

ESG Handbook



Table of Contents

1	Abbreviations and Definitions	4
2	Applicability	4
3	General Remarks	5
3.1	Applied Standards	5
3.2	ESG Committee	5
3.3	Planning and Strategy	5
3.4	ESG Objectives	5
3.5	ESG Reporting	5
4	Environment	7
4.1	General Management Approach	7
4.2	Climate Impact Mitigation and Energy Efficiency	7
4.3	Resource Consumption and Circular Economy	7
4.4	Hazardous Substances and Pollution	7
4.5	Products & Services	7
5	Social	9
5.1	Human Capital and Learning & Development	9
5.2	Labor Management	9
5.3	Employee Relations	9
5.4	Compensation and Benefits	9
5.5	Employee Welfare and Health Promotion	9
5.6	Integrity, Diversity and Opportunities	10
5.7	Human Rights	10
5.8	Privacy and Data Protection	10
5.9	Occupational Health & Safety Management System	10
5.10	Occupational Health & Safety Reporting	11
5.11	Occupational Health & Safety Audits	11
5.12	ESG Communication	11
6	Governance	13
6.1	Compliance	13
6.2	Code of Ethics	13
6.3	Delegation of Authorities (DoA)	13
6.4	Handling Violations, Lawsuits and Whistleblowing	13
6.5	Board Governance	14
6.6	Trade Compliance and Export Control	14
6.7	Gift & Entertainment, Bribery and Corruption	14
6.8	Taxes	14
6.9	Internal Audit	15

Proprietary Notice

This document and the information disclosed herein are proprietary data of SR Technics. Neither this document nor the information contained herein shall be reproduced, used, or disclosed to others without the written authorisation of SR Technics.

ESG Handbook



Environment



Social



Governance

1 Abbreviations and Definitions

ESG	Environmental, Social and Governance
GHG	Greenhouse Gas (Protocol)
GRI	Global Reporting Initiative
GRI Standard	The GRI Standards enable an organization to understand and report on their impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency on their contribution to sustainable development
ISO	International Standards Organization
ISO14001	ISO14001 sets out the criteria for an environmental management system
ISO45001	ISO45001 specifies requirements for an occupational health and safety management system, and gives guidance for its use
OSHE	Occupational Safety, Health & Environment
SVHC	Substance of Very High Concern

2 Applicability

The present ESG handbook (hereinafter the **“Handbook”**) is applicable to SR Technics Switzerland AG and any of its directly or indirectly controlled subsidiaries (hereinafter collectively **“SR Technics”**).

3 General Remarks

3.1 Applied Standards

ESG relevant reporting at SR Technics shall be in accordance with the Global Reporting Initiative standards (comprehensive option, GRI-2).

3.2 ESG Committee

SR Technics shall establish an ESG committee comprising of one representative of each Safety & Quality, Human Resources, Legal & Compliance, OSHE and Communications. The committee shall meet as appropriate and needed.

3.3 Planning and Strategy

SR Technics recognizes environmental protection, occupational safety & health, social and governance matters as strategic pillars of the organization with the following mission statement:

“SR Technics is committed to managing occupational safety, health and environment (OSHE) as well as social and governance matters as an integral part of its business. It is therefore SR Technics’ policy to assure the OSHE integrity and sustainability of its processes and facilities at all times and SR Technics strive to continually improve in providing safer and healthier workplaces and reducing its environmental footprint. Furthermore, absolute compliance with governance, standards, relevant laws and binding obligations is mandatory.”

3.4 ESG Objectives

The responsibility for contributing to sustainable development lies with the top management of SR Technics. To translate this Handbook into effective and efficient actions, SR Technics sets yearly objectives pertaining to environment, occupational safety & health, social and governance matters and ensures that legal requirements are met. Where applicable, SR Technics shall ensure certification with the relevant management system standards (ISO14001 for environment and ISO45001 for occupational safety & health).

In addition, employees will receive the necessary training enabling them to contribute to the sustainable development efforts of SR Technics. Management also ensures that employees shall have at least one relevant personal objective pertaining to any ESG subject in the yearly performance review.

3.5 ESG Reporting

SR Technics intends to regularly publish ESG relevant topics with specific projects and/or success stories.

For the material topics identified, the ESG reporting shall consider how SR Technics has identified and responded to the expectations of its stakeholders, focus on its performance regarding sustainability, reflect on its significant economic, environmental, and social impacts.

SR Technics’ management strives to ensure the accuracy, balance (positive and negative aspects), clarity, comparability to previous reportings, reliability of information and timely publication of the ESG relevant topics.



Environment

4 Environment

4.1 General Management Approach

Environmental protection is a strategic pillar of SR Technics' organization and service portfolio. In everyday business, SR Technics is committed to an environmental-friendly operation and an efficient use of resources. This commitment is also extended to SR Technics' supply and value chain as well as to the development of products and services.

For the implementation of this strategic approach, SR Technics shall have an environmental management system established which is externally (third-party) certified, for example with the ISO14001 certification. In addition, appropriate governance structures within the whole organization shall be established to enable an effective and comprehensive strategic integration.

Progress on the environmental impact shall be monitored and reported regularly and be aligned with international standards such as the Global Reporting Initiative (GRI), Greenhouse Gas (GHG) Protocol, etc.

4.2 Climate Impact Mitigation and Energy Efficiency

SR Technics shall actively contribute to climate change mitigation in a holistic and comprehensive way. Based on determining, measuring and monitoring carbon emissions in scope 1, 2 and, where considered relevant, scope 3 emissions (GHG Protocol), adequate targets and reduction measures shall be developed and implemented. In addition, a strong focus shall be on sound monitoring of energy consumption and continuous improvement of energy efficiency within SR Technics' operations.

4.3 Resource Consumption and Circular Economy

SR Technics shall support circular material flows within the aviation industry. This is achieved by developing and introducing new repair capabilities to avoid or reduce scrap and promoting the re-use of engine parts. If reduction, reusing or reselling of scrap and other residual materials and substances is not possible, the generated waste shall be directed either to recycling or to combusting through waste-to-energy.

In addition, main types and quantities of materials used, freshwater consumption as well as type, quantities and disposal method of waste shall be monitored.

4.4 Hazardous Substances and Pollution

SR Technics shall apply strict workplace rules and processes to ensure that any hazardous substance is suitably controlled or replaced by more environmental-friendly alternatives whenever possible, particularly the ones targeted by REACH / ChemV. In operations, pollutants that can impact air, water, soil and ecosystems shall be controlled by appropriate measures, so emissions are reduced to a minimum.

Relevant impacts such as industrial wastewater discharge, air emissions, hazardous waste and significant spills of hazardous substances shall be monitored.

4.5 Products & Services

By extending the engine life cycle and delivering best-in-class on-wing performance, SR Technics contributes to the optimized use of resources for its customers and limits the environmental impact of airline operations.

Furthermore, customers of SR Technics shall be informed of the presence of SVHCs (Substances of Very High Concern) in repaired or overhauled parts.



Social

5 Social

5.1 Human Capital and Learning & Development

SR Technics' employees are essential to the success and growth of SR Technics and shall be treated with respect, honesty and fairness. SR Technics shall strive to attract and retain talents in the aviation industry by investing in the development of every individual and strengthening the teams. This shall be achieved by Learning & Development:

- Technical Training: Mandatory training qualifying employees to work on engines, parts and aircraft.
- Adherence to the relevant authority requirements shall be governed by Safety & Quality.
- Human Skills Training: Personal development opportunities provided by Human Resources.
- On-the-Job training and development.

SR Technics shall foster an open and inclusive management style that is built on a forward-looking attitude, growth mindset and with the aim to benefit SR Technics' stakeholders.

A leadership model shall be in place encouraging inclusive, strategic leadership behaviors & competencies.

5.2 Labor Management

SR Technics shall maintain a constructive dialogue with its social partners, such as employee representatives, unions and labor related government agencies in all countries where SR Technics operates. SR Technics shall strictly adhere to the labor laws and government policies regarding fair treatment, safety and wellbeing of its employees.

5.3 Employee Relations

SR Technics fosters a "just culture" building an atmosphere of trust encouraging employees to provide proactive safety-related information. Therefore, SR Technics focus on circumstances and intentions rather than consequences, identifying effective interventions plus ensuring personal accountability is balanced. Such approach promotes the impartial assessment of acceptable and unacceptable behaviors.

5.4 Compensation and Benefits

SR Technics shall pay market wages based on the employees' performance, experience, and job requirements. Where applicable, the salaries shall be included in the collective bargaining process with the social partners. SR Technics shall regularly benchmark the salaries for every country SR Technics operates in. SR Technics shall apply a performance-based approach for the variable portion of the compensation.

SR Technics shall offer attractive pension schemes based on country customs. Perks, including years-of-service bonuses, shall be in place following local standards, with particular emphasis on health care.

5.5 Employee Welfare and Health Promotion

SR Technics shall prepare a yearly program outlining all initiatives to promote employees' health. The program shall be discussed with the workers' council and be based on the



needs identified in surveys, statistics, and discussions with management as well as the workers' council.

In addition, SR Technics shall offer an external confidential employee assistance program available for all employees and participate in health promotion campaigns of the insurance company and other organizations, such as the Swiss Council for Accident Prevention BFU.

5.6 Integrity, Diversity and Opportunities

SR Technics' employees, customers, suppliers, investors, and partners can rely on SR Technics and are treated with respect, honesty, and fairness. SR Technics acts upon its promises and is a responsible member of the society it serves.

SR Technics encourages a diverse and inclusive workforce with equal opportunities and pay for all. Diversity shall be defined in terms of cultural identity, race, ethnicity, social origins, sexual orientation, ideologies, working methods, skills and experiences, characteristics, behaviors, gender identity, and impairment of a person's mental or physical abilities. SR Technics shall foster diverse and multi-cultural teams where employees can thrive, enabling creativity and innovation. Discrimination in any shape or form shall not be tolerated at SR Technics.

5.7 Human Rights

SR Technics shall follow the UN conventions and agreements pertaining to human rights, including the International Bill of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, with the objective to secure dignity and equality for all its employees and stakeholders, where SR Technics shall ensure:

- Fair and equal treatment of all its employees.
- Mental and physical health and safety of all its employees.
- Procurement practices that take the adherence to human rights principles into account when procuring materials and services.
- Right of consultation for its stakeholders.

5.8 Privacy and Data Protection

SR Technics shall ensure the protection of the privacy of its employees according to local legislation and the International Labor Organization's code of practice on the protection of workers' personal data.

SR Technics shall strictly adhere to the highest standard in privacy and data protection. Apart from that SR Technics has launched various data protection system solutions to safeguard its critical infrastructure, which is reinforced by mandatory awareness trainings.

5.9 Occupational Health & Safety Management System

SR Technics has introduced the ISO45001 Management System in 2020 (OHSAS18001 from 2011 to 2019). The certification was introduced based on risk assessments and Swiss legal requirements. SR Technics shall ensure continued certification by an accredited certification body.

Hazard identification, risk assessments and the hierarchy of controls shall be described in the OSHE guidelines which are revised according to SR Technics standards and made available to all employees on the SR Technics intranet. All work processes and corresponding



mitigating measures as well as mandatory occupational safety and health training shall be described in the corresponding work instructions.

Occupational health services for medical assistance and mental health support shall be outsourced to suitable suppliers. SR Technics shall monitor the quality of their services regularly.

Workers' participation shall be ensured through regular contact with the workforce, surveys, participation in choosing personal protective equipment, participation in risk assessments and root cause analysis as well as formal representation by the workers' council.

5.10 Occupational Health & Safety Reporting

Hazards shall be captured immediately using a hazard identification tool. The OSHE representatives shall assign the appropriate measures and monitor their execution.

Occupational accidents and near misses shall be reported using a quality management tool according to the legal requirements for reportable events. Investigations shall be executed for occupational accidents and occupational diseases as well as near misses.

OSHE shall establish and communicate accident & health statistics with an appropriate set of key performance indicators, which includes as a minimum standard the number and risk level of accidents.

5.11 Occupational Health & Safety Audits

Regular internal audits shall be conducted to provide information on whether the Occupational Safety & Health Management System conforms to SR Technics' own requirements, guideline and objectives and whether it is effectively implemented and maintained. All results shall be recorded in a quality management tool, and findings shall be captured and processed in the tool as well. In accordance with ISO standards, auditors shall be independent and objective. Employees of the audited area shall be informed about the results by the respective manager.

SR Technics is ISO certified and therefore subject to regular external audits by the respective agencies.

5.12 ESG Communication

For an effective communication on ESG, in accordance with the SR Technics Code of Ethics and a corporate communications plan, SR Technics shall share relevant, accurate, and consistent information across all internal and external owned channels that are applicable to the respective stakeholders.

All official communication must comply with the SR Technics communication policies and where appropriate, be discussed with and released by Communications.

The ESG committee shall determine the need for internal and external information and suggest communications relevant to ESG aspects, in line with communication guidelines and approvals.

SR Technics shall consider diversity aspects (for example language, culture, literacy, disability), where they exist, regarding its information and communication needs. In addition, SR Technics shall ensure that, where appropriate, the views of relevant external interested parties about matters pertinent to ESG are considered. Communications shall regularly update the communications plan with respective measures.



Governance

6 Governance

6.1 Compliance

Compliance lays the foundation: SR Technics will conduct its business worldwide in accordance with all applicable laws and regulations where SR Technics will comply with the highest and most stringent international and national standards. SR Technics will not engage in unfair business practices and will be fully compliant with competition, trade, financial and other international laws and accepted standards.

6.2 Code of Ethics

SR Technics shall establish a Code of Ethics outlining SR Technics' core values and commitment to lawful and ethical conduct in every aspect of the business. It shall summarize legal and ethical minimum standards and guidelines to ensure SR Technics conducts its work in an ethical and compliant manner.

SR Technics' core values are the following:

- Safety: We make no compromises on safety.
- Quality: Quality is our unique trademark.
- Environment: Protecting the environment is a core aspect of our business.
- Integrity: We treat all our stakeholders respectfully, honestly and fairly.
- Communication: We speak openly and communicate clearly.
- Society: We are a responsible member of the communities we serve.
- IP & Confidentiality: Protection of intellectual property and confidentiality is everyone's responsibility.
- Agility: We react to changes and innovation quickly and agilely.

The SR Technics Code of Ethics shall apply to all employees, managers, officers and directors of SR Technics and there shall be a zero tolerance for non-compliance in adherence with the Code of Ethics. All employees shall therefore be trained regularly and in a suitable manner on the contents of the Code of Ethics.

6.3 Delegation of Authorities (DoA)

SR Technics shall establish a Delegation of Authority, which is key to SR Technics' operations and provides an overview of delegations of authority across various aspects of the business, including purchasing and procurement, revenue transactions, financial accounting and key personnel policies.

The Delegation of Authority promotes responsibility, accountability and adequate internal control over the authorization and execution of commitments and represents an integral component of the efforts to develop and maintain the highest standards of corporate governance and integrity.

6.4 Handling Violations, Lawsuits and Whistleblowing

Potential lawsuits shall solely be handled by Legal & Compliance. The General Counsel or any member of the Legal & Compliance team shall be informed immediately about any indictments and potential lawsuits as soon as a manager or an employee becomes aware of it. Legal & Compliance must be consulted in case of violations resulting in disciplinary measures.



Legal & Compliance shall be responsible to provide suitable means for employees to report violations of any kind, also known as “whistleblowing”. Employees must be protected from retaliation for reporting violations. Every report of a violation must be investigated, and where justified, corresponding mitigating steps shall be taken.

6.5 Board Governance

SR Technics shall establish a uniform guideline on board composition and governance for directors of SR Technics, which shall regulate the following:

- Size and composition of SR Technics’ boards.
- Appointment and removal of directors, including appointment criteria and length of term.
- Dialogue with shareholders to ensure mutual understanding of objectives, their needs, issues and concerns.
- Appointment of a company secretary, to the extent required.
- Fiduciary and supervisory duties of the board members.

6.6 Trade Compliance and Export Control

The trade compliance and export control function, as part of Legal & Compliance, reports directly to the General Counsel in order to maintain the required level of independence.

SR Technics’ business is governed, among others, by international trade and export control laws. It is therefore the responsibility of SR Technics and all its employees to act in full compliance with applicable export, import and sanctions control laws. For this purpose, SR Technics shall establish a policy outlining the minimum standards and requirements SR Technics and its employees must follow to ensure full trade and export compliance.

Employees shall be informed and trained in an appropriate manner of the applicable rules and regulations and how they pertain to them.

6.7 Gift & Entertainment, Bribery and Corruption

To reduce the risk of fraud in form of improper payments being made or received, SR Technics shall establish and update a policy to provide guidance for the offering and receiving of gifts and entertainment by its employees. The policy shall define what is defined reasonable and what is not. Extravagant, disproportionate, and unethical gifts and entertainment must be reported to Legal & Compliance immediately. SR Technics shall strictly follow a “zero tolerance” policy when it comes to unethical business behavior, such as bribery and corruption.

Employees shall be informed about the corresponding rules and regulations in an appropriate manner and have a point of contact in case they need to raise their concerns and questions.

6.8 Taxes

SR Technics shall establish a system to ensure advice and planning on national and international tax matters regarding direct and indirect taxes in terms of corporate restructuring (divisions, mergers, reorganizations), M&A transactions, company valuations, transfer pricing, tax compliance, negotiations with tax authorities, preparation of tax rulings with the tax authorities, tax reporting, contracting business for aircraft, engine, component and training services.



6.9 Internal Audit

The internal audit function, as part of Legal & Compliance, reports directly to the General Counsel to maintain the required level of independence.

Internal Audit shall provide independent assurance and consulting services designed to assist SR Technics in achieving its objectives by striving to provide a positive impact on the efficiency and effectiveness of its operations. Internal audit assists the company to accomplish its objectives by applying a systematic, disciplined approach to evaluate the effectiveness and efficiency of internal controls, risk management and governance processes, and making recommendations to improve the same.

Zurich Airport, 5 October 2022

Jean-Marc Lenz
CEO

Matthias Düllmann
CFO

Jasper den Ouden
CHRO

André Huber
General Counsel



8058 Zurich Airport
Switzerland

+41 58 688 66 66
esg@srtechnics.com