# BOC AVIATION ESG REPORT 2021



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## LEADERSHIP MESSAGE

BOC Aviation is a world-class aircraft operating lessor listed on the Hong Kong Stock Exchange (HKEX code: 2588). We remain committed to contributing to a more sustainable environment, having a positive impact on our communities and achieving a leadership position in corporate governance.

We continued to focus on employee health, safety, wellbeing and development in 2021, increasing our employee engagement through company-wide townhall meetings and surveys, emphasised coaching and invested in career growth opportunities for our team. We launched a pilot programme to promote mental wellness and help employees use mindfulness to cope with stress.

We also continued to contribute positively to our local communities, with teams from each of our five offices globally actively participating. We supported Airlink's Covid aid to India and Airlink's aid to Tonga following the tsunami. We cleaned up coastal waterways in Singapore and Dublin, we helped beautify parks in New York, collected litter along the River Thames and we tidied shared bike parks in Tianjin. Participation in the Orbis Virtual Race4Sight was another major pillar of our corporate social responsibility activities, with half of our 186 employees taking part, logging nearly 62,000 kilometres of running, biking or walking to raise money for the fight against avoidable blindness.

Governance remains one of our key strengths. We continue to have one of our sector's most gender diverse Boards, which features three female Board directors out of a total of 11. We also have three different nationalities on our Board, and 20 nationalities across our five global offices. New initiatives include our Cybersecurity 2.0 upgrade in 2021, with improvements to our cyber threat prevention and detection capabilities, where we strengthened our hardware, our applications and our training.

Aviation connects global economies, creates jobs and connects people, and BOC Aviation is proud to play an important role in providing and financing the most fuel efficient and technologically advanced aircraft. In 2021, we achieved 100% carbon neutrality for our direct emissions, including emissions from all of our air travel, through carbon offset. At the same time, we found ways to reduce our energy usage, direct carbon emissions and waste we produce, which are the areas where we have set hard targets for ourselves. We are progressing well in transitioning to the latest technology aircraft, which comprised 66% of our owned fleet at December 2021, an improvement from 59% in 2020.

We strive to work together with our stakeholders to achieve our targets and to lead the aircraft leasing industry in all aspects of ESG performance. We would like to thank all stakeholders for your support and we welcome your feedback.

## The Board of BOC Aviation

"BOC Aviation exemplifies the values that we adhere to across the Bank of China Group. Our Company enjoys robust stewardship from a gender-diverse and world class Board, with 20 nationalities represented in its workforce where over 50% of employees are female. We continue to challenge ourselves to improve the impact that we have on our industry, our communities and our environment as we work toward a more sustainable future."

> **Chen Huaiyu** Chairman

## ESG STATEMENT FROM THE BOARD

The Board has overall responsibility for evaluating and determining the Company's ESG strategy, identifying and addressing ESG risks, and ensuring that appropriate and effective ESG initiatives, risk management and internal control systems are in place. At the Board level, the Risk Committee has oversight of all ESG matters including the process used to evaluate, prioritise and manage material ESG-related issues, targets and tracking progress made against ESG targets and goals.

At the management level, the Company's ESG Committee develops day-to-day ESG initiatives to execute the Company's ESG strategy and ensure compliance with the Listing Rules as they relate to ESG matters. The ESG Committee also regularly gathers feedback from employees, investors and other stakeholders on ESG matters to inform the Company's policies and activities.



"We are proud of the ESG programme that we have built since our IPO five years ago. Good governance is a core value for BOC Aviation, and it is at the heart of our approach to ESG. The Board and our Board Risk Committee set the tone at the top, together with our management team."

> **Antony Tyler** Chairman of the Risk Committee

# **ABOUT BOC AVIATION**



is a priority

## COMMITMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

BOC Aviation is committed to supporting the United Nations (UN) Sustainable Development Goals to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere by the target date of 2030. In particular, our initiatives are aligned with the following Goals:

## END POVERTY IN ALL ITS FORMS EVERYWHERE



### OUR INITIATIVES:

- We partner with local charities such as Food From The Heart that provide food assistance to beneficiaries in Singapore.
- The carbon offset project we supported in 2021 provided efficient cookstoves for 4,600 people, reducing household fuel costs and improving livelihoods for the local community.

## ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES



### OUR INITIATIVES:

- We are committed to providing a safe and healthy workplace for our employees.
- We offer health benefits to all employees.
- In 2021, we organised sessions to help employees manage stress and burnout.
- Our carbon offset project in 2021 contributed to better health for the local community as families are less exposed to indoor air pollution.

## ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS



### OUR INITIATIVES:

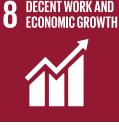
- Females accounted for 28% of the management team and 53% of our total workforce at 31 December 2021.
- Females received 56% of total training hours in 2021.
- We have three female Board Directors out of 11 as at 31 December 2021.

## COMMITMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

## PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

### **OUR INITIATIVES:**

• We are committed to developing our employees.



**DECENT WORK AND** 

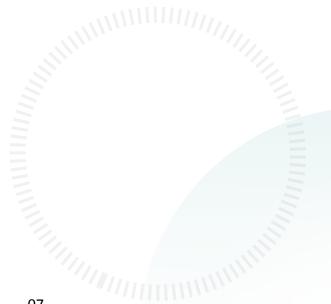
- In 2021, we recorded more than 2,900 training hours to develop our people.
- We offer competitive remuneration and benefits.

### TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS



## **OUR INITIATIVES:**

- We are committed to contributing to a more sustainable environment.
- 100% of our orderbook comprises latest technology aircraft that is at least 20% more fuel-efficient than the previous generation aircraft.
- We have a low direct carbon footprint. In 2021, we achieved 100% carbon neutrality for our direct emissions through carbon offset. CO<sub>2</sub> emissions (tonnes) per employee was down 77% in 2021 compared to 2019.



# **2021 ESG HIGHLIGHTS**

## ENVIRONMENT



## **STAKEHOLDER ENGAGEMENT**

Ongoing stakeholder engagement to drive ESG efforts continues to be a hallmark of 2021.

Stakeholder	Platforms	2021 Achievements		
Investors	<ul> <li>Semi-annual results conference calls and roadshows</li> </ul>	<ul> <li>Held virtual AGM and EGM on 3 June 2021</li> </ul>		
	General Meetings	• Participated in more than 570		
	<ul> <li>Investor conferences</li> </ul>	investor and analyst calls and meetings including three major		
	<ul> <li>Analyst briefings</li> </ul>	group briefings		
	<ul> <li>ESG issues actively discussed with investors</li> </ul>	<ul> <li>Participated in 16 investor conferences attended by equity,</li> </ul>		
	<ul> <li>Day-to-day investor communication</li> </ul>	fixed income and ABS investors and analysts		
		<ul> <li>Investor base survey, including top 40 equity and fixed income investors for feedback on ESG</li> </ul>		
		<ul> <li>Meetings and calls with ESG investors and analysts</li> </ul>		
Customers	<ul> <li>Latest technology aircraft leased to global airline customer base</li> </ul>	<ul> <li>Delivered 52 latest technology aircraft</li> </ul>		
		<ul> <li>Customer base of 86 airlines in 38 countries and regions</li> </ul>		
OEMs & supply chain	<ul> <li>Procurement and Technical departments are responsible for manufacturer and supplier relationship management</li> </ul>	• Orders for 10 firm and 15 option shipsets of Pratt & Whitney GTF engines, which are more than 15% more efficient than the engines		
	• Develop understanding of the ESG	they replace		
	practices of the supply chain	<ul> <li>Conducted a survey of top suppliers on their ESG practices and gave targeted feedback</li> </ul>		
		<ul> <li>ESG principles are now part of vendor scorecards</li> </ul>		
Board of Directors	<ul> <li>Comprehensive monthly report from management to the Board</li> </ul>	<ul> <li>Held four Board meetings and 16 Board Committee meetings</li> </ul>		
	• Quarterly Board meetings	• All Directors trained on anti- corruption, ESG and updates to the Corporate Governance Code of the Listing Rules		
		<ul> <li>Annual Board evaluation conducted by the Nomination Committee</li> </ul>		

# STAKEHOLDER ENGAGEMENT

Stakeholder	Platforms	2021 Achievements	
Regulatory authorities	<ul> <li>Procedures for compliance with relevant rules and regulations, and for staying up to date with regulatory developments</li> </ul>	<ul> <li>No material breach of the Listing Rules and other corporate regulatory requirements applicable to the Group</li> </ul>	
		<ul> <li>Dedicated team managing all corporate regulatory updates applicable to the Group</li> </ul>	
Banks	<ul> <li>Strong lending group of more than 50 banks</li> </ul>	<ul> <li>More than 200 meetings and calls with bankers</li> </ul>	
		<ul> <li>ESG issues actively discussed with bankers and investors including green/sustainability-linked financing options</li> </ul>	
Credit rating agencies	<ul> <li>Investment grade credit ratings</li> </ul>	<ul> <li>16 meetings and calls with the rating agencies</li> </ul>	
		<ul> <li>Industry leading credit ratings reaffirmed (A- by both Fitch Ratings and S&amp;P Global Ratings). S&amp;P returned rating outlook to "Stable"</li> </ul>	
		<ul> <li>Ongoing dialogue about ESG criteria and qualitative factors for credit ratings reports</li> </ul>	
Media	<ul> <li>Day-to-day media communication</li> </ul>	<ul> <li>More than 110 contacts with the media</li> </ul>	
Community	<ul> <li>Positive influence on our communities</li> </ul>	<ul> <li>Supported Airlink, Food From The Heart and Orbis</li> </ul>	
Employees	<ul> <li>Regular business updates to employees throughout the year</li> </ul>	• Eight company-wide virtual townhalls to update employees on	
	<ul> <li>Training and development</li> </ul>	Company developments	
	<ul> <li>Focus on employee health and safety</li> </ul>	<ul> <li>Eight employee surveys to gather employees' feedback</li> </ul>	
		<ul> <li>More than 2,900 hours of training</li> </ul>	
		<ul> <li>100% of employees completed compliance and cyber security training that covered anti- corruption, anti-bribery, anti-money laundering, etc.</li> </ul>	

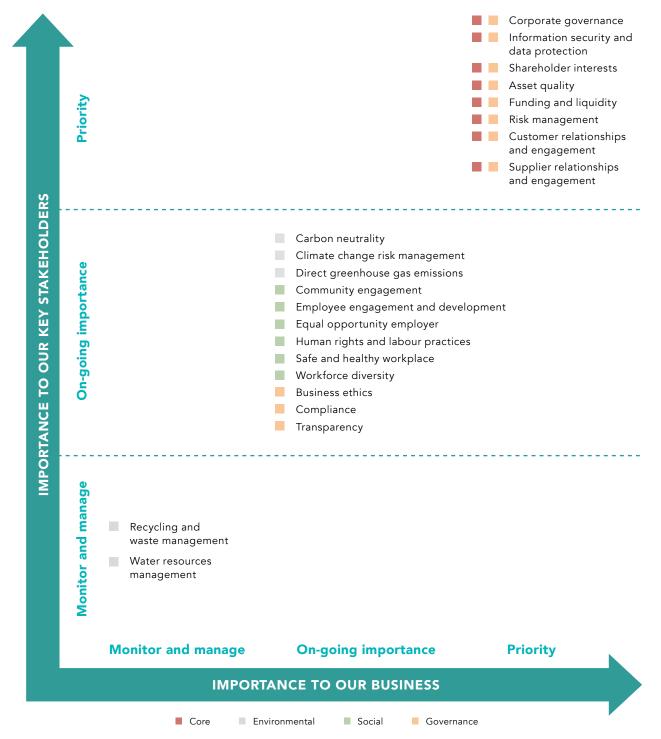
"ESG is part of our day-to-day business at BOC Aviation. We understand the strength and resilience that good governance brings to our business, and we put it into practice as part of our Company's culture. We use our industry expertise and contacts to deliver relief when and where it is needed through our partnership with Airlink, in India during Covid and Tonga following the tsunami. I am very proud of my colleagues for achieving another great year of ESG performance."

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**Robert Martin** Managing Director and Chief Executive Officer

In 2021, BOC Aviation conducted surveys of our major stakeholders to identify material ESG issues, as set out below. The results will be instrumental in developing future ESG strategies for the Company.

### MATERIALITY MATRIX



## OUR APPROACH: GOVERNANCE

Material issues	Stakeholders	Our approach
Business ethics	Regulators, auditors and employees	<ul> <li>Code of professional conduct sets important guidelines for all employees to understand and accept the rules regarding transparent, ethical and professional behaviour</li> <li>Annual undertakings by all employees declaring any conflict of interest with the</li> </ul>
		Company's business
		<ul> <li>Annual training on policies and procedures</li> </ul>
Compliance	Employees, government and regulators	<ul> <li>Clear policies, procedures and guidelines on compliance, international trade sanctions, anti-bribery, fraud risk, corruption, anti-money laundering, anti-trust and whistleblowing, which are available for access on intranet</li> </ul>
		<ul> <li>Annual training for all employees on all compliance related matters including anti-money laundering, anti-corruption, anti-bribery completed by all employees</li> </ul>
Corporate governance	Shareholders, government and regulators	<ul> <li>The Board has established and has oversight of audit, remuneration, nomination, risk and strategy and budget committees</li> </ul>
		• Corporate Governance Manual is maintained and updated regularly to keep the directors and employees abreast of the key provisions and development of the Listing Rules and other applicable relevant corporate governance regulations
Independent assurance	Regulators, Shareholders, banks and rating agencies	<ul> <li>Annual financial statements audited by reputable and independent external firm of auditors</li> </ul>
		<ul> <li>As part of a periodic rotation of auditors, our independent audit firm changed in 2021</li> </ul>

### Core Environmental Social Governance

Material issues	Stakeholders	Our approach
Information security and data protection	Employees, customers, OEMs and government	<ul> <li>Proactively identify data risk areas and mitigate data risks through periodic review of Company's operations</li> </ul>
		<ul> <li>Standardised rules of business processes, systems and infrastructure that are subject to regular audits</li> </ul>
		<ul> <li>Independent Security Operations Centre provides round-the-clock monitoring, alerting and responding to cyber security issues</li> </ul>
		<ul> <li>Established a Cybersecurity Incident Response Plan and Incident Handling Team</li> </ul>
		• Duty of care to protect personal data adhering to the Singapore Data Protection Act, General Data Protection Regulation in the European Union and China Personal Information Protection Law
Shareholder interests	Shareholders	<ul> <li>Single share class with equal voting rights</li> <li>Investor Relations department to address Shareholders' questions and concerns</li> <li>General meetings of the Shareholders</li> </ul>
Transparency	Regulators, Shareholders, banks and rating agencies	<ul> <li>Timely disclosure of all material information in compliance with the Listing Rules and other applicable laws and regulations</li> <li>Robust financial reporting and internal control procedures</li> <li>Bi-annual update of detailed offering circular and update</li> <li>Strong focus on compliance with the Listing Rules and other applicable laws and regulations</li> </ul>

## OUR APPROACH: BUSINESS STRATEGIES

Material issues	Stakeholders	Our approach	
Asset quality	Shareholders, banks and rating agencies	<ul> <li>Young fleet mostly comprising new technology aircraft, and a orderbook of 100% latest technology aircraft</li> </ul>	
		<ul> <li>Conservative depreciation policies</li> </ul>	
		<ul> <li>Active secondary market trading of aircraft to de-risk balance sheet</li> </ul>	
		• Careful consideration of how evolving ESG factors affect residual value risks of our fleet	
Funding and liquidity	Shareholders, banks, customers, OEMs and suppliers and rating agencies	<ul> <li>Strong group of more than 50 lenders</li> <li>Diverse sources of funding</li> <li>US\$6 billion of liquidity to invest in latest technology aircraft for leasing to airlines</li> </ul>	
Risk Management	Regulators, governments, customers, OEMs and suppliers, Shareholders, banks and rating agencies	<ul> <li>Risk Committee works under direct supervision of the Board</li> <li>KYC is conducted on all potential counterparties to identify potential risks related to money laundering, fraud, corruption, terrorist financing and breach of international sanctions</li> <li>Robust credit rating system monitoring risk exposure to all customers, suppliers and service providers</li> <li>Regular detailed credit and risk assessment of all customers</li> </ul>	

## OUR APPROACH: CUSTOMERS AND SUPPLIERS

Material issues	Stakeholders	Our approach
Customer relationships and engagement	Customers	<ul> <li>Highly experienced airline leasing and sales team focused on customer relationships</li> <li>Communication of our values and ethics through customer interaction</li> </ul>
Supplier relationships and	OEMs and suppliers	<ul> <li>Highly experienced Procurement and Technical teams</li> </ul>
engagement		<ul> <li>Annual survey of top suppliers on their ESG practices to develop understanding of their ESG practices</li> </ul>
		• ESG is included in the scorecard for assessing vendors

## OUR APPROACH: ENVIRONMENT

Material issues	Stakeholders	Our approach
Carbon neutrality	Employees and Shareholders	<ul> <li>We maintain a low carbon footprint, which we actively work to reduce</li> </ul>
		<ul> <li>Committed to being 100% carbon neutral for the Company's direct carbon emissions going forward</li> </ul>
Climate change risk management	Customers, OEMs and suppliers, Shareholders and rating agencies	<ul> <li>Work with OEMs and our customers to deliver latest technology, fuel-efficient aircraft that reduce CO<sub>2</sub> and other greenhouse gas emissions</li> </ul>
		<ul> <li>Reduce exposure to older technology aircraft</li> </ul>
		<ul> <li>100% of our orderbook comprises latest technology aircraft</li> </ul>

Material issues	Stakeholders	Our approach
Direct greenhouse gas emissions	Employees, Shareholders, banks and rating agencies	• Our target is to reduce direct greenhouse gas emissions by 5% per average headcount from 2019 levels by end-2022
Recycling & Waste Management	Employees	<ul> <li>Recycling bins in multiple locations in the Singapore office to encourage recycling</li> <li>Engagement with employees on recycling</li> </ul>
Water resources management	Employees	<ul> <li>New office infrastructure aimed to conserve water</li> </ul>
		<ul> <li>Conscious mindset to avoid and prevent waste in water resources</li> </ul>

## OUR APPROACH: EMPLOYEES

Material issues	Stakeholders	Our approach
Employee engagement and development	Employees	<ul> <li>Regular townhalls to update employees on the Company's latest developments and address employee questions</li> </ul>
		<ul> <li>Attract and retain employees through competitive remuneration packages, including our equity incentive plans</li> </ul>
		• Employee training programmes for professional development, including further education programmes, on-site development, and on-line learning portals
		<ul> <li>Formal coaching and mentoring</li> </ul>
		<ul> <li>Regular feedback on goals and performance</li> </ul>
Equal opportunity employer	Employees and government	• Committed to providing equal employment opportunities to all individuals without regard to race, colour, religion, gender, national original, age, disability, marital status, or sexual orientation

Material issues	Stakeholders	Our approach
Human rights and labour practices	Employees and OEMs and suppliers	<ul> <li>Committed to 17 UN goals, in particular goal 8 relating to decent work and economic growth</li> </ul>
Safe and healthy workplace	Employees	<ul> <li>New environmentally friendly and safe office in 2022</li> </ul>
		<ul> <li>Comprehensive policies and procedures establishing employee health and safety parameters and clearly communicated to employees</li> </ul>
		<ul> <li>Identified employees trained in first aid</li> </ul>
		Comprehensive employee health insurance
Workforce diversity	Employees and government	<ul> <li>186 employees of 20 nationalities across five offices globally</li> </ul>
		<ul> <li>Diverse workforce with an equal balance of male and female employees</li> </ul>
		<ul> <li>Global talent pool with opportunities to leverage a cross-cultural and multi- jurisdictional working environment</li> </ul>

## OUR APPROACH: CORPORATE CITIZEN

Material issues	Stakeholders	Our approach
Community engagement	Employees and government	<ul> <li>Support charities each year in the communities in which we operate</li> </ul>
		<ul> <li>Participate in various trade, business and industry associations to contribute to the growth and governance of the aviation leasing industry</li> </ul>
		<ul> <li>Sponsorship of seven scholarships for Arab Air Carriers' Organisation member airlines</li> </ul>
		<ul> <li>No political donations</li> </ul>
		<ul> <li>Contribute to the growth, affordability and accessibility of air travel by enabling our airline customers to connect communities globally</li> </ul>

Core Environmental Social Governance

"Our employees are our most important assets. We have a robust talent strategy that begins with attracting the right talent, developing their career paths and finally engaging and connecting with employees to further drive their performance in an inclusive and equal opportunity environment."

> **Joanna Tham** Head of Human Resources

### ATTRACTING AND RETAINING TALENT

As a global organisation, we attract a diverse workforce and provide our global talent pool with opportunities to leverage a cross-cultural working environment. We offer competitive salaries and provide benefits to our employees including retirement, health, life, disability and accident insurance coverage.

BOC Aviation is an equal opportunity employer and works on the principle of meritocracy and does not practice discrimination. The Company is committed to providing equal employment opportunities to all individuals without regard to race, colour, religion, gender, national origin, age, disability, marital status, or sexual orientation.

### INTEGRATED TALENT STRATEGY

Our integrated talent strategy builds and maintains a strong talent pipeline to strengthen organisational capability. The integrated talent strategy facilitates resource planning and allocation towards the development of the Company's talent pool.

### COACHING CULTURE

More than 20% of employees have been selected and trained as Leader-Coaches. Under our comprehensive coaching programme, the appointed Leader-Coaches provide consistent coaching and mentorship to other members of the Company. Our coaching programme complements several of our existing on-the-job training programmes as these often involve experienced subject matter experts sharing their knowledge with new hires or employees appointed to new roles with new responsibilities.

### DELIVERING A WORLD CLASS EXPERIENCE

- ✓ Workforce diversity
- Cross-cultural working environment
- Competitive salaries
- Remuneration package
- Employee benefits
- ✓ Insurance coverage
- ✓ Career development and training
- ✓ Integrated talent strategy
- ✓ Graduate Management Associate Programme
- ✓ CEO Circle



### TRAINING AND DEVELOPMENT

In 2021, BOC Aviation delivered more than 2,900 total training hours, more than double the total training hours in 2020.

Our employee-centric training programme is focused on quality and effectiveness. There was equal opportunity for training between male and female employees, and substantial training hours were committed to developing employees who are not in management roles. The Company also held online townhall sessions to communicate our business strategy to all employees, alongside "Lunch & Learn" sessions to inspire a free exchange of ideas and knowledge-sharing, and to promote greater interaction amongst employees from various departments and geographical locations.



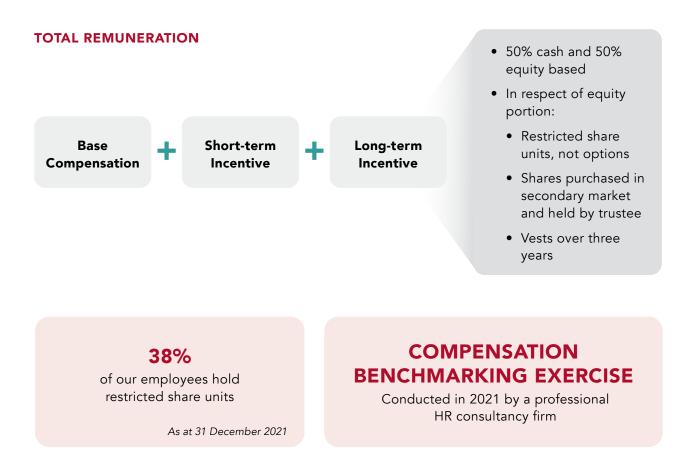
	2021		2020	
	Training hours per employee	% of total training hour	Training hours per employee	% of total training hour
Total Training hours	2,946	100	1,304	100
Average training hours per employee	16	100	7	100
AVERAGE TRAINING HOURS	BY GENDER			
Female	17	56	6	45
Male	15	44	8	55
AVERAGE TRAINING HOURS BY EMPLOYEE CATEGORY				
Management	16	14	8	16
Other employees	16	86	7	84
AVERAGE TRAINING HOURS BY EMPLOYMENT TYPE				
Permanent	16	99	7	100
Temporary	7	1	0	0

### ATTRACTIVE REMUNERATION

We set targets for employees and periodically assess their performance. The results of such assessments are used in their salary reviews, bonus awards and promotion appraisals. The bonus pool is primarily based on the achievement of certain key performance targets at the end of a pre-determined period including:

- Net profit after tax
- Return on equity
- Collection rate
- Cash flows
- Core lease rental contribution
- Returns on new business

The incentive plans include a clawback provision for certain misconduct or accounting irregularities resulting in financial or reputational loss to the Company.



### CAREER GROWTH OPPORTUNITIES

We believe in investing in our people. There are plenty of opportunities for employees to grow and develop their skillsets within BOC Aviation.

"I joined BOC Aviation in 2004 and started in the Technical department. Shortly after, the role evolved and I worked in the Procurement department working on new aircraft projects. In 2007, I moved into Airline Leasing and Sales and was responsible for airline accounts in Asia Pacific. Four years later, I transferred to the Treasury department, helping the Company raise financing for our aircraft. In 2014, I moved back to the Procurement department as the Deputy Head. My learning journey across these departments has been wonderful, enriching and insightful. Along the way, I have many colleagues to thank during my journey in the last 18 years."

KWAN JUN WEN DEPUTY HEAD OF PROCUREMENT



"I joined BOC Aviation in August 2016 as a Legal Counsel in the Legal & Transaction Management team and am currently working in the Procurement department. BOC Aviation promotes internal transfers, offering its employees a diverse professional experience and assisting in their holistic development. Working in different departments has given me the opportunity to gain in-depth knowledge and understanding of the aircraft leasing business." "I joined BOC Aviation in 2012 and the first project I worked on was to obtain our inaugural investment grade credit ratings. In 2014, I moved to the CEO Office and had the opportunity to gain a comprehensive understanding of the business. I was also involved in the Company's IPO, and we successfully listed the Company on 1 June 2016. In 2017, I transferred to Treasury department to do fund raising. With its established platform and experienced management team, BOC Aviation is able to offer plenty of opportunities to employees to develop their skill sets to meet the growing expectations and needs of the business."



## CEO CIRCLE





The CEO Circle has been part of the Company's talent development for more than a decade. CEO Circle membership is refreshed on a periodic basis. Selected employees in all of the Company's five global offices were assigned projects and under the direct mentorship of the CEO, they were tasked to brainstorm and present ideas addressing matters relevant to our industry or the development of our business.

In 2021, the CEO Circle projects included a review of the impact of Covid-19 on airline performance and a comparison of doing business in different jurisdictions and the importance of cultural awareness. The CEO Circle convened for a total of five meetings in 2021.

### GRADUATE MANAGEMENT ASSOCIATE PROGRAMME

In order to build its talent pipeline, a two-year Graduate Management Associate (**GMA**) Programme was introduced in 2018. Experienced employees are appointed to coach and oversee the GMAs' performance and to provide on-the-job training. The mentoring is intended to provide a consistent source of support that would see the GMAs through their two-year programme.

In 2021, we recruited two GMAs. The Company plans to recruit at least two GMAs each year to ensure a pipeline of young talent who can be developed to take on greater responsibilities.



"Aircraft leasing is a team sport. At BOC Aviation, GMAs can expect close collaboration across departments in a fast-paced yet nurturing environment. For those ambitious and passionate about aviation, BOC Aviation is home to many industry veterans who will challenge you intellectually. I am excited to be a part of BOC Aviation's future." "I started with basic SQL knowledge and little experience in data visualisations. Within less than six months on my Market Research rotation, I have built and published several dashboards tracking aircraft utilisation, supported various departments in querying and evaluating data from our database, and prepared remarketing decks for aircraft placement. I feel motivated that my peers and mentors have a genuine interest in ensuring I learn and grow during this journey."



### EMPLOYEE ENGAGEMENT AND WELLBEING

During the year, we organised eight Company-wide virtual townhalls to update employees on the Company's developments.

Additionally, we launched eight employee surveys in 2021 to gather employees' thoughts on various matters including working from home, the selection of our new Singapore office location and design as well as preferred employee engagement activities.

The feedback from employees was encouraging. Follow-up actions include enhancing employee job efficiency while working from home as well as developing grassroots charitable activities in our local community. In 2021, we increased initiatives focusing on self-care, which included:

- Discussion sessions conducted by a doctor to address any potential concerns on the Covid-19 vaccines when they were first made available
- Tickets to attractions in Singapore such as the Singapore Zoo, Night Safari and the S.E.A Aquarium for our employees and their families
- A collaboration with The Lion Mind to help employees cope more effectively with stress

Additionally, we launched the Mindfulness Based Stress Reduction (**MBSR**) course in 2021 as a pilot programme for selected employees. MBSR empowers individuals to take charge of their lives for greater balance and peace of mind and we plan to extend this to more employees in 2022.



### A SAFE AND HEALTHY WORKPLACE

We are committed to continuously improve the health and safety awareness of all our employees and to create a culture where everyone shares responsibility for the safety and well-being of their fellow workers and the community. We have dedicated resources to implement workplace safety measures as well as to monitor and report incidents. We recognise that having a robust health and safety culture is also the key to building sustainable growth for the Company that will benefit all stakeholders.

Comprehensive policies and procedures surrounding employees' health and safety have been established and have been communicated to all our employees. We comply with government regulations and are aligned with industry best practices on health and safety. We also take appropriate actions to foster long-term employee safety and wellness by providing proper and conducive work conditions for our employees including work ergonomics and required training. Besides having emergency evacuation procedures in place for all our offices, we also have employees who are trained in first aid.

In 2021, the Group complied with all relevant laws and regulations that have a significant impact on the Company relating to (i) compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare; and (ii) providing a safe working environment and protecting employees from occupational hazards.

- ✓ No violations of employment related law or health and safety laws in 2021
- Received no complaints of any such violations in 2021
- ✓ No accidents relating to employee health and work safety in the course of our business operation in 2021

### LABOUR STANDARDS

We support the provisions of the United Nations Framework and Guiding Principles on Business and Human Rights, and we prohibit the employment of child, forced or compulsory labour. We operate in compliance with all relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.

BOC Aviation is committed to UN Goal 8, which aims to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of child labour. UN Goal 8 also features the protection of labour rights and to promoting a safe and secure working environment for all employees. There was no incident of forced or child labour in 2021 and if such an incident were to occur, we would terminate the employment of the relevant person. We have a rigorous hiring process for all employees which are conducted in person to the extent possible. All employees complete and sign the employment application form to verify key personal information including their age. Compliance checks and employment reference checks will be carried out if deemed necessary.

BOC Aviation complies with all applicable employment laws. Employees enter into an employment contract which sets out working hours and rest periods, and the notice period for the termination of employment. The Staff Handbook, which is updated annually and available on the intranet for all employees, sets out in detail the Company's policies and procedures for termination of employment, retirement, working hours and annual and other forms of leave from work.

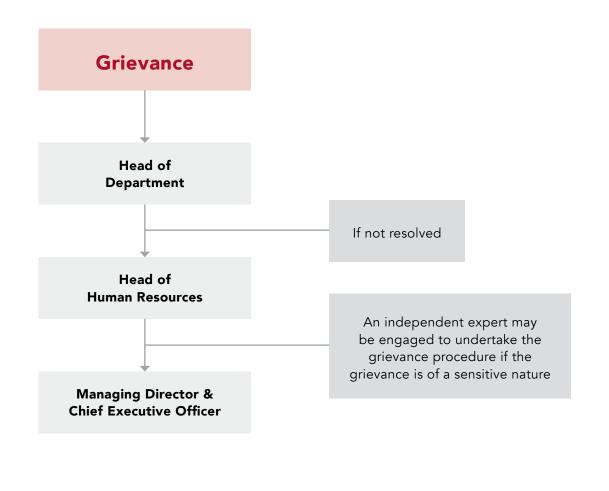
None of our employees are represented by a union or collective bargaining agreement. We believe that we have good employment relationships with our employees.

### COMPLIANCE WITH LABOUR STANDARDS

- ✓ Compliance with applicable local labour standards
- ✓ No major supplier is identified as having significant risks of child labour, young workers exposed to hazardous work or forced labour
- ✓ All our major suppliers confirmed they are in compliance with labour standards
- ✓ We have implemented controls to ensure there is no forced and child labour in our Company

### **GRIEVANCE MANAGEMENT**

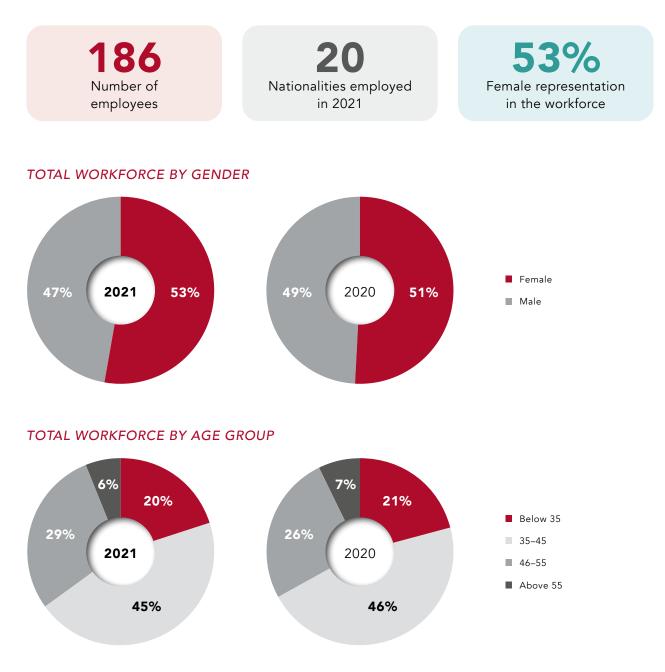
BOC Aviation recognises the value and the importance of preserving harmonious working relations. We endeavour to settle any grievance or complaint from any employee as expeditiously and in as fair a manner as possible.



✓ In 2021, no grievance or complaint was filed

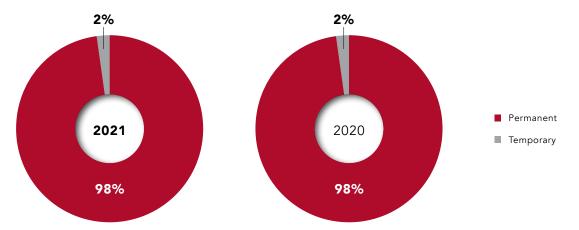
## WORKFORCE DIVERSITY: OUR EMPLOYEES

We are proud to have a diverse workforce with an almost equal balance of male and female employees that has remained relatively consistent in 2021. Females accounted for 28% of the management team, including senior management and heads of department, and 53% of the total workforce at 31 December 2021.

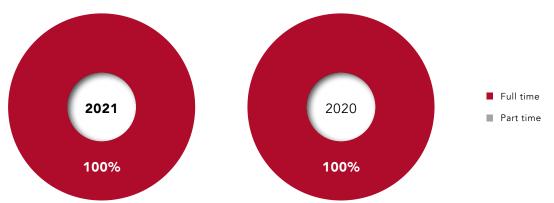


All information as at 31 December of the respective year.

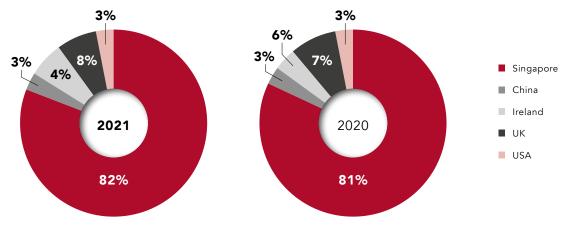
TOTAL WORKFORCE BY EMPLOYMENT TYPE (PERMANENT/TEMPORARY)



TOTAL WORKFORCE BY EMPLOYMENT TYPE (FULL TIME / PART TIME)

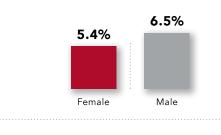




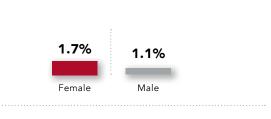


All information as at 31 December of the respective year.

### AVERAGE TURNOVER RATE (%), BY GENDER

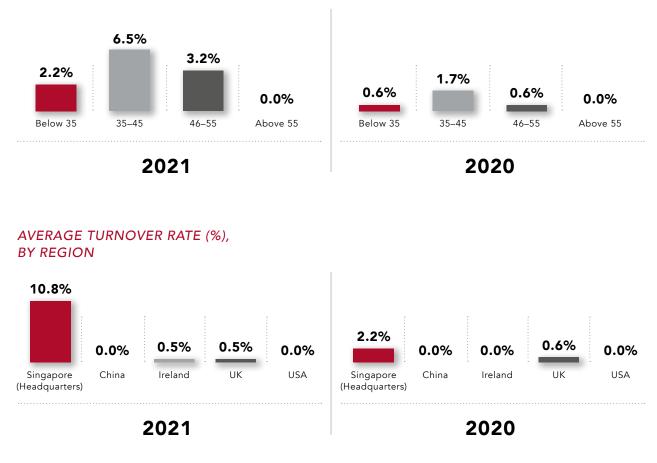


2021





## AVERAGE TURNOVER RATE (%), BY AGE GROUP



All information as at 31 December of the respective year. Due to rounding, numbers presented may not add up precisely to the totals provided.

# CARING FOR OUR COMMUNITY

## **CARING FOR OUR COMMUNITY**

#### INVESTMENT IN THE COMMUNITY

We participate in various trade, business and industry associations to contribute to the growth and governance of the aviation leasing industry. We support aviation-based organisations that provide humanitarian services. We also made donations to various non-profit organisations for humanitarian and charitable purposes. We have a policy against making political donations from Company funds and in 2021, we did not provide any donation of a political nature.

Our contributions supported Airlink's relief efforts in response to Covid-19 in India.

- US\$44,000 contribution from BOC Aviation and employees
- US\$16,000 raised through external networks to support Airlink's efforts in India

Please visit the homepage of Airlink at https://www.airlinkflight.org for more information.





We support The Arab Air Carriers Organisation through the sponsorship of seven scholarships per year for member airlines participants to enrol at regional training centres to learn the skills and knowledge needed to specialise in their desired field.

Please visit the homepage of AACO at https://aaco.org/home for more information.

### **CARING FOR OUR COMMUNITY**

We continued our support for ORBIS in 2021. BOC Aviation participated in the ORBIS Virtual Race4Sight. More than 90 employees from all our offices around the world participated in the virtual race, and we completed a total distance of 62,000km, the second highest total distance among all participating companies. BOC Aviation also contributed \$\$7,460 to ORBIS as a sponsor.

Please visit the homepage of ORBIS at https://sgp.orbis.org/en for more information.













### **CARING FOR OUR COMMUNITY**

#### HAVING A DIRECT IMPACT ON OUR COMMUNITIES

In Singapore, we continued to support Food From The Heart, an independent nonprofit organisation devoted to alleviating hunger through its food distribution programmes.



Singapore team

Our global teams did a coastal clean up in Dublin, picked up litter in London and Tianjin and helped to clean up a park in New York.



Dublin team



New York team

London team



Tianjin team

The Board of Directors sets our overall strategy and oversees management of our corporate governance framework, which includes risk management and internal controls.

Management is responsible for the day-to-day operations of the Company and reports to the Board. The Management Committee has clear delegated authority from the Board, and the Company has a well-established internal governance framework for managing its day-to-day business.

BOC Aviation is firmly committed to a culture of transparency and compliance. One of our core values is our reputation for integrity and professionalism. We have policies and procedures against illegal and unethical behaviour including corruption, bribery, fraud and money laundering.

#### BOARD DIVERSITY AND EXPERIENCE

BOC Aviation is committed to achieving diversity across our organisation. We appreciate that having a multitude of experiences and perspectives benefits the Company and allows us to understand our stakeholders better.

At the Board level, the Company has adopted a Board diversity policy. The Board considers a number of factors when deciding on appointments to the Board and the continuation of those appointments, including gender, age, ethnicity, and professional experience. This is intertwined with our Board nomination policy which sets out the criteria and process in the nomination and appointment of Directors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company's business.

There are 11 Directors on the Board of BOC Aviation, comprising two Executive Directors, five Nonexecutive Directors and four Independent Non-executive Directors. Our Directors come from diverse backgrounds such as banking and finance, aviation and business. We are also proud to have three female Board Directors. As at 31 December 2021, our Board was represented by three nationalities.

Please refer to "Corporate Governance Report" on pages 41 to 62 of the Annual Report for more information about our Board of Directors and our diversity and nomination policies.

#### EVALUATING BOARD'S PERFORMANCE

The Nomination Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board annually. The Nomination Committee also reviews the time and contribution required from Directors as part of this process.

Each Director provides written feedback to the Nomination Committee for its annual evaluation report, which will include comments and suggestions from the Directors. It also make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. In addition, each Board Committee conducts its own annual evaluation.

#### PROTECTING SHAREHOLDERS' INTERESTS

Protecting the interests of our Shareholders is very important to BOC Aviation. Shareholders are welcome to provide their feedback to the Investor Relations team directly and participate in our general meetings. The Company's share capital comprises only ordinary shares and all ordinary shares carry one vote per share without restriction.

The Company's Constitution, together with the applicable laws of Singapore, provide certain protections to minority Shareholders.

There are established procedures for Shareholders to (i) put forward proposals at a general meeting, (ii) propose a person for election as a director and (iii) convene an extraordinary general meeting, such procedures being published on the Company's website, in line with the requirements of the Constitution as well as the Singapore Companies Act 1967. All Shareholders are invited to attend the Company's general meetings, where they have the opportunity to vote and raise questions either in advance of, or at, such meetings.

#### COMPLIANCE

The Company is firmly committed to a culture of transparency and compliance and conducts its business affairs with honesty and integrity. We have policies and procedures against illegal and unethical behaviour including corruption, bribery, fraud, extortion and money laundering.

We also have a code of conduct that specifies the expectations of the Company and sets important guidelines to ensure that all employees understand.

Key Compliance Policies:

- Anti-corruption
- Anti-bribery
- Anti-money laundering
- Whistleblowing
- Code of Professional Conduct
- Data protection

- All employees are made aware of the policies
- Annual declaration by every employee
- All policies are published on the Company's intranet

**100%** Employees completed compliance training in 2021



Our compliance training for employees in 2021 included:



#### ANTI-CORRUPTION

We require all members of the Board, employees and consultants to observe high standards of ethics in the conduct of their duties and responsibilities and to comply with all applicable laws and regulations. We have in place a Code of Professional Conduct, an anti-bribery policy and other policies and procedures to guide members of the Board, employees and consultants to act professionally, fairly and with integrity in all business dealings and relationships across the Group.

We publish an anti-corruption statement on our website that provides guidance on the high standards of ethics in the conduct of all duties and responsibilities and to comply with all applicable laws and regulations.

In 2021, all Directors and employees completed anti-corruption training.

#### ANTI-BRIBERY

We have an anti-bribery policy which provides guidance to all members of the Board, employees and consultants of the Company in conducting our business legally and ethically. No Director or employee of the Group may offer or promise gifts, gratuities or anything of value to a third party with the intent to influence or reward that person in connection with any business or transaction. Directors or employees must never accept gifts or other benefits from anyone. Giving or receiving cash or other payments is also prohibited.

There was no breach of the anti-bribery policy and no legal case regarding corrupt practices brought against the Company, any Director or any employee for the year ended 31 December 2021.

#### ANTI-MONEY LAUNDERING

We have an anti-money laundering (**AML**) policy prohibiting the prevention of money laundering and any activity that facilitates money laundering or the funding of terrorist, criminal or other illegal activities. We are committed to AML compliance in accordance with applicable laws and require our employees to adhere to these standards in preventing any occurrence of money laundering activities in the course of its business.

Our risk managers conduct "know your customer" (**KYC**) assessments of potential counterparties to identify potential risks related to money-laundering, fraud, corruption, terrorist financing and breach of international sanctions. Additionally, periodic screening of existing customers is conducted as part of our annual review process. Implementation of our KYC policy is an essential part of effective risk management practice that contributes to improving the risk profile of our portfolio, as well as protecting our integrity by ensuring that we transact with reputable counterparties maintaining high ethical standards.

In 2021, all employees completed training on AML risks and compliance. There was no AML investigation in our business for the year ended 31 December 2021. We operate in compliance with all relevant laws and regulations that have a significant impact on the Company relating to bribery, extortion, fraud and money laundering. BOC Aviation will take measures to prevent the Company and its employees being exposed to money laundering, to identify areas in which money laundering may occur and to comply with legal and regulatory requirements, especially in the process of reporting actual or suspected money laundering cases. It is the responsibility of every employee to be vigilant and act promptly in all suspected cases.

#### WHISTLEBLOWING

BOC Aviation has adopted a whistleblowing policy to encourage and enable whistleblowers acting in good faith to raise concerns about activity for investigation and appropriate action by BOC Aviation. Members of the Board and employees are required to report any violation of BOC Aviation policies or suspected criminal or other improper or illegal activity, and a whistleblower hotline is provided for anyone who prefers to make a report confidentially. The whistleblowing policy clearly contains a "no reprisal" provision to the effect that no person who, in good faith, reports a concern shall be subject to reprisal.

Our whistleblowing policy, detailed in the Fraud Risk Management policy and under the overall purview of the Board with responsibilities delegated to the Risk Committee, is to encourage and enable the reporting of any improper, illegal or criminal activities by our employees. All reports made by whistleblowers are kept under strict confidentiality, to the extent permitted by law, and any whistleblower making a report in good faith is protected from reprisal. We have a whistleblower web portal for employees and counterparties to report concerns about bribery and corruption. The service is managed by a third party provider independent of BOC Aviation and has clear procedures in place to process any whistleblower reports and maintain accurate records. The system is tested on a semi-annual basis. The hotline and web portal are available on our website and communicated to all employees.

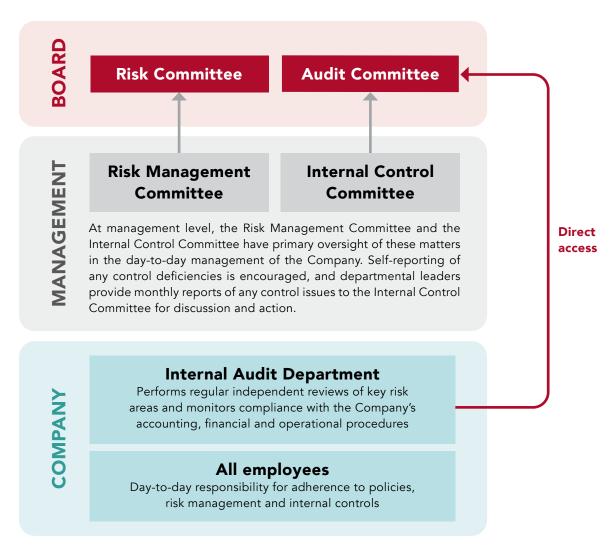
There was no breach of the whistleblowing policy and no whistleblowing incident for the year ended 31 December 2021.

#### **RISK MANAGEMENT AND INTERNAL CONTROL**

BOC Aviation strives to always act ethically and with integrity. This culture begins with the Board and Senior Management and is consistently communicated to all employees, customers, suppliers and other business partners.

The Board is responsible for establishing, maintaining and reviewing the effectiveness of its risk management and internal control systems. The Risk Committee assesses new and emerging risk factors in the Company's business and provides guidance on measures to be taken to mitigate current and potential future risks. The Audit Committee oversees the effectiveness of risk management and internal control systems of the Company.

The Board and management each has responsibility to identify and analyse risks underlying the achievement of business objectives and to determine how such risks should be monitored, evaluated, managed and mitigated.



#### TRADE SANCTIONS

The scope of our international operations may require us in certain situations to comply with trade and economic sanctions and other restrictions imposed by the United States, the European Union, Singapore, China and other governments or organisations.

We have policies and procedures that are designed to monitor and ensure compliance with international sanctions and other applicable laws and regulations.

We continue to adhere to our undertakings to the Stock Exchange that (i) we will not use funds raised through the Stock Exchange, (a) to finance or facilitate, directly or indirectly, any projects or businesses in sanctioned countries or with persons located in other countries who are subject to sanctions or (b) to pay any damages for terminating or transferring contracts relating to sanctioned countries or persons subject to sanctions (if any), to the extent that the Company is party to such contracts in the future (whether by reason of a change in sanctions law or otherwise), (ii) we will not enter into any transaction that, at the time of entry into such transaction, is prohibited by applicable sanctions law; and (iii) if we believe that the transactions we have entered into will put us and our investors and Shareholders at the risk of violating sanctions, we will disclose on the Stock Exchange's website, on our website, and in our annual and interim reports our efforts in monitoring our business exposure to sanctions risk, the status of future business, if any, in sanctioned countries and our business intention relating to such sanctioned countries.

There was no breach of the policies and procedures and no violation of sanctions related laws or regulations for the year ended 31 December 2021.

#### DATA PROTECTION AND PRIVACY

We comply with the Personal Data Protection Act in Singapore, General Data Protection Regulation in the European Union, China Personal Information Protection Law in China and any other relevant personal data protection legislation in jurisdictions where our employees and our operations are based. Due to the nature of our business, our data protection and privacy practices are applicable to our stakeholders that are mainly corporates.

A Data Protection Officer is appointed to ensure data privacy and safeguards are in place and are executed. There were no material fines, penalties or complaints associated with the breach of any personal data privacy laws or regulations for the year ended 31 December 2021.



"We use ESG indicators to ensure we run our business responsibly, and Information Technology plays a key role in driving our sustainability ambitions."

## Siew Yeow Loye

Chief Information Technology Officer Member of ESG Committee

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#### INFORMATION SECURITY

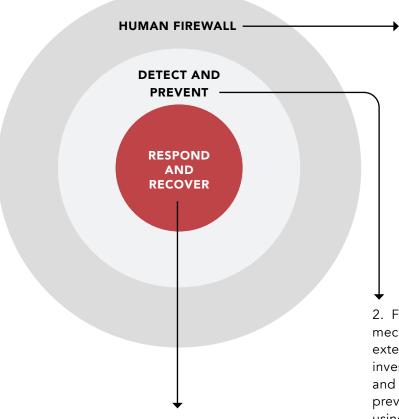
In light of the increasing cyber security risks globally, information security continues to be a high priority for BOC Aviation. We promote appropriate information security controls through enforcing, testing, checking and improvement, and conducting risk assessments across our business to reduce risks, prevent data loss and ensure mitigation measures are being executed. We also raise employee awareness and preparedness with training programmes and simulations.

#### SECURITY & DATA PROTECTION



#### **CYBERSECURITY 2.0**

In 2021 we rolled out the Cybersecurity 2.0 initiative, which is about strengthening our ability to detect and prevent cyber security threats, and improving our capability to respond and recover if any threat gains foothold. This initiative consists of three programmes — 1) human firewall, 2) detect and prevent, 3) respond and recover.



3. Ensuring we are able to resume business-as-usual as soon as possible after a cyber security breach. Working on the principle of "assumed breach", the response and recovery procedures and systems are verified and tested, and lessons learned are shared with the respective teams for improvements. 1. Building a culture of heightened cyber security awareness is crucial in forming a "human firewall" around our information assets. This programme consists of a series of training and guided learning activities, including simulated phishing and spear phishing exercises to raise awareness of the most common and potent attack vector.

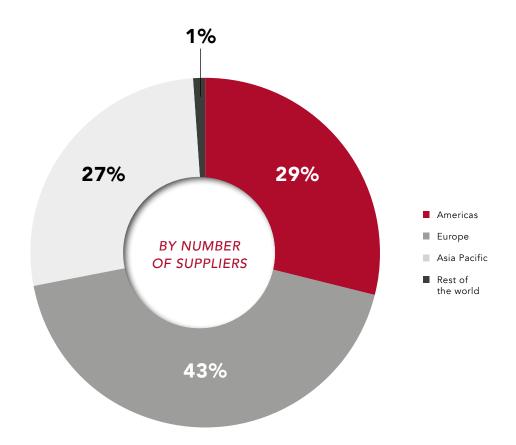
2. First line of systematic defense mechanisms against internal and external threat actors. We have invested substantially in upgrading and improving its detection and prevention systems. This includes using the latest technology in Machine Learning to augment the cyber defense capabilities and to build a complete picture based on indicators of attack.

#### SUPPLY CHAIN MANAGEMENT

The Company has a global network of suppliers to support its business and to diversify and manage any potential geographical, environmental and social risks the industry may face.

As a global aircraft operating leasing company, BOC Aviation relies on a small number of original equipment manufacturers and aerospace support services providers. The Company also has an extensive global network of third-party suppliers on an as-required basis including maintenance, repair and overhaul services providers, parts suppliers and specialist service suppliers such as engineering design and ferry flight operation providers.

The geographic location of our key suppliers of goods and services and those with which we have significant multi-year agreements for the year ended 31 December 2021 is as shown below:



During the year, BOC Aviation surveyed our top 20 suppliers regarding their ESG practices. The survey covered key areas such as:

- Board oversight of ESG issues in their companies
- Monitoring and management of environmental issues from production and general business operations as well as in their own supply chain
- Workplace safety and health
- Anti-discrimination and promoting equal opportunity and diversity
- Corporate governance policies
- Forced and/or child labour
- Support of charity organisations

All suppliers surveyed achieved a satisfactory score.

This annual exercise is being used to assess future selection of suppliers, of which we currently have more than 130. From 2021, ESG factors are incorporated in the selection of suppliers of aircraft, IT equipment and technical suppliers and services.

#### PRODUCT RESPONSIBILITY

We do not manufacture any products. Instead, we offer aircraft leasing, financing and sales services. As such, the Stock Exchange's guidance on health and safety, advertising and labelling, quality assurance process and recall procedures does not apply to us. Where applicable, we observe and comply with relevant laws and regulatory requirements relating to privacy matters relating to services provided. We have data protection policies in place to safeguard our customers' data and privacy and our Data Protection Officer ensures that all data privacy safeguards are in place and executed.

- ✓ The Group has not received any fines or penalties associated with the breach of any products or services related laws or regulations for the year ended 31 December 2021
- The Group has not received any product- or service-related complaint for the year ended 31 December 2021
- ✓ We have the relevant trademark license agreement to use our trademark in connection with all business activities of the Company

"We are actively working to reduce our direct carbon footprint and we continue to provide aircraft from our orderbook, and capital to finance, the latest technology, most fuel-efficient aircraft to serve our global customer base."

### **David Walton**

Deputy Managing Director and Chief Operating Officer Chairman of ESG Committee

#### OUR APPROACH TO CLIMATE CHANGE

Due to the nature of our business, our activities do not have significant direct impact on the environment and natural resources. We have listed below the potential issues that may arise from climate change and our approach in handling the issues.

#### POTENTIAL ISSUES

- 1. Increasing demand for latest technology aircraft as outlook for the aviation sector improves
- 2. The residual values of our older aircraft may be affected by changes in environmental regulations
- 3. Changes in travellers' preference for airlines that operate aircraft with lower emissions
- 4. Availability of financing for airlines to invest in the latest technology aircraft to lower emissions
- 5. Increasing disclosure requirements for climate change risks
- 6. Stakeholders' perception of BOC Aviation may be influenced by our approach towards climate change

#### OUR APPROACH

- Acquire the latest technology and fuel-efficient aircraft and place them on long-term leases with customers
- Actively expand customer base to market these latest technology aircraft
- Provide capital to finance latest technology, fuel-efficient aircraft
- Actively sell older generation aircraft to improve fleet quality and lower emissions
- Committed to use natural resources and energy more efficiently
- Continue to maintain a high level of liquidity to support our airline customers to transit to latest technology aircraft
- Engagement with our Board on climate change risks
- Proactively communicate our ESG strategies and performance to stakeholders
- Actively liaise with leading industry partners to adopt best ESG practices

#### TRANSFORMING OUR FLEET

BOC Aviation is committed to supporting the airline industry to reduce global carbon emissions by building a more efficient fleet. The Group does not own or use any corporate aircraft and our employees travel only on commercial flights.

66% Proportion of latest technology aircraft in owned fleet

Proportion of latest technology aircraft in orderbook

100%

20% average fuel savings for Airbus A320NEO, Boeing 737 MAX and Boeing 787 family aircraft compared to prior technology

#### 100% CARBON NEUTRAL FOR DIRECT EMISSIONS IN 2021

We purchased carbon credits from an accredited project, WWF Clean Cookstoves project in Ningshan County in China, to offset our direct carbon emissions and to contribute to sustainable development.

#### WWF CLEAN COOKSTOVES PROJECT IN NINGSHAN COUNTY IN CHINA

- Certified by Gold Standard
- Involves the reconstruction or improvement of old cook stoves with the high efficient cookstove in the villages neighboring the giant panda habitat Huangguanshan Nature Reserve
- Aims to protect local forest resources and giant panda habitat as well as to improve the indoor living and hygiene environment of local households





BOC Aviation was 100% carbon neutral for direct emissions in 2021

#### REDUCING OUR DIRECT CARBON IMPACT AND RESOURCE CONSUMPTION IN 2021

We have a low carbon footprint across our five offices globally. Due to the nature of our business and industry, the only Environmental Key Performance (**KPIs**) Indicators proposed by the Stock Exchange that apply to us are energy efficiency, paper consumption and direct  $CO_2$  emissions. Due to the nature of our business, discharges into water and land as well as generation of hazardous and non-hazardous waste are not relevant to us. We operate from rented offices where water consumption is not tracked as part of our rental agreements. However, we operate in compliance with relevant laws and regulations that have a significant impact on us relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, where applicable.

Below are the relevant environmental targets established since 2020, that we are confident of achieving by the end of 2022:

- $\checkmark$  To reduce CO<sub>2</sub> emissions (tonnes) per average headcount by 5% from 2019's level
- ✓ To reduce papers used (tonnes) per average headcount by 10% from 2019's level
- ✓ To reduce electricity consumed (kWh) per average headcount by 5% from 2019's level

Category	Unit	2021 (Group)	2020 (Group)	2019 (Singapore)	Change (YoY)	Change (From 2019)
ELECTRICITY						
Total electricity consumed in office premises and IT data centres	kWh	641,556	624,444	611,990	3%	5%
Total electricity consumed per average headcount	kWh	3,487	3,489	4,340 <sup>1</sup>	-0.1%	-20%
PAPER						
Office paper	tonnes	1.8	1.9	3.0	-5%	-40%
Paper used per average headcount	tonnes	0.010	0.011	0.0211	-7%	-54%
Paper recycled	120L bins	38	23	69	65%	-45%
HEADCOUNT						
Average headcount	Number of employees	184	179	141 (Singapore) 173 (Group)	5	11 (Group)

All information as at 31 December of the respective year.

<sup>1</sup> Average Headcount in Singapore, and not Group, was used in the denominator as total resources consumed in 2019 were recorded for the Singapore office only.

In 2021, our electricity consumption was 641,556 kWh, up 3% mainly on higher usage in our IT data centres as part of our disaster recovery plan but offset from lower consumption in the office premises. Paper consumption continued to improve from 2020 and fell another 5% to 1.8 tonnes as we further enhanced our digital workflow processes, reducing the need to print and improving the security of our documents at the same time.

Resources efficiency metrics continued to remain stable when measured against headcount. Electricity consumption and papers used per average headcount were stable in 2021 compared with 2020 but was down 20% and 54%, respectively, compared with 2019, which is the base year of our Environmental KPIs targets. We encourage our employees to use e-distribution and presentation wherever possible and any draft versions of internal documents are printed in black and white only. During the year, we stepped up on our recycling efforts and are proud to report a 65% increase in paper recycled.

Category	Unit	2021	2020	2019	Change (YoY, %)	Change (From 2019, %)
CO <sub>2</sub> EMISSIONS FROM:						
Office premises	tonnes	198	190	192 <sup>1</sup>	4%	3%
IT data centres	tonnes	60	58	56	2%	6%
Air travel	tonnes	204	248	1,626	-18%	-87%
Total CO <sub>2</sub> emissions	tonnes	<b>461</b> <sup>2</sup>	<b>497</b> <sup>2</sup>	1,874	-7%	-75%
Total CO <sub>2</sub> emissions per average headcount	tonnes	2.51	2.77	10.87	-10%	-77%

All information as at 31 December of the respective year.

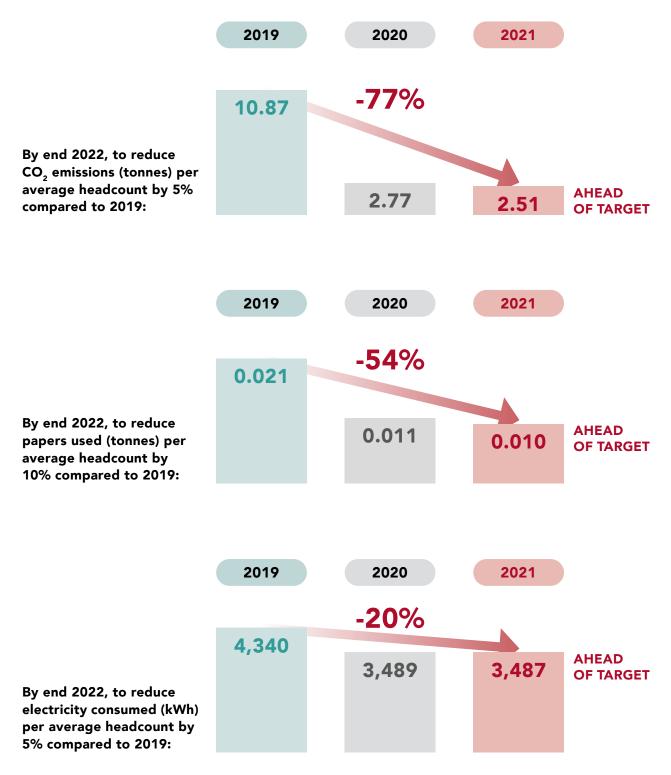
We do not own company vehicles and do not operate the aircraft that we own. As a result, the Company's view is that we do not have scope 1 emissions. Our only scope 2 emissions are reported in the table above under "Office premises". Total carbon emissions in 2021 were lower than 2020 at 461 tonnes or 2.51 tonnes per average headcount, largely due to the work-from-home initiative that was implemented in all of our offices to protect the health and safety of our employees in view of Covid. We remain committed to reducing carbon emissions and are pleased to report that the Company is 100% carbon neutral in 2021 for our direct emissions through offset.

## Our total CO<sub>2</sub> emissions of 461 tonnes in 2021, including emissions from all of our air travel, were 100% offset

<sup>&</sup>lt;sup>1</sup> Singapore office only.

<sup>&</sup>lt;sup>2</sup> Due to rounding, numbers presented may not add up precisely to the totals provided.

#### HKEX ESG KPIs PROGRESS REPORT



## **ESG PERFORMANCE OVERVIEW**

Total electricity consumption (kWh)641,556624,444Electricity consumption (tonnes)3,4873,487Total paper consumption (tonnes)1.81.9Paper consumption per average headcount (tonnes)0.0100.011Total CO2 emissions (tonnes)461497CO2 emissions per average headcount (tonnes)2.512.77Recycling rate of all used IT equipment (%)100%100%PEOPLE100%100%Average training per employee (hours)167Group's employees represented by a union or collective bargaining agreement00DIVERSITY & EQUAL OPPORTUNITY2824Proportion of females in the workforce (%)5351Proportion of females in the workforce (%)2824Number of violation of applicable laws00Number of workplace fatalities'00Number of workplace fatalities'00O000SOCIAL/COMMUNITY00O00SOCIAL/COMMUNITY00O00SOCIAL/COMMUNITY00O00SOCIAL/COMMUNITY00O00SOCIAL/COMMUNITY00O00SOCIAL/COMMUNITY00O00SOCIAL/COMMUNITY00O00SOCIAL/COMMUNITY00O <th></th> <th>2021</th> <th>2020</th>		2021	2020
Electricity consumption (kWh) per average headcount3,4873,4873,487Total paper consumption (tonnes)1.81.9Paper consumption per average headcount (tonnes)0.0100.011Total CQ, emissions (tonnes)461447CQ, emissions per average headcount (tonnes)2.512.77Recycling rate of all used IT equipment (%)100%100%PEOPLE7Average training per employee (hours)167Group's employee turnover rate (%)11.82.8Number of employees represented by a union or collective bargaining agreement00DIVERSITY & EQUAL OPPORTUNITY00Proportion of females in the workforce (%)5351Proportion of females in the workforce (%)2824Number of violation of applicable laws00Number of violation of applicable laws00Number of workplace fatalities'00SOCIAL/COMMUNITY00SOCIAL/COMMUNITY00SOCIAL/COMMUNITY00Aritink11Aritisce Clean Coasts Ireland1Aritisce Clean Coasts I	ENVIRONMENT		
Total paper consumption (tonnes)1.81.9Paper consumption per average headcount (tonnes)0.0100.011Total CQ, emissions (tonnes)461497CQ, emissions per average headcount (tonnes)2.512.77Recycling rate of all used IT equipment (%)100%100% <i>PEOPLE</i> 77Average training per employee (hours)167Group's employee turnover rate (%)11.82.8Number of employees represented by a union or collective bargaining agreement00 <i>DIVERSITY &amp; EQUAL OPPORTUNITY</i> 00Proportion of females in the workforce (%)5351Proportion of females in the management team (%)2824Number of violation of applicable laws00Number of workplace fatalities100Number of workplace fatalities100SOCIAL/COMMUNITY00SOCIAL/COMMUNITY00SOCIAL/COMMUNITY00Arilink√√An Taisce Clean Coasts Ireland√√An Taisce Clean Coasts Ireland√√Arilink√√Arilink√√Arilink√√Arilink√√Arilink√√Arilink√√Arilink√√Arilink√√Arilink√√Arilink√√Food From The Heart√√	Total electricity consumption (kWh)	641,556	624,444
Paper consumption per average headcount (tonnes)0.0100.011Total CO2 emissions (tonnes)461497CO2 emissions per average headcount (tonnes)2.512.77Recycling rate of all used IT equipment (%)100%100%PEDPLE7Average training per employee (hours)167Group's employee turnover rate (%)11.82.8Number of employees represented by a union or collective bargaining agreement00DUERSITY & EQUAL OPPORTUNITY77Proportion of females in the workforce (%)5351Proportion of females in the management team (%)2824Number of nationalities2020COMPLIANCE00Number of violation of applicable laws00Number of workplace accidents00SOCIAL/COMMUNITY00Organisations supported:√√Arilink√√√Arilink√√√Arilink√√√Arilink√√√Arilink√√√Arilink√√√Arilink√√√Arilink√√√Arilink√√√Arilink√√√Arilink√√√Arilink√√√Arilink√√√Arilink√√√Aril	Electricity consumption (kWh) per average headcount	3,487	3,489
Total CO2 emissions (tonnes)461497CO2 emissions per average headcount (tonnes)2.512.77Recycling rate of all used IT equipment (%)100%100%PEOPLE7Average training per employee (hours)167Group's employee turnover rate (%)11.82.8Number of employees represented by a union or collective bargaining agreement00DIVERSITY & EOUAL OPPORTUNITY00Proportion of females in the workforce (%)5351Proportion of females in the workforce (%)2824Number of nationalities2020COMPLIANCE00Number of violation of applicable laws00Number of workplace accidents00Number of workplace fatalities'00COIL/COMMUNITY00SOCIAL/COMMUNITY00Social Services44Aoibhneas Dublin4Beyond Social Services4Codis44Orbis44VERTAPIS4Singapore Children's Society4The Arab Air Carriers Organisation (AACO)4The Bronx is Blooming4	Total paper consumption (tonnes)	1.8	1.9
CO, emissions per average headcount (tonnes)2.512.77Recycling rate of all used IT equipment (%)100%100%PEOPLE11.82.8Average training per employee (hours)167Group's employees represented by a union or collective bargaining agreement00DIVERSITY & EQUAL OPPORTUNITYProportion of females in the workforce (%)5351Proportion of females in the management team (%)2824Number of nationalities2020COMPLIANCE00Number of violation of applicable laws00Number of workplace accidents00Number of workplace fatalities'00Organisations supported:11Arilnik11An Taisce Clean Coasts Ireland11Aoibhneas Dublin11Beyond Social Services11Food From The Heart11Uppe House11VIERTAPIS11Singapore Children's Society11The Arab Air Carriers Organisation (AACO)11The Bronx is Blooming11The Bronx is Blooming11	Paper consumption per average headcount (tonnes)	0.010	0.011
Recycling rate of all used IT equipment (%)       100%       100%         PEOPLE       III.8       2.8         Average training per employee (hours)       16       7         Group's employee turnover rate (%)       11.8       2.8         Number of employees represented by a union or collective bargaining agreement       0       0         DIVERSITY & EQUAL OPPORTUNITY       Proportion of females in the workforce (%)       53       51         Proportion of females in the management team (%)       28       24         Number of nationalities       20       20         COMPLIANCE       0       0         Number of violation of applicable laws       0       0         Number of workplace accidents       0       0         Number of workplace fatalities'       0       0         SOCIAL/COMMUNITY       0       0         SOCIAL/COMMUNITY       0       0         An Taisce Clean Coasts Ireland       √       √         An Taisce Clean Coasts Ireland       √       √         Aoibhneas Dublin       √       √         Beyond Social Services       √       √         Food From The Heart       √       √         Mope House       √       √       √	Total CO <sub>2</sub> emissions (tonnes)	461	497
PEOPLE         Average training per employee (hours)       16       7         Group's employee turnover rate (%)       11.8       2.8         Number of employees represented by a union or collective bargaining agreement       0       0         DIVERSITY & EQUAL OPPORTUNITY       7       0       0         Proportion of females in the workforce (%)       53       51         Proportion of females in the management team (%)       28       24         Number of nationalities       20       20         COMPLIANCE       7       0       0         Number of violation of applicable laws       0       0         Number of workplace accidents       0       0       0         Number of workplace fatalities'       0       0       0         SOCIAL/COMMUNITY       0       0       0         SOCIAL/COMMUNITY       0       0       0         An Taisce Clean Coasts Ireland       √       √       √         An Taisce Clean Coasts Ireland       √       √       √         Hope House       √       √       √       √         Orbis       √       √       √       √         PERTAPIS       √       √       √       √ <td>CO<sub>2</sub> emissions per average headcount (tonnes)</td> <td>2.51</td> <td>2.77</td>	CO <sub>2</sub> emissions per average headcount (tonnes)	2.51	2.77
Average training per employee (hours)       16       7         Group's employee turnover rate (%)       11.8       2.8         Number of employees represented by a union or collective bargaining agreement       0       0         DIVERSITY & EQUAL OPPORTUNITY       7       0       0         Proportion of females in the workforce (%)       53       51         Proportion of females in the management team (%)       28       24         Number of nationalities       20       20         COMPLIANCE       0       0       0         Number of violation of applicable laws       0       0       0         Number of workplace accidents       0       0       0         Number of workplace fatalities'       0       0       0         SOCIAL/COMMUNITY       0       0       0         SOCIAL/COMMUNITY       0       0       0         An Taisce Clean Coasts Ireland       √       √       √         Acibhneas Dublin       √       √       √         Food From The Heart       √       √       √         Hope House       √       √       √         Orbis       √       √       √         PERTAPIS       √       √	Recycling rate of all used IT equipment (%)	100%	100%
Group's employee turnover rate (%)       11.8       2.8         Number of employees represented by a union or collective bargaining agreement       0       0         DIVERSITY & EQUAL OPPORTUNITY       7       7         Proportion of females in the workforce (%)       53       51         Proportion of females in the management team (%)       28       24         Number of nationalities       20       20         COMPLIANCE       0       0         Number of violation of applicable laws       0       0         Number of workplace accidents       0       0         Number of workplace fatalities'       0       0         SocIAL/COMMUNITY       0       0         Organisations supported:       1       1         Aritink       1       1         An Taisce Clean Coasts Ireland       1       1         Aoibhneas Dublin       1       1         Beyond Social Services       1       1         Food From The Heart       1       1         V       1       1       1         Orbis       1       1       1         PERTAPIS       1       1       1         Singapore Children's Society       1       1 </td <td>PEOPLE</td> <td></td> <td></td>	PEOPLE		
Number of employees represented by a union or collective bargaining agreement       0       0         DIVERSITY & EQUAL OPPORTUNITY       53       51         Proportion of females in the workforce (%)       28       24         Number of nationalities       20       20         COMPLIANCE       20       20         Number of violation of applicable laws       0       0         Number of workplace accidents       0       0         Number of workplace fatalities'       0       0         SOCIAL/COMMUNITY       0       0         Organisations supported:       1       1         Arilink $$ $\sqrt{$ $\sqrt{$ Aoibhneas Dublin $\sqrt{$ $\sqrt{$ $\sqrt{$ Beyond Social Services $\sqrt{$ $\sqrt{$ $\sqrt{$ Food From The Heart $\sqrt{$ $\sqrt{$ $\sqrt{$ PERTAPIS $\sqrt{$ $\sqrt{$ $\sqrt{$ Singapore Children's Society $\sqrt{$ $\sqrt{$ $\sqrt{$ $\sqrt{$ The Arab Air Carriers Organisation (AACO) $\sqrt{$ $\sqrt{$ $\sqrt{$ $\sqrt{$ Pennx is Blooming $\sqrt{$ $\sqrt{$ $\sqrt{$ $\sqrt{$ $\sqrt{$ $\sqrt{$	Average training per employee (hours)	16	7
DIVERSITY & EQUAL OPPORTUNITY         Proportion of females in the workforce (%)       53       51         Proportion of females in the management team (%)       28       24         Number of nationalities       20       20         COMPLIANCE       20       20         Number of violation of applicable laws       0       0         Number of workplace accidents       0       0         Number of workplace fatalities'       0       0         Lost days due to work injury       0       0         SOCIAL/COMMUNITY       0       0         Variance Clean Coasts Ireland       √       √         Arilink       √       √         Aoibhneas Dublin       √       √         Beyond Social Services       √       √         Food From The Heart       √       √         Visis       √       √       √         Singapore Children's Society       √       √       √         The Arab Air Carriers Organisation (AACO)       √       √       √	Group's employee turnover rate (%)	11.8	2.8
Proportion of females in the workforce (%)       53       51         Proportion of females in the management team (%)       28       24         Number of nationalities       20       20         COMPLIANCE       0       0         Number of violation of applicable laws       0       0         Number of workplace accidents       0       0         Number of workplace fatalities'       0       0         Lost days due to work injury       0       0         SOCIAL/COMMUNITY       0       0         Organisations supported:       √       √         Arilink       √       √         An Taisce Clean Coasts Ireland       √       √         Aoibhneas Dublin       √       √         Beyond Social Services       √       √         Food From The Heart       √       √         Hope House       √       √         Orbis       √       √       √         Singapore Children's Society       √       √       √         The Arab Air Carriers Organisation (AACO)       √       √       √	Number of employees represented by a union or collective bargaining agreement	0	0
Proportion of females in the management team (%)       28       24         Number of nationalities       20       20         COMPLIANCE       0       0         Number of violation of applicable laws       0       0         Number of workplace accidents       0       0         Number of workplace fatalities <sup>1</sup> 0       0         Lost days due to work injury       0       0         SOCIAL/COMMUNITY       0       0         Organisations supported:       √       √         Airlink       √       √         An Taisce Clean Coasts Ireland       √       √         Aoibhneas Dublin       √       √         Beyond Social Services       √       √         Food From The Heart       √       √         Hope House       √       √         Orbis       √       √       √         Singapore Children's Society       √       √       √         The Arab Air Carriers Organisation (AACO)       √       √       √	DIVERSITY & EQUAL OPPORTUNITY		
Number of nationalities       20       20         COMPLIANCE       Number of violation of applicable laws       0       0         Number of violation of applicable laws       0       0       0         Number of violation of applicable laws       0       0       0         Number of violation of applicable laws       0       0       0         Number of workplace accidents       0       0       0         Number of workplace fatalities <sup>1</sup> 0       0       0         Lost days due to work injury       0       0       0         SOCIAL/COMMUNITY       0       0       0         Organisations supported:	Proportion of females in the workforce (%)	53	51
COMPLIANCE         Number of violation of applicable laws       0       0         Number of workplace accidents       0       0         Number of workplace fatalities <sup>1</sup> 0       0         Number of workplace fatalities <sup>1</sup> 0       0         Lost days due to work injury       0       0         SOCIAL/COMMUNITY       0       0         Organisations supported:       ////////////////////////////////////	Proportion of females in the management team (%)	28	24
Number of violation of applicable laws       0       0         Number of workplace accidents       0       0         Number of workplace fatalities <sup>1</sup> 0       0       0         Number of workplace fatalities <sup>1</sup> 0       0       0       0         Number of workplace fatalities <sup>1</sup> 0       0       0       0       0         Lost days due to work injury       0       1 <t< td=""><td>Number of nationalities</td><td>20</td><td>20</td></t<>	Number of nationalities	20	20
Number of workplace accidents00Number of workplace fatalities100Lost days due to work injury00SOCIAL/COMMUNITY00Organisations supported:AirlinkAn Taisce Clean Coasts IrelandAoibhneas DublinBeyond Social ServicesFood From The HeartHope HouseOrbisVSingapore Children's SocietyThe Arab Air Carriers Organisation (AACO)The Bronx is Blooming	COMPLIANCE		
Number of workplace fatalities1       0       0         Lost days due to work injury       0       0       0         SOCIAL/COMMUNITY       Organisations supported:       7       7         Airlink       √       √       √         An Taisce Clean Coasts Ireland       √       √         Aoibhneas Dublin       √       √         Beyond Social Services       √       √         Food From The Heart       √       √         Hope House       √       √         Orbis       √       √         PERTAPIS       √       √         Singapore Children's Society       √       √         The Arab Air Carriers Organisation (AACO)       √       √         The Bronx is Blooming       √       √	Number of violation of applicable laws	0	0
Lost days due to work injury       0       0       0         SOCIAL/COMMUNITY       Organisations supported:       V       V         Airlink $\sqrt{1000}$ $\sqrt{1000}$ $\sqrt{1000}$ An Taisce Clean Coasts Ireland $\sqrt{1000}$ $\sqrt{1000}$ Aoibhneas Dublin $\sqrt{1000}$ $\sqrt{1000}$ Beyond Social Services $\sqrt{1000}$ $\sqrt{1000}$ Food From The Heart $\sqrt{1000}$ $\sqrt{1000}$ Hope House $\sqrt{1000}$ $\sqrt{1000}$ Orbis $\sqrt{1000}$ $\sqrt{1000}$ Singapore Children's Society $\sqrt{1000}$ The Arab Air Carriers Organisation (AACO) $\sqrt{1000}$ The Bronx is Blooming $\sqrt{10000}$	Number of workplace accidents	0	0
SOCIAL/COMMUNITY         Organisations supported:         Airlink       J         Airlink       J         An Taisce Clean Coasts Ireland       J         Aoibhneas Dublin       J         Beyond Social Services       J         Food From The Heart       J       J         Hope House       J       J         Orbis       J       J         PERTAPIS       J       J         Singapore Children's Society       J       J         The Arab Air Carriers Organisation (AACO)       J       J         The Bronx is Blooming       J       J	Number of workplace fatalities <sup>1</sup>	0	0
Organisations supported:         Airlink       Image: I	Lost days due to work injury	0	0
Airlink J   An Taisce Clean Coasts Ireland J   Aoibhneas Dublin J   Beyond Social Services J   Food From The Heart J   Hope House J   Orbis J   PERTAPIS J   Singapore Children's Society J   The Arab Air Carriers Organisation (AACO) J   The Bronx is Blooming J	SOCIAL/COMMUNITY		
An Taisce Clean Coasts Ireland $$ Aoibhneas Dublin $$ Beyond Social Services $$ Food From The Heart $$ $$ Hope House $$ Orbis $$ Orbis $$ PERTAPIS $$ Singapore Children's Society $$ The Arab Air Carriers Organisation (AACO) $$	Organisations supported:		
Aoibhneas DublinImage: Constraint of the second	Airlink	$\checkmark$	$\checkmark$
Beyond Social Services       J         Food From The Heart       J         Hope House       J         Orbis       J         PERTAPIS       J         Singapore Children's Society       J         The Arab Air Carriers Organisation (AACO)       J         The Bronx is Blooming       J	An Taisce Clean Coasts Ireland	$\checkmark$	
Food From The Heart       Image: Constraint of the Heart         Hope House       Image: Image: Constraint of the Heart         Orbis       Image: Image: Image: Constraint of the Heart         PERTAPIS       Image: Image: Image: Constraint of the Heart         Singapore Children's Society       Image: Image: Image: Image: Image: Constraint of the Heart         The Arab Air Carriers Organisation (AACO)       Image:	Aoibhneas Dublin		$\checkmark$
Hope House       √         Orbis       √         PERTAPIS       √         Singapore Children's Society       √         The Arab Air Carriers Organisation (AACO)       √       √         The Bronx is Blooming       √       √	Beyond Social Services		$\checkmark$
Orbis     √     √       PERTAPIS     √       Singapore Children's Society     √       The Arab Air Carriers Organisation (AACO)     √       ✓     √       The Bronx is Blooming     √	Food From The Heart	$\checkmark$	$\checkmark$
PERTAPIS √ Singapore Children's Society √ The Arab Air Carriers Organisation (AACO) √ √ The Bronx is Blooming √	Hope House	$\checkmark$	
Singapore Children's Society√The Arab Air Carriers Organisation (AACO)√√√The Bronx is Blooming√	Orbis	$\checkmark$	$\checkmark$
The Arab Air Carriers Organisation (AACO) $$ The Bronx is Blooming $$	PERTAPIS		$\checkmark$
The Bronx is Blooming $$	Singapore Children's Society		$\checkmark$
	The Arab Air Carriers Organisation (AACO)	$\checkmark$	$\checkmark$
Waterways Watch Society Singapore	The Bronx is Blooming	$\checkmark$	
	Waterways Watch Society Singapore		$\checkmark$

There was also no workface fatality in 2019.

## ABOUT THIS REPORT

This ESG Report for the year ended 31 December 2021 reports to Shareholders and other stakeholders the steps we are taking to achieve a more sustainable business model, contribute to a more sustainable environment and continue to build our strong governance culture. We prepare this ESG Report annually as required under the Listing Rules.

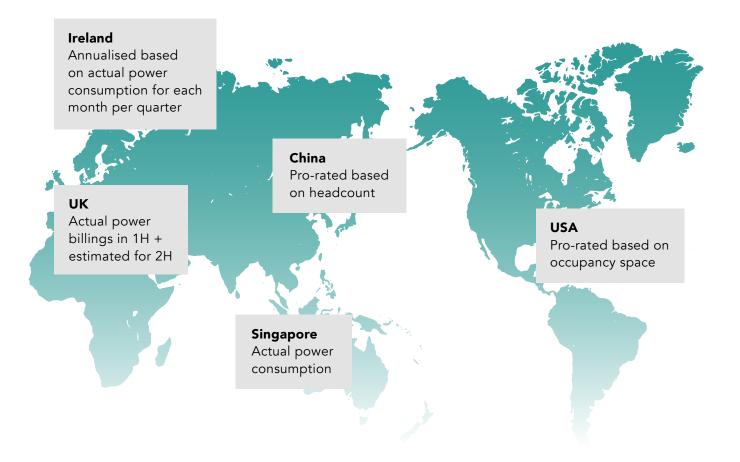
#### **REPORTING GUIDELINES**

This ESG Report is prepared in accordance with the guidelines in The Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing Rules. All numbers reported are as at 31 December 2021, unless otherwise indicated.

#### SCOPE AND REPORTING BOUNDARIES

This ESG Report features our ESG efforts across the Group's offices in Singapore (Head Office), Tianjin, London, Dublin and New York for the year ended 31 December 2021. Unless indicated otherwise below that estimates are used, the data presented in this report represent the actual data for 2021.

Estimates and assumptions used in the calculation of power consumption are set out as below:



### **ABOUT THIS REPORT**

#### **REPORTING PRINCIPLES**

1

Where relevant, we obtain the actual power consumption for the year from office building managements and/or utilities bills (refer to "Scope and Reporting Boundaries" above) and apply the latest carbon conversion factor to convert power consumed into estimated carbon dioxide (CO<sub>2</sub>) emissions.

Below is the list of conversion factors as at 31 December 2021 used in this ESG report:

Country	Latest conversion factor <sup>1</sup> as at 31 December 2021	Source
Singapore	0.4080	Energy Market Authority
China	0.5374	Climate Transparency Report 2021
Ireland	0.2958	Sustainable Energy Authority of Ireland
UK	0.2123	gov.uk
USA	0.3428	Climate Transparency Report 2021

The carbon emissions from air travel are obtained from our appointed travel agent(s) directly.

We are not reporting the carbon emissions of our aircraft as we do not have control over the airlines' use of the aircraft. We are also not reporting water consumption as we operated from leased offices where water consumption is not tracked under the rental agreements.

	Disclosure/Key performance indicators	Relevant section/ page number/remarks where applicable
GOVERNANCE STRU	UCTURE	
	A statement from the board containing the following elements:	
	<ul> <li>a disclosure of the board's oversight of ESG issues;</li> </ul>	<ul><li>Leadership message p.02</li><li>ESG statement from the Board p.04</li></ul>
	<ul> <li>the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and</li> </ul>	<ul> <li>Stakeholder engagement p.09–p.10</li> <li>Materiality assessment p.12–p.18</li> </ul>
	(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	<ul> <li>ESG statement from the Board p.04</li> <li>Reducing our direct carbon impact and resource consumption in 2021 p.54-p.55</li> <li>HKEx ESG KPIs progress report p.56</li> </ul>
REPORTING PRINCI	PLES	
	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:	
	<b>Materiality</b> : The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	<ul> <li>Stakeholder engagement p.09–p.10</li> <li>Materiality assessment p.12–p.18</li> </ul>
	<b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	• About this report p.58–p.59
	<b>Consistency:</b> The issuer should disclose in	• About this report p.58–p.59

Source: Hong Kong Stock Exchange

1

the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison

	Disclosure/Key performance indicators	Relevant section/ page number/remarks where applicable
A. ENVIRONMENTAL		
Aspect A1: Emissions	<ul> <li>General Disclosure:</li> <li>Information on: <ul> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> <li>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</li> </ul> </li> <li>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</li> <li>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</li> </ul>	<ul> <li>Our approach to climate change p.52</li> <li>Transforming our fleet p.53</li> <li>100% carbon neutral for direct emissions in 2021 p.53</li> </ul>
	KPI A1.1 The types of emissions and respective emission data	<ul> <li>Reducing our direct carbon impact and resource consumption in 2021 p.54–p.55</li> <li>HKEx ESG KPIs progress report p.56</li> <li>ESG performance overview p.57</li> </ul>
	KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<ul> <li>Reducing our direct carbon impact and resource consumption in 2021 p.54–p.55</li> <li>HKEx ESG KPIs progress report p.56</li> <li>ESG performance overview p.57</li> </ul>
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<ul> <li>Not applicable to our business as we do not manufacture any product</li> <li>Reducing our direct carbon impact and resource consumption in 2021 p.54–p.55</li> </ul>

Source: Hong Kong Stock Exchange

	Disclosure/Key performance indicators	Relevant section/ page number/remarks where applicable
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	<ul> <li>Not applicable to our business as we do not manufacture any product</li> </ul>
	(e.g. per unit of production volume, per facility).	<ul> <li>Reducing our direct carbon impact and resource consumption in 2021 p.54–p.55</li> </ul>
	KPI A1.5 Description of emission target(s) set and steps taken to achieve them.	<ul> <li>Reducing our direct carbon impact and resource consumption in 2021 p.54–p.55</li> </ul>
		HKEx ESG KPIs progress report     p.56
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a	<ul> <li>Not applicable to our business as we do not manufacture any product</li> </ul>
	description of reduction target(s) set and steps taken to achieve them.	<ul> <li>Reducing our direct carbon impact and resource consumption in 2021 p.54–p.55</li> </ul>
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	<ul> <li>Reducing our direct carbon impact and resource consumption in 2021 p.54–p.55</li> </ul>
	Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g.	<ul> <li>Reducing our direct carbon impact and resource consumption in 2021 p.54–p.55</li> </ul>
	per unit of production volume, per facility).	<ul> <li>HKEx ESG KPIs progress report p.56</li> </ul>
		• ESG performance overview p.57
	KPI A2.2 Water consumption in total and intensity (e.g per unit of production volume,	• Not applicable to our business as we do not manufacture any product
	per facility).	<ul> <li>Reducing our direct carbon impact and resource consumption in 2021 p.54–p.55</li> </ul>

Source: Hong Kong Stock Exchange

	Disclosure/Key performance indicators	Relevant section/ page number/remarks where applicable
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	<ul> <li>Reducing our direct carbon impact and resource consumption in 2021 p.54–p.55</li> </ul>
		• ESG performance overview p.57
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	<ul> <li>Not applicable as we operate from rented office space where most resource consumption is low and not tracked as part of our rental agreements</li> </ul>
		<ul> <li>Reducing our direct carbon impact and resource consumption in 2021 p.54–p.55</li> </ul>
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	• Not applicable to our business as we do not manufacture any product
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	<ul> <li>Commitment to the United Nations Sustainable Development Goals p.06–p.07</li> </ul>
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	<ul> <li>Our approach to climate change p.52</li> <li>Transforming our fleet p.53</li> <li>100% carbon neutral for direct emissions in 2021 p.53</li> </ul>
Aspect A4:	General Disclosure	• Materiality assessment p.12–p.18
Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	• Our approach to climate change p.52
	KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	• Our approach to climate change p.52

<sup>1</sup> Source: Hong Kong Stock Exchange

	Disclosure/Key performance indicators	Relevant section/ page number/remarks where applicable
B. SOCIAL		
EMPLOYMENT ANI	D LABOUR PRACTICES	
Aspect B1: Employment	<ul> <li>General Disclosure:</li> <li>Information on:</li> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> <li>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.</li> </ul>	<ul> <li>Attracting and retaining talent p.21</li> <li>Integrated talent strategy p.21</li> <li>Coaching culture p.21</li> <li>Training and development p.22</li> <li>Attractive remuneration p.23</li> <li>Employee engagement and wellbeing p.27</li> <li>A safe and healthy workplace p.28</li> <li>Labour standards p.29</li> <li>Grievance management p.30</li> </ul>
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region KPI B1.2 Employee turnover rate by gender, age group and geographical region.	<ul> <li>Workforce diversity: our employees p.31–p.33</li> <li>Workforce diversity: our employees p.31–p.33</li> </ul>
Aspect B2: Health and Safety	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	<ul> <li>A safe and healthy workplace p.28</li> <li>Labour standards p.29</li> </ul>
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. KPI B2.2 Lost days due to work injury.	<ul> <li>ESG performance overview p.57</li> <li>ESG performance overview p.57</li> </ul>
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	• A safe and healthy workplace p.28

Source: Hong Kong Stock Exchange

	Disclosure/Key performance indicators	Relevant section/ page number/remarks where applicable
Aspect B3:	General Disclosure:	• Attracting and retaining talent p.21
Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<ul><li>Integrated talent strategy p.21</li><li>Coaching culture p.21</li><li>Training and development p.22</li></ul>
	Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Training and development p.22
	KPI B3.2 The average training hours completed per employee by gender and employee category	Training and development p.22
Aspect B4:	General Disclosure:	Labour standards p.29
Labour Standards	Information on:	
	(a) the policies; and	
	<ul> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul>	
	relating to preventing child and forced labour.	
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	• Labour standards p.29
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	• Labour standards p.29
OPERATING PRACTI	CES	
Aspect B5:	General Disclosure	Supply chain management
Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	р.48–р.49
	KPI B5.1 Number of suppliers by geographical region	• Supply chain management p.48–p.49
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	<ul> <li>Supply chain management p.48–p.49</li> </ul>

Source: Hong Kong Stock Exchange

	Disclosure/Key performance indicators	Relevant section/ page number/remarks where applicable
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	<ul> <li>Supply chain management p.48–p.49</li> </ul>
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	• Supply chain management p.48–p.49
Aspect B6: Product Responsibility	<ul> <li>General Disclosure:</li> <li>Information on:</li> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> <li>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</li> </ul>	<ul> <li>Not applicable to our business as we do not manufacture any product</li> <li>Data protection and privacy p.44</li> <li>Product responsibility p.49</li> </ul>
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	<ul> <li>Not applicable to our business as we do not manufacture any product</li> <li>Product responsibility p.49</li> </ul>
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	<ul> <li>Not applicable to our business as we do not manufacture any product</li> <li>Product responsibility p.49</li> </ul>
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	<ul> <li>Not applicable to our business as we do not manufacture any product</li> <li>Product responsibility p.49</li> </ul>
	KPI B6.4 Description of quality assurance process and recall procedures.	<ul> <li>Not applicable to our business as we do not manufacture any product</li> <li>Product responsibility p.49</li> </ul>
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	<ul> <li>Not applicable to our business as we do not manufacture any product</li> <li>Data protection and privacy p.44</li> <li>Product responsibility p.49</li> </ul>

Source: Hong Kong Stock Exchange

	Disclosure/Key performance indicators	Relevant section/ page number/remarks where applicable
Aspect B7:	General Disclosure:	Compliance p.40
Anti- corruption	Information on:	Anti-corruption p.41
	(a) the policies; and	Anti-bribery p.41
	<ul> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul>	• Anti-money laundering p.41–p.42
	relating to bribery, extortion, fraud and money laundering.	
	KPI B7.1 Number of concluded legal cases	Compliance p.40
	regarding corrupt practices brought against the issuer or its employees during the reporting	Anti-corruption p.41
	period and the outcomes of the cases.	Anti-bribery p.41
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Whistleblowing p.42
	KPI B7.3 Description of anti-corruption training	Compliance p.40
	provided to directors and staff.	Anti-corruption p.41
Aspect B8:	General Disclosure	• 2021 ESG highlights p.08
Community Investment	Policies on community engagement to understand the needs of the communities where	<ul> <li>Investment in the community p.35–p.36</li> </ul>
	the issuer operates and to ensure its activities take into consideration the communities' interests.	• Having a direct impact on our communities p.37
	KPI B8.1 Focus areas of contribution (e.g.	• 2021 ESG highlights p.08
	education, environmental concerns, labour needs, health, culture, sport).	<ul> <li>Investment in the community p.35–p.36</li> </ul>
		<ul> <li>Having a direct impact on our communities p.37</li> </ul>
		• ESG performance overview p.57
	KPI B8.2 Resources contributed (e.g. money	• 2021 ESG highlights p.08
	or time) to the focus area	<ul> <li>Investment in the community p.35–p.36</li> </ul>
		<ul> <li>Having a direct impact on our communities p.37</li> </ul>

Source: Hong Kong Stock Exchange

### **DEFINITIONS**

In this ESG report, the following expressions have the meanings set out below unless the context requires otherwise:

TERMS	MEANINGS
"AGM"	The annual general meeting of the Company to be held for the purpose of, among others, approving the audited financial statements for the financial year ended 31 December 2021. The meeting will be held on 9 June 2022
"Airbus"	Airbus S.A.S., a societe par actions simplifiee duly created and existing under French law
"Annual Report"	The annual report of the Company for the financial year ended 31 December 2021 which contains, among others, the audited financial statements for the financial year ended 31 December 2021 and the Directors' Statement
"Board"	The board of Directors of the Company
"Board Committees"	The five sub-committees of the Board comprising the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy and Budget Committee and the Risk Committee
"BOC" or "Bank of China"	Bank of China Limited (中國銀行股份有限公司), a joint stock limited company incorporated in the PRC on 26 August 2004, the H-shares and A-shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively, the ultimate controlling shareholder of the Company and a connected person of the Company under the Listing Rules
"Boeing"	The Boeing Company, a corporation organised and existing under the General Corporation Law of the State of Delaware, U.S.A., and its affiliates
"Company" or "BOC Aviation"	BOC Aviation Limited, a company incorporated under the laws of Singapore with limited liability and listed on the Stock Exchange which, together with its subsidiaries, is engaged in aircraft leasing, aircraft purchase and sale and related business

## **DEFINITIONS**

"Constitution"	The constitution of the Company approved on 12 May 2016 which became effective on the Listing Date
"Corporate Governance Code"	Appendix 14 Corporate Governance Code to the Listing Rules
"Director(s)"	The director(s) of the Company
"Group"	The Company together with its subsidiaries
"IPO"	The initial public offering of the Company the details of which can be found in the prospectus of the Company dated 19 May 2016
"Listing Date"	1 June 2016, being the date on which the Shares of the Company are first listed for trading on the Stock Exchange
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Senior Management"	Managing Director and Chief Executive Officer, Vice Chairman and Deputy Managing Director, Deputy Managing Director and Chief Financial Officer, Deputy Managing Director and Chief Operating Officer, Chief Commercial Officer (Asia Pacific and the Middle East) and Chief Commercial Officer (Europe, Americas and Africa)
"Shareholder"	A holder of Shares
"Shares"	Ordinary shares in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD", "US\$" or "US Dollar"	The lawful currency of the United States of America

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