SIA ENGINEERING COMPANY

SUSTAINABILITY REPORT 2023/2024

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ABOUT SIA ENGINEERING COMPANY

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SIA Engineering Company Limited (SIAEC) is a leading aviation maintenance, repair and overhaul (MRO) service provider based in Singapore. Together with 24 subsidiaries, joint venture (JV) and associated companies in Singapore, Hong Kong, Indonesia, Japan, Malaysia, Philippines, United States and Vietnam, SIAEC 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, to engineering and material management support.

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

OUR MISSION AND CORE VALUES

[2-23]

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

MISSION STATEMENT

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

CORE VALUES

Teamwork

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

Pursuit of Excellence

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

Concern for Staff

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

Customer First

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

Safety

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

Integrity

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

ABOUT THIS REPORT

THIS IS THE SEVENTH SUSTAINABILITY REPORT FROM SIAEC

REPORTING PERIOD

[2-3]

This report highlights our economic, environmental, social and governance initiatives and performance for the financial year 1 April 2023 to 31 March 2024 (FY2023/24). 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 on 27 July 2023. This report is published on 17 July 2024.

REPORTING SCOPE AND BOUNDARY

[2-2]

All information, including data, statistics and targets presented in this report, relates to SIAEC's operations in Singapore where the majority of our activities are carried out, unless stated otherwise. We are progressively expanding the scope of our reporting and have included in this report sustainability data for the following six subsidiaries:

- SIA Engineering (Philippines) Corporation
- Singapore Aero Support Services Pte. Ltd.
- SIA Engineering Japan Corporation
- SIA Engineering (USA), Inc
- Aerospace Component Engineering Services Pte. Limited
- JADE Engineering Pte. Ltd. (previously known as JAMCO Aero Design & Engineering Private Limited)

SIAEC will continue to engage its remaining subsidiary, namely Asia Pacific Aircraft Component Services Sdn. Bhd., to progressively incorporate its sustainability information into the reporting scope. The report excludes subsidiaries which are investment holding companies, dormant entities as well as companies that have not commenced operations as at 31 March 2024.

Please refer to page 27 for the full list of SIAEC's subsidiaries, as well as its JV and associated companies. Financial information relating to the SIAEC Group's business can be found in the FY2023/24 Annual Report.

REPORTING FRAMEWORK

GLOBAL REPORTING INITIATIVE (GRI)

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

SGX SUSTAINABILITY REPORTING LISTING RULES AND GUIDE

This report has been prepared in accordance with the six primary components set out in SGX-ST Listing Rule 711B and takes reference from the SGX Practice Note 7.6 Sustainability Reporting Guide, which provides guidelines on component requirements and reporting principles. SIAEC has adopted a phased approach towards implementation of the recommendations of Task Force on Climate-related Financial Disclosures (TCFD) by the regulatory timeline set by SGX and is progressively reporting on the climate-related disclosures. The adoption of TCFD recommendations will facilitate subsequent transition to the International Sustainability Standards Board's standards from financial year 2025 as required by SGX.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SIAEC supports the United Nations 2030 Agenda for Sustainable Development and recognises that businesses must do their part to achieve these goals. We have reviewed aspects important to SIAEC and our stakeholders against the SDGs and identified 13 SDGs that our sustainability practices are in support of.

REPORTING QUALITY

[2-5]

In accordance with Rule 711B of the SGX-ST Listing Manual, SIAEC's sustainability reporting process for FY2023/24 has been subjected to internal review. An external consultant has been engaged for the internal review covering key aspects of the FY2023/24 Sustainability Report.

SIAEC has not sought external assurance for this report. We plan to perform this in accordance with the regulatory timeline for external limited assurance for Scope 1 and 2 emissions commencing from financial year 2027.

FEEDBACK

[2-3]

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

CEO'S MESSAGE

[2-22]

Chin Yau Seng
Chief Executive Officer

As we reflect on the past year, I would like to share SIAEC's efforts in advancing our sustainability programme and fostering a spirit of learning and innovation among our employees. We made further progress towards achieving net-zero emissions and intensified efforts in enhancing our MRO capabilities and developing our workforce as part of the Continuous Improvement programme.

PROGRESS TOWARDS NET ZERO 2050

During the year, there were significant developments in the aviation industry and local regulations to mitigate the impact of climate change and promote environmental sustainability. The Civil Aviation Authority of Singapore unveiled its Sustainable Air Hub Blueprint in February 2024, which outlined initiatives and enablers that are aimed at reducing domestic aviation emissions. In tune with this evolving sustainability landscape, we share the same commitment to a sustainable future for aviation and have set goals to halve our Scope 1 and 2 emissions by 2030 and achieve net-zero emissions by 2050. The release of International Sustainability Standards Board's inaugural standards to provide a global baseline for sustainability disclosures and the recommended adoption of these standards for listed companies in Singapore are significant milestones in sustainability reporting. We welcome these initiatives and will continue to monitor regulatory developments and comply with the reporting requirements.

We remain on track in our phased adoption of recommendations from the Task Force on Climate-related Financial Disclosures, having now completed the integration of climate risks into our Enterprise Risk Management process. To further improve our business resilience and responses to climate impact, we are quantifying the material climate risks. Through these assessments, we can enhance our planning for various climate scenarios and strengthen our organisation's resilience, in support of our objective of ensuring a sustainable future for SIAEC.

Through the implementation of initiatives across our operations, we have been making steady progress towards achieving our 2030 environmental goals and had met our target last year. Among our initiatives in the past year was an audit of our waste management and recycling processes. Insights from the audit resulted in the placement of additional recycling bins in operational areas to facilitate collection and sorting, which led to an increase in our recycling rate. To ensure that we stay on course to achieve our 2030 goals for emissions, water and waste, we are actively exploring new initiatives, such as the use of renewable diesel. We look to continually reduce our environmental impact through the adoption of technologies and best practices.

POWERING UP TOWARDS EXCELLENCE

The recovery of the aviation industry from the Covid-19 pandemic has been encouraging, evident from the robust air passenger travel numbers and record attendance at the Singapore Airshow in February 2024. In line with the aviation industry's recovery, we continue to pursue sustainable growth through enhancing our MRO capabilities and growing our geographical presence.

We are expanding the scope of our MRO services in Malaysia through acquiring a stake in a line maintenance company, establishing a new base maintenance subsidiary and forming a component joint venture with Eaton. The Company will also be setting up a line maintenance joint venture at the future international airport in Phnom Penh, Cambodia. To further explore business development and collaboration opportunities in the Asia-Pacific region, we signed non-binding Memoranda of Understanding with Thales Solutions Asia Private Limited and Xiamen Iport Group.

CEO'S MESSAGE

[2-22]

We continue to leverage on digital tools and technology to enhance our competitiveness and deliver value for our customers and stakeholders. One of the initiatives, Electronic Line Maintenance Integrated Technology Ecosystem (eLITE), which is a set of digital applications housed on a unified platform to improve productivity, won the "Digital – Aviation" award at the Technology Excellence Awards 2024 organised by Singapore Business Review. Our digitalisation efforts were also recognised by Aviation Week Network through their "Innovation of the Year" Award which was presented at the 2023 MRO Asia-Pacific Awards.

EMPOWERING EMPLOYEES AND CONTRIBUTING TO THE COMMUNITY

At the heart of our success are our employees who form the backbone of SIAEC. We continue to invest in training and provide the necessary support and opportunities for our employees to excel at work and beyond. We are proud to have received the SkillsFuture Employer Award (Silver) by SkillsFuture Singapore, highlighting our commitment to nurture a lifelong learning culture. We have also taken steps to promote a more inclusive workforce by introducing an e-learning course on diversity for all employees, which delves into important aspects of diversity, equity and inclusion and provides learners with skills to identify and counter unconscious bias and micro-aggression.

Safety remains a top priority for SIAEC. Besides using our Aviation and Workplace Safety Promotion Centres to train our workforce, we encourage ground-up safety ideas and engagement through initiatives such as the Innovation Challenge and Quality Huddles. As a testament to our safety efforts and initiatives, our employees received several awards at the Changi Airport Group's Annual Airport Safety Awards.

Beyond the workplace, SIAEC strives to play an active role in community outreach. As part of our Corporate Social Responsibility (CSR) activities, we contribute to charitable causes by pursuing initiatives with organisations such as Food from the Heart and the Community Chest. We were heartened by the record participation in the most recent edition of our annual flagship fundraising charity walk event, which was held at Bird Paradise in January 2024, to raise funds for our community partners. For our CSR programme and accomplishments over the past year, SIAEC was recognised as a Gold Partner by the Community Chest. We are glad to play our part in contributing towards improving the lives of the various beneficiaries and uplifting our community.

LOOKING AHEAD

As we seize opportunities and navigate challenges that lie ahead, SIAEC will continue to strive to drive positive change within our industry. Together with our stakeholders, we will forge ahead on our journey towards a sustainable, innovative and resilient future. We remain committed to improving our operational practices to achieve our net-zero emissions target and sustainability ambitions.

We will also continue to enhance our disclosures, and strive for transparency and accountability in our sustainability efforts.

Thank you for your continued support and partnership.

Chin Yau Seng
Chief Executive Officer

SUSTAINABILITY HIGHLIGHTS

37.2%
Lower Scope 1 and 2 Emissions **Against Baseline**

8.6%
Reduction in Water Intensity **Against Baseline**

28.4%
of Waste Recycled

Expanding Global Presence **in**
India, Malaysia and Cambodia

Innovation of the Year Award
by Aviation Week Network

Digital – Aviation Award
by Singapore Business Review for eLITE Platform

Increasing Maintenance Capabilities
- CFM LEAP-1A Engines
- Additional Repair Capability for Honeywell Components

Introduced
Training on Diversity, Equity and Inclusion
for Employees

SkillsFuture Employer Award **(Silver)**

Silver Standard for Two Award Categories
at Singapore HR Awards

Awarded Gold Partner
by the Community Chest

APPROACH TO SUSTAINABILITY

At SIAEC, we engage proactively in charting the path towards a sustainable future. Under the guidance of our Board and the Board Sustainability Committee, we are dedicated to continually enhance our sustainability practices.

BOARD STATEMENT

[2-22]

The Board recognises the importance of leadership involvement in sustainability management at SIAEC and is committed to ensuring that SIAEC continues to meet its long-term sustainability targets.

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

In FY2023/24, the Board was involved in the review of SIAEC's material sustainability topics. The Board also approved SIAEC's Sustainability Report, which incorporated enhanced climate-related disclosures to better articulate our sustainability governance, climate-related risks and corresponding risk management strategies in its phased approach to adopting recommendations of the Task Force on Climate-related Financial Disclosures.

SUSTAINABILITY GOVERNANCE

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

At SIAEC, sustainability is led by the Sustainability Working Group, which reports to the Management Committee, the Board Sustainability Committee, and the Board.

The Board has a formal process (incorporating objective performance criteria), which is overseen by the Nominating Committee and approved by the Board, to assess the effectiveness of the Board and the Board committees, as well as the contributions of the Chairman and individual Directors. The process, comprising an assessment of qualitative criteria, enables the Nominating Committee and the Board to enhance the effectiveness of the Board and its Board committees. For objectivity, the process is managed by an external global organisational consulting firm, which has no connection with the Company or any of its Directors.

To promote long-term success and embed sustainability into our business operations, sustainability and climate-related goals have been integrated into the performance scorecards of Senior Management, aligning with the enhanced Senior Management Total Remuneration Philosophy. The performance objectives for each Senior Management are assessed on the same principles across five broad categories of targets consisting of economic, environmental, social and governance metrics, aligned with the Company's sustainability strategy:

- Financial and Business
- Investment and Operations
- People and Organisational Development
- Safety and Quality
- Strategic and Sustainability Initiatives

In FY2023/24, the performance scorecards of Senior Management have incorporated yearly climate and environmental-related targets to ensure SIAEC stays on course to meet its 2030 targets. For more details on SIAEC's remuneration policies, please refer to the FY2023/24 Annual Report.

SUSTAINABILITY GOVERNANCE

BOARD OF DIRECTORS

The Board, which is chaired by a non-executive and Independent Director, oversees sustainability in SIAEC through the various Board committees and ongoing communication with Senior Management. Through these engagements, the Board provides strategic guidance and direction on SIAEC's sustainability strategy and performance. This also includes reviewing and approving the material sustainability topics and Sustainability Report. The Board receives regular updates on key sustainability issues from the Board Sustainability Committee.

BOARD SUSTAINABILITY COMMITTEE

The Board Sustainability Committee, which is chaired by a non-executive and Independent Director and comprises two other Independent Directors, the Chief Executive Officer (CEO) and Chief Sustainability Officer, was established to assist the Board with its oversight responsibilities in accelerating, leading and guiding SIAEC Group's sustainability efforts and to embed environmental, social and governance considerations into the Group's business, operations and strategies.

MANAGEMENT COMMITTEE

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

SUSTAINABILITY WORKING GROUP

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

STAKEHOLDER ENGAGEMENT

[2-12] [2-28] [2-29] [3-1] [3-3]

SIAEC recognises the pivotal role our stakeholders play in sustainability and through active engagement, seeks to understand their interests and address their concerns. Key stakeholders are identified as groups who are either affected by or have influence over SIAEC's business operations. Through various engagement forums like dialogues and surveys, SIAEC gathers feedback and gains insights on the actual and potential impacts of material topics, which aids the Company in developing appropriate responses and initiatives for integration into its sustainability practices and strategies, which will contribute towards operational efficiency and improving service quality.

To evaluate the effectiveness of the measures implemented in response to stakeholder inputs, SIAEC continues to gather feedback in areas such as customer satisfaction, employee engagement and operational efficiency. The feedback provides valuable inputs to recalibrate our responses where required. SIAEC remains committed to maintaining open lines of communication with our stakeholders to ensure our business operations align with their expectations and our shared goal of sustainable success.

KEY STAKEHOLDERS AND OUR COMMITMENT	ENGAGEMENT METHODS	FREQUENCY	TOPICS OF INTEREST	OUR RESPONSES
EMPLOYEES We value our employees and care for their well-being and development.	**Mobile application:** • 1SQ mobile web application • myHR • Workspace ONE Platform	Throughout the year	• Company/Group performance and sustainability of business • Employee policies, welfare and activities • Workplace, safety and work environment-related issues • Employee well-being (including mental wellness)	• Various communication channels with employees to provide updates on topics of interest (Company and in-house e-magazine, Senior Management dialogues, etc.) • Providing employees with welfare benefits and organising social, sports and recreational activities • Fostering a strong safety culture through initiatives such as the Aviation and Workplace Safety Promotion Centres • Supporting employee well-being through wellness talks, educational posters, mental health tips, and counselling helpline and services through the Employee Wellness Portal
	In-house communication channels: • SharePoint intranet portal • Company and in-house e-magazine Precision Viva Engage Communities • Toolbox briefings • Employee Communication Decks	Throughout the year Monthly		
	Dialogues with Senior Management: • Updates from Senior Management at Business Meetings for half-year and full-year financial performance announcements • Senior Management dialogues	Biannually Throughout the year		
	Surveys: • Organisational Climate Survey • Surveys on various topics like sustainability, well-being, digital, etc.	Biennially Ad hoc		
	Events: • Safety & Security Week • Innovation Week • HR Week	Annually		
	Grievance mechanisms: • Grievance procedure set out in collective agreements	Ad hoc		

STAKEHOLDER ENGAGEMENT

[2-12] [2-28] [2-29] [3-1] [3-3]

KEY STAKEHOLDERS AND OUR COMMITMENT	ENGAGEMENT METHODS	FREQUENCY	TOPICS OF INTEREST	OUR RESPONSES
UNIONS We work closely with our union partners to maintain good industrial relations and ensure fair employment terms for our employees.	**Regular engagement with unions:** • Meetings between Management and unions to discuss employee-related issues • Informal get-together sessions and retreats to maintain collaborative relationships with union partners	Monthly Ad hoc	• Employee policies, training and labour practices	• Actively involving unions in discussion of workforce-related matters • Providing unions with regular updates on SIAEC's business outlook and activities
CUSTOMERS We are committed to providing our customers high quality aviation engineering services.	**Regular engagement with customers:** • Regular updates to customers on status of the aircraft maintenance checks or key performance indicators through emails, teleconferences and meetings • Sharing Company updates through Customer Newsletter and LinkedIn • Customer visits	Throughout the year	• On-time completion of the maintenance checks and within budget • Fulfilment of key performance indicators and service levels • Quality standards of aircraft maintenance	• Maintaining regular engagement with our customers • Coordinating with customers on resources and operations to support business recovery • Improving service quality and reputation
	Surveys: • Independent customer survey	Annually		
	Events: • Singapore Airshow • International MRO shows and exhibitions	Biennially Ad hoc		
SHAREHOLDERS We aim to create sustainable shareholder value by maximising returns for long-term profitability.	**Communication channels:** • Company announcements, press releases and information of interest to shareholders available on SGXNet and SIAEC's corporate website • Investor relations contact details are available on SIAEC's corporate website	Throughout the year	• Challenges facing the Group • Financial performance of the Group • Sustainability policies and practices	• Maintaining communication channels with shareholders through platforms such as Annual General Meetings, analyst briefings, business updates and interim financial reporting • Ensuring timely disclosure of information as required by the SGX Listing Rules

STAKEHOLDER ENGAGEMENT

[2-12] [2-28] [2-29] [3-1] [3-3]

KEY STAKEHOLDERS AND OUR COMMITMENT	ENGAGEMENT METHODS	FREQUENCY	TOPICS OF INTEREST	OUR RESPONSES
SHAREHOLDERS We aim to create sustainable shareholder value by maximising returns for long-term profitability.	**Reports and Annual General Meeting:** • Annual Report • Sustainability Report • Annual dialogue between shareholders and Board of Directors and Senior Management at the Annual General Meeting • Analyst briefings • Business updates and interim financial results	Annually Biannually Quarterly	• Challenges facing the Group • Financial performance of the Group • Sustainability policies and practices	• Maintaining communication channels with shareholders through platforms such as Annual General Meetings, analyst briefings, business updates and interim financial reporting • Ensuring timely disclosure of information as required by the SGX Listing Rules
	Events: • Management participation in non-deal road shows, corporate access forums and conferences, institutional investor meetings and conference calls	Ad hoc		
JV PARTNERS We strive to develop long-term growth opportunities with our JV partners.	**Regular engagement with partners:** • Partnership Management Division oversees and coordinates engagement activities with SIAEC's subsidiaries, as well its JV and associated companies and with Original Equipment Manufacturer (OEM) and industry partners to explore growth opportunities, develop new capabilities, provide advice and support for strategic restructuring and acquisition/divestment activities • Management review of SIAEC's subsidiaries, as well its JV and associated companies' performance and matters • Representation and participation of nominee directors at Board meetings of SIAEC's subsidiaries, as well its JV and associated companies • Updates to the Board and Board committees on SIAEC's subsidiaries, as well its JV and associated companies' performance and growth plans • Organisation of JVs & Partners Forum to collaborate on strategic and business opportunities, with the attendance of subsidiaries, JV and associated companies, OEM partners, Economic Development Board, Association of Aerospace Industries (Singapore) and SIA, etc.	Throughout the year Ad hoc	• SIAEC's subsidiaries, as well its JV and associated companies' performance and issues, including sustainability • Growth and strategic development of SIAEC's subsidiaries, as well its JV and associated companies	• Maintaining regular engagements with SIAEC's subsidiaries, as well its JV and associated companies and our partners • Conducting regular meetings to track performance of SIAEC's subsidiaries, as well its JV and associated companies, including sustainability • Providing oversight and support to SIAEC's subsidiaries, as well its JV and associated companies • Promoting collaborations among SIAEC's subsidiaries, as well its JV and associated companies to tap synergies for mutual benefits
	Regular audits: • Internal audits to monitor SIAEC's subsidiaries, as well its JV and associated companies' internal controls and compliance • Regulatory audits to ensure safety and quality standards are maintained	Throughout the year according to audit plans		

STAKEHOLDER ENGAGEMENT

[2-12] [2-28] [2-29] [3-1] [3-3]

KEY STAKEHOLDERS AND OUR COMMITMENT	ENGAGEMENT METHODS	FREQUENCY	TOPICS OF INTEREST	OUR RESPONSES
SUPPLIERS We treat our suppliers with respect and fairness, and expect them to uphold high standards of business ethics and adhere to applicable laws and regulations.	**Regular engagement with suppliers:** • Meeting engagements, email correspondences, teleconferences with suppliers to discuss commercial and operational matters	Throughout the year	• Cost-effective, socially and environmentally responsible suppliers • Suppliers' performance and sustainability practices • Adherence to Suppliers' Code of Conduct	• Maintaining regular engagements with suppliers • Selecting responsible suppliers • Initiated engagement with key suppliers to better understand their sustainability practices and goals, which will contribute towards reducing Scope 3 emissions relating to supply chain
	Review of suppliers: • Review of suppliers' performance to ensure compliance with the established standards, procedures or key performance indicators • Regular review of suppliers' sustainability practices and evaluate any breaches of Suppliers' Code of Conduct • Questionnaire for new suppliers • Supplier risk assessments during the selection phase	Throughout the year		
GOVERNMENT AGENCIES, AUTHORITIES AND TRADE ASSOCIATIONS We work closely with government agencies, authorities and trade associations, and ensure compliance with applicable laws and regulations, as well as participate in industry-wide initiatives.	**Membership in industry associations:** • Participation in events and activities of trade associations. The Company is a member of the Singapore Business Federation, Singapore Institute of Directors, Singapore National Employers Federation, Singapore Institute of Aerospace Engineers and Association of Aerospace Industries (Singapore)	Throughout the year	• Compliance with applicable laws and regulations • Industry collaboration on growth and sustainability	• Maintaining close coordination and collaboration with the Singapore government agencies, authorities and trade associations
	Regular engagement with government agencies, authorities: • Visits by aviation authorities' auditors • Collaborations with industry and government agencies • Meeting engagements	Throughout the year		
COMMUNITY We strive to create positive impact to local communities where SIAEC operates through local community engagement projects.	**Community engagement programmes:** • Participation of employee volunteers in community projects • Environmental outreach activities • Donations	Throughout the year	• Contributions and support towards social and environmental causes	• Collaborating with CSR partners and social enterprises on community projects and environmental outreach activities

MATERIALITY ASSESSMENT

[3-1] [3-2]

Since FY2017/18, SIAEC has been conducting annual materiality assessment to better understand the key sustainability topics pertaining to SIAEC and its stakeholders. In FY2022/23, a comprehensive materiality assessment supported by an independent consultant was performed, which involved seeking feedback from key internal and external stakeholders via surveys to reaffirm our material topics. The result is a refreshed list of material topics and topics of ongoing importance. While the topics of ongoing importance may not be classified as material by stakeholders, SIAEC acknowledges their importance to the business and continues to provide information on the management of these areas.

In FY2023/24, the Company performed an internal revalidation to ensure that the identified sustainability topics remain relevant and a priority for SIAEC. As part of the review, the Company also took into consideration relevant topics from the Sustainability Accounting Standards Board's (SASB) Standards for related industries. Results of the review were presented to the Board Sustainability Committee and the Board for approval. Through this process, we identified "Labour-Management Relations" as a topic of ongoing importance, which was previously categorised under "Diversity, Equal Opportunity and Non-discrimination". Highlighting labour-management relations as a topic on its own reflects its importance in ensuring the Company's continued success.

STAGES FOR MATERIALITY ASSESSMENT FY2023/24

STEP 1 – Based on internal research and initial review, potential topics were identified and added to SIAEC's existing list of sustainability topics for assessment.

STEP 2 – Internal feedback from divisions on their respective interactions with key internal and external stakeholder groups were sought. The sustainability topics were prioritised taking into consideration the economic, environment and social impacts of SIAEC's businesses.

STEP 3 – Validation of material sustainability topics by the Sustainability Working Group and Management Committee, including benchmarking with other organisations.

STEP 4 – Approval of material sustainability topics by the Board Sustainability Committee and the Board.

MATERIALITY MATRIX

Material Topics

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

Topics of Ongoing Importance

- Labour-Management Relations (NEW)
- Diversity, Equal Opportunity and Non-discrimination
- Human Rights, Child and Forced/Compulsory Labour
- Community and Social Vitality

LIST OF MATERIAL TOPICS, IMPACTS AND TARGETS

[3-3]

MATERIAL TOPICS	WHY IS THIS TOPIC IMPORTANT AND THE POTENTIAL NEGATIVE AND POSITIVE IMPACTS ON THE ECONOMY, ENVIRONMENT, PEOPLE	FY2023/24 PERFORMANCE	FY2024/25 TARGETS (SHORT-TERM)	2030 TARGETS (MEDIUM-TERM)
ECONOMIC PERFORMANCE AND VALUE CREATION	Ensuring that SIAEC has strong financials, efficient operational processes and an optimised asset base are crucial to the long-term viability and growth of the Company. A robust and sustainable economic performance not only creates a positive financial standing for the Company, but also contributes to the economic and social aspects of the countries that we operate in by providing employment opportunities, which will improve the livelihood of local communities. Furthermore, SIAEC is a key player in Singapore's aviation MRO sector, which contributes substantially to the global MRO output. On the other hand, poor financial performance of the Group may affect job security and affect the livelihood of employees and the wider economy. In the pursuit of long-term value, integrating sustainability into operational strategies will also improve resource efficiency and minimise the environmental impact of our services and operations.	Improvement in economic performance	• Continue to generate and distribute sustainable economic value to our shareholders and stakeholders, while ensuring long-term value creation (Perpetual target)	
INNOVATION AND TECHNOLOGY	Fostering a culture of technological advancement and innovation is quintessential for SIAEC to maintain our competitive edge and serve our customers better. It plays a pivotal role in enhancing operational efficiency, minimising downtime and improving service quality of the Company. Embracing innovative technologies can also increase competitiveness and productivity in the aerospace sector. However, we are mindful that this shift may also lead to job displacements if SIAEC does not redefine its jobs well and reskill their employees accordingly. On the environmental front, technological advancements in the areas of sustainable aviation fuels and electrification can help reduce the carbon footprint.	• Received "Innovation of the Year" Award by Aviation Week Network • eLITE platform awarded "Digital – Aviation" Award by Singapore Business Review	• Continue to develop innovative solutions to aid employees in enhancing safety and efficiency, meet customers' changing needs and stay at the forefront of the industry (Perpetual target)	
CAPABILITY BUILDING AND INTERNATIONALISATION	Capability building and internationalisation are critical for SIAEC to diversify and access broader markets for more business opportunities. At the same time, ensuring maintenance capabilities are kept updated will meet the demands of customers. A wider geographical market presence will also provide more employment opportunities for the locals and boost the economy of the host country. However, the failure to conduct adequate market research on SIAEC's expansion strategies may lead to value erosion.	• Acquired certification to conduct LEAP-1A engine tests • Additional repair capability for Honeywell's components • Signed agreements to form component MRO JV with Eaton, and line maintenance JV in Cambodia • Base maintenance and line maintenance JVs in Malaysia	• Continue to expand our capabilities and geographical footprint to better serve customers' needs (Perpetual target)	

Achieved On Track

LIST OF MATERIAL TOPICS, IMPACTS AND TARGETS

[3-3]

MATERIAL TOPICS	WHY IS THIS TOPIC IMPORTANT AND THE POTENTIAL NEGATIVE AND POSITIVE IMPACTS ON THE ECONOMY, ENVIRONMENT, PEOPLE	FY2023/24 PERFORMANCE	FY2024/25 TARGETS (SHORT-TERM)	2030 TARGETS (MEDIUM-TERM)
SERVICE QUALITY	Ensuring high level of service quality is a core driver for the Company in providing safe air transport. Fostering strong service quality can elevate SIAEC's standing and reputation in the industry, leading to increased business, creating jobs, and thus aiding economic growth. Stringent adherence to quality standards will also ensure that environmental regulations are met during aircraft maintenance, reducing any potential adverse impacts on the environment and community. We recognise that failure to deliver high service quality across SIAEC's operations can lead to loss of confidence in air travel due to safety concerns.	No major findings from audits by aviation authorities	• No major findings from audits by aviation authorities (Perpetual target)	
BUSINESS ETHICS AND GOVERNANCE	SIAEC recognises that strong corporate governance is critical to the sustainability of business and important to all stakeholders, including customers, employees, shareholders and the wider community. It provides the foundation to empower SIAEC to make well-informed decisions, attract like-minded investors and improve overall value creation. On the contrary, mismanagement or violations of corporate governance standards and codes may raise concerns regarding business ethics. Besides impacting the Company's reputation, it will also affect SIAEC's capability to attract customers, talent and business partners.	No non-compliance with regulatory laws and corruption	• No non-compliance with regulatory laws and corruption (Perpetual target)	
COMPLIANCE WITH LAWS AND REGULATIONS	Compliance with laws and regulations is critical for SIAEC to maintain its reputation, and positive outcomes of compliance can include enhanced safety for employees and customers, improved reputation and reduced legal risks. At the same time, the Company recognises that failure to adhere to the laws and regulations could result in fines, penalties, or the revocation of its licences or other regulatory approvals, which could eventually disrupt operations, lead to human rights infringements and impact reputation.			
DATA PROTECTION AND CYBERSECURITY	With an increasing shift towards digitalisation, data protection and cybersecurity are of great importance. Aircraft MRO companies handle sensitive customers' data and their protection is essential to prevent information breaches that could cause financial damage or harm the Company's reputation. Establishing robust data protection systems will also ensure that SIAEC's value chain, customers and employees have access to a safer digital environment. If stringent data protection standards are not maintained within the systems of SIAEC Group, it may create vulnerabilities in security systems and place customer data and employee personal data at risk of privacy violations.	No major incidents of cybersecurity and data breaches	• No major incidents of cybersecurity breaches and data losses (Perpetual target)	

Achieved On Track

LIST OF MATERIAL TOPICS, IMPACTS AND TARGETS

[3-3]

MATERIAL TOPICS	WHY IS THIS TOPIC IMPORTANT AND THE POTENTIAL NEGATIVE AND POSITIVE IMPACTS ON THE ECONOMY, ENVIRONMENT, PEOPLE	FY2023/24 PERFORMANCE	FY2024/25 TARGETS (SHORT-TERM)	2030 TARGETS (MEDIUM-TERM)
TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT	Talent attraction, retention, training and development initiatives can foster a skilled and motivated workforce, leading to increased productivity, innovation and overall economic growth. By offering comprehensive training and development opportunities, SIAEC can empower its employees to adapt to evolving job roles and technologies. Moreover, a focus on talent retention can also reduce turnover rates. However, inadequate management of SIAEC's employees may result in loss of experienced workers and disruptions to operations due to inexperienced workforce.	• Average of 55.2 training hours per employee • SkillsFuture Employer Award (Silver) • Silver Standard for Two Categories at Singapore HR Awards	• Maintain average of 34 training hours per employee • Grow capabilities and continuous improvement culture for sustainable business growth (Perpetual target) • Develop people strategy centred on personal development, talent management, employee well-being and engagement (Perpetual target)	
EMPLOYEE HEALTH, SAFETY AND WELL-BEING	SIAEC recognises that ensuring employee health, safety and well-being are crucial for both individuals and organisational success. By prioritising health and safety measures, SIAEC can foster a workforce that is not only healthier and safer but also more productive and engaged, contributing positively to the Company's growth. Moreover, promoting employee well-being can lead to reduced medical absences and turnover rates, further bolstering organisational efficiency and stability. However, inadequate management of employee health, safety and well-being across SIAEC's operations may result in increased workplace accidents or health issues, which can lead to increased medical costs, lost productivity, and lower employee morale and job satisfaction.	No work-related fatalities	• No work-related fatalities (Perpetual target) • Continue to promote employee health, safety and well-being as ongoing priorities for the Company through regular engagement and activities (Perpetual target)	
CLIMATE CHANGE RESILIENCE AND MITIGATION	The understanding of potential risks and impacts of climate change on SIAEC's business and performance is crucial. It drives the implementation of measures to mitigate these risks and seize opportunities. This approach allows SIAEC to adapt to the changing landscape for sustainable growth while also contributes positively towards global net-zero goals. However, inadequate measures to manage and adapt to the impacts of climate change could lead to operational disruptions arising from acute or chronic weather conditions, health and safety risks for employees, declining economic performance as competitors transition to a low carbon economy, etc.	37.2% lower Scope 1 and 2 emissions against FY2019/20 baseline	• Continue to drive decarbonisation plans to halve Scope 1 and 2 emissions (against FY2019/20 baseline) by 2030	• Halve Scope 1 and 2 emissions (against FY2019/20 baseline) • Net-zero emissions by 2050 (long-term target)
ENERGY AND EMISSIONS MANAGEMENT	SIAEC's energy consumption mainly arises from the use of electricity to support daily MRO activities in our hangars, workshops and offices. Emissions reduction efforts, including the use of renewable energy, has a direct positive impact on the climate. Enhancing energy efficiency within SIAEC's business operations not only decreases overall emissions and supports climate change mitigation efforts but also reduces operational costs. Continued use of high-emitting fuels, however, could continue to negatively affect the environment. The inability to transition to energy-efficient technologies and alternative fuels could also lead to increased costs and/or loss of business.			

Achieved | On Track

LIST OF MATERIAL TOPICS, IMPACTS AND TARGETS

[3-3]

MATERIAL TOPICS	WHY IS THIS TOPIC IMPORTANT AND THE POTENTIAL NEGATIVE AND POSITIVE IMPACTS ON THE ECONOMY, ENVIRONMENT, PEOPLE	FY2023/24 PERFORMANCE	FY2024/25 TARGETS (SHORT-TERM)	2030 TARGETS (MEDIUM-TERM)
WATER AND EFFLUENTS MANAGEMENT	SIAEC utilises water to support our daily MRO activities. We also treat wastewater before discharge to the public sewers. Improved water efficiency and effluent waste management within SIAEC's operations will exert less strain on local water resources, consequently preserving public water supplies for community benefit. Conversely, improper use and inadequate treatment and discharge of wastewater may harm the environment, contaminate water systems, threaten aquatic life, and pose health risks to employees and local communities.	8.6% reduction in water intensity from baseline (FY2017/18 to FY2019/20 average) No non-compliance with regulations on effluents management	• Continue to pursue water conservation initiatives to reduce 15% water intensity from baseline (FY2017/18 to FY2019/20 average) by 2030 • No non-compliance with regulations on effluents management (Perpetual target)	• 15% reduction in water intensity from baseline (FY2017/18 to FY2019/20 average)
WASTE MANAGEMENT AND RESOURCE CIRCULARITY	SIAEC generates hazardous and non-hazardous waste through our daily operations and activities. By implementing waste reduction and recycling programmes and promoting resource recovery, SIAEC can contribute towards achieving national targets and support the development of a circular economy in Singapore. Resource circularity can also lead to cost savings. However, if not undertaken responsibly, poor waste management could pollute the ecosystem, which will cause repercussions on local communities and wildlife habitat surrounding the landfill areas.	28.4% recycling rate No environmental-related fines or non-monetary sanctions	• Continue with recycling efforts to achieve 30% recycling rate by 2030 • No environmental-related fines or non-monetary sanctions (Perpetual target)	• 30% recycling rate
SUSTAINABLE SUPPLY CHAIN MANAGEMENT	Fostering a sustainable supply chain enables SIAEC to secure a strategic advantage and contributes to our business's long-term viability. Ensuring adequate social and labour conditions across the value chain can assure the fair treatment of workers, while also contributing to the economic well-being of local communities. Moreover, incorporating environmental considerations into sourcing contributes towards achieving sustainable development goals at national and global levels. However, failure to adequately manage potential risks across SIAEC's value chain could disrupt the supply chain, increase exposure to human rights violations and increase supply chain emissions.	All suppliers[1] screened on social and environment aspects	• Screen all vendors participating in tenders on social and environmental aspects (Perpetual target)	• Strong collaboration with key suppliers who support our sustainability ambitions, to work towards a sustainable supply chain (Perpetual target)

Achieved On Track

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

LIST OF TOPICS OF ONGOING IMPORTANCE AND TARGETS

TOPICS OF ONGOING IMPORTANCE	FY2023/24 PERFORMANCE	FY2024/25 TARGETS (SHORT-TERM)	2030 TARGETS (MEDIUM-TERM)
DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION	No incidences of discrimination in the Company	• No incidences of discrimination (Perpetual target) • Continue to promote diversity and equal opportunity in the workplace (Perpetual target)	
	30% female board representation	–	• 30% female Board representation
HUMAN RIGHTS, CHILD AND FORCED/ COMPULSORY LABOUR	No non-compliance with employment laws	• No non-compliance with employment laws (Perpetual target)	
COMMUNITY AND SOCIAL VITALITY	Recognised as a Gold Partner by Community Chest	• Continue to support underprivileged and raising awareness on environmental sustainability (Perpetual target)	
LABOUR-MANAGEMENT RELATIONS	Continued to work closely with our unions to address business and workplace challenges	• Maintain harmonious industrial relations through collaborative partnership (Perpetual target)	

Achieved On Track

SUSTAINABILITY FRAMEWORK

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

We have identified 13 United Nations SDGs that SIAEC supports. We have also set ambitions and targets to achieve by 2030.

1 ENHANCE VALUE CREATION

- Economic Performance and Value Creation
- Innovation and Technology
- Capability Building and Internationalisation
- Service Quality
- Business Ethics and Governance
- Compliance with Laws and Regulations
- Human Rights, Child and Forced/ Compulsory Labour
- Data Protection and Cybersecurity

2 EMPOWER OUR WORKFORCE

- Employee Health, Safety and Well-being
- Talent Attraction, Retention, Training and Development
- Diversity, Equal Opportunity, and Non-discrimination
- Labour-Management Relations

3 MANAGE OUR ENVIRONMENTAL IMPACT

- Climate Change Resilience and Mitigation
- Energy and Emissions Management
- Water and Effluents Management
- Waste Management and Resource Circularity

4 PURSUE ACTIVE PARTNERSHIPS

- Sustainable Supply Chain Management
- Community and Social Vitality

13 United Nations SDGs

SIAEC'S POLICY COMMITMENTS AND APPROACH TO ENSURE RESPONSIBLE BUSINESS CONDUCT

[2-23] [2-24]

SIAEC has established several corporate policies to reinforce ethical conduct throughout the Group's operations. These policies, approved at the Senior Management level or higher, include the Employees' Code of Conduct, Suppliers' Code of Conduct, Anti-corruption/Anti-bribery Policy, Whistle-blowing Policy, Aviation Safety Management System, Environmental Policy Statement and Enterprise Risk Management framework, etc. Specific policies, such as the Aviation Safety Management System, are formulated with reference to international guidelines from organisations like the Civil Aviation Authority of Singapore (CAAS) and the International Civil Aviation Organisation (ICAO), among others.

These corporate policies are implemented across the SIAEC Group, tailored to the needs of each subsidiary. The responsibility for enforcing and abiding by these policy commitments falls on the individual business units. This ensures that the policy commitments are integrated into their daily tasks, upholding their commitment to responsible business practices.

Further information on SIAEC's corporate policies can be found in the Business Ethics and Governance section of the report.

Selected policies like the Suppliers' Code of Conduct and the Enterprise Risk Management Framework are also publicly available on the corporate website.

To ensure that the Company operates ethically, sustainably and responsibly, SIAEC conducts due diligence and assessments to identify and mitigate potential environmental, social and economic risks, ensuring our operations align with our commitment to responsible business conduct.

Alongside due diligence procedures, SIAEC also incorporates the application of the precautionary principle set out in Principle 15 of the UN Rio Declaration on Environment and Development[2] in the Company's practices. This means we prioritise proactive measures to prevent or minimise the potential negative impacts of our operations on the society and environment.

For more details on how policy commitments are embedded throughout SIAEC's business activities and operations, please refer to the individual sections and the management of material topics.

2 The precautionary principle set out in Principle 15 of the UN Rio Declaration on Environment and Development states: 'Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

ENHANCE VALUE CREATION

INNOVATING AND CONTINUOUS IMPROVEMENT FOR SUSTAINABLE GROWTH

23
ECONOMIC PERFORMANCE AND VALUE CREATION

24
INNOVATION AND TECHNOLOGY

27
CAPABILITY BUILDING AND INTERNATIONALISATION

30
SERVICE QUALITY

31
BUSINESS ETHICS AND GOVERNANCE

34
COMPLIANCE WITH LAWS AND REGULATIONS

37
HUMAN RIGHTS, CHILD AND FORCED/COMPULSORY LABOUR

38
DATA PROTECTION AND CYBERSECURITY

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

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

MATERIAL TOPICS	COMMITMENTS AND KEY POLICIES
ECONOMIC PERFORMANCE AND VALUE CREATION	To continually pursue growth to enhance value for our stakeholders and generate positive economic outcomes
INNOVATION AND TECHNOLOGY	Continued innovation and adoption of technology to enhance our operational excellence, business processes and customer service experience • Digital and Technology Strategy
CAPABILITY BUILDING AND INTERNATIONALISATION	To enhance service offerings and maintain a competitive edge by continually assessing and strengthening competencies
SERVICE QUALITY	To provide high-quality aviation engineering services to customers and maintain world-class standards in aviation safety • Aviation Safety Management System
BUSINESS ETHICS AND GOVERNANCE	To comply with applicable laws, sanctions and regulatory requirements, and conduct business with integrity, transparency and honesty • Anti-corruption/anti-bribery Policy • Policy on Interested Person Transactions • Policy on Competition Laws • Whistle-blowing Policy • Human Resources Policy • Employees' Code of Conduct • Suppliers' Code of Conduct • Procedures set out in various manuals, etc.
COMPLIANCE WITH LAWS AND REGULATIONS	
DATA PROTECTION AND CYBERSECURITY	To act responsibly with regard to personal data and safeguard against potential cybersecurity threats • SIA Group Information Security Policy • Personal Data Protection Guidelines

ECONOMIC PERFORMANCE AND VALUE CREATION

[3-3] [201-1]

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

The table shows the Group's value generated, value distribution by way of operating costs, payments to employees, the government and to those who have provided capital, as well as value retained for future capital requirements.

EMPLOYEE COMPENSATION & BENEFITS

[201-3]

As required by law, companies in Singapore are obligated to participate in a national Central Provident Fund scheme (CPF) which serves as a broad social security savings plan instated by the government. This plan mandates salaried workers, including Permanent Residents, to accumulate savings for retirement. As part of the CPF scheme, SIAEC and its employees make monthly contributions to the employees' individual CPF accounts, pursuant to Singapore's statutory obligations. Additionally, some of the subsidiaries outside Singapore also make contributions to their respective countries' defined contribution pension schemes.

DIRECT ECONOMIC VALUE GENERATED IN FY2023/24

S$743.1 million

total value added for distribution

ECONOMIC VALUE DISTRIBUTED IN FY2023/24

S$576.3 million

value added for distribution to employees

S$94.2 million

value added for distribution to suppliers of capital

S$2.0 million

value added for distribution to government

ECONOMIC VALUE RETAINED IN FY2023/24

S$70.6 million

value retained for future capital requirements

INNOVATION AND TECHNOLOGY

[3-3]

The development and implementation of new technologies are crucial to improve the safety and reliability of operations while at the same time increase efficiency and productivity of the workforce. These are important for SIAEC to maintain its position as a key part of Singapore's aviation ecosystem and contribute to Changi Airport's global air hub status.

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

TECHNOLOGY ADVISORY COMMITTEE

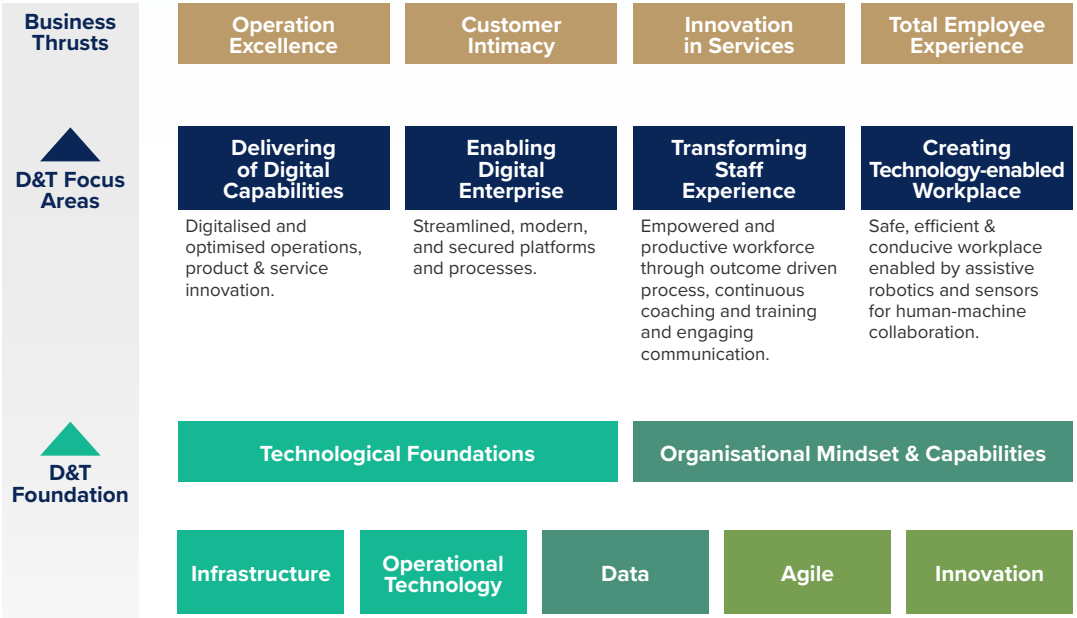
- Led by an independent Board Director, and comprises CEO and a panel of academic leaders and industry experts
- Provides advisory guidance and feedback on technological and digital concepts, major technology-related projects, as well as emerging trends and opportunities in technologies
- Meets biannually

DIGITAL AND TECHNOLOGY COMMITTEE

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

The SIAEC Digital and Technology Strategy serves as a fundamental framework that guides the Company in ensuring effective management of innovation and technology. It outlines the focus areas to deliver business thrusts, shown in the figure below.

SIAEC DIGITAL AND TECHNOLOGY STRATEGY



INNOVATION AND TECHNOLOGY

[3-3]

The Company organises various events such as the Data Challenge 2023, workshops, digital surveys, etc., which serve as platforms for the Company to engage with employees on innovation and technology, fostering a culture of creative thinking and technological adaptation. This allows SIAEC to explore emerging technology and advance collaborative problem-solving, which are crucial in equipping our employees with the proficiency needed to navigate the evolving technological landscape. The feedback from these events provides valuable inputs and through implementation of the suggestions, we reinforce a cycle of proactive innovation, ensuring our strategies and processes remain agile and efficient. The Company also participated in the SIA Group's App Challenge, where our employees were involved in a project which won the third prize. In response to some of the challenges faced during aircraft inspection process, a mobile-based platform for aircraft inspection was proposed. The team will follow on to develop the Proof of Concept for the solution, which aims to reduce effort and inspection time.

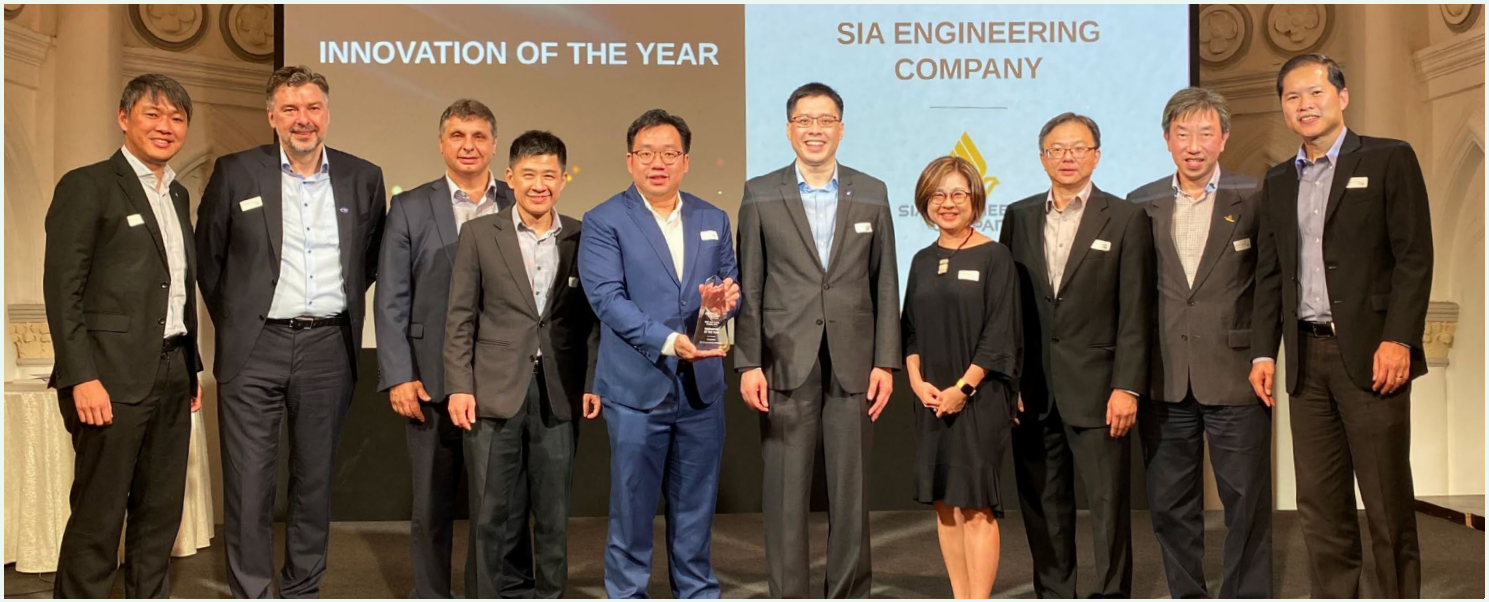
With the increasing interest in artificial intelligence (AI) such as ChatGPT, the Company has developed the SIAEC GPT Studio specifically for its employees, which provides a secured and safe platform for employees to explore SIAEC specific use cases.

Spotlight

"INNOVATION OF THE YEAR" AWARD BY AVIATION WEEK NETWORK AND "DIGITAL – AVIATION" AWARD BY SINGAPORE BUSINESS REVIEW

We are honoured to have been presented with the "Innovation of the Year" Award by Aviation Week Network at the MRO Asia-Pacific Awards 2023. The award recognised our efforts in adopting technology initiatives, such as the suite of digital applications that we developed to boost our competitiveness and enhance value for our customers and stakeholders.

In addition, the Company's eLITE Platform has received recognition by the Singapore Business Review, winning the "Digital – Aviation" Award at its Technology Excellence Awards 2024.



INNOVATION AND TECHNOLOGY

[3-3]

FOSTERING A CULTURE OF CONTINUOUS IMPROVEMENT

SIAEC started Phase 2 of its Transformation journey in 2021 to boost competitiveness and emerge stronger from the pandemic. Since then, the Transformation Phase 2 has strengthened the Company's capabilities, created value for key stakeholders and boosted overall work culture and competitiveness. Over 150 initiatives were implemented across the Company, resulting in increased productivity and throughput, as well as reduced turnaround time. The Lean Academy, an extension of the SIAEC Training Academy, was formed to ensure continuous training for the workforce to facilitate enterprise-wide adoption of Lean methodologies.

Building on the success of our Transformation journey, SIAEC launched a new phase of Continuous Improvement in May 2023 with the tagline "Power Up Towards Excellence". This programme aims to enhance the Company's work culture by strengthening its Lean community and in-house digital capabilities. The Company is also increasing investments in its workforce by upskilling and equipping them with the necessary skillsets and knowledge to excel in their roles.

The Continuous Improvement Steering Committee chaired by CEO meets quarterly to oversee and drive the progress of Continuous Improvement programmes and initiatives. Additionally, the Lean Advisory Committee headed by the Executive Vice President Operations and comprises Senior Vice Presidents and Management as members, meets every quarter to discuss strategic goals, plans and activities for SIAEC's enterprise Lean.

Spotlight

KEY CONTINUOUS IMPROVEMENT INITIATIVES

Some of the key Continuous Improvement initiatives include the following:

- Digital initiative eLITE at Line Maintenance Division, which encompasses four applications to improve planning and production processes:
  - Joint Planning Platform (JPP): Improves ease of planning and coordination with SIA.
  - Electronic Document and Capacity Optimiser (EDCO): Provides streamlined workflow and on-the go access to maintenance paperwork.
  - Enhanced Operations Control Centre (EOCC): Optimises work allocation and execution.
  - Smart MX: One-stop mobile app for engineers to access information on-the-go.
- Digital initiative eTask launched in Base Maintenance Division is a planning and execution system designed to streamline production planning, control and execution processes for all maintenance checks. It offers a web-based solution, complemented by an integrated mobile-ready IOS application, which allows maintenance tasks to be seamlessly performed, digitally signed off, and monitored via mobile tablets and computers.
- Introduction of Seat Track Inspection robot to reduce time taken to inspect seat tracks and enable collection of visuals for data analytics. This will reduce employee fatigue and manhours required for the inspection.
- Introduction of Engine Robotic Inspection to standardise imaging of engines using automation and AI for inspection. This will save time and effort in the engines' imaging record-keeping and also allow the use of AI for consistent quality and inventory checks.

CAPABILITY BUILDING AND INTERNATIONALISATION

[2-6] [3-3]

SIAEC is dedicated to enhancing its service offerings and maintaining a competitive edge by continually assessing and strengthening its competencies. These include developing MRO capabilities for new generation aircraft and engines, forming joint ventures and partnerships with OEMs and strategic partners, as well as investing in the training of our employees so that they are equipped with the necessary maintenance knowledge and skills to meet market demand. This enables the Company to stay ahead of competition, gain access to new markets and customers, and enhance its reputation for providing high-quality aviation engineering services.

To ensure a sustainable return on our investments, we regularly review our businesses and portfolio of SIAEC's subsidiaries, as well its JV and associated companies. SIAEC continued to expand its geographical presence in FY2023/24. Line Maintenance network has expanded with the addition of Malaysia following completion of the acquisition of 49% stake in Pos Aviation Engineering Services Sdn. Bhd. The Company also signed an agreement with Cambodia Airport Investment Co., Ltd to form a joint venture company offering line maintenance services at Techo International Airport, the new international airport in Phnom Penh, Cambodia. The expansion of base maintenance operations achieved a significant milestone with the incorporation of Base Maintenance Malaysia Sdn. Bhd. and the signing of an agreement to lease two hangars in Subang.

Singapore
1. Aerospace Component Engineering Services
2. Component Aerospace Singapore
3. Eagle Services Asia
4. Fuel Accessory Service Technologies
5. GE Aviation, Overhaul Services – Singapore
6. Goodrich Aerostructures Service Center – Asia
7. JADE Engineering
8. Moog Aircraft Services Asia
9. Panasonic Avionics Services Singapore
10. Safran Electronics & Defense Services Asia
11. Safran Landing Systems Services Singapore
12. Singapore Aero Engine Services
13. Singapore Aero Support Services
14. Turbine Coating Services

Malaysia
15. Asia Pacific Aircraft Component Services
16. Base Maintenance Malaysia
17. Eaton Aerospace Component Services Asia
18. Pos Aviation Engineering Services

Indonesia
19. PT Jas Aero-Engineering Services

Vietnam
20. Southern Airports Aircraft Maintenance Services

Philippines
21. SIA Engineering (Philippines)

Hong Kong SAR
22. Pan Asia Pacific Aviation Services

Japan
23. SIA Engineering Japan

United States
24. SIA Engineering (USA)

CAPABILITY BUILDING AND INTERNATIONALISATION

[2-6] [3-3]

In September 2023, SIAEC signed a legally non-binding Memorandum of Understanding (MOU) with Xiamen Iport Group to establish a framework for both parties to work together and explore potential areas of collaboration in Fujian, China. Leveraging SIAEC's comprehensive MRO service offerings, certifications and maintenance capabilities, along with Iport Group's extensive infrastructure, resources and airport operations in Xiamen, Fuzhou, Wuyishan and Longyan, SIAEC and Iport Group will evaluate various MRO collaboration opportunities under the MOU.

The progress in the expansion of MRO capabilities includes the award of Honeywell licences for the repair of Air Data Inertial Reference Unit products on Airbus aircraft and Pre-Cooler Control Valve products on Boeing 737 aircraft to our subsidiary, Asia Pacific Aircraft Component Services Sdn. Bhd. SIAEC also signed an agreement with Eaton to form a component MRO joint venture to inspect, test, repair, maintain, modify and overhaul Eaton-manufactured aircraft components installed on airframe and engine fuel systems and hydraulics systems.

At the Singapore Airshow in February 2024, the Company signed a 12-year Inventory Technical Management agreement with the Air India Group to provide extensive component support coverage for Air India Group's fleet of Airbus A320 family aircraft. Besides access to SIAEC's inventory pool, the Company together with its subsidiaries, JV and associated companies will also provide repair and overhaul services for airframe and on-wing engine components. The Company also signed a legally non-binding MOU with Thales Solutions Asia Private Limited to explore business development and collaboration opportunities in the Asia-Pacific region.

The signing of the Inventory Technical Management agreement between SIAEC and Air India Group at the Singapore Airshow in February 2024.

Arising from our regular review of businesses and portfolio of SIAEC's subsidiaries, as well its JV and associated companies, the following portfolio adjustments were made during the year:

- acquired an additional 10% stake in JAMCO Aero Design & Engineering Private Limited, making it a subsidiary and renaming to JADE Engineering Pte. Ltd. The subsidiary will play an important part in the development of SIAEC's cabin maintenance and retrofit services.
- divested Additive Flight Solutions Pte. Ltd. This joint venture with Stratasys Ltd manufactures aircraft cabin interior parts and toolings for the aviation MRO sector, utilising additive manufacturing (3D printing) technology. Notwithstanding the divestment, SIAEC continues to watch out for opportunities in additive manufacturing.
- exited from the PW1500G engine Risk-Revenue Sharing Programme (RRSP). This investment was held through a wholly-owned subsidiary, NexGen Network (2) Holding Pte. Ltd. (NGN2). NGN2 invested in the RRSP where participants are required to share the costs, risks and revenues of the PW1500G geared-turbofan engine, from its design and development to its production (including engine spare parts), post-certification engineering support, marketing and sales, as well as the provision of aftermarket services including MRO service.

CAPABILITY BUILDING AND INTERNATIONALISATION

[2-6] [3-3]

Spotlight

ENGINE SERVICES DIVISION ACHIEVED TWO KEY MILESTONES IN ENGINE TEST SERVICES

Following the signing of the 10-year agreement with Safran Aircraft Engines to provide engine test services for the CFM LEAP-1A and -1B engines in FY2021/22, SIAEC's Engine Services Division has successfully completed the First Article Inspection for LEAP-1A engine test in September 2023 and is now officially certified to conduct LEAP-1A engine tests. Additionally, Engine Services Division also successfully completed the correlation of the LEAP-1B engine with the support of the Safran team of engineers. This brings the team one step closer to adding LEAP-1B engine test to its existing list of capabilities.

SERVICE QUALITY

[3-3]

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

AVIATION SAFETY MANAGEMENT SYSTEM

[416-1]

SIAEC adopts a systematic approach to manage and continuously improve aviation safety through the Aviation Safety Management System (ASMS) and Quality Management System, which are regulated by the aviation authorities and ISO 9001/AS 9100/ISO 17025 requirements. The ASMS is in accordance with the ICAO standards and recommendations, and meets the requirements set by CAAS, specifically the Singapore Airworthiness Requirements Part 145 and its related CAAS Advisory Circular AC 1–3. The ASMS also ensures that all safety and operational impacts are prevented or mitigated. SIAEC Executive Vice President Operations is the Accountable Manager for aviation safety and is responsible for ensuring an effective and functioning ASMS.

SIAEC's ASMS is subject to regular audits by aviation authorities and airline customers in adherence to mandated standards of safety and quality. Besides external audits, the Company conducts audits and evaluation of SIAEC's safety performance which includes an internal assessment of the ASMS to ensure ongoing suitability, sufficiency and efficiency. A structured process is in place to facilitate the continuous enhancement and efficacy of the ASMS.

As at 31 March 2024, SIAEC holds certifications from 29 aviation authorities globally, including CAAS, the Federal Aviation Administration and European Union Aviation Safety Agency. In FY2023/24, SIAEC passed 226 audits by the authorities and airline customers, affirming our adherence to operational and safety standards.

In FY2023/24, all of SIAEC's significant service categories[3] were assessed for health and safety impacts and improvements.

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, Quality Huddles, 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. The training includes an instructor-led course at the Aviation Safety Promotion Centre, which has been set up 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 to improve our services and enhance customers' satisfaction.

3 Significant service categories refer to SIAEC's MRO activities.

BUSINESS ETHICS AND GOVERNANCE

[3-3]

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

CORPORATE GOVERNANCE

[2-9] [2-12]

BOARD OF DIRECTORS

The Board is responsible for the Group's corporate governance standards and policies and has set out clear division of 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.

BOARD COMMITTEES

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

BOARD COMPOSITION AND DIVERSITY

To build an open culture and avoid groupthink, the Company is committed to having diversity on the Board, taking initiatives designed to attract the most talented individuals as Directors, regardless of their gender, race, ethnicity, religion, age, disability status or any other aspect of diversity. The Board views diversity as important to ensure that Board members provide the necessary range of perspectives, insights, experience and expertise for

AUDIT COMMITTEE	• To assist the Board in discharging its statutory and other responsibilities relating to financial reporting, financial risk management, internal controls, internal and external audit, interested person transactions, compliance and whistle-blowing
NOMINATING COMMITTEE	• To review the structure, size, composition and diversity of the Board, the appointment and re-appointment of Directors, the independence of Directors, and to oversee the Board performance evaluation process, and the training and development of the Board and Directors
COMPENSATION AND HUMAN RESOURCE COMMITTEE	• To oversee the remuneration framework and policies for the Directors and Key Executives as well as for the Company in general, talent management and succession planning, and administration of share schemes and related programmes
BOARD SAFETY AND RISK COMMITTEE	• To assist the Board in overseeing the Group's risk management system, framework and policies and ensure that Management maintains a sound system of risk management to safeguard the interests of the Group and the Company's shareholders
EXECUTIVE COMMITTEE	• To assist the Board in overseeing the execution by Management of the overall strategy relating to the Company, its subsidiaries and joint ventures, and deputise for the Board on routine matters to facilitate day-to-day administration and approve certain expenditures
TECHNOLOGY ADVISORY COMMITTEE	• To provide advice and feedback on technological and digital concepts and major technology-related projects, provide guidance on technology-led innovation and digitalisation, and provide perspective on emerging trends and opportunities in technologies
BOARD SUSTAINABILITY COMMITTEE	• To assist the Board in overseeing sustainability matters, by accelerating, leading and guiding the Group's sustainability efforts
BOARD WORKING GROUP (ESTABLISHED ON 2 NOVEMBER 2023)	• To assist the Board for a time-limited period to guide the Company in building a stronger foundation for continuous improvement and optimisation of operational systems to enhance business resilience and sustained profitability, increasing long-term productivity and efficiency for better competitiveness, and enhancing synergies with and value delivery to key customers

BUSINESS ETHICS AND GOVERNANCE

[3-3]

effective stewardship and management of the Company's business, and to help the Company build business resilience while making a difference. A diverse Board can also offer a cognitive diversity of perspectives in addressing a range of issues from strategy to corporate governance to addressing social and environmental stewardship and ensuring sustainable growth. In relation to gender diversity, the Company believes that ensuring an optimum balance of gender representation on the Board would be beneficial as there is access to a larger talent pool and assurance of diverse perspectives and experiences that could augment strategic thinking and problem solving.

Please refer to the Diversity, Equal Opportunity and Non-discrimination section of this report, and the FY2023/24 Annual Report for more details on the composition and diversity of SIAEC's Board.

BOARD NOMINATION AND INDEPENDENCE

[2-10]

In discharging its duties in its review of the structure, size and composition of the Board and the Board committees, the Nominating Committee gives due regard to the benefits of all aspects of diversity. In support of gender diversity and in accordance with its Terms of Reference, the Nominating Committee will ensure that appropriate efforts are made to include suitably qualified women in the list of candidates for a Board position. The Nominating Committee has developed a Skills Matrix, which denotes the experience 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 2024, the Board consisted of 10 Directors of which 9 were Non-Executive Directors, and 7 were Independent Directors. The Chairman of the Board is an Independent Director and there are no alternate Directors on the Board. The Company has thus satisfied the requirements of the Code of Corporate Governance 2018 as the Independent Directors and the Non-Executive Directors, respectively, make up a majority of the Board. The high representation of Independent Directors serves the Company well as no individual or group of individuals dominates the Board's decision-making process.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF THE BOARD

[2-17]

The Board is committed to ongoing professional development and has therefore adopted a policy on continuous professional development for all Directors. To ensure that 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. Pursuant to Rule 720(7) of the Listing Manual, all of the Directors have undergone the required training on sustainability matters as prescribed by the SGX-ST.

CONFLICTS OF INTEREST

[2-15]

A conflict of interest arises when a person's personal interest could potentially interfere with their professional duties or obligations. 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 the commitment of the Directors to achieving the highest level of conduct, professionalism and integrity in the discharge of their duties and obligations. In addition, 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. Similarly, employees are also required to conduct an annual declaration exercise to disclose any relationships, associations or activities that could result in an actual, potential or perceived conflict of interest.

Please refer to the FY2023/24 Annual Report for more details on the Company's Corporate Governance.

BUSINESS ETHICS AND GOVERNANCE

[3-3]

RISK MANAGEMENT

[2-12]

SIAEC continues to prioritise the implementation of effective risk management practices to support informed decision-making and mitigate potential risks and associated costs.

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

ENTERPRISE RISK MANAGEMENT FRAMEWORK

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

In line with the updated SGX requirements, we are reporting on our climate-related risks and governance aligned with the Task Force on Climate-related Financial Disclosures recommendations on a phased basis, which are covered under the Climate Change Resilience and Mitigation section.

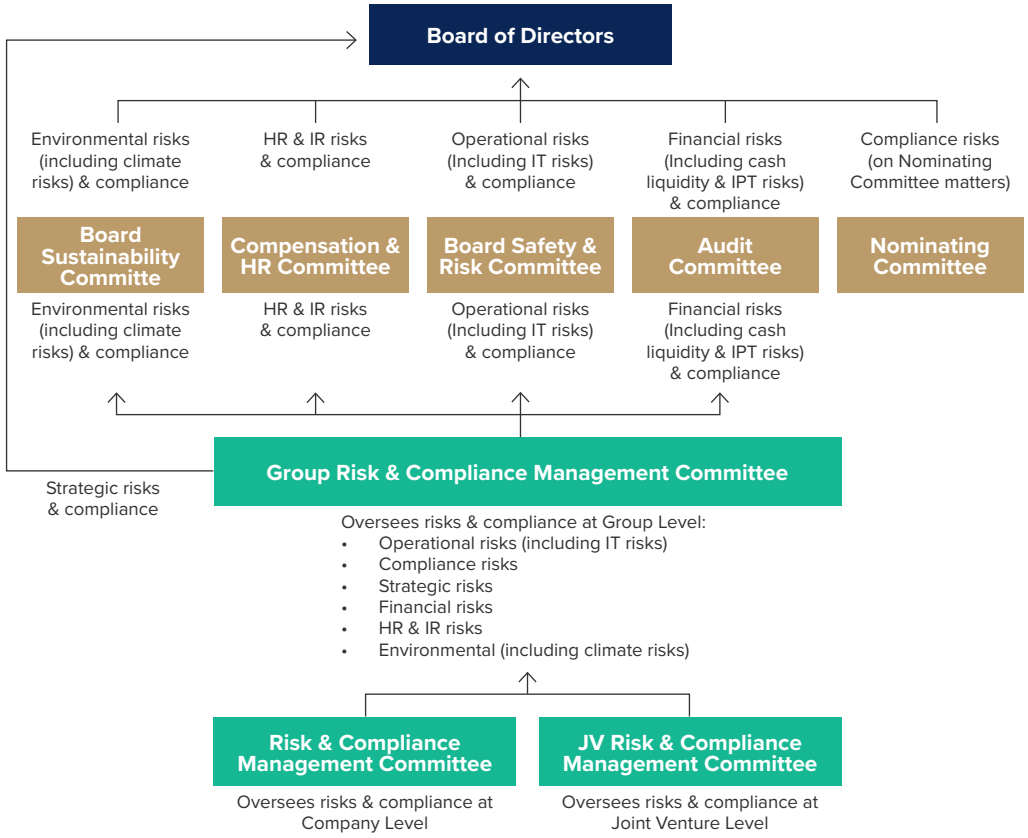
BOARD'S GOVERNANCE OF RISK

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

MANAGEMENT'S GOVERNANCE OF RISK

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

Please refer to the FY2023/24 Annual Report for more details on SIAEC's Enterprise Risk Management Framework.



COMPLIANCE WITH LAWS AND REGULATIONS

[3-3]

Compliance with laws and regulations is critical for SIAEC to maintain its reputation, and positive outcomes of compliance can include enhanced safety for employees and customers, improved reputation and reduced legal risks. At the same time, SIAEC recognises that failure to adhere to the laws and regulations may result in fines, penalties, or the revocation of its licences or other regulatory approvals, which may disrupt operations and impact reputation. SIAEC is therefore fully committed to complying with applicable laws, sanctions and regulatory requirements, and conducting business with integrity, transparency and honesty. To achieve this, we have a comprehensive suite of policies, procedures and systems in place to establish guidelines and processes for the business to operate in a compliant, transparent and ethical manner.

CODES OF CONDUCT

[2-23] [2-24]

SIAEC has put in place policies to maintain a robust system of risk management and internal controls. The policies are reviewed regularly, and any updates to existing policies or introduction of new policies are communicated, with the policies posted on SIAEC's intranet which are accessible to all employees.

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

EMPLOYEES' CODE OF CONDUCT

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

SUPPLIERS' CODE OF CONDUCT

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

COMPLIANCE WITH LAWS AND REGULATIONS

[3-3]

ENVIRONMENTAL COMPLIANCE

[2-27] [413-2]

SIAEC recognises that environmental compliance is a corporate responsibility and is essential to protect the environment and prevent harm to human health. We have an Environmental Management System, which has been certified to ISO 14001 standards and covers all MRO activities in Singapore. This system reflects our dedication to adhering to all environmental laws and regulations, as well as minimising the environmental impact of our operations.

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

Management maintains oversight over environmental compliance issues via the Sustainability Working Group and Management Committee meetings. 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 also incorporates environmental training as part of the induction programme for all new employees and contractors who work onsite. In addition, to ensure compliance with legislation requirements, we maintain a register of licences which is regularly reviewed and updated.

In FY2023/24, there were no cases of non-compliance with environmental laws and/or regulations.

ENVIRONMENTAL ASPECT

- Emissions
- Use of chemicals
- Wastewater discharge
- Waste disposal
- Use of energy, water and raw materials

OPERATIONAL ACTIVITIES

- MRO activities in Singapore

ACTUAL AND POTENTIAL ENVIRONMENTAL IMPACT

- Air pollution
- Land pollution
- Water pollution
- Depletion of landfill
- Depletion of natural resources
- Contribution to global warming

MITIGATING MEASURES

- Compliance with relevant environmental legislation
- Monitoring and measurement of environmental impact
- Measures to reduce environmental impact

COMPLIANCE WITH LAWS AND REGULATIONS

[3-3]

WHISTLE-BLOWING PROGRAMME

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

As part of SIAEC's stakeholder grievance process, we have in place a whistle-blowing programme for the reporting and investigation of wrongdoings. Confidential avenues have been established for all internal and external stakeholders to voice their concerns about potential misconduct and report anonymously without fear of retaliation. The Whistle-blowing policy is accessible to all employees on the intranet. Employees are also required to complete a mandatory recurrent online training. SIAEC's whistle-blowing platform is managed by a third-party service provider, which accepts several modes of reporting such as submission via online form, email, hotline or post. All whistle-blowing reports are reviewed by SIAEC Whistle-Blowing Committee and reported to the Audit Committee quarterly. Our internal processes also ensure that there are independent investigations of any reported incidents and appropriate follow-up actions. The Whistle-blowing Committee also conducts periodic reviews on the whistle-blowing programme to ensure that it remains adequate and effective.

GRIEVANCE MECHANISMS

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

SIAEC is committed to addressing any grievance and actively taking measures towards remediation. The Company proactively conducts communication with affected parties and stakeholders and takes actions as appropriate. SIAEC has adopted the Tripartite Standards for Grievance Handling to encourage employees to communicate work-related concerns, including grievances with their managers.

The grievance handling process for employees is enshrined in the collective agreements which are negotiated with the unions. Employees under a union can also involve their union representatives to aid in the resolution process. SIAEC ensures that all grievance-related information is kept confidential and has established internal processes to ensure that there are independent investigations into any reported incidents along with the appropriate follow-up actions. The Company will continue to remain updated on enhancements to the national framework, in close consultation with the respective agencies and unions.

ANTI-CORRUPTION/ANTI-BRIBERY

[205-2] [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. Bribery refers to the act of offering, giving, promising or accepting a financial or other advantage, with the intent to induce or reward behaviour that is illegal, unethical or a breach of trust. It includes any illicit inducement or payment made to or from individuals, government officials or entities to secure the performance of an action favourable to the party providing the inducement or payment. Employees should ensure that any charitable contribution is not an indirect way of conferring a personal benefit on a government official or related party, and the contribution is not in exchange for a purchasing or other decision affecting the Company's interests. Similarly, it is against our policy on political contributions for the Company or our employees to make any payments to political candidates, political officials or political parties for the purpose of obtaining, retaining or directing business to the Company or any other entity.

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

In addition, SIAEC communicates and conducts a regular training programme on its Anti-corruption/Anti-bribery Policy. Employees are required to complete the recurrent online training on the policy, with the completion status reported to the Risk & Compliance Management Committee on a quarterly basis. As at end-March 2024, 1,301 or 96% of relevant employees have completed the recurrent training.

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

The internal audit team who manages the whistle-blowing channels carries out independent investigations on corruption incidents involving SIAEC or its subsidiaries. Where required, the internal audit team will also investigate cases involving the JV and associated companies especially when the entities or controlling parent companies do not have such expertise. All investigation results will be presented to the Audit Committee to highlight any corruption risk in SIAEC's operations globally.

There were no cases of corruption or bribery in FY2023/24.

NUMBER AND % OF RELEVANT EMPLOYEES WHO COMPLETED TRAINING ON ANTI-CORRUPTION

112 (96%)
Managers and above

401 (97%)
Executives

788 (96%)
All other employees

HUMAN RIGHTS, CHILD AND FORCED/COMPULSORY LABOUR

[2-23] [2-24]

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

Our staff regulations enunciate the need for all staff to act with integrity at the workplace and to comply with applicable laws. In FY2023/24, our Human Resources Policy has been enhanced to consolidate key fair employment practices and human rights principles, which are aligned with the recommendations from the Tripartite Committee on Workplace Fairness, and covers the following areas:

- Conditions of Employment
- Diversity and Equal Opportunity
- Non-Discrimination
- Prohibition on Child and Forced Labour
- Employee Safety, Health and Well-being
- Freedom of Association and the Right to Collective Bargaining

In addition, there are mechanisms in place such as whistle-blowing channels for breaches of the code of conduct or laws to be brought to the Company's attention. Our established investigation procedures provide a structured process to handle any potential violations, while a disciplinary inquiry process is in place for an impartial determination of disciplinary actions for individuals found guilty of such offences. This governance framework ensures that the risk of such incidents occurring is minimised and provides transparency on the actions by SIAEC if such an incident occurs.

DATA PROTECTION AND CYBERSECURITY

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

As SIAEC continues its push for digitalisation and hybrid working arrangements become a new working norm, there is greater need for cyber protection and security to safeguard against potential cybersecurity threats and data breaches. The Company proactively manages its IT risks to maintain high standards of data confidentiality through robust policies and governance structures. With the everchanging cyber climate and rapidly evolving cyber threats, SIAEC continues to invest in employee training and cyber awareness, as well as the latest cyber protection and security measures to prevent cyberattacks and reduce system vulnerabilities.

SIAEC adopts the SIA Group's information security policy, which takes reference from the ISO/IEC 27001 standard on information security management. In addition, the Company leverages on the SIA Group's IT infrastructure and maintains oversight of the systems relevant to SIAEC, and conducts independent review to monitor that IT security infrastructure and networks continually kept up with evolving threats.

Internal and external IT security audits, which include vulnerability assessments and penetration tests, are also conducted on SIAEC's systems and platforms. To ensure cyber resilience of the SIAEC Group, IT audits and assessments are conducted on SIAEC's subsidiaries, as well its JV and associated companies to ensure compliance with IT controls. Where required, follow-up actions are introduced to improve standards and resilience, and incorporated into operational policies and procedures.

A Cyber Incident Response Team within the Crisis Management Directorate is in place to manage IT-related crises and responses in the event of a cybersecurity incident. In March 2024, the Company engaged a cybersecurity firm to facilitate a desktop cyber crisis exercise with the aim of improving our incident handling readiness and cyber resilience. In addition, business units and support divisions conduct yearly tests of business continuity plans to ensure preparedness and effectiveness of responses to disruptions on critical IT systems.

The Company has implemented Secure Access Service Edge to protect employees' computers and Internet access while working in office, at home and anywhere in the world, and provides secure remote access to Company's IT resources. To address the rise in phishing threats, we regularly share cyber news articles and reminders on safeguards against scams and instructions on how to report any suspected scam emails. Regular phishing tests were conducted to raise employee awareness on phishing scams and an improved phishing test tool was introduced during the year. In addition, all employees are required to attend recurrent online training on information security. In October 2023, the SIA Group conducted a Cyber Week event dedicated to enhancing cybersecurity awareness among employees. The aim was to equip employees with tools and knowledge to prevent compromising IT security, especially in preventing phishing attacks and other cyber threats.

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

In FY2023/24, there were no major cybersecurity incidents and no complaints concerning breaches of customer data privacy.

EMPOWER OUR WORKFORCE

PROTECTING, NURTURING AND RESPECTING OUR PEOPLE

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EMPLOYEE HEALTH, SAFETY AND WELL-BEING

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TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

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DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

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LABOUR-MANAGEMENT RELATIONS

PROTECTING, NURTURING AND RESPECTING OUR PEOPLE

At SIAEC, we recognise the importance of our employee culture, competencies, capabilities and experience in driving our success. We are committed to cultivating a work environment that promotes talent attraction, retention and development, as well as prioritising employee health, safety, well-being and equal opportunities. Our goal is to establish a workplace that is safe, inclusive and empowering, where every individual is treated fairly and respectfully, and has the opportunity to reach their full potential. Our dedication to attracting, retaining and motivating talent is crucial to our standing as a leading MRO service provider. We are honoured to be recognised among the top 250 employers for the third consecutive year in the Singapore's Best Employers survey, conducted by The Straits Times and Statista.

MATERIAL TOPICS	COMMITMENTS AND KEY POLICIES
EMPLOYEE HEALTH, SAFETY AND WELL-BEING	To provide a safe work environment and continually improve workplace safety and health standards • Safety Management System (ISO 45001: 2018 OHSMS certified) • Integrated Safety Management Policy (see right)
TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT	To foster a work environment that supports and empowers employees to develop to their full potential • Human Resources Policy • Merit-based reward systems • Learning and development programmes • Inclusive work practices

SIA ENGINEERING COMPANY

Integrated Safety Management Policy

SIA Engineering Company is committed to maintaining world-class standards in aviation safety and continually improving our workplace safety and health standards.

Safety is one of our six corporate core values. We regard safety as an essential part of all our operations. We therefore commit to provide the resources necessary to ensure the safety of our customers and staff. The integrated safety management system guides us to:

Strive to eliminate hazards, prevent personal injuries/illnesses, prevent loss of or damage to aircraft, property and equipment, and institute control measures to mitigate all risks associated with aircraft and component maintenance and overhaul activities.

Instill and promote a safety culture for all staff and contractors through effective engagement and appropriate training on safe work practices and procedures. We encourage our staff to report any hazard and occurrence that may compromise safety or airworthiness. We are committed to taking immediate actions to remove these hazards.

Adhere to safe work practices and procedures through continual risk management and assessments.

Engage and educate staff to take personal responsibility to eliminate safety and security risks, thus creating a safe environment for all stakeholders at work.

Comply with applicable corporate and statutory requirements, and governing airworthiness regulatory requirements, and ensure that safety standards are not reduced by commercial imperatives. Unsafe conduct, such as intentional safety breaches or reckless behaviour, is not condoned and appropriate measures are applied accordingly to uphold the integrity of the system.

Staff with supervisory duties are responsible for implementing the integrated safety management system at areas under their charge.

SIAEC management, in partnership with the unions, staff and contractors, work together as a team and commit to providing a safe working environment, while providing aviation engineering and support services of world class quality to our customers.

Chin Yau Seng
Chief Executive Officer

EMPLOYEE HEALTH, SAFETY AND WELL-BEING

[3-3]

At SIAEC, we prioritise the health, safety and well-being of our employees, and are committed to fostering a safety culture aimed at achieving zero safety incidents. Through regular review of our practices and procedures, along with the implementation of initiatives and technologies to bolster safety across operations, we continuously strive to improve the safety of the work environment for our employees.

A safe work environment not only reduces medical absences but also enhances productivity. In addition, by improving workplace health and safety standards and promoting employee well-being, we will cultivate a healthier and motivated workforce. We recognise that inadequate management of employees' well-being and working conditions can lead to increased workplace incidents and violation of regulations. In instances of incidents or near misses, we conduct comprehensive reviews and share lessons learned with our employees, which foster a collaborative approach to reinforce our safety culture.

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

THRUST 1: BOARD AND MANAGEMENT OVERSIGHT

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

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

SAFETY, HEALTH AND QUALITY COUNCIL

- Meets quarterly
- Led by CEO and comprises Senior Management from the operations and representatives from the respective divisional 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

SAFETY, HEALTH AND ENVIRONMENT COMMITTEES

- Meets monthly
- Each committee is led by a Senior Vice President and comprises key representatives from 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 Executive Vice President 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

EMPLOYEE HEALTH, SAFETY AND WELL-BEING

[3-3]

THRUST 2: SAFETY MANAGEMENT SYSTEM

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

The drive to create a safe work environment for our employees is guided by our Integrated Safety Management Policy. The key objectives of our Integrated Safety Management Policy are:

Strive to prevent injuries, damages and losses by eliminating hazards and implementing control measures

Instil and promote a safety culture for all staff and contractors

Comply with corporate and statutory requirements, and ensure that safety standards are not compromised by commercial imperatives

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

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.

HAZARD IDENTIFICATION AND RISK ASSESSMENT PROCESS

The process for work-related hazard[4] identification and risk assessment in the Safety Management System is outlined below:

Another key component of the Safety Management System is the reporting of safety-related matters. All employees are required to promptly report work-related incidents to their immediate supervisor or section head. Additionally, a confidential reporting hotline is available for employees to provide anonymous feedback on quality or safety concerns. These inputs enable analyses and the implementation of safety interventions.

Work-related incidents[5] are investigated by the Workplace Safety and Facilities Division. The investigation process includes issuance of a preliminary accident/incident report based on initial investigation, and a final report which will identify risks and factors associated with the incident, corrective actions to be implemented and recommendations to improve the Safety Management System.

4,5 Please refer to the Appendix for definitions and methodologies.

EMPLOYEE HEALTH, SAFETY AND WELL-BEING

[3-3]

THRUST 3: TRAINING AND COMMUNICATION

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

SIAEC acknowledges the significance of fostering open communication channels with our employees, enabling them to raise concerns regarding occupational health and safety matters. We proactively engage our workforce in both the implementation and evaluation of our Safety Management System. This entails soliciting input from employees to identify and address potential work-related hazards, collaboratively developing and reviewing occupational health and safety procedures, and involving them in discussions pertaining to occupational health and safety during divisional Safety, Health and Environment Committee meetings.

We advocate a Just Culture, encouraging employees to report errors for the Company's learning and improvement. To foster a safety-conscious environment, we regularly broadcast workplace safety reminders and implement engagement initiatives. These efforts aim to encourage employees to report hazards and near misses, such as worn or faulty equipment or unsafe conditions in work areas. Confidential reporting of quality and safety concerns can be lodged easily through a digital form accessible via a QR code.

To ensure that all key stakeholders remain informed and kept abreast of the latest occupational safety practices and requirements, a digitalised Safety, Health and Environment Handbook is accessible to all employees and contractors. Additionally, all workplace safety information is consolidated and can be found on a safety promotion platform accessible to all employees.

As part of the onboarding process, new employees and contractors are required to undergo safety awareness training facilitated by qualified workplace safety and health officers before commencing work. For existing employees, targeted health and safety courses that are tailored to specific job functions serve as refresher training. These safety training sessions are conducted at the Workplace Safety Promotion Centre, which combines classroom-based lessons with experiential and visual learning opportunities for participants. By augmenting existing programmes and training initiatives on workplace safety, the Centre highlights workplace hazards and imparts lessons learnt from past workplace accidents from relevant industries.

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

Spotlight

SAFETY AND SECURITY WEEK 2023 – SUSTAINING A STRONG SAFETY AND SECURITY PERFORMANCE

The Safety and Security Week 2023, held in October 2023, highlighted SIAEC's continued commitment to fostering a culture of safety and security within the organisation. Under the theme "Sustaining a Strong Safety and Security Performance", the event featured a series of seminars, exhibits and quizzes focused on key safety topics. Leading up to the event, safety quizzes were held to generate awareness and raise publicity for the event.

EMPLOYEE HEALTH, SAFETY AND WELL-BEING

[3-3]

THRUST 4: PARTNERING OUR STAKEHOLDERS ON SAFETY

SIAEC engages in collaborations with stakeholders through diverse partnerships and joint programmes aimed at promoting safety. Notable partners include CAAS and the Changi Airport Group (CAG).

The Airport Safety Awards is an initiative by CAG to acknowledge the safety endeavours of employees and partners within the airport community. SIAEC has been an active participant of CAG's initiatives and is proud to have received several awards in 2023. These awards serve as a testament to SIAEC's unwavering commitment to fostering a robust safety culture.

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

Spotlight

GROUND-UP IDEAS TO IMPROVE SAFETY

SIAEC actively involves its employees in generating ideas to enhance safety through initiatives like the Innovation Challenge. One such ground-up project addressed the safety concern relating to dislodged pressurised hose of nitrogen cart, posing a risk of injury due to the forceful whipping action of the hose. To mitigate this risk, the Line Maintenance team developed a safety bracket to securely hold the hoses in place, even in the event of disconnection from the connector. This innovation allows users to safely operate and shut off the supply valve of the nitrogen carts.

In another initiative, the Facilities team collaborated with its contractor to install hold-rods on waste bin covers. This simple yet effective modification reduces the risk of hand and finger injuries resulting from sudden closures, while also facilitates ease of waste disposal.

OCCUPATIONAL HEALTH OF EMPLOYEES

[403-3] [403-6]

SIAEC prioritises the health and well-being of its employees by offering comprehensive occupational health services. These include regular medical examinations and monitoring of employees exposed to hazards such as excessive noise, radiation and harmful chemicals. Updates on employees' occupational health status are presented at the quarterly Safety, Health and Quality Council meetings.

Prolonged exposure to loud noises during maintenance work poses a risk of noise-induced deafness. In FY2023/24, SIAEC recorded seven new cases of advanced noise-induced deafness among its employees. To detect early signs and prevent such occurrences, relevant employees receive annual audiometric examinations and undergo regular training on the proper use and maintenance of hearing protection equipment. In addition, relevant employees will also undergo medical examinations for exposure to radiation, cadmium, as well as employees who perform vendor control or work in pressurised cabins.

EMPLOYEE HEALTH, SAFETY AND WELL-BEING

[3-3]

OUR SAFETY PERFORMANCE[6]

[2-8] [403-9]

There were no cases of high-consequence work-related injuries for both employees and workers in FY2023/24. Work-related and recordable work-related injuries for employees have increased compared to the previous year, with the main types of injuries being cuts and bruises. Root causes were identified and actions taken to prevent recurrence. SIAEC continues to conduct ground safety engagement efforts such as monthly safety campaigns to prevent safety incidents.

	FY2019/20		FY2020/21		FY2021/22[7]		FY2022/23		FY2023/24	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate
FOR EMPLOYEES										
Work-related injuries	60	5.29	40	4.72	43	4.81	35	3.62	46	4.36
Recordable work-related injuries	54	4.76	36	4.25						
High-consequence work-related injuries	2	0.18	0	–	0	–	0	–	0	–
Fatalities as a result of work-related injuries	1	0.09	0	–	0	–	0	–	0	–
FOR WORKERS										
Work-related injuries	17	4.87	3	2.66	9	7.92	12	6.10	10	3.93
Recordable work-related injuries	17	4.87	3	2.66						
High-consequence work-related injuries	0	–	0	–	0	–	0	–	0	–
Fatalities as a result of work-related injuries	0	–	0	–	0	–	0	–	0	–

Note: The total number of worker man-hours is 2,547,172 in FY2023/24. They include workers from aerospace labour suppliers, our wholly-owned subsidiary, Singapore Aero Support Services, and contractors who are working on-site at SIAEC's premises.

6 Please refer to the Appendix for definitions and methodologies.
7 Since 1 September 2020, all work-related medical leave and light duties injuries are reportable to the Ministry of Manpower (MOM).

TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

[3-3]

Offering career development opportunities and a comprehensive suite of training and upskilling programmes, we aim to empower and encourage our employees to own their career progression pathways through lifelong learning, embracing the opportunities that are available throughout their employment lifecycle. By investing in their professional growth, SIAEC demonstrates a commitment to the success of our employees. We believe that doing so will foster greater employee engagement and create a positive work environment where our employees feel valued, supported and motivated to excel, ultimately leading to increased productivity and success for both the individual and the Company as a whole.

OUR EMPLOYEE PROFILE

[2-7]

Our competent and talented workforce of executives, licensed aircraft engineers (LAEs) and technicians remain a cornerstone of the Company's success. We are committed to building a fair and supportive work environment and culture in SIAEC.

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

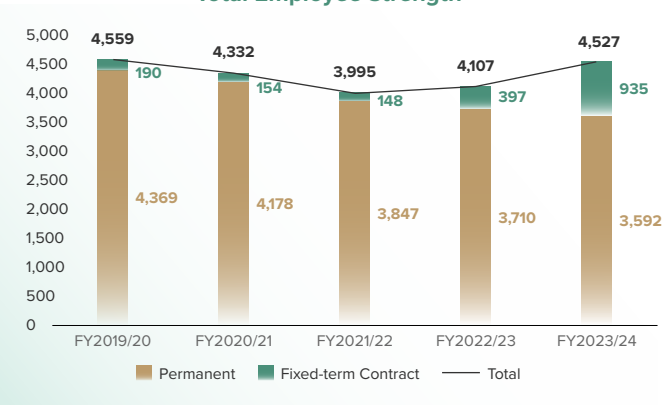
[401-1]

In FY2023/24, our hiring rate was 15.7% (FY2022/23: 11.2%) as we ramped up recruitment to meet rising MRO demand. Our employee turnover rate was 6.5% (FY2022/23: 7.2%).

The voluntary employee turnover rate decreased to 5.0% (FY2022/23: 6.2%).

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.

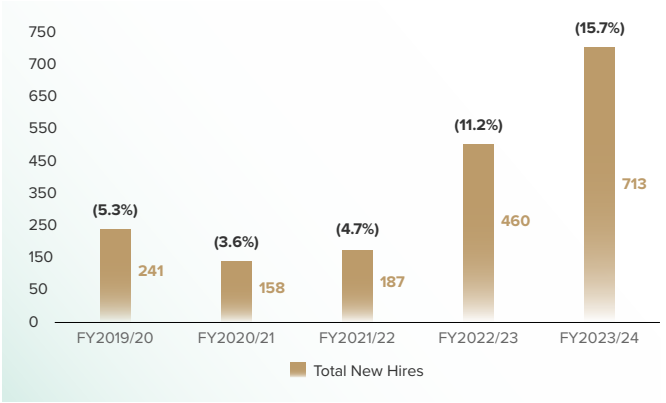
Total Employee Strength



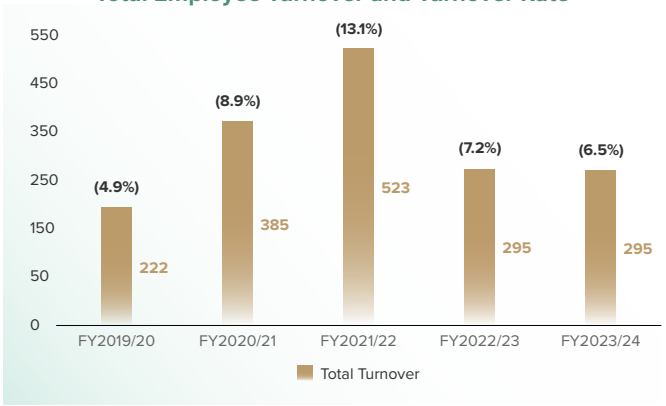
Note: Of the total employees in FY2023/24, all were based in Singapore, except two in Europe, three in North America, two in North Asia and 10 in other parts of Southeast Asia.

Two of our employees (1 male, 1 female) are employed on a part-time basis and on fixed-term contracts. We do not have any employees on non-guaranteed hours contracts.

Total New Hires and New Hire Rate



Total Employee Turnover and Turnover Rate



TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

[3-3]

EMPLOYEE SATISFACTION AND WELL-BEING

[401-3] [403-6]

Our employees are the cornerstone of SIAEC's success. We are committed to preserving our human capital by prioritising employee satisfaction, welfare and well-being. To understand our employees' needs, we actively seek their feedback through employee pulse surveys and a biennial organisational climate survey, which was last conducted from March to April 2024. These surveys serve as a platform for our employees to share their concerns and opinions on a wide range of topics, including mindset shifts, operational enhancements, sustainability and mental well-being.

Additionally, we have implemented initiatives to promote employee health and well-being, encouraging our staff to adopt a healthy lifestyle.

EMPLOYEE HEALTH BENEFITS

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

PHYSICAL AND MENTAL WELL-BEING ACTIVITIES

- Regular health talks and fitness activities
- Sharing of health tips via SIAEC's in-house magazine
- Hotline for employees to contact and seek assistance from counsellors and psychiatrists
- Peer support group comprising employees of various background for employees who require assistance
- Mental well-being talks and training to educate employees on mental health issues and how they can be managed, as well as tips to improve overall well-being

SPORTS AND RECREATIONAL COMMITTEE

- Organisation of sports, social and other recreational activities for employees such as:
  - Hiking activities
  - Sports events
  - Virtual walk/run challenge
  - Upcycling workshops

TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

[3-3]

At SIAEC, we understand the importance of fostering a supportive work environment that values the well-being of our employees at and beyond the workplace. Recognising the significant role that family plays in the lives of our employees, we are committed to better support our employees at workplace. Besides the provision of parental leave benefits (including childcare and extended childcare leaves), we have flexible work arrangements such as the Flexible Start of Work Day scheme where employees have the option of starting their workday earlier or later to accommodate their personal schedules, as well as hybrid working arrangements for eligible roles. By prioritising the needs of our employees and their families, we aim to create a workplace culture that is inclusive, compassionate and supportive of diverse life circumstances.

In FY2023/24, 71 (60 males, 11 females) employees were entitled to parental leave. Of the 58 employees (47 males, 11 females) who took parental leave during the year, 55 (46 males, 9 females) employees returned to work during the year, with the remaining 3 (1 male, 2 females) employees returned to work after FY2023/24.

PERFORMANCE REVIEW

[404-3]

At SIAEC, we believe in recognising our employees' abilities, performance, contributions and experience. We place emphasis on fostering open communication and regular performance evaluations between employees and their supervisors. As part of this commitment, all employees undergo appraisals designed to facilitate constructive two-way feedback and ensure alignment on goals and expectations. Additionally, we have incentive schemes in place to further incentivise and reward exceptional performance.

OPERATIONAL EXCELLENCE FRAMEWORK

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

- Drive operational excellence and emphasise quality and safety at both the operation unit and division levels
- Achieve optimal productivity levels within divisions by measuring improvement in labour revenue per employee
- Recognise outstanding operational performance that exceeds or meet delivery targets

STAR EMPLOYEE AWARDS

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

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

SOARING STARS AWARDS

Introduced in 2023, the annual Soaring Stars Awards pay tribute and celebrate our finest SIAEC individuals and teams who have delivered outstanding operational and business excellence for the Company.

These awards aim to inspire and motivate our employees to continuously strive for innovation, improvement, and excellence within SIAEC.

TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

[3-3]

TRAINING AND DEVELOPMENT

To ensure SIAEC's business resilience and excellence, it is imperative to cultivate a skilled workforce equipped with future-ready capabilities. Our employees benefit from a wide range of structured training and development initiatives designed to enhance both technical expertise and soft skills.

TRAINING ACADEMY

SIAEC is dedicated to building a thriving ecosystem of aerospace professionals by leveraging our extensive technical expertise in the MRO business to develop a comprehensive range of training programmes. Our Training Academy holds various accreditations, including recognition as an approved Maintenance Training Organisation by civil aviation authorities worldwide, as well as acknowledgment as a training provider by SkillsFuture Singapore for continuing education and training, and as a Workforce Skills Qualifications Approved Training Organisation.

Through our dynamic curriculum, encompassing both ab-initio and specialised aerospace and aircraft-related courses, the Training Academy addresses the training requirements of our employees, subsidiaries, JV and associated companies, strategic partners and key customers. By doing so, we aim to cultivate a skilled talent pool to meet the growing demand for qualified technical personnel in the aviation industry.

PROGRAMMES UNDER SIAEC TRAINING ACADEMY

AEROSPACE CAREER CONVERSION PROGRAMME

Training Academy participates actively in Workforce Singapore's Career Conversion Programme. This placement programme aims to help professionals, managers, executives and technicians transition into new occupations by reskilling them for new job roles in fleet management, quality assurance, technical services, workshop engineering, structural maintenance and cabin retrofitting works.

INTEGRATED WORK STUDY PROGRAMME IN COLLABORATION WITH SINGAPORE INSTITUTE OF TECHNOLOGY

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

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

SIAEC and our wholly-owned subsidiary, Singapore Aero Support Services, are collaborating with Temasek Polytechnic and Institute of Technical Education on the Work Study Certificate and Work Study Diploma respectively. The two programmes create additional pathways for local graduates to explore careers in the aviation industry and provide a pipeline of trainee technicians for SIAEC. Students undergo a structured programme at the Institutes of Higher Learning (IHLs) and SIAEC. The programme at Temasek Polytechnic commenced in 2019 while the Work Study Diploma was launched in 2021.

TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

[3-3]

Spotlight

SIAEC WINS SKILLSFUTURE EMPLOYER AWARD AND SINGAPORE HR AWARDS

SIAEC has been awarded the SkillsFuture Employer Award (Silver) for the year 2023. Organised by SkillsFuture Singapore, this prestigious award is part of a tripartite initiative designed to honour employers who have made significant investments in the skills development of their employees and have shown exceptional support for the national SkillsFuture movement. This recognition highlights SIAEC's dedication to nurturing a culture of continuous learning and development within its workforce. By investing in the professional growth of its employees, the Company not only enhances individual career paths but also strengthens its overall success. This accolade underscores SIAEC's commitment to fostering a lifelong learning culture, both within the workplace and beyond.

In addition, SIAEC has been awarded the Sliver Standard for two award categories – Learning & Development with Coaching & Mentoring and Talent Management at the 16th Singapore HR awards by the Singapore Human Resource Institute, which honours companies in various HR practices. The Learning & Development with Coaching & Mentoring awards acknowledges SIAEC's commitment in learning and development, which have enhanced employee performance, career growth and overall organisational success while inspiring a culture of continuous learning for future business resilience. The Talent Management award recognises SIAECs' initiatives and efforts in identifying and developing top talents, which have significantly enhanced employee engagement, performance and retention, while aligning with the organisation's strategic goals.

TALENT ATTRACTION, RETENTION, TRAINING AND DEVELOPMENT

[3-3]

EMPLOYEE DEVELOPMENT

As part of employee development, SIAEC offers various schemes to facilitate self-improvement, including the Continuing Education Scheme, Technician Progression Pathway and LAE-Executive Programme.

INVESTMENTS IN TRAINING

[404-1]

In FY2023/24, our employees underwent a total of 217,256 hours of technical training and 32,762 hours of development and soft skills training, reflecting our commitment to their continuous growth and development. The increase in training hours was due to introduction of new courses that employees have to complete on a one-off basis.

SIAEC DEVELOPMENT SCHEMES

CONTINUING EDUCATION SCHEME

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

TECHNICIAN PROGRESSION PATHWAY

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

In addition, the Dual-trade Technician Conversion programme is in place to enable technicians to work on both avionics and mechanicals maintenance tasks.

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 operations divisions.

ANNUAL AVERAGE TRAINING HOURS PER EMPLOYEE	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
BY GENDER					
Male	*	53.3	44.5	46.3	57.2
Female		25.2	23.0	39.1	40.7
BY EMPLOYEE CATEGORY					
Managers and above	22.7	19.2	23.6	27.6	40.8
Executives	31.5	42.5	37.5	47.1	58.1
Other employees	39.7	52.3	43.3	45.8	55.3

* Note: Starting FY2020/21, the breakdown of average training hours per employee by gender is tracked and reported.

DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

[406-1]

SIAEC is dedicated to fostering diversity and equal opportunity in the workplace as a diverse workforce brings varied perspectives that fuel innovation, creativity and problem-solving. This, in turn, enhances employee engagement, productivity and retention.

Our policies and processes are designed to cultivate an inclusive culture and establish a work environment that welcomes individuals from diverse religious and ethnic backgrounds, varying physical capabilities and different genders. This approach contributes to a diverse and skilled workforce, fostering enhanced employee satisfaction, well-being and mental health, as well as a positive workplace culture.

To enhance inclusivity within the workplace, our Diversity Task Force implements initiatives aimed at promoting inclusiveness and attracting talent from diverse backgrounds. One of the objectives of the Task Force is to enhance the work environment to be more conducive and supportive for female employees. Notwithstanding the nature of MRO work which typically attracts more males to join the industry as engineers and technicians, we aim to increase the proportion of our female workforce. As a commitment to gender diversity, SIAEC is a member and supports the initiatives of Women In Aviation Singapore Chapter, a non-profit organisation that is dedicated to the encouragement and advancement of women in all aviation career fields and interests.

We are committed to preventing discriminatory practices, which are not limited to nationality, ethnicity, gender, religion, age and disability. Any alleged incidents of discrimination can be reported to employees' supervisors or through our whistle-blowing channels, where they will be investigated. In FY2023/24, there were no reported cases of discrimination in the Company.

Spotlight

TRAINING ON DIVERSITY, EQUITY AND INCLUSION

Recognising the importance of diversity, the Company launched a mandatory online course "Introduction to Diversity at the Workplace" to all employees in FY2023/24. The e-learning course covered key topics on diversity, equity and inclusion, including understanding and addressing unconscious bias and microaggression. In addition, in-person trainings are conducted for supervisory employees to equip them with knowledge and skills to manage diversity at their work areas.

DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

DIVERSITY OF GOVERNANCE BODIES AS AT 31 MARCH 2024

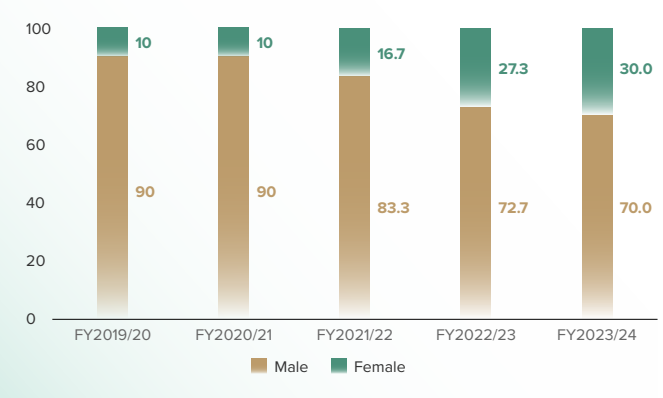
[405-1]

The Board acknowledges the significance of diversity in ensuring that Board Members offer a broad spectrum of perspectives, insights, experiences and expertise for effective stewardship and management of the Company's business. As at 31 March 2024, the Board comprised 10 Directors of which 3 are female, achieving 30% female representation. Please refer to the FY2023/24 Annual Report for more details on the composition and diversity of the Board.

BOARD OF DIRECTORS

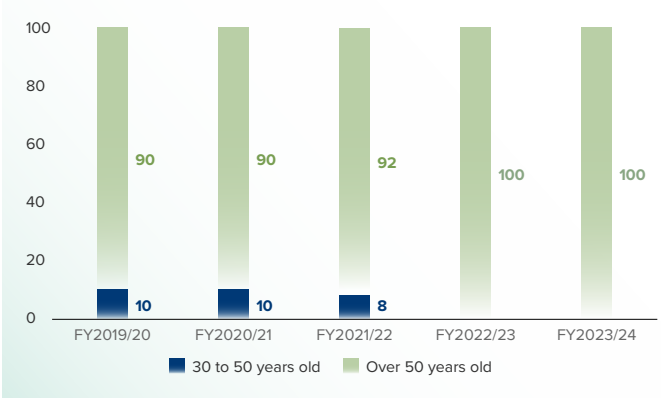
	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
Total	10	10	12	11	10

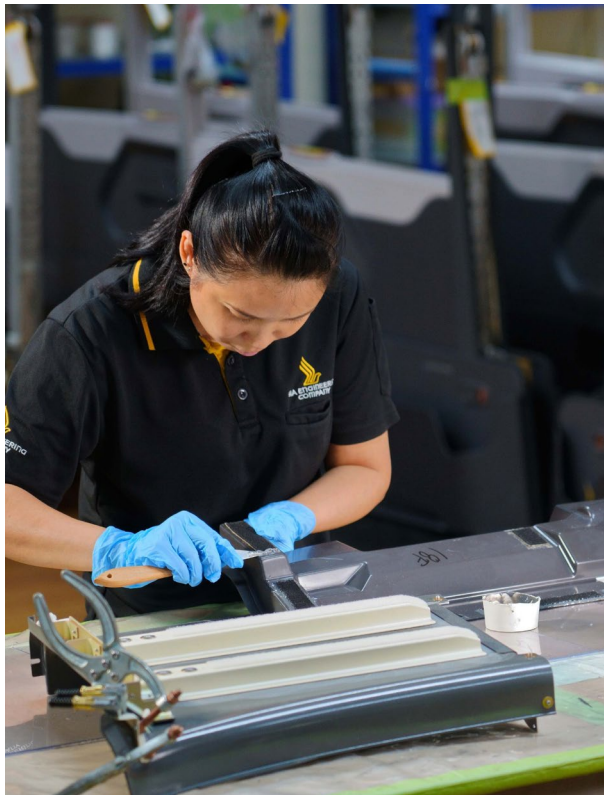
Breakdown by Gender (%)



	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
Total	10	10	12	11	10

Breakdown by Age Group (%)





DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

DIVERSITY OF EMPLOYEE PROFILE AS AT 31 MARCH 2024

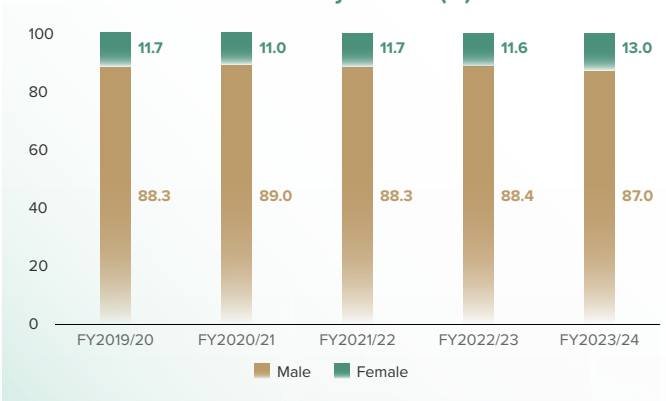
[2-7] [405-1]

BREAKDOWN OF GENDER BY EMPLOYEE CONTRACT

Permanent Employees

	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
Total	4,369	4,178	3,847	3,710	3,592

Breakdown by Gender (%)

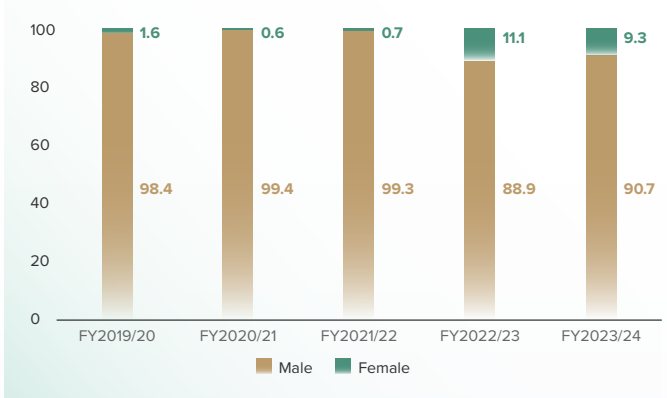


Note: Of the permanent employees in FY2023/24, all were based in Singapore, except 14 males (two in Europe, two in North America, two in North Asia and eight in other parts of Southeast Asia).

Fixed-term Contract Employees

	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
Total	190	154	148	397	935

Breakdown by Gender (%)



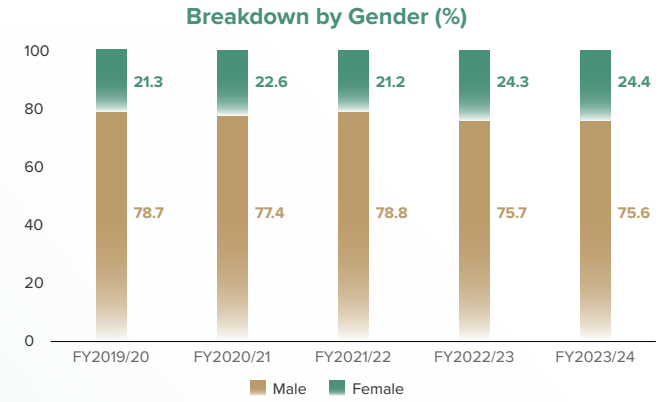
Note: Of the fixed-term contract employees in FY2023/24, all were based in Singapore, except three males (one in North America and two in other parts of Southeast Asia).

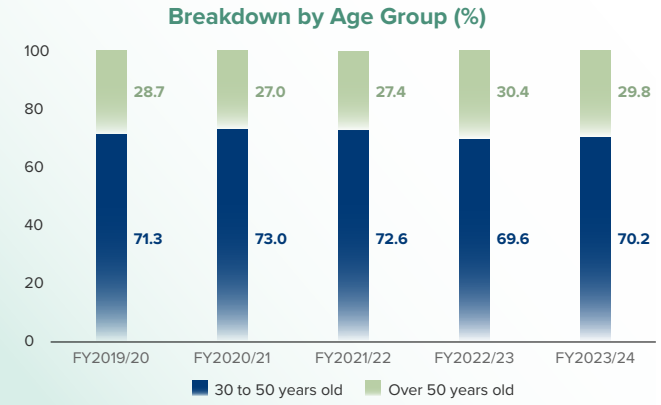
DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

BREAKDOWN OF GENDER AND AGE GROUP BY EMPLOYEE CATEGORY

Managers and above

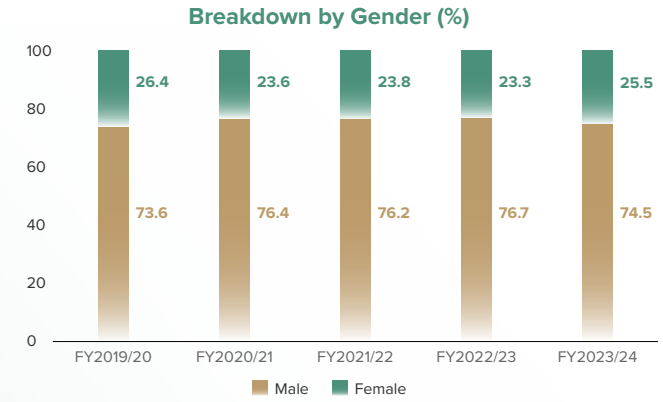
Total	108	115	113	115	131

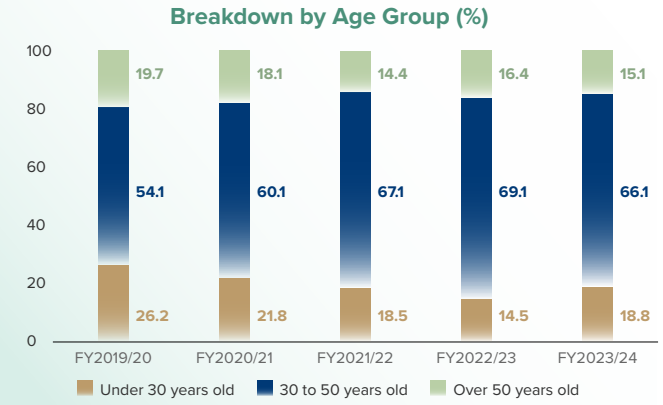




Executives

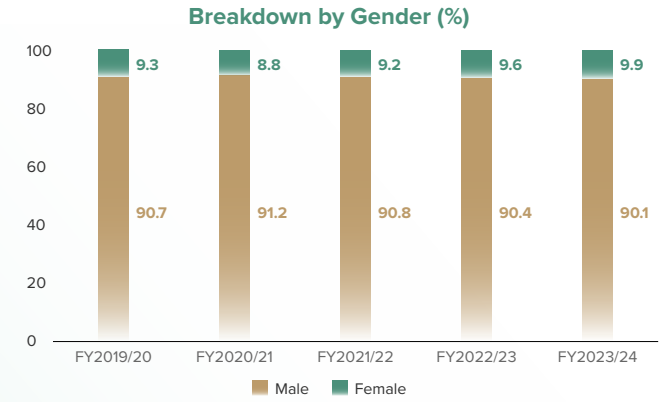
Total	458	436	471	463	542

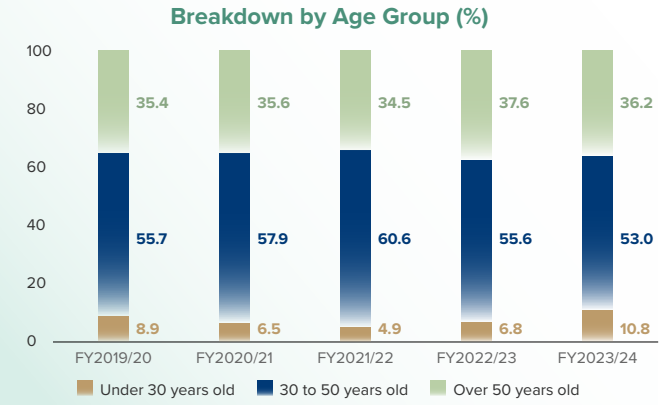




Other Employees

Total	3,993	3,781	3,411	3,529	3,854





DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

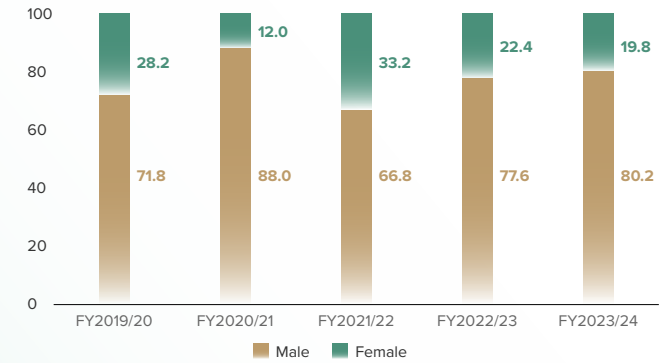
BREAKDOWN OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

[401-1]

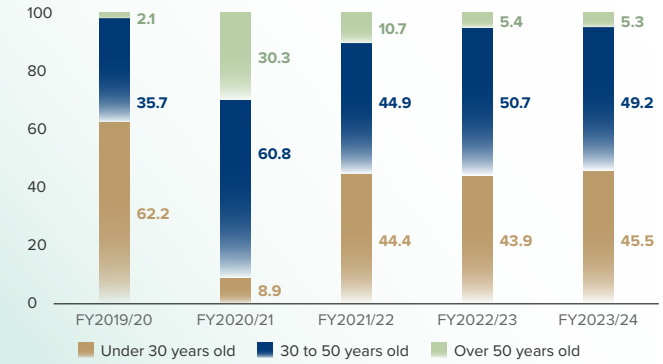
NEW HIRES (SINGAPORE)

Total	241	158	187	460	713

Breakdown by Gender (%)



Breakdown by Age Group (%)

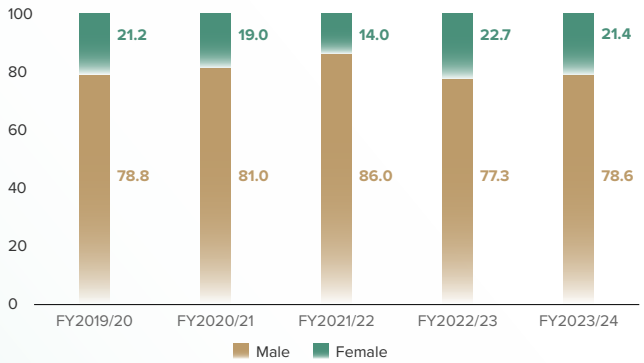


Note: The high proportion of new hires above 50 years old in FY2020/21 was due to employees transferred from wholly-owned subsidiary, Heavy Maintenance Singapore Services, following the integration of its operations into the parent company for greater efficiency.

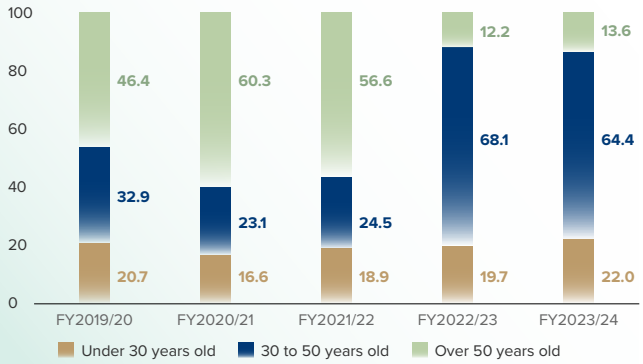
EMPLOYEE TURNOVER (SINGAPORE)

Total	222	385	523	295	295

Breakdown by Gender (%)



Breakdown by Age Group (%)



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

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

SIAEC is dedicated to upholding fair employment terms for all employees and fostering positive industrial relations with our union partners. We engage with our unions through various platforms, including regular meetings between Management and union representatives to address workforce-related issues, as well as share updates on SIAEC's business outlook and initiatives. Presently, 73% of SIAEC's executive employees, engineers, technicians and employees in the general grades are members of our three unions. The collective agreements with these unions also cover same groups of employees who are non-members. The employment terms of remaining managerial level staff not covered by collective agreements are governed by their respective individual contracts which are in line with employment regulations.

All our labour practices adhere to the Employment Act and other employment-related laws. SIAEC ensures that employees and unions are provided with reasonable advance notice before implementing any significant operational changes. The specific notice periods are not detailed in the collective agreements as they may vary depending on circumstances. Additionally, the collective agreements outline the labour grievance mechanisms.

In 2019, aligning with the National Trades Union Congress's initiative to establish Company Training Committees (CTCs), aimed at providing workers with training collaboratively developed by unions, training providers, and IHLs, SIAEC formed a CTC in partnership with our unions. This committee acts as a platform for discussions between the Company and our unions regarding 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 44% 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 90% of our engineers are members of SEEU

SINGAPORE AIRLINES STAFF UNION (SIASU)

- Represents technicians and employees in the general grades in the Company
- About 73% of our technicians and clerical employees are members of SIASU

MANAGE OUR ENVIRONMENTAL IMPACT

BEING ENVIRONMENTALLY RESPONSIBLE AND COMBATTING CLIMATE CHANGE

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BEING ENVIRONMENTALLY RESPONSIBLE AND COMBATTING CLIMATE CHANGE

SIAEC is committed to doing our part in reducing emissions and preserving natural resources for future generations. As an MRO service provider, SIAEC's work contributes towards environmental sustainability by prolonging the lifespan of aircraft and components. We conduct our operations in an environmentally responsible manner and actively explore sustainable solutions to contribute to global efforts in combatting climate change. Our efforts are aligned with the initiatives outlined in CAAS' Sustainable Air Hub Blueprint published in February 2024, which aims to decarbonise Singapore's aviation sector.

MATERIAL TOPICS	COMMITMENT AND KEY POLICIES
CLIMATE CHANGE RESILIENCE AND MITIGATION	To continually improve our Environmental Management System and work towards enhancing environmental performance and managing environmental risks • Environmental Management System (ISO 14001: 2015 certified) • Environmental Policy (see right)
ENERGY AND EMISSIONS MANAGEMENT	
WATER AND EFFLUENTS MANAGEMENT	
WASTE MANAGEMENT AND RESOURCE CIRCULARITY	

SIA ENGINEERING COMPANY

Environmental Policy

SIA Engineering Company is committed to working towards achieving environmental sustainability and complying with environmental regulations and standards relevant to our activities, products and services.

To achieve our commitment, we strive to:

- protect the environment by progressively integrating environmental considerations into our business processes, and ensure our operations are carried out in an environmentally responsible manner.
- continually improve and maintain an effective Environmental Management System, monitor our environmental performance, engage key stakeholders, and communicate environmental issues via our annual Sustainability Reports.
- reduce emissions and waste generated from our activities, and minimise pollution to limit any negative environmental impact.
- use natural resources and energy efficiently by enhancing our practices, optimising our processes and pursuing sustainable initiatives.
- cultivate an environmentally responsible mindset among our employees through regular environmental outreach programmes and training to raise environmental awareness.

Chin Yau Seng
Chief Executive Officer

CLIMATE CHANGE RESILIENCE AND MITIGATION

[3-3]

SIAEC recognises the importance of building resilience to climate change to ensure a sustainable business. The impacts of climate change, such as more frequent and severe weather events, will have a significant impact on the business environment and operations. SIAEC has thus taken steps to obtain a deeper understanding of how climate change is likely to impact the Company, while also playing our role to combat climate change such as through decarbonising operations and engaging with our value chain to do the same.

NET-ZERO EMISSIONS

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

Given this pressing urgency and in line with the global and Singapore's climate target, SIAEC has committed to achieve net-zero emissions by 2050. To ensure that the Company remains on track to achieve the goal by 2050, we have set a medium-term target to halve Scope 1 and 2 emissions by 2030 (against FY2019/20 baseline), with yearly internal targets to ensure that we stay on course to meet the 2030 goal.

REPORTING ON CLIMATE-RELATED RISKS AND OPPORTUNITIES

As part of our commitment to transparency and effective climate governance, we continue to report our progress in addressing climate-related risks and opportunities based on phased adoption of the TCFD recommendations. This report marks our second year of reporting against the TCFD recommendations.

Over the past year, SIAEC had integrated the climate-related risks identified during the qualitative scenario exercise into our Enterprise Risk Management framework and assigned business units to monitor and take responsibility for managing the identified risks. We also further developed our Scope 3 emissions reporting, allowing us to gain a more holistic view of the environmental impact of our business operations. More information on our response to TCFD recommendations can be found in the following section.

GOVERNANCE

The Board of Directors is responsible for overseeing SIAEC's sustainability performance. To manage sustainability matters more effectively, committees across the Board and Senior Management levels have been established to embed environmental, social and governance considerations into the Group's business, operations and strategies and to foster a culture of sustainability in SIAEC. Please refer to Sustainability Governance for further details on the various committees responsible for sustainability governance at SIAEC.

To support the Board in managing climate-related risks, SIAEC has integrated management of climate-related risks into its comprehensive risk management framework and reporting structure, where the Group Risk & Compliance Management Committee, which is chaired by CEO, reports on key risks to respective Board committees, with updates on environmental and climate risks to the Board Sustainability Committee. Refer to Corporate Governance section of the Annual Report and the Business Ethics and Governance section of this report for an overview of SIAEC's risk management framework and reporting structure.

STRATEGY

APPLYING CLIMATE SCENARIOS TO CLIMATE-RELATED ISSUES

In 2023, SIAEC conducted a qualitative climate scenario analysis assessment to understand the Company's resilience to climate change in the short term (by 2025), medium term (by 2030) and long term (by 2050). The time horizons were selected to align with SIAEC's 2030 target and 2050 net-zero ambition. The analysis took into account two climate pathways, namely a Net-Zero Emissions scenario (2°C or lower) and a Middle-Of-The-Road scenario (approximately 2.4°C to 2.8°C)[8], primarily taking reference from the Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) published by IPCC[9].

8 The estimated temperature range referenced here is for representation purposes and draws upon four sources – IPCC RCP 4.5, IPCC SSP2-4.5, International Energy Agency (IEA) Stated Policies Scenario (STEPS) and the Network for Greening the Financial System (NGFS) Nationally Determined Contributions (NDCs).

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

CLIMATE CHANGE RESILIENCE AND MITIGATION

[3-3]

- **Net-Zero Emissions Scenario (IPCC RCP 2.6 and SSP1-2.6)**
  This scenario assumes that the world shifts gradually, but pervasively, toward a more sustainable path, emphasising more inclusive development that respects perceived environmental boundaries. Management of the global commons slowly improves, educational and health investments accelerate the demographic transition, and the emphasis on economic growth shifts towards a broader emphasis on human well-being. Driven by an increasing commitment to achieving development goals, inequality is reduced both across and within countries. Consumption is oriented towards low material growth and lower resource and energy intensity.

- **Middle-Of-The-Road Scenario (IPCC RCP 4.5 and SSP2-4.5)**
  This scenario assumes that the world follows a path in which social, economic and technological trends do not shift markedly from historical patterns. Development and income growth proceed unevenly, with some countries making relatively good progress while others fall short of expectations. Global and national institutions work towards but make slow progress in achieving sustainable development goals. Environmental systems experience degradation, although there are some improvements and overall, the intensity of resource and energy use decline. Global population growth is moderate and levels off in the second half of the century. Income inequality persists or improves only slowly, and challenges to reducing vulnerability to societal and environmental changes remain.

The use of climate scenarios provides SIAEC with insights into the qualitative impacts of the physical and transition risks identified taking into consideration the various assumptions, pathways, trends and hypotheses.

Physical risks such as heat stress are expected to be more severe under the Middle-Of-The-Road scenario as the larger increase in global warming results in greater changes and unpredictability in global and local weather systems. For instance, the Third National Climate Change Study conducted by the Centre for Climate Research Singapore[10] identified that the mean temperature under the SSP2-4.5 scenario would be 0.8°C warmer than a SSP1-2.6 scenario by the end of the century, and that almost every single night would be considered a warm night in the SSP2-4.5 scenario.

On the other hand, transition risks will likely have a greater impact on SIAEC under the Net-Zero Emissions scenario as businesses and governments take stronger action to mitigate global warming and reduce the impacts of climate change. For example, in a net-zero scenario, more companies are likely to set science-based net-zero decarbonisation targets. Under this commitment, the Science Based Targets initiative (SBTi) cross guidance expects Scope 3 emissions targets to be reduced by at least 40% to 50% by 2030, assuming a 10-year period from baseline year, and at least 90% by 2050. As such, this could result in changes across the value chain and affect SIAEC's business.

While SIAEC has taken the first steps towards identifying the impacts of climate-related risks on our business, we continue to improve on our risk models and identification processes to support our path towards achieving net-zero emissions while also ensuring that we are able to capitalise on business opportunities and mitigate business risks. We are also collaborating with key stakeholders in the aviation sector to ensure that the local aviation and aerospace sectors can develop a holistic response to mitigating climate impacts.

SUMMARY OF SIAEC'S MATERIAL CLIMATE-RELATED RISKS AND OPPORTUNITIES, POTENTIAL IMPACTS AND RATINGS

The table on the next page summarises the key physical[11] and transition risks and opportunities which may have an impact on SIAEC's operations following the climate scenario analysis, and the corresponding risk ratings across the two climate scenarios. We continue to closely monitor and review these issues to ensure any potential operational disruption will be minimised. More details on the identified climate-related risks, opportunities and relevant mitigation measures will be disclosed in future reports upon completion of the full climate scenario analysis.

10 Key findings from the Third National Climate Change Study can be found in the report for stakeholders at https://www.mss-int.sg/docs/default-source/v3_reports/v3-stakeholder-report.pdf.
11 A preliminary physical risk assessment was conducted to identify the climate hazards to SIAEC Group's operations. Analysis on exposure/vulnerability to climate hazards are derived from Munich Re's Location Risk Intelligence Platform (Natural Hazards Edition, Climate Change Edition).

CLIMATE CHANGE RESILIENCE AND MITIGATION

[3-3]

			Short Term	NET ZERO		MIDDLE OF THE ROAD	
TCFD CATEGORY	**RISK/OPPORTUNITY**	**DESCRIPTION AND POTENTIAL IMPACTS**	**2025**	**2030**	**2050**	**2030**	**2050**
Material Physical Risks							
Chronic Physical Risks	Heat stress	The increase in global temperatures intensifies the risks associated with heat stress, with potential implications not only on human health but also on infrastructure. This could lead to disruptions in operational efficiency due to increased workforce medical absences caused by heat-related health conditions. Extreme heat may also compromise the functionality and reliability of our crucial maintenance equipment, which will require SIAEC to invest in equipment with a higher tolerance for extreme conditions, and potentially redesign maintenance procedures to accommodate changes in global temperatures.	High	High	High	High	High
	Precipitation stress	Rising global temperatures amplify the air's moisture content, resulting in increased frequency and severity of heavy rainfall events. SIAEC may face operational disruptions from potential delays in scheduled services and increased insurance costs on critical assets due to the increased risk of flooding triggered by high rainfall.	High	High	High	High	High
Material Transition Risks							
Policy and Legal	Increased operating expenses from rising national carbon tax	The transition towards a low carbon economy will trigger stricter regulatory measures such as the announced hike in carbon tax rates to $50-80 dollars by 2030 in Singapore. Rising utility costs from fuel and electricity consumption would result in increased overhead costs of running our facilities and daily MRO activities.	Medium	High	High	Medium	Medium
Market	Reduced demand for fossil fuel-based flights	As companies increasingly establish decarbonisation goals, there might be a shift to virtual meetings and events to cut down on business air travel. Similarly, as consumers become more conscious of their environmental impact, they might consider alternatives to fossil-fuel based flight. As such, this shift in demand may reduce aviation growth due to reduced airline fleet sizes and/or budgets for MRO services which will ultimately reduce revenue for MRO companies.	Low	Medium	High	Low	Medium

High Risk Rating | Medium Risk Rating | Low Risk Rating

CLIMATE CHANGE RESILIENCE AND MITIGATION

[3-3]

			Short Term	NET ZERO		MIDDLE OF THE ROAD	
TCFD CATEGORY	**RISK/OPPORTUNITY**	**DESCRIPTION AND POTENTIAL IMPACTS**	**2025**	**2030**	**2050**	**2030**	**2050**
Material Transition Risks							
Reputation	Association with high-emitting companies across value chain (High Scope 3 emissions)	Considering that it is the largest source of emissions that most companies produce indirectly, there is growing focus and scrutiny on how companies manage their Scope 3 emissions across their value chain, especially supply chain partners which are also high-emitting companies. Substantial operating expenses to manage and engage the value chain to reduce emissions may be needed. Additionally, poor handling of this issue could attract negative publicity due to associations with high-emitting value chain partners.	Low Risk Rating	Medium Risk Rating	High Risk Rating	Low Risk Rating	Medium Risk Rating
	Heightened expectations of climate ambition and action by stakeholders	Amidst shifting public sentiment, the lack of ambitious climate action and transparency could result in negative publicity or allegations of greenwashing. This could potentially damage reputation and brand value, diminish market share, impair access to capital, jeopardise the licence to operate, among other adverse impacts.	Low Risk Rating	Medium Risk Rating	High Risk Rating	Low Risk Rating	Low Risk Rating
Transition Risk that could become an Opportunity							
Market, Technology	Shift in consumer demand/ preferences for low-emission aircraft technology and MRO services	As airlines face increasing pressures arising from national and international initiatives, there is likely to be increased demand for low-emissions technology by airlines. MROs may require additional technical expertise and invest in research and development to cater to the emerging demand from airline customers. However, this industry shift could potentially create new revenue streams for MRO companies to offer advanced, low-emission technology services thus improving their market competitiveness in this evolving landscape.	Medium Risk Rating	Medium Risk Rating	High Risk Rating	Medium Risk Rating	Medium Risk Rating

High Risk Rating | Medium Risk Rating | Low Risk Rating

CLIMATE CHANGE RESILIENCE AND MITIGATION

[3-3]

PHYSICAL RISKS

SIAEC's key physical risks arise from the impact of weather events (acute) and long-term or widespread environmental changes (chronic), which can include increased severity of extreme weather events such as floods, rising mean temperatures and sea levels, and irregular weather patterns. The increased weather variability could cause disruption to operations and affect productivity, as well as damage to our equipment used in daily operations due to prolonged exposure to harsh operating conditions. We also anticipate higher costs associated with improving the resilience of our existing infrastructure. These risks also have the potential to disrupt our supply chain, for e.g., manufacturers and other upstream suppliers, which will impact our overall business operations.

TRANSITION RISKS

SIAEC's transition risks arise from the process of shifts towards a low-carbon economy, which can include regulatory changes, disruptive technological developments, and shifts in customer and investor preferences. The shift towards a low-carbon economy results in several risks to SIAEC's operations and business activities, such as rising energy and fuel costs which will increase operating costs. However, early adaptation will also allow SIAEC to capitalise on these industry-wide shifts and potentially gain market share for example, from the early adoption of sustainable aviation fuels in engine tests.

MITIGATION AND ADAPTATION MEASURES FOR MATERIAL RISKS AND OPPORTUNITIES

As part of our climate risk assessment, SIAEC identified current and potential mitigation measures which would reduce the impact of climate-related risks on the Group. While some of these mitigation measures have already been implemented across the Company, such as the implementation of an energy management plan to enable active monitoring of our consumption and electrification, other mitigation measures will be enhanced in the upcoming years. SIAEC is also actively working with other key stakeholders to establish potential responses to shared risks across industry, such as coastal flooding and the growing demand for sustainable aviation fuel.

For further details on how SIAEC is implementing various climate-related and decarbonisation initiatives, please refer to the Energy and Emissions Management section.

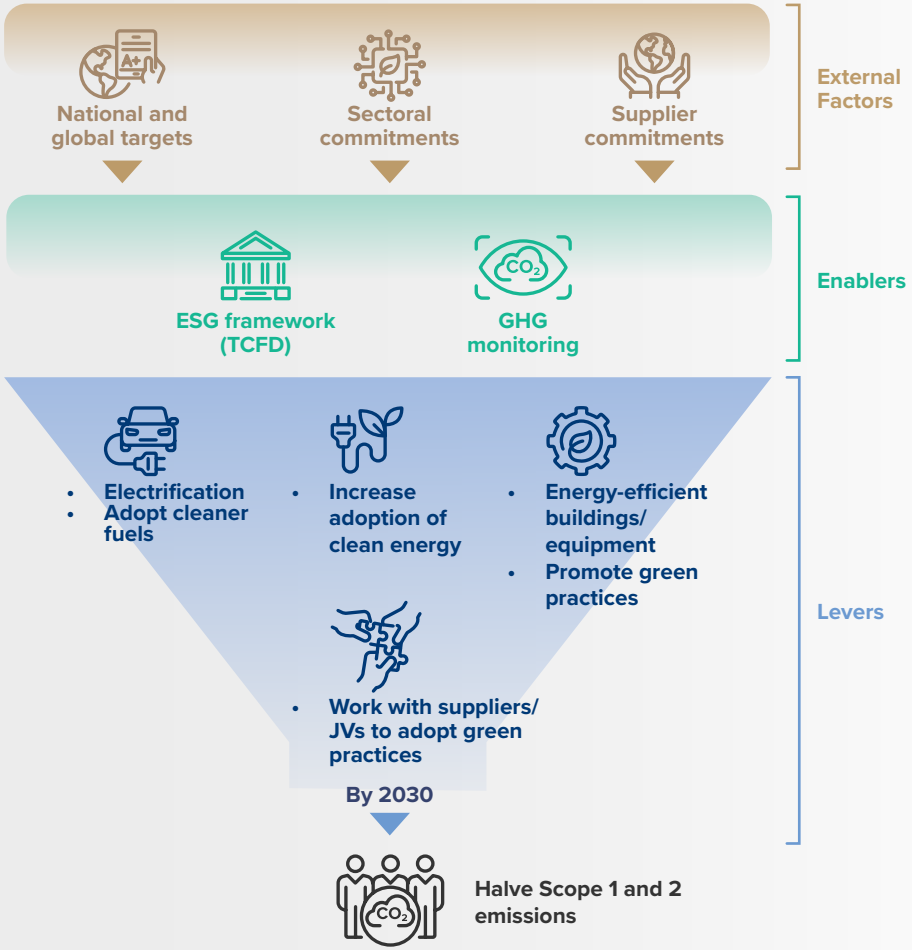
CLIMATE CHANGE RESILIENCE AND MITIGATION

[3-3]

SIAEC DECARBONISATION FRAMEWORK

In FY2021/22, SIAEC engaged an external consultant to establish a path towards net-zero emissions by 2050. Taking reference from methodology by the SBTi, the Company has set a medium-term target to halve Scope 1 and 2 emissions by 2030 (against FY2019/20 baseline). As part of the process to set the targets, the Company established the Group's preliminary greenhouse gas (GHG) inventory, as well as identified potential levers and enablers that SIAEC would adopt to decarbonise operations. To this end, SIAEC has developed a decarbonisation framework to guide its efforts towards meeting the 2030 target. These levers and enablers provide a conceptual framework to support the development and execution of our decarbonisation initiatives.

1) We aim to develop a greener energy supply through the increased installation of renewable energy sources in Singapore and Philippines and signing of Power Purchase Agreements with renewable energy suppliers.
2) We have taken several steps to optimise our operations to reduce our energy consumption, for e.g., implementation of an energy management plan, obtaining green building certifications for our hangars.
3) We are transitioning towards replacing existing petrol and diesel vehicles with electric vehicles, and preparing ourselves to adopt sustainable aviation fuel and renewable diesel in our operations.
4) We are improving our green procurement practices and value chain management to reduce Scope 3 emissions relating to suppliers.
5) We are engaging our portfolio of JV and associated companies to share sustainability practices to reduce Scope 3 emissions.



CLIMATE CHANGE RESILIENCE AND MITIGATION

[3-3]

RISK MANAGEMENT

The SIAEC Group has developed an Enterprise Risk Management Framework to enable the Group to govern, report and manage enterprise risks through the application of established risk management principles, policies and guidelines. This framework is embedded in the Group's business operations, including the facilitation of risk-based decisions and strategic planning, and highlights the importance of managing risks on an ongoing basis through coordinated efforts across different business functions. For more details on SIAEC's Enterprise Risk Management Framework and Processes, please refer to the Business Ethics and Governance section of this sustainability report, as well as the Annual Report.

The process for identifying, assessing and managing climate risks is in line with the general risk management framework used by the SIAEC Group, which applies to other categories of risks namely strategic, operational, financial, human resources and regulatory.

As outlined in the Strategy section above, the qualitative climate scenario analysis allowed SIAEC to identify a comprehensive list of climate-related risks and opportunities, and a prioritisation exercise was subsequently conducted to assess the corresponding risk ratings. These ratings were assigned based on the probability and consequence of the risks across the identified time periods and scenarios using SIAEC's existing risk assessment matrix as a guide, and took into account the resources, objectives and future mitigation plans of SIAEC balanced against the risk tolerance and control policies. The risk ratings assigned to the risks and opportunities as described in the Strategy section above were validated by Senior Management and the Board and respective Board committees.

Risk owners across SIAEC's business units were identified to manage relevant climate-related issues which have an impact on their business and operations. These risk owners have evaluated the potential impacts of these risks on SIAEC's business and have identified mitigation plans. As a result, the identified climate-related risks and opportunities have been categorised into either existing or new risk categories in line with our existing Enterprise Risk Management policies, processes, procedures and guidelines and integrated into the framework.

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 year. During these yearly reviews, close attention is also paid to the identification of new and emerging risks, including climate risks.

METRICS AND TARGETS

SIAEC has been monitoring its performance in environmental metrics such as electricity consumption and water withdrawal, waste and carbon emissions – Scope 1 and 2 emissions. We are continuing to expand reporting for SIAEC's subsidiaries, as well its JV and associated companies to present a Group-wide view of our emissions. In this report, the Company is disclosing emissions associated with three Scope 3 categories: Category 5 – Waste generated in operations; Category 6 – Business travel (by air); Category 7 – Employee commute. We are working towards progressively disclosing remaining categories applicable to SIAEC such as Category 15 – Investments, etc. Please refer to the subsequent section of Energy and Emissions Management for more information.

SIAEC has set a 2030 target to halve Scope 1 and 2 emissions and will regularly monitor our progress. Additionally, SIAEC has set 2030 targets for other priority areas, which is covered from pages 14 to 18 of this report. In FY2023/24, the performance scorecards of Senior Management have incorporated yearly climate and environmental-related targets to ensure SIAEC stays on course to meet its 2030 targets. For more details on SIAEC's remuneration policies, please refer to the FY2023/24 Annual Report.

ENERGY AND EMISSIONS MANAGEMENT

[3-3]

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

MANAGEMENT OF ENERGY AND EMISSIONS

SIAEC is committed to reducing our negative environmental impact and carbon footprint. Our approach to energy and emissions management involves close monitoring of energy consumption of our facilities, driving reduction in energy consumption and transitioning to cleaner sources of energy. Additionally, we work closely with SIAEC's subsidiaries, as well its JV and associated companies to reduce our carbon footprint.

Over the past few years, SIAEC has continuously innovated and implemented several key initiatives to drive reductions in energy use and emissions, which are listed below:

REDUCE ENERGY AND EMISSIONS AT FACILITIES	• Implemented an energy management plan to monitor consumption. • Ongoing energy improvement plans to reduce energy consumption and wastage such as: > Installation of motion sensors and replacement to light-emitting diode lightings at common areas and offices > Use of efficient central chilled water system for buildings' air-conditioning > Installation of variable speed drives system on pumps > Optimisation of air compressor operations for peak and off-peak periods to conserve electricity
SHIFT TO SUSTAINABLE SOURCES OF ENERGY	• Since January 2021, SIAEC's solar photovoltaic systems in Singapore, comprising over 8,000 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. • Our operations in the Philippines have also installed a rooftop solar photovoltaic system, comprising over 1,200 solar panels and generating over 600 MWh of clean energy yearly.
ACHIEVE BCA GREEN MARK CERTIFICATION	• In support of Singapore's ambition to green 80% of Singapore's buildings by 2030,[12] SIAEC plans to achieve the Building and Construction Authority (BCA) Green Mark Certification for all facilities. The BCA Green Mark Certification Scheme evaluates a building's environmental impact and performance in areas such as climatic responsive design, building energy performance, resource stewardship, smart and healthy buildings, and advancement of green efforts, to promote sustainable design and best practices in construction and operations in buildings. • To date, two of SIAEC's hangars have achieved the highest Platinum rating for the Green Mark Certification, including attaining Super Low Energy Building status.
PROMOTE ENERGY CONSERVATION	• 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. • A Sustainability Corner fully powered by our solar photovoltaic system to update employees on the Company's green initiatives. 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.

12 By gross floor area.

ENERGY AND EMISSIONS MANAGEMENT

[3-3]

OUR ENERGY AND EMISSIONS PERFORMANCE[13]

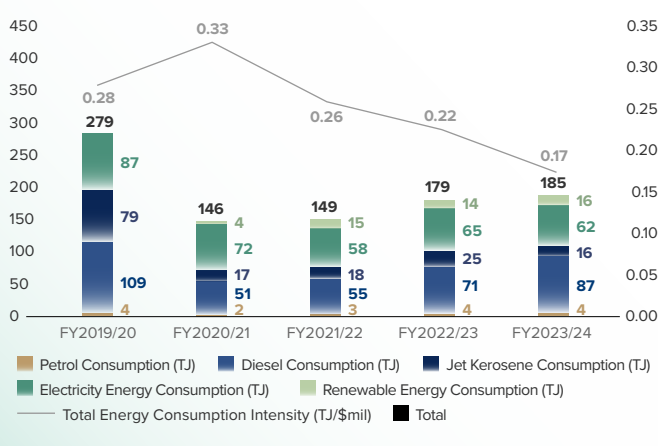
[2-4] [302-1] [302-3] [305-1] [305-2] [305-3] [305-4] [305-5]

In FY2023/24, our Scope 1 and 2 emissions were 15,191 tonnes of CO_2e, a 3.3% increase from 14,704 tonnes of CO_2e in FY2022/23 as business continued to recover after the pandemic.

In this report, we have included Scope 3 emissions disclosures regarding the disposal and treatment of waste as well as employee commute, which were 1,208 tonnes of CO_2e and 3,132 tonnes of CO_2e in FY2023/24 respectively. In addition, we continue to disclose emissions arising from business travel by air, which was 1,673 tonnes of CO_2e for FY2023/24. As we continue to develop our Scope 3 emissions inventory, we will progressively disclose emissions from additional categories, such as emissions under Category 15 – Investments.

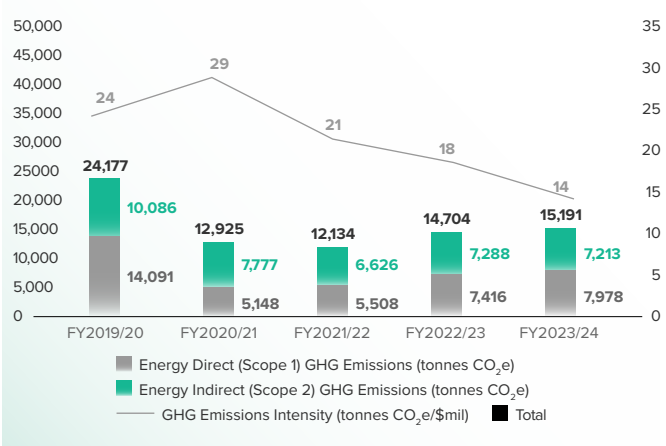
Since FY2020/21, SIAEC has been utilising renewable energy from solar panels installed on the roofs of five hangars and the Engine Test Facility. The energy generated from these solar panels supplies a portion of our electricity needs, supporting a reduction of 1,812 tonnes CO_2e in our Scope 2 emissions in the past year.

SIAEC Total Energy Consumption (TJ) and Intensity (TJ/$mil)



Note: Renewable energy consumption for FY2021/22 has been restated, which is 7.1% higher than the figure reported in Sustainability Report FY2022/23 after clarification with the solar energy service provider. Electricity energy consumption for FY2022/23 has been restated, which is 1.5% higher than the figure reported in Sustainability Report FY2022/23 after correcting rounding error.

SIAEC GHG Emissions (tonnes CO_2e) and GHG Emissions Intensity (tonnes CO_2e/$mil)



BREAKDOWN OF SCOPE 3 EMISSIONS

SCOPE 3 EMISSIONS (tCO_2e)	FY2022/23	FY2023/24
Category 5 – Waste Generated in Operations	Not Calculated	1,208
Category 6 – Business Travel (by Air)	1,384	1,673
Category 7 – Employee Commuting	Not Calculated	3,132
Total	1,384	6,013

Note: Emissions for Business Travel (by Air) for FY2022/23 has been restated, which is lower than the figure reported in Sustainability Report FY2022/23 following checks on the emission factors for N_2O and CH_4, as well as inclusion/exclusion of data within the reporting period.

13 Please refer to the Appendix for definitions and methodologies.

WATER AND EFFLUENTS MANAGEMENT

[3-3]

SIAEC recognises the importance of making water conservation a priority and promoting discipline in water usage across operations. By implementing measures such as reducing water consumption and treating wastewater, SIAEC can minimise the impact of its operations on the environment. This will contribute to ensuring water security for Singapore and support sustainable growth of the aerospace industry in the long run, while also mitigating the environmental impact on local communities. SIAEC has set a 2030 target to reduce its water intensity by 15% (against the three-year average intensity baseline from FY2017/18 to FY2019/20), with yearly internal targets to ensure that we stay on course to meet the 2030 goal.

MANAGEMENT OF WATER AS A SHARED RESOURCE

[303-1]

SIAEC's water consumption mainly arises from the use of water to support daily MRO activities in our hangars, workshops and offices. The four main approaches in driving water management at SIAEC include:

IMPLEMENT WATER CONSERVATION AND EFFICIENCY MEASURES	• The facilities team tracks the water consumption data and conducts monthly inspection of water pipes and valves to ensure no water leakages. Any unusual increase in water usage will be investigated and remedied. • Adopt water fittings with Water Efficiency Labelling "Excellent" (4 ticks). • Maintain efficient cooling tower water treatment systems. • Install self-closing water taps in toilets.
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 circulars to encourage employees to reduce water usage. • Trained employees on the importance of water conservation as part of our Safety, Security and Environment training.
ACHIEVE WEB CERTIFICATION	• The Public Utilities Board (PUB) Water Efficient Building (WEB) Certification is a programme to encourage businesses, industries, schools and buildings to adopt water-efficient measures as part of their operations. SIAEC has achieved WEB Certification for all its owned buildings in Singapore.

WATER AND EFFLUENTS MANAGEMENT

[3-3]

MANAGEMENT OF WATER DISCHARGE-RELATED IMPACTS

[303-2] [303-4]

A key aspect of SIAEC's Environmental Management System is the prevention of pollution through effluents management and compliance with local regulations such as the Sewerage and Drainage (Trade Effluents) regulations by PUB. To ensure the proper disposal of wastewater generated from our operations, we have equipped our hangar facilities with wastewater treatment plants. In FY2023/24, we treated 11,095 m^3 of wastewater to the regulatory requirements before discharge. Regular audits and inspections are also carried out to ensure that the wastewater discharge and operation of wastewater treatment plants comply with ISO 14001 and relevant regulations. During the reporting period, SIAEC's trade effluent discharge monitoring tests have complied with the legal limits set by PUB. There were no findings from the recent audits and the operation of wastewater treatment plants conforms to ISO 14001 requirements.

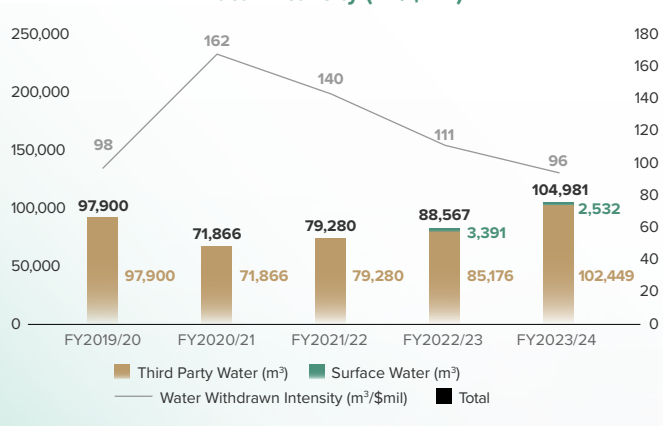
In addition, liquid hazardous waste collected by our licensed toxic industrial waste collector is treated at its wastewater treatment plant according to regulatory requirements.

OUR WATER PERFORMANCE[14]

[303-3]

The total water withdrawn in FY2023/24 was 104,981 m^3, and water intensity decreased by 13.5% from 111 m^3/$ million revenue in FY2022/23 to 96 m^3/$ million revenue. The total water withdrawn includes harvested rainwater from our hangars in Singapore as an additional water source of surface water, which is used for a variety of purposes such as flushing toilets and topping up water in cooling towers.

Total Water Withdrawn (m^3) and Water Intensity (m^3/$mil)



Note: Water withdrawal for FY2023/24 has included amount attributed to SIAEC's operations in SIA's Hangar 1 following the installation of water meters in August 2023.

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

Third party water is potable water supplied by PUB. Surface water is non-potable harvested rainwater, which is measured since FY2022/23 after the installation of water meters to measure actual rainwater collection.

14 Please refer to the Appendix for definitions and methodologies.

WASTE MANAGEMENT AND RESOURCE CIRCULARITY

[3-3]

TOWARDS RESOURCE CIRCULARITY AND ZERO WASTE

As part of the Singapore Green Plan 2030, Singapore aims to build a sustainable, resource-efficient and circular economy, with national targets to reduce the amount of waste sent to landfill per capita per day by 20% and 30%, by 2026 and 2030 respectively. SIAEC adopts a circular economy approach to increase waste diversion and we have set a target to increase our recycling rate to 30% by 2030, with yearly internal targets to ensure that we stay on course to meet the 2030 goal.

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

MANAGEMENT OF WASTE

[306-1] [306-2]

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

REDUCE AND RECYCLE WASTE FROM OUR OFFICES AND OPERATIONAL ACTIVITIES	• SIAEC's waste journey started with paper conservation and recycling and has since expanded to include other types of waste such as plastic, cardboard, scrap metal, wood and electronic waste. The Company has a Recycling Committee comprising representatives from various divisions to implement waste initiatives across the organisation. • A recycling scheme is in place to collect paper, cardboard, plastic, wood, scrap metal and electronic waste from our offices and operational areas, for processing and recycling by licensed recycling service providers. To promote awareness of our recycling programme, all occupants of SIAEC are informed of the locations of recycling bins and educated on the categories of recyclables that can be collected. In FY2023/24, arising from an audit conducted to understand our waste profile, additional recycling bins were placed in operational areas to facilitate collection and sorting, which led to an increase in the recycling rate. • The Company also continually digitalises work processes to reduce paper consumption such as digitalisation of maintenance paperwork, requests for facilities-related works, etc. In FY2023/24, we have used around 1,700 fewer reams of paper compared to the previous year.
ENSURE RESPONSIBLE DISPOSAL OF WASTE	• Waste sorting and disposal processes as well as a contamination prevention process are in place, including disposal of waste by licensed toxic industrial waste collectors. These processes regulate the disposal of toxic industrial waste and the storage, transportation and disposal of aircraft parts to minimise the environmental impact from operations. All hazardous waste that is collected by our licensed toxic industrial waste collector is treated and disposed according to regulatory requirements. Solid waste is incinerated at our contractor's waste-to-energy incineration plant and all liquid waste is treated at its wastewater treatment plant. • Guidelines on the proper disposal of toxic industrial waste are set out in SIAEC Safety, Health and Environment Handbook which is accessible to all employees.
RAISE AWARENESS ON THE 4Rs	• Conducted environmental awareness activities and 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 FY2023/24, activities conducted include sharing of educational materials on recycling Myths and Facts with employees to increase their awareness on whether certain types of waste can be recycled. • With the first Green Market event in 2022 well received by employees, the Company organised another edition in January 2024 where vendors were invited to promote products that were either sustainably produced or crafted from recycled materials. The two-day event aimed to raise employee environmental awareness. Day 2 of the event also featured a hands-on Beeswax wrap workshop where 30 employee participants learned how to craft their own beeswax wraps at the workshop, which serve as a sustainable alternative to plastic cling wrap for daily use, contributing to the reduction of single-use plastics. • Regularly publish environmental conservation and sustainability articles.

WASTE MANAGEMENT AND RESOURCE CIRCULARITY

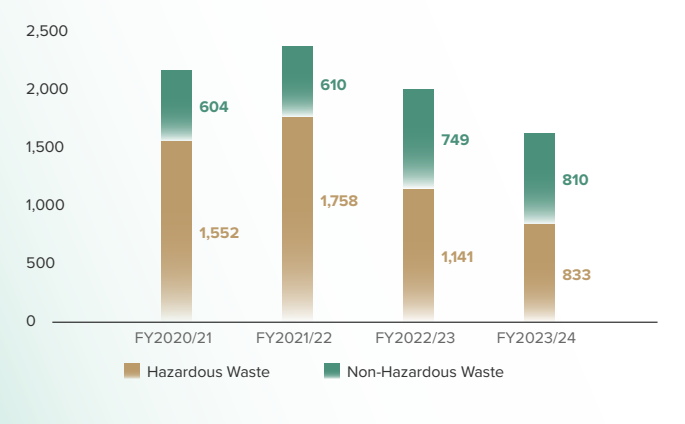
[3-3]

OUR WASTE PERFORMANCE[15]

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

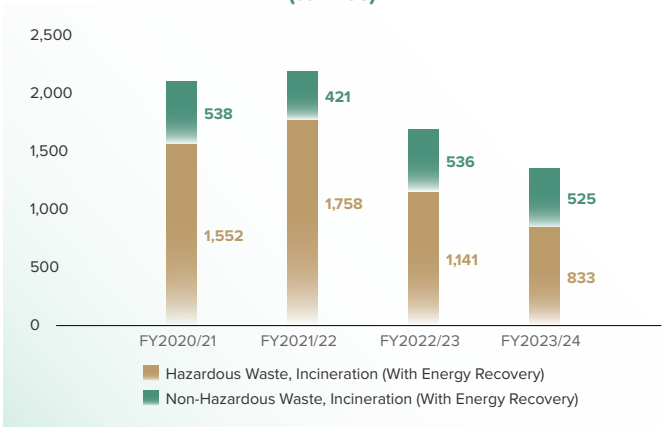
In FY2023/24, SIAEC generated a total of 1,643 tonnes of waste, of which 285 tonnes of non-hazardous waste were diverted through recycling efforts. We achieved a recycling rate of 28.4% in our day-to-day operations (i.e. not including ad hoc bulk disposal exercises). The remaining 1,358 tonnes of waste comprising 525 tonnes of non-hazardous waste and 833 tonnes of hazardous waste were disposed according to regulatory requirements. We will continue to enhance our efforts in waste reduction and recycling.

SIAEC Total Waste Generated (tonnes)



SIAEC Total Waste Diverted from Disposal (tonnes)

SIAEC Total Waste Disposed (tonnes)



15 Please refer to the Appendix for definitions and methodologies.

PURSUE ACTIVE PARTNERSHIPS

BUILDING STRONG RELATIONSHIPS AND MAKING A POSITIVE IMPACT

75
SUSTAINABLE SUPPLY CHAIN MANAGEMENT

77
COMMUNITY AND SOCIAL VITALITY

BUILDING STRONG RELATIONSHIPS AND MAKING A POSITIVE IMPACT

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

MATERIAL TOPIC	COMMITMENT AND KEY POLICIES
SUSTAINABLE SUPPLY CHAIN MANAGEMENT	To treat our suppliers with respect and fairness, and work towards a sustainable supply chain by procuring ethically and responsibly • Suppliers' Code of Conduct

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

[3-3]

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

SIAEC'S SUPPLY CHAIN

[2-6]

SIAEC is committed to 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 non-aircraft parts and services.

MANAGEMENT OF SUPPLY CHAIN RISKS

[308-1] [414-1]

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

The Company builds a resilient supply chain by diversifying our supplier sources and service providers to mitigate potential disruption to operations due to supply chain issues. We also plan material requirements in advance and regularly monitor inventory and critical equipment status to ensure adequate parts and availability of equipment respectively to support operations.

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 our Suppliers' Code of Conduct and ongoing monitoring of suppliers' compliance through questionnaires, audits and site visits by SIAEC's personnel. 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. Since November 2020, SIAEC has enhanced the supplier selection process to screen all new suppliers[16] 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.

All suppliers are expected to comply with our Suppliers' 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 compulsory for all our quotations, tenders and agreements. Any suppliers who are found to be in breach of the policy must take prompt corrective actions or risk termination of contract. In FY2023/24, there were no occurrences of suppliers who had breached SIAEC's Suppliers' Code of Conduct.

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.

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

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

[3-3]

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.

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.

FINAL AWARD

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

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 Suppliers' Code of Conduct, and formulate, implement and monitor corrective actions.

As a first step to manage Scope 3 emissions arising from supply chain, the Company has initiated engagement with key suppliers to better understand their sustainability practices and goals, in particular targets relating to emissions, which will contribute towards our net-zero goal by 2050.

COMMUNITIES AND SOCIAL VITALITY

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

ENABLING PEOPLE, IMPROVING LIVES AND PROTECTING THE ENVIRONMENT

[413-1]

The three pillars under our CSR Framework are access to food, education and raising awareness on environmental sustainability. We forge strong CSR partnerships with organisations such as Food from the Heart, Community Chest and Green Nudge. In FY2023/24, SIAEC continued partnership with these charity organisations on CSR activities and mobilised our employee volunteers to give back to the local community.

FUN WALK AT BIRD PARADISE

SIAEC's annual fundraiser on 20 January 2024 saw a record 4,100 registrants from SIAEC, SIA and JVs' employees, their families and friends in its 12-year history. Held at the newly-opened Bird Paradise, the event raised a total of $50,000 for our adopted charity Food from the Heart. Apart from the fun walk, children of employees also got to take part in a meaningful upcycling windmill workshop in collaboration with Heartworks for Special People.

SIAEC staff participating in the Charity Walk held at the Bird Paradise.

4,100
participants

S$50,000
donated

COMMUNITIES AND SOCIAL VITALITY

BEACH CLEAN-UP

For the past two years, SIAEC hosted beach clean-up activities at various beaches in Singapore. In September 2023, we conducted a beach clean-up at Coney Island, followed by a second clean-up at Selimang beach in March 2024. SIAEC volunteers collected 440 kg of waste from the two beach clean-ups.

48
volunteers

440 kg
of waste collected

Team of volunteers who participated in the beach clean-up event.

BREAD DELIVERY PROGRAMME

SIAEC participates in Food from the Heart's Bread Run project where employee volunteers collect unsold bread from bakeries that would otherwise be discarded at the end of the day, and deliver to a nursing home. Since the programme restarted after the pandemic, nine employee volunteers carried out over 100 deliveries yearly to the nursing home.

9
volunteers

Over 100
deliveries

COMMUNITIES AND SOCIAL VITALITY

COLLABORATION WITH COMMUNITY CHEST

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

The 11th edition of the annual Fú Dài or "Bags of Blessings" in Mandarin was held in January 2024. SIAEC was once again delighted and privileged to be a part of this good cause. In addition to raising funds for charity, this year's event also saw 34 colleagues volunteering to pack and deliver bags containing essential household items to seniors and lower-income families.

At the launch ceremony, SVP Human Resources represented SIAEC in receiving a token of appreciation for Gold Partners from Minister for Social and Family Development, Masagos Zulkifli.

34
volunteers

S$5,000
donated

SUSTAINABILITY PERFORMANCE OF SUBSIDIARIES

We are progressively expanding our reporting to include our subsidiaries, and key JV and associated companies and have included in this report available data for six subsidiaries: SIA Engineering (Philippines) Corporation (SIAEP), Singapore Aero Support Services Pte. Ltd. (SASS), SIA Engineering Japan Corporation (SIAEJ), SIA Engineering (USA) Inc (SEUS), Aerospace Component Engineering Services Pte. Limited (ACES) and JADE Engineering Pte. Ltd. (JADE).

ANTI-CORRUPTION

[205-3]

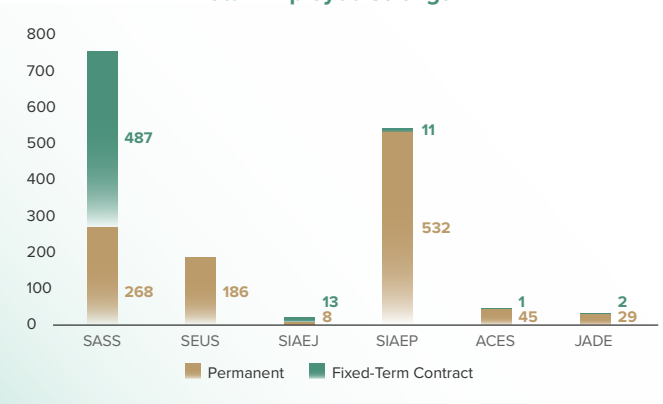
In FY2023/24, there were no cases of corruption or bribery in the six subsidiaries.

EMPLOYEE PROFILE

[2-7] [405-1]

	SASS	SEUS	SIAEJ	SIAEP	ACES	JADE
Total	755	186	21	543	46	31

Total Employee Strength

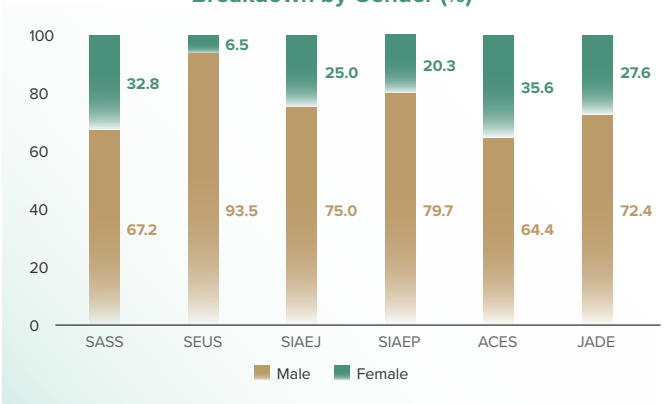


BREAKDOWN OF GENDER BY EMPLOYEE CONTRACT

Permanent Employees

	SASS	SEUS	SIAEJ	SIAEP	ACES	JADE
Total	268	186	8	532	45	29

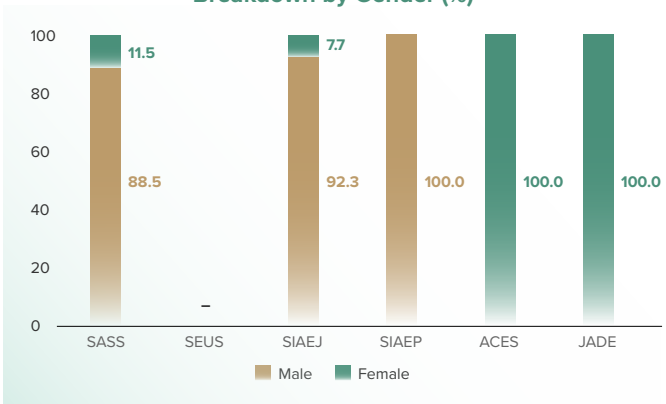
Breakdown by Gender (%)



Fixed-term Contract Employees

	SASS	SEUS	SIAEJ	SIAEP	ACES	JADE
Total	487	0	13	11	1	2

Breakdown by Gender (%)



Note: The employee profile charts on this page and subsequent pages do not include secondees from the Company, who are reported under SIAEC's figures.

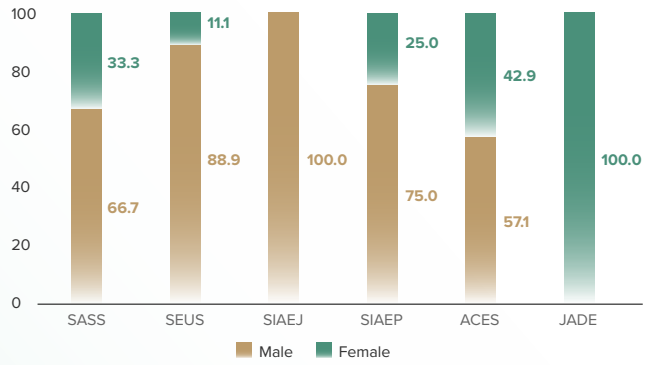
SUSTAINABILITY PERFORMANCE OF SUBSIDIARIES

BREAKDOWN OF GENDER AND AGE GROUP BY EMPLOYEE CATEGORY

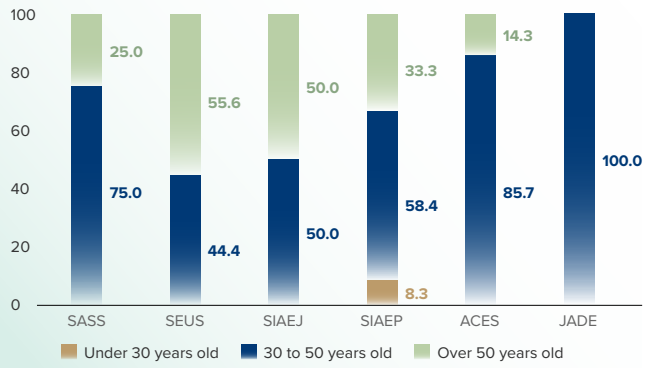
Managers and above

Total	SASS	SEUS	SIAEJ	SIAEP	ACES	JADE
	12	9	2	12	7	1

Breakdown by Gender (%)



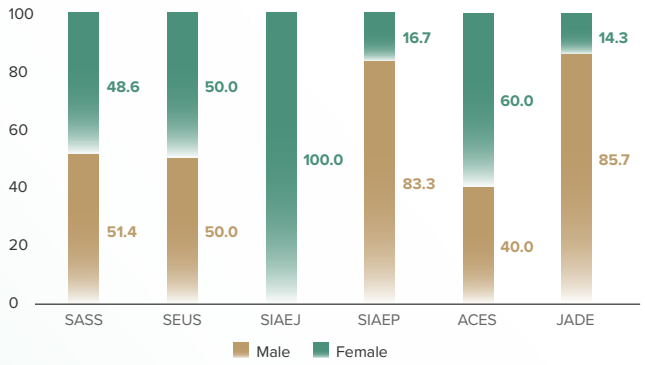
Breakdown by Age Group (%)



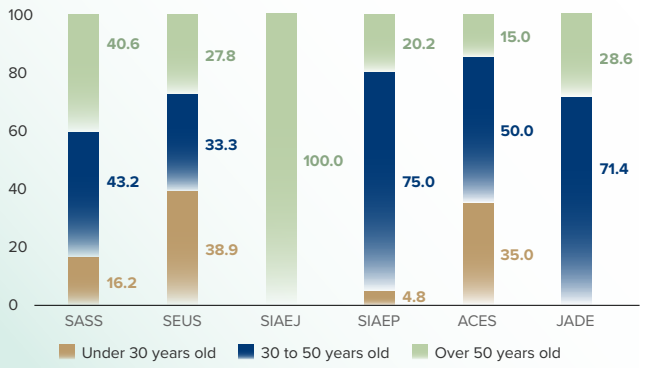
Executives

Total	SASS	SEUS	SIAEJ	SIAEP	ACES	JADE
	37	18	1	84	20	7

Breakdown by Gender (%)



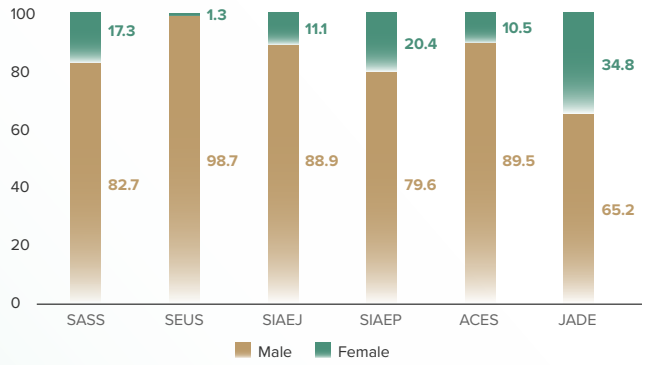
Breakdown by Age Group (%)



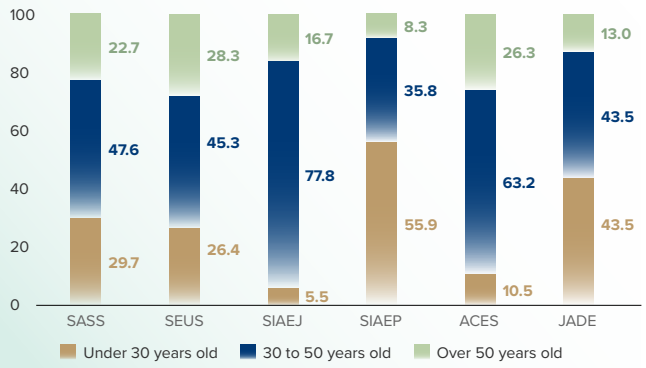
Other Employees

Total	SASS	SEUS	SIAEJ	SIAEP	ACES	JADE
	706	159	18	447	19	23

Breakdown by Gender (%)



Breakdown by Age Group (%)



SUSTAINABILITY PERFORMANCE OF SUBSIDIARIES

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

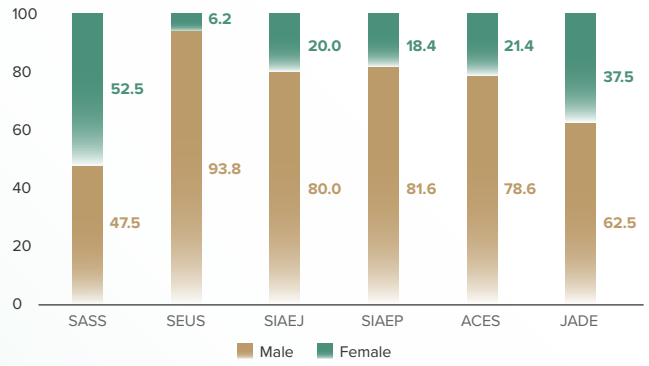
[401-1]

NEW EMPLOYEE HIRES

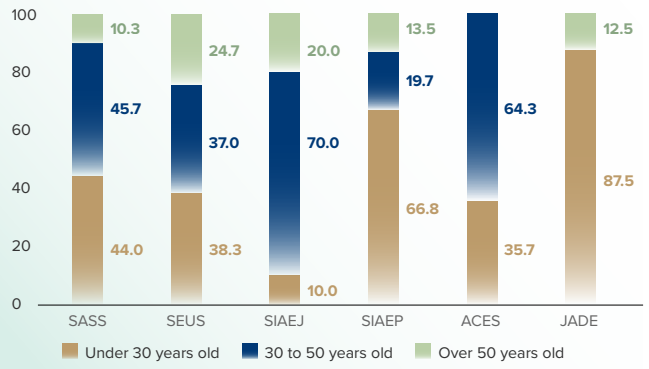
Total New Hires and New Hire Rate

	SASS	SEUS	SIAEJ	SIAEP	ACES	JADE
Total	339	81	10	223	14	8
Rate	44.9%	43.5%	47.6%	40.9%	30.4%	25.8%

Breakdown by Gender (%)



Breakdown by Age Group (%)

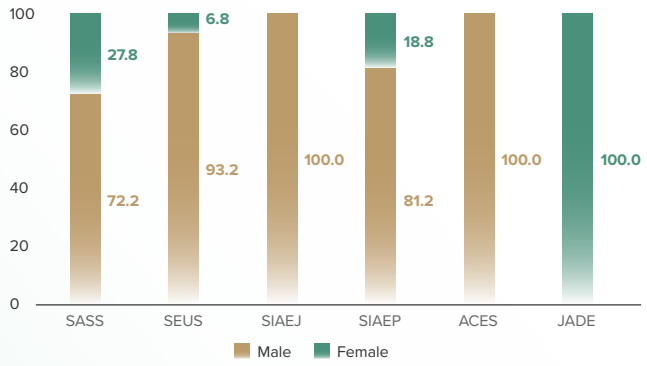


EMPLOYEE TURNOVER

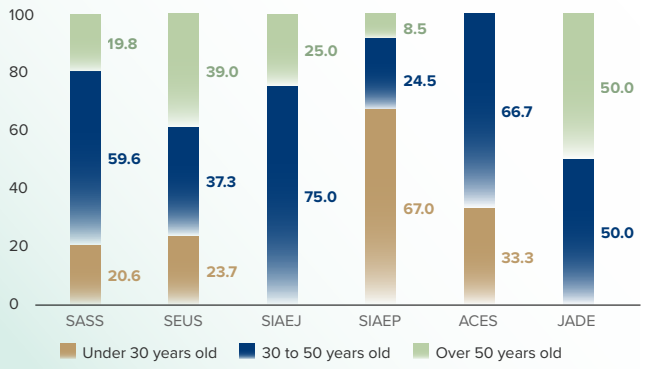
Total Employee Turnover and Employee Turnover Rate

	SASS	SEUS	SIAEJ	SIAEP	ACES	JADE
Total	277	59	4	282	3	2
Rate	36.7%	31.7%	19.0%	51.7%	6.5%	6.5%

Breakdown by Gender (%)



Breakdown by Age Group (%)



SUSTAINABILITY PERFORMANCE OF SUBSIDIARIES

DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

[406-1]

In FY2023/24, there were no substantiated incidents of discrimination that required further action from the subsidiaries.

TRAINING AND DEVELOPMENT

[404-1]

	FY2023/24					
AVERAGE TRAINING HOURS PER EMPLOYEE	**SASS**	**SEUS**	**SIAEJ**	**SIAEP**	**ACES**	**JADE**
BY GENDER						
Male	31	34	13	21	26	16
Female	30	17	0	15	8	14
BY EMPLOYEE CATEGORY						
Management	32	17	27	8	10	0
Executives	31	17	0	26	5	9
Other employees	31	26	10	19	28	21

OCCUPATIONAL HEALTH OF EMPLOYEES

WORK-RELATED INJURIES[17]

[403-9]

FY2023/24	**SASS**		**SEUS**		**SIAEJ**		**SIAEP**		**ACES**		**JADE**	
	Number	**Rate**	**Number**	**Rate**	**Number**	**Rate**	**Number**	**Rate**	**Number**	**Rate**	**Number**	**Rate**
Work-related injuries	9	5.5	0	–	0	–	2	1.4	0	–	0	–
Recordable work-related injuries												
High-consequence work-related injuries	0	–	0	–	0	–	0	–	0	–	0	–
Fatalities as a result of work-related injuries	0	–	0	–	0	–	0	–	0	–	0	–
Main types of work-related injury	Sprains and bruises		–		–		Cuts and bruises		–		–	

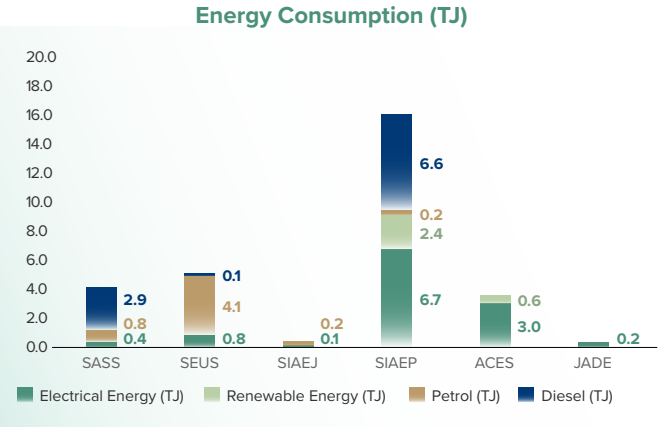
17 Please refer to the Appendix for definitions and methodologies.

SUSTAINABILITY PERFORMANCE OF SUBSIDIARIES

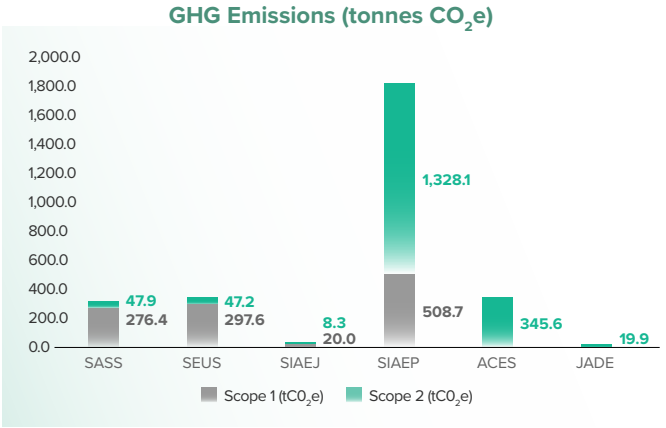
ENERGY AND EMISSIONS PERFORMANCE

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

ENERGY CONSUMPTION



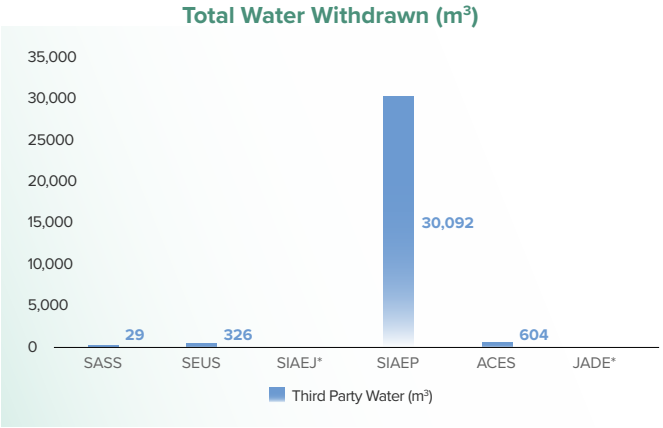
GHG EMISSIONS



WATER PERFORMANCE

[303-3]

TOTAL WATER WITHDRAWN



* Note: For SIAEJ and JADE, data is unavailable as water withdrawal is from common facilities, hence unable to segregate the amount attributed to their employees' use.

DEFINITIONS AND METHODOLOGIES

LIST OF KEY ABBREVIATIONS AND ACRONYMS

ACES	Aerospace Component Engineering Services Pte. Limited
AESU	Air Transport Executive Staff Union
AI	Artificial Intelligence
AR5	2014 IPCC Fifth Assessment Report
ASMS	Aviation Safety Management System
AWS	Alliance for Water Stewardship
BCA	Building and Construction Authority
CAAS	Civil Aviation Authority of Singapore
CAG	Changi Airport Group
CEO	Chief Executive Officer
CPF	Central Provident Fund
CSR	Corporate Social Responsibility
CT	Certifying Technician
CTC	Company Training Committee
DEFRA	Department for Environment, Food & Rural Affairs
EDCO	Electronic Document and Capacity Optimiser
eLITE	Electronic Line Maintenance Integrated Technology Ecosystem
EMA	Energy Market Authority
EOCC	Enhanced Operations Control Centre
EPA	Environmental Protection Agency
EPH	Environmental Public Health
EU	European Union
GEF	Grid Emission Factor
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GWP	Global Warming Potential
ICAO	International Civil Aviation Organisation
IEA	International Energy Agency
IHL	Institute of Higher Learning
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standardization
IT	Information Technology
JADE	JADE Engineering Pte. Ltd.
JPP	Joint Planning Platform
JV	Joint Venture
LAE	Licensed Aircraft Engineer
MOM	Ministry of Manpower (Singapore)
MOU	Memorandum of Understanding
MRO	Maintenance, Repair and Overhaul
NDC	Nationally Determined Contributions
NGFS	Network for Greening the Financial System
NGN2	NexGen Network (2) Holding Pte. Ltd.
OEM	Original Equipment Manufacturer
OHSMS	Occupational Health and Safety Management System
PUB	Public Utilities Board
RCP	Representative Concentration Pathway
RRSP	Risk-Revenue Sharing Programme
SASB	Sustainability Accounting Standards Board
SASS	Singapore Aero Support Services Pte. Ltd.
SBTi	Science Based Targets Initiative
SDG	Sustainable Development Goals
SEEU	SIA Engineering Company Engineers and Executives Union
SES	Singapore Energy Statistics
SEUS	SIA Engineering (USA) Inc
SGX	Singapore Exchange
SIA	Singapore Airlines
SIAEC	SIA Engineering Company
SIAEJ	SIA Engineering Japan Corporation
SIAEP	SIA Engineering (Philippines) Corporation
SIASU	Singapore Airlines Staff Union
SSP	Shared Socioeconomic Pathway
STEPS	Stated Policies Scenario
TCFD	Task Force on Climate-related Financial Disclosures
UNEP	United Nations Environment Programme
WBCSD	World Business Council for Sustainable Development
WEB	Water Efficient Building
WHO	World Health Organisation
WRI	World Resource Institute

DEFINITIONS AND METHODOLOGIES

GENERAL

Mode of Narration	Throughout this Sustainability Report, "SIA Engineering Company", "SIAEC", "we", "us" and "our" are generally used to make reference to SIA Engineering Company ("the Company") and its employees, unless otherwise stated. "SIAEC Group" and "The Group" are used to make reference to SIA Engineering Company and its subsidiaries, unless otherwise stated. This does not include joint ventures and associated companies which are separate legal entities that SIA Engineering Company directly and indirectly owns. More information on SIAEC, its subsidiaries, joint venture and associated companies can be found in SIAEC's FY2023/24 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

Conflict of Interest	**Definition**: A situation where an individual is confronted with choosing between the requirements of his or her function and his or her own private interests.
Grievance Mechanism	**Definition**: A system consisting of procedures, roles and rules for receiving complaints and providing remedy.
Corruption	**Corruption definition**: An abuse of entrusted power for private gain, which can be instigated by individuals or organisations. **Confirmed incident of corruption definition**: An incident of corruption that has been found to be substantiated. Confirmed incidents of corruption do not include incidents of corruption that are still under investigation in the reporting period. **Boundary**: Confirmed incidents of corruption covers SIAEC and its subsidiaries listed in this report. Number of employees completing anti-corruption training covers SIAEC's employees.
Non-compliance	**Incidents of non-compliance definition**: Incidents of violation that occur within the reporting period. **Significant fines definition**: Significant fines refer to those above SGD 10,000. **Boundary**: Incidents of non-compliance and significant fines incurred cover SIAEC's operations in Singapore.
Customer Privacy	**Definition**: Right of the customer to privacy and personal refuge. Customer privacy includes matters such as the protection of data; the use of information or data for their original intended purpose only, unless specifically agreed otherwise; the obligation to observe confidentiality; and the protection of information or data from misuse or theft.
Breach of Customer Privacy	**Definition**: Non-compliance with existing legal regulations and (voluntary) standards regarding the protection of customer privacy. **Boundary**: Cases of substantiated complaints concerning breaches of customer privacy and/or identified leaks, thefts, or losses of customer data cover SIAEC's customers, but exclude cases that are still pending investigation in the reporting period.

DEFINITIONS AND METHODOLOGIES

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 Organisation (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*. These include types of dangerous occurrences as defined by the Ministry of Manpower (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 cover the employees of SIAEC and its subsidiaries listed in this report. Data is also reported for SIAEC's workers which includes workers from aerospace labour suppliers, our wholly-owned subsidiary, Singapore Aero Support Services, and contractors who are working on-site at SIAEC's premises.

DEFINITIONS AND METHODOLOGIES

Work-related Injury	**Definition**: Refers to any negative impacts on health arising from exposure to hazards at work*. These include 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 cover the employees of SIAEC and its subsidiaries listed in this report. Data is also reported for SIAEC's workers which includes workers from aerospace labour suppliers, our wholly-owned subsidiary, Singapore Aero Support Services, and contractors who are working on-site at SIAEC's premises.
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 cover the employees of SIAEC and its subsidiaries listed in this report. Data is also reported for SIAEC's workers which includes workers from aerospace labour suppliers, our wholly-owned subsidiary, Singapore Aero Support Services, and contractors who are working on-site at SIAEC's premises.
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 do not include work-related fatalities as per GRI 403-9 requirements. **Boundary**: Number and rate of high-consequence work-related injuries reported cover the employees of SIAEC and its subsidiaries listed in this report. Data is also reported for SIAEC's workers which includes workers from aerospace labour suppliers, our wholly-owned subsidiary, Singapore Aero Support Services, and contractors who are working on-site at SIAEC's premises.

DEFINITIONS AND METHODOLOGIES

Recordable Work-related Injury	**Definition**: Work-related injury that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. *This definition is extracted from GRI 403: Occupational Health and Safety 2018, which is based on the United States Occupational Safety and Health Administration, General recording criteria 1904.7.* **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 cover the employees of SIAEC and its subsidiaries listed in this report. Data is also reported for SIAEC's workers which includes workers from aerospace labour suppliers, our wholly-owned subsidiary, Singapore Aero Support Services, and contractors who are working on-site at SIAEC's premises.
Recordable Work-related ill health	**Definition**: Work-related ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. Work-related ill health can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. They include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents (e.g., noise-induced hearing loss, vibration-caused diseases), and mental illnesses (e.g., anxiety, post-traumatic stress disorder). The work-related ill health in this report pertains to advanced cases of noise-induced deafness. *This definition is extracted from GRI 403: Occupational Health and Safety 2018, which is based on based on the United States Occupational Safety and Health Administration, General recording criteria 1904.7.* **Boundary**: Number and rate of recordable work-related injuries reported only covers SIAEC's employees in Singapore and not workers who are not directly employed by SIAEC, such as contractors and workers from the labour suppliers. They do not include employees and workers from the subsidiaries listed in this report.

DEFINITIONS AND METHODOLOGIES

EMPLOYEES

Employees	**Definition**: Refers to individuals in an employment relationship with SIAEC, according to national law or its application. All employee data relates to the year's headcount as at 31 March 2024. **Employee categories**: SIAEC's employees can be broadly classified into three main levels: > Managers and above > Executives > Other employees **Boundary**: Employee profile reported covers employees of SIAEC and its subsidiaries listed in this report. For SIAEP, its employees exclude full-time trainees.
Employment Type	**Full-time definition**: An employee whose working hours are defined according to national legislation and practice regarding working time. Based on Singapore's Employment Act by MOM, a full-time employee is an individual required under his/her contract of service to work for not less than 35 hours a week. **Part-time definition**: An employee whose working hours are less than 'full-time' as defined above. Based on Singapore's Employment Act by MOM, a part-time employee is one who is under a contract of service to work less than 35 hours a week. **Boundary**: Employee profile reported covers employees of SIAEC.
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 employees of SIAEC and its subsidiaries listed in this report.
New Hires	**Definition**: Refers to individuals who entered into an employment relationship with SIAEC or its subsidiaries, according to national law or its application, in the reporting year. **Boundary**: New hires reported covers employees of SIAEC and its subsidiaries listed in this report. **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.

DEFINITIONS AND METHODOLOGIES

Turnover	**Definition**: Refers to employees who leave the organisation voluntarily or due to retirement, termination of services, medical board out or death in service. **Boundary**: Turnover levels reported covers employees of SIAEC and its subsidiaries listed in this report. **Turnover rate methodology**: Computation of employee turnover rates is based on number of employees who have left the organisation in the reporting year divided by total employee strength at the end of the reporting period.
Parental Leave	**Definition**: Refers to leave granted to male and female employees on the grounds of the birth of a child, which includes maternity leave, paternity leave and shared parental leave. **Boundary**: Parental leave reported covers employees of SIAEC who are entitled in the reporting year.
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 employees of SIAEC and its subsidiaries listed in this report. **Average training hours per employee methodology**: Computation of average training hours per employee is based on total number of training hours provided to employees (excluding full-time trainees) divided by total employee strength at the end of the reporting period.
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 employees of SIAEC and its subsidiaries listed in this report.

DEFINITIONS AND METHODOLOGIES

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's Hangars 2 to 6, Engine Test Facility, Aircraft Engine Service facility, airport operations at Changi Airport, Training Academy and operations attributed to SIAEC in SIA's Hangar 1. For the subsidiaries listed in this report, this relates to purchased electricity consumption of their hangars, workshops and offices, except for SASS' support shop located in SIAEC's hangar which is reported under SIAEC's consumption. All electrical energy disclosures were calculated using actual electricity consumption values based on invoices for each entity unless otherwise stated, in which case an assessment will be conducted to estimate the consumption values.

> **Fuel consumption**: Total fuel consumed within the organisation, expressed in joules or multiples. All the fuel consumption of SIAEC and its subsidiaries listed in this report are from non-renewable sources. Unless otherwise stated, these relate to diesel and petrol consumption by vehicles operated by SIAEC and its subsidiaries, and jet fuel consumption by engine tests conducted by SIAEC.

> **Renewable energy consumption**: Total renewable energy from SIAEC's, SIAEP's and ACES' solar photovoltaic systems consumed within the organisation expressed in watt-hours, joules or multiples.

> **Energy consumption intensity methodology**: Total energy consumption intensity ratio for SIAEC is expressed in TJ/$mil. The organisation-specific metric (the denominator) used was SIAEC Group revenue (including subsidiaries) in the reporting year to align with financial reporting.

Conversion factors:

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

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

DEFINITIONS AND METHODOLOGIES

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 the operations of SIAEC and its subsidiaries listed in this report.

> **Direct (Scope 1) GHG emissions**: Direct GHG emissions occur from sources that are owned or controlled by SIAEC and its subsidiaries listed in this report, expressed in kilograms of carbon dioxide ($kgCO_2$), kilograms of carbon dioxide equivalents ($kgCO_2e$) or multiples. These include emissions from fuel consumption. Emission factors used are as follows:

Emission Source	Conversion Factors	Unit	Conversion Numbers
Diesel	CO_2 Emission Factor	kg CO_2/GJ	74.1
	CH_4 Emission Factor	kg CH_4/GJ	0.0039
	Global Warming Potential for CH_4	-	28
	N_2O Emission Factor	kg N_2O/GJ	0.0039
	Global Warming Potential for N_2O	-	265
Petrol	CO_2 Emission Factor	kg CO_2/GJ	69.3
	CH_4 Emission Factor	kg CH_4/GJ	0.0038
	Global Warming Potential for CH_4	-	28
	N_2O Emission Factor	kg N_2O/GJ	0.0057
	Global Warming Potential for N_2O	-	265
Jet Kerosene	CO_2 Emission Factor	kg CO_2/GJ	71.5
	CH_4 Emission Factor	kg CH_4/GJ	0.003
	Global Warming Potential for CH_4	-	28
	N_2O Emission Factor	kg N_2O/GJ	0.0006
	Global Warming Potential for N_2O	-	265

Global warming potential (GWP) values were sourced from the 2014 IPCC Fifth Assessment Report (AR5). For diesel, petrol and jet kerosene, CO_2, methane (CH_4) and nitrous oxide (N_2O) were included in the GHG calculation and default emissions factors were sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Scope 1 emissions does not include emissions from other sources such as refrigerants and other greenhouse gases such as SF_6.

DEFINITIONS AND METHODOLOGIES

Greenhouse Gas (GHG) Emissions and GHG Intensity

Electricity indirect (Scope 2) GHG emissions: For SIAEC, indirect GHG emissions from the generation of purchased electricity consumed by SIAEC's Hangars 2 to 6, Engine Test Facility, Aircraft Engine Services facility, airport operations at Changi Airport, Training Academy and operations attributed to SIAEC in SIA's Hangar 1, expressed in kilograms of carbon dioxide ($kgCO_2$) or multiples. For the subsidiaries listed in this report, the indirect GHG emissions were from the generation of purchased electricity consumed by their respective hangars, workshops and offices, except for SASS' support shop located in SIAEC's hangar which is reported under SIAEC's consumption. A location-based method was adopted to reflect the average emissions intensity of the national grid on which energy consumption occurs.

Emission Source	Conversion Factors	Year	Unit	Conversion Numbers	References
Electricity	kWh to $kgCO_2$	FY2019/20	$kgCO_2$/kWh	0.4188	EMA, Singapore GEF 2018
		FY2020/21		0.4085	EMA, Singapore GEF 2019
		FY2021/22		0.4080	EMA, Singapore GEF 2020
		FY2022/23		0.4057	EMA, Singapore GEF 2021
		FY2023/24		0.4168	EMA, Singapore GEF 2022

For SIAEC and its Singapore-based subsidiaries, 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 these subsidiaries adopted the Average Operating Margin figures which measures Singapore's system-wide emissions factor, sourced from the Singapore Energy Statistics (SES), the EMA's annual publication on energy statistics in Singapore.

Emission Source	Conversion Factors	Year	Unit	Conversion Numbers	References
Electricity	kWh to $kgCO_2$	FY2023/24	$kgCO_2$/kWh	0.7122	Republic of Philippines Department of Energy, Luzon-Visayas GEF 2017
				0.4615	The Climate Transparency Report for Japan, 2022
				0.2265	United States Environmental Protection Agency's (EPA) eGrid 2022 database

For SIAEP, emissions factors were sourced from the Republic of Philippines Department of Energy's website on energy statistics in the Philippines. SIAEP adopted the Average Operating Margin figures for the Luzon-Visayas grid. Emission factors for SIAEJ were sourced from the 2022 Climate Transparency Report for Japan using the latest emission intensity value for the power sector. For SEUS, emissions factors were sourced from EPA's eGRID 2022 database where the CO_2e total output emission rates for the California subregion was adopted. For consistency, the GEF used for the reporting year was sourced from the latest published factor at time of publication.

DEFINITIONS AND METHODOLOGIES

Greenhouse Gas (GHG) Emissions and GHG Intensity	> **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's Scope 3 GHG emissions are calculated according to the recommendations of Greenhouse Gas Protocol's "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" as well as "GHG Protocol Corporate Accounting and Reporting Standard" by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). In FY2023/24, SIAEC has reported its Scope 3 GHG emissions for the following three categories: • Category 5: Waste Generated in Operations. This includes emissions from third-party disposal and treatment of waste generated in the reporting company's owned or controlled operations in the reporting year. The data is computed using the waste-type specific method, with emission factors sourced from the UK Department for Environment, Food & Rural Affairs (DEFRA) considering the different types of waste generated. • Category 6: Business Air Travel. This includes both domestic and international air travel by SIAEC employees for business-related activities. The data is computed using the distance-based method, with emission factors sourced from the UK DEFRA considering the different ticket classes. • Category 7: Employee Commuting. This includes emissions from the transportation of employees between their homes and their worksites, and emissions from teleworking. The data is computed using the distance-based method with emission factors sourced from the UK DEFRA considering the different modes of transport and distance from SIAEC facilities and offices. **GHG emissions intensity methodology**: Total GHG emissions intensity ratio for SIAEC is expressed in tonnes CO_2e/$mil. The organisation-specific metric (the denominator) used was SIAEC Group revenue (including subsidiaries) in the reporting year to align with financial reporting. Types of GHG emissions included in the intensity ratio are direct Scope 1 and energy indirect Scope 2 emissions. Gases considered in calculation includes CO_2, CH_4 and N_2O.
Water and Effluents	**Definition**: Refers to total potable water and surface water drawn for the organisation's use, expressed in cubic metre (m^3) or multiples. All water withdrawn by SIAEC is water drawn from PUB, a third-party water provider in Singapore. Water provided by PUB is considered freshwater as Singapore's quality of drinking water is regulated by the Environmental Public Health (EPH) (Water Suitable for Drinking) (No.2) Regulations 2019 which follows the World Health Organisation (WHO) Guidelines for Drinking-water Quality (≤1,000 mg/L Total Dissolved Solids). All surface water withdrawn refers to the harvested rainwater at SIAEC hangers in Singapore. **Boundary**: Potable water reported covers SIAEC's operations in Singapore including SIAEC's Hangars 2 to 6, Engine Test Facility, Aircraft Engine Services facility, airport operations at Changi Airport, Training Academy and operations attributed to SIAEC in SIA's Hangar 1. For the subsidiaries listed in this report but excluding SIAEJ and JADE, potable water covers their respective hangars, workshops and offices. For SIAEJ and JADE, data is unavailable as water withdrawal is from common facilities, hence unable to segregate the amount attributed to their employees' use. For SASS, the data excludes its support shop located in SIAEC's hangar which is reported under SIAEC's consumption. Surface water reported only covers SIAEC's operations in Singapore including Hangars 4 to 6. **Definition of effluents**: Refers to treated or untreated wastewater that is discharged such as any liquid, including particles of matter and other substances in suspension in the liquid, which is the outflow from any trade, business or manufacture or of any works of engineering or building construction. *This definition is based on the Alliance for Water Stewardship (AWS), AWS International Water Stewardship Standard, Version 1.0, 2014 and Singapore's Sewerage and Drainage Act (Chapter 294).* **Boundary for effluents**: Effluents reported only covers wastewater discharged from SIAEC's wastewater treatment plants. As the concentration of total dissolved solids (TDS) in discharged wastewater is <1,000 mg/L, wastewater discharge is defined as 'freshwater' as per GRI 303-4 definitions. Priority substances of concern and discharge limits are defined based on PUB regulations. **Water intensity methodology**: Total water intensity ratio for SIAEC is expressed in m^3/$mil. The organisation-specific metric (the denominator) used was SIAEC Group revenue (including subsidiaries) in the reporting year to align with financial reporting.

DEFINITIONS AND METHODOLOGIES

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 industrial waste as defined by the National Environment Agency as wastes which by their nature and quality may be potentially detrimental to human health and/or the environment and which require special management, treatment and disposal. *This definition comes from the UNEP, Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, 1989.* In Singapore, the handling of toxic waste is highly regulated and only licensed toxic waste contractors can collect, treat and dispose toxic industrial waste. > **Waste diverted from disposal**: Any operation wherein products, components of products, or materials that have become waste are prepared to fulfil a purpose in place of new products, components, or materials that would otherwise have been used for that purpose (reuse, recycling, etc). *This definition comes from the UNEP, Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, 1989.* At SIAEC, most of our waste are diverted through recycling activities. Recycling refers to any operation wherein products, components of products, or materials that have become waste are prepared to fulfil a purpose in place of new products, components, or materials that would otherwise have been used for that purpose. *This definition is based on the UNEP, Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, 1989.* > **Waste directed to disposal**: Refers to the end-of-life management of discarded products, materials, and resources in a sink or through a chemical or thermal transformation that makes these products, materials, and resources unavailable for further use (incineration with or without energy recovery, landfilling, etc). *This definition is based on the European Union (EU), Waste Framework Directive, 2008.* In Singapore, licensed waste contractors transport incinerable solid waste to the waste-to-energy plants for incineration (Tuas, Senoko, Tuas South and Keppel Seghers Tuas Waste-To-Energy Plant). Incinerated ash and other non-incinerable wastes are then disposed at Singapore's offshore landfill, Semakau Landfill. **Boundary**: Waste generated, diverted from disposal and directed to disposal reported covers SIAEC's operations in Singapore including SIAEC's Hangars 2 to 6, Engine Test Facility, airport operations at Changi Airport, Training Academy and operations attributed to SIAEC in SIA's Hangar 1. Additionally, hazardous waste generated and directed to disposal covers Aircraft Engine Service facility.

DEFINITIONS AND METHODOLOGIES

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.
New Suppliers	**Definition**: Refers to new suppliers that have not been contracted by SIAEC before.
Suppliers' Code of Conduct	**Scope of Suppliers' Code of Conduct**: All suppliers are required to adhere to SIAEC's Suppliers' Code of Conduct which is incorporated as part of our purchase orders and agreement contracts with suppliers.

GRI CONTENT INDEX

Statement of Use	SIAEC has reported with reference to the GRI Standards for the period 1 April 2023 to 31 March 2024
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI 2: GENERAL DISCLOSURES 2021

GRI Standards	Disclosure	Page Reference and Remarks	Page
The organisation and its reporting practices			
2-1	Organisational details	About SIA Engineering Company	02
2-2	Entities included in the organisation's sustainability reporting	Reporting Scope and Boundary	04
2-3	Reporting period, frequency and contact point	Reporting Period Feedback	04
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2-7	Employees	Our Employee Profile Diversity of Employee Profile as at 31 March 2024 Sustainability Performance of Subsidiaries – Employee Profile	46 54 80
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2-11	Chair of the highest governance body	Sustainability Governance FY2023/24 Annual Report	08
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Stakeholder Engagement Corporate Governance Risk Management FY2023/24 Annual Report	08 09 31 33
2-13	Delegation of responsibility for managing impacts	Sustainability Governance	08
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	08
2-15	Conflicts of interest	Corporate Governance – Conflicts of Interest FY2023/24 Annual Report	32
2-16	Communication of critical concerns	Compliance with Laws and Regulations – Whistle-blowing Programme Compliance with Laws and Regulations – Grievance Mechanisms *Information regarding the number and nature of critical concerns communicated to the Board is not publicly disclosed by SIAEC as it includes sensitive information and is confidential.*	36
2-17	Collective knowledge of the highest governance body	Corporate Governance – Continuous Professional Development of the Board FY2023/24 Annual Report	32
2-18	Evaluation of performance of the highest governance body	Sustainability Governance FY2023/24 Annual Report	08

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2-20	Process to determine remuneration	Sustainability Governance FY2023/24 Annual Report	08
2-21	Annual total compensation ratio	Not disclosed due to confidentiality reasons	NA
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	CEO's Message Board Statement	05 08
2-23	Policy commitments	Our Mission and Core Values SIAEC's Policy Commitments and Approach to Ensure Responsible Business Conduct Compliance with Laws and Regulations – Codes of Conduct Human Rights, Child and Forced/ Compulsory Labour	03 20 34 37
2-24	Embedding policy commitments	SIAEC's Policy Commitments and Approach to Ensure Responsible Business Conduct Compliance with Laws and Regulations – Codes of Conduct Human Rights, Child and Forced/ Compulsory Labour	20 34 37
2-25	Processes to remediate negative impacts	Compliance with Laws and Regulations – Whistle-blowing Programme Compliance with Laws and Regulations – Grievance Mechanisms Labour-Management Relations, and Freedom of Association and Collective Bargaining	36 57
2-26	Mechanisms for seeking advice and raising concerns	Compliance with Laws and Regulations – Whistle-blowing Programme Compliance with Laws and Regulations – Grievance Mechanisms Data Protection and Cybersecurity	36 38
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Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder Engagement	09
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413-2	Operations with significant actual and potential negative impacts on local communities	Compliance with Laws and Regulations – Environmental Compliance	35
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401-1	New employee hires and employee turnover	New Employee Hires and Employee Turnover	46
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404-1	Average hours of training per year per employee	Investments in Training Sustainability Performance of Subsidiaries – Training and Development	51 83
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GRI 405: Diversity and Equal Opportunity 2016 (Topic of Ongoing Importance)			
405-1	Diversity of governance bodies and employees	Diversity of Governance Bodies as at 31 March 2024 Diversity of Employee Profile as at 31 March 2024 Sustainability Performance of Subsidiaries – Employee Profile	53 54 80
GRI 406: Non-discrimination 2016 (Topic of Ongoing Importance)			
406-1	Incidents of discrimination and corrective actions taken	Diversity, Equal Opportunity and Non-discrimination Sustainability Performance of Subsidiaries – Diversity, Equal Opportunity and Non-discrimination	52 83
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	Thrust 2: Safety Management Systems	42

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MANAGE OUR ENVIRONMENTAL IMPACT

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302-1	Energy consumption within the organisation	Our Energy and Emissions Performance Sustainability Performance of Subsidiaries – Energy and Emissions Performance	68 84
302-3	Energy intensity	Our Energy and Emissions Performance	68
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Management of Water as a Shared Resource	69
303-2	Management of water discharge-related impacts	Management of Water Discharge-related Impacts	70
303-3	Water withdrawal	Our Water Performance Sustainability Performance of Subsidiaries – Water Performance	70 84
303-4	Water discharge	Management of Water Discharge-related Impacts	70
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Our Energy and Emissions Performance Sustainability Performance of Subsidiaries – Energy and Emissions Performance	68 84
305-2	Energy indirect (Scope 2) GHG emissions	Our Energy and Emissions Performance Sustainability Performance of Subsidiaries – Energy and Emissions Performance	68 84
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3-3	Management of material topics	Sustainable Supply Chain Management	75
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Management of Supply Chain Risks	75
GRI 413: Local Communities 2016 (Topic of Ongoing Importance)			
413-1	Operations with local community engagement, impact assessments, and development programs	Enabling People, Improving Lives and Protecting the Environment	77
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Management of Supply Chain Risks	75

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TCFD DISCLOSURES

CODE	TCFD RECOMMENDATIONS	PAGE REFERENCE AND REMARKS	
GOVERNANCE			
a)	Describe the board's oversight of climate-related risks and opportunities.	Sustainability Governance Business Ethics and Governance Climate Change Resilience and Mitigation – Governance	08 31 60
b)	Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability Governance Business Ethics and Governance Climate Change Resilience and Mitigation – Governance	08 31 60
STRATEGY			
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Climate Change Resilience and Mitigation – Strategy	60
b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Climate Change Resilience and Mitigation – Strategy	60
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate Change Resilience and Mitigation – Strategy	60
RISK MANAGEMENT			
a)	Describe the organisation's processes for identifying and assessing climate-related risks.	Business Ethics and Governance Climate Change Resilience and Mitigation – Risk Management	31 66
b)	Describe the organisation's processes for managing climate-related risks.	Business Ethics and Governance Climate Change Resilience and Mitigation – Risk Management Energy and Emissions Management	31 66 67
c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Business Ethics and Governance Climate Change Resilience and Mitigation – Risk Management	31 66
METRICS AND TARGETS			
a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate Change Resilience and Mitigation – Metrics and Targets	66
b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Our Energy and Emissions Performance	68
c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Climate Change Resilience and Mitigation – Metrics and Targets Our Energy and Emissions Performance	66 68

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