR RESIGNEES

**Definition:** Refers to employees who leave the organisation voluntarily or due to dismissal, retirement, or death in service.

**Boundary:** Turnover levels reported covers SIAEC's and SASS' operations in Singapore and SIAEP's operations in the Philippines.

**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.

## HEALTH PROMOTION

**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"

This definition comes from the WHO, 'Ottawa Charter for Health Promotion', 1986.

## TRAINING

**Definition:** Excludes on-site coaching by supervisors, and refers to

- 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

**Boundary:** Average training hours reported covers SIAEC's and SASS' operations in Singapore and SIAEP's operations in the Philippines.

**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. '

The breakdown of average training hours per employee by gender is tracked and reported starting FY2020/21.

Total training spend includes overheads incurred by SIAEC Training Academy.

## DISCRIMINATION

**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.

**Boundary:** Cases of discrimination reported covers SIAEC's and SASS' operations in Singapore and SIAEP's operations in the Philippines.



# GRI Content Index

[102-55]

GENERAL DISCLOSURES			
GRI Standards	Disclosure	Page Reference and Remarks	Page
ORGANISATIONAL PROFILE			
102-1	Name of the organisation	About SIA Engineering Company	2
102-2	Activities, brands, products and services	About SIA Engineering Company None of our services are banned in the locations that we operate	2
102-3	Location of headquarters	About SIA Engineering Company	2
102-4	Location of operations	About SIA Engineering Company	2
102-5	Ownership and legal form	About SIA Engineering Company	2
102-6	Markets served	About SIA Engineering Company	2
102-7	Scale of the organisation	About SIA Engineering Company Reporting Scope and Boundary	2 4
102-8	Information on employees and other workers	Our Employee Profile Diversity of Employee Profile as at 31 March Sustainability Performance of Key Subsidiaries – Employee Profile	37 47 67
102-9	Supply chain	Supply Chain Management	62
102-10	Significant changes to the organisation and its supply chain	Innovating, Transforming and Growing for Sustainable Economic Performance	22
102-11	Precautionary principle or approach	Risk Management	32
102-12	External initiatives	Reporting Framework	4
102-13	Membership of associations	Membership in industry associations	16
STRATEGY			
102-14	Statement from senior decision-maker	CEO's Message	5
102-15	Key impacts, risks, and opportunities	Stakeholder Engagement	13

ETHICS AND INTEGRITY			
102-16	Values, principles, standards and norms of behaviour	Our Mission and Core Values	3
102-17	Mechanisms for advice and concerns about ethics	Compliance with Regulations	33
GOVERNANCE			
102-18	Governance structure	Sustainability Governance Board Committees	8 30
102-19	Delegating authority	Sustainability Governance	8
102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability Governance	8
102-21	Consulting stakeholder on economic, environmental, and social topics	Stakeholder Engagement	13
102-22	Composition of the highest governance body and its committee	Board Composition and Diversity	31
102-23	Chair of the highest governance body	Board of Directors	30
102-24	Nominating and selecting the highest governance body	Board Nomination and Independence	31
102-25	Conflicts of interest	Conflicts of Interest	31
102-26	Role of highest governance body in setting purpose, values and strategy	Sustainability Governance Board of Directors	8 30
102-27	Collective knowledge of highest governance body	Materiality Assessment Continuous Professional Development of the Board	10 31
102-29	Identifying and managing economic, environmental, and social impacts	Stakeholder Engagement Management's Governance of Risk	13 32
102-30	Effectiveness of risk management processes	Board's Governance of Risk	32

# GRI Content Index

[102-55]

102-31	Review of economic, environmental, and social topics	Sustainability Governance	8
102-32	Highest governance body's role in sustainability reporting	Sustainability Governance	8
102-33	Communicating critical concerns	Whistle-blowing Programme Thrust 2: Safety Management System Thrust 3: Training and Communication	33 41 42
102-35	Remuneration policies	Annual Report	
102-36	Process for determining remuneration	Annual Report	
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40	List of stakeholder groups	Stakeholder Engagement	13
102-41	Collective bargaining agreements	Labour/Management Relations and Freedom of Association and Collective Bargaining	65
102-42	Identifying and selecting stakeholders	Materiality Assessment Stakeholder Engagement	10 13
102-43	Approach to stakeholder engagement	Stakeholder Engagement	13
102-44	Key topics and concerns raised	Stakeholder Engagement	13
<b>REPORTING PRACTICE</b>			
102-45	Entities included in the consolidated financial statements	Reporting Scope and Boundary	4
102-46	Defining report content and topic Boundaries	Materiality Assessment	10
102-47	List of material topics	Sustainability Topics, Targets, Performance and Contribution to the SDGs	11

102-48	Restatement of information	Definitions and Methodology	71
102-49	Changes in reporting	Definitions and Methodology	71
102-50	Reporting period	Reporting Period	4
102-51	Date of most recent report	Reporting Period	4
102-52	Reporting cycle	Reporting Period	4
102-53	Contact point for questions regarding the report	Feedback	4
102-54	Claims of reporting in accordance with the GRI Standards	Reporting Framework	4
102-55	GRI content index	GRI Content Index	79
102-56	External assurance	Reporting Quality	4

## ECONOMIC

GRI Standards	Disclosure	Page Reference and Remarks	Page
<b>ECONOMIC PERFORMANCE (2016), ADDITIONAL TOPIC-SPECIFIC DISCLOSURE</b>			
103-1 to -3	Management approach	Innovating, Transforming and Growing for Sustainable Economic Performance	22
201-1	Direct economic value generated and distributed	Innovating, Transforming and Growing for Sustainable Economic Performance	22

# GRI Content Index

[102-55]

SAFETY			
GRI Standards	Disclosure	Page Reference and Remarks	Page
WORKPLACE SAFETY (2018)			
103-1 to -3	Management approach	Safety and Health	40
403-1	Occupational health and safety management system	Thrust 2: Safety Management System	41
403-2	Hazard identification, risk assessment, and incident investigation	Thrust 2: Safety Management System	41
403-3	Occupational health services	Thrust 1: Board and Management Oversight Thrust 3: Training and Communication	40 42
403-4	Worker participation, consultation, and communication on occupational health and safety	Thrust 1: Board and Management Oversight Thrust 3: Training and Communication	40 42
403-5	Worker training on occupational health and safety	Thrust 3: Training and Communication	42
403-6	Promotion of worker health	Employee Satisfaction and Well-being Occupational Health of Employees	38 43
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Thrust 2: Safety Management System Thrust 4: Partnering out Stakeholders on Safety	41 43
403-9	Work-related injuries	Our Safety Performance Sustainability Performance of Key Subsidiaries – Occupational Health of Employees	44 70

CUSTOMER HEALTH AND SAFETY (2016)			
103-1 to -3	Management approach	Service Quality Safety and Health	28 40
416-1	Assessment of the health and safety impacts of product and service categories	Aviation Safety Management System Thrust 2: Safety Management System	28 41
GOVERNANCE			
GRI Standards	Disclosure	Page Reference and Remarks	Page
ANTI-CORRUPTION (2016)			
103-1 to -3	Management approach	Business Ethics and Corporate Governance	30
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption/Anti-bribery Sustainability Performance of Key Subsidiaries – Anti-corruption	33 67
CUSTOMER PRIVACY (2016), ADDITIONAL TOPIC-SPECIFIC DISCLOSURE			
103-1 to -3	Management approach	Cybersecurity and Data Privacy	34
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and Data Privacy	34
ENVIRONMENT			
GRI Standards	Disclosure	Page Reference and Remarks	Page
ENERGY (2016)			
103-1 to -3	Management approach	Being Environmentally Responsible and Combatting Climate Change	51
302-1	Energy consumption within the organisation	Our Energy and Emissions Performance Sustainability Performance of Key Subsidiaries – Energy and Emissions Performance	54 70

# GRI Content Index

[102-55]

## EMISSIONS (2016)

103-1 to -3	Management approach	Being Environmentally Responsible and Combatting Climate Change	51
305-1	Direct (Scope 1) GHG emissions	Our Energy and Emissions Performance	54
		Sustainability Performance of Key Subsidiaries – Energy and Emissions Performance	70
305-2	Energy indirect (Scope 2) GHG emissions	Our Energy and Emissions Performance	54
		Sustainability Performance of Key Subsidiaries – Energy and Emissions Performance	70
305-4	GHG emissions intensity	Our Energy and Emissions Performance	54
		Sustainability Performance of Key Subsidiaries – Energy and Emissions Performance	70

## WATER AND EFFLUENTS (2018)

103-1 to -3	Management approach	Being Environmentally Responsible and Combatting Climate Change	51
303-1	Interactions with water as a shared resource	Management of Water as a Shared Resource	55
303-2	Management of water discharge-related impacts	Management of Water Discharge-related Impacts	56
303-3	Water withdrawal	Our Water Performance	56
		Sustainability Performance of Key Subsidiaries – Water Performance	70

## WASTE (2020)

103-1 to -3	Management approach	Being Environmentally Responsible and Combatting Climate Change	51
306-1	Waste generation and significant waste-related impacts	Management of Waste	57
306-2	Management of significant waste-related impacts	Management of Waste	57
306-3	Waste generated	Our Waste Performance	58
306-4	Waste diverted from disposal	Our Waste Performance	58
306-5	Waste directed to disposal	Our Waste Performance	58

## ENVIRONMENTAL COMPLIANCE (2016)

103-1 to -3	Management approach	Being Environmentally Responsible and Combatting Climate Change	51
307-1	Non-compliance with environmental laws and regulations	Responsibility for Environmental Compliance	59

## SUPPLY CHAIN

GRI Standards	Disclosure	Page Reference and Remarks	Page
---------------	------------	----------------------------	------

## SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)

103-1 to -3	Management approach	Supply Chain Management	62
308-1	New suppliers that were screened using environmental criteria	Management of Supply Chain Risks	62

## SUPPLIER SOCIAL ASSESSMENT (2016)

103-1 to -3	Management approach	Supply Chain Management	62
414-1	New suppliers that were screened using social criteria	Management of Supply Chain Risks	62

# GRI Content Index

[102-55]

EMPLOYEES			
GRI Standards	Disclosure	Page Reference and Remarks	Page
<b>EMPLOYMENT (2016)</b>			
103-1 to -3	Management approach	Protecting, Nurturing and Respecting our People	36
401-1	New employee hires and employee turnover	New Employee Hires and Employee Turnover	37
		Breakdown of New Employee Hires and Turnover	49
		Sustainability Performance of Key Subsidiaries – New Employee Hires and Employee Turnover	69
<b>LABOUR/MANAGEMENT RELATIONS (2016)</b>			
103-1 to -3	Management approach	Labour/Management Relations and Freedom of Association and Collective Bargaining	65
402-1	Minimum notice periods regarding operational change	Labour/Management Relations and Freedom of Association and Collective Bargaining	65
<b>TRAINING AND DEVELOPMENT (2016)</b>			
103-1 to -3	Management approach	Training and Development	45
404-1	Average hours of training per year per employee	Training and Development	45
		Sustainability Performance of Key Subsidiaries – Training and Development	70
404-3	Percentage of employees receiving regular performance and career development reviews	Performance Review	39

<b>DIVERSITY AND EQUAL OPPORTUNITY (2016)</b>			
103-1 to -3	Management approach	Diversity, Equal Opportunity and Non-discrimination	47
405-1	Diversity of governance bodies and employees	Diversity of Governance Bodies, Employees as at 31 March	47
		Sustainability Performance of Key Subsidiaries – Employee Profile	68
<b>NON-DISCRIMINATION (2016)</b>			
103-1 to -3	Management approach	Diversity, Equal Opportunity and Non-discrimination	47
406-1	Incidents of discrimination and corrective actions taken	Diversity, Equal Opportunity and Non-discrimination	47
		Sustainability Performance of Key Subsidiaries – Diversity, Equal Opportunity and Non-discrimination	70
<b>COMMUNITIES</b>			
GRI Standards	Disclosure	Page Reference and Remarks	Page
<b>LOCAL COMMUNITIES (2016), ADDITIONAL TOPIC-SPECIFIC DISCLOSURE</b>			
103-1 to -3	Management approach	Building Strong Relationships and Making a Positive Impact	61
413-1	Operations with local community engagement, impact assessments, and development programs	Enabling People, Improving Lives and Protecting the Environment	63
413-2	Operations with significant actual and potential negative impacts on local communities	Responsibility for Environmental Compliance	59