

Sustainable Business Strategy

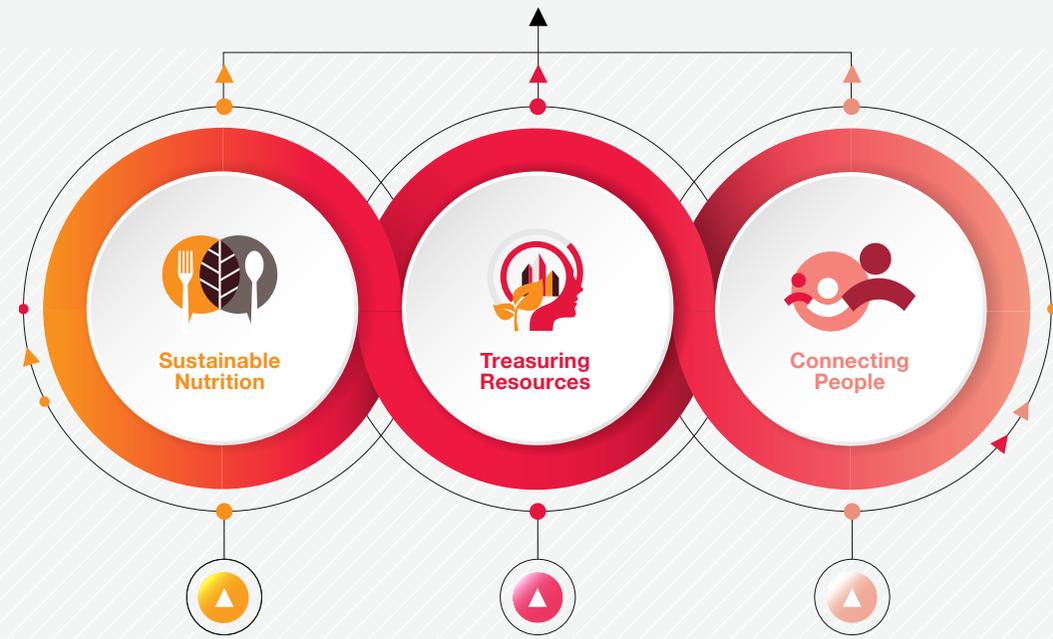
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Inaugural Sustainability Report 2016-17

OUR VISION

FEEDING & CONNECTING ASIA

OUR SUSTAINABILITY PILLARS



Better, more nutritious food from sustainable sources to improve the health and well-being of our communities and ecosystems

Lower emissions and waste through increased efficiency and shift to renewable and sustainable energy, water and material sources

A people-centric approach to automation and digitisation, to help our people to fulfil their full potential

Passion to serve our communities and help them to reach their full potential

OUR STRATEGY

TECHNOLOGY-DRIVEN PEOPLE-LED

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Our Sustainability Framework

In 2017, we established a new sustainability framework that outlines how our contribution to global sustainability challenges will drive the future success of SATS as a business. By adopting a **technology-driven, people-led** approach towards sustainability, we aim to create greater value for all our stakeholders. In all **three pillars** of our sustainability framework, our approach to harnessing technology to improve productivity and achieve scale has always been ground up. We use technology to help our stakeholders fulfil their full potential by providing healthier meals using food technology, optimising our resources through automation, up-skilling our people to enhance productivity, and using digitised platforms to ensure more seamless connectivity for our customers.

Our Sustainability Framework

The framework sets out key priorities across the three pillars of Sustainable Nutrition, Treasuring Resources, and Connecting People that will guide the implementation of our sustainability programme. By setting 2030 ambitions, we have set a high bar for innovative solutions.

Our inaugural report uses this framework as the basis for sharing SATS' sustainability performance. Future reports will use this framework as a means to communicate our progress and performance.

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Pillars



Sustainable Nutrition

Better, more nutritious food from sustainable sources to improve the health and well-being of our communities and ecosystems.



Treasuring Resources

Lower emissions and waste through increased efficiency and shift to renewable and sustainable energy, water and material sources.



Connecting People

Passion to serve our communities and help them to reach their full potential.

2030 Ambitions

MAKE HEALTHY FOOD AFFORDABLE

- All customers are offered a healthy choice option
- Nutritional information will be provided for all in-flight meals

TACKLE FOOD WASTAGE

- Halve food wastage in all operations from a 2018 baseline

ENSURE SUPPLY CHAIN IS SUSTAINABLE

- Food supply chain for 100% of high risk products traceable to origin
- 100% of seafood and palm oil originates from certified sustainable sources

USE SCARCE RESOURCES EFFICIENTLY

- 100% wastewater treatment
- 50% water recycled for non-food use
- Sustainable food packaging

REDUCE EMISSIONS

- 100% electric ground handling equipment*
- 40% usage of renewable energy in SATS-owned buildings
- 80% reduction in carbon footprint by 2030

GROW WITH SATS

- Employee engagement score of 80%
- 80 hours of employee training per year
- 30% of talents for critical and key positions filled by internal transfers
- 40% female representation at senior management level

ENSURE SEAMLESS CONNECTIONS.

- 100% paperless hub
- High score on seamless connectivity customer and cargo experience
- Zero-tolerance of security breaches (robust fallback system)

EMPOWER COMMUNITIES

- Touch four million lives by 2030 through social and community investments that impart our expertise, to empower people to fulfil their fullest potential

FY2016-17 Highlights

Our subsidiary SATS Food Services Pte Ltd, which handles institutional catering, has been endorsed as a Healthier Caterer by Singapore's Health Promotion Board

7% of the seafood in meals prepared by SATS in Singapore were sourced from MSC-certified sources

Four-year masterplan (2017-2020) to convert diesel ground support equipment to electric ones

Installation of solar panels at AFT 5 and 6 provides 4.5GWh/year of electricity

74% employee engagement score

Saving over a million copies of paper through e-airway bill, e-freight, and Cargo Operations System

Donated close to \$1 million to charity

United Nations' Sustainable Development Goals



* subject to development of infrastructure and facilities to support electric ground equipment by airports

Sustainability Governance

At SATS, we believe that good governance structures allow us to ensure accountability, fairness, and transparency. As such, we established the Sustainability Steering Committee in 2018 to better integrate sustainability into our business operations. Reporting directly to our PCEO, the Committee comprises senior leadership from the In-flight Catering, Apron & Security Services, Group Services, and Human Capital departments, supported by the Public Affairs & Branding team.



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