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SINGAPORE AIRLINES AND SCOOT SET TARGET TO USE SUSTAINABLE AVIATION FUEL FOR 5% OF TOTAL FUEL REQUIREMENTS BY 2030

Singapore Airlines (SIA) and Scoot, the two airlines within the SIA Group portfolio of carriers, today announced their target of replacing 5% of their total fuel requirements with sustainable aviation fuels (SAF) by 2030.

Sustainable fuels are a key decarbonisation lever for the airline industry, given their potential to reduce carbon emissions by up to 80% on a life-cycle basis compared to conventional jet fuel. This makes them critical to the Group's goal of achieving net zero carbon emissions by 2050.

Mr Goh Choon Phong, Chief Executive Officer, Singapore Airlines, said: "This is an important milestone in the SIA Group's sustainability journey. The greater use of sustainable fuels will be a key lever in our decarbonisation strategy, which includes our continued investment in new generation aircraft and greater operational efficiencies. Together, this will put us on the path towards our net zero target.

"However, we cannot do this alone. Deeper collaboration with partners and stakeholders, both in Singapore and around the world, is needed for all of us to meet our collective sustainability targets. We will continue to find opportunities to work together to support the greater production and use of sustainable fuels in the airline industry, as well as other decarbonisation initiatives."

Discussions with fuel suppliers on opportunities to purchase sustainable aviation fuels are ongoing, and further details will be announced at the appropriate time.

Over the last few years, the Group has been working closely with partners, both in Singapore and around the world, to better understand the operational and commercial considerations that would support the greater supply and adoption of SAF. As a member of Singapore's International Advisory Panel (IAP) to develop the sustainable air hub blueprint, SIA has been playing an active part in the development of a decarbonisation roadmap for the country's aviation sector.

The Group supports the International Air Transport Association (IATA) and other stakeholders in their efforts to agree on the core principles of various SAF accounting methods. This will increase trust amongst stakeholders that the emission reductions from using SAF can be reliably tracked, traced, and accounted for.

In 2017, in partnership with the Civil Aviation Authority of Singapore (CAAS), SIA operated 12 green package flights from San Francisco to Singapore that incorporated the use of SAF, fuel-efficient aircraft, and optimised flight operations.

In 2020, SIA entered a year-long partnership with Swedish airport operator, Swedavia, to deploy a blend of jet fuel and SAF through the airport's fuel hydrant system on SIA flights between Stockholm and Moscow. This partnership improved the Group's understanding of the logistics and procurement of renewable fuels.

In September 2023, SIA, CAAS, and GenZero¹, concluded a 20-month SAF pilot. Under this, 1,000 tonnes of neat SAF were imported, blended in Singapore, and uplifted via Changi Airport's fuel hydrant system on SIA and Scoot flights. An equivalent 1,000 SAF credits were generated through a trusted industry standard, the Roundtable on Sustainable Biomaterials (RSB) Book & Claim System ², representing approximately 2,500 tonnes of carbon dioxide reductions. The credits were offered to corporates and freight forwarders as an avenue to reduce their carbon footprint while supporting the development of a nascent SAF industry.

¹ From 1 July 2022, Temasek's involvement in the pilot is managed by GenZero, an investment platform wholly owned by Temasek that is dedicated to accelerating decarbonisation globally.

² RSB is a global membership organisation that drives the sustainable transition to a bio-based and circular economy. The Book & Claim System enables the decoupling of sustainability attributes from certified SAF. The decoupled sustainability attributes can be used to generate SAF credits, which can be transferred to another account holder and retired in a robust and transparent manner.

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The pilot reaffirmed Singapore's operational readiness for sustainable fuels, and affirmed that transactions in SAF credits can be conducted in a trusted and transparent manner. SIA is sharing its learnings with industry partners to raise awareness and support for SAF among corporates, build the credibility of the Book & Claim system, and encourage efforts to scale up the adoption of SAF.

Further details on the SIA Group's sustainability initiatives can be found in Annexe A, and on <u>SIA's website</u> and <u>Scoot's website</u>.

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Annexe A

SUSTAINABILITY AT THE SINGAPORE AIRLINES GROUP

Sustainability is a priority for the Singapore Airlines (SIA) Group, and we have made tangible progress in integrating environmental, social, and governance (ESG) initiatives across our operations.

Achieving Net Zero Carbon Emissions by 2050

In May 2021, we announced our commitment to achieve net zero carbon emissions by 2050. This requires multiple levers including investments in new generation aircraft, achieving higher operational efficiencies, adopting low-carbon technology such as sustainable aviation fuels (SAF), and sourcing for high quality carbon offsets.

Young and Modern Aircraft Fleet

Operating a young fleet of new generation aircraft is, today, the most effective and direct way for airlines to reduce their carbon emissions. The SIA Group fleet, including passenger aircraft and freighters, is one of the youngest in the world with an average age of seven years and one month³. This primarily comprises the latest aircraft models such as the Airbus A350 and A320 Family, as well as Boeing's 787 Family and 737-8s. These aircraft are up to 25% more fuel efficient than the older aircraft that they replace on similar missions.

The Group's significant investment in new generation aircraft includes the Boeing 777-9 widebody passenger aircraft, Airbus A350F freighters, and Embraer E190-E2 regional jets, which the Group will receive in the coming years.

<u>Fuel Efficiency</u>

There is a relentless focus on increasing fuel efficiency through improvements in operational procedures. For example, the SIA Group has invested in airframe and engine improvement packages that reduce drag and optimise performance.

³ As of 1 November 2023.

SIA and Scoot have been reducing fuel usage through aircraft weight management and the optimisation of flight routes. Innovations in technology and data analytics will also pave the way for more significant improvements. We will continue to engage research institutions to explore such programmes.

Sustainable Aviation Fuels

SAF is a key lever in the success of our long-term decarbonisation goals. Collaboration with government bodies and aviation ecosystem partners is essential to accelerate the development, production, and adoption of SAF in the airline industry.

Our SAF journey began in 2011 when SIA joined the Sustainable Aviation Fuel Users Group (SAFUG). In 2017, in partnership with the Civil Aviation Authority of Singapore (CAAS), SIA operated 12 green package flights from San Francisco to Singapore that incorporated the use of SAF, fuel-efficient aircraft, and optimised flight operations.

In 2020, SIA entered a year-long partnership with Swedish airport operator, Swedavia, to deploy a blend of jet fuel and SAF through the airport's fuel hydrant system on SIA flights between Stockholm and Moscow. This partnership improved the Group's understanding of the logistics and procurement of renewable fuels.

In February 2022, we commenced a pilot initiative in partnership with CAAS, Temasek, Changi Airport Group (CAG), and other stakeholders, to study and operationalise the deployment of SAF in Singapore. In July 2022, blended SAF was delivered to Singapore Changi Airport via the airport's fuel hydrant system and uplifted onto SIA and Scoot flights departing from Changi Airport.

At the same time, we launched the sale of 1,000 SAF credits to corporate customers and freight forwarders to offer them an avenue to reduce their carbon footprint. This stimulates the demand for SAF to support the development of a nascent SAF industry and advance its adoption. Insights from the pilot are being used to explore opportunities to scale up SAF deployment to meet our net zero emissions ambition.

Carbon Offsetting

Beyond initiatives to reduce direct emissions, carbon offsetting plays an important and complementary role to remove any residual emissions.

The SIA Group participates in the International Civil Aviation Organization's (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). This is the first global market-based measure to offset carbon dioxide emissions that cannot be reduced through technological and operational improvements or sustainable fuels. CORSIA plays an integral role in helping the aviation industry decarbonise in a cost-efficient manner. The SIA Group has voluntarily participated in it since 2019, ahead of the mandatory implementation for all airlines from 2027.

Electric Vehicles

In addition to the initiatives taken by SIA and Scoot, SIA Engineering Company (SIAEC) undertook a feasibility study to replace its petrol and diesel-operated vehicles with electric vehicles. It also embarked on an operational trial of electric tow tractors, which emit 55% less carbon emissions compared to conventional tractors. Following the feasibility study and trial, SIAEC plans to bring in the first batch of electric tow tractors into their hangars by end FY2023/24.

Resource Conservation

We are committed to conserving resources through water conservation efforts, as well as adopting renewable energy. Since February 2020, approximately 20,000 solar panels have been installed across SIA Group-owned office buildings and facilities in Singapore. These panels are capable of generating at least 11,000MWh of renewable energy annually, helping to reduce around 4,300 tonnes of carbon dioxide emissions each year.

Through our water conservation efforts, approximately 26,000m³ of rainwater and ground water was harvested and recycled for non-potable uses like flushing and irrigation in FY2022/23. Moving forward, SIA also plans to progressively replace manual sanitary wares with sensor-based models to minimise water wastage.

To improve resource use and waste management, SIA and Scoot have embarked on initiatives to support the 5Rs (Refuse, Reduce, Reuse, Recycle, and Repurpose), source alternative materials for packaging, as well as digitalise work processes and collaterals both on-ground and in-flight. Scoot has leveraged technology to reduce paper consumption across their operations, including the progressive digitalisation of documents and content required by flight crew through the introduction of the Electronic Flight Bags (EFB) since 2019, as well as the digitisation of cabin crew safety manuals in 2021, for reference in-flight where necessary.

As part of its in-flight waste management, the Group also continuously explores measures to reduce the use of single-use plastics, as well as reduce overall waste sent for incineration. Since November 2022, SIA customers have been able to indicate if they wish to skip meals before their flights through the Airline's website or mobile app. This, along with the pre-ordering of meals, allows for more accurate uplifting of meals, reducing the total amount of food waste.

Creating a Positive Impact on Society

The SIA Group is also committed to leveraging our business as a force for good in the communities that we serve.

Since 2010, we have been a partner of the Harapan Rainforest Initiative in Sumatra, Indonesia. This helps to support biodiversity monitoring to identify species of concern in the ecosystem restoration area, and to provide information on the threats they may face. The initiative also supports the indigenous communities in the area.

In June 2021, the SIA Group launched its <u>voluntary carbon offset programme</u>, where contributions from customers go towards projects that help to bring about environmental and socio-economic benefits to communities in Asia. These include protecting forests in Indonesia, supporting renewable solar energy projects in India, and providing efficient, clean burning cookstoves in Nepal.

In addition, SIA supports the development of education, sports, the arts, and environmental stewardship through a range of efforts such as corporate donations, ticket sponsorships, and staff volunteerism.

Through SIA's Corporate Social Responsibility (CSR) Day, employees may take paid leave to participate in community engagement activities organised by the Company in Singapore. As a global airline, we also work with charities in support of various initiatives and causes around the world. These include helping disadvantaged children, lower income families, the elderly, and persons with disabilities.

Similarly, Scoot's staff may apply for time-off to volunteer and support meaningful causes close to their hearts and make a difference beyond work. Scoot regularly organises activities that support environmental conservation and help children from underprivileged backgrounds.

In September 2023, SIA raised \$2.6 million for Cerebral Palsy Alliance Singapore (CPAS) and SPD, two social service agencies that support communities with special needs in Singapore, as part of its *SIA Cares* fundraising drive. The Airline's partners, members of the public, and its staff contributed \$1.3 million to the drive, and SIA matched this with another \$1.3 million. More than 500 Singapore-based SIA staff volunteered to organise the open house and lend a hand with the various community activities. This is the culmination of the *SIA Cares* week, which saw another 800 overseas-based SIA staff volunteers across over 50 cities around the world taking part in various community activities.

More information on the SIA Group's sustainability initiatives can be found from the following links:

- SIA's FY2022/23 Sustainability Report (<u>link</u>)
- SIA's Sustainability Webpage (<u>link</u>)
- Scoot's Sustainability Webpage (link)
- SIAEC's FY2022/23 Sustainability Report (link)