

Singapore Airlines Sustainability

report FY 2013/14

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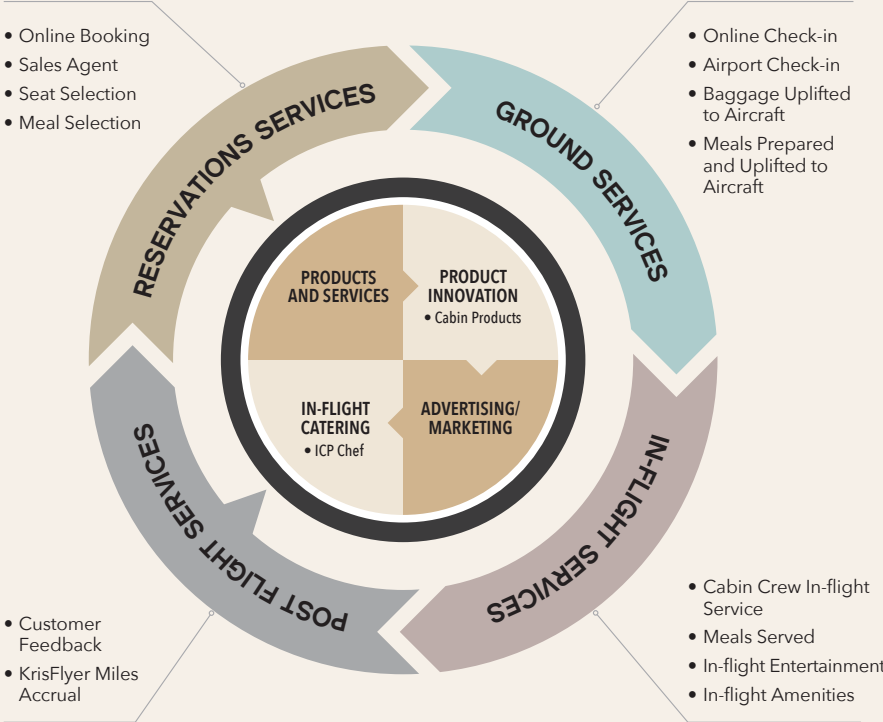
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OVERVIEW



This Sustainability Report aims to inform stakeholders of Singapore Airlines about our sustainability performance in a transparent and accountable manner. It covers issues related to governance, stakeholder engagement, community projects and the environment.

Through this report, we also hope to identify opportunities for improvements to our sustainability management, as well as issues that are integral to our business in order to address them effectively and appropriately. We try to integrate sustainability throughout our customer experience and engagement process. Together with relevant partners within the process chain, we hope to explore ways to improve sustainability across all aspects of our operations.

REPORTING PERIOD

This report covers the Financial Year 2013/14 from 1 April 2013 to 31 March 2014.

REPORTING SCOPE

Information and figures in this report refer to the Parent Airline, excluding subsidiaries in the Singapore Airlines Group, unless otherwise stated. The '\$' sign used in this report refers to Singapore Dollars unless otherwise stated.

REPORTING PROCESS

Singapore Airlines' Management Committee, which consists of the Chief Executive Officer, the two Executive Vice Presidents and Senior Vice Presidents from all divisions, directs the preparation of the report. The Committee endorses the contents of the report, supported by a strategic team of department head-level staff. Information for this report is collected from various departments and overseas offices, which are required to confirm the accuracy and authenticity of their data through documentary evidence or past operational performance. We aim to improve on this process continually to ensure that our data collection is effective and robust.

GRI GUIDELINES

Singapore Airlines has moved towards the Global Reporting Initiative's (GRI) reporting guidelines version G4, where applicable, for this report.

FEEDBACK

Our stakeholders' feedback is important to us and we welcome feedback on this report and any aspect of our sustainability performance.

Please address all feedback to Vice President Public Affairs, at public_affairs@singaporeair.com.sg.

CEO'S MESSAGE

THIS YEAR WE ARE GOING FURTHER IN OUR SUSTAINABILITY REPORTING BY ADOPTING THE NEW G4 REPORTING GUIDELINES OF THE WELL-RESPECTED GLOBAL REPORTING INITIATIVE (GRI). THESE WILL ENABLE US TO BE MORE FOCUSED IN THE REPORTING OF THE SOCIAL, ENVIRONMENTAL AND ECONOMIC DIMENSIONS OF OUR OPERATIONS.



Much has happened since we published our first comprehensive Sustainability Report 12 months ago.

We launched our next generation of in-flight cabin products that have become the new benchmark for premium air travel. We unveiled a new lounge design that will be applied to all our lounges globally. We fostered and strengthened partnerships with more airlines to expand our network reach. We continued to modernise our fleet and those of our subsidiaries. We are setting up a new associate airline in India. We are partnering with Airbus on pilot training. The list goes on.

WE FOSTERED AND STRENGTHENED PARTNERSHIPS WITH MORE AIRLINES TO EXPAND OUR NETWORK REACH.

While we continue to invest to enhance our customers' travel experience, we are also not resting on our laurels with respect to sustainability efforts. This year we are going further in our sustainability reporting by adopting the new G4 reporting guidelines of the well-respected Global Reporting Initiative (GRI). These will enable us to be more focused in the reporting of the social, environmental and economic dimensions of our operations.

In support of efforts to adopt these more comprehensive guidelines, we have made significant progress in our sustainability journey over the past year. We have mapped out a Sustainability Strategy which can be found in the pages of this report, for example; the Management Committee that I lead has also been appointed as the highest authority to provide strategic oversight of this Strategy and our overall sustainability reporting approach.

AS PART OF OUR ONGOING DEVELOPMENT IN THIS AREA, WE WILL BE PROGRESSIVELY EXPANDING THE SCOPE OF OUR REPORTING TO COVER SUBSIDIARIES, STARTING THIS YEAR WITH FLEET INFORMATION FOR ALL AIRLINES IN THE SIA GROUP.

Our sustainability practices are maturing and evolving, and this will continue in the years ahead. As part of our ongoing development in this area, we will be progressively expanding the scope of our reporting to cover subsidiaries, starting this year with fleet information for all airlines in the SIA Group. In this year's report we also detail corporate governance processes in reference to the revised Code of Corporate Governance issued by Singapore's Ministry of Finance.

The operating environment remains challenging for the industry in which we operate, but we will not let up in our pursuit of new processes and practices that help us develop as a good corporate citizen.

GOH CHOON PHONG

Chief Executive Officer
Singapore Airlines

ABOUT SINGAPORE AIRLINES

SINGAPORE AIRLINES HAS COME A LONG WAY SINCE OUR FOUNDING IN 1972. NOW AN INTERNATIONALLY-RESPECTED BRAND, WE HAVE BECOME ONE OF THE WORLD’S LEADING CARRIERS WITH AN ADVANCED FLEET OF AIRCRAFT.

With one of the world’s youngest fleets in the air, a network spanning six continents, and the Singapore Girl as an iconic symbol of quality customer care and service, we have earned a reputation as an innovative market leader, combining quality products with excellent service.

We have made a habit of leading the way, and along the way developed a reputation as an industry trendsetter. Our ever-growing list of industry-leading innovations includes the following firsts:

- | | |
|---|--|
| <ul style="list-style-type: none">○ First to offer free headsets, a choice of meals and free drinks in Economy Class, in the 1970s. | <ul style="list-style-type: none">○ First to offer audio and video on demand (AVOD) capabilities on KrisWorld in all classes, in October 2001. |
| <ul style="list-style-type: none">○ First to introduce satellite-based in-flight telephones, in 1991. | <ul style="list-style-type: none">○ First to fly the A380, from Singapore to Sydney, on 25 October 2007. |
| <ul style="list-style-type: none">○ First to involve a comprehensive panel of world-renowned chefs, the International Culinary Panel, in developing in-flight meals, in 1998. | |

Singapore Airlines Limited (“the Company”) is a limited liability company incorporated in the Republic of Singapore which is also the place of domicile. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and is a subsidiary company of Temasek Holdings (Private) Limited, incorporated in the Republic of Singapore.

The registered office of the Company is at Airline House, 25 Airline Road, Singapore 819829.

The principal activities of the Group consist of passenger and cargo air transportation, engineering services, training of pilots, air charters and tour wholesaling and related activities. The principal activity of the Company consists of passenger air transportation.

Singapore Airlines is a member of Star Alliance and the International Air Transport Association.

MISSION STATEMENT

Singapore Airlines is a global company dedicated to providing air transportation services of the highest quality and to maximising returns for the benefit of its shareholders and employees.

VALUES

We hold firm to our six Core Values, which we strongly believe are key to the SIA mission:

- | | |
|--|--|
| <ul style="list-style-type: none">○ PURSUIT OF EXCELLENCE
We strive for the highest professional standards in our work and aim to be the best in everything we do. | <ul style="list-style-type: none">○ 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. |
| <ul style="list-style-type: none">○ 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. | <ul style="list-style-type: none">○ INTEGRITY
We strive for fairness in all our business and working relationships. |
| <ul style="list-style-type: none">○ CUSTOMER FIRST
Our customers are foremost in our minds all the time. We go the extra mile to exceed their expectations. | <ul style="list-style-type: none">○ TEAMWORK
We work with pride as a worldwide team to achieve success together. |

HISTORICAL TIMELINE OF SIA

MAY



The maiden flight of Malayan Airways Limited (MAL), operated by an Airspeed Consul, takes off from Singapore Kallang Airport.

MAY



MAL, which was renamed Malaysian Airways Limited in 1963, becomes Malaysia-Singapore Airlines (MSA).

**FRENCH COUTURIER
PIERRE BALMAIN
DESIGNS THE
SARONG KEBAYA
UNIFORM
FOR MSA AIR
STEWARDESSES.**



JUNE

MSA's first transcontinental flight on a Boeing 707 takes off for London.

**MSA SPLITS
INTO SINGAPORE
AIRLINES (SIA) AND
MALAYSIAN AIRLINE
SYSTEM (MAS).
THE SINGAPORE
GIRL IS BORN.**

JULY

Singapore Airlines moves to the new Singapore Changi Airport from Paya Lebar.

Singapore Airlines becomes the first airline to operate a Boeing 747-400 commercial flight across the Pacific.



APRIL

KrisWorld, Singapore Airlines' advanced in-flight entertainment system, is launched across all classes.



The KrisFlyer programme is launched, allowing First, Business and Economy Class customers to earn mileage credits.

*SINGAPORE AIRLINES IS THE
FIRST AIRLINE TO OPERATE
THE AIRBUS A380 SUPERJUMBO,
THE LARGEST PASSENGER PLANE
IN THE WORLD.*



MARCH

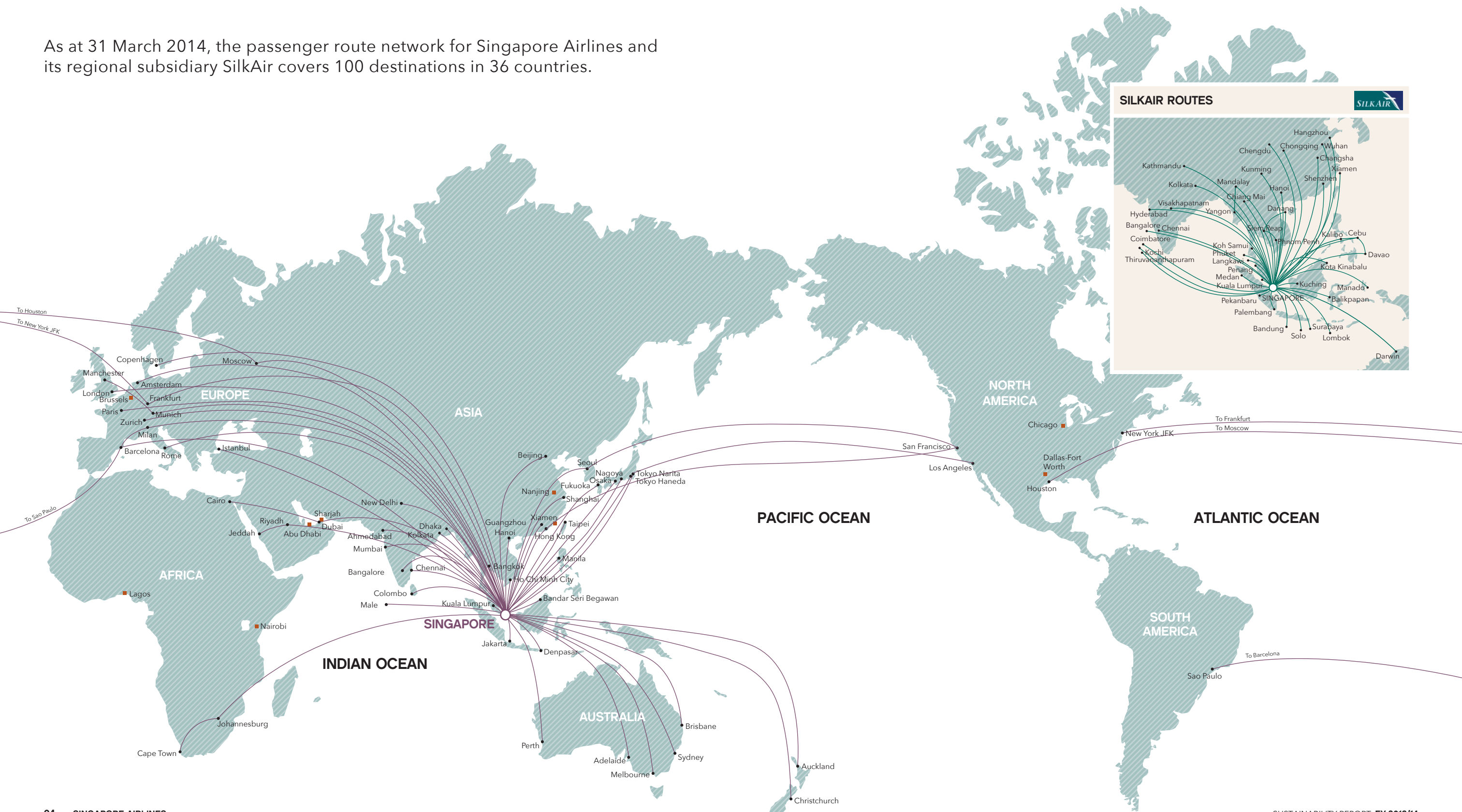
Singapore Airlines launches three-times-weekly flights to Sao Paulo, its first South American destination.



Today, Singapore Airlines serves over 200 destinations in more than 50 countries, including services by Singapore Airlines Cargo, SilkAir and codeshare partners.

ROUTE NETWORK

As at 31 March 2014, the passenger route network for Singapore Airlines and its regional subsidiary SilkAir covers 100 destinations in 36 countries.



FLEET INFORMATION

As At 31 March 2014

SINGAPORE AIRLINES PASSENGER FLEET

Average age of passenger fleet : 6 years 9 months

Singapore Airlines has 103 aircraft in its fleet. As at 31 March 2014, the average age of its aircraft is six years and nine months, while the average age of its regional subsidiary SilkAir’s aircraft is five years and 11 months. Both airlines’ fleets are amongst the youngest and most fuel-efficient in the world.



Airbus A380-800	
In Fleet	On Order
19	5
Cabin Configuration 1	
Suites	: 12
Business	: 60
Economy	: 399
Total	: 471
In Fleet	: 11
Cabin Configuration 2	
Suites	: 12
Business	: 86
Economy	: 311
Total	: 409
In Fleet	: 8

01.

Airbus A330-300	
In Fleet	On Order
26	8
Cabin Configuration	
Business	: 30
Economy	: 255
Total	: 285
Airbus A350-900 XWB	
On Order	
70	

03.

Boeing 777-300ER	
In Fleet	On Order
22	5
Cabin Configuration	
First	: 8
Business	: 42
Economy	: 228
Total	: 278

04.

Boeing 777-300R (retrofitted)	
In Fleet	
7	
Cabin Configuration	
First	: 8
Business	: 50
Economy	: 226
Total	: 284

05.

Boeing 777-200ER (retrofitted)	
In Fleet	
9	
Cabin Configuration	
Business	: 26
Economy	: 245
Total	: 271
Boeing 777-200ER	
In Fleet	
4	
Cabin Configuration	
Business	: 30
Economy	: 255
Total	: 285

06.

Boeing 777-200R (retrofitted)	
In Fleet	
11	
Cabin Configuration	
Business	: 38
Economy	: 228
Total	: 266
Boeing 777-200	
In Fleet	
5	
Cabin Configuration	
Business	: 30
Economy	: 293
Total	: 323

07.

Boeing 787-10	
On Order	
30	

08.

Boeing 777 (total)	
In Fleet	On Order
58	5

FLEET INFORMATION (continued)

As At 31 March 2014

SINGAPORE AIRLINES CARGO FREIGHTER FLEET

Average age of fleet : 12 years 3 months



SILKAIR FLEET

Average age of fleet : 5 years 11 months



SCOOT FLEET

Average age of fleet : 15 years 8 months



Boeing
747-400 Freighter

In Fleet Total

9 9

Airbus
A320 (total)

In Fleet

16

Cabin Configuration 1

Business : 12
Economy : 138
Total : 150
In Fleet : 14

Cabin Configuration 2

Business : 16
Economy : 126
Total : 142
In Fleet : 2

Airbus
A319

In Fleet

6

Cabin Configuration

Business : 8
Economy : 120
Total : 128

Boeing
737 (total)

In Fleet On Order

2 52

Boeing
737-800

In Fleet On Order

2 21

Cabin Configuration

Business : 12
Economy : 150
Total : 162

Boeing
737 Max 8

On Order

31

Boeing
777-200

In Fleet

6

Cabin Configuration 1

ScootBiz : 32
Economy : 370
Total : 402
In Fleet : 5

Cabin Configuration 2

Business : 30
Economy : 293
Total : 323
In Fleet : 1

Boeing
787-8

On Order

10

Boeing
787-9

On Order

10

01.

02.

03.

04.

05.

06.

07.

08.

CORPORATE GOVERNANCE

The Singapore Airlines Board and Management are committed to continually enhancing shareholder value by maintaining high standards of corporate governance, professionalism, integrity and commitment at all levels, underpinned by strong internal controls and risk management systems.

This Report sets out the Company’s corporate governance processes, with specific reference to the guidelines of the revised Code of Corporate Governance issued by the Ministry of Finance in Singapore in May 2012.

The Singapore Airlines Board consists of Chairman Mr Stephen Lee, CEO Mr Goh Choon Phong and seven directors from diverse backgrounds with varied expertise in finance, legal, industry, business, marketing and management fields. The Board’s principal functions include charting the Group’s strategic direction, reviewing and approving annual budgets and financial plans and monitoring the Group’s performance; approving major acquisitions and fund-raising exercises; and ensuring the Group’s compliance with all laws and regulations as may be relevant to the business.

The Board currently comprises the following members:

Mr Stephen Lee Ching Yen	Chairman/ Non-executive
Mr Goh Choon Phong	Director and CEO/ Executive
Mr Gautam Banerjee	Independent/ Non-executive
Dr William Fung Kwok Lun	Independent/ Non-executive
Mr Hsieh Tsun-Yan	Independent/ Non-executive
Mrs Christina Ong	Independent/ Non-executive
Dr Helmut Gunter Wilhelm Panke	Independent/ Non-executive
Mr Jackson Peter Tai	Independent/ Non-executive
Mr Lucien Wong Yuen Kuai	Non-independent/ Non-executive

**Full profiles of Directors are available on pages 6 to 9 of the Annual Report.*

LENGTH OF SERVICE

Newly appointed Directors serve an initial term of three years, after which they are considered for re-nomination for another term(s). Their re-nominations are subject to the recommendations of the Chairman of the Board and the Nominating Committee. New Directors appointed in the year are subject to retirement and re-election by shareholders at the next Annual General Meeting after their appointment. All new appointments and re-elections require the approval of the Special Member, the Minister for Finance.

Management briefs new Directors on the Company’s business and strategic directions, as well as governance practices. The Company conducts orientation programmes and site visits for new Directors and arranges for Directors to be updated on new laws and regulations, as well as changing commercial risks and industry developments, as deemed appropriate. Formal letters are issued to newly-appointed Directors upon their appointment, including details of their duties and obligations as Directors. For FY 2013-14 Board Members attended briefings on the challenges facing the airline industry, as well as other related topics conducted by global airline industry leaders and experts.

BOARD COMMITTEES

Five Board Committees have been formed to assist the Board in the execution of its responsibilities. They comprise members of the Board delegated with authority to carry out specific functions and duties.

Audit Committee (AC)

The purpose of the AC is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing:

- Financial information disclosed to shareholders and regulatory authorities
- Adequacy and effectiveness of the Group’s material controls, including financial, compliance, information technology and risk management controls
- Audit scopes, plans and reports of the external and internal auditors
 - Interested Person Transactions
 - Whistle-blow programme instituted by the Company
 - Any material loss of funds, significant computer security incidents and legal cases

Board Compensation and Industrial Relations Committee (BCIRC)

The Board Compensation and Industrial Relations Committee assumes the role of a Remuneration Committee.

The BCIRC reviews and recommends for the Board’s approval the general framework of remuneration for the Board and Relevant Key Management Personnel. The BCIRC also recommends the specific remuneration packages for each Director and Relevant Key Management Personnel and administers the Company’s EVA-based Incentive Plan, Strategic Incentive Plan, Performance Share Plan and Restricted Share Plan for senior executives. The award of shares to senior executives is based on organisational and individual performance. Professional advice is sought by the BCIRC, as it deems necessary, in the development and execution of the remuneration plan for the Company’s senior executives. For FY 2013-14, Carrots Consulting Pte Ltd was engaged as a remuneration consultant to provide professional advice on human resource matters. Further details on Remuneration Matters are available on pages 51 and 55 of the Annual Report under the section Remuneration Matters.

The BCIRC plays an important role in providing appropriate guidance to Management in maintaining harmonious industrial relations. The Company’s three unions, namely ALPA-S, representing pilots, AESU, representing Administrative Officers, and SIASU, representing General Staff (including Cabin Crew), hold regular meetings with Management and Chairman of BCIRC.

Executive Committee (ExCo)

The ExCo oversees the execution by Management of the overall strategy, policies, directions and guidelines set by the Board for the SIA Group. It also reviews and makes recommendations to the Board on the annual operating and capital budgets and matters relating to the Group’s wholly-owned subsidiaries. The ExCo is authorised to approve transactions beyond a designated materiality threshold and to make decisions on routine financial, operational and administrative matters. It also functions as the Share Buy Back Committee of the Company.

Nominating Committee (NC)

The NC considers and makes recommendations to the Board on the appointment and re-election of Directors. It also determines the independence of Directors. The NC’s recommendations are based on a review of the range of expertise, skills and attributes of current Board members and the needs of the Board, taking into account the Company’s future business direction, the tenure of service, contribution and commitment of each Board member. Board rejuvenation is a guiding principle in determining the need for new appointees to the Board.

Board Safety and Risk Committee (BSRC)

The functions of the BSRC include:

- ensuring that systems and programmes in the SIA Group comply with regulatory requirements and accord with the best practices of the aviation industry
- reviewing regular reports on safety performance
- reviewing accident investigation findings and recommendations
- advising Management and reporting to the Board on safety issues
- overseeing the risk governance framework and risk management system, including reviewing key risks and controls put in place by Management

CORPORATE GOVERNANCE (continued)

*Details of membership in Board Committees and attendance at Board and Committee meetings can be found on pages 60 and 61 of the Annual Report.

Evaluating Board Performance

For FY 2013-14, the NC had engaged an independent global executive search firm not affiliated to the Company or any of its Directors, to assist in conducting a formal evaluation of the SIA Board and its Board Committees. The process involved questionnaires which provided opportunities for feedback from the Directors. The evaluation confirmed that the SIA Board and its Board Committees were generally functioning effectively and performing well, within a highly competitive and challenging environment. The performance of individual Directors was reviewed by the Chairman and the NC, while the Chairman’s performance was reviewed by the rest of the Board.

The NC has reviewed the contribution by each Director taking into account their listed company board representations and other principal commitments. The NC and the Board are of the view that, setting a maximum number of listed company board representations a Director should have is not meaningful, as the contribution of each Director would depend on their individual circumstances, including whether they have a full time vocation or other responsibilities. Notwithstanding the number of listed company board representations and other principal commitments which the Directors held, the NC was of the view that they were able to devote sufficient time and attention to the affairs of the Company.

INTERNAL CONTROLS AND INTERNAL AUDIT

SIA Internal Audit is an independent department that reports directly to the Audit Committee. It performs regular evaluations of the SIA Group’s internal controls, financial and accounting matters, compliance, business and financial risk management policies and procedures, and ensures that internal controls are adequate to meet the Group’s requirements. SIA Internal Audit is a member of the Singapore chapter of the Institute of Internal Auditors (IIA) and meets the Standards for the Professional Practice of Internal Auditing set by the IIA.

The Control Self Assessment (CSA) Programme, which was established during financial year 2003-04, provides a framework for Management to obtain assurance on the state of internal controls. The CSA Programme requires operating departments’ management to review and report annually on the adequacy of their respective units’ control environment. Internal Audit performs independent and random reviews during the year to validate the results of these self assessments.

COMMUNICATION WITH SHAREHOLDERS

Singapore Airlines believes in timely and consistent disclosure of pertinent information to enable a transparent assessment of the Company’s value. The Company values dialogue with shareholders, and holds analyst and media briefings when announcing half-yearly and year-end results. Full transcripts of the proceedings are made available on SGXNET and our Company’s website at www.singaporeair.com/investor.

All financial results, as well as price-sensitive information, are released in a timely manner through various media, including press releases posted on the Company’s website and disclosure via SGXNET. The Company’s website is an important source of information for shareholders and the investment community. Quarterly results announcements, news releases, presentation slides, monthly operating statistics, annual reports, sustainability reports and other key facts and figures about the Company are available on the Investor Relations website.

The Investor Relations Department meets with analysts and investors on a regular basis through investor conferences and roadshows, as well as ad-hoc meetings and teleconferences. A dedicated investor relations email and hotline are maintained for the investing community to reach out to the Company for queries.

The Company’s commitment to corporate transparency and investor relations was recognised in 2012, when Singapore Airlines was inducted into the Hall of Fame in the Most Transparent Company Award Category at the 13th Investors Choice Awards presented by the Securities Investors Association of Singapore (“SIAS”).

RISK ASSESSMENT AND MANAGEMENT

The Board of Directors is responsible for Risk Governance, which includes oversight of the Enterprise-wide Risk Management Framework, and corresponding processes. Through the Risk Management Process, all risks, including economic, environmental and socio-political, are identified and managed accordingly. The effectiveness of the Risk Management Framework and Risk Management Process is reviewed by the Board Safety & Risk Committee on behalf of the Board of Directors. The Board Safety & Risk Committee reviews risks and controls quarterly on behalf of the Board of Directors. In addition, the Board of Directors reviews the risks annually.

The Risk Management Process provides for the identification and management of risks from ground up, including from staff working in contact with customers/consumers, suppliers/agents and regulatory bodies. The needs and expectations of these external parties are taken into consideration in identifying and managing the risks.

The Risk Management Process also requires senior management to provide a top-down perspective to the identification/ management of risks, so that corporate and shareholder needs and requirements are also taken into consideration.

ETHICS AND INTEGRITY

As part of our commitment to corporate governance principles, Singapore Airlines attaches a very high priority to ethical business conduct in the markets in which we operate. We engage employees, contractors and agents on the basis that their integrity in the conduct of their work is critical to our business and reputation.

SIA implemented a whistle-blowing programme called “Policy on Reporting Wrongdoing” in October 2005, for staff to raise concerns about possible improprieties in matters of financial reporting or any other matter, in confidence. Staff are reminded through our internal Intranet and a mandatory e-learning training module that under the Policy on Reporting Wrongdoing, they could report suspected matters of wrongdoing affecting the Company, either through email at Ethics_Hotline@singaporeair.com.sg or via telephone 93875667. The Audit Committee has reviewed and is satisfied with the adequacy of this programme.

We also welcome external comments, questions and thoughts about our Company’s ethics and integrity, to be sent through the same email and telephone contacts.

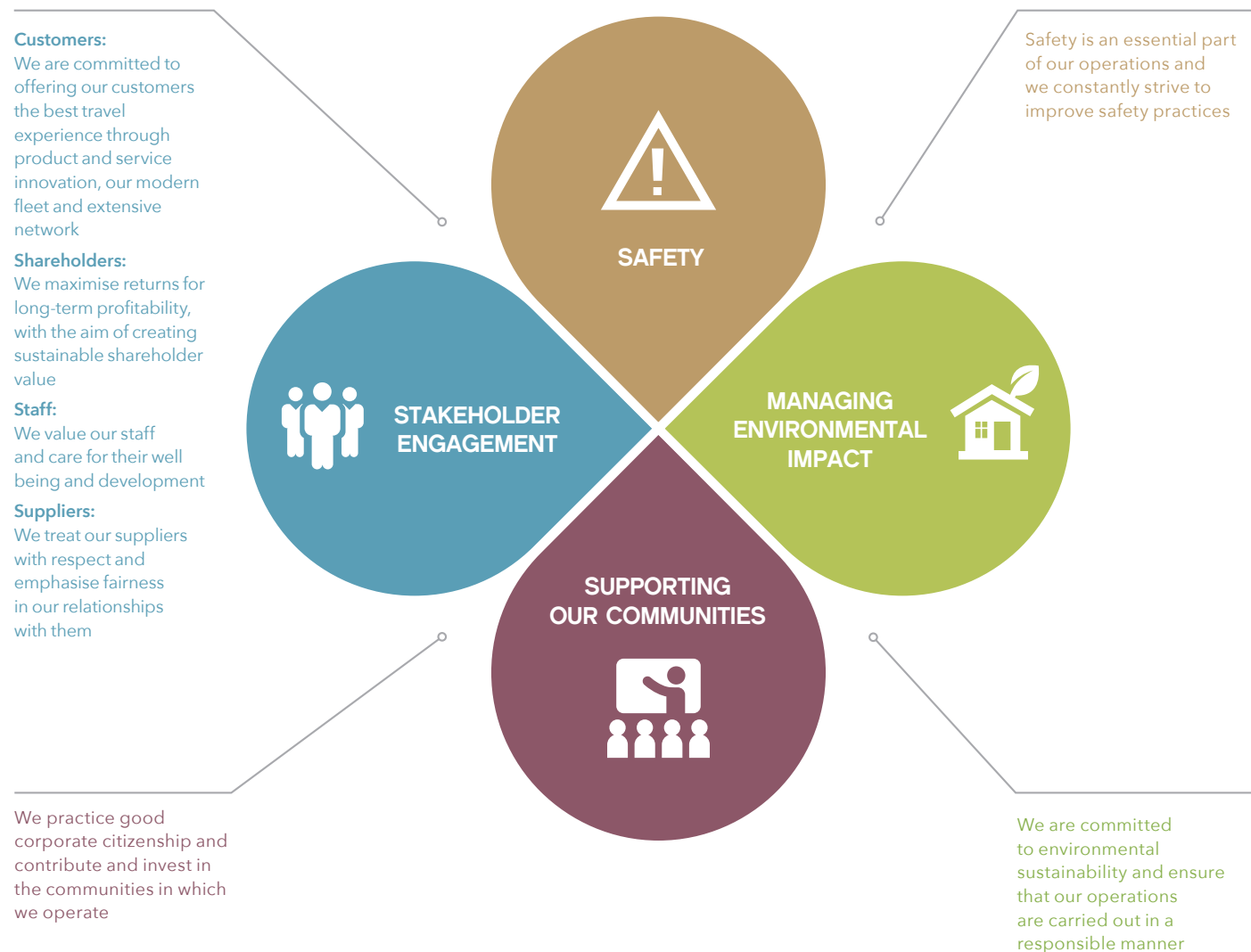
We also have a Suppliers’ Code of Conduct, which we expect all our suppliers to adhere to. Based on the principles of the United Nations Global Compact with respect to Human Rights, Labour, the Environment and Anti-Corruption, the Code’s contents were developed to be consistent with our business values. More information can be found in the section – Stakeholder Engagement: Partners.

SUSTAINABILITY AT SINGAPORE AIRLINES

OUR SUSTAINABILITY STRATEGY

Reporting on our sustainability practices is not new to us, as we had been producing an annual Environment Report since the 2001/02 financial year. However, we recognise the need to widen the scope of our reporting to stakeholders to make our operations more sustainable.

For our second year of our wider sustainability reporting, we have formalised a Sustainability Strategy for the first time. We believe that this strategy will not only enable us to retain our leadership position and fulfill the terms of our mission statement, it will also empower us to effectively contribute to the areas and markets in which we operate. With this in mind, we seek to constantly develop as a responsible corporate citizen. We will continue to refine our sustainability framework over time.



MATERIALITY ASSESSMENT

We have conducted a materiality assessment to identify sustainability issues that are pertinent to our business, which we are focusing on for our Sustainability Report. Going forward, we aim to expand the materiality assessment to include the sustainable practices of our subsidiaries, so as to identify potential opportunities and create long-term benefits for the SIA Group and stakeholders.



Safety at Singapore Airlines



SIA'S SAFETY PERFORMANCE



SAFETY IS ONE OF SIA'S CORE VALUES. IN OUR DAILY OPERATIONS, THE SAFETY OF OUR CUSTOMERS AND EMPLOYEES IS OUR FIRST AND FOREMOST PRIORITY.

We believe that it is every employee's responsibility to work towards a strong and positive safety culture and we have put in place Flight Safety and Safety and Health policies to achieve that goal. SIA's Flight Safety policy is founded on the premise that:

- We will consistently provide quality training to our employees.
- Our employees are proficient and comply with applicable regulations and standards.
- Our equipment and operating systems are well maintained and in good working condition.
- We support and promote a strong safety culture and continuous improvement in terms of safety

management. We subscribe to the Just Culture principles when handling reported incidents and accidents. This refers to a way of safety thinking in which there is an atmosphere of trust for incidents and safety-related information to be reported freely so that lessons can be learnt and improvements made. The culture supports learning and sharing, and is necessary to ensure safe operations.

- Our safety management systems deal with safety issues in a comprehensive and responsive manner, and are able to inform, educate and strengthen our safety values effectively.

- SAFETY & HEALTH POLICY**
- We place the greatest importance on the safety of our customers and employees and will do our utmost to provide and maintain a safe and healthy work environment. We:
- Strive to anticipate and eliminate hazards that may result in personal injury or illness and/or loss or damage to property and equipment.
 - Take responsible steps to provide the best possible care in the maintenance of equipment and facilities.
 - Instill and promote safety consciousness among our employees to prevent accidents and injuries.

	TARGETS	ACTUAL
High Risk or Severe Incidents	0	2
Flight Incident Report Rates (per 1,000 flights)	below 1.51	1.14
IATA Operational Safety Audit (IOSA)	Y	6th IOSA completed in January 2014
Lost time injury frequency rate (LTIFR)	-	i) SIA ground injury = 0.7 per million manhours ii) Cabin Crew in-flight injury = 11.7 per million manhours
Line Operations Safety Audit (LOSA) by TLC (The LOSA Collaborative), Klinect Group L.L.C.	Every 4 years	3rd LOSA completed in December 2013
Departmental & Corporate Risk Register (Operations)	Quarterly	Reviewed quarterly
Accident Crisis Management Exercise	1	Crisis exercise carried out in October 2013

SIA’S SAFETY PERFORMANCE

SAFETY IS AN ESSENTIAL PART OF ALL OUR OPERATIONS. ALL EMPLOYEES ARE COLLECTIVELY RESPONSIBLE FOR SAFETY AND SECURITY. WE HAVE ALSO PUT IN PLACE A WIDE RANGE OF POLICIES AND PROCEDURES TO ENSURE THE SAFETY OF OUR CUSTOMERS AND COLLEAGUES.

SIA SAFETY PROGRAMME

The SIA Safety Programme serves to strengthen safety as a core value and to promote greater understanding and awareness of safety concepts and the Company’s efforts towards safety management. This gives employees a better appreciation of the roles they play, as well as the contributions they can make towards higher safety standards in the Company. The programme covers: Introduction to Safety, Effective Safety Management, Safety Culture and Our Approach and Commitment to Safety. Every employee is enrolled in the Safety Programme and takes a refresher assessment test every three years.

RISK MANAGEMENT TRAINING COURSES

One of the key components of the Workplace Safety and Health (Risk Management) Regulations is risk assessment of workplaces and the reduction of risks to an acceptable level. To equip employees with the necessary knowledge in carrying out hazard identification and risk assessment, a risk management course was conducted on 23 July 2013. Twenty-nine staff from various divisions as well as staff from SIA Cargo, Scoot, Singapore Flying College and Tradewinds attended the training.

Staff health initiatives

Audiometric tests were conducted for relevant staff who are exposed to noisy working environments in Engineering & Flight Operations Divisions. Full attendance of nominated staff was recorded.

GROUND/RAMP INCIDENT PREVENTION (GRIP) PROGRAMME

The SIA Ground Ramp Incident Prevention (GRIP) programme focuses on preventing ground/ramp incidents at our stations. The objective of the GRIP programme is to:

- Raise awareness of safety practices on the ground.
- Reduce ramp incidents.
- Raise safety competency levels.
- Measure safety performance standards for continual improvement.

Through the GRIP programme, observations are carried out during ramp operations to review compliance with ramp safety regulations and practices without imposing punitive action on offenders. The aim of these observations, carried out by supervisory employees, is to identify weak and unsafe practices for effective correction through focused education and safety promotion. It also serves to measure our safety levels on the ramp.

The observations help identify common safety lapses to allow corrective action to be taken early. The GRIP programme has helped to inculcate a higher level of safety awareness among employees.

FLIGHT DATA ANALYSIS PROGRAMME (FDAP)

Flight data is captured in Quick Access Recorders (QAR) in aircraft. This data, capturing much of the aircraft’s flight and systems performance, is downloaded from the QAR and used by engineering maintenance staff, as well as flight crew, to support safe operations.

The data for every flight is screened, focusing on any deviations from the norm. Where such deviations are identified, the data is further analysed and, where necessary, corrective and/or preventive measures are taken.



THE KEY SAFETY PROGRAMMES ARE CARRIED OUT ACCORDING TO THREE MAIN THRUSTS. WE RUN A SERIES OF PROGRAMMES UNDER EACH THRUST TO MANAGE SAFETY ACTIVELY AS PART OF THE SIA SAFETY MANAGEMENT SYSTEM.

CABIN SAFETY OBSERVATIONS (CSO)

The CSO programme was put in place to allow us to have a better understanding of the level of cabin safety on our flights. This also enables us to assess and review the effectiveness of the safety procedures currently in place. Employee observers from selected departments go on flights to observe how crew perform their safety duties. The observations are then collated and shared with Cabin Crew Management and crew members. Action plans, where appropriate, are followed up on.

SAFETY SURVEYS

SIA carries out a company-wide online Safety Survey with air crew every two years. The Safety Survey assesses a number of areas, such as safety management, violations observed during operations and readiness of our crew to report safety occurrences or issues. It provides an overall assessment of the safety climate and culture in our operational environment, as well as any safety concerns of our aircrew.

EMPLOYEE FEEDBACK

We place emphasis on using employee feedback to improve the safety environment in the workplace and encourage employees to identify hazards and report incidents, no matter how minor, to create awareness and highlight risks. Procedures are put in place for employees to report such incidents for both flight and occupational safety.

SIA’s safety governance structure consists of five groups to guide safety management:

- Board Safety and Risk Committee (BSRC).
- Occupational Safety, Health and Environment Committee (OSHE).
- Air Safety Committee (ASC).
- Safety, Security & Environment (SSE).
- Divisional safety departments/Safety Action Groups (SAG).

We also have a comprehensive list of quantitative and qualitative performance indicators to measure the effectiveness of our efforts. These indicators are reviewed on a quarterly basis and are benchmarked against industry standards.

SIA'S SAFETY PERFORMANCE

SAFETY & SECURITY WEEK, 2013

SAFETY AND SECURITY IS AN EVERYDAY CONCERN FOR EVERYONE IN SIA. THIS WAS HIGHLIGHTED IN A SERIES OF ACTIVITIES HELD DURING THE WEEK FROM 9 TO 13 SEPTEMBER 2013 DEDICATED TO THE SUBJECT.

"Global Issues, Local Perspective" was the theme of our Safety and Security Week in 2013, stressing how we should be aware of global industry developments such as international terrorism and aircraft accidents. We should then review our training and operational practices in light of these issues, and apply proactive, adaptive and localised solutions to enhance safety and security.

At the launch event, awards and citations were presented to individuals and teams who displayed outstanding safety and security awareness in the course of their work. The event included a safety and security forum where speakers shared insights and challenges. During the week, other promotional and awareness activities were held for Cabin Crew, Engineering, Flight Operations, SIA Cargo and SilkAir to drive home the Safety and Security message among employees.

OPERATIONAL SAFETY

For our pilots, operational safety is key. To ensure the highest standards of flight operations, our pilots undergo rigorous training with continuous refresher courses to ensure they are at the top of their game.

INITIAL PILOT TRAINING

01

Ab-initio pilot training conducted by Singapore Flying College: Training cadet pilots with no flying experience to achieve an ATPL (Airline Transport Pilot's Licence) rating.

04

Conversion training to qualify pilots for an aircraft rating: Any pilot who moves to a different fleet must undergo conversion training.

02

Second Officer training to qualify as First Officers: Cadet pilots who complete their initial pilot training undergo a conversion training programme to qualify to fly the Airbus A330 or Boeing 777. They then undergo a structured Second Officer training programme. On successful completion, they are appointed as First Officers in SIA, after which they operate as qualified co-pilots.

05

Initial CRM (Crew Resource Management) training is required for all pilots.

03

Initial Command Training for First Officers to become qualified Captains: First Officers who meet the standards to qualify for command are put through a rigorous training programme before they are promoted to Captain.

06

Initial SEP (Safety and Emergency Procedures) training is required for all pilots.



RECURRENT TRAINING

Recurrent Training for pilots: Conducted twice a year in the full-flight simulator, the recurrent training programme enhances the proficiency of our pilots in handling and managing abnormal and emergency situations. Recurrent training also allows our pilots to practice manual flying of aircraft under different situations and environmental conditions.

Proficiency in manual flying is a key skill for pilots in the face of increasing automation in modern flight decks.

Recurrent SEP Training: Conducted every year, the training ensures our pilots' knowledge is refreshed and tested. It also ensures they remain competent in aircraft and cabin safety and emergency procedures.

Recurrent CRM Training: This is conducted for pilots once every two years. In addition, annual recurrent CRM training is conducted jointly for pilots and cabin crew.

Recency Training: This is conducted for any pilot who has been absent from flying for more than 35 days.

DEVELOPMENTAL TRAINING

SIA has a Pilot Development Unit that takes charge of development training programmes for pilots. Most of these courses are conducted by in-house presenters and facilitators, with some courses run by external consultants. We also conduct Instructor Pilot Training Programmes for instructor candidates.

SIA’S SAFETY PERFORMANCE

OTHER TRAINING

Within the framework of mandatory training, SIA also conducts other training for pilots, deemed useful or necessary in light of our operating experience or recent events or incidents by other airlines (evidence-based training). Every year our staff from Flight Crew Training attend major pilot training conferences and seminars held by industry organisations and aircraft manufacturers to gain insight into new and innovative training methodology and to share training experiences within the industry.

In addition to recurrent training and developmental training, every pilot undergoes a minimum of three checks a year - two Base Checks in the full-flight simulator to demonstrate competency in manual flying and in handling and managing abnormal and emergency procedures, as well as one Line Check in the aircraft to assess competency in operating a regular flight in accordance with company policies and standard operating procedures.

This continues throughout the pilot’s career and a pilot will visit the full-flight simulator at least once every three months either for a training session or a check. This ensures that a pilot’s knowledge, flying skills and cockpit management skills are continuously practiced, refreshed and updated. Another key initiative in our pilot development is the launch of the pilot mentoring programme in 2012. This mentoring framework aims to further improve our pilots’

performance through teaching, coaching and role modelling. It also supports the transition of our pilots in their new roles as they advance through the ranks, from cadet pilots to instructors.

In addition, this mentoring framework provides opportunities for our senior pilots to develop their coaching, mentoring and communication skills.

The goal of the mentoring programme is to develop our pilots to their full potential, enhance safety attitudes and behaviours by building on their professional values, and propagate SIA’s organisational core values.

FATIGUE RISK MANAGEMENT SYSTEM (FRMS)

SIA IS AN ACTIVE PARTICIPANT IN THIS PROGRAMME, WHICH LOOKS AT ISSUES RELATED TO PILOT FATIGUE TO ENHANCE SAFETY AND ENSURE OPTIMAL OPERATING LEVELS OF OUR CREW.

Crew rest facilities on our aircraft are carefully evaluated to ensure proper rest is available for our crew who are on duty.

AIRCRAFT MAINTENANCE

SIA COMPLIES WITH RECOMMENDED SAFETY MANAGEMENT SYSTEM (SMS) PRACTICES BY THE CIVIL AVIATION AUTHORITY OF SINGAPORE (CAAS).

The CAAS SMS elements mirror those prescribed by the International Civil Aviation Organization (ICAO) in the ICAO Safety Management Manual.

Additionally, our Engineering division has been accredited by TUV SUD PSB Pte Ltd, a global testing, certification, inspection and training provider, in the following aspects:

ISO 9001:2008
Quality Management System for the Provision of Technical Support for SIA’s Aircraft Acquisition and Disposal, Aircraft Maintenance Activities, and Engineering and Spares Management;

ISO 14001:2004
Environmental Management System for the Provision and Management of Aviation and Engineering Support Services to SIA; and

BS OHSAS 18001:2007
Occupational Health & Safety Management System for Provision and Management of Aviation Engineering Support Services to SIA.

FOOD SAFETY

SIA is committed to serving in-flight meals that meet the highest levels of food safety and hygiene. We have a policy of not using Monosodium Glutamate (MSG) in our freshly prepared meals as far as possible - although traces of MSG may be found in commercially available, pre-packaged food products. Our caterers ensure that food sources are from licenced and accredited establishments which conform to requirements of relevant regulatory authorities, as well as the Hazard Analysis and Critical Control Points (HACCP) and International Organization for Standardization (ISO).

Locally-manufactured items are procured only from suppliers with an AVA Factory Grading B and above (in the case of Singapore), or the equivalent (in the case of overseas countries). The Quality Assurance team conducts factory audits, especially for high risk food materials, apart from regular sampling laboratory tests and random quality checks on incoming raw materials.

PASSENGER SAFETY

All cabin crew undergo training courses that inculcate safety and security awareness and focus on safe work habits. From the earliest stages of their flying career, cabin crew are educated on the importance of balancing service with safety and security. They also learn about the importance of situational and safety awareness, as well as teamwork and effective communication. Cabin crew undergo Safety and Emergency Procedures (SEP) training, which our pilots undergo as well, and are involved in the Fatigue Risk Management System (FRMS) programme to enhance safety and ensure optimum rest is available for our crew. Resources such as videos, circulars, campaigns and various communication sessions are used to promote safe work habits and increase crew awareness on workplace safety.



Focus on People



STAKEHOLDER ENGAGEMENT: EMPLOYEES

As a global airline, SIA is dedicated to providing air transportation services of the highest quality. With an unyielding commitment to fleet modernisation, product and service innovation, as well as market leadership, we are proud to be one of the world's most respected travel brands.

Our success would not have been possible without the efforts of our people. We recruit dynamic individuals from diverse backgrounds and are committed to providing our employees with equal opportunities to achieve their full potential.

In 2014, we were awarded the title of Singapore's most attractive employer at the Randstad Awards for the third year running. The Award recognises organisations which Singaporeans want to work for most (for 2013).

OUR DIVERSE WORKFORCE

As at 31 March 2014, our employee strength was 14,181, with a 1.1 per cent decrease over the previous year. Of this, 30 per cent of employees are ground employees, 55 per cent are cabin crew and 15 per cent are pilots.

INDUSTRIAL RELATIONS

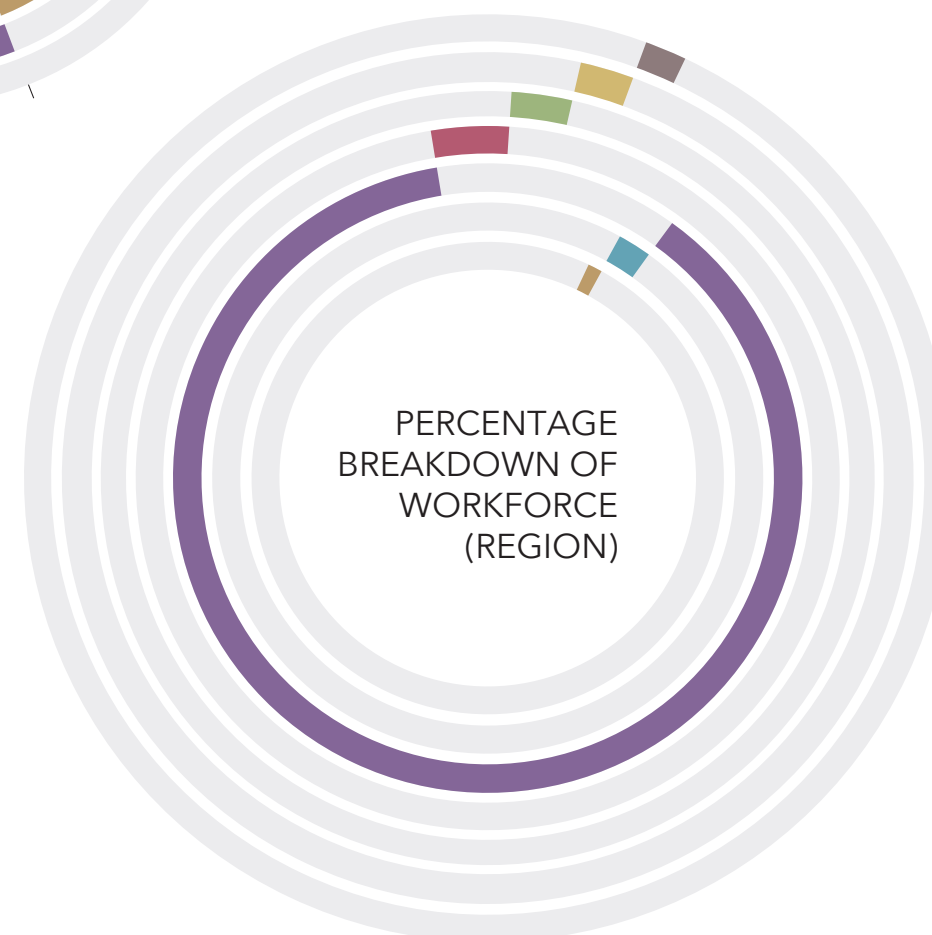
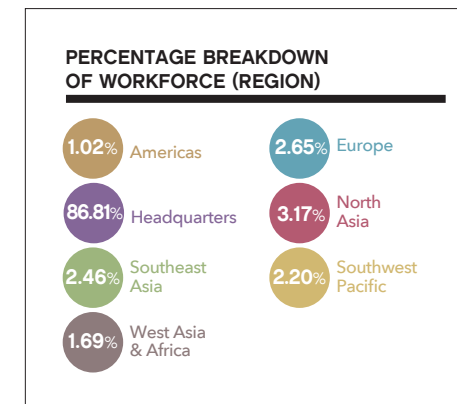
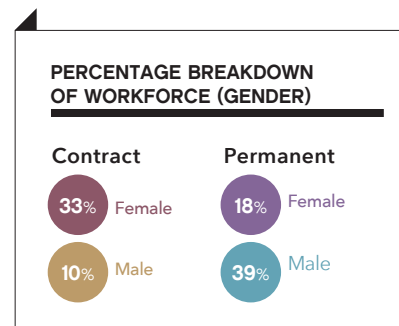
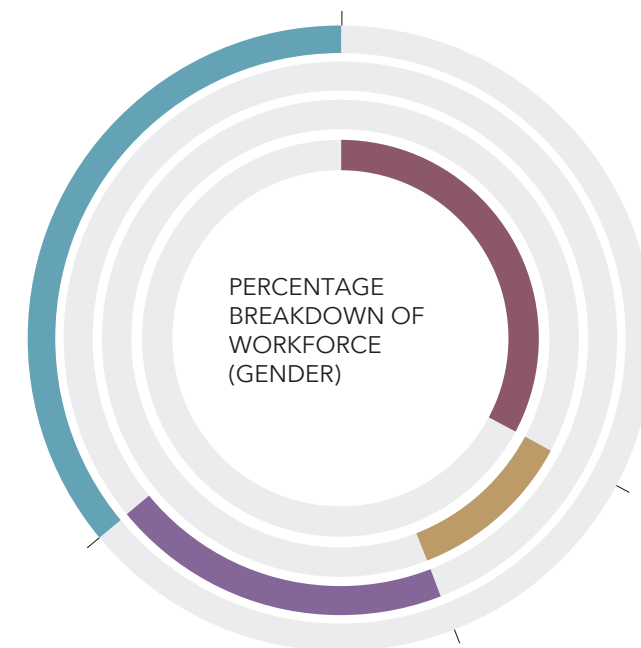
We work closely with the Airline Pilots Association Singapore (ALPA-S), Air Transport Executive Staff Union (AESU) and Singapore Airlines Staff Union (SIASU) to ensure that fair and sustainable wage settlements and employment terms are provided to employees. We have a total of three collective agreements in place with the unions.

ALPA-S:

This is the representative body for airline pilots in Singapore. About 97% of the pilot population is a member of ALPA-S.

AESU:

This is the union body for staff in SIA Group of Companies who are executives and above. About 48% of this population is part of AESU.



SIASU:

Graded/junior staff and cabin crew in SIA Group of Companies fall under this representative body. About 61% of them are members of SIASU.

SIA and these union bodies adopt a collaborative problem-solving approach in our engagements. Regular monthly meetings are held between management and the unions to address staff and operational issues.

SIA's Chairman and Senior Management meet the unions in quarterly luncheon sessions to discuss the outlook of the Company as well as issues relating to labour-management relations. Union leaders are also invited to Company functions, such as retirement and long service awards ceremonies, and business meetings.

Some of the agreements concluded for FY 2013/14 include the following:

- New AESU Collective Agreement effective 1 April 2013 for 3 years
- Service Increment 2013 with AESU & SIASU effective 1 July 2013
- Service Increment 2013 with ALPA-S effective 1 January 2013

The Company also recently worked in collaboration with SIASU to launch the Workforce Productivity Initiative - Towards Optimal Productivity (TOP) programme for our Singapore-based ground administrative employees. TOP puts in place a framework that embraces a performance-based culture and a developmental framework that recognises and rewards good performance.

EMPLOYEE CODE OF CONDUCT

We encourage all employees to embrace and exemplify our core values, i.e. pursuit of excellence; safety; customer first; concern for staff; integrity; and teamwork, in the course of their work and dealings with other parties. These core values are constantly reflected in our employees' induction and on-boarding programmes.

All employees are also expected to adhere to an employees' code of conduct (or staff regulations) which is found on our corporate Intranet.

STAKEHOLDER ENGAGEMENT: EMPLOYEES

EMPLOYEE COMMUNICATIONS AND ENGAGEMENT

We make use of multiple channels to communicate our latest news and happenings to our people. Examples of our internal communication channels include:

- Outlook, our in-house magazine, which is published on a monthly basis.
- Our corporate Intranet site which can be accessed by all employees. The different divisions (e.g. Cabin Crew, Flight Operations, Sales and Marketing) have their own portals to disseminate information specific to their areas of work.
- Business Meetings for employees are organised twice a year and cover a review of the Group's commercial activities and financial results.
- Other forms of employee communications include regular communication sessions, departmental debriefs, and sessions between senior managers and team members who are two or more levels below them.
- LCD TVs in employee canteens which broadcast company-related videos and news.

One of the main forms of regular feedback is the Organisational Climate Survey (OCS) that we conduct once every two years. The purpose of the survey is to gather employees' feedback on employee engagement and workplace issues.

The fourth instalment of the OCS was conducted in January 2013. Towers Watson, a US-based global research and consulting company, was engaged to conduct the survey. The feedback from these surveys will be used to identify areas for improvement and implement organisation-wide action plans.



OUR PEOPLE REPRESENT A KEY COMPETITIVE ADVANTAGE AND WE PLACE A STRONG EMPHASIS ON THE DEVELOPMENT OF OUR EMPLOYEES. WE INVEST SIGNIFICANT RESOURCES EACH YEAR TO TRAIN OUR PILOTS, CABIN CREW AND GROUND EMPLOYEES.

TRAINING



New administrative officers (AOs) attend induction and orientation programmes soon after joining. The objective of the programmes is to provide them with an overview of the Company and the functions of the various divisions.

Besides learning how key policies and company strategies have developed and evolved over time, the programme provides a good opportunity for new employees to meet others in the Company.

As part of the onboarding programme for AOs, the SIA Mentorship Scheme has been ongoing and continues to stand as a unique opportunity for newly hired employees to engage with senior leaders, providing access for new employees to the rich resources and wisdom of SIA's top leadership. Through the course of a year, the AO has opportunities to ask questions, hear insightful stories and personal experiences, and become more closely integrated into the SIA family and work culture.



We conduct all required regulatory training for our pilots and ensure that our training programmes meet not only our training objectives but are approved by the regulatory authorities.

Apart from mandated training, we conduct development training programmes for pilots of all ranks, from Cadet Pilots, Second Officers and First Officers to Captains and Instructors. During the course of their careers,

continuous pilot training programmes are in place to enhance their operational and flying skills.

In addition, we offer a mentoring framework for all ranks of pilots as well as online learning programmes in our e-learning portal SKIES. This mentoring framework is an important facet of their continuing development and is another way that we invest in the careers and personal growth of our pilots. More details on our flight operations training can be found in the Operational Safety section.



Our cabin crew members undergo a 15-week-long basic training programme which comprises classroom and on-the-job training. It includes a wide variety of modules such as fundamentals of social etiquette, personal grooming, meal service procedures, food knowledge and wine appreciation courses.

Cabin crew are also taught passenger handling skills, including methods of handling

specific customer groups such as young children, the elderly and mobility-challenged individuals, as well as techniques and skills for communicating with and relating to customers.

This area of training equips cabin crew with skills to better understand and meet the needs of a wide range of customers.

In line with our focus on safety and security, cabin crew are also trained in security, safety and first aid procedures, including cardiopulmonary resuscitation (CPR), during their basic training programme.

STAKEHOLDER ENGAGEMENT: EMPLOYEES

 Cabin Crew Training

Other forms of training include:

Air Sommelier Scheme

This is a scheme under which suitable cabin crew are identified and trained to be sommeliers on board to provide professional wine service to our customers.

To be eligible for the Air Sommelier Scheme, cabin crew must attain the internationally-recognised Wine and Spirit Education Trust’s (WSET) Level 3 Certificate in Wines & Spirits Award. In addition, cabin crew are required to attend a rigorous 6-month in-house programme consisting of training workshops, periodic assessments and assignments. Successful participants who obtain the WSET Level 3 Certificate and pass the in-house programme will earn an Air Sommelier badge on their uniforms.

Air Sommeliers are expected to constantly strengthen their tasting skills and wine knowledge. This is achieved through obtaining professional certifications, and attending tasting sessions and seminars by wine experts. To ensure that they maintain adequate knowledge and skills, all Air Sommeliers are required to sit for an annual proficiency assessment.

Foreign Language Scheme

There are two foreign language schemes, namely, French Language (FQ) and German Language (GQ) Schemes.

Cabin crew who are selected for these schemes will be provided training from established language institutes. Through an intensive eight-week course, the crew will be inducted into the language and culture. Upon graduation, they will attain a level of proficiency required to attend to the needs of our French and/or German-speaking customers.

Crew members who are successfully accepted into the FQ/GQ scheme don a nametag bearing the French or German flag and operate on specific flight sectors requiring their language skills. They also undergo annual refresher training and have their language proficiency assessed at least once a year.



 Partnership with Workforce Development Agency (WDA)

Our Cabin Crew Training School is a recognised training organisation through a collaboration with the Workforce Development Agency of Singapore and offers many Workforce Skills Qualifications (WSQ)-accredited courses, including Advanced Certificate in Training and Assessment, Leadership and People Management Programme, and Provide Wine Service course. Nationally-recognised Statements

of Attainment (SOAs) are issued to participants who successfully complete the course and pass the assessment.

The Advanced Certificate in Training and Assessment (ACTA) is a programme consisting of six competency units that provide the workforce in the training industry with the essential skills and knowledge to design and deliver competency-based training programmes and assessment. All our in-house trainers are ACTA certified. Since the launch of the programme in 2007, more than 6,000 crew

members have embarked on the ACTA programme. Our crew members have also benefitted from the many other WSQ accredited in-house courses. More than 40 cabin crew have earned a Diploma in Leadership and Management since October 2013 when we launched the last module of the Leadership and Management Diploma Programme.

SIA recently took the partnership with WDA a step further. As part of the collaboration, new cabin crew members who graduate from the 15-week Cabin Crew Readiness Programme (CCRP) will

achieve a nationally-recognised certification under the Service Excellence Workforce Skills Qualifications (SV WSQ) framework. This collaboration which took effect in September 2013 has benefitted up to 460 crew members to date.

The collaboration ensures that the CCRP is benchmarked against national standards and reinforces the importance of empowering employees with nationally-recognised certifications for training and development. All new cabin crew members who graduate from the CCRP will be awarded WSQ Statements

of Attainment. With the WSQ certification, the skillsets of our cabin crew members are translated into recognised qualifications which will stay with them, even if they leave the organisation. This initiative enhances SIA's ability to continue attracting the best talent and supports our operational needs as we grow.

STAKEHOLDER ENGAGEMENT: EMPLOYEES

EMPLOYEE HEALTH

TO PROMOTE A HEALTHY LIFESTYLE AND EMPLOYEE WELL-BEING, WE HAVE PUT IN PLACE SEVERAL INITIATIVES AS PART OF THE SIA WELLNESS & HEALTH PROGRAMME WHICH WAS OFFICIALLY LAUNCHED IN EARLY 2012.

The programme includes health talks and sports sessions. The following were held during FY 2013/14:

TALKS/ WORKSHOPS

- a. General Health talks, e.g. a chiropractic talk and a dental talk
- b. Healthy Eating talks, e.g. Chinese Food Therapy, Nutrition for Healthier Skin
- c. Mental Wellness talks, e.g. Stress Management, Conflict Management, Mental Resilience
- d. Financial Management talks, e.g. Financial Planning, Planning Your Will
- e. Cooking hands-on classes such as sushi making

SPORTS ACTIVITIES

- a. Yoga class
- b. Salsa Dance class
- c. Aqua Aerobics class

OTHER WORKPLACE HEALTH INITIATIVES

- a. “It’s the little thoughts that count” campaign (under this well-received company-wide initiative, staff posted appreciative messages to their colleagues on notes which were then pasted on “apple trees”)
- b. SIA Group Road Run
- c. SIA Group Athletics Meet
- d. SIA Games Festival

Messages on adopting healthy eating habits and a regular exercise regimen are also displayed at employee canteens. In addition, free basic health screening for our employees was offered as part of the Corporate Health Screening Exercise in January 2014.

EMPLOYEE WELFARE

Flexible working arrangement-staggered hours

The Company introduced the Staggered Hours scheme for eligible employees based in Singapore from June 2011. The scheme was implemented as part of our Flexible Work Arrangements Initiatives to achieve the following objectives:

- o Take into account employees’ personal responsibilities and schedules.
- o Provide flexibility and convenience.
- o Reduce the strain of long travelling time by employees during peak periods.
- o Raise employee morale and improve productivity.

Cabin Crew

Career Transition Course

Cabin Crew also implemented a Career Transition Course with the objective of preparing crew who are approaching retirement for an effective job search. Topics covered in this course include writing resumes and training them on how best to present themselves at job interviews. A three-hour individual coaching and consultation session by a personal career coach and three months of active job search help are also incorporated in this module.

Returning Crew Scheme

Crew who become pregnant are not permitted to fly for safety reasons. However, we actively encourage crew to return to flying after delivering their child under the Returning Crew Scheme. This scheme enables crew who meet criteria under the Returning Crew Scheme to return to flying with minimal disruption to their careers, with the crew’s previous years of service retained.

Returning Graduates Scheme

We have introduced the Returning Graduates Scheme for cabin crew who would like to pursue further studies in a full-time course leading to a professional certificate, diploma or degree. Crew leaving the Company under this scheme will be granted leave of absence during their study period and upon graduation from their course, will be able to return to the Company with their last held rank, seniority and salary maintained.

Crew Welfare

We ensure that our pilots and cabin crew are given sufficient rest during layovers and after flights. Cabin crew are also

encouraged to participate in extracurricular activities which are put in place to provide them with a holistic work experience and opportunities to interact with colleagues. We offer 28 extracurricular activities to cabin crew within the categories of outdoor sports, indoor sports, lifestyle, and arts and technology.

With the introduction of the Fatigue Risk Management System by CAAS, the in-flight rest requirements for cabin crew have been reinforced to ensure that crew members are provided with adequate rest while on duty. We also share tips with our cabin crew on how to get sufficient rest during and after flights. An e-learning programme on fatigue management is currently being developed for all cabin crew as well.

Extra Curricular Activities (ECA)

Four new ECAs were introduced in 2013 for our crew members, bringing the total number to 28. These ECAs boast a total membership of 7,007, comprising both cabin crew and ground staff in the Cabin Crew division. These ECAs include Beach Volleyball Club, Aircrew Basketball and Netball, Fitness and Nutrition Circle, CC Dance Club and CC Music Society.

Community Service

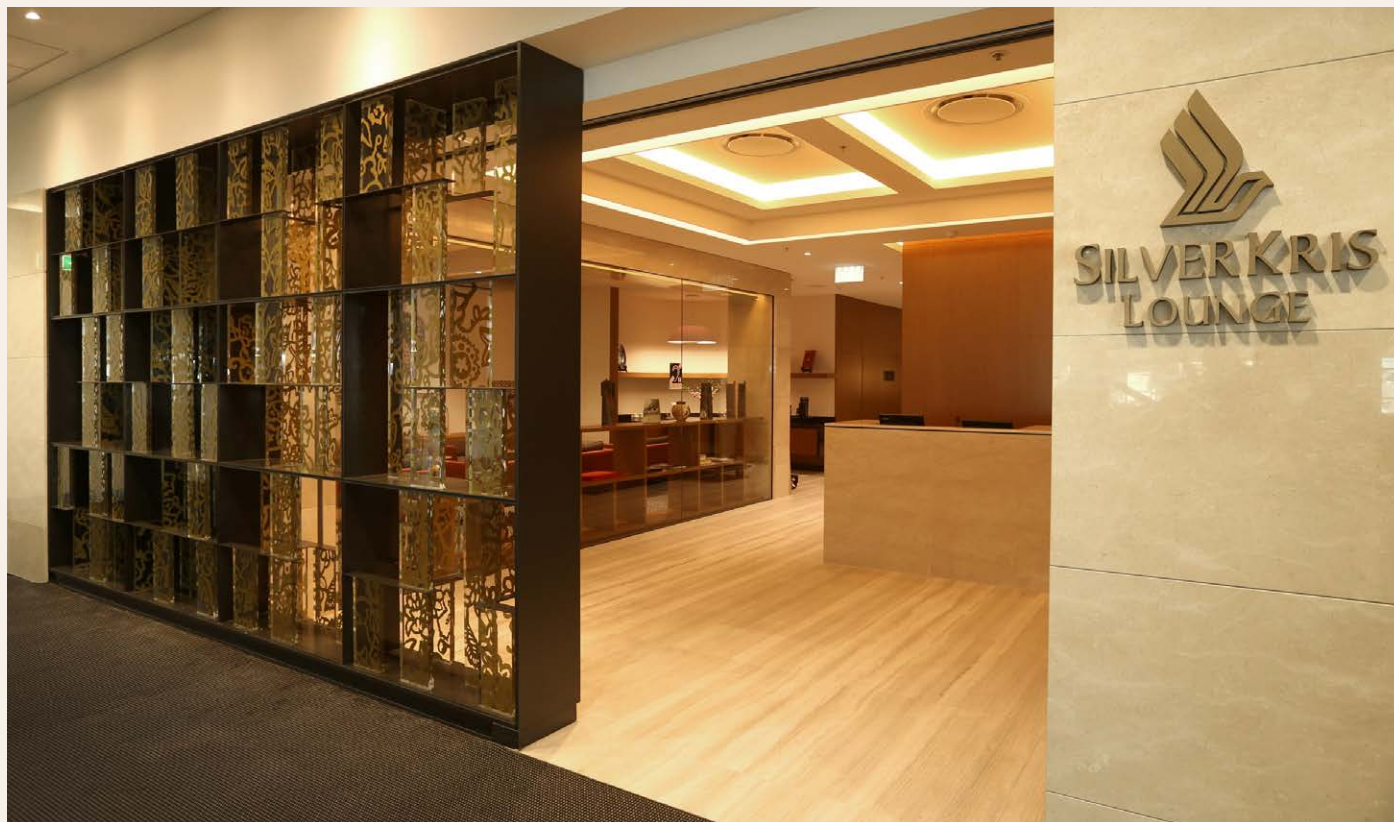
It was a busy year for our cabin crew, many of whom were actively involved in various community service activities such as fundraising initiatives, a car wash event, Father’s Day celebration and a Christmas celebration with community organisations.

RETIREMENT

Our pilots and ground staff who reach age 62 may be considered for re-employment, up to the age of 65 and on a yearly contract basis. The re-employment terms and conditions are set out in the agreements with the respective unions. As our cabin crew are exempted from the Retirement and Re-employment Act, they are governed by their employment contracts as stated in the Collective Agreement (CA) with SIASU. After completion of the terms in the CA, they would be deemed to have retired.



STAKEHOLDER ENGAGEMENT: CUSTOMERS



CUSTOMER SERVICE AND ENGAGEMENT

THE PROLIFERATION OF DIGITAL MEDIA, ESPECIALLY SOCIAL MEDIA, HAS CHANGED THE WAY OUR CUSTOMERS CONSUME INFORMATION. THE SPEED AT WHICH CUSTOMERS HAVE ACCESS TO INFORMATION HAS ALSO LIFTED PUBLIC EXPECTATIONS.

Increasingly, we are finding that customers now expect real-time service recovery and quick responses to their online feedback.

In response, SIA launched its official Facebook and Twitter channels in September 2011 to provide additional points of contact for greater online customer engagement, to communicate important travel information to customers as well as to obtain more feedback to improve our products and services. Customer service excellence is one of the three main pillars on which our brand promise is built. We believe in listening to our customers and we do so via various means such as focus groups, surveys and feedback letters. We receive a monthly average of over 7,000 customer feedback comments through channels such as our website, comment forms and letters. We have a dedicated Customer Affairs department to handle all feedback and conduct investigations on matters that require follow-up and service recovery. Issues raised through feedback are duly addressed with actions being identified and taken to improve our services and processes.

We rely on external expertise in some areas to help us pinpoint trends that may impact our customers' tastes and preferences, such as in the area of in-flight dining, where we have the help of our International Culinary Panel (ICP) and Wine Panel (WP). Comprising award-winning chefs from the culinary capitals of the world, the ICP was set up in 1998 to work with the Airline's own chefs, to specially create the unique selection of food served on board. The WP with three consultants

helps the Airline select wines of quality from diverse regions around the world through blind tasting.

In addition, we conduct surveys and focus group studies to measure customer satisfaction via on-board and on-ground customer points of contact. Relevant departments will then use the data to improve product quality or services. For example, the design concept of our Sydney SilverKris Lounge, which opened in March 2014, was developed following extensive research that included focus groups with customers. The lounge was modelled after elements of a home because customers frequently tell us that they have a feeling of 'home' as soon as they board our aircraft. In addition, focus groups enable us to identify product quality or services that have declined or to address areas of weakness. We are also unstinting in our investment in training programmes for our service employees to meet the needs of our increasingly sophisticated customers.

2013 SAW THE REINFORCEMENT OF THE TRANSFORMING CUSTOMER SERVICE (TCS) 'CREATING EXTRAORDINARY MOMENTS' THEME INTRODUCED IN MAY 2012.

This was done mainly through the roll-out of system-wide TCS dialogue sessions and training to engage employees and equip them with the mindset and soft skills to deliver the right service that meets our customers' needs.

TCS has defined SIA's service culture since its inception 15 years ago. Implicit in this is an attitude of constant reinvention of service, to serve the ever-changing needs of our customers. 'Creating Extraordinary Moments' starts with discovering the unique needs of a customer, designing the right service just for him or her, and delighting the customer. The annual CEO TCS Awards is held to recognise exemplary individuals and teams whose outstanding TCS performances have contributed significantly to SIA's service excellence.

All these measures ensure we do not deviate from our objective since founding- which is to provide air transportation services of the highest quality.



STAKEHOLDER ENGAGEMENT: PARTNERS

In line with our focus on sustainability, SIA has adopted the following best practices in our engagement with suppliers:

SUPPLIERS' COMPLIANCE WITH APPLICABLE LAWS

We have provisions in our purchasing contracts that require our suppliers to commit and warrant that the items supplied are in compliance with all applicable laws and related requirements, including but not limited to labour laws, employment laws and industrial laws.

BIO-DEGRADABLE MATERIAL

We welcome proposals from suppliers that include bio-degradable/recyclable materials as alternatives to more commonly-used raw materials such as plastics and aluminium.

ENVIRONMENTAL MANAGEMENT

Environmental management is one of the key parameters in our assessment of suppliers. Some of the considerations which we look at include the supplier's policy on environmental management, whether the supplier has a formalised environmental management system such as ISO 14001 in place, whether the supplier has set environmental performance goals, whether the supplier has received any awards or commendations related to environmental performance, as well as whether the supplier has been fined or prosecuted for environmental non-compliance in the last three years.

We conduct visits to potential new suppliers' factory sites, when required, to assess their suitability and capabilities.



SOURCING OF SUPPLIERS WITH SUSTAINABLE BUSINESS PRACTICES

WE ENCOURAGE PARTICIPATION FROM SUPPLIERS WHO ARE ACTIVELY ENGAGED IN ENVIRONMENTALLY-FRIENDLY ACTIVITIES.

For instance, paper-product suppliers which are Forest Stewardship Council (FSC)-certified may be in a more competitive position for contract award consideration, assuming all other factors such as cost, product quality and delivery performance are on par.

The FSC is an international non-profit, multi-stakeholder organisation established in 1993 to promote responsible management of the world's forests. Its main tools for achieving this are standard setting, independent certification and labelling of forest products.

LIGHTWEIGHT DESIGN

We are constantly exploring lighter-weight designs of cabin and in-flight items, as this helps reduce the amount of fuel needed for flights.

RECYCLING OF OBSOLETE/SCRAP PRODUCTS

We work with suppliers to collect obsolete products for recycling purposes where possible.

CLEANER PRODUCTION/ MANUFACTURING TECHNOLOGIES

We are constantly seeking suppliers who are capable of adopting cleaner manufacturing processes. We have begun purchasing batik fabric using a pigment print technique which uses less water during production instead of the traditional reactive dyeing technique.

STAKEHOLDER ENGAGEMENT: PARTNERS

ENGINEERING SPARES

ENGINEERING SPARES ARE SOURCED FROM ORIGINAL EQUIPMENT MANUFACTURERS (OEMS) AND THEIR ACCREDITED AGENTS. FOR ENGINEERING COMPONENTS, REPAIR ORGANISATIONS ARE REQUIRED TO BE CERTIFIED AND APPROVED BY THEIR RESPECTIVE AUTHORITIES FROM ICAO CONTRACTING STATES BEFORE ANY PROCUREMENT IS CARRIED OUT.



We also put in place key performance indicators (KPIs) for warehousing operations to monitor their performance in all aspects, including safety, health and environment.

SDV, a supply chain company which we have outsourced our warehouse operations to, has also incorporated our Workplace Health and Safety programme in its operations and our Engineering Division chairs the joint monthly Warehouse Safety Committee to track compliance.

BASIC REQUIREMENTS FOR CATERING AND HANDLING SERVICES

Our caterers, in the provision of service, must comply with local laws and regulations strictly with regard to hygiene, safety and security. They

must ensure that their facilities used for storage, preparation, production and transportation of our meals and beverages meet all the standards as set by the International Air Transport Association (IATA), ICAO and the Hazard Analysis and Critical Control Points (HACCP) concept developed and administered by the International Flight Catering Association (IFCA)/International Flight Safety Association (IFSA).

In addition, as safety is of utmost importance in aircraft handling, we require all contracted catering and ground handling companies to adhere to the standards of the IATA Aircraft Handling Manual (AHM). All catering and ground handling staff shall receive adequate training in operating our aircraft. Examples

of such training include opening of aircraft doors, Ground Support Equipment (GSE) driving, handling catering equipment in high lifts and IATA dangerous goods awareness.

ANTI-CORRUPTION PRACTICES

We have included clauses on “anti-corruption/anti-bribery practices” in all our new contracts from June 2012. Our handling agents must agree to comply with all local laws where they operate, including, but not limited to, acceptance of offers made in the form of payments, gifts or other transfers of value, directly or indirectly, to any government official or private person in order to secure any improper advantage or to influence any decision or act, directly or indirectly.



MITIGATING FOOD WASTAGE

We engage caterers in some of our newer contracts to provide assessments of the type and quantity of food that is unconsumed on flights so as to review the quantity that is uplifted and thereby minimise wastage.

A major sustainability initiative undertaken by SATS, our in-flight caterer in Singapore, is identification of pre-preparation areas for fruits and vegetables where organic waste could be segregated from inorganic waste.

About three tonnes of organic waste is collected daily with about 99.7 per cent purity. For its efforts in organic waste recycling, SATS was awarded a token of appreciation at the National Environment Agency Recycling Week 2010. Overseas caterers make similar efforts in line with their respective local requirements.

IMPROVING QUALITY OF SERVICE TO OUR CUSTOMERS

As part of the Service Level Agreements (SLA) in our contracts, we also collect feedback from our customers on a quarterly basis with regard to the quality of meals served on board, as well as cabin and ground handling services.

SUPPLIERS' CODE OF CONDUCT

We have a Code of Conduct which we expect all our suppliers to comply with. Based on the principles of the United Nations Global Compact related to Human Rights, Labour, the Environment and Anti-Corruption, and taking into account operational, social and environmental issues, the Code of Conduct was developed in accordance with our business values and with the intention of promoting sustainable development. The Code can be found on page 36 of this report.



Supporting Our Communities

COMMUNITY ENGAGEMENT



AS A LEADING GLOBAL AIRLINE, SIA RECOGNISES THE IMPORTANCE OF CONTRIBUTING ACTIVELY TO THE COMMUNITIES WE SERVE. FOR MANY YEARS, WE HAVE BEEN SUPPORTING CHARITIES AS WELL AS NON-PROFIT ORGANISATIONS.

We also firmly believe in sponsoring initiatives that promote education, sports, the arts, and heritage conservation. We offer our support through cash donations, complimentary or rebated air tickets, and staff volunteerism.

In FY 2013-14, “Make-A-Wish Foundation Singapore”, an affiliate of “Make-A-Wish Foundation International”, was included among SIA’s adopted charities. The foundation grants wishes to children, aged between 3 and 18 years, with life-threatening illnesses. Singapore Airlines supported them by providing air tickets to grant the wishes of such children to visit Disneyland in Hong Kong together with their parents.

SIA has a longstanding commitment to grow the Singapore arts scene and we continued this tradition by contributing to the Singapore Symphony Orchestra, Singapore Dance Theatre, Singapore Lyric Opera and Singapore Chinese Orchestra. We have also worked closely with the National Arts Council on various community arts projects.

We also continued our support for Médecins Sans Frontières (MSF), also known as Doctors Without Borders. MSF is a leading international humanitarian organisation that delivers emergency aid to people in more than 70 countries affected by armed conflict, epidemics, natural disasters and exclusion from healthcare. MSF offers assistance to people based on need, irrespective of race, religion, gender or political affiliation.

SIA is also a longstanding supporter of the Community Chest of Singapore, a non-profit organisation that raises funds for many charities in Singapore. We contribute by taking part actively in the annual “Give A Hand!” campaign, which raises funds for the adopted beneficiaries of the Community Chest. The funds are then channelled to help children with special needs.

In the educational sector, SIA continued to support numerous initiatives, which provide students with opportunities to achieve their full academic potential, including the JY Pillay Global-Asia Programme, which raises local levels of research and fieldwork. In addition, we contribute to the Lee Kuan Yew Fund for Bilingualism, which aims to nurture a love for bilingual learning in our children from young.

SIA also maintained its partnership with the Salvation Army Singapore (SAS). Since 2010, we have been donating items left behind by our customers (i.e. uncollected for more than four months) to the SAS. Funds raised from the sale of these items at SAS’s Family Thrift Stores go towards the charity’s social and community programmes. Between 1 January and 31 December 2013, SAS collected nearly \$44,000 from the sale of SIA’s donated items.

COMMUNITY ENGAGEMENT

**CHANDRA DAS GREAT IDEA
AWARD 2013**

SIA RECEIVED THE PRESTIGIOUS CHANDRA DAS GREAT IDEA AWARD FROM THE COMMUNITY CHEST OF SINGAPORE IN 2013, AS RECOGNITION OF OUR CREATIVITY IN RAISING FUNDS FOR CHARITY.

In September 2012, limited-edition panda toys, clad in SIA’s signature batik motif, were produced by the Airline and made available for donations of \$20 or more. Proceeds of more than \$420,000 were donated to the Community Chest in support of programmes that benefit children with special needs.

HARAPAN RAINFOREST INITIATIVE

Since August 2010, SIA has been the exclusive airline partner for the Harapan Rainforest Initiative, a large-scale project aimed at restoring and protecting one of the world’s most threatened and bio-diverse ecosystems.

Straddling the Jambi and South Sumatra provinces on Indonesia’s Sumatra island, the Harapan Rainforest spans over 100,000 hectares - an area nearly one-and-a-half times the size of Singapore. It is one of the few remaining tracts of lowland rainforest in Indonesia, which have been threatened

by illegal logging or conversion to oil palm or timber plantations. The rainforest is home to over 300 bird species and 55 mammals, including the critically endangered Sumatran tiger, the clouded leopard, the Malayan tapir and the Asian elephant.

The management of Harapan Rainforest has always applied a strict “no burn” policy on its land, as restoring the natural rainforest’s productivity and ecosystem balance is one of its key objectives. Harapan has also invested more than USD200,000 in manpower, equipment and training dedicated to fire management. The “no burn” policy is carried out in two ways:

**Regular dialogue
with encroachers**

With the aim of minimising the impact of encroachment and the use of ‘slash and burn’ practices, Harapan’s management conducts dialogue sessions with encroachers to identify mutually acceptable practices and formalises these through written agreements.

**Fire Danger
Rating System**

When fires occur in Harapan, fire fighters act quickly to extinguish them and limit damage to the forest. In March 2013, Harapan initiated a daily Fire Danger Rating System, which includes the monitoring and analysis of weather and vegetative conditions to identify the potential of a fire to ignite, spread and require suppression action.

In 2012 and 2013 there were only seven days with fire each year. In 2013, the total area burned was about 20 ha (out of nearly 100,000 ha) - a remarkable achievement compared to the extent of fire damage outside Harapan.

The Harapan Rainforest Initiative also plays a significant role in improving the lives of the local indigenous Bathin Sembilan community, by providing social development and employment opportunities.

SIA’s commitment towards the protection and restoration of the Harapan Rainforest is a reflection of our strong belief that environmental efforts must focus on making a significant contribution to the well-being of our planet, and sustain our shared environment for future generations.



Photo courtesy of Burung Indonesia and Hutan Harapan

COMMUNITY ENGAGEMENT

COMMUNITY PROJECTS AROUND THE WORLD

As a global airline serving more than 60 destinations in over 30 countries, Singapore Airlines is acutely aware of the importance of building strong relationships with the local communities that we serve. Many of our overseas offices work with local charities in support of various initiatives and causes.



AUSTRALIA

In Australia, SIA remains committed to supporting the local community’s arts and children’s charities.

We have a longstanding commitment to the Australian arts and cultural scene. Since 1972, SIA has sponsored the West Australia Ballet. We are also one of the main sponsors of the Sydney Dance Company, helping to facilitate its performance tours in Europe, North America and South America.

Since 1988, we have been sponsoring major art exhibitions through our partnership with Art Exhibitions Australia. Most recently in 2013, SIA was the principal sponsor of “Turner from the Tate: The Making of a Master” held at the Art Gallery of South Australia and the National Gallery of Australia in Canberra, and “Monet’s Garden: The Musée Marmottan Monet, Paris” held at the National Gallery of Victoria.

SIA is also the official airline sponsor of the Indian Film Festival Melbourne and the Spanish Film Festival.

In addition, SIA has adopted The Smith Family and Lille Fro as our two official charities in Australia. The Smith Family is Australia’s largest national children’s charity which supports the education of disadvantaged children, while Lille Fro provides education to children of impoverished families living in remote geographical locations. We have also supported a number of charity projects and non-profit organisations, through flight auctions, discounted travel and excess baggage waivers. This support included medical rescue and relief efforts to the Philippines in the aftermath of Typhoon Haiyan, as well as travel for Artisans of Fashion in support of its mission to create sustainable livelihoods for rural artisans in India.

KOREA

In Korea, SIA and Jongro Community Centre for the Disabled brought 20 disadvantaged children on a tour of Incheon International Airport in September 2013. The children had a chance to ride the airport train and experience airport procedures such as check-in and currency exchange. Their parents were treated to lunch and a musical performance. A total of 32 SIA staff, including SIA’s General Manager Korea, participated in this memorable and meaningful event.

SWITZERLAND

In Switzerland, SIA organised a charity event in August 2013 for the Caritas Zurich project, which helps children from less privileged backgrounds in the canton of Zurich, by pairing them with volunteer godparents to provide encouragement and support. The children were given a tour of SIA’s A380 aircraft. Most of them had never been on an aircraft and they were thrilled that their first experience was on board the world’s largest commercial aircraft. The group also had the chance to view and take photographs of the aircraft from the apron to get a better sense of its dimensions. This was followed by a tour of Zurich Airport and lunch at an airport restaurant, where they were each presented with a goodie bag.

SIA Switzerland and catering partner Gate Gourmet also invited a group of children from the Caritas Zurich project for a baking session in December 2013 to spread festive Christmas cheer. The children enjoyed a tour of SIA’s A380 aircraft and were treated to a delicious lunch. To raise awareness of the project, Christmas cookies prepared by Gate Gourmet were presented to all customers who departed on flight SQ345 on Christmas Eve.

INDIA

In India, SIA New Delhi staff joined in relief efforts for flood victims from the Uttarakhand state in northern India, contributing 1,000 much-needed blankets.

In support of ‘Artisans of Fashion’, an initiative that works closely with traditional weavers and rural artisans to promote their skills through modern fashion, SIA New Delhi provided air tickets to Indian fashion designer Manish Arora and his crew to showcase their collection in Sydney. Our SIA staff in Chennai and Kolkata also organised charity visits to elderly and children’s homes in 2013.

COMMUNITY ENGAGEMENT

JAPAN

In Japan, SIA brought festive cheer to children warded at Narita Red Cross Hospital in December 2013. The children and their parents were visited by Santa Claus, a Singapore Girl and an SIA Japan staff member, who gave them presents that included an SIA aircraft model, drawing sets and in-flight amenities. SIA Japan has been organising Christmas visits to the hospital since 2006.

PHILIPPINES

In the Philippines, SIA donated two million pesos and 800 blankets to the Philippine Red Cross (PRC) relief efforts in the aftermath of Typhoon Haiyan. In addition, staff from SIA Philippines and SilkAir Philippines, together with members of the SIA Community Service Club (CSC) and the Cabin Crew Club for Community Care, raised another two million pesos to aid the PRC’s rebuilding efforts for the thousands left displaced and homeless by the disaster.

Separately, SIA has provided more than 1,130 scholarship grants through the Singapore Airlines Scholars programme since 2003, in partnership with the Bantay Edukasyon Program. The scholarship recipients are elementary school students, aged between 6 and 12 years from across the Philippines.

During the school year 2013-14, 88 students were supported through the programme, which provided them with school supplies, clothing, shoes, food and transportation allowances. Our Filipino staff members meet with the Singapore Airlines scholars three times a year – at the beginning and end of the school year as well as during Christmas. During these visits, the students and staff take turns to perform song and dance numbers as well as skits. Awards are given out at the end of every school year to deserving students based on their academic progress.

UNITED KINGDOM

In the UK, SIA supports a community project named Chiswick Pensioners Alone At Christmas. This 29-year-old initiative features an annual Christmas party for about 60 senior citizens that aims to alleviate their feelings of loneliness during the festive period. A volunteer from the Home Care Service who began the project had observed that elderly people experiencing loneliness were more likely to go into residential care or pass away after the holiday period. By matching the donations collected for the initiative each year, SIA contributes to the local community of senior citizens by helping to keep their spirits up during the festive season.

In December 2013, SIA UK held a Christmas Jumper Day (where staff came to work in their festive jumpers) to bring Christmas cheer to the office and to raise donations for the Save The Children charity. The charity runs an annual national campaign to encourage groups of people around the country to make donations to children in 120 developing countries across the world.

USA

In the USA, SIA, in partnership with our International Culinary Panel (ICP) Chef Alfred Portale of Gotham Bar & Grill, helped GrowNYC raise funds for its cause. We donated SIA Business Class tickets, which were auctioned at a charity dinner. All proceeds went into setting up “learning gardens” for public schools in the five boroughs of New York. GrowNYC is a non-profit organisation that focuses on improving the city’s quality of life through environmental programmes ranging from building community gardens and hosting local farmers’ markets, to teaching primary school students about the environment and improving recycling awareness.





Caring for the Environment

MANAGING OUR ENVIRONMENTAL IMPACT

ENVIRONMENTAL POLICY

SIA is dedicated to safely and reliably flying passengers and freight around the world. We also believe that we have a long-term responsibility to help protect the environment. As part of our commitment to environmental conservation, we:

- Educate our staff on the importance of caring for the environment.
- Ensure that we comply with environmental codes of practice set by regulatory authorities and are transparent about our environmental policies and action plans.
- Established an environmental action programme to oversee matters related to environmental management, as well as to work with key suppliers on issues related to energy and resource consumption, carbon emissions, effluent discharge, waste management and noise.

ENVIRONMENTAL MANAGEMENT SYSTEM

Environmental Management Systems (EMS) certified according to the ISO 14001:2004 standard have been implemented in the Engineering and Flight Operations divisions, as well as in SIA Engineering Company. Objectives and measurable targets are set for the environmental action programmes under the EMS. These are reviewed and updated periodically to ensure legal compliance and consistency with our commitment to reducing pollution. Operations that have an environmental impact are regularly monitored. Measurements are also taken to ensure that the applicable controls are documented and implemented in compliance with the EMS.

Staff are also provided training to enhance their roles and competencies in the management systems. Environmental messages are broadcast regularly on SIA's electronic bulletin boards, in order to remind staff of their environmental responsibilities.



Photo courtesy of Burung Indonesia and Hutan Harapan

MANAGING OUR ENVIRONMENTAL IMPACT

ENERGY AND RESOURCE CONSERVATION MEASURES

WITH AN EMPHASIS ON OPTIMAL USAGE OF RESOURCES AND ENVIRONMENTAL PROTECTION, A WIDE SPECTRUM OF MEASURES HAVE BEEN PUT IN PLACE UNDER THE NEW OFFICE MANAGEMENT SYSTEM (OMS) ROLLED OUT ACROSS SIA PREMISES.

The OMS features innovative designs and best office practices that maximise space utilisation, while reducing energy consumption. Besides providing a flexible workplace that can accommodate different work styles and operational requirements, the OMS incorporates many environmentally-friendly features that focus on resource conservation and waste minimisation. Key features of the OMS include:

- Energy-efficient lighting and controls such as:
 - T5 tubes with reflector covers to increase illumination.
 - Exit lights that use low-energy light-emitting diode (LED) technology.
 - LED or energy-saving bulbs instead of tungsten halogen for downlights.
 - A smart lighting management system, which is programmed to automatically switch off after office hours.
 - A zonal lighting system.
- Energy-saving air-conditioning system, equipped with:
 - Variable speed controlled chiller plants with environmentally-friendly refrigerants.
 - Pre-cooled coils and variable speed motors for Air Handling Units, which result in improved energy saving and humidity control.

- Emulsion paints that emit less volatile organic compounds used for internal walls.
- Carpet tiles with a high content of recycled materials.
- Ceiling and partition boards made from recycled materials.

Water consumption is reduced through flow restrictors and dual flush valves, which are installed in lavatories. Recycled water is used in cooling towers of buildings and for landscape watering. No chemicals are added to the water stored in the cooling towers. Rainwater is also collected and used for watering plants and flushing toilets.

External glass facades are installed with solar films to reduce heat transmitted into the buildings and at the same time allow the use of natural light. Natural ventilation is preferred as compared to mechanical ventilation in terms of building design. In addition, the new chiller systems and fire-protection systems use environmentally-friendly gases/ refrigerants which minimise the use of “greenhouse gases”(GHG). In line with SIA’s focus on resource utilisation and environmental protection, we choose to use green materials with low volatile organic compounds (VOC) and high recycled content wherever possible.

RECYCLING

To maximise efficient use of limited resources, staff are encouraged to adopt green office practices, including:

- Printing double-sided documents.
- Storing documents, files and archives electronically.
- Using electronic methods of communication wherever possible.
- Using envelopes designed for multiple use for internal correspondence.
- Sending and receiving fax messages electronically.
- Recycling paper that has been printed on a single side for notetaking or drafting purposes.

Recycling bins are conveniently located around offices and canteens for recyclable waste such as paper, magazines, newspapers and aluminium cans.

SIA’s Intranet is used as a platform for regular updates to staff. It also provides informative environmental articles on topics such as waste minimisation.

PARTICIPATION IN AIRPORT-WIDE RECYCLING DAY BY CHANGI AIRPORT GROUP (CAG)



SIA staff participated in the inaugural Airport-Wide Recycling Day on 15 November 2013 organised by CAG, where they collected recyclable electronic waste such as photocopy machines and computers, as well as common office recyclable waste such as paper, plastics and metal cans.

INVOLVEMENT IN CORPORATE AND SCHOOL PARTNERSHIP (CASP)



SIA also participated in the National Environment Agency’s (NEA) Corporate and School Partnership (CASP) programme through an environmental project at Dunman Secondary School. In line with the CASP focus on environmental outreach to the community, the Life Science Club in Dunman Secondary School showcased its research project on “Reducing the Amount of Waste Through Composting” at our SIA Training Centre offices on 22 August 2013. The students put up comprehensive slide shows, educational posters and samples on composting equipment and materials.

MANAGING OUR ENVIRONMENTAL IMPACT

TOXIC WASTE MANAGEMENT

Toxic industrial waste (TIW) generated mainly from our aircraft maintenance activities is labelled and segregated from general waste. A licenced TIW collector is engaged to remove and treat the waste before final disposal.

ENVIRONMENTAL PERFORMANCE ON THE GROUND

SIA’s ongoing efforts to conserve and optimise usage of resources has proven successful. Our overall consumption of electricity, water and paper has been reduced over the years. Details are available in the following summary of environmental statistics:

Resource Utilisation	2013-14	2012-13	2011-12
Water Consumption (,000 m3)	272.0	268.3	222.9
Electricity Consumption (Gwh)	54.8	56.9	60.5
Petrol (,000 litres)	197	228	288
Diesel (,000 litres)	3,217	3,161	3,309
Paper Consumption – A4 paper (ream)	67,878	64,900	66,753

Carbon Emissions - Ground Operations	2013-14	2012-13	2011-12
From Fossil Fuel (tonnes)	8,817	8,744	9,266
From Electricity Used (tonnes)	27,287	29,284	31,705

Waste Generated in SIA Group #	2013-14	2012-13	2011-12
General Waste (tonnes)	4,996	5,082	5,990
Toxic Waste (litres)	62,000	55,200	69,000

Recyclables #	2013-14	2012-13	2011-12
Used Cooking Oil (kg)	8,350	14,160	18,636
Used Carton Boxes (kg)	562,340	562,000	569,220
Used Magazine (kg) estimates	221,640	134,155	137,089
Old Newspapers (kg) estimates	337,160	490,941	316,193
Glass Bottles (kg)	184,073	208,630	186,102

* Figures are from SIA’s operations in Singapore

FUEL EFFICIENCY PROGRAMME

The UN Intergovernmental Panel on Climate Change (IPCC) estimates that global CO₂ emissions from the aviation industry will grow from 2 per cent today to 3 per cent by 2050. SIA has implemented a comprehensive fuel efficiency programme to mitigate the rising CO₂ emission levels.

FLEET MODERNISATION PROGRAMME

During the year, SIA took delivery of six A330-300s and three Boeing 777-300ERs, bringing the total to 26 and 22 respectively. One 777-200 was decommissioned. Two 777-200ERs returned to the fleet upon expiry of their leases to Royal Brunei Airlines. The average age of SIA’s passenger aircraft was 6 years and 9 months in March 2014, compared to the industry average* of 12 years and 3 months.

* Source: Flightglobal, ACAS (Aircraft information and forecast data system) [April 2014]

Average Age of Aircraft (months), 31 March 2014	2013-14	2012-13	2011-12	2010-11
SIA Passenger Fleet	81	80	74	75
SIA Freighters	147	140	135	110
SilkAir	71	80	75	71
Industry-wide*	147	148	163	163

*Source: Flightglobal, ACAS (Aircraft information and forecast data system) [April 2013]



MANAGING OUR ENVIRONMENTAL IMPACT

FUEL PRODUCTIVITY

As part of our efforts to reduce the climate change caused by increased greenhouse gases in the atmosphere, SIA constantly studies ways to improve fuel consumption of our aircraft. Key initiatives in our fuel productivity improvement programme include:

01

Regular fleet renewal, to ensure the aircraft in operation are technologically advanced and fuel efficient.

02

Participating in the ASPIRE programme (more information on the ASPIRE programme is available in the subsequent section).

03

Adopting flight operation procedures that reduce fuel burn for A380s at London's Heathrow Airport. SIA's A380 aircraft departing Heathrow now use less power when taking off, saving fuel and emitting less CO₂ and NO_x, while complying with the airport's strict noise procedure guidelines.

04

Improving flight operation procedures, such as tailored arrivals and continuous descent operations, that minimise fuel use without compromising safety.

05

Engaging route-planning procedures that determine the most fuel-efficient routes possible.

06

Actively participating in international discussions on route-restructuring to establish new airways for more efficient routings.

08

Working on initiatives both within SIA and with Original Equipment Manufacturers (OEM) to reduce the weight of aircraft.

07

Developing performance improvement packages for airframes and engines to reduce airframe drag, thereby improving fuel efficiency.

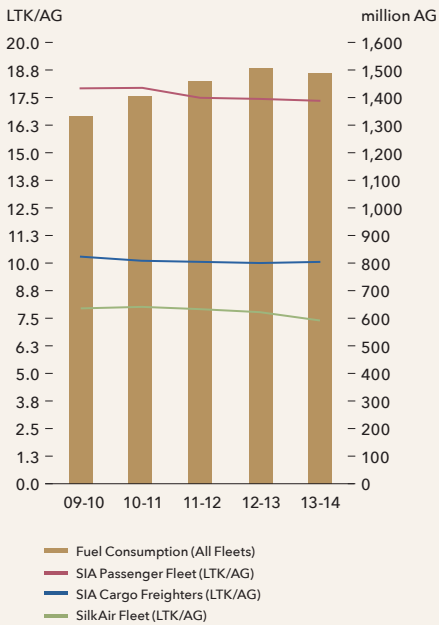
09

Employing mobile ground power units and pre-conditioned air units during long transits and nightstops to reduce reliance on auxiliary power units.

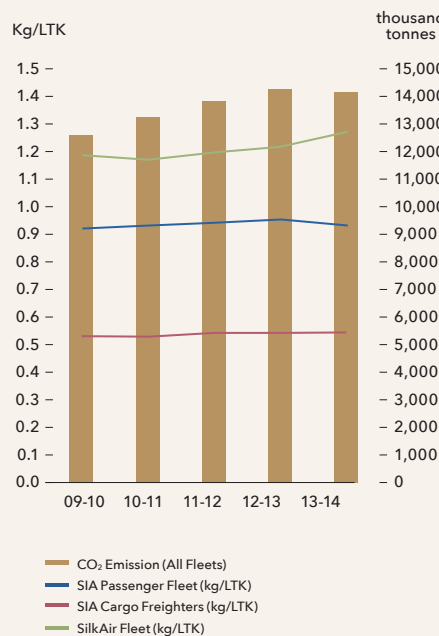
10

Improving flight operations and flight planning systems, which result in better route selection planning. These efforts contribute to savings of around \$3.6 million a year.

FUEL PRODUCTIVITY



CO₂ EMISSIONS



MANAGING OUR ENVIRONMENTAL IMPACT

AIRCRAFT ACTIVITIES

Airframe and engine maintenance programmes are in place to enhance operational and fuel efficiency. Regular engine wash programmes also help improve fuel efficiency.

EMISSIONS AND WASTE MANAGEMENT

Aircraft gas emissions

ICAO sets the international standards for levels of NO_x, CO₂, hydrocarbons and exhaust from aircraft engine emissions under ICAO Annex 16, Volume II. The NO_x emission standard has changed several times over the past decade to ensure that the best low-emission technologies are used in new engines. A new standard was endorsed in 2004, applicable to new engines from 2008, which is 12 per cent stricter than the previous standard and will provide a 40 per cent reduction in NO_x emissions compared to the first standard. SIA's passenger fleet, SIA Cargo freighters and SilkAir aircraft meet the stringent 2004 ICAO CAEP/6 Emission Standards for NO_x.

Aircraft noise emissions

Today's aircraft are 50 per cent quieter compared to 10 years ago. Research initiatives target a further 50 per cent reduction by 2020.

ICAO introduced a more stringent noise certification standard on 1 January 2006 for all new aircraft. The ICAO Chapter 4 standard is approximately one third or 10 EPNdB quieter than the Chapter 3 standard. SIA's A380-800s and 777-300ERs are certified with the ICAO Chapter 4 noise standard. Our A330-300s, 777-200s and 777-300s are certified with the ICAO Chapter 3 standard for noise, but they also meet the more stringent Chapter 4 requirements.

Ground emissions

All new diesel-powered vehicles operating in Singapore must follow National Environment Agency (NEA) requirements to meet the Tier 3 diesel engine standard. Some of our diesel-powered vehicles meet the more stringent Tier 4 standard. Likewise, new petrol-powered vehicles are required to meet the Euro II exhaust emission standard and must be equipped with a three-way catalytic converter as part of the NEA's motor vehicle requirements.

For our existing fleet of vehicles, an annual inspection is conducted by an external party to verify that exhaust and sound emission levels meet the local standards.



Photo courtesy of Burung Indonesia and Hutan Harapan

ASPIRE PROGRAMME

The Asia and Pacific Initiative to Reduce Emissions (ASPIRE) programme is a partnership of air navigation service providers focused on environmental stewardship in the region. Under the 'ASPIRE-Daily City Pair' programme, regular 'green' flights are conducted between pairs of airports throughout the Asia-Pacific region, one of the fastest growing aviation markets in the world.

The first multi-sector demonstration green flight under the ASPIRE programme was SQ11 which was operated from Los Angeles to Singapore via Tokyo on 31 January 2010. Efficiency measures such as using

a User Preferred Route (UPR) generated by a flight planning system were employed. The aviation authorities in Singapore, the United States and Japan also worked together to ensure optimal air traffic conditions. In total, 6 per cent less fuel was used compared to a similar flight - 10,686 kg of fuel was saved, corresponding to 33,769 kg of carbon emissions.

The ASPIRE programme has also included the Oceania region since 15 September 2012. Selected daily flights operating between Singapore and Melbourne and between Singapore and Sydney are under the daily ASPIRE programme, and more recently this was extended to New Zealand flights covering Auckland and Christchurch. In total, these flights contributed savings of about \$1 million per year.

MANAGING OUR ENVIRONMENTAL IMPACT



ENVIRONMENTAL PLANNING

Risks and Challenges

The airline industry is increasingly exposed to environmental risks, including extreme weather conditions such as severe snowstorms and volcanic eruptions. These events can cause flight diversions and cancellations that result in inconvenience to passengers and financial losses to airlines.

Airlines are also under increasing global pressure to take an active role in curbing climate change. The aviation industry has come a long way to reduce its emissions by developing more fuel-efficient aircraft made of lightweight materials. These aircraft are fitted with the latest engine technologies, which help improve operational efficiency and support the deployment of modernised infrastructure.

WHILE ADVANCEMENTS IN TECHNOLOGY, OPERATIONS AND INFRASTRUCTURE ARE SEEN AS LONG-TERM SOLUTIONS FOR THE AVIATION INDUSTRY'S SUSTAINABLE GROWTH, A MARKET BASED MEASURE (MBM) MAY BE NEEDED TO ADDRESS GAPS IN EMISSIONS MANAGEMENT.

The MBM should be developed at a global level to prevent any patchwork of individual and uncoordinated policies such as taxes, levies and cap and trade regimes (e.g. EU Emissions Trading Scheme) that could be duplicative in nature and result in market distortions and carbon leakage.

SIA therefore supports the development of an MBM at a global level through ICAO, as agreed at the 38th ICAO Assembly. Given the globally competitive nature of the aviation industry, any MBM agreements by governments must be cost-effective, promote fair competition and minimise administrative bureaucracy.

SAFUG

SIA BELIEVES THE USE OF SUSTAINABLE AVIATION FUELS HAVE THE POTENTIAL TO MEET THE INDUSTRY'S CARBON NEUTRAL GROWTH GOALS AS WELL AS REDUCE THE DEPENDENCE ON FOSSIL FUELS.

We are a member of the Sustainable Aviation Fuel Users Group (SAFUG), which is focused on accelerating the development and commercialisation of sustainable aviation fuels. Currently, SAFUG represents approximately 32 per cent* of commercial aviation fuel demand. As a member of SAFUG, SIA has pledged to advance and adopt aviation biofuels produced in a sustainable manner that:

- Exhibit minimal impact on biodiversity
- Meet a sustainability standard with respect to land, water, and energy use
- Do not displace or compete with food crops
- Provide a positive socioeconomic impact
- Do not require any special fuel handling equipment, distribution systems, or changes to engine design

To promote a readily available supply of biofuels, we encourage governments and policymakers to support and incentivise the development and use of fuels that meet strong sustainability criteria, protect against Indirect Land Use Change (ILUC) and prevent social and environmental risks.

SIA is committed to working in partnership with government agencies and stakeholders across its value chain to overcome supply and infrastructure challenges that may hinder the commercial use of sustainable aviation fuels.

*Source: Sustainable Aviation Fuel Users Group website [April 2014]
URL: <http://www.safug.org/safug-pledge/>

MANAGING OUR ENVIRONMENTAL IMPACT

IATA'S FOUR-PILLAR STRATEGY

SIA supports IATA's Four-Pillar Strategy which promotes and drives efforts towards carbon neutral growth from 2020:

PILLAR 01

Technology

Technology has the best long-term prospects to reduce aviation emissions. Examples of recent advances include revolutionary aircraft designs, new composite lightweight materials, engine advances and the development of sustainable alternative jet fuels. According to aviation experts, modifications to the existing fleet using current technologies, such as winglets and drag reduction, can result in a reduction of 1 per cent in emissions by 2020.

Sustainable aviation biofuels are among the promising solutions to meet IATA's carbon emission-reduction goals. Currently, the primary focus is on biofuels from second generation feedstock crops that do not compete with food production and fresh water requirements, or cause deforestation and threaten biodiversity. Examples of second generation feedstock crops are jatropa, camelina and algae. Test flights have demonstrated that the use of biofuel from these sources as "drop-in" fuels is safe and technically sound. Biofuels can be blended with existing jet fuel in increasing quantities as they become available.

PILLAR 02

Operations

Improved operational practices, including reduced auxiliary power unit usage, more efficient flight procedures, and weight reduction measures, could achieve further reductions in CO₂ emissions of up to 3 per cent by 2020.

PILLAR 03

Infrastructure

Infrastructure improvements present a major opportunity for CO₂ reductions in the near future. Full implementation of more efficient air traffic management and airport infrastructure could provide substantial emissions reductions through measures such as the Single European Sky and the Next Generation Air Traffic Management System in the United States.

PILLAR 04

Market-based Measure

Combining the first three pillars is crucial, in order to meet the industry's environmental objectives in the long run. However, due to the time required and high costs for new technologies and infrastructure to be developed, a global market-based measure (MBM) might be needed in the interim. IATA's 69th Annual General Meeting (AGM) adopted a resolution to provide a set of principles for governments to establish procedures for a single MBM and to integrate MBM as part of the overall package of measures to curb carbon emissions growth from 2020.

OPERATING STATISTICS	2013-14	2012-13	2011-12
SIA Group			
Total Group Revenue (\$ million)	15,243.9	15,098.2	14,857.8
Average Number of Employees	23,716	23,189	22,514
Singapore Airlines, SilkAir and SIA Cargo			
Overall Load (million tonne-km)	15,778.1	16,047.3	15,898.8
Overall Capacity (million tonne-km)	22,889.7	23,188.4	23,378.6
Overall Load Factor (%)	68.9	69.2	68.0
Singapore Airlines			
Passengers Carried (thousand)	18,628	18,210	17,155
Revenue Pax-km (million)	95,064.3	93,765.6	87,824.0
Available Seat-km (million)	120,502.8	118,264.4	113,409.7
SilkAir			
Passengers Carried (thousand)	3,411	3,295	3,032
Revenue Pax-km (million)	5,516.1	5,223.1	4,469.4
Available Seat-km (million)	7,926.9	7,096.3	5,904.8
SIA Cargo			
Cargo and Mail Carried (million kg)	1,117.8	1,144.6	1,205.8
Cargo Load (million tonne-km)	6,419.3	6,763.6	7,198.2
Cargo Capacity (million tonne-km)	10,273.6	10,661.0	11,286.5
FUEL PRODUCTIVITY & CO ₂ EMISSIONS	2013-14	2012-13	2011-12
SIA & SilkAir Fleet and Freighters			
Fuel Consumption (million AG)	1,490.85	1,506.58	1,465.20
Fuel Productivity (LTK/AG)	10.56	10.60	10.85
CO ₂ emissions (thousand tonnes)	14,059.26	14,207.55	13,817.34
CO ₂ emissions (kg/LTK)	0.89	0.89	0.87
SIA Passenger Fleet			
Fuel Consumption (million AG)	1,294.14	1,293.51	1,232.24
Fuel Productivity (LTK/AG)	10.09	9.97	10.03
CO ₂ emissions (thousand tonnes)	12,204.23	12,198.24	11,620.46
CO ₂ emissions (kg/LTK)	0.93	0.95	0.94
SilkAir Fleet			
Fuel Consumption (million AG)	72.48	65.54	55.63
Fuel Productivity (LTK/AG)	7.40	7.74	7.89
CO ₂ emissions (thousand tonnes)	683.51	618.11	524.58
CO ₂ emissions (kg/LTK)	1.27	1.22	1.19
SIA Cargo Freighters			
Fuel Consumption (million AG)	124.23	147.52	177.33
Fuel Productivity (LTK/AG)	17.37	17.42	17.49
CO ₂ emissions (thousand tonnes)	1,171.52	1,391.19	1,672.30
CO ₂ emissions (kg/LTK)	0.54	0.54	0.54
RESOURCES #	2013-14	2012-13	2011-12
Water Consumption (,000 m3)	272.0	268.3	222.9
Electricity Consumption (Gwh)	54.8	56.9	60.5
Petrol (,000 litres)	197	228	288
Diesel (,000 litres)	3,217	3,161	3,309
CO ₂ emissions (Ground Operations) (tonnes)	36,104	38,028	40,971
Paper Consumption - A4 paper (reams)	67,878	65,500	66,753

Figures are from SIA's operations in Singapore

SINGAPORE AIRLINES SUPPLIERS’ CODE OF CONDUCT

1) COMPLIANCE WITH LAWS AND REGULATIONS

- Accounting practices
- Competition compliance
- Intellectual property
- Disclosure

Suppliers’ business operations, as well as all products and services supplied to Singapore Airlines Limited (“Singapore Airlines”), must fully comply with the laws and regulations of the countries where suppliers’ operations are based as well as where goods and services are provided to Singapore Airlines.

All financial and business records must be accurately maintained in accordance with applicable laws and regulations, as well as generally accepted accounting principles.

Fair competition must be practiced in accordance with local laws, and activity that restricts competition must be avoided. Commercial decisions, including prices, terms of sale, division of markets and allocation of customers, must be made independent of understandings or agreements with competitors.

2) ETHICS AND CONFLICT OF INTEREST

- Anti-corruption
- Financial integrity
- Confidentiality
- Relationship of business partners with company

Business dealings must be handled with integrity, transparency and honesty. No form of fraud, corruption, bribery, extortion or other behaviour involving improper benefits will be tolerated. Any situation that has actual, perceived or potential conflict of interest must be disclosed to Singapore Airlines.

Any information used in the business relationship with Singapore Airlines that is non-public and proprietary must be protected against loss and infringement. Any form of disclosure or use other than for officially stated purposes must first be authorised by Singapore Airlines.

Any form of relationship with a competitor, distributor, supplier, travel agency or any other entity with which Singapore Airlines has a business relationship must not interfere with the provision of products and services to Singapore Airlines and should demonstrate high standards of ethical business behaviour.

3) SAFETY AND QUALITY

- Health and safety
- Quality of products and services

Health and safety protection policies and management systems must be in place by suppliers to provide a secure working environment. They must be designed to promote the general health of employees and reduce work-related injury and illness. For example, protective equipment and tools must be provided and replaced/ maintained regularly.

The safety of all products and services must be ensured through appropriate policies, implementation and monitoring.

Policies and management systems must be developed to ensure that the quality of all products and services are as specified in the supply agreement.

4) ENVIRONMENT

- Compliance with laws and regulations
- Engagement in environmental management processes

Local environmental laws and practices such as those pertaining to waste disposal, air emissions and pollution must be complied with. Suppliers must endeavour to minimise the impact of their operations on the environment.

Environmental management is a key parameter that Singapore Airlines looks at when selecting its suppliers.

5) LABOUR STANDARDS

- Equal opportunity
- Non-discrimination
- Minimum age/child labour/ forced labour
- Working hours
- Wage standards

Employees must not be subjected to discrimination based on race, national origin, ethnicity, religion, gender, age, marital status, sexual orientation, disability or any other reason.

- All employees must meet the local legal minimum labour age.
- Forced, coerced, bonded, indentured, involuntary prison labour or otherwise must not be used.
- Employee working hours, including considerations for voluntary overtime work, and the granting of leave of any form, must be in accordance with applicable local and/or national laws.
- Salaries must not be less than standards specified by local laws.

6) SUBCONTRACTORS AND OTHER SERVICE PROVIDERS

- Compliance with Code of Conduct
- On-time payment

Subcontractors and service providers must also adhere to the principles set out in this Code of Conduct. Subcontractors and service providers must be paid accurately and promptly.

7) COMMUNICATION, DOCUMENTATION AND INSPECTION

- Employee awareness of Code of Conduct
- Language translation

Employees must understand the requirements of this Code of Conduct, which must be made available in the local language where necessary.

This Code of Conduct does not create any binding obligations on Singapore Airlines. It may be amended from time to time. The latest version will be available at singaporeair.com.



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