



Resilience in Action



SATS Ltd.
Sustainability Report 2019-20



COVID-19 has disrupted our growth, but we will emerge from it strengthened, transformed and progressive.



Having started on our transformation journey way before the pandemic, we have invested in digitalisation and people development to reshape our operations. Our technology-driven, people-led approach will enable SATS to maintain our leadership position in the new normal.



Nourishing Communities

Developing sustainable packaging in a low-touch, economy and building a digital integrated supply chain to enhance traceability, reduce waste and strengthen procurement capability.



Connecting People

SATS Academy helping to build a sustainable talent pipeline with the core skills and competencies required to support the growth of SATS. Digitalising operations to create unique solutions for seamless connectivity.




Treasuring Resources

Reducing our carbon footprint through electrification of vehicles and use of renewable energy. Building up our recycling capabilities to reduce our consumption of water and resources.



We produce
150,000
meals per
day to
support our
community.

...
Harnessing our aviation catering operations to feed workers in essential services.

[view more](#) 
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We are keeping Singapore's supply chain moving.

...

Ensuring our supply chain
resilience for essential
goods such as food and
medical supplies.

[view more](#) 

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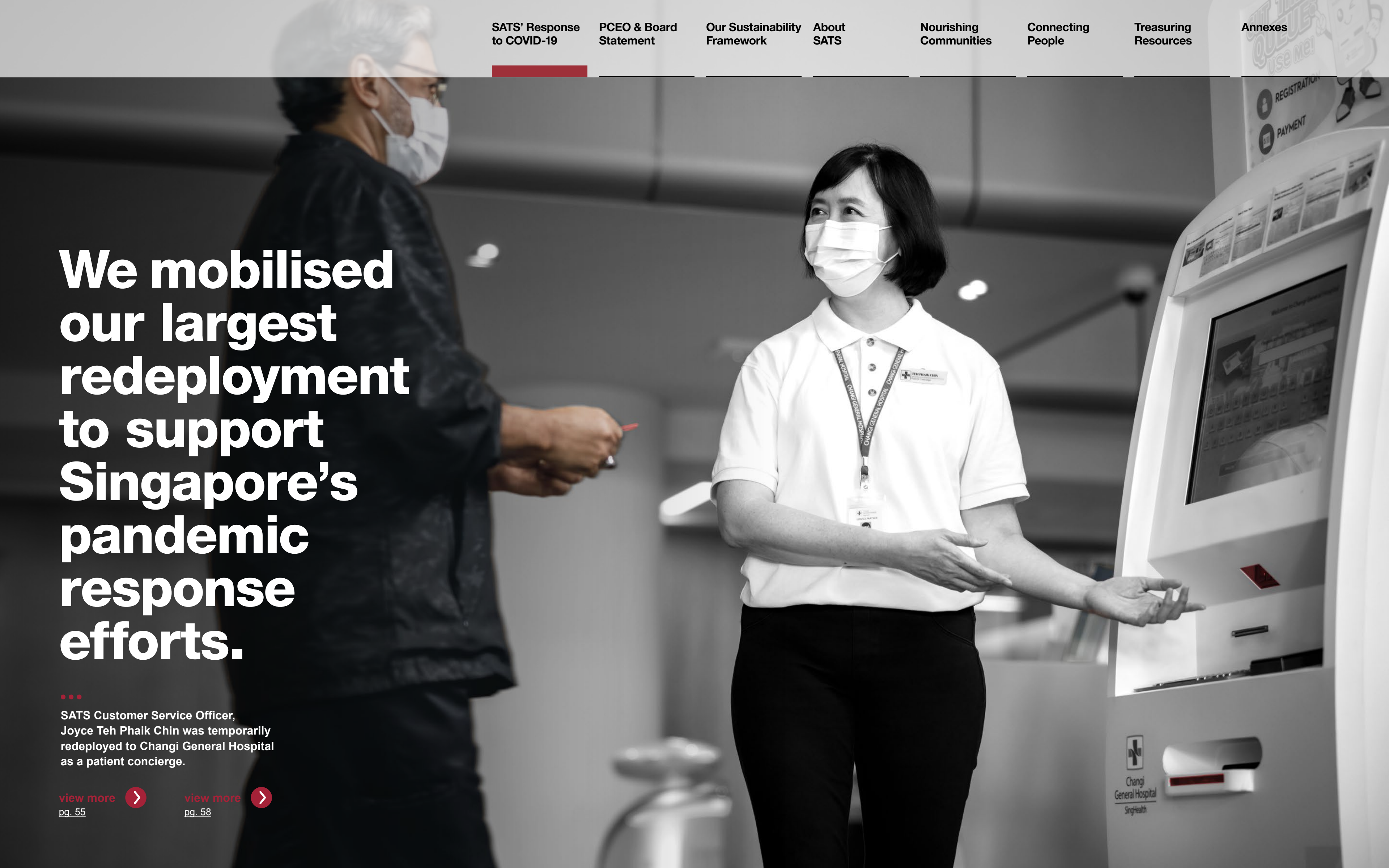


We mobilised our largest redeployment to support Singapore's pandemic response efforts.

....
SATS Customer Service Officer,
Joyce Teh Phaik Chin was temporarily
redeployed to Changi General Hospital
as a patient concierge.


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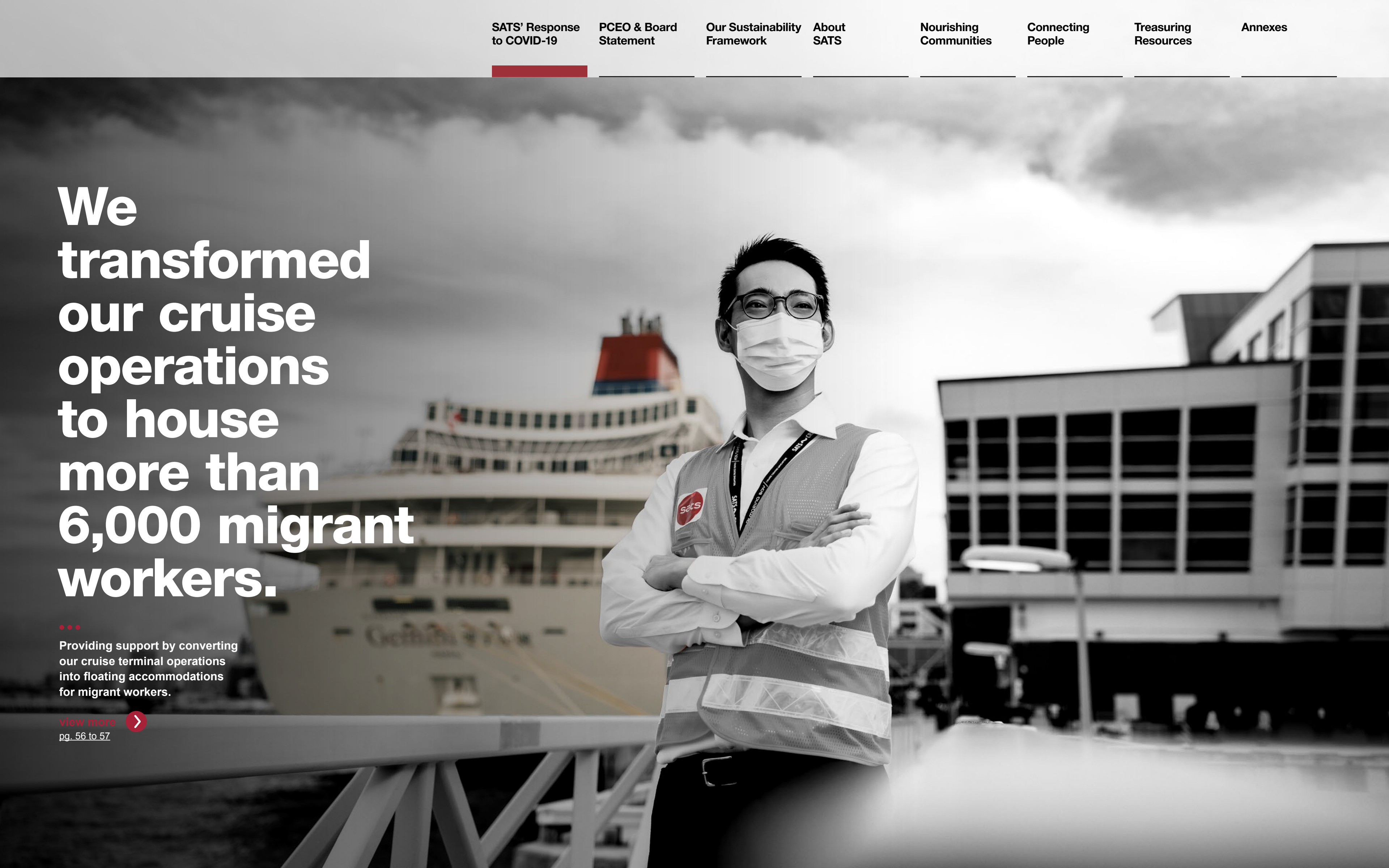
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We transformed our cruise operations to house more than 6,000 migrant workers.


... Providing support by converting our cruise terminal operations into floating accommodations for migrant workers.

[view more](#) 
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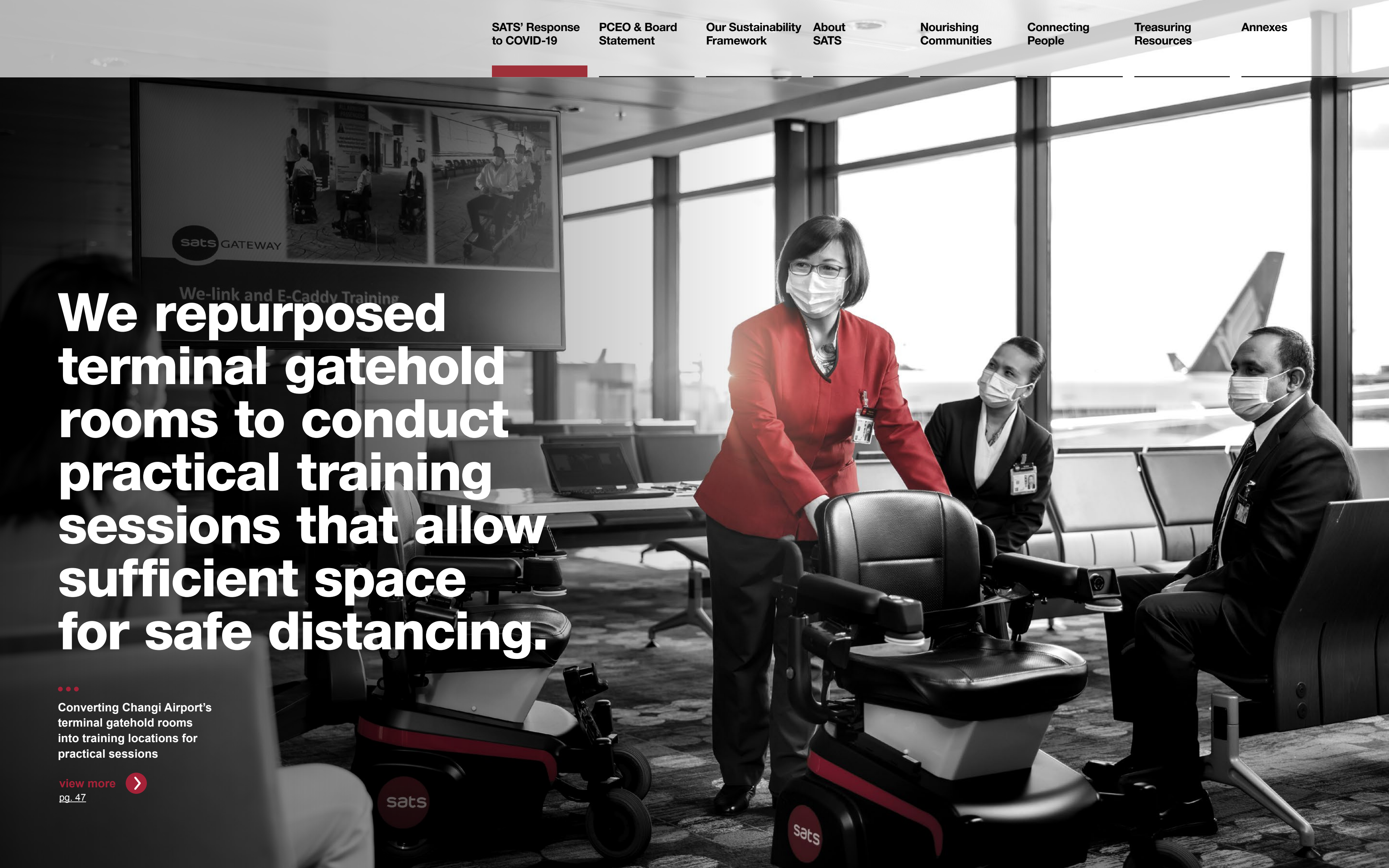
We continue to develop our capabilities with SATS Academy.

Accelerating training and
development through virtual
platforms and e-learning

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We repurposed terminal gatehold rooms to conduct practical training sessions that allow sufficient space for safe distancing.

....
Converting Changi Airport's
terminal gatehold rooms
into training locations for
practical sessions

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The world we live in today is developing at an incredible pace, with advancements in technology dramatically transforming the way we live, work and operate. At SATS, our sustainability pillars provide a guiding framework across all aspects of our business while our sustainability goals keep us focused on tangible ways in which we can make a real and lasting difference.



Alex Hungate
President and Chief Executive Officer



PCEO Statement

Dear Shareholders,

The coronavirus pandemic has exposed the fragility of our interconnected economy. It continues to threaten public health, slow the world economy and stifle travel. Although there is still much uncertainty about how the pandemic will develop, it seems likely that the world will experience the worst economic recession since the Great Depression, putting the vulnerable in our society most at risk.

Living through the upheavals caused by the pandemic in the last six months has given all of us at SATS greater awareness of the social impact we can make, and so deepened our sense of purpose as we feed and connect Asia. Through our operations in China, the epicentre of the pandemic, we gained early insights into the devastating effects of the coronavirus right at the start of 2020. At the height of the crisis in China, extensive measures were introduced to control the spread of the disease, requiring our air cargo team in Beijing to adapt swiftly as they handled 14,500 tonnes of critical medical supplies. With bellyhold capacity disappearing across the region, our colleagues even loaded such essential supplies securely onto seats in passenger planes to prevent critical supply chains from being disrupted by the epidemic.

The lockdown in many countries led to panic buying and concerns about food security. Harnessing our global food sourcing, trading and logistics capabilities, we worked with airline partners to launch dedicated flights to bring essential supplies of meat, fish and eggs into Singapore to stock supermarket shelves. We also ramped up our central kitchen operations in India, Maldives and Singapore to produce meals for essential workers who were working tirelessly to care for the sick in the community. Turning our cruise terminal operations into a floating dormitory for more than 6,300 migrant workers to rest after their recovery from COVID-19 infection, we adapted systems and processes used in our aviation operations to help manage the dormitory function with heightened safety measures. It was heartening to see many of our colleagues volunteer for roles in public health and safety, working in hospitals, business call centres and public places to ensure the community's safety and the continuity of small businesses. SATS Academy was working flat out to train more than 20,000 people working in the transport industry, turning empty gatehold rooms into improvised classrooms.



I am grateful to my colleagues for showing such strength, agility and purpose during the pandemic. As the world continues to battle COVID-19, we will be working with our customers and business partners to accelerate our transformation, providing more sustainable solutions as we seek to feed and connect Asia.

Alex Hungate
President & Chief Executive Officer

28 July 2020

Board Statement

The Board provides guidance on the development of the business strategy at SATS and reviews the effectiveness of all the programmes to ensure these are fit for the purpose and sustainable. In this respect, the Board also makes certain that sustainability goals are integrated into the imperatives of our business objectives.

While the risk appetite for SATS to pursue its vision of feeding and connecting Asia is set by the Board, we entrust the execution and monitoring of the company's business strategy including sustainability goals, to the President and Chief Executive Officer and his management team. To ensure a dedicated focus on sustainability, he has formed a Sustainability Committee comprising senior members of the executive management team to represent relevant parts of the organisation.

We report sustainability performance in accordance with the SGX Sustainability Reporting Guide, with reference to the core option of the Global Reporting Initiative (GRI) framework. Material topics are mapped to the United Nations' Sustainable Development Goals. The achievement of our sustainability initiatives woven into our operations and in support of similar goals of our stakeholders remains a key focus in building a resilient and progressive company that we can all be proud of.

Euleen Goh
Chairman

28 July 2020

Board of Directors

click here to view all profiles >



Euleen Goh
Chairman
Non-Executive and Independent Director



Alex Hungate
Executive Director
President and Chief Executive Officer



Yap Kim Wah
Non-Executive and Independent Director



Chia Kim Huat
Non-Executive and Independent Director



Jenny Lee
Non-Executive and Independent Director



Michael Kok
Non-Executive and Independent Director



Jessica Tan
Non-Executive and Independent Director



Yap Chee Meng
Non-Executive and Independent Director



Tan Soo Nan
Non-Executive and Independent Director



Achal Agarwal
Non-Executive and Independent Director

SATS' Response to COVID-19



Around the world, the COVID-19 pandemic has affected governments, businesses and entire populations on an unimaginable scale, forcing all of us to make radical changes to the way we work, live and interact with one another.

For SATS, however, the difficulties brought about by the global healthcare crisis has also driven us to put our collective resilience and resourcefulness into action, turning challenges into opportunities and showing up for our customers, our people and our communities.

In response to COVID-19, we have adopted the same technology-driven, people-led approach that reflects our purpose and core values, our heartfelt desire to serve the needs of the community and our strong commitment towards sustainability.

We gained early insights into the devastating impact of the coronavirus right at the start of 2020 from our operations in China. This allowed us to respond quickly, reconfiguring our operations across all our markets, stocking up on essential safety gear and mobilising the largest redeployment of our people across the Group. By acting promptly, we were able to help provide critical support to affected communities, transform and strengthen our own capabilities, and play a part in serving society.

While the global crisis has caused much upheaval, we have also seen it bring out

the very best in our people, revealing their ingenuity, agility, courage and resolve. We are truly proud of our colleagues, who have demonstrated tremendous resilience, selflessness and community spirit as they stepped up to serve the public and support those in need.

Preparing for a Post-COVID Future

Throughout the COVID-19 pandemic, we have responded quickly, decisively and proactively, finding constructive ways to help the societies in which we operate. From delivering meals to the needy to building resilience across our supply chains and our communities in Singapore and overseas, we have relied on an effective combination of teamwork, agility and creative problem solving.

Moving ahead, our response to COVID-19 extends beyond the crisis as we remain committed in our journey towards driving long-term, purposeful and sustainable growth. Recognising the potential risks that climate change could pose for our business and the rest of the world, we are taking active steps to ensure that we build and strengthen our climate resilience across our supply chains and operations. Tapping on technology and the passion of our people, we are determined to continue serving and creating value for our stakeholders while emerging more agile, more resilient and more prepared for the future.

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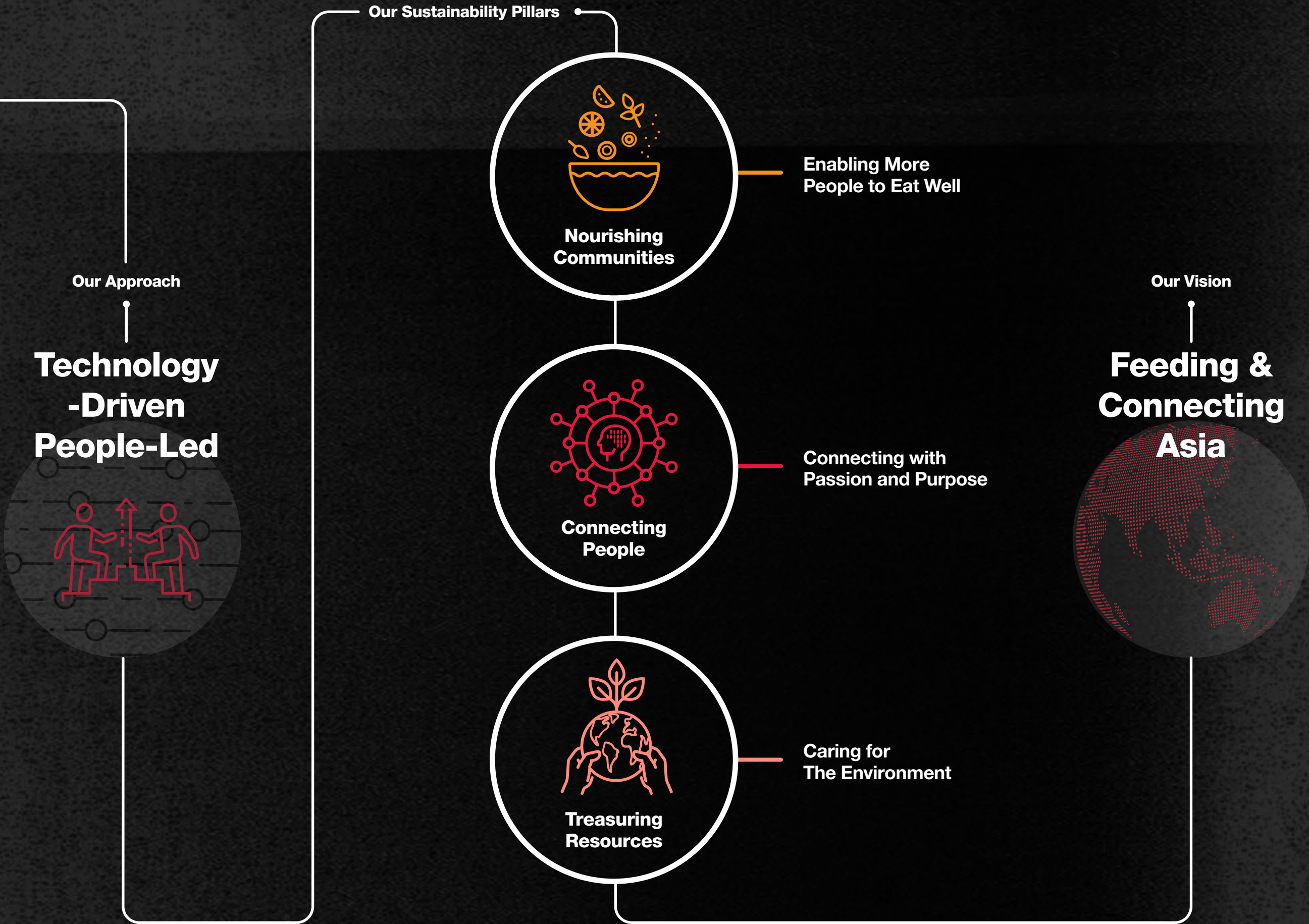


Sustainable Business Strategy

A guide to our sustainability journey

At SATS, our vision to feed and connect Asia reflects our ambition to drive positive impact, not just across our business but also for our customers, industry partners, shareholders, suppliers, employees and communities.

Guided by our technology-driven, people-led approach, our sustainability framework outlines our strategy to achieve our vision. The three pillars of our framework define the key focus areas and goals that direct our efforts and reflect our leadership.






Materiality

Finding out what matters to us and our stakeholders

In 2019, we undertook an extensive engagement exercise with our key stakeholder groups to validate the material environmental, social and governance (ESG) issues first identified in 2017, and to align our goals with those of our key stakeholders. As a result of this engagement exercise, we identified and prioritised a list of material ESG issues below.

We recognise the importance of reviewing our business strategy regularly, with inputs from our stakeholders, in order to identify the most pertinent risks and opportunities. In light of new ESG issues that have surfaced as consequences of the COVID-19 pandemic, we have embarked on a review of SATS' material issues and expect to share our findings in upcoming editions of our Sustainability Report. Reexamining and reprioritising our material issues is an essential step for us to adapt to the 'new normal' and thrive in a post-COVID-19 world.

SATS Material ESG Issues

|  Nourishing Communities |  Connecting People |  Treasuring Resources |
|--|---|--|
| Food Security and Food Safety | Skilled Labour | Resource Scarcity |
| Health and Well-being of Consumers | Cybersecurity | Materials Waste |
| Sustainable Sourcing and Transparency in Supply Chains | Changing Aviation Markets | Energy Efficiency and Transformation |
| Food Waste | Changing Sustainability Regulations | Carbon Emissions |
| Food Innovation and Technology | Geopolitical Instability | |

Sustainability Governance

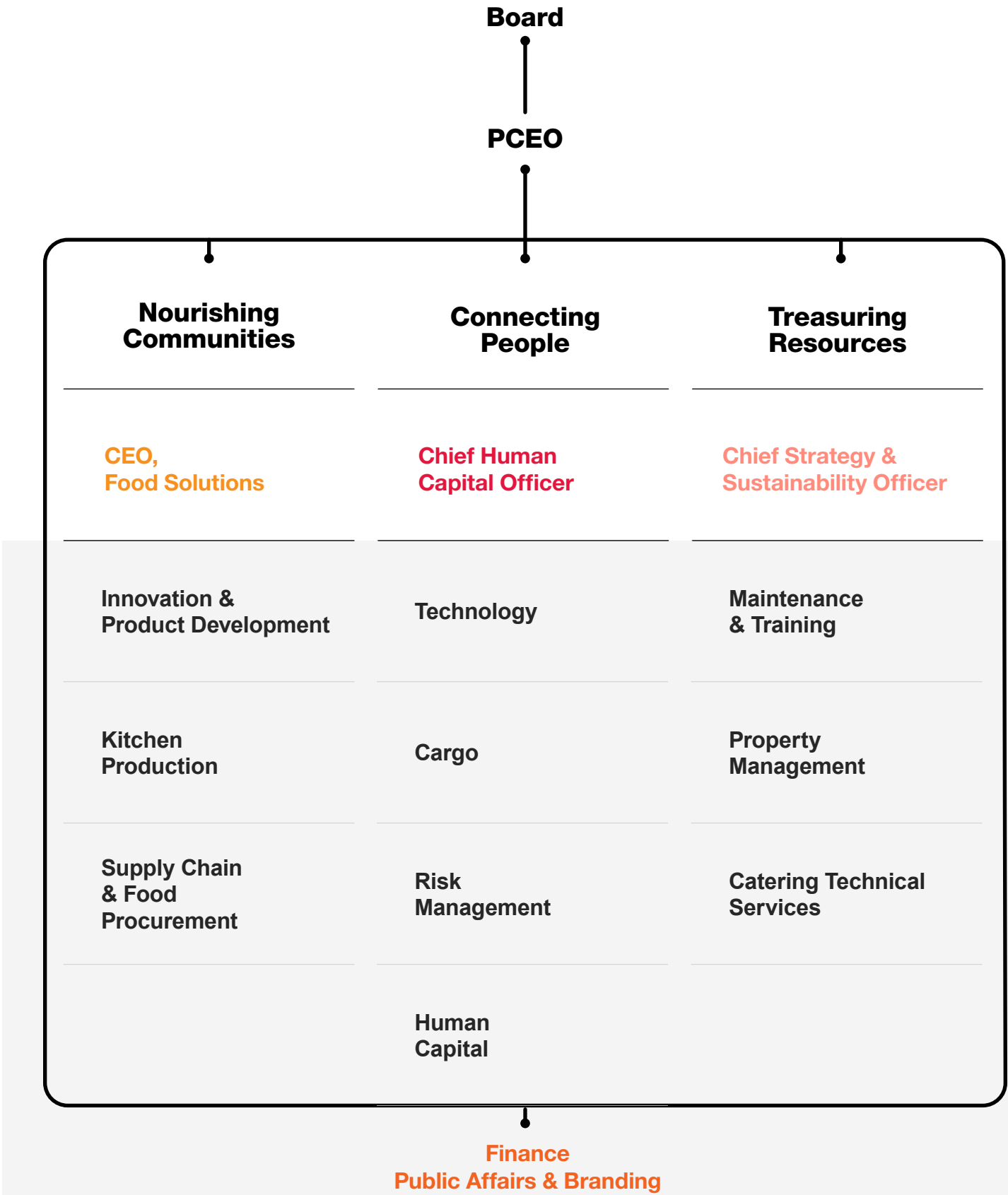
How do we keep ourselves accountable?

Building a sustainable business requires a collective, coordinated effort across all levels of the organisation, from leaders to individual employees. Our sustainability governance structure sets out accountabilities and responsibilities for SATS to deliver on our sustainability pillars.

At SATS, we believe that leaders should lead by example and stay actively engaged with staff in order to create a culture of shared values, genuine collaboration and purposeful growth. This year, we have a newly appointed Chief Strategy & Sustainability Officer, who is responsible for spearheading sustainability across the organisation. The senior leadership team, reporting directly to our President & Chief Executive Officer (PCEO), also comprises senior representation from the Food Solutions, Gateway Services, and Human Capital departments, supported by the Finance and Public Affairs & Branding team.

We are committed to engaging staff on sustainability across all levels of the organisation. The Sustainability Working Committee comprises staff representatives from 12 departments and this year, we have extended our coverage to encompass our overseas subsidiaries. The Working Committee evaluates the effectiveness of our sustainability programmes together with key performance metrics quarterly. Results of our evaluation are reported to our Chief Strategy & Sustainability Officer and PCEO. The Board has oversight on our sustainability strategy and performance, in addition to the adequacy and effectiveness of the Group's internal control and risk management system.

For more details about our Board of Directors, risk management and corporate culture, please refer to our full corporate governance report in SATS Annual Report 2019-2020.



New Initiatives & Progress

Where are we on our sustainability journey?

As a business, we recognise our shared responsibility towards the United Nations Sustainable Development Goals (SDGs). We have identified five SDGs that are of greatest relevance to us, and have embedded them into our sustainability framework.


As part of furthering our sustainability efforts and continuously improving on our performance, we reviewed our framework this year, resulting in the addition of new key focus areas and updated 2030 ambitions.



Our new targets include:



...
Fulfilling 50% of critical and key employment positions through internal transfers. We are committed to providing professional development and career advancement opportunities to our employees.

[view more](#) 
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...
Introducing 100% sustainable food packaging made from recyclable or renewable materials, and ensuring sustainable procurement and disposal of all resources used by 2030. We are also stepping up our efforts to promote the responsible production and consumption of resources.

[view more](#) 
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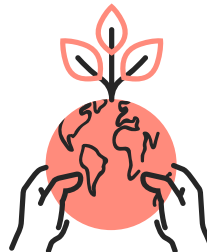
Assessing climate-related risks

In 2020, we conducted a scenario-based analysis to assess climate-related risks with the help of external sustainability specialists. These scenarios have identified potential risks, and opportunities for SATS to build climate resilience over the coming years. During FY2020-21, we will apply the knowledge and insights gained to refine and reinforce our strategy and resilience building efforts across our business.



Our Sustainability Framework





view new initiatives & progress

| OUR SUSTAINABILITY PILLARS | | | OUR 2030 AMBITIONS | | | |
|--|--|---|---|---|---|---|
| <div></div> <div>Nourishing Communities</div> | <div>Enabling More People to Eat Well</div> <div>Harnessing our culinary innovation and technical expertise to provide better, more nutritious food from sustainable sources to improve the health and well-being of our communities and ecosystems.</div> | <div></div> <div></div> | <div>Make Balanced Diets Accessible</div> <div><ul style="list-style-type: none">All customers are offered a healthy choice option¹Nutritional information² will be provided for all meals</div> | <div>Tackling Food and Packaging Waste</div> <div><ul style="list-style-type: none">Halve food wastage in all operations³ from a 2018 baselineIntroduce 100% sustainable food packaging⁴ by 2030</div> | <div>Ensure Supply Chain is Sustainable</div> <div><ul style="list-style-type: none">100% of fish and palm oil originate from sustainable sources</div> | <div>Uphold Food Safety</div> <div><ul style="list-style-type: none">Food supply chain for 100% of high-risk products traceable to origin</div> |
| | | | <div>Ensure Seamless Connections</div> <div><ul style="list-style-type: none">100% paperless hubHigh score on seamless connectivity customer and cargo experienceZero tolerance of security breaches (robust fallback system)</div> | <div>Grow with SATS</div> <div><ul style="list-style-type: none">Employee engagement score of 80%80 hours of employee training per year50% of talents for critical and key positions filled by internal transfers40% female representation at senior management level⁵</div> | <div>Safeguard Operational Safety</div> <div><ul style="list-style-type: none">To achieve 50% reduction in accident frequency rate and lost man-daysTo achieve 50% reduction in ergonomic injuries through the improvement of man-machine interfaceTo develop a fully digitalised safety management system accessible worldwide</div> | <div>Empower Communities</div> <div><ul style="list-style-type: none">Touch four million lives by 2030 through social and community investments that impart our expertise, to empower people to fulfil their fullest potential</div> |
| <div></div> <div>Connecting People</div> | <div>Connecting with Passion and Purpose</div> <div>Ensuring seamless connections for passengers and cargo every day, while empowering communities and our people to fulfil their fullest potential, we embrace technology, digitalisation and change.</div> | <div></div> | <div>Use Scarce Resources Efficiently</div> <div><ul style="list-style-type: none">100% wastewater treatment based on local regulatory requirements50% water recycled for non-food useEnsure resources used are sustainably sourced and disposed across all operations⁶</div> | <div>Reduce Emissions</div> <div><ul style="list-style-type: none">100% electric ground handling equipment⁷40% usage of renewable energy in SATS-owned buildings⁸We are reviewing our carbon targets in line with the TCFD framework⁹, and evaluating the effectiveness of carbon intensity metrics as a management tool for reducing overall carbon emissions.</div> | <div>Notes:</div> <div><div><div>1. SATS will offer a healthier option, but it is at our customers' discretion to provide the choice to their customers.</div><div>2. Information includes calorie content and cooking method.</div><div>3. All operations refer to those controlled by SATS and exclude inbound waste from the airlines.</div><div>4. Sustainable food packaging here refers to those that can be controlled by SATS, and are made from recyclable or renewable materials.</div></div><div><div>5. Senior management level refers to Vice Presidents and above.</div><div>6. Baseline and a quantifiable target will be established in future reports.</div><div>7. Subject to the development of infrastructure and facilities to support electric ground handling equipment by airports.</div><div>8. Includes overseas subsidiaries.</div><div>9. Taskforce on Climate-related Financial Disclosures.</div></div></div> | |
| | | | <div>Caring for the Environment</div> <div>Enhancing our operational efficiencies and reducing our carbon footprint and waste, while shifting to renewable and sustainable sources of energy, water and raw materials to lessen the impact our business has on the environment.</div> | <div></div> <div></div> | | |
| <div></div> <div>Treasuring Resources</div> | | | | | | |

Our Sustainability Framework

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view our sustainability pillars & 2030 ambitions

| NEW INITIATIVES & PROGRESS | | | |
|--|---|---|---|
| <div></div> <div>Make Balanced Diets Accessible</div> | <p>We are certified under the Healthier Dining Programme for school catering, where we use items that have the Healthier Choice Symbol.</p> | <p>We have developed three allergen-friendly meals and have launched one with Singapore Airlines (SIA) in an ambient-tray format.</p> | <p>Our Innovation & Product Development team is also developing a new range of pureed formed meals for those with swallowing difficulties in hospitals, and these will have a Nutrition Information Panel.</p> |
| <div></div> <div>Tackling Food and Packaging Waste</div> | <p>SATS acquired UK-based aviation food solutions, Monty’s Bakehouse, which specialises in sustainable packaging for the airline industry.</p> | | <p>Our subsidiary, Nanjing Weizhou Airline Food Corp. Ltd. extends our food solutions capability into frozen food development and production, enabling us to further reduce food waste through extending the shelf life of food products.</p> |
| <div></div> <div>Ensure Supply Chain is Sustainable</div> | <p>Country Foods Pte. Ltd (Country Foods), our wholly-owned subsidiary, launched a wide range of plant-based proteins, by harnessing our Asian culinary expertise to provide customers with sustainable food products.</p> | | <p>We are in the process of implementing our digital integrated supply chain (DISC), comprising an integrated business plan and control tower, which optimises our supply chain efficiencies and enhances end-to-end visibility of our upstream supply and downstream demand. This will allow us to be more responsive in the management of raw materials, mitigating the risks of over-production or over-procurement.</p> |
| | <p>This year, we have also added another species of MSC-certified fish, Chilean Seabass, to the three other species of fish, Hoki, Atlantic Cod and Ling fish.</p> | | |
| <div></div> <div>Uphold Food Safety</div> | <p>The Critical Control Points (CCP) in our production kitchens identified at crucial stages in the production process monitor and ensure food safety. This process was upgraded and digitalised with features including real-time monitoring, and an alert system to inform operations staff of any deviations in the process, to achieve greater consistency and minimise room for human error.</p> | | |







view new initiatives & progress

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Our Sustainability Framework

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view new initiatives & progress

| NEW INITIATIVES & PROGRESS | | |
|--|--|--|
| <div></div> <div>Ensure Seamless Connections</div> | <p>We worked with Changi Airport Group (CAG) to enhance existing airport facilities, making them more accessible to Persons with Reduced Mobility (PRMs). We have also improved the Follow-Me Wheelchairs with additional passenger safety features to enable PRMs to connect seamlessly.</p> | <p>Expanding the use of electronic airway bills (e-AWB) in our cargo operations has helped our customers and us to save approximately 4.7 million copies of paper.</p> |
| <div></div> <div>Grow with SATS</div> | <p>SATS Academy, the training arm of SATS, extended more than 50 training programmes to key players in the aviation industry, and partnered with SkillsFuture Singapore for the Pilot Enhanced Training Support Package for the Air Transport Sector.</p> | |
| <div></div> <div>Safeguard Operational Safety</div> | <p>We have updated our Occupational Health & Safety (OHS) Policy with changes to reflect our emphasis on building a strong workplace safety culture, refining our safety processes, and harness technology in addressing workplace hazards. The new OHS policy is aligned with ISO 45001 framework.</p> | |
| <div></div> <div>Empower Communities</div> | <p>We have redeployed up to 1,000 employees to the public and health sectors to serve our communities during this COVID-19 pandemic. Many volunteers across our regional operations have also been involved in community projects such as meal distribution to the needy families.</p> | |
| <div></div> <div>Use Scarce Resources Efficiently</div> | <p>We collaborated with Plaslife, a homegrown Singapore company, using a closed-loop recycling process to recycle 4,000 kg of plastic waste over six months, HDPE 02 and LDPE 04 in particular, turning them into plastic bags, which were purchased by SATS.</p> | |
| <div></div> <div>Reduce Emissions</div> | <p>Our partnership with Sembcorp will see further installations of rooftop solar panels with a combined capacity of approximately 8.1 megawatt-peak atop SATS Airfreight Terminals 1 to 4, both of SATS' inflight catering centres as well as the SATS Maintenance Workshop. With this, SATS will achieve 13% use of renewable energy out of its total energy consumption and this project is expected to reduce 4.3 million kg of carbon dioxide emissions per year, equivalent to removing about 925 cars from the roads annually.</p> | |

view our sustainability pillars & 2030 ambitions

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About SATS



SATS is Asia's leading provider of food solutions and gateway services.

Our food solutions include airline catering as well as central kitchens for food service chains and institutions. Our comprehensive gateway services encompass airfreight handling, passenger services, ramp handling, baggage handling, aviation security services, aircraft interior and exterior cleaning, as well as cruise centre management.

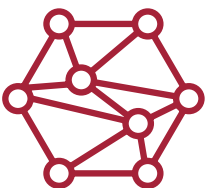
SATS is present in over 60 locations and 13 countries across Asia Pacific, the UK and Middle East.

SATS has been listed on the Singapore Exchange since May 2000. For more information, please visit www.sats.com.sg.

SATS Core Values



Safety & Security
Safety and security is our first priority.



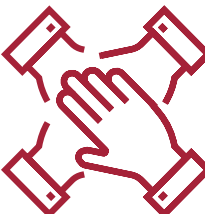
Innovation
We are inspired to create new opportunities and generate new value in our business.



Excellence
We are passionate about excellence and strive to give our best in everything we do.



Trust
We are honest and caring towards our customers, colleagues, business partners and the community.



Collaboration
We work closely with our customers and care for our colleagues. Together, we bring out our best.

Geographical Presence



We stand united with our partners and stakeholders across geographies in a continuous push to optimise solutions and services globally.

over

60

Locations

in

13

Countries

across Asia Pacific, the UK and Middle East

1. Singapore

Singapore
2. Maldives

Male
3. Greater China

Beijing

Taipei

Tianjin

Ganzhou

Huizhou

Macau SAR

Nanjing

Shanghai

Shenyang

Hong Kong SAR

Kaohsiung

Taichung
4. Vietnam

Ho Chi Minh City
5. India

Bangalore

Mumbai

New Delhi

Chennai

Goa

Kolkata

Hyderabad

Mangalore

Trivandrum
6. Philippines

Manila
7. Indonesia

Balikpapan

Denpasar

Jakarta

Angsana

Asam-Asam

Bogor

Bontang

Karawang

Satui
- Batam

Majalengka

Makassar

Manado

Medan

Surabaya

Timika

Yogyakarta
8. Japan

Tokyo
9. Australia

Brisbane

Rockhampton
10. Malaysia

Kuala Lumpur

Penang

Alor Setar

Ipoh

Johor Bahru

Kota Bharu

Kota Kinabalu
- Kuala Terengganu

Kuantan

Kuching

Labuan

Malacca

Miri
11. Oman

Muscat
12. Saudi Arabia

Dammam

Riyadh
13. United Kingdom

Surrey



Food Solutions



Gateway Services



Food Solutions + Gateway Services

In FY2019-20, we continued to deepen our capabilities and build new ventures in ASEAN, Greater China and India. We also expanded our presence in Mainland China, the UK and Middle East through new joint ventures, acquiring aviation food innovator Monty's Bakehouse, and establishing a cargo terminal in Riyadh.

| in FY2019-20 | |
|------------------------------|-------------------------------------|
| Passengers Handled (million) | Flights Handled ('000) |
| 157M | 810K |
| Meals Served (million) | Cargo Tonnage Handled ('000 tonnes) |
| 166M | 5.2M |

Based on FY2019-20 operating statistics for the Group, including international joint ventures and associates.



As the COVID-19 health crisis continues to pose challenges to food security and food supplies for countries around the world, our purpose to feed and connect Asia has never been more important.

To help strengthen the health and resilience of our communities and ecosystems, we have invested in food technologies to create tasty, nourishing meals in more responsible ways while working hard to ensure that our supply chain remains stable and our operations sustainable.



Nourishing Communities



Make Balanced Diets Accessible

[view more](#)



Tackle Food and Packaging Waste

[view more](#)



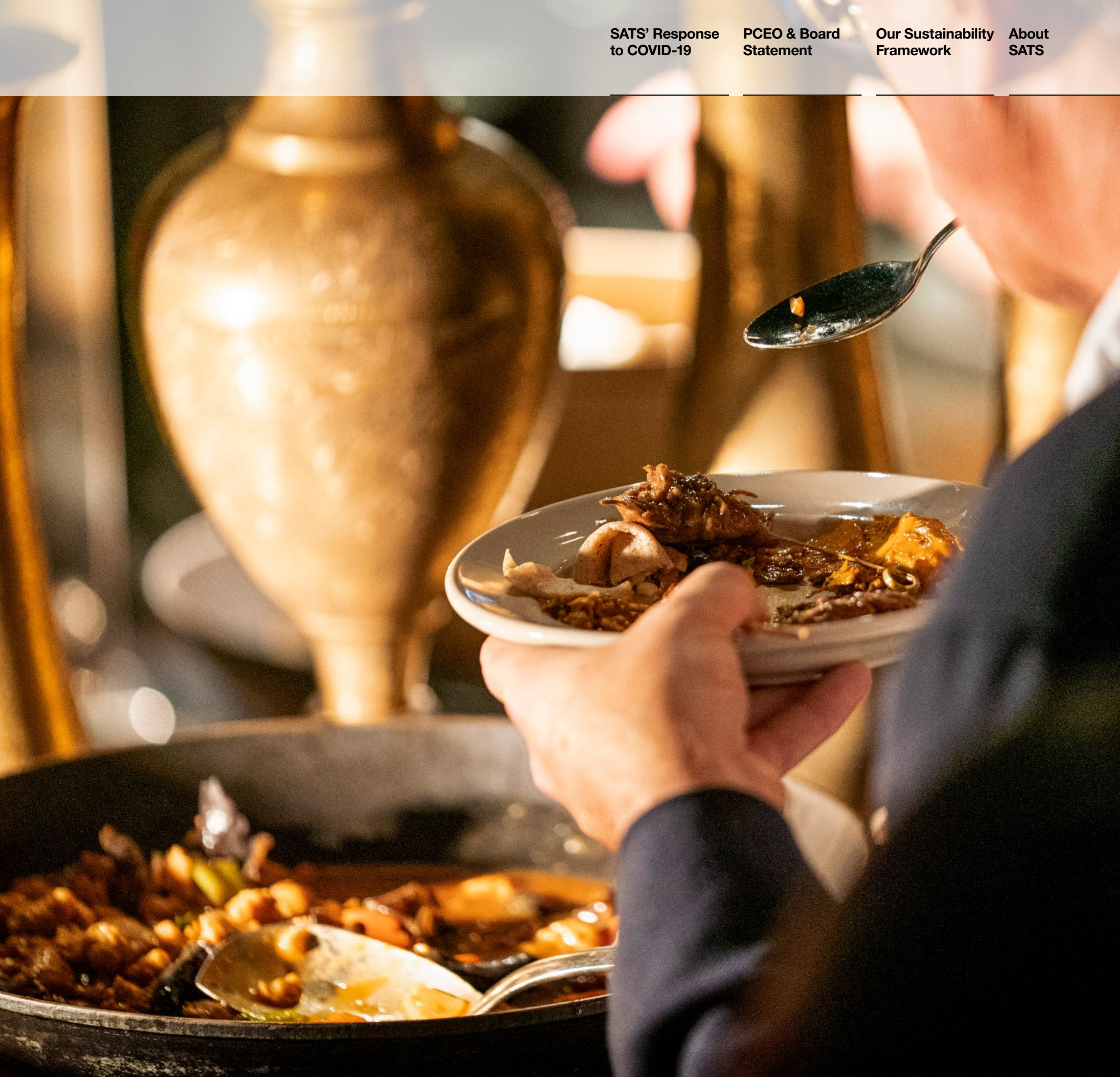
Ensure Supply Chain is Sustainable

[view more](#)



Uphold Food Safety

[view more](#)



Enabling More People to Eat Well

Harnessing our culinary innovation and technical expertise to provide better, more nutritious food from sustainable sources to improve the health and well-being of our communities and ecosystems.

Our Primary Stakeholders

- Customers
- Local Communities
- Shareholders

United Nations' Sustainable Development Goals

2

ZERO HUNGER



3

GOOD HEALTH AND WELL-BEING



Make Balanced Diets Accessible

A balanced diet is essential in promoting overall health. Poor eating habits have been identified as one of the greatest threats to public health worldwide¹. The problem, according to researchers, is not only what we are eating, but also what we choose not to eat.

When it comes to reducing the risks of obesity and undernutrition caused by poor diets², the food industry plays an important role in encouraging and enabling healthy, balanced eating. At SATS, our mission is clear: to make healthy food both accessible and affordable.

In FY2019-20, SATS produced over 165 million meals for our aviation and non-aviation customers. In our kitchens, we continue to use fresh, responsibly sourced ingredients while expanding our search for alternative proteins to meet a growing demand for healthier meal options with a lower impact on the environment. With our expertise in large-batch production of balanced and nutritious meals, our wide distribution network and our goal of enabling more people to eat well, we help to make healthy and balanced diets available to our customers and communities.



1. GBD 2017 Diet Collaborators, 'Health effects of dietary risks in 195 countries, 1990–2017: a systematic analysis for the Global Burden of Disease Study 2017', The Lancet, 393 (2019), p. 1961.

2. The Economist Intelligence Unit, 'Tackling obesity in ASEAN: Prevalence, impact, and guidance on interventions', (2017), p. 1.

● Make Balanced Diets Accessible

Providing quality nutrition to all whom we serve

To ensure nutritious meals for all our customers, SATS works closely with our business and government partners to tailor healthy food options that appeal to each specific customer group.

Inflight catering

Our chefs are working in collaboration with our airline partners to put an end to one-size-fits-all inflight meals that have long been the norm in the aviation industry. This year, we have developed three allergen-friendly meals and have launched one with Singapore Airlines (SIA) in an ambient-tray format. In addition to increasing the proportion of healthy ingredients in meals, we are also working towards offering a greater variety of plant-based options, incentivising passengers to make healthier eating choices.

Institutional catering

Through our institutional catering arm, SATS provides quality nutrition to hospitals, corporate canteens and cafeterias, schools and preschools, and the Singapore Armed Forces (SAF). Our catering services to the schools are certified under the Healthier Dining Programme, where we serve wholesome, balanced meals to students that are prepared with healthier ingredients such as whole grains, healthier cooking oil and lower-calorie meals.

Good nutrition is essential to support children's healthy growth and development. To that end, establishing healthy eating habits in their formative years is fundamental. In addition to providing our young customers with nutritious school meals curated by our team of award-winning chefs, we actively support schools' efforts to promote healthy eating habits.

In March 2020, SATS organised a healthy bento-making workshop for Primary One students from Blangah Rise Primary School. The students were introduced to the components of a healthy and balanced meal, and then taught to prepare their own Rainbow Bentos filled with colourful vegetables. Our recipe was subsequently shared with the parents, enabling them to re-create the healthy bento meal at home with their children during the Circuit Breaker period, when citizens and residents were required to stay home except for essential activities as part of a nationwide response to the COVID-19 pandemic.

At the same time, with a growing silver generation, we want to provide much-needed nourishment to vulnerable elderly, who need the nutrition to support their health and wellness. Recognising the importance of this, our Innovation and Product Development team is developing a new range of puréed meals for those with swallowing difficulties in hospitals. Through innovation, our culinary expertise and the use of the latest food technology, we aim to elevate the development of texture-modified foods (TMF) by designing high-quality meals that are nutritious and palatable to the elderly so as to encourage intake and reduce the risk of malnutrition.

To cater to the taste buds of the silver generation, we are focusing on local hawker dishes, developing healthier variations that meet the nutritional requirements of this group without compromising on the flavours of these local favourites. Some examples include chicken rice, nasi briyani, fish with black bean sauce, 'lor mai kai' (steamed glutinous rice with savoury ingredients), in addition to local desserts such as soybean pudding and black sesame paste.

By developing a wide selection of tasty and nutritious meal options, though puréed, we hope that this will encourage seniors with swallowing



difficulties to develop healthier appetites, avoid menu fatigue and help provide them with a sense of comfort through familiar and well-loved flavours.

In line with our aspirations to make a positive impact on the diet and health of our communities, we have also embarked on developing our first shelf-stable, locally inspired high-protein desserts. From boosting calorie and protein intake to optimising performance and building muscles, to simply fulfilling the desire to eat well, this innovative new range of desserts is designed to meet the needs and dietary preferences of a wider, increasingly health-conscious consumer market segment.



● Make Balanced Diets Accessible

Advocating the use of alternative proteins for long-term sustainability

We recognise that the effects of climate change such as extreme weather conditions – severe droughts, floods and torrential rains, present increasing risks to the stability of our supply chains. Growing concern over the substantial carbon footprint and negative impact on biodiversity often associated with industrial agriculture and fishing industries have contributed to greater customer demand for less carbon-intensive food options.

To drive long-term sustainability and serve the needs of increasingly environmentally conscious customers, SATS has been investing in research and development to create innovative and sustainable food solutions, sourcing for alternative proteins and creating recipes that use plant-based ingredients.

In conjunction with Temasek and the Singapore Economic Development Board (EDB), SATS has been exploring food trends in Asia to identify sustainable food products. In November 2019, through our wholly owned subsidiary, Country Foods Pte. Ltd (Country Foods), SATS launched a wide range of plant-based proteins in Asia, comprising meat, seafood and dairy made from soy, peas, mung beans, shiitake mushroom stems, tomatoes and cashews.

A significant milestone in our sustainability journey, this taps on our culinary and technical expertise in food innovation and Country Foods' extensive sourcing and distribution network, to pave the way for new menu possibilities and more widespread availability of alternative proteins to meet growing demand.

Moving forward, SATS will continue to harness our resources and expertise to spearhead food innovation, enabling more people to eat well and eat sustainably.



● Make Balanced Diets Accessible

Case Study 1.1

SATS'
Response to
COVID-19**Activating airline catering capabilities to support the surge in demand for non-aviation meals**

Within the first few months of 2020, the global pandemic had caused air travel to grind to a halt, forcing airlines around the world to ground their fleets and aviation demand to fall by over 90%.

On the ground, however, there was a surge in demand for freshly cooked and ready-to-eat meals. This was evident at supermarkets as more people stayed home, at hospitals, which saw an onslaught of patients as healthcare workers worked overtime to battle the outbreak, and at migrant worker dormitories where thousands of workers were being quarantined following a series of outbreaks.

Faced with the urgent need to provide nourishment for essential workers and communities affected by the pandemic, we responded quickly. With two large-scale inflight catering centres that can produce up to 120,000 meals a day, state-of-the-art food technologies and an agile, highly skilled team with a passion to serve, we knew that we had the responsibility and resources to make a difference.

By harnessing our aviation catering operations to produce non-aviation meals, we utilised our operational capacity and culinary expertise to



do what we do best – create tasty, balanced and nutritious meals that would help to build healthier communities. At the height of the crisis, we were producing 45,000 quality meals a day to meet demand. To serve the needs of the migrant worker communities, in particular, we used steam ovens in addition to our automated rice line, which can cook 600 kg of rice per hour and was running three shifts a day, in order to produce the quantity of rice that they required.

In addition, we have partnered with Temasek Foundation, SIA and community volunteers on the 'Food Support with Love' programme. An initiative by Temasek Foundation, the programme has contributed

more than 100,000 ready-to-eat meals and 11,000 snacks to households in need. These contributions will benefit 2,800 households, including seniors living alone and low-income families, for up to four months.

To show our appreciation for the dedication and hard work of healthcare workers at Singapore General Hospital, we also partnered with DBS Bank to provide them with 1,000 meals over two days. Separately, we worked with the Immigration and Checkpoint Authority of Singapore to serve meals to the lorry drivers providing essential services at the Singapore-Malaysia Causeway.



Tackle Food and Packaging Waste

By 2050, the amount of global waste generated is expected to increase by 70% from current levels, if left without urgent intervention measures³. In Singapore, in the last 40 years alone, the amount of waste disposed has increased sevenfold⁴.

Last year, the Singapore government rolled out a Zero Waste Masterplan, which includes targets and measures to reduce food and packaging waste. Within the food industry, the need to decrease the amount of food and packaging discarded remains a vital issue. At SATS, combating food waste is a longstanding priority and this year, we will also be stepping up our efforts to reduce packaging waste and develop more sustainable packaging across our operations.

3. Kaza, Silpa, Yao, Lisa C., Bhada-Tata, Perinaz, Van Woerden, Frank, What a Waste 2.0 : A Global Snapshot of Solid Waste Management to 2050. (Washington, DC: World Bank, 2018), p. 3.

4. Ministry of the Environment and Water Resources, 'Zero Waste Masterplan'.

● Tackle Food and Packaging Waste



Closing waste loops to reduce food waste

Tackling food waste is an important aspect of our operations, in order to ensure that we optimise our supply chain and minimise the impact our activities may have on the environment. For example, we try to reduce waste through careful planning of our menus. This includes streamlining menus to simplify food preparation processes, making use of pre-cuts or ready-to-cook raw materials, and even ‘ugly’ foods that may not look perfect on the surface but are of the same quality and freshness as unblemished ingredients.

At Country Foods, we optimise the use of food trimmings in the manufacturing of sausages. Meat trimmings from other parts of our manufacturing process constitute about 30% of the sausages we produce. This helps us to avoid an average of 10 metric tonnes of food waste per month.



Enhancing food waste management with technology

Earlier, a trial was implemented using a digital food waste management system in our production kitchens to identify the main sources of waste, and areas for improvement along the production chain. Building on this effort, we will work with specialists to institute a food waste data analytics system that uses artificial intelligence (AI) and camera sensors to accurately measure the volumes of our food waste streams in all SATS kitchens.

Working out solutions through collaboration with partners

Part of the food waste generated within our operations stems from overproduction due to the unpredictability of incoming orders and incomplete order information from airlines, as a result of last-minute changes in passenger loads or flight delays. To close this gap, we are working with our logistic partners, such as DHL, to enhance demand planning, as well as develop a system of reverse logistics where unused goods can be transported back to SATS to be reused or disposed of.

● Tackle Food and Packaging Waste

Spearheading the development of sustainable packaging

The indiscriminate production and consumption of single-use plastics has become a global public concern. In response, governments worldwide have introduced regulations to curb usage. At the same time, the aviation industry, led by the International Air Transport Association (IATA), is actively looking into decreasing reliance on single-use plastics through efforts to reduce, reuse and recycle cabin waste.

At SATS, the use of packaging is important in order to preserve freshness and maintain the hygiene of our food products. Food packaging does not, however, have to be made of plastic. As part of our journey towards achieving greater sustainability across our business, we are advocating for and supporting plastic-free initiatives within our network, proactively investing in the development of more sustainable food packaging as an alternative to plastic and encouraging a shift in mindset among our staff.



Supporting efforts to go plastic-free in Bengaluru

In October 2019, we issued a ban on single-use plastics across the facility of Air India SATS (AISATS) in Bengaluru, India, in support of Bengaluru's goal to become a plastic-free zone. As part of our efforts to set the benchmark for sustainable operations, we replaced disposable plastic shrink wraps with reusable nylon nets, which are used to cover cargo skids upon acceptance. This enables safe and efficient handling of cargo during x-ray screenings and storage at the AISATS COOLPORT (Bengaluru) facility. Through this initiative, AISATS has achieved substantial cost savings of INR 2.34 million (approximately USD 31,200) per annum.

Investing in technology and innovation to create sustainable solutions

SATS is committed to reducing our reliance on the use of plastics, investing in new technology and innovation to develop sustainable packaging solutions. We recently acquired aviation food innovator Monty's Bakehouse, with whom we will partner to develop sustainable and recyclable food packaging solutions that reduce waste and logistical complexities.

Monty's Bakehouse is a pioneer in sustainable cabin packaging and recycling, and a member of the Airline Sustainability Forum and representative on the Advisory Committee for the Global Tourism Plastics Initiative led by the UN Environment Programme & UNWTO in collaboration with the Ellen MacArthur Foundation. Leveraging Monty's Bakehouse's expertise in sustainable food packaging, we have set a target of achieving 100% sustainable food packaging by 2030 in all operations controlled by SATS.

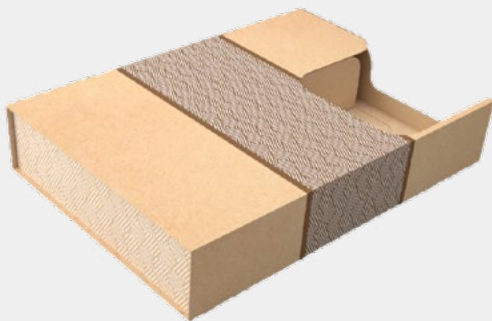
Developing Packaging Solutions in a Low-touch Economy

In anticipation of the changing face of travel in a post-COVID world, Monty's Bakehouse and SATS are developing a range of product and packaging solutions to support the airline industry in creating a safer and more sustainable journey for passengers.

Guided by early research and insights, client feedback and industry regulations, these low-touch solutions cater for scaled-down meal services across all regions. The intent is to minimise interaction between cabin crew and passengers. With expected reduction in manning levels, the preference is to move towards single-tray meal service with all food components sealed and individually packed for hygiene, and to support various service and distribution models.

Airlines are offered the flexibility to select from a wide range of carefully curated product combinations including Monty's Bakehouse's extended range of new hot handheld snacks and entrees that come in secure and environmentally conscious packaging to provide passengers with choice and peace of mind.

Bento Box



Paper Bag



Runner-loaded Basket



● Tackle Food and Packaging Waste

Case Study ^{1.2}

Trial of Zero-waste Ecosystem Solution

In November 2019, SATS partnered the Singapore Institute of Technology (SIT) to conduct a three-week trial programme at one of SIT's campus canteens, iEat Café, which turns food and food packaging waste into fertiliser.

Developed by TRIA, a Singapore-based company that develops sustainable food packaging, the Bio24 programme (<https://triabio24.com>) is a zero-waste ecosystem solution that turns single-use foodware, packaging, and food waste into farm-ready fertiliser. By replacing the plastics used in single-use foodware with a plant-based material called NEUTRIA, foodservice waste can be streamlined into a single organic waste stream.

This can then be digested by TRIA's patented biodigester, which turns the waste into fertiliser within 24 hours.

The main objective of the trial was to better understand the digestibility of food and packaging waste materials as well as the viability of operational adoption. In addition to iEat Café's operations, about 600 kg of food waste was collected from SATS Inflight Catering Centre (SICC) 1 and successfully digested into compost in order to test the quality of the resultant digestate. By the end of the trial period, iEat Café managed to achieve zero waste on 91.5% of their foodservice by-products by turning food and packaging waste into nutrient-rich compost.



Food waste collected from SICC1



Rotable waste section where diners have to empty their food waste first before dropping the rotables



Mix of TRIA foodware



Resultant compost



Bio24 brown bin with introductory banner. All waste including food waste was disposed of into the bin



Dispensing of digestate after the 24-hour process

● Tackle Food and Packaging Waste



Advocating sustainable behaviour among our employees

Sustainability is a holistic approach that determines the way we operate as a business and the choices we make as individuals. To build a corporate culture that promotes sustainability through behavioural change, we regularly communicate our sustainability pillars to our employees through many different platforms to encourage the rethinking of individual consumption patterns in our daily lives.

To promote this shift in mindset and serve as a source of inspiration, SATS has started an initiative to feature 'sustainability champions', individuals who display sustainable and responsible behaviour.

One such champion featured in our internal newsletter was Meng Leyin, a coordinator of our closed-loop plastics recycling programme with Plaslife. Since its inception in September 2019, the programme has enabled SATS to recycle 3,910 kg of our plastic waste materials into new plastic bags and trash bags which were purchased and reused in our production kitchens. Leyin made it her personal mission to ensure the programme's success, going above and beyond her responsibilities to collect plastic samples from the kitchens and encourage colleagues and cleaners to sort the plastics for recycling.

Closed-loop recycling is a process in which post-consumer/commercial waste, such as plastic cling wrap is collected, recycled and used to make new products.



● Tackle Food and Packaging Waste

Case Study 1.3

Measuring the True Impact of Food Waste

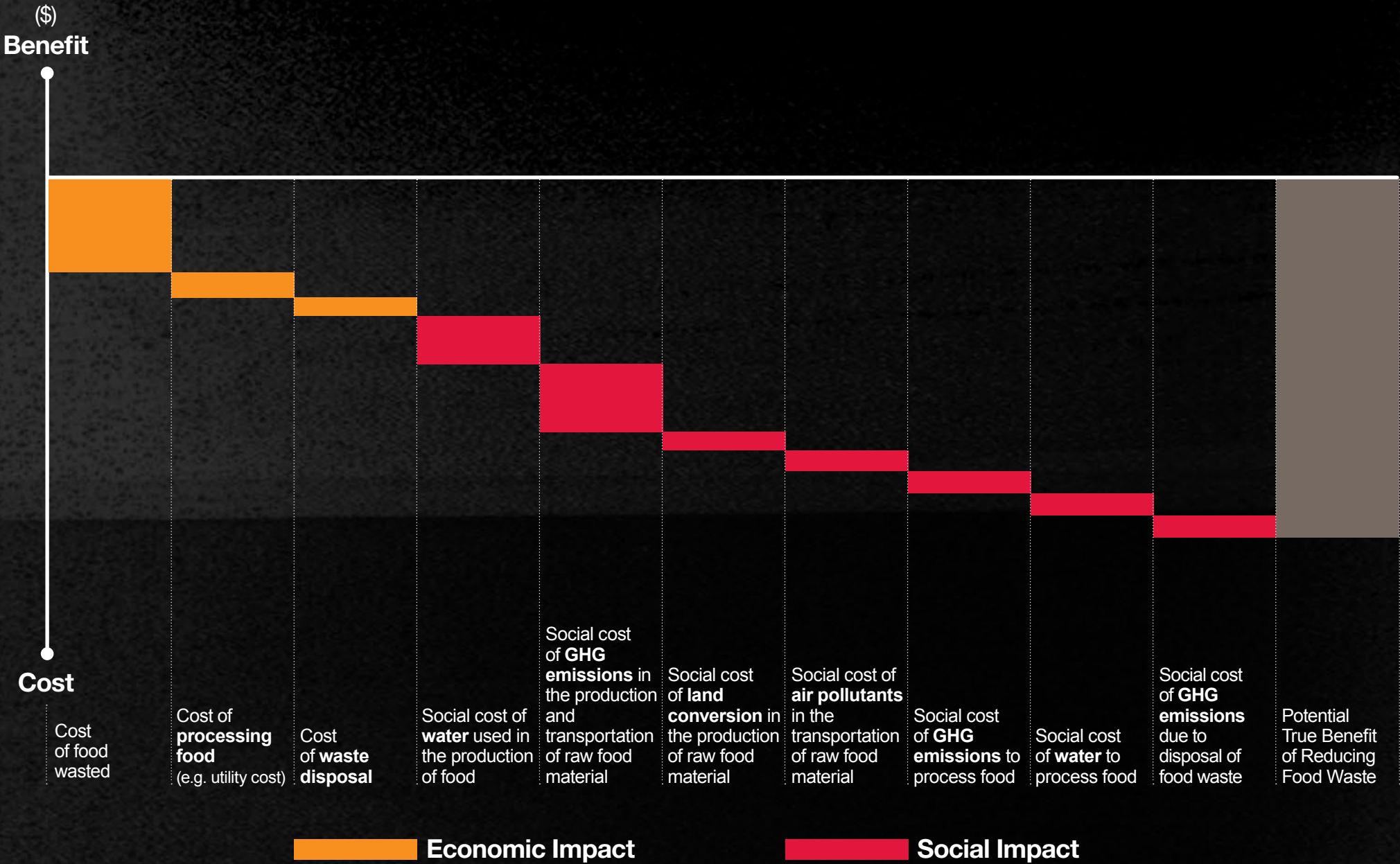
In 2019, SATS engaged KPMG to conduct a true impact study of SATS' sustainability initiatives, including food waste measurement to reduce food waste. Using KPMG's True Value methodology, the study aims to assign monetary values to the social and environmental impact created by our sustainability initiatives, allowing these impact to be effectively integrated into business decisions alongside conventional financial considerations.

The true cost of our food waste will be calculated by taking into account both the economic impact, such as cost of food wasted, utility and

waste disposal, as well as social impact throughout different stages of the value chain. Social impact refer to the social cost of water consumption, greenhouse gas (GHG) and pollutant emissions at different stages of the value chain, including growing, producing, transporting and processing the food.

Findings from this study will serve as a baseline for SATS to inform potential initiatives to reduce the impact of our food waste and to prioritise key waste categories requiring intervention. By analysing the varying impact of different types of food waste instead of measuring only the tonnage of food wasted, we will obtain a more comprehensive and holistic view of key issues and areas of opportunity.

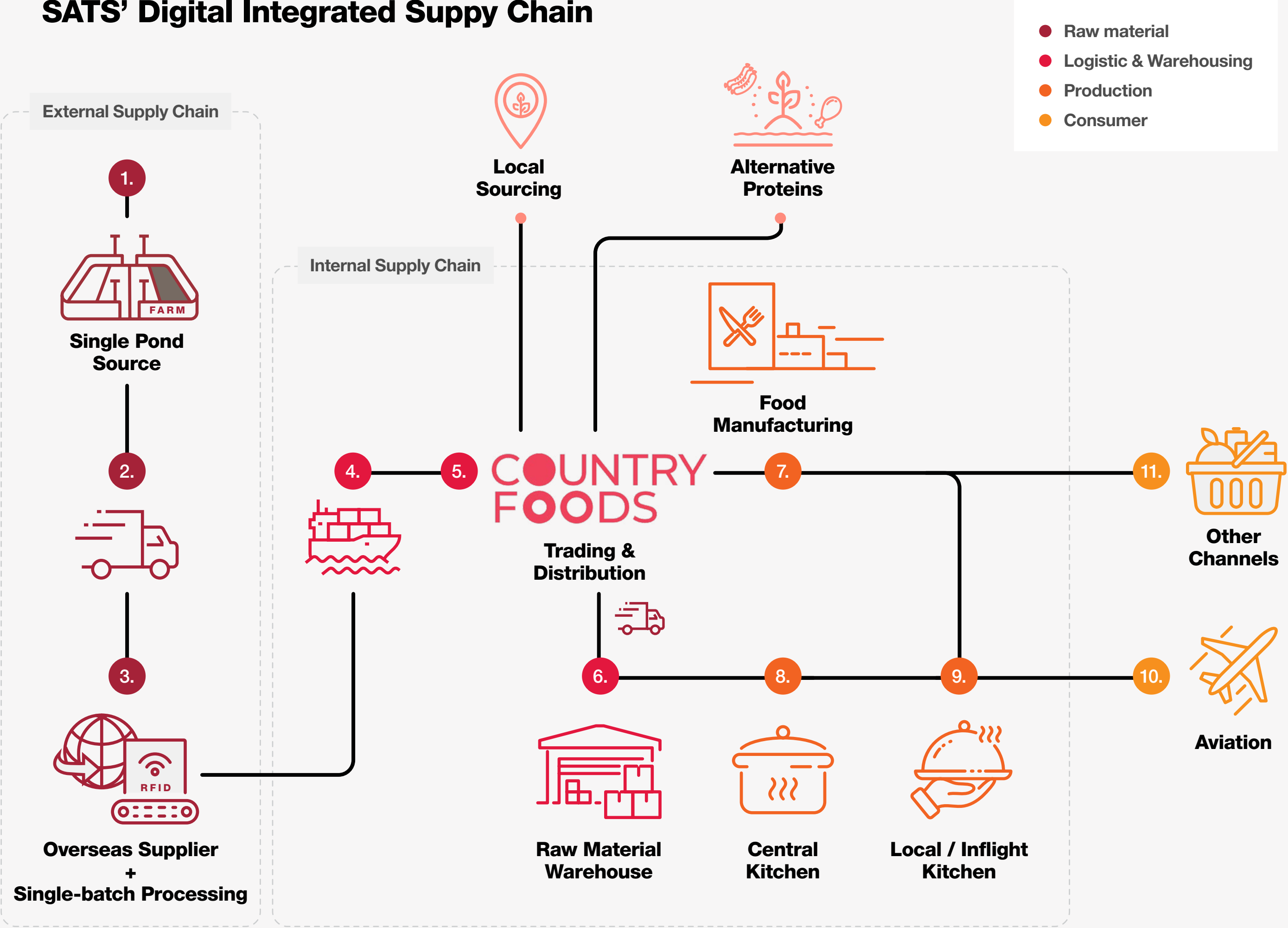
The study and its findings will also serve as valuable communication tools to engage key stakeholders, such as our suppliers, customers and employees, on the collective impact of food waste and where we can make a real difference.



Ensure Supply Chain is Sustainable

SATS maintains an extensive and complex supplier network with more than 3,700 suppliers globally. Our suppliers range from local farms to multinational companies. As a major customer and partner, we have the opportunity to raise the bar for sustainability by establishing sustainable practices and production methods while encouraging the businesses we work with to do the same.

SATS' Digital Integrated Supply Chain



● Ensure Supply Chain is Sustainable

Building a supply chain that is beneficial to all

We firmly believe that a sustainable supply chain is one that not only benefits our customers and our business’ long-term viability, but also supports our suppliers’ livelihoods and protects the environment.

Supporting sustainable sources and local suppliers

In line with our sustainability goals, we are committed to increasing our use of sustainable ingredients that comply with regional and industry standards. Since 2017, SATS has been certified according to sustainable sourcing standards such as the Marine Stewardship Council (MSC) consumer-facing organisation (CFO) Multi-site Chain of Custody (CoC) standard (MSC-C-55971) and the Aquaculture Stewardship Council (ASC) CFO Multi-site CoC standard (ASC-C-01503).

This year, we have added Chilean Seabass to the list of MSC-certified fish that are featured in our menu, which already includes MSC- and ASC-certified Hoki, Atlantic cod and Ling fish. For recipes that require the use of beef, we procure five-star grass-fed beef tenderloin produced under the ‘True Aussie Beef’ label, which is identified by the highest safety standards and quality, sustainable farming and processing methods and a clean trace from farm to fork.

At the same time, we continue to support local businesses and suppliers, sourcing locally for fresh ingredients to create tasty and nutritious meals for our customers. These include locally farmed Barramundi and 60% of our liquid eggs. SATS is also working with local farms to develop sustainable vegetable supplies, produced using vertical farming methods. By supporting local suppliers, we contribute to the communities in which we operate while reducing our operational carbon footprint. In Singapore, about 90% of our procurement was spent on local suppliers⁵.

In addition, SATS is part of the national working group led by Singapore Food Agency (SFA) in the development of ‘Clean and Green Standards’ for local urban vegetable farms. The working group comprises leading industry players, relevant government agencies and academic plant-health experts. Targeted for launch by the end of 2020, the Clean and Green Standards aim to provide guidance on the certification of urban farms with sustainable production systems. Certified farms potentially benefit from stronger branding of their produce, facilitating market access and enhancing their overall competitiveness.

With our involvement in this initiative and as a major buyer, SATS can help our suppliers, who are local vegetable farmers, to attain Singapore sustainability certification with equally high standards as an alternative to international certifications, which can be costly to apply for and maintain. This not only helps to enhance the branding of local producers, it also encourages the adoption of sustainable practices and paves the way for the industry to offer a wider range of quality sustainable products to businesses and consumers.

Moving forward, we aspire to achieve 100% of high-risk products that are traceable to origin and 100% fish and palm oil originated from sustainable sources, by 2030.

Upholding our Supplier Code of Conduct

To help drive sustainability and advocate for greater responsibility across the industry, we have made sustainable practices a core component of our Supplier Code of Conduct⁶. In addition to specific product and service qualifications, we require our business partners to demonstrate regulatory compliance, business ethics, and accountability to the environment and their employees.

Enhancing visibility and traceability along the supply chain

SATS has invested in a Digital Integrated Supply Chain (DISC) to build our capability in realising full traceability, centralised procurement and distribution. DISC enables data-driven decision making, and thus enhances demand and procurement planning as well as production efficiency. With improved batch traceability and quality assurance integration, DISC assures our customers of the origins of their meals. In addition, the robust supply chain allows quick identification and remediation of root causes of defective products, improving the level of service recovery and product quality that we offer to our customers.

To enhance DISC for airlines, we have collaborated with DHL Supply Chain, a global leader in third-party logistics, to create turnkey solutions that enable airlines to optimise their supply chain for catering, merchandise and supplies across their flight networks. Combining the strengths of both parties, the partnership will create solutions that encompass demand planning, menu customisation and planning, supply chain consultancy and reverse logistics. As a result, we are better able to offer improved inventory planning and forecasting to our airline customers, allowing them to augment the passenger experience with a wider range of F&B offerings and amenities.

In 2019, SATS gained full ownership of our food distribution joint venture, Country Foods, enabling us to centralise procurement and distribution to improve food safety, quality and production efficiency. With this, we can accelerate end-to-end traceability of raw materials for our customers, and deploy data analytics to achieve greater efficiency and quality, while reducing food waste.



5. ‘Local suppliers’ are defined as direct (Tier 1) suppliers that are in the same country as the location of operation.

6. SATS’ Supplier Code of Conduct is available here.

● Ensure Supply Chain is Sustainable

Case Study 1.4

SATS' Response to COVID-19

Building supply chain resilience and maintaining trade routes for essential supplies

As the spread of the coronavirus swept across the world, new restrictions and regulations to contain the numbers of infected cases resulted in widespread disruption to international supply chains, contributing to shortages in essential supplies such as food and medical products.

Being a leading gateway services provider in the region, we have a duty to keep supply chains open and connected through the key aviation hubs that we operate. By preventing major disruptions to cargo movement, we helped to ensure that our customers and communities would continue to have access to critical supplies during a time of need, while also protecting and supporting our industry. At the same time, we have also been working to diversify our sourcing network and strengthen Singapore's food supply resilience through close collaboration with SFA.

Our ongoing efforts to build supply chain resilience and strong capabilities in food

sourcing, cargo and cold chain operations have enabled us to successfully secure essential proteins such as meat, fish and eggs, as well as medical supplies. In doing so, shelves were kept full to meet the daily needs of the public and essential workers, so that they can focus on helping others get through the crisis.

With the massive suspension of passenger flights, there has been an acute loss of bellyhold cargo capacity and more than half of global airfreight capacity. Yet, the spike in demand for important supplies needed to withstand the effects of a global pandemic, which had to be transported as airfreight cargo, meant that something had to be done.

Working closely with our airline partners, our teams responded readily, working round the clock to provide much-needed support and assistance in converting passenger aircraft into cargo-only flights. In addition to the backbreaking work of lifting cargo through passenger aisles and strapping them securely into passenger seats, we had to develop new safety procedures and guidelines in order for operations to be coordinated and carried out safely and efficiently.



Photo Credits:
Ministry of Trade
and Industry



Uphold Food Safety

Food safety is of utmost importance to SATS. Our customers' health and well-being depend on the high quality of the food that we produce, as does our reputation.

Holding ourselves to high standards of food safety

We manage our kitchens in accordance with stringent international guidelines and food safety regulations, including International Flight Services Association's World Food Safety Guidelines, Singapore Food Regulations, SFA's food safety standards, HACCP regulations and the ISO 22000 Food Safety Management System. During the reporting period, SATS continues to maintain high standards of health and safety, recording no significant incidents of non-compliance with regulations resulting in a fine, penalty or warning. In our Food Solutions business, all our products and processes adhere to the ISO 22000 Food Safety Management System, which assesses improvement in health and safety aspects annually.

We are committed to continually improving our level of food quality and safety. We are enhancing food safety policy and standards for our local entities and foreign joint ventures and associates, and embarking on a digitalisation program to enable e-audit, where data is captured digitally for analysis and improvement actions. By 2021, we will upgrade our current ISO 22000:2005 to ISO 22000:2018. The ISO 22000:2018 provides guidelines to strengthen objectives to drive improvement, improve risk management and facilitate better communication of food safety policy.

Providing quality assurance with digitalisation

Key stages in our production process that ensure food safety are known as Critical Control Points (CCP). Our digitalised CCP allows us to monitor CCP in real time, and automatically alerts operations staff in the event of any deviations.

This process significantly reduces human error, enhances data traceability and provides us with a paper-free way to archive records.





In a world where business and human connectivity have been severely disrupted by the COVID-19 pandemic, our responsibility is to ensure that our customers and communities continue to have access to what they need.

We are grateful for the agility, resilience and selflessness of our people, which have enabled us to turn a challenging situation into an opportunity for transformation, as we continue to work together to drive purposeful, sustainable growth.



Connecting People



Ensure Seamless Connections

[view more](#)



Grow with SATS

[view more](#)



Safeguard Operational Safety

[view more](#)



Empower Communities

[view more](#)





Connecting with Passion and Purpose

Ensuring seamless connections for passengers and cargo every day, while empowering communities and our people to fulfil their fullest potential, we embrace technology, digitalisation and change.

Our Primary Stakeholders

- Employees
- Customers
- Local Communities
- Shareholders

United Nations' Sustainable Development Goals





Ensure Seamless Connections

Technology’s rapid evolution presents SATS with the opportunities and capabilities to provide our customers with more efficient and sustainable ways to stay seamlessly connected. As a leading gateway services provider in the region, we take pride in our ability to move passengers and cargo securely and smoothly while minimising our impact on the environment.

Through a process of digital transformation and by harnessing the power of innovative technology, we aim to achieve greater operational efficiency, enhance our service offerings, and improve our customers’ experience.

● Ensure Seamless Connections

Connectivity through digitalisation

Digitalisation is an important part of our sustainable business strategy. In order to facilitate operations and ensure quality service delivery, SATS has innovated and implemented various tools.

eFulfilment Platform

To achieve greater operational efficiency and provide smoother connectivity for our customers, SATS created the eFulfilment platform to facilitate a range of digital services, including pre-arrival customs clearance and fully trackable last-mile delivery. This year, we worked with SIA across 23 stations to replace three paper flight documents with electronic data, namely flight manifests, airway bills and console manifests. The next phase would include the implementation of a complete e-freight proof of concept, removing all paper flight documents including special cargo in selected stations. Throughout the development process, we have actively engaged the Singapore Aircargo Agents Association to ensure that our eFulfilment platforms meet the needs of our cargo customers.

RFID Tracking System

Our RFID-enabled tracking system enables real-time tracking and tracing for cargo in key markets from origin to destination airports. This allows us to provide our customers with greater traceability and better connectivity across regional cargo corridors. The initiative now covers our major markets including Singapore, China, Hong Kong, Indonesia and India, and has been extended to our joint venture partners in Oman and Damman.

Electronic Airway Bill (e-AWB)

As part of our commitment to become a 100% paperless hub by 2030, we have been working relentlessly to transform conventional paper processes to paperless ones. This not only improves operational efficiency, but also allows us to better manage and reduce our environmental footprint. To date, we have achieved an average of 49.5% e-AWB penetration for total (ex-Singapore) export shipments and, together with our industry partners, have saved a total of 4.7 million pieces of paper as a result.

Building on ongoing efforts, we have digitalised 30% of aviation security forms to date, which is an improvement from 25% in FY2018-19. We aim to increase this to 100% by FY2020-21.



● Ensure Seamless Connections

Case Study ^{2.1}

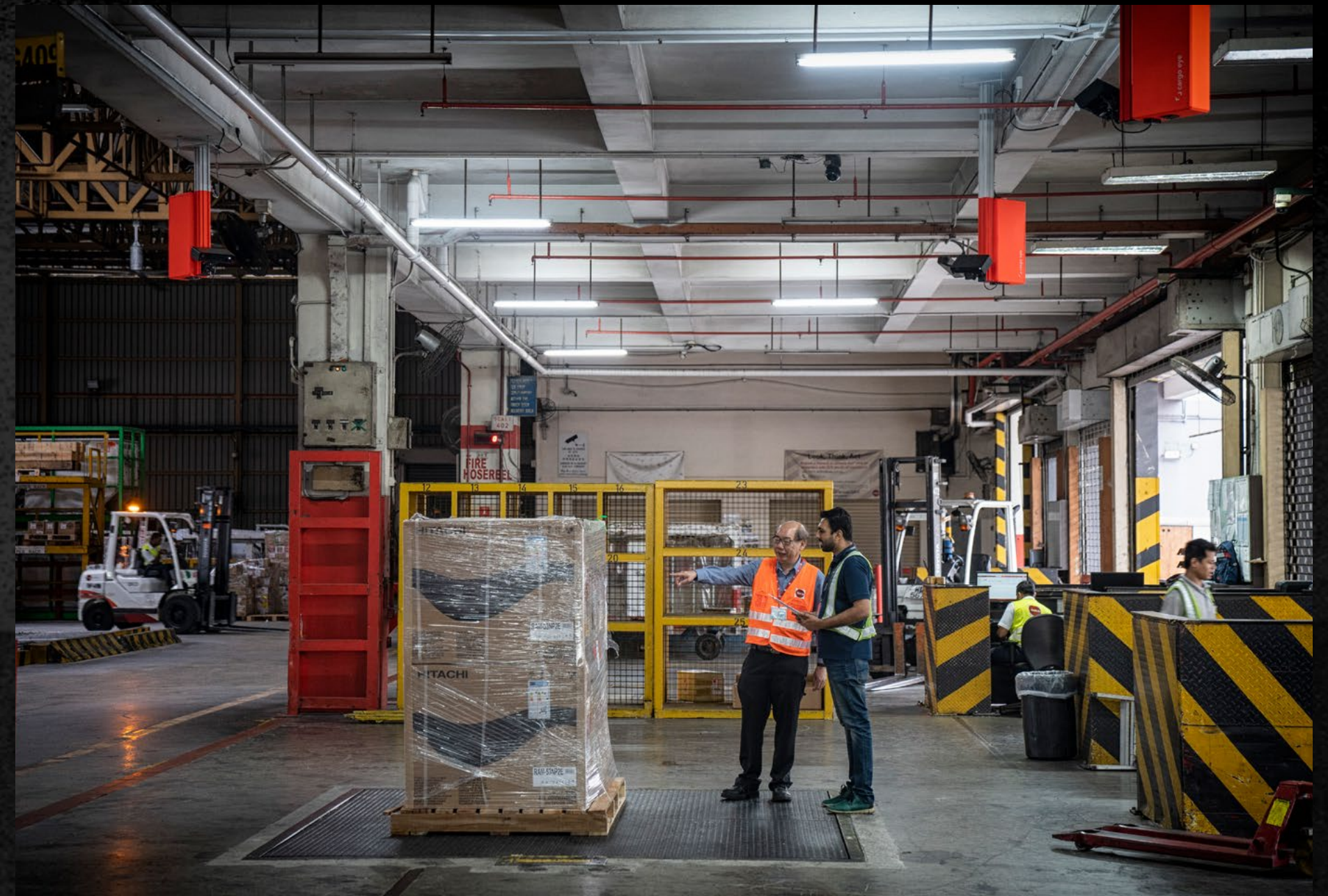
SPEEDCARGO, The World's First AI-powered Robotic Air Cargo System

SPEEDCARGO is the latest addition to SATS' technology-aided cargo handling capabilities. A collaboration between SATS and TUM CREATE Ltd (TUMCREATE), SPEEDCARGO is designed to accelerate cargo handling sustainably and securely.

An integrated solution, SPEEDCARGO comprises three products – CARGO EYE, CARGO MIND and CARGO ARM. These are targeted at optimising cargo acceptance as well as cargo palletisation through intelligent Unit Load Device (ULD) planning, and automatic ULD packing respectively. The AI-powered operating system enables seamless data connectivity for end-to-end optimisation and improves safety and security across cargo operations.

Since October 2018, TUMCREATE has been stationed at SATS Airfreight Terminal, working closely with SATS during the prototype development phase and for ongoing trials. To date, trials of CARGO EYE have achieved a 99.99% accuracy rate for the dimensioning of accepted cargo. CARGO EYE produces a digital fingerprint for incoming cargo in real time using an advanced 3D camera system for better pallet optimisation. SATS and TUMCREATE are concurrently making progressive enhancements to CARGO MIND and CARGO ARM, with the intention of commercialising each product in phases.

SPEEDCARGO, coupled with COSYS+, our cloud-based cargo terminal management system that was introduced in December 2018, will augment real-time cargo visibility along our digital corridors and strengthen our cargo network across the Asia Pacific.



● Ensure Seamless Connections

Connectivity through service design

At SATS, we take pride in providing passengers with everything they need for safe and seamless travel through the airport. The passenger services we offer are thoughtfully designed to enable smooth transitions from one point of the journey to another.

This year, we launched special assistance programmes to offer people with reduced mobility (PRMs) smoother connectivity. We have been working with Changi Airport Group (CAG) to enhance accessibility for PRMs through the use of technology and by improving airport facilities and services. Some of the enhancements include the lowering of check-in and immigration counters and installing ramps at curbside for wheelchair access. Passenger lounges have also been refurbished to offer more PRM-friendly amenities, such as geriatric chairs and service options that offer greater convenience for PRMs, such as the option of having their meals at a lounge.

In addition, our service teams have developed the E-Caddy and upgraded Follow-Me Wheelchairs to increase the efficiency of PRM services and enhance the overall passenger experience.

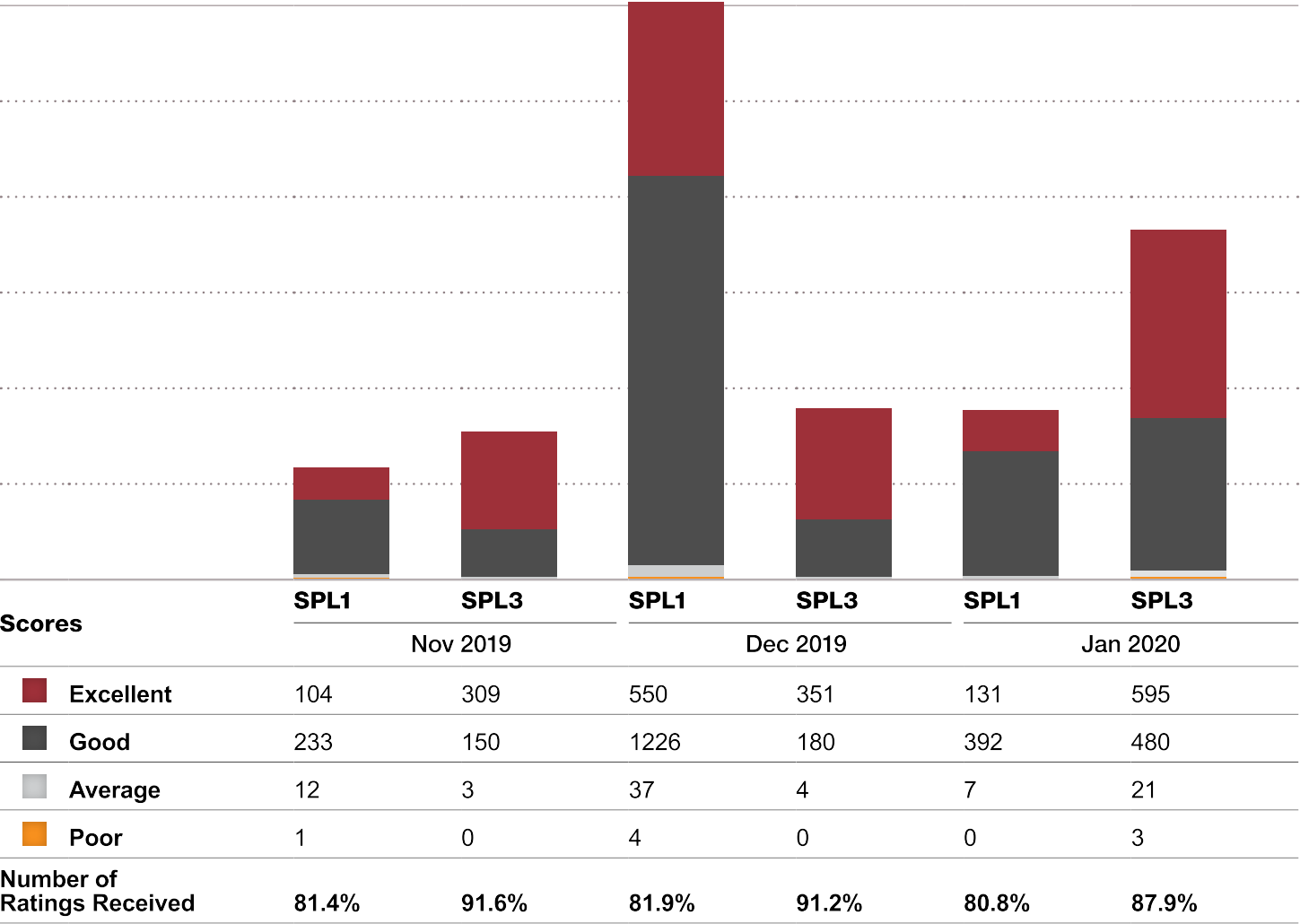
As Singapore eased its COVID-19 restrictions to allow more SIA Group flights to and from selected countries, we worked with SIA cabin crew to ensure the safety and comfort of transit passengers during their travels. Under a four-week attachment programme, our SIA cabin crew colleagues joined our team as Airport Experience Ambassadors and helped to deliver a seamless and positive transit experience.

In November 2019, we implemented a digital feedback system at check-in counters and SATS Premium Lounges (SPL), which allows us to capture feedback on areas of concerns and to follow up with immediate action. It also allows us to compliment and reward staff who consistently perform well. Moving forward, we will further enhance this platform to capture our customer experience and satisfaction levels.

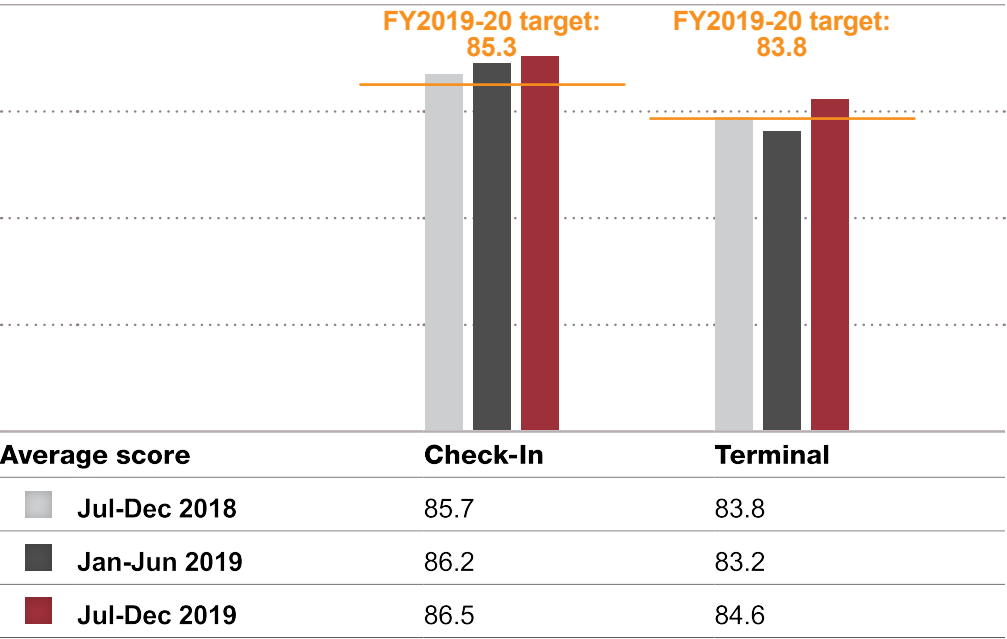
With shared aspirations to achieve excellence in safety, operations and customer experience, SATS developed a joint scorecard with SIA, our key customer and airline partner, as part of our collective efforts to serve passengers better. Working closely together, our Gateway Operations team supported SIA's Singapore station, enabling them to achieve an improvement in station ranking from 16th position in FY2017-18 to 6th position in FY2019-20. According to our bi-annual survey that measures the level of client satisfaction, for the period starting from July to December 2019, we achieved higher overall scores for both check-in and terminal services.

Moving ahead, SATS is committed to continue attaining high scores on seamless connectivity for both our customers and our cargo services.

SPL Feedback



Passenger Services



● Ensure Seamless Connections

Case Study 2.2

WELink Follow-Me Wheelchairs

In response to rising requests for wheelchair assistance, SATS has conceptualised and prototyped WELink – a system which allows one staff to transport three wheelchair-bound passengers using sensor technology operated via a mobile application.

Developed after multiple prototyping iterations, WELink is designed to deliver a user-friendly and safe experience for both passengers and staff. WELink's features include a baggage holder and comfortable and unrestrictive seats, and it also allows staff to control and maneuver the equipment hands-free.

Built-in Safety Features

The priority of this project is to ensure the safety of users and people in their immediate surroundings. Leveraging LIDAR (Light Detection And Ranging) technology, a feature typically installed in driverless vehicles, WELink can follow our staff closely through narrow corridors and make tight U-turns safely.



● Ensure Seamless Connections

Case Study 2.2

Key features of WELink

LIDAR sensor that allows for continuous updates of the surroundings through an alert system and an automatic emergency stop when encountering sudden obstacles.

Active braking systems that will take hold on slopes at steep aerobridges and prevent rollbacks or forward slides.

Smart seatbelts that allow WELinks to be activated only when the seatbelts are in place.

Dashcams that are installed in every WELink wheelchair, capturing footage that can be used for the investigation of any incidents.



Safety stop button that enables the user to activate emergency stops independently, if necessary.



Positioning of the electronic manual controls are designed to be out of reach for passengers in order to prevent mishandling.

Mobile application activation by authorised and trained personnel that allows for safe and seamless control of the wheelchair convoy.

Ergonomically positioned manual controls that are installed as a backup in the event of any electronics malfunction, to facilitate quick manual safety overrides.

A stowable baggage compartment that is installed in every wheelchair where passengers' belongings can be stowed and secured instead of being carried by the attending service staff.



Front

- 1. Smart seatbelt system
- 2. Stop button
- 3. Dashcam
- 4. Visual indicator
- 5. Electronically controlled wheels
- 6. Drive mechanisms
- 7. LIDAR sensor



Back

- 8. Push handle bar
- 9. Electronic manual controls
- 10. Unique QR code
- 11. Stowable baggage storage

● Ensure Seamless Connections

Stability through risk management

In a world where physical interactions have been severely disrupted by a global pandemic, digitalisation has become more crucial than ever. Yet, while digitalisation creates many new opportunities, the constantly evolving cybersecurity and data integrity risks mean that we have to maintain the highest level of vigilance. Across our operations, many of our teams interact with sensitive customer data on a daily basis. It is thus imperative for us to build a robust cyber defence system to protect critical information and to prevent any potential data breach.

Cybersecurity management framework

SATS has adopted a number of cybersecurity best practices to accelerate our digitalisation process while reducing cybersecurity and compliance risks. For instance, we have in place an Information Security Policy aligned with ISO 27001, and have incorporated a cybersecurity management framework into our risk management practices.

Covering three key areas of protection, operations, and governance, the framework provides SATS with a comprehensive defence by detecting and responding swiftly to cybersecurity threats. Notably, the governance component in our cybersecurity management framework plays an important role in stipulating standards and procedures, as well as reviewing the effectiveness of existing policies through metrics and reporting.

Cybersecurity training

User training is also a crucial part of our cyber defence system. Through the SATS Cybersecurity Awareness Programme, our employees undergo various simulation and

tabletop exercises, as well as e-learning and phishing simulation campaigns. Raising staff awareness of cybersecurity threats and the ability to detect and address anomalies can play an important role in helping to reduce the overall risk across the organisation.

Digital infrastructure

SATS is building and strengthening our digital infrastructure against cybersecurity risks and potential threats by adopting a ‘Defense in Depth’ approach, which aims to thwart attackers’ access to sensitive data.

Due to the design and strength of our digital infrastructure, any attacks will have to circumvent several different barriers before any severe damage or breach can occur. Different layers of security platforms, which are installed in our data centers, include anti-denial of service, proxy, intrusion prevention systems and firewalls. Alerts are also configured to instantly detect unauthorised logins or suspicious behaviour, such as attempts to access multiple personal computers within a short period of time. Upon receiving such an alert, SATS’ Cyber Incident Response team will be immediately deployed to investigate.

Building on our cybersecurity efforts, we have implemented a zero-tolerance policy towards security breaches, reinforced by a robust fall-back system. For the period from 1 April 2019 to 31 March 2020, we have received zero complaints concerning breaching of customer services and zero identified leaks of customer data.

Regulatory and market risk management

For organisations, sustainability also involves the ability to adapt to varying conditions in order to build resilience, achieve stability and ensure business continuity. To minimise and manage the risks to our business, SATS is always alert

to changes in the regulatory landscape, market conditions, and geopolitical stability in the locations we operate. In a fast-changing aviation industry, key drivers of change include environmental activism, infectious diseases and pandemics, and geopolitical instability⁷.

Our strategy is to diversify our market base in order to mitigate risks which may arise from geopolitical instability, changing environmental regulations and the challenges of operating in a post-COVID world.

As a multinational company that operates in different jurisdictions and is accountable to multiple groups of stakeholders, it is

paramount that we conduct business ethically, with integrity and in compliance with local laws and regulations. Our robust corporate governance structure also ensures that regulatory risks are effectively addressed.

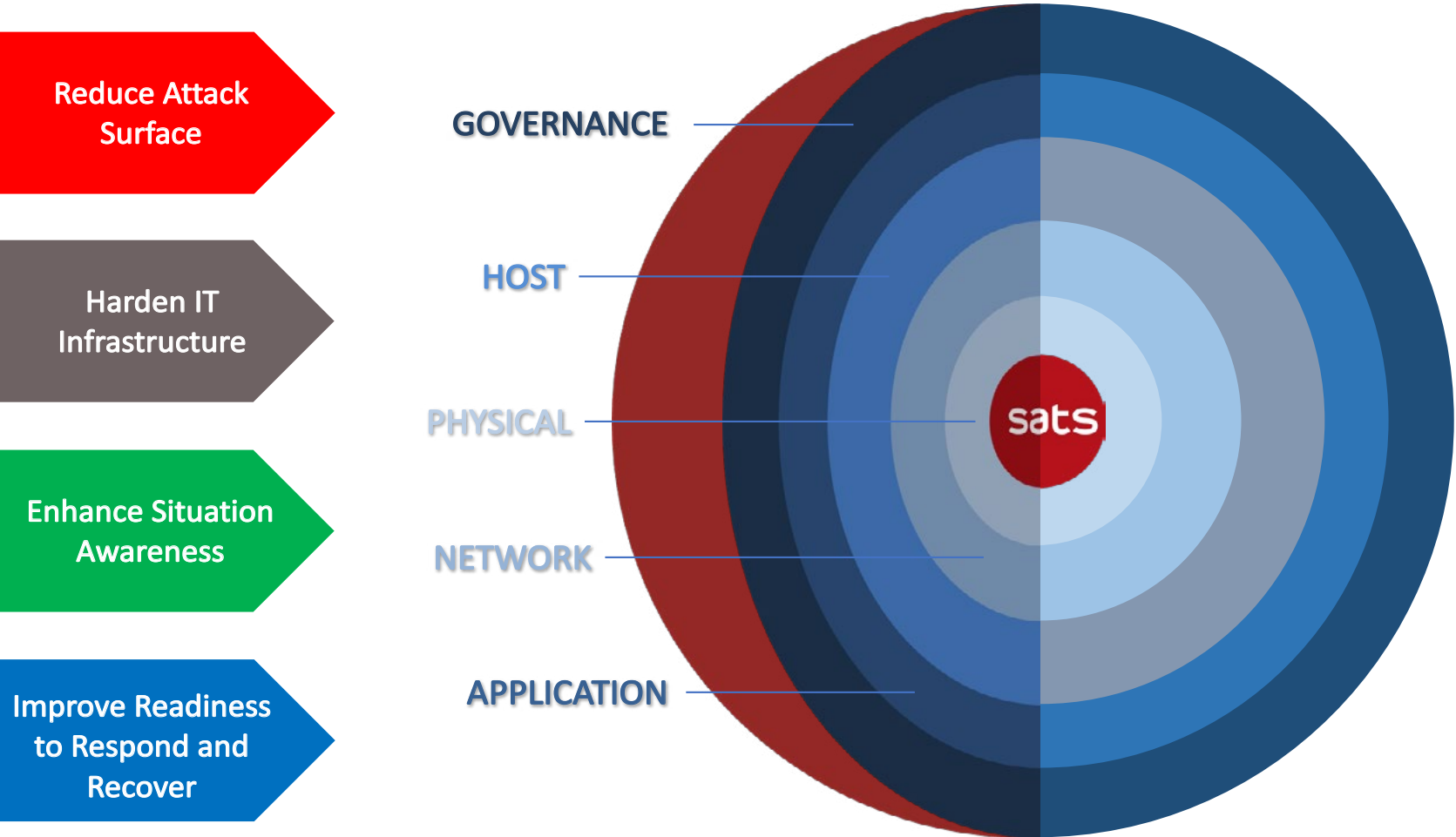
As part of maintaining accountability, our management team, including our PCEO, communicates with policymakers regularly. Our Board, with support from Board committees such as the Board Risk and Safety Committee, oversees and ensures that policies, structures and mechanisms are sufficient to achieve compliance with regulatory requirements.

During FY2019-20, there were no incidences of non-compliance with environmental or socioeconomic laws and regulations, and our goal is to keep it this way.

We are assessing our business in material areas in order to evaluate our resilience to climate-related risks. As countries around the world seek to transition to a low-carbon economy, we are also evaluating the modalities of supporting disclosures in line with the Taskforce on Climate-related Financial Disclosures recommendation to support these efforts.

7. IATA, ‘Future of the airline industry 2035’, (2018), p.6.

Defense in Depth





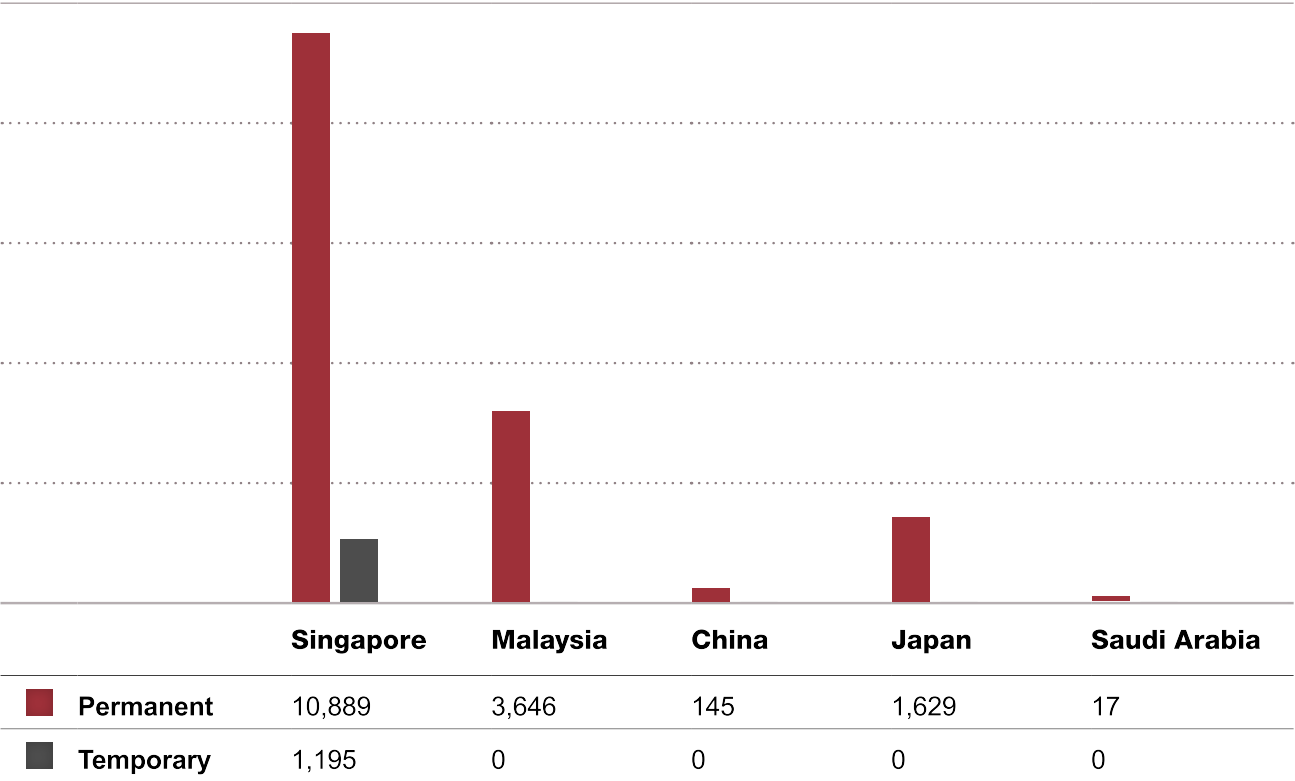
Grow with SATS

Resilient and agile, our people are the driving force behind the progress, success and sustainability of our business. Applying their skills, ideas and ingenuity to serve our customers and help drive long-term, purposeful growth, they play an instrumental role in fulfilling our vision of Feeding and Connecting Asia and delivering on our brand promise of ‘Passion to Delight’.

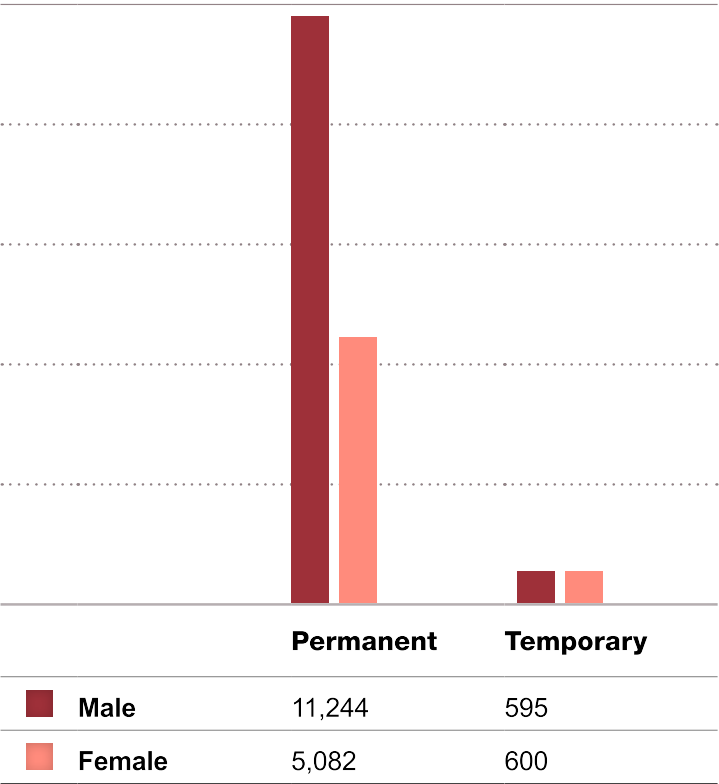
With a large workforce of 16,516 employees⁸ across multiple operating locations, it is our responsibility to provide our employees with a cohesive and uplifting company culture, empowering them with meaningful opportunities for learning and development, and work environments that are safe, nurturing and inclusive.

8. FY2019-20 average headcount. All charts comprise data as at 31st March 2020. The following steps were taken to compile the information on employees: 1. Identify the contract type and full-time or part-time status of employees based on the definitions under the national laws of the country where they are based; 2. Use numbers as at the end of the reporting period, unless there has been a material change during the reporting period; 3. Combine country statistics to calculate global statistics.

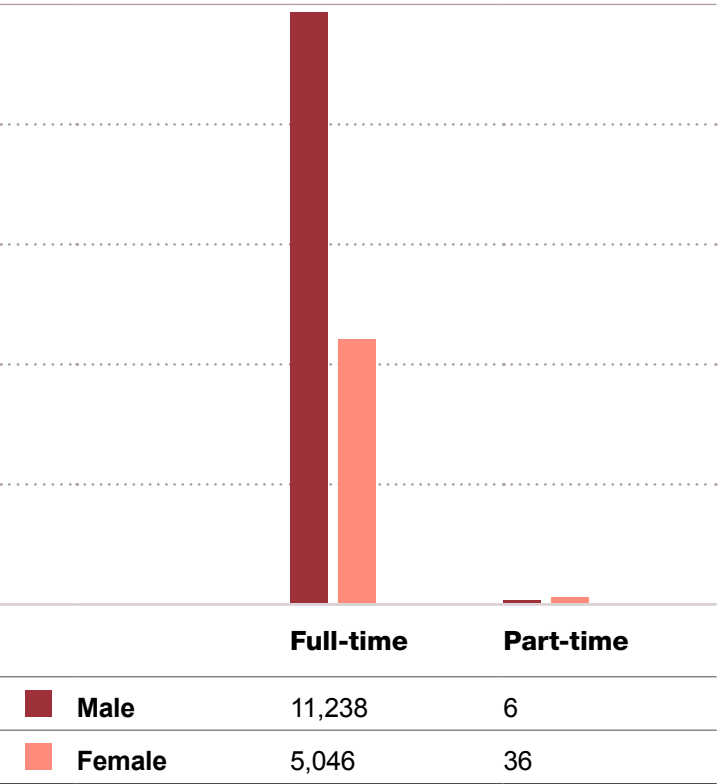
Total Number of Employees by Employee Contract by Region



Total Number of Employees by Employment Contract by Gender



Total Number of Employees by Employment Type by Gender



● Grow with SATS

Empowering through leadership and engagement

At SATS, we are passionate about enabling our people to achieve their fullest potential and believe in providing an environment in which they can thrive and grow. By building a culture that is inclusive, collaborative and empowering, our goal is to bring out the best in the many passionate and talented individuals who work for us.

Among our staff, we encourage each individual to take ownership of their work and develop qualities that would help guide them to create meaningful and purposeful impact throughout their service with the company. Captured in the SATS Code of Conduct, these qualities are represented by the four principles that inform our culture as an organisation: 'passion to delight', 'high integrity', 'safety in the workplace' and 'safeguarding assets'.

At the leadership level, we are also committed to nurturing those who are integral to our success. Guided closely by our four leadership principles, SATS is invested in the

growth and well-being of our employees. By engaging our employees through initiatives under three key action areas – Aware, Apply and Assess, we aim to help them better embrace change, boost morale and equip them to be a positive influence on one another.

To provide more effective support, our staff engagement activities are centred round priority areas identified through an annual employee engagement survey and feedback on past initiatives. This year, the key areas identified include creating an agile workforce that embraces diversity, increasing senior leadership communication and improving non-monetary benefits for our employees, which have been addressed through engagement efforts in FY2019-20.

For SATS, regular engagement is an important way of staying in touch with our people in order to better understand how we can help them succeed. In FY2019-20, we achieved an employee engagement score of 76%, well above Singapore's average of 47%⁹. Our target for 2030 is to achieve 80% for our employee engagement score.



Opportunities for learning and development

At SATS, we encourage our employees to adopt a culture of lifelong learning and innovation, equipping themselves with an ever-growing set of knowledge and skills needed to succeed in their roles, take on new areas of work and contribute fresh ideas. Through various e-learning and virtual training platforms, all employees are given the means and opportunities to accelerate their learning through reskilling and multiskilling programmes.

In addition, SATS' training arm, the SATS Academy, helps to build a sustainable talent pipeline with the core skills and competencies required to support the growth of aviation in Singapore. Having digitalised its training platforms, SATS Academy was able to respond readily during the COVID-19 pandemic, offering fully online programmes while adapting essential face-to-face sessions to meet health and safety requirements.

SATS Academy also tapped on government support, in particular the Enhanced Training Support Package from SkillsFuture Singapore, which enabled us to extend our training and know-how to the rest of the aviation sector by training our partners such as SIA, JetQuay, Cargolux and Smarte Carte. We structured our programmes to focus on building emotional resilience, so as to help equip our employees and partners with the right mindsets and a readiness to adapt to disruptions like the current pandemic. When the Circuit Breaker in Singapore began on 7 April 2020, we instantly converted our classroom training and conducted our first virtual training on 8 April 2020.

As an equal opportunity employer, we support the career aspirations of our older workers by upskilling them and helping them adapt and stay relevant in the new digital era. To date, SATS Academy has delivered 21,999 training seats and 25,688 training days to 3,792 employees in the Air Transport sector, covering a wide range of topics from competency-based learning to enhancing soft skills. 8,761 of the training seats were

attended by employees above 50, with the oldest being 77 years old.

Our effort was recognised at the Singapore Human Resources Institute's annual Singapore HR Awards 2019, where SATS won 11 awards including one for leading practices in Learning & Development.

Our 2030 goal is to ensure that our people benefit from 80 hours of structured and unstructured training a year.

⁹. Qualtrics EmployeeXM, '2020 Employee Experience Trends Singapore', p. 5.

SATS Leadership Principles



Be Outcome-Oriented



Be Courageous



Be Open-Minded



Servant Leadership

● Grow with SATS

Case Study 2.3

SATS' Response to COVID-19

Accelerate training through multi-skilling and reskilling to maintain an agile workforce

At SATS, in our journey towards purposeful and sustainable growth, our success has always depended on the passion, skills and creativity of our people. This has been especially apparent as we worked together to respond to the challenges brought about by the COVID-19 pandemic.

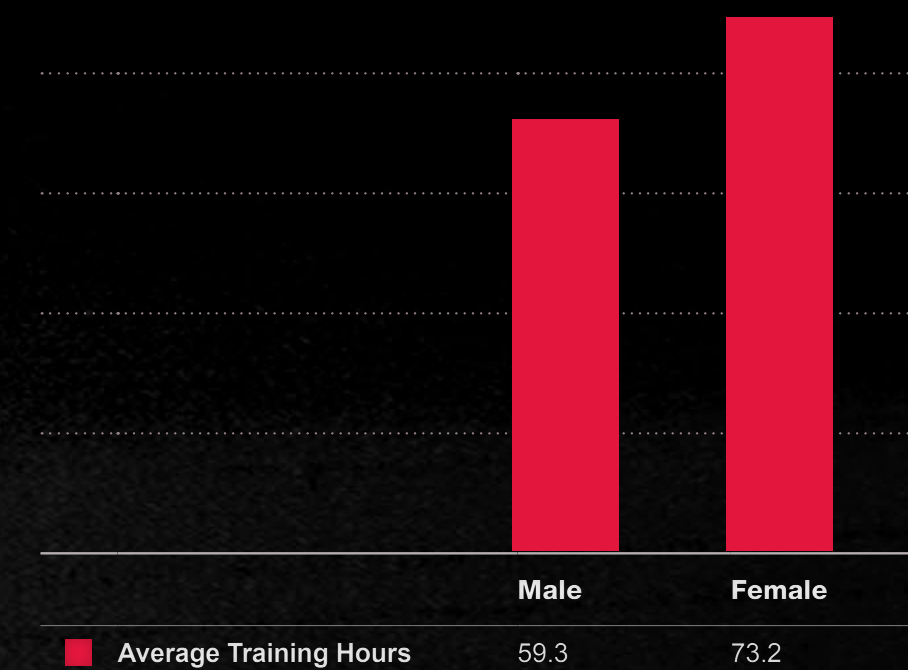
One of our key differentiating factors is the agility of our people, reflected by their willingness and ability to embrace change and technology, learn new skills and adapt to new situations. They have shown ingenuity and resourcefulness in overcoming the obstacles caused by the global crisis, tapping on their knowledge and expertise while adapting quickly to new roles in a rapidly evolving environment.

At the same time, the crisis has also provided the impetus and opportunity to accelerate the multi-skilling and reskilling of our people, in order to strengthen our capabilities and lay the foundation for positive business transformation. During this period, we have sent 17,500 staff for upskilling and reskilling about 3,800 employees in the Air Transport sector at SATS Academy who are receiving training to enhance their domain knowledge and prepare for new roles. Within the aviation industry, we were also the first company to serve as the pilot centre for training excellence, where companies could send their employees for training and upskilling.

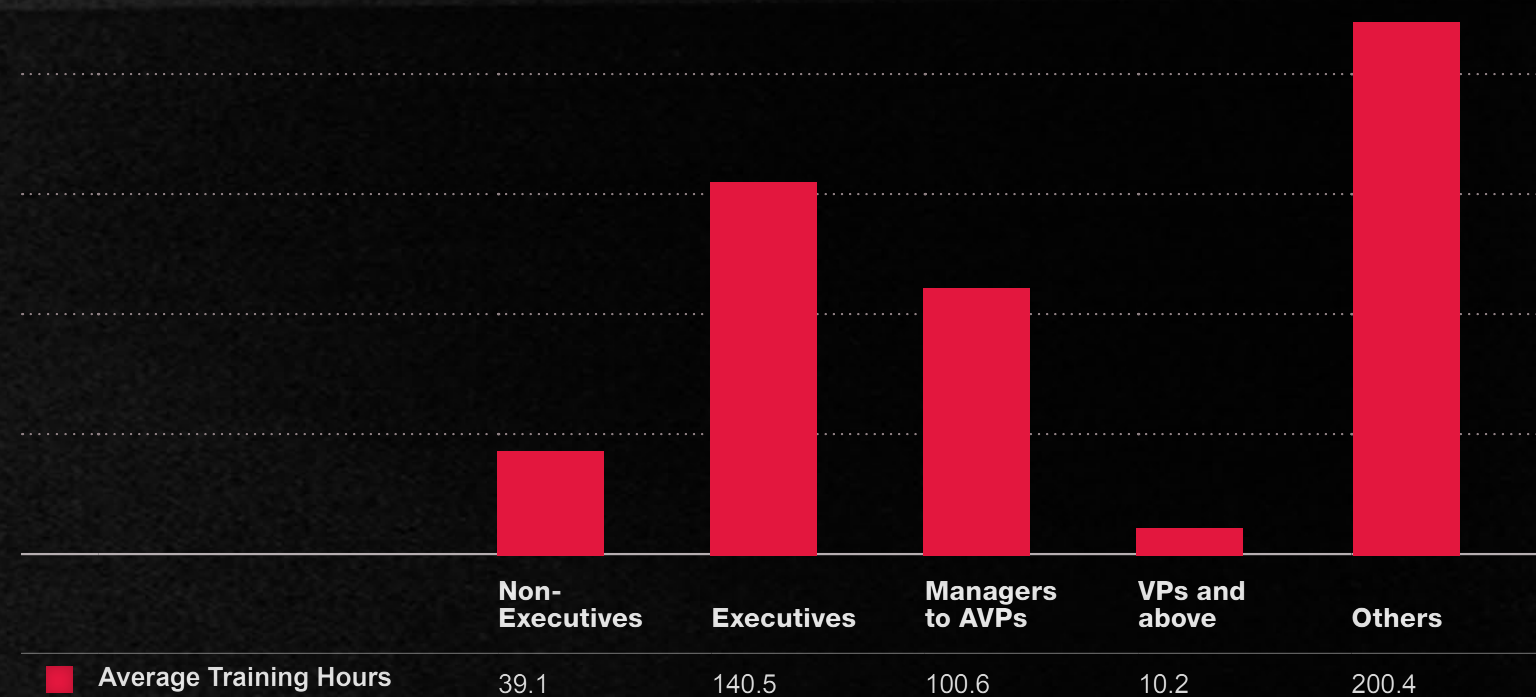
As part of our digitalisation efforts, which started before the crisis, we have developed various platforms for virtual training and e-learning. This has allowed a smooth transition from physical classroom training to online platforms in order to comply with COVID-19 regulations on safe distancing. For sessions that require in-person sessions, we worked with CAG to transform terminal gatehold rooms into training locations, which provided sufficient space for participants, limited to a maximum of 10 persons, to maintain social distance.

Due to the halt in air travel, we have also been able to conduct a greater number of practical lessons within Changi Airport's apron area, teaching employees how to operate our fleet of ground support equipment including skyloaders and hi-lifts. When the airport was operating at full capacity before the crisis, such lessons could only be conducted virtually or limited to off-peak hours. As a result, we now have more people who are multi-skilled and can use different types of vehicles.

Average Training Hours by Gender



Average Training Hours by Employee Category



● Grow with SATS



Fair labour practices and respect for human rights

Fair employment

SATS is committed to fair and equal opportunity employment practices in line with Singapore’s Tripartite Alliance for Fair Employment Practices and Guidelines. We recruit our employees based on merit, regardless of age, race, gender, religion, marital status and disability, and treat each individual with equal respect.

Freedom of association

We fully support our employees’ right to join unions to voice their concerns and demands. In the same spirit, our union representatives are also given a platform to introduce the unions to new employees at our bi-monthly employee familiarisation programme.

Currently, 48.67% of our employees in Singapore and 99.88% of our employees in Japan are covered by collective bargaining agreements. Together, they form 42.39% of our total employees.

SATS shares a constructive relationship with our union representatives by maintaining open and regular communication as well as sharing collective agreements that provide fair outcomes for all union members. We inform our employees of any changes in the organisation that could affect them substantially. Prior to the implementation of significant operational changes, employees and their representatives are typically given two to four weeks’ notice, depending on the operational locations as specified in the

agreements. For example, in our Singapore office, it would take approximately one month to discuss role changes with both the union and staff before actual deployment. Notice periods are also specified in collective agreements with Singapore Airport Terminal Services Workers’ Union (SATSWU) and Air Transport Executive Staff Union (AESU).

Diversity

SATS is an equal opportunity employer and we are fully committed to creating and maintaining an organisation that embraces and celebrates diversity. Diversity allows us access to a greater pool of talent and can help to drive better business performance over time¹⁰. In this era of globalisation and digitalisation, we firmly believe that a diverse workforce also contributes to increased productivity and creativity. We view non-discrimination in our workplace very seriously, and make every effort to ensure that our people are treated fairly and equally.

SATS is proud to be an organisation where four generations of employees work harmoniously alongside four unions to achieve SATS’ vision to Feed and Connect Asia. We have a good track record in retaining employees. To date, 23.5% of our staff have served for 20 years or more. During the reporting period, there were no reported incidences of discrimination.

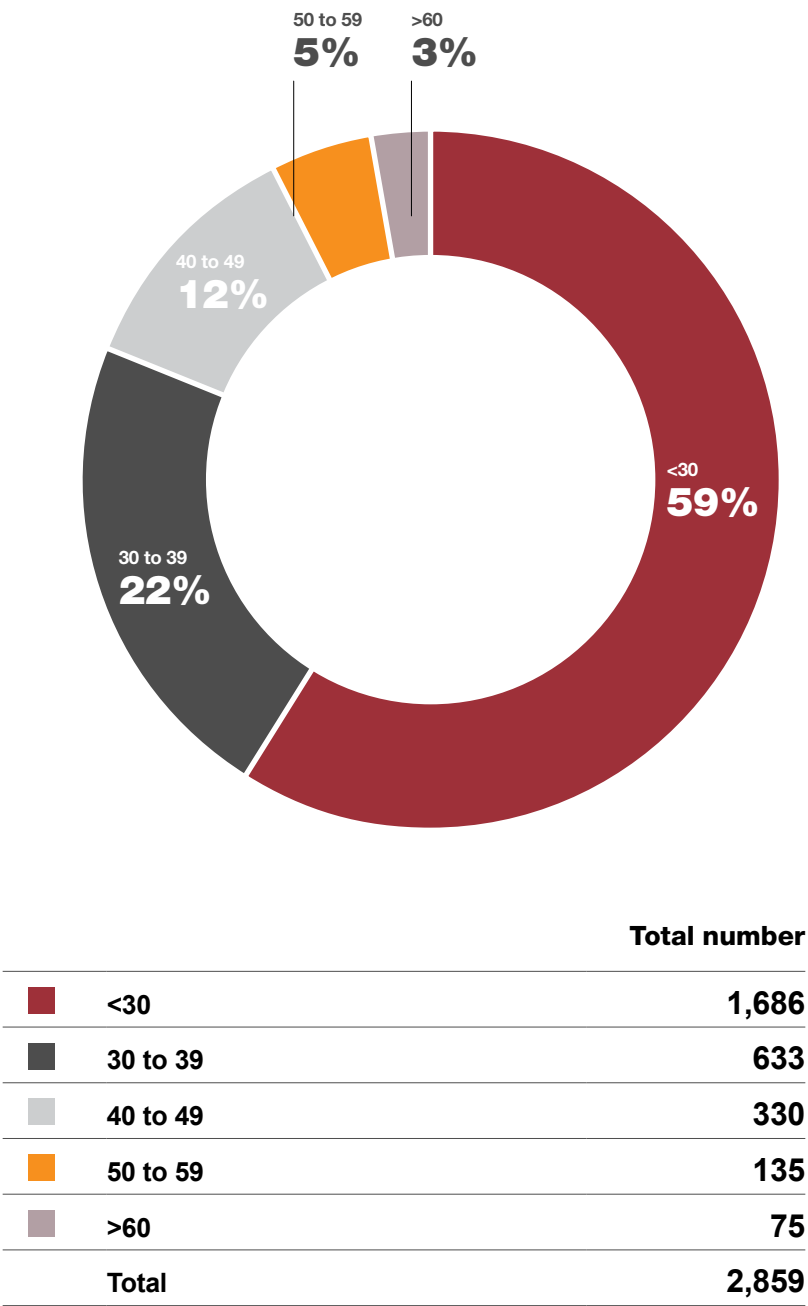
As part of our continuous efforts to support diversity in our workfore by ensuring equal employment and advancement opportunities for all, we aim to increase female representation at the senior management level from 18.31% currently, to 40% by 2030.

10. Holger, D., ‘The Business Case for More Diversity’, (26 Oct 2019),The Wall Street Journal.

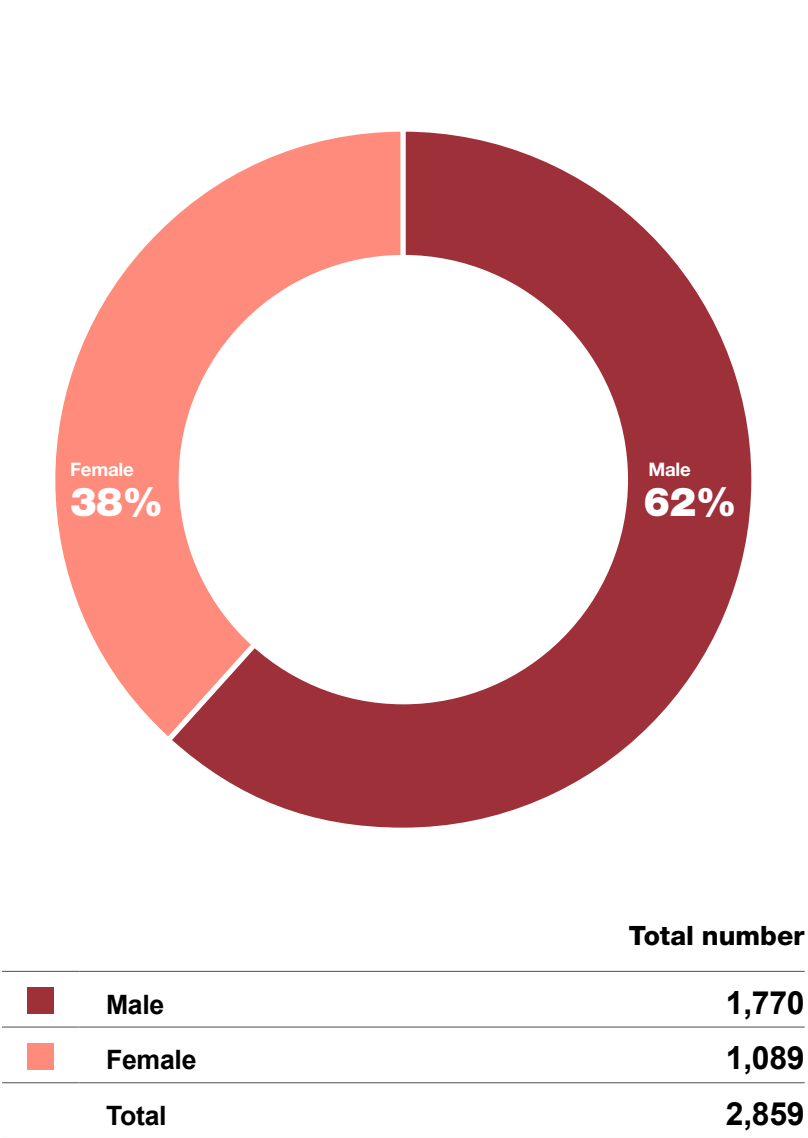
● Grow with SATS

During this reporting period, we maintained an annual new hire rate of 17.31% and an annual attrition rate of 10.63%¹¹.

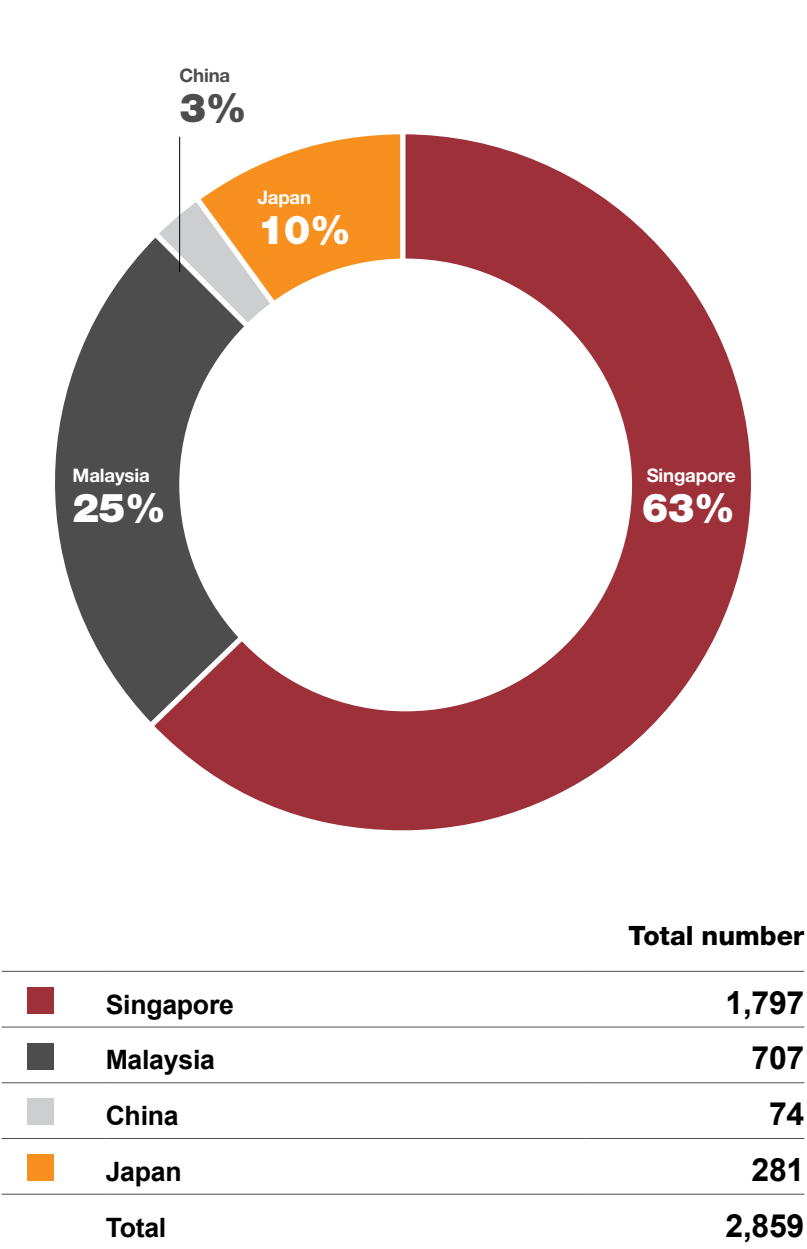
New Employee Hires by Age Group*



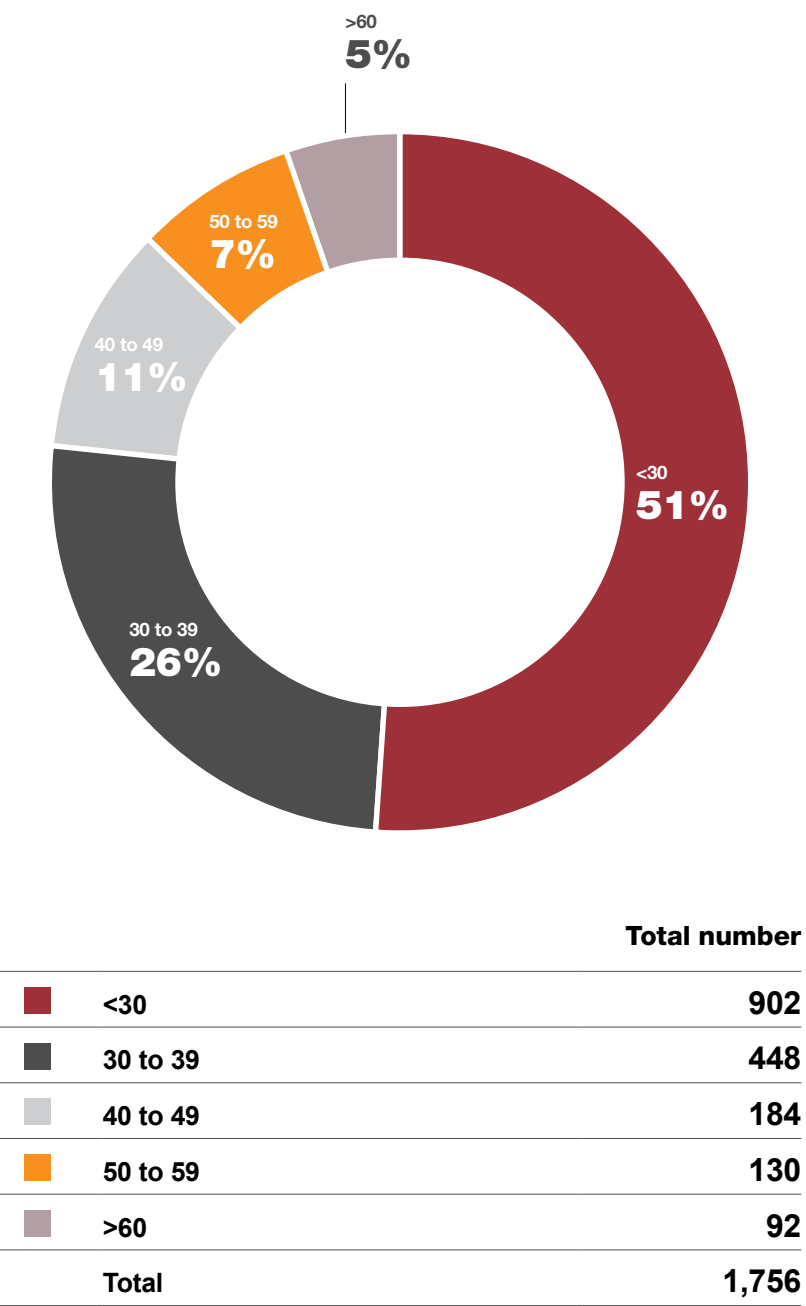
New Employee Hires by Gender



New Employee Hires by Region*



Employee Turnover by Age Group

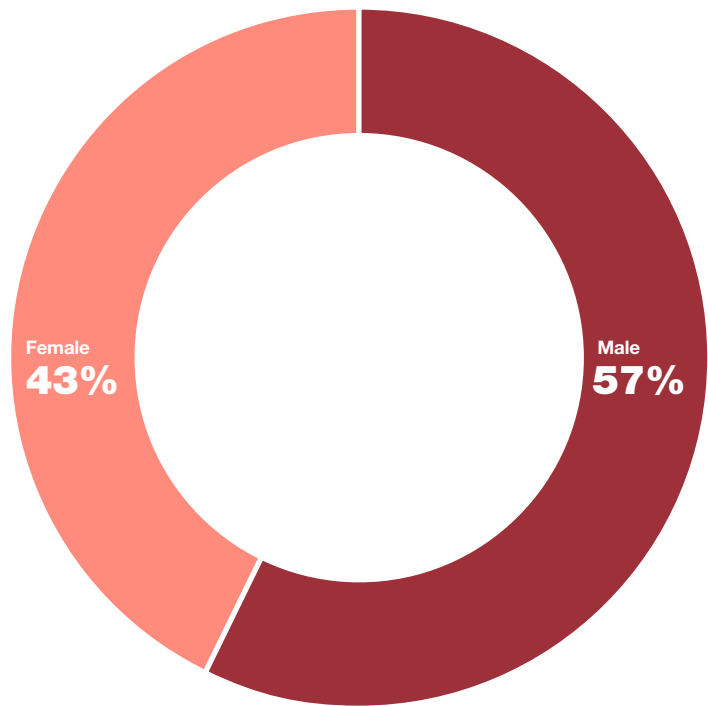


11. Annual new hire rate and attrition rate calculations are based on the average FY2019-20 headcount.

* Percentage may not add up to 100% due to rounding.

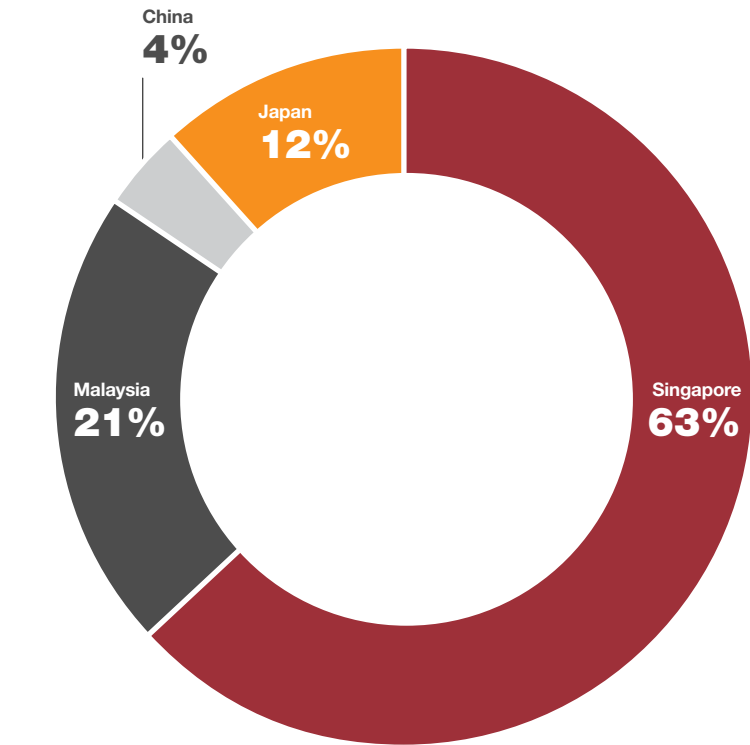
● Grow with SATS

Employee Turnover by Gender



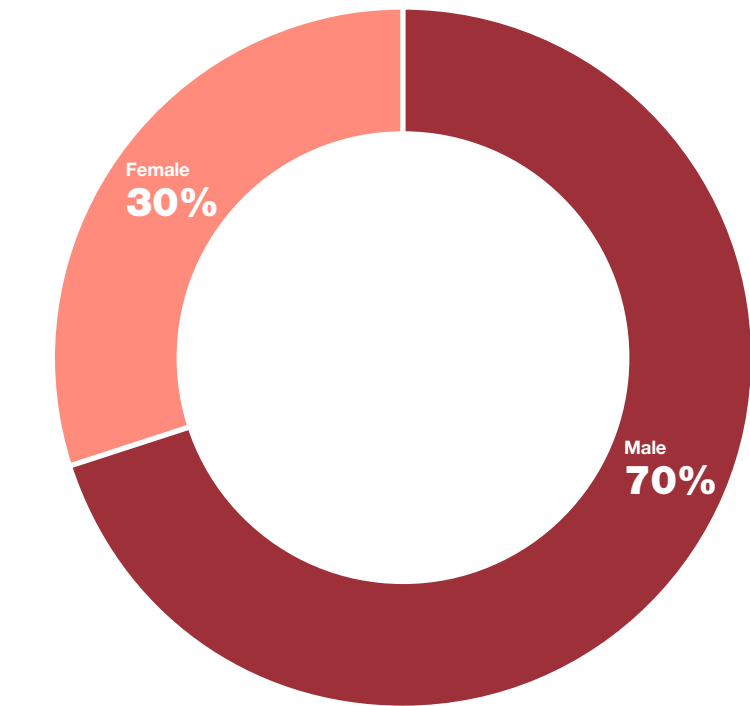
| Total number | | |
|--------------|--|-------|
| Male | | 1,009 |
| Female | | 747 |
| Total | | 1,756 |

Employee Turnover by Region



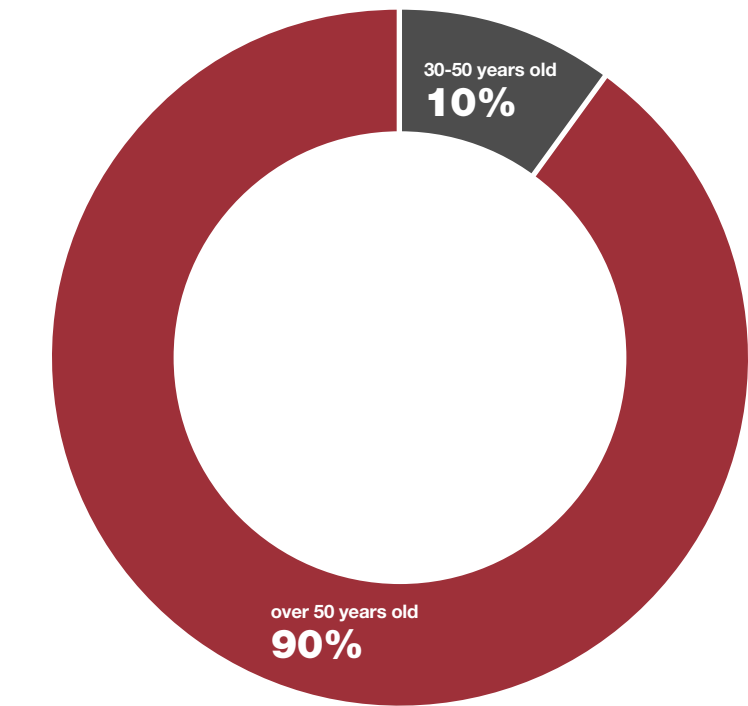
| Total number | | |
|--------------|--|-------|
| Singapore | | 1,110 |
| Malaysia | | 373 |
| China | | 71 |
| Japan | | 202 |
| Total | | 1,756 |

Diversity of Board Directors by Gender



| Total number | | |
|--------------|--|---|
| Male | | 7 |
| Female | | 3 |

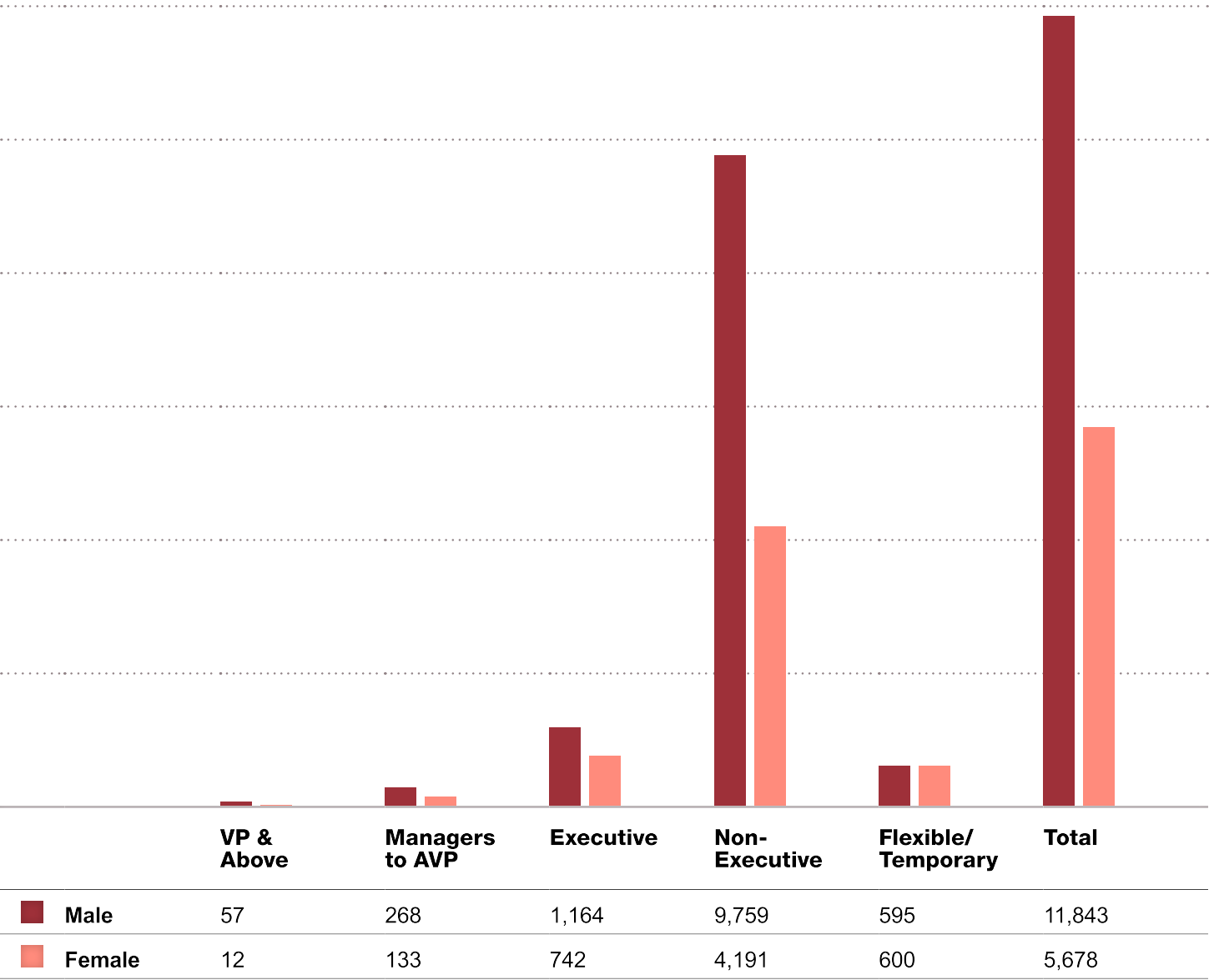
Diversity of Board Directors by Age Group



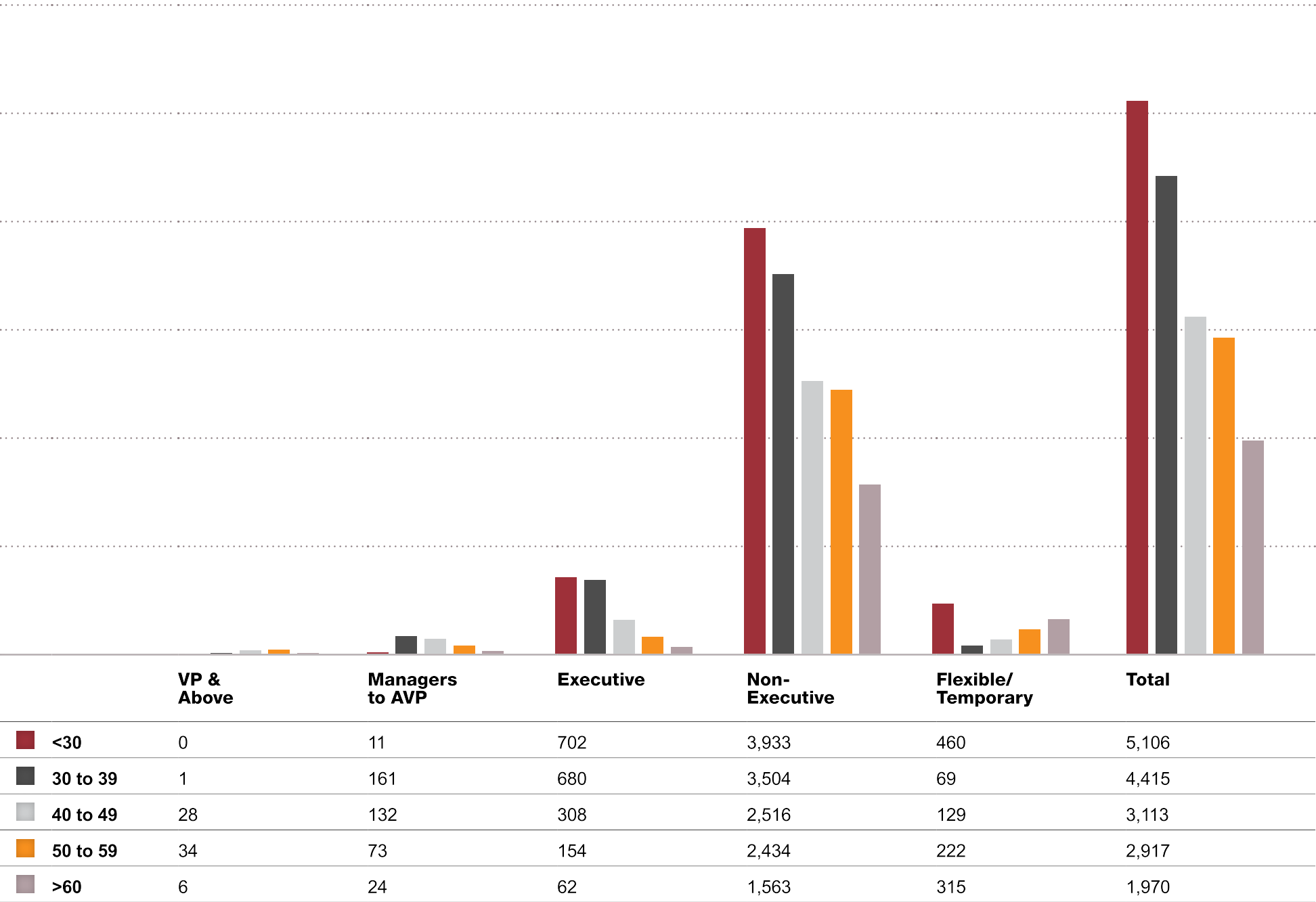
| Total number | | |
|-------------------|--|---|
| 30-50 years old | | 1 |
| over 50 years old | | 9 |

● Grow with SATS

Employee Category by Gender



Employee Category by Age Group



Safeguard Operational Safety

Safety is one of SATS’ core values, and is deeply rooted in our DNA. As a premium service provider with extensive regional operations that serve customers from around the world, we are committed to ensuring a safe, secure and healthy environment for our employees, contractors, and customers.

Just reporting culture

To encourage open communication and the reporting of unsafe practices and work-related hazards, we have adopted a ‘Just Reporting Culture’, a culture that creates an atmosphere of trust, which encourages and rewards our people for providing essential safety-related information. Accidents and incidents are reported through our mandatory reporting system, while unsafe acts and work conditions can be reported voluntarily and confidentially. Employees also have the right to stop work if they think that the conditions are unsafe.

SATS complies with the Workplace Safety and Health Incident Reporting regulation, which stipulates that an iReport must be filed for work injury incidents that meet the reportability criteria. In addition, we have an in-house Incident Reporting Procedure that requires all incidents to be reported to the Supervisor or Safety Personnel within 24 hours.

Occupational Health and Safety (OHS) Management System

We have a robust OHS Management System that has been in place since 2008 and covers all of our employees. Our OHS Management System has been certified as meeting the standards of the internationally recognised OHSAS 18001 OHS Management System. Moving forward, SATS will be adopting the new OHS Management Systems of ISO 45001:2018.

Regular audits are conducted by our customers, partners and numerous local and international safety and quality certification bodies, including OHSAS 18001 and ISO 9001 Quality Management System. In addition to IATA’s Safety Audit for Ground Operations, which is an audit standard applicable to all ground handling companies worldwide, SATS was the world’s first cargo ground handler to achieve IATA’s Smart Facility Operational Capacity (SFOC) certification.

An initiative that aims to raise global standards in cargo handling operations by reducing redundancies and streamlining processes, the SFOC certification represents industry recognition for our world-class infrastructure and cargo handling capabilities. Achieving SFOC-certified status was made possible with the support of our key airline partner, SIA, which was the first airline globally to sign the IATA Audit Reduction Commitment under the same programme, committing to a 50% reduction in audit days effective from 2020.

By taking the lead to uphold the highest operational standards, we hope to encourage more of our industry and airline partners to do the same, as we collectively drive more efficient and sustainable performance across the industry.

We have recently updated our OHS Policy to reflect our commitment to nurturing a culture that focuses on safety and health.

Safety training, outreach and discussion

Another important platform for engaging our employees and raising awareness of safety issues is through training. SATS employees who work in our Cargo and Ramp operations are often exposed to risks that may cause musculoskeletal conditions, such as strains and sprains. To better manage these day-to-day working conditions, our business unit and management holds regular outreach sessions to raise awareness of common risks among Cargo and Ramp employees.

SATS has also been engaging the Health Promotion Board (HPB) to develop an ergonomics and fatigue management programme to help reduce and prevent work-related health issues and injuries. Formal joint management-worker health and safety committees, involving almost all our employees, oversee safety both on-site and within each business unit.



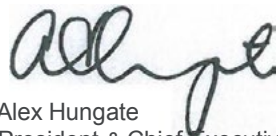
SATS OCCUPATIONAL HEALTH & SAFETY (OHS) POLICY

At SATS, we provide a safe, secure, healthy environment for our people, customers, and the community as we strive for operational excellence.

We are committed to:

- Nurture a culture that promotes a sustainably safe and healthy workplace
- Continually improve our processes through consultation, participation and engagement with employees, customers and partners to achieve the highest competency levels
- Comply with all legal requirements in every jurisdiction in which we operate
- Anticipate and respond to all possible terror risks
- Eliminate hazards using all reasonable measures including technological solutions

The prevention of accidents must be a team effort. It is our social responsibility to prevent injury and ill-health to ourselves, colleagues, customers and the community.


Alex Hungate
President & Chief Executive Officer SATS Ltd.



Dated: 20th May 2020

● Safeguard Operational Safety



Safety and health topics are discussed at SATSWU’s monthly meeting with SATS management, which is chaired by SATS PCEO. Topics discussed at the meetings include safety initiatives, safety inspection, work-related accidents, accident prevention, and safety education.

The three most common injuries amongst SATS’ employees are: being struck by moving objects, over-exertion and slips/trips/falls. This year, the high-consequence rate and injury rate of our employees recorded across SATS’ operations were 0.10 and 9.64 respectively, tabulated based on 1,000,000 hours worked. There were no work-related fatalities during the reporting period.

As part of the employee benefits that SATS offers, both full-time and part-time employees are also provided with health insurance. Insurance benefits include deferred coverage for general practitioner, specialist, dental and hospitalisation claims. These benefits also include professional health services offered by our appointed partner, Raffles Medical Group. At SATS, we prioritise mental health just as we do physical health. To promote mental wellness at the workplace, we have trained a group of ‘Buddies’ in psychological first-aid skills to help their co-workers better manage issues pertaining to mental health.

Improving workplace safety

In an ongoing effort to improve workplace safety, SATS has been engaging WSH Council (WSHC) and HPB to prevent work-related health issues, injuries and improve work postures. A survey conducted by WSHC and HPB revealed that many of our workers experienced pain in the lower back, shoulders, knees and neck. We quickly worked to improve our workplace infrastructure and processes, as well as provide ergonomics training to correct posture.

As a testament to our dedication to protecting the health and safety of our employees, SATS won one Gold Team Award, one individual Gold, two individual Silver and three individual

Bronze awards at the annual Airport Safety Award, which recognises safety actions or contributions of exceptional standard taken by members of the airport community (beyond their scope of work) to prevent potential safety incidents or injuries.

SATS was also presented with the U Safe Champion Award by the Ministry for Manpower’s Minister of State Zaqy Mohamad. SATS was nominated by AESU for this award which recognises unionised companies that have gone the extra mile to make their workplaces a safer place to work in.

Supplier safety

Beyond the immediate scope of our operations, we have also drafted a Supplier Safety Compliance Manual¹² to ensure that the same high standard for safety is upheld by all suppliers of SATS Group. As a prerequisite to working with us, our suppliers must ensure that their employees, sub-contractors and agents comply with the SATS Supplier Safety Compliance Manual, SATS Safety Policy and all applicable regulatory requirements. Before commencement of work, our suppliers are required to conduct safety meetings to brief employees on the requirements in the SATS Supplier Safety Compliance Manual.

12. SATS Supplier Safety Compliance Manual is available here.

13. High-consequence work-related injury refers to work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

14. The FY2019-20 injury rate is not comparable with the injury rate published in the FY18/19 Sustainability report. This year, we included injuries with one or more days of medical leave. Last year, we only included injuries with more than 3 days of medical leave or more than 24 hours of hospitalisation.

| SATS Group | Number of injuries | Number of high-consequence injuries | Injury rate | High-consequence injury rate ¹³ | Man-hours worked |
|---------------|--------------------|-------------------------------------|--------------------------------|--|------------------|
| | | | (per million man-hours worked) | (per million man-hours worked) | |
| Employees | 373 | 4 | 9.64 ¹⁴ | 0.10 | 38,698,823 |
| Service Crews | 32 | 0 | 5.07 | 0 | 6,309,964 |

Empower Communities

Giving back to the communities in which we operate is important to us. SATS is thus dedicated to creating a positive impact by actively contributing to social programmes and community development in Singapore and across our network.

In addition to providing services and donations through SATS Foundation and SATS Staff Association every year, we have adopted a three-tier SATS Volunteering Framework to guide our social outreach programmes aimed at supporting communities in need. These include events like the annual SATS Charity Run, which aims to raise money for local charities and causes. In 2019, proceeds from the event were donated to Assisi Hospice, which provides palliative care to patients suffering from terminal illnesses.

When the COVID-19 pandemic posed a large-scale threat to public health and safety, our colleagues stepped in without hesitation, volunteering their time and resources to provide assistance in nationwide response efforts (see case study below).

Through initiatives like these, our people continue to share their time, resources and expertise to support the needs of local and overseas communities, staying true to SATS' values and embodying our brand promise, 'Passion to Delight'.



● Empower Communities

Case Study 2.4

SATS' Response to COVID-19

1. Mobilising the largest redeployment across the Group to support Singapore's pandemic response efforts

We have seen and continue to witness the extent and impact of the pandemic across all aspects of society from healthcare, business activities to the simple routines of daily life. This has served to reinforce the importance of our sustainability efforts, proving how vital it is to build and maintain our resilience as a country, as an industry and as a community.

Within SATS, we have mobilised cross-deployments of 10,000 employees into different activities to support areas such as non-aviation catering, cargo and ramp operations. The largest deployment in the history of our organisation, this has helped to meet the increased demand for food and other critical supplies as well as address the shortage in airfreight capacity, as a result of the crisis.

In Singapore, to support a nationwide response to COVID-19, we have temporarily redeployed 1,000 staff volunteers to help with the work of government agencies. Some have bravely volunteered to serve in 'red zones' or areas where outbreaks have been identified. During this time, our people have contributed to public health and safety by taking on various tasks such as contact tracing, public engagement on safe distancing measures, temperature screening at public facilities, and simple care provision in low-risk, basic-care wards in hospitals.



Case Study 2.4



In May 2020, following the outbreak of COVID-19 in migrant worker dormitories across Singapore, the decision was made to convert two cruise ships into temporary accommodation for individuals who had recovered from COVID-19 and tested negative for the virus. This would help to contain the spread of the virus while reducing the density at existing dormitories, enabling more effective implementation of health measures.

The cruise ships were docked at Marina Bay Cruise Centre Singapore (MBCCS), which had to be rapidly converted, organised and managed as serviced accommodation for thousands of migrant workers. One of the biggest operational challenges was the short duration of time given to turn things around as most of the provision, facilities and workstreams had to be developed and implemented within a week.

A Dormitory Management Facility Unlike Any Other

The operations at MBCCS had to fulfil the requirements of an effective large-scale pandemic response while serving the welfare and needs of migrant workers as well.

Setting up adequate medical facilities

On-site medical facilities had to be set up quickly, in order to provide migrant workers with 24-hour medical care and easy access to medical supplies. Wharf movement operations had to be modified to handle ship logistics as well as the movement of medical patients, complete with a 62-bed sick bay with its own dedicated airflow and plumbing for separate toilets, as well as various evacuation and isolation points for medical emergencies.

Establishing movement operations

MBCCS' passenger operations had to be reworked and adapted to manage and monitor the movement of migrant workers within the facility. It was a complex process, which had to comply with existing health and safe distancing regulations. This evolved to facilitate the movement of workers to alternative sites where necessary as well as the daily movements of workers when they resumed work.

Protecting the welfare and needs of migrant workers

To better understand the needs of migrant workers, we worked with non-government organisations such as Healthserve and Migrant Workers' Centre and tapped on their insights to establish suitable welfare arrangements. Communication channels between the authorities, the migrant workers and their employers were set up to ensure that the workers' needs would be tended to promptly. Care packs were also prepared and distributed to the migrant workers upon their arrival at the terminal.

Enhancing screening processes

MBCCS security teams had to rework existing screening processes in compliance with new health guidelines regarding physical contact provided by the National Centre for Infectious Diseases.

● Empower Communities

Case Study 2.4

At the heart of the operations at MBCCS lies a tightly run stream of communications that relies on a combination of well-synchronised teamwork, agility and the ability to function effectively in a dynamic operational environment. Within three short days, our teams had to mobilise and learn an entirely new set of skills while setting up an inter-agency system to coordinate key activities, enabling the management and communication of a complex flow of information.

A Complex Inter-agency Communication System

The dormitory operations at MBCCS are effectively coordinated and managed by a tight-knit and integrated setup of three interdependent teams.

SATS-Creuers Ops Center (SCOC)

Operating 24 hours daily, SCOC is responsible for working with the SAF and FAST# teams to coordinate and monitor all operations throughout the terminal and on board the cruise ships. SCOC serves as the main contact point between Raffles Medical Group, the Dormitory Management team, and SATS-Creuers Cruise Services.

InfoHub

Operating 24 hours daily, InfoHub is responsible for collating all information on the movements of residents, submitting daily reports to SATS management and relevant government agencies as well as maintaining historical records of all movements. Coordinating its responsibilities with SAF and FAST Teams, InfoHub also distributes updates from daily operations meetings to key stakeholders.

Cruise Dorm Comms Centre (CDCC)

Operating 12 hours daily from 9am to 9pm, CDCC receives information from SCOC and Singapore's Ministry of Manpower. Serving as the main liaison between the migrant workers and their respective employers. CDCC provides daily information to SCOC on the movement of employers and schedules pick-up times for workers who have left to return to their dormitories.

FAST refers to Fast and Seamless Travel, an automated system that facilitates the check-in and immigration clearance process for departing passengers.



Drawing on their extensive experience of handling gateway operations at one of the world's busiest airports, our people have proved highly adaptable and effective in providing critical support during this national response to the COVID-19 pandemic. Working

tirelessly, many also voluntarily returned on their off days to provide additional support to the team on duty. The experience has not only tested but also strengthened our resilience as a team, our commitment to our values, and our passion to serve the needs of others.

● Empower Communities

Case Study 2.4

2. Extending our response efforts across our network

How do we use our expertise and resources to drive positive impact on our communities, businesses and the environment? This is a question that we constantly ask ourselves throughout our sustainability journey and it is especially pertinent today as we take on the challenges wrought by the global pandemic. The spread of COVID-19 and the resultant consequences extends beyond individual organisations, communities and countries and thus, so must our response.

Besides stepping up to help feed vulnerable communities affected by the public health crisis in Singapore, we have also stepped in to support hospitals in areas where we could harness our deep experience in customer service, to provide value-add assistance. In May 2020, 50 SATS Customer Service Agents were deployed to Changi General Hospital (CGH) to serve as Patient Concierges, providing customer service to CGH patients and visitors. These include helping them to fill up travel declaration forms, taking temperatures, assisting with registrations and wheelchair services. In addition, we worked with our partners to support their community efforts such as Temasek Foundation's #BYOBclean initiative, where our staff helped to distribute over 430 bottles of hand sanitisers to the public.



Overseas, our Maldives Inflight Catering (MIC) has been working closely with the National Disaster Management Authority, Ministry of Gender, Family & Social Services and Red Crescent to support some of society's most vulnerable communities. Despite the shortage of manpower exacerbated by a state-wide lockdown, the team has managed to provide 350 meals daily to the homeless and local orphanages. Once the food supply stabilises, MIC plans to increase production to 700 meals a day.

In the UK, Monty's Bakehouse, our wholly owned subsidiary, has donated over 75,000 hot snacks and meals to NHS workers and local community projects. At East Surrey Hospital, Monty's Bakehouse has also set up teams within the hospital premises to bake meals and feed over 700 doctors and nurses a day. To extend its efforts further, the Community Kitchen Project was created, donating a meal to the needy for every meal purchased.

In China, where extensive measures were introduced across the country to control the spread of the coronavirus, our teams adapted swiftly. Demonstrating agility and resourcefulness, they responded and adapted swiftly to handle chartered cargo flights at short notice, enabling the swift distribution of critical medical supplies across the nation.



Across India, doctors and healthcare workers were facing a shortage in meals due to the demands and disruptions resulting from the pandemic. As the only flight kitchen in the country to remain open, TajSATS, one of our overseas joint ventures, was the first to supply meals to healthcare workers and migrant communities affected by the crisis. The collective effort by staff, vendors and the local authorities has contributed over 1.68 million meals to communities across Mumbai, Bengaluru and New Delhi.



While the COVID-19 pandemic has curtailed industrial activities and human movement globally, it also gave us a brief glimpse of what the world could look like with clearer skies and cleaner air.

At SATS, our journey towards greater sustainability constantly challenges us to improve the way we operate by using our resources responsibly and preserving the environment. Looking ahead, we remain committed to pursuing innovative solutions that help us build a resilient, sustainable business for the benefit of our customers, our communities and our planet.



Treasuring Resources



Use Scarce Resources Efficiently

[view more](#)



Reduce Emissions

[view more](#)



Caring for the Environment

Enhancing our operational efficiencies and reducing our carbon footprint and waste while shifting to renewable and sustainable sources of energy, water and raw materials to lessen our impact on the environment.

Our Primary Stakeholders

- Customers
- Employees
- Shareholders
- Local Communities
- The Environment

United Nations' Sustainable Development Goals





Use Scarce Resources Efficiently

In order to achieve equitable growth without exerting excessive strains on and causing irreversible damage to the environment, we are constantly developing ways to shift from a take-make-waste linear production model to a circular, more sustainable one. Integrating digital technology, energy-efficient innovations and environmentally conscious practices into our operations, we strive to optimise the use of resources by reducing wastage, increasing efficiencies and creating productive and sustainable cycles of renewal and regeneration.

● Use Scarce Resources Efficiently

Strengthening our recycling capabilities

Across our operations, the largest categories of materials used are agricultural products and packaging materials such as carton boxes, plastic, and glass. As part of our longstanding, holistic approach towards waste reduction, we have been working with our licensed vendors to recycle plastic, metal, carton boxes, cooking oil and glass at SICC 1 and 2 since 2008.

In terms of resources, water is an essential part of our operations and we require a great volume daily for food processing and facility maintenance. With climate change altering weather patterns and the amount of rainfall, water scarcity will become a growing concern globally. At the current rates of consumption and population growth, it is estimated that two-thirds of the world's population may face water shortages by 2025¹⁵. Given the enormity of the issue, we have a responsibility to conserve and recycle water as much as possible.

In 2019, we set up on-site rainwater collection systems at SATS Aero Laundry (SAL), while working with partners to develop extensive water recycling projects. AISATS Bengaluru, one of our joint ventures in India, implemented a rainwater harvesting system at its Airfreight Terminal. Fitted with carbon filters, the system is designed to remove debris and silt from the water collected before recharging it into the groundwater table. In Bengaluru, recycled water from our sewage treatment plant (STP) is used for washroom and landscape maintenance. An average of 562 kilolitres of recycled water, an amount that can fill approximately 2,973 standard bathtubs¹⁶, from our STP is generated and utilised each month.

In our Singapore facilities, we are working to increase the volume of recycled water from 50,000 litres to 220,000 litres per day. The recycled and treated greywater is used for toilet flushing, general washing, irrigation and in cooling towers. By 2030, we aim to treat 100% of the wastewater generated across our operations based on local regulatory requirement, and recycle 50% of wastewater for non-food use.

Practising conscious consumption

At SATS, we strive to contribute to Singapore's zero-waste ambitions by reducing the amount of waste generated in our operations and by practising conscious consumption throughout our organisation. Sustainability is an integral part of our business and our management actively incorporates environmental considerations into the business decision-making process.

This year, we commissioned KPMG to conduct an Impact Accounting study to evaluate the true social cost of electrifying our ground support equipment (GSEs), which is one of our environmental initiatives. In this study, we put dollar values on different types of unpriced environmental impacts such as carbon emissions and wastewater. Results from this study will help us to refine our sustainability strategy and make more informed capital investment decisions. We are also working with partners to reduce our dependence on single-use plastic packaging materials by developing sustainable and recyclable packaging¹⁷.

When added up, individual decisions can have a collective and significant impact on the environment. Within SATS, we encourage our employees to consume consciously and reduce their use of products with high environmental impact. As part of our efforts to help our staff adopt more sustainable habits in their daily lives, we have designed and distributed SATS-branded personal cutlery during our PCEO walkabout, to promote the use of reusable cutlery and cups at all in-house functions and staff canteens.

15. World Wildlife Fund.

16. Calculated based on standard bathtubs with a capacity of 50 gallons (approximately 189 litres).

17. See 'Tackle Food and Packaging Waste' section, p 26.



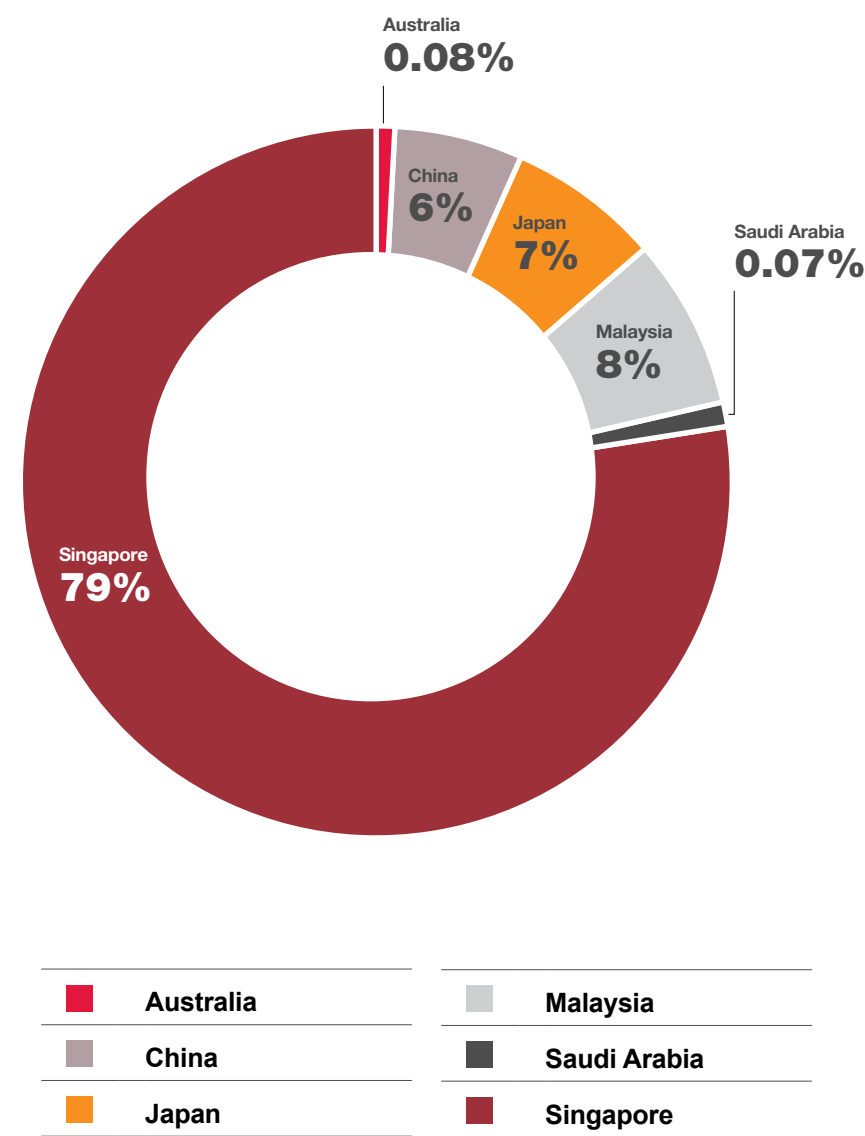
● Use Scarce Resources Efficiently

Total water withdrawal¹⁸

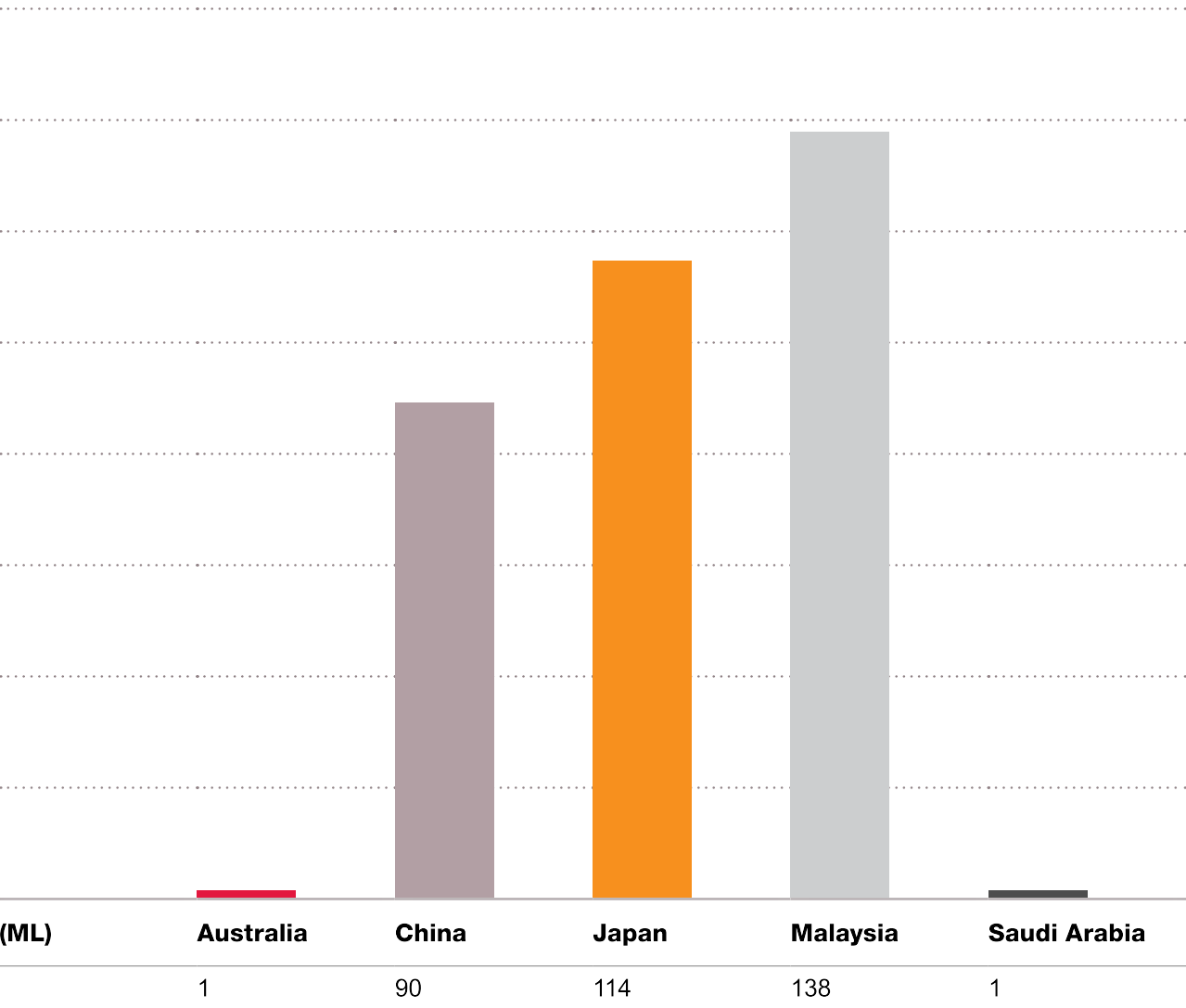
During this reporting period, SATS withdrew a total of 1,640 megalitres of water from our global operations, most of which was withdrawn by our operations in Singapore (which saw a reduction in volume from 1,353 megalitres of water in FY2018-19 to 1,296 megalitres of water in FY2019-20). SATS’ overseas operations in Australia, China, Japan, Malaysia and Saudi Arabia withdrew a total of 344 megalitres of water during the reporting year.

18. The term 'water consumption' in previous reports has been replaced with 'water withdrawal' in this report to align with the latest GRI Standards definitions.

Water Withdrawal by Country

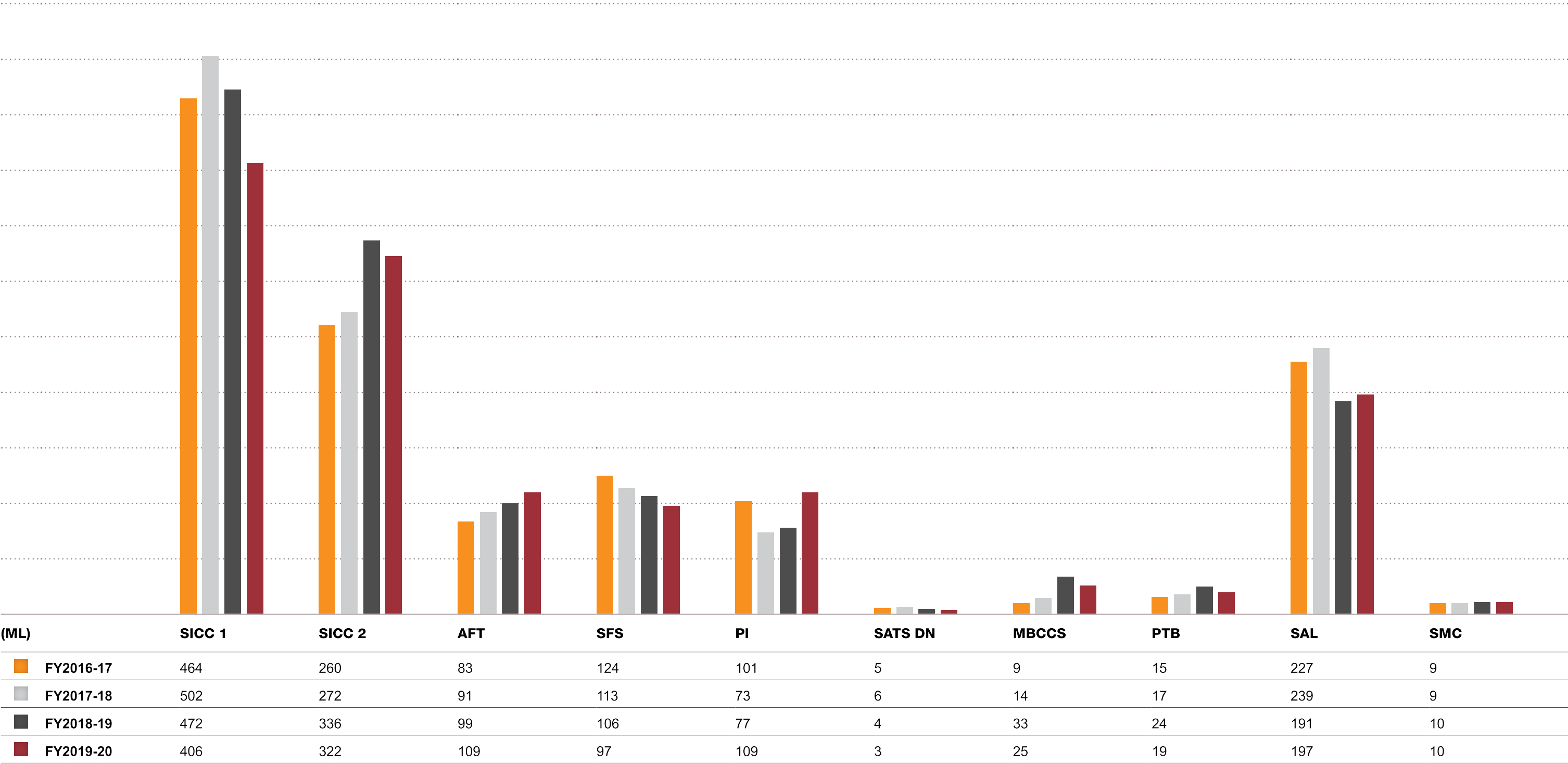


Water Withdrawal by Overseas Operations



● Use Scarce Resources Efficiently

Water Withdrawal on Singapore Premises



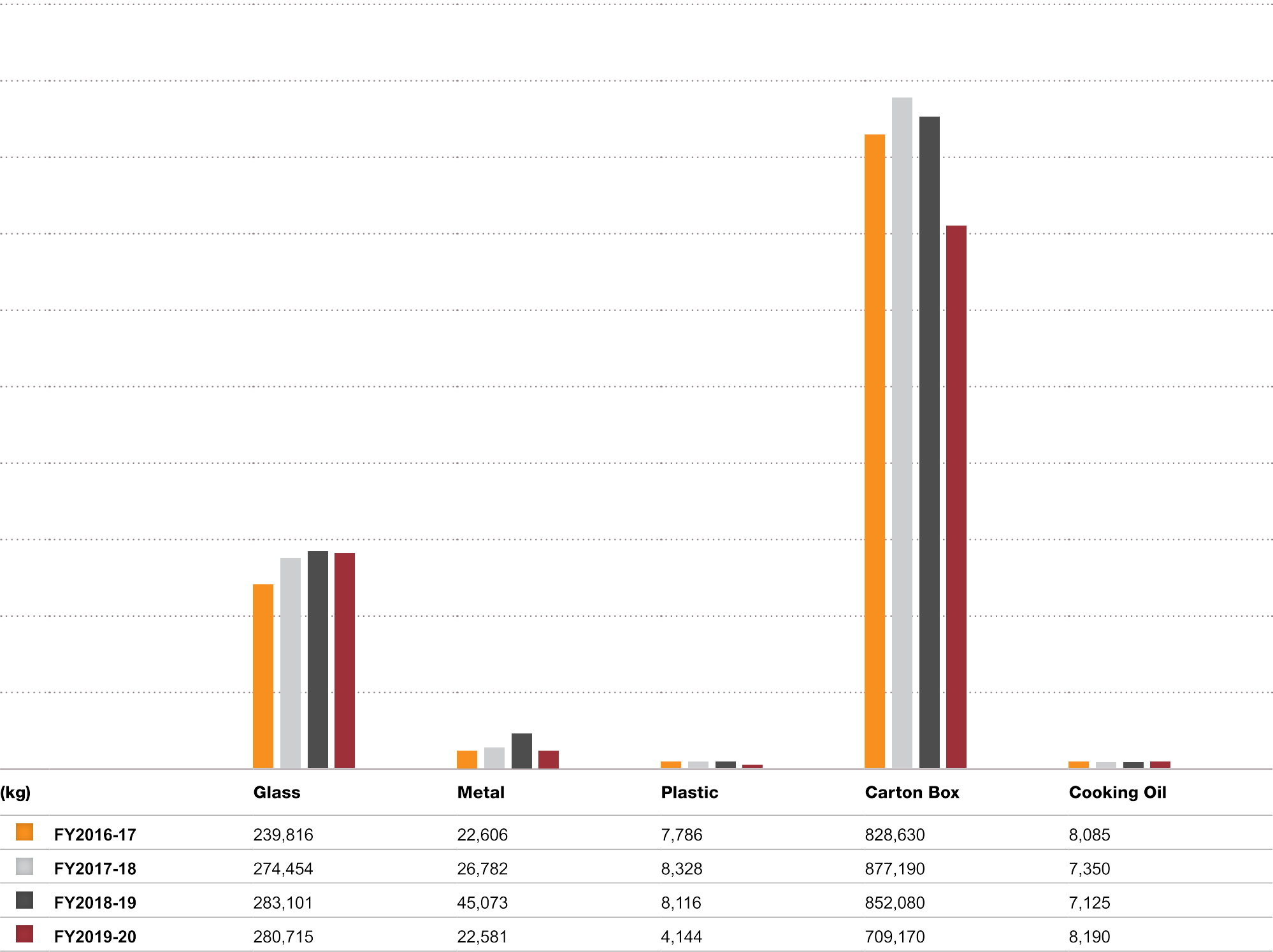
● Use Scarce Resources Efficiently

Weight of hazardous waste and non-hazardous waste in FY2019-20

During this reporting period, our operations in Singapore generated about 148 tonnes and 7,734 tonnes of hazardous and non-hazardous waste respectively. About 59.5% of our non-hazardous waste was recycled.

| Hazardous Waste | Weight (kg) | Disposal Method |
|---------------------------|-------------|------------------------------------|
| Waste Oil | 59,390 | Recycled |
| Oily Water | 66,030 | Sent to wastewater treatment plant |
| Waste Sludge | 930 | Incineration |
| Hazardous Solid Waste | 21,700 | Incineration |
| Total Hazardous Waste | 148,050 | |
| Non-hazardous Waste | Weight (kg) | Disposal Method |
| General Waste | 3,133,154 | Incineration |
| from Cargo | | |
| Paper | 218,165 | Recycled |
| Metal | 79,689 | Recycled |
| Plastic | 280,138 | Recycled |
| Wood | 2,998,239 | Recycled |
| from Catering | | |
| Glass | 280,715 | Recycled |
| Metal | 22,581 | Recycled |
| Plastic | 4,144 | Recycled |
| Carton Box | 709,170 | Recycled |
| Cooking Oil | 8,190 | Recycled |
| Total Non-hazardous Waste | 7,734,185 | |

Weight of Waste Recycled at SICC 1 and SICC 2



Reduce Emissions

Driven mostly by the burning of fossil fuels, the increasingly visible and debilitating impacts of climate change on societies, economies and the environment have given nations and industries a strong impetus to reduce their carbon emissions and develop more renewable sources of energy.

As a leading provider of gateway services and food solutions in the region, we have a pivotal role to play in mitigating climate change by taking meaningful actions to reduce carbon emissions across our businesses.

In 2019, we built upon our earlier progress and replaced diesel-powered group support equipment with electric ones, improved energy efficiency, as well as harnessed renewable energy to power more of our operations. We will continue to monitor and measure our carbon emissions and work towards our target reduction of carbon footprint.

Monitoring our environmental footprint

Last year, NEA, CAG and relevant SATS business units conducted a joint carbon footprint audit across our Singapore operations. Covering SICC 1, SICC 2, SATS Food Services (SFS), SAL, Airfreight Terminal (AFT), SATS Maintenance Centre, MBCCS and SATS Cargo, the exercise enabled us to establish a carbon emission baseline against which we can benchmark future performance and set appropriate targets.

As part of our sustainability commitment, we report our carbon emissions where we have operational control, for Singapore and overseas facilities, in accordance with the guidelines in *GHG Protocol Corporate Standards*. For more information on the calculation methodology, please see Annex B.

Expanding renewable energy capacity and improving energy efficiency

This year, we continued to reduce our carbon footprint by increasing the share of renewable energy in our operations and converting to more energy-efficient equipment.

In Singapore, we partnered with Sembcorp Industries to install rooftop solar panels with a combined peak capacity of 8.1 megawatt-peak, enough to power 22 4-room HDB flats for a month¹⁹. Overseas, our India joint venture, AISATS Bengaluru, installed a 1.3 megawatt-peak rooftop solar power plant at the AFT facility and a 0.35 megawatt-peak solar power plant at the SATS Coolport facility. The combined output of these two installations now supply up to 55% of AISATS Bengaluru's electricity demand, and contributed INR 2.75 million in cost savings for the first half of the financial year.

In line with our sustainability goals, we continued to enhance our infrastructure in order to improve energy efficiency. For instance, to reduce energy consumption and heat generation, AISATS Bengaluru replaced 99% of existing compact fluorescent lamps with LED lighting. This has resulted in energy savings of 262,080 kWh per year.

Converting to less carbon-intensive equipment

Another important step SATS takes towards lowering emissions within our operations is to convert our existing equipment, including our diesel- or petrol-powered GSEs, to less carbon-intensive ones.

To date, we have made substantial progress in electrifying our fleet of GSEs across many of our operations. For example, in compliance with local environmental regulations, our teams in Beijing Capital International Airport and Beijing Daxing International Airport replaced some fossil fuel-based equipment with electrical GSEs and converted units with retrofits. In Indonesia, our subsidiary, PT JAS, has also embarked on an electrification programme with the purchase of six electric tractors for operations at Jakarta Cengkareng Airport Terminal 3. Moving forward, we will tap on the findings of our ongoing Impact Accounting study to refine our GSE conversion plans.

In addition, we are actively exploring the conversion of other fossil fuel-powered equipment to less carbon-intensive alternatives. This year, AISATS Hyderabad converted a towable conveyor belt that consumes 1.2 litres of diesel per hour to one that is powered by solar-powered batteries charged by solar panels installed onsite. The upgrade has enabled savings in consumable, maintenance and spare part costs as well as a reduction in noise levels, fuel consumption and carbon emissions.



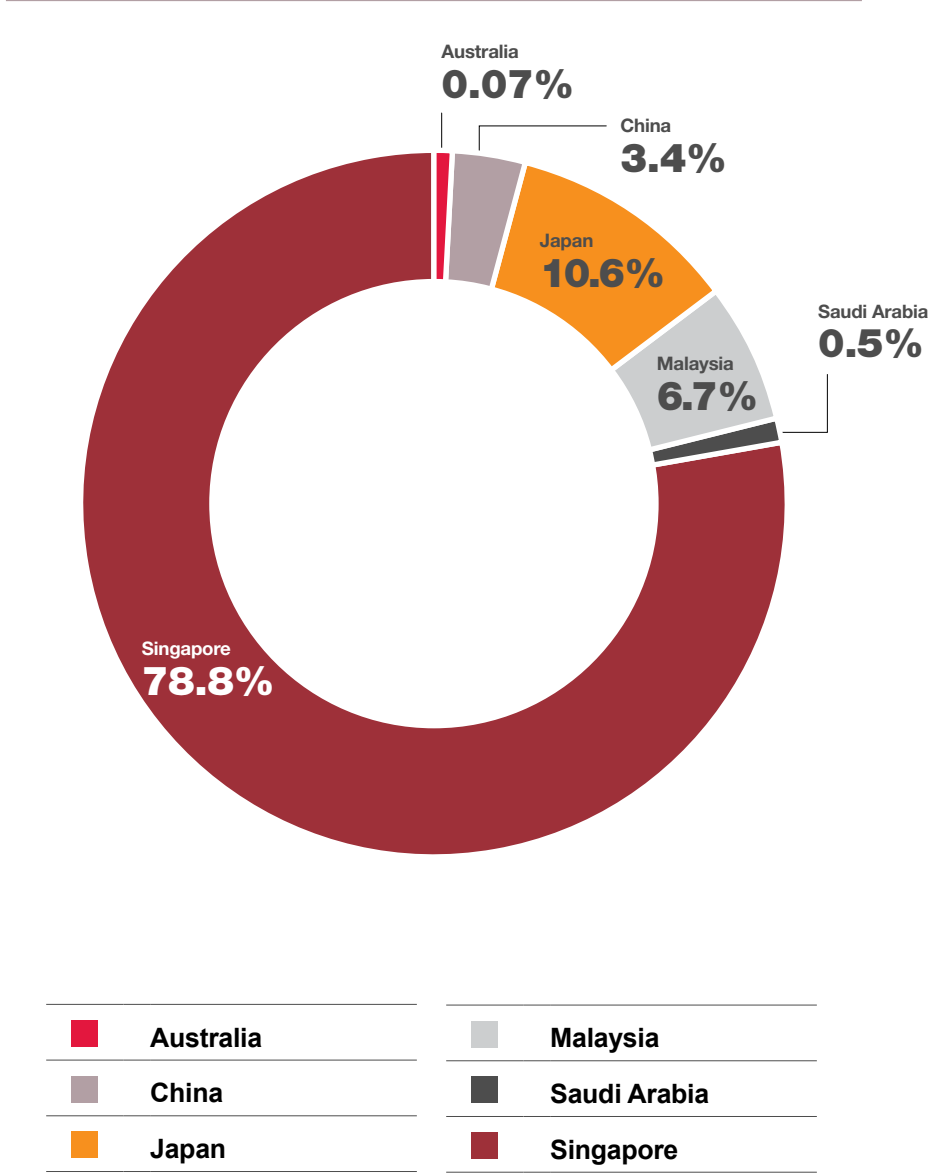
19. Based on Singapore's 2019 energy statistics as published by the Energy Market Authority.

● Reduce Emissions

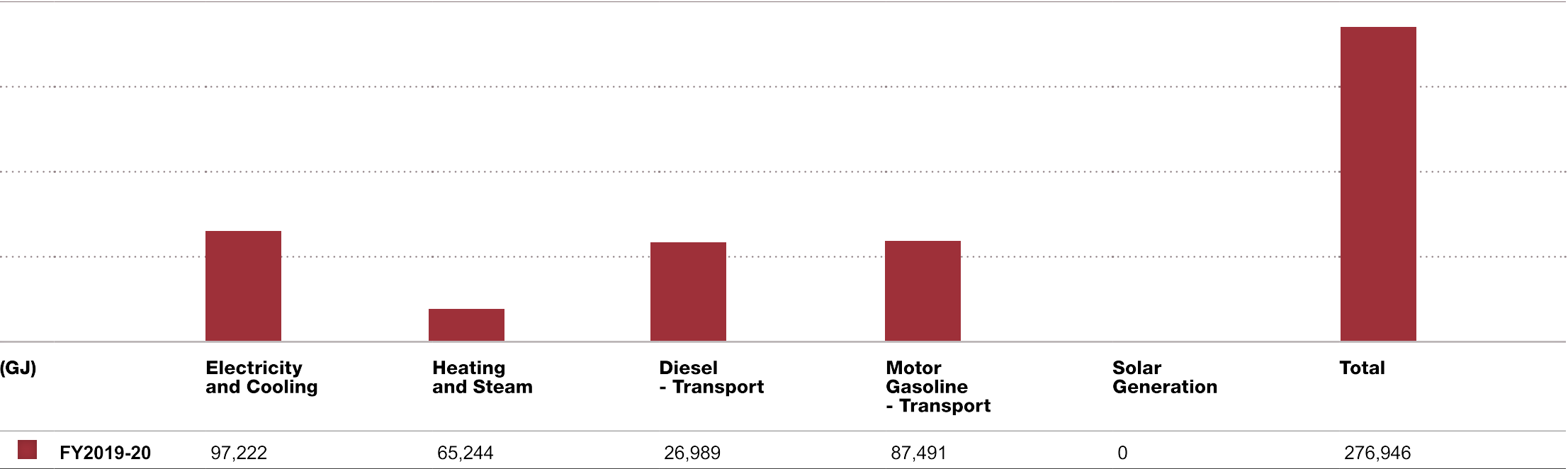
Total energy consumption

During this reporting period, a total of 1,307,792 gigajoules (GJ) of energy was consumed by SATS global operations.

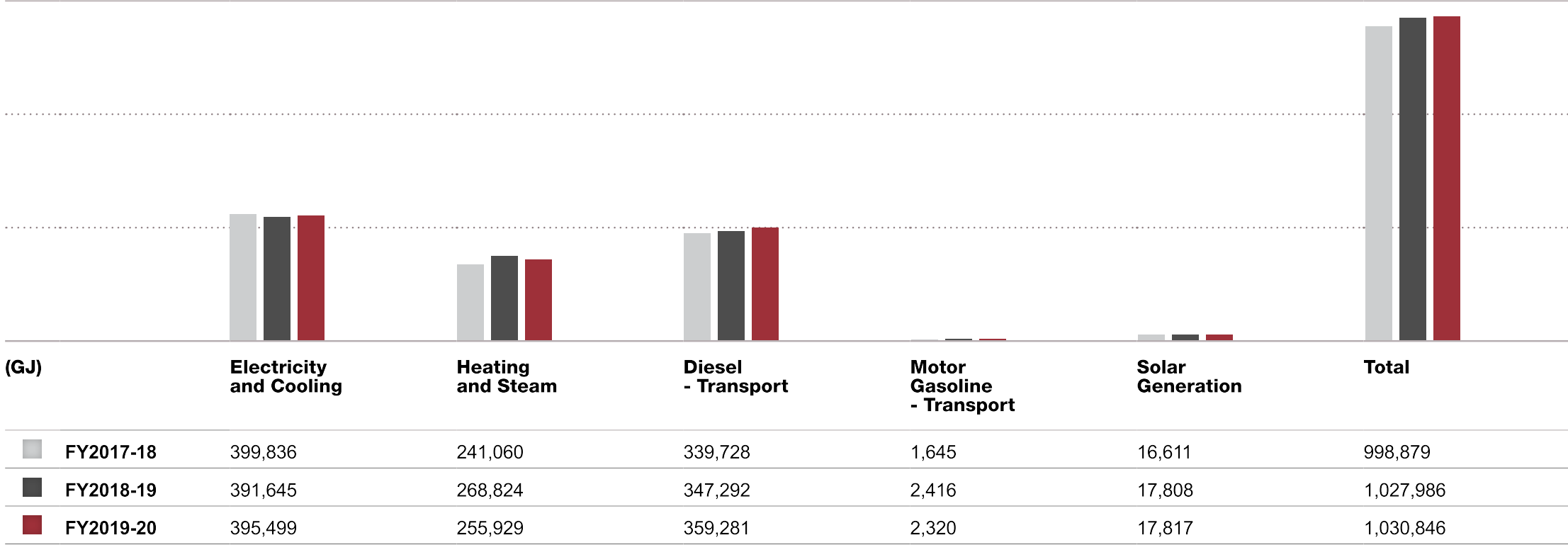
Energy Consumption by Country



Total Energy for Overseas Operations



Total Energy for Singapore Operations



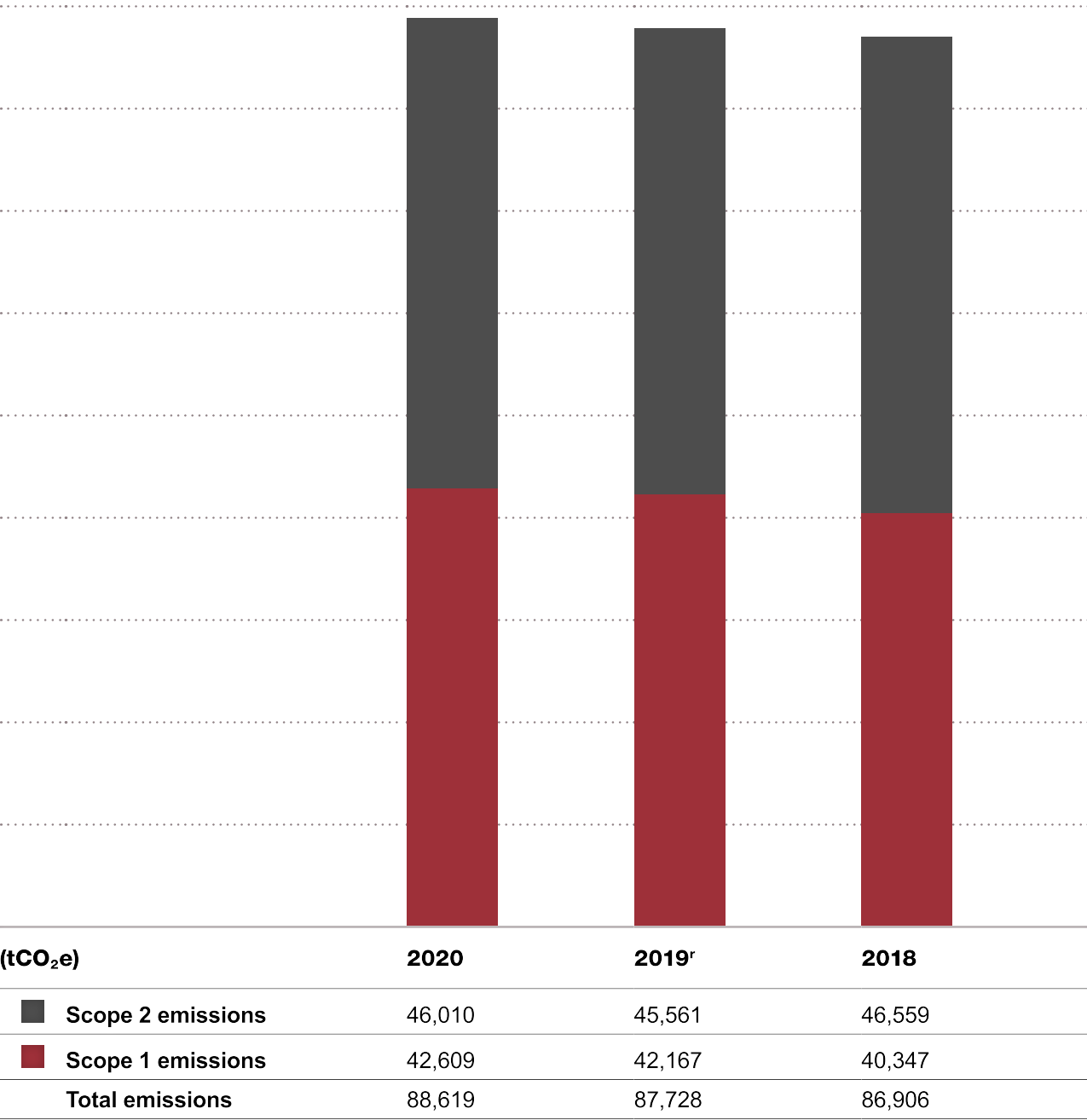
● Reduce Emissions

Scope 1 and Scope 2 Emissions

During this reporting period, our direct emissions (scope 1) amounted to 54,054 tonnes of carbon dioxide equivalent (tCO2e), and emissions from our purchase of electricity, heat and steam (scope 2) were 62,121 tCO2e.

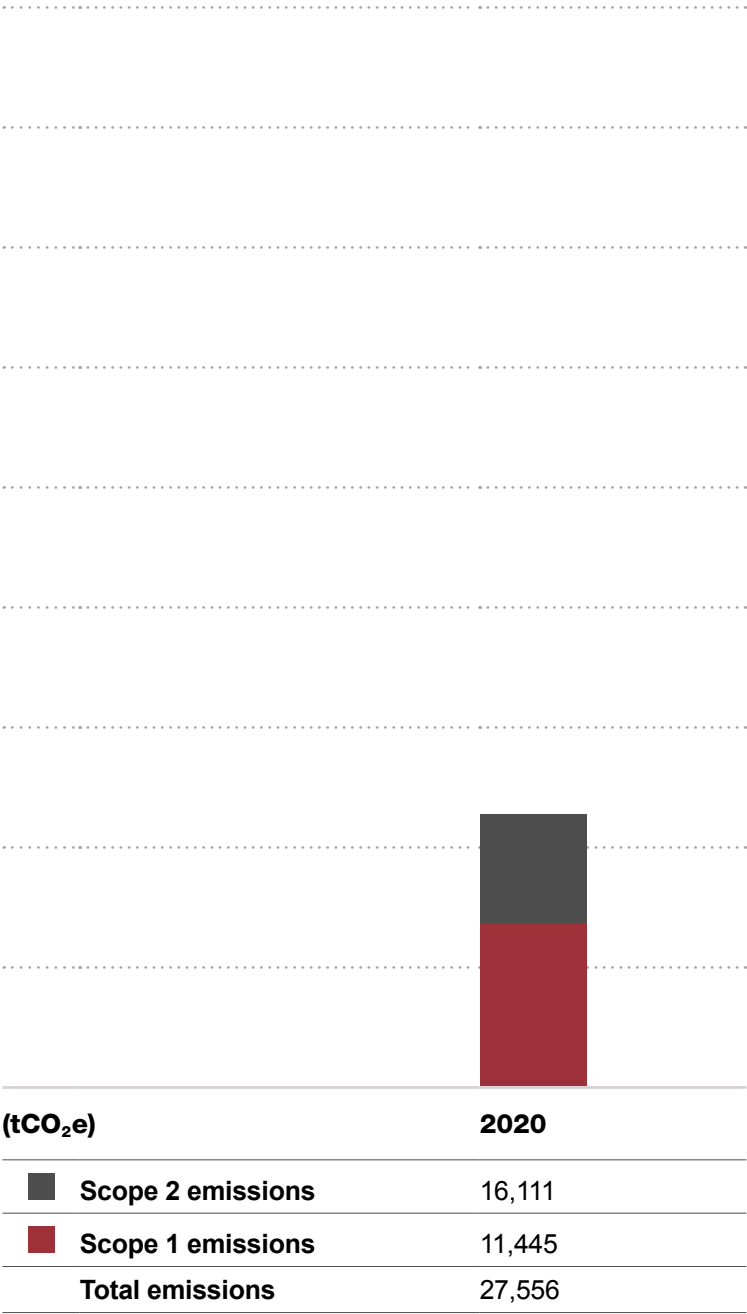
| Location | Energy (GJ) | Total Scope 1 (tCO ₂ e) | Scope 2 Emissions (tCO ₂ e) | Total Emissions (tCO ₂ e) |
|--------------|-------------|------------------------------------|--|--------------------------------------|
| Australia | 979 | 36 | 113 | 149 |
| China | 44,294 | 1,151 | 7,220 | 8,371 |
| Japan | 138,475 | 4,093 | 7,611 | 11,704 |
| Malaysia | 87,125 | 6,074 | 288 | 6,362 |
| Saudi Arabia | 6,072 | 91 | 879 | 970 |
| Singapore | 1,030,846 | 42,609 | 46,010 | 88,619 |
| Total | 1,307,791 | 54,054 | 62,121 | 116,175 |

Scope 1, 2 and Total Emissions for Singapore Operations



r. 2019 figures were restated after an internal verification exercise.

Scope 1, 2 and Total Emissions for Overseas Operations



Case Study 3.1

The True Impact of Electric GSEs

In support of our 2030 ambition to reduce our carbon emissions, SATS has been progressively transitioning from fossil fuel-based GSEs to electric GSEs. By FY2019-20, we had successfully converted a total of 93 fossil fuel-based GSEs to electric GSEs comprising 78 tractors, nine forklifts and six pallet trucks. This has amounted to 618 tonnes of carbon dioxide in emissions savings, the equivalent of greenhouse gas emissions from 134 passenger vehicles driven for a year²⁰. We continue to deploy fully electric tractors at Changi Airport Terminal 2, 3 and 4 baggage departments.

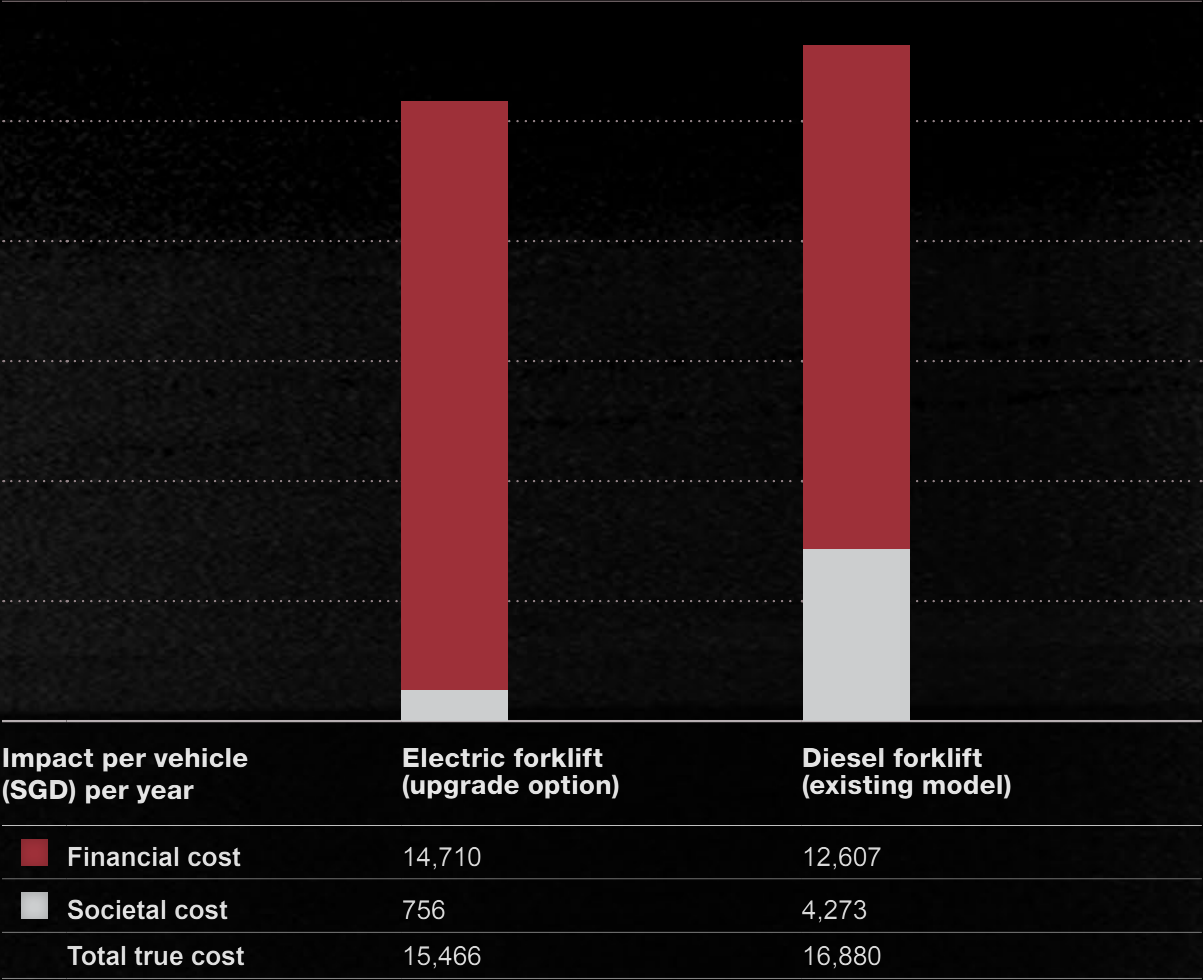
To gain a holistic understanding of the impact of electrifying our GSEs, we engaged a global consultancy firm, KPMG, to conduct a study of the true value of the initiative, with a focus on our Singapore operations. In this study, we compared the true costs of our current GSEs and possible upgrade options against the true value gained by the electrification of our GSEs. Societal costs stemming from the impact of

air pollutants and GHG emissions on aspects such as human health, agricultural productivity and property damage were calculated together with financial costs to derive the true cost of the various types of GSEs.

The assessment showed that while electric vehicle options are typically more expensive from a financial perspective, the true cost of an electric vehicle may be less than a comparable fossil fuel-based vehicle. This is a result of the typically much larger societal cost that fossil fuel-based vehicles have when compared to their electric counterparts, predominantly on account of their significantly larger GHG emissions contributions. This is seen in the example on the right.

Moving forward, we intend to integrate the same type of holistic thinking into the feasibility analysis of our sustainability initiatives, factoring societal costs alongside financial costs, so as to better guide our decision-making processes.

Annual Average True Cost of a Forklift Over its Life-span



20. Calculated using the greenhouse gas equivalencies calculator provided by the United States Environmental Protection Agency.

Case Study ^{3.2}

SATS and Sembcorp Join Forces to Increase Solar Capacity

In October 2019, SATS partnered with Sembcorp in a bid to increase our supply of renewable energy.

Under the partnership, Sembcorp is developing a suite of integrated solutions to help SATS reduce its carbon footprint, which will bring us one step closer to our goal of using 40% renewable energy in buildings owned by SATS by 2030.

One of the first initiatives is the implementation of solar energy systems to power SATS' on-site operations. Sembcorp will install, own and operate rooftop solar panels above SATS Airfreight Terminals 1 to 4, at both of SATS' inflight catering centres as well as the SATS Maintenance Workshop. The solar panels will provide SATS with a combined capacity of approximately 8.1 megawatt-peak.

With this, SATS will achieve a 13% renewable energy share against our total energy consumption. This project is expected to reduce 4.3 million kg of carbon dioxide emissions per year, equivalent to removing about 925 cars from the roads annually. New-generation solar panels, which are capable of harvesting both sunlight and heat to produce electricity and hot water, will also be piloted at this phase, and will be potentially expanded to all future SATS premises, if deemed successful.

As part of this partnership, SATS and Sembcorp will also explore trucking liquefied natural gas (LNG) to SATS and regasifying it to power boilers in both of SATS' inflight catering centres at Changi. LNG is a cleaner alternative to diesel and has 24% lower carbon dioxide emissions. In addition, to further reduce waste and optimise resources for SATS, Sembcorp will look to provide treatment for wastewater recycling.



At SATS, our sustainability goals are to enable more people to eat well and connect seamlessly across Asia, while minimising the impact these activities have on our environment. This partnership with Sembcorp allows us to explore renewable energy solutions that help us reduce our carbon footprint.



Alex Hungate

President and Chief Executive Officer

Annex A

About this Report & Contact Info

This marks the fourth year SATS is publishing an annual Sustainability Report to demonstrate our unwavering commitment to sustainability. This report has been prepared in accordance with the GRI Standards: Core option, as well as SGX Listing Rules 711A and 711B.

In addition to reporting in accordance with the GRI Standards for the first time, we have also expanded our reporting scope from our previous Sustainability Report published in July 2019. This year, our sustainability performance data not only covers our Singapore operations, but also our overseas facilities where we have operational control. The expanded reporting scope allows us to provide a more complete picture of the Group's sustainability impact and performance. Data in this report covers our financial year dated 1 April 2019 to 31 March 2020.

All feedback and suggestions are welcomed. You may direct them to:

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20 Airport Boulevard,
Singapore 819659
Tel: +65 6541 8200
Email: info_enquiry@sats.com.sg

Annex B

Energy and Greenhouse Gas Calculation Methodology

Data collection

Our energy consumption data are collected monthly. We used actual data wherever possible to achieve a high level of accuracy and credibility. For this reporting period, no estimations were made.

To identify relevant carbon emission points and facilitate data collection, we used a reporting tool which contains input sheets with five separated classifications for different types of companies within SATS. These five different types of companies include Singaporean Subsidiaries, Singaporean Associates and Joint Ventures, Overseas Associates, Overseas Subsidiaries, and Overseas Joint Ventures.

Under each company, further analysis was performed to identify the different facilities controlled by the company, such as physical installations and activities, that generate carbon emissions. After the relevant carbon emission points were identified through this process, data input would be tagged to them for reporting.

For this reporting period, only data from Singaporean Subsidiaries, Singaporean Associates and Joint Ventures, Overseas Associates and Overseas Subsidiaries are included in our GHG figures. We use the operational control approach in our consolidation of emissions data.

Different emission sources

Scope 1 emission

Our primary source of Scope 1 GHG emissions is fuel combustion. Major types of fuel we use include diesel, petrol, town gas and Liquefied Petroleum Gas (LPG). We do not generate any biogenic carbon dioxide emission at any of our facilities.

Each type of fuel is reported in units of measurement specific to the emission point. We then converted each type of fuel in measured units to required units using conversion methods shown in the table below.

Gases included in our Scope 1 calculations include carbon dioxide, methane and nitrous oxide. We use emission factors from Singapore's Energy Market Authority, National Environment Agency and the Intergovernmental Panel on Climate Change (IPCC) and the 100-year global warming potentials from the IPCC Assessment Report 4 to convert each gas to carbon dioxide equivalent.

| Fuel Type | Measured Units | Required Units | Conversion Factor |
|----------------------------|-----------------|----------------|-------------------|
| Diesel- transport | L | kg | 0.831 |
| Diesel- stationary | L | kg | 0.831 |
| Motor Gasoline- transport | L | kg | 0.748 |
| Motor Gasoline- stationary | L | kg | 0.748 |
| Town Gas (Singapore) | kWh | MWh | 0.001 |
| | Sm ³ | kg | 0.607 |
| | MMBTU | MWh | 0.293 |
| LPG- stationary | Cylinders | kg | 50.000 |
| | m ³ | kg | 1.316 |
| Electricity | kWh | MWh | 0.001 |
| Natural Gas Liquids | m ³ | kg | 1.316 |
| Biodiesel | L | kg | 0.880 |

Scope 2 emissions

We calculate our scope 2 indirect carbon emissions from purchased electricity based on data retrieved from utility bills. We use the average grid emissions factor for the country in which that electricity is purchased to calculate the emissions. Sources of these emission factors are Singapore's Energy Market Authority, Institute for Global Environmental Strategies, 2011 UNDP in Ghana GHG inventory and Australian Government National greenhouse accounts. Gases included in our Scope 2 calculations include carbon dioxide, methane and nitrous oxide. We use the 100-year global warming potentials from the IPCC Assessment Report 4 to convert each gas to carbon dioxide equivalent.

- Kg = Kilogramme
- L = Litre
- kWh = Kilowatt Hour
- MWh = Megawatt Hour
- Sm³ = Standard Cubic Metre
- MMBTU = Million British Thermal Unit
- m³ = Cubic Metre

Annex C: Our Material Topics

| SATS’ Material Topics | Definitions | Mapping to GRI Material Topics |
|--|---|--|
| Nourishing Communities | | |
| Key Stakeholders: Our customers, local communities and shareholders | | |
| Food innovation and technology | The adoption of new techniques and processes now enables us to keep food fresher and longer. New food technologies also help to enhance productivity and production capacities. | Non-GRI Disclosure |
| Food security and food safety | Fluctuating food supplies and prices, coupled with the degradation of agricultural ecosystems, threatens to disrupt global food supply chains. It is crucial to preserve the quality and safety of food supplies, ensuring access to affordable and nutritious food. | GRI 416 Customer Health and Safety |
| Food waste | Food waste generates pollution, potentially increasing operational costs and financial losses. Tapping on technology enables us to tackle food waste by improving our processes, optimising resource and demand planning, and converting waste into renewable energy. | GRI 306 Effluents and Waste |
| Health and well-being of consumers | Increasing urbanisation results in changing dietary patterns and lifestyles that affect our health and well-being. Globally, there is a growing awareness and imperative to eat and live better through quality nutrition and healthier food. | GRI 416 Customer Health and Safety |
| Sustainable sourcing and transparency in supply chains | To ensure that raw materials are sourced in a way that does not harm the environment, farmers, or human health, it is important to work with ethical and sustainable suppliers, grow sustainable food supplies and strengthen the integrity of the supply chain including traceability of high-risk products. | GRI 204 Procurement Practices GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment |
| Connecting People | | |
| Key Stakeholders: Our employees, customers, local communities and shareholders | | |
| Changing aviation markets (e.g. growth of Low Cost Carriers) | The rise of the middle class has led to increased air travel, which has resulted in the growing presence of budget airlines and new routes. Changes to how airlines manage cargo and passengers will have a significant impact on the growth of sustainable businesses and on the environment. | Non-GRI Disclosure |
| Changing sustainability regulations | The Paris Agreement and the United Nations Sustainable Development Goals have formalised the premise that businesses should be held accountable for their social and environmental impacts. Governments across Asia are introducing and enforcing new regulations, fees and penalties for the production of waste and carbon emissions. | GRI 307 Environmental Compliance GRI 419 Socioeconomic Compliance |

| SATS’ Material Topics | Definitions | Mapping to GRI Material Topics |
|---|--|--|
| Connecting People | | |
| Cybersecurity | Digitalisation and automation increase dependence on IT systems as well as vulnerability to data breaches and cyberattacks. Cyberattacks can severely disrupt operations and pose serious risks to an organisation’s critical infrastructure, business and reputation. | GRI 418 Customer Privacy |
| Geopolitical instability | Protectionism in major economies, the threat of terrorism, interstate conflicts and trade wars as well as increasing migrant and refugee flows could impact global trade flows, business growth and safety. Maintaining secure and seamless connectivity in the movement of people and goods is critical. | Non-GRI Disclosure |
| Skilled labour shortage | Skilled labour shortage or ‘skills gap’ is where a business is unable to find and hire qualified or skilled workers to fill a position. For businesses, this can result in increased operating costs as well as risks and challenges that result from the inability to replace key personnel or fill critical positions. | GRI 401 Employment GRI 402 Labor/Management Relations GRI 403 Occupational Health and Safety (2018) GRI 404 Training and Education GRI 405 Diversity and Equal Opportunity GRI 406 Non-discrimination |
| Treasuring Resources | | |
| Key Stakeholders: Our customers, employees, shareholders, local communities and the environment | | |
| Carbon emissions | Greenhouse gas emissions and climate change are causing significant and adverse impacts on ecosystems, air quality, agriculture, and human and animal health. To drive long-term and meaningful change requires widespread collaboration and collective effort. | GRI 305 Emissions |
| Energy efficiency and transformation | A safe, reliable and sufficient supply of energy is needed to meet the demands of a growing world population and support urban cities with rising living standards. The challenge lies in ensuring energy efficiency and production with minimal damage to the environment. | GRI 302 Energy |
| Materials waste | The traditional ‘take, make, use and dispose’ model has led to excessive waste, notably in terms of food, plastics and electronics. Poor waste management could result in environmental pollution and an increase in manpower and operational costs. | GRI 306 Effluents and Waste |
| Resource scarcity | Increasing competition and scarcity of resources such as water, energy, raw materials and human talent lead to higher operational costs for businesses and places a greater strain on the environment. With fewer options, businesses must use scarce resources efficiently to remain sustainable and thrive. | GRI 301 Materials GRI 303 Water and Effluents (2018) |

Annex D: Stakeholder Engagement and Membership of Associations

Stakeholder engagement methods and key concerns raised

| Key Stakeholder Groups | Engagement Method and Frequency | Key Topics and Concerns Raised | SATS’ Response | Key Stakeholder Groups | Engagement Method and Frequency | Key Topics and Concerns Raised | SATS’ Response |
|----------------------------|--|--|---|--|--|---|--|
| Employees and trade unions | <ul style="list-style-type: none">Annual employee engagement surveyMonthly staff bonding activitiesBreakfast sessions between staff and senior managementOnePeople initiative to engage employees on digital platformsReporting systems for employees to report work-related risksMonthly breakfast meetings and quarterly tea sessions or luncheons with union representativesMonthly Union Management Meetings chaired by PCEORegular performance and career development reviewWhistle-blowing platforms | <ul style="list-style-type: none">Creating an agile workforce that embraces diversityIncreasing senior leadership communicationImproving non-monetary benefits for our employeesAutomation’s impact on employmentKnowledge transfer on sustainability issues | <ul style="list-style-type: none">Continue to provide retraining, multi-skilling and upskilling to increase productivity and employability for all staff, such as with in-house training and company sponsorship for certification, diploma or degree coursesUphold our “technology-driven, people-led” approach and maintain a high level of engagement in the process of digitalisation and automationEncourage conscious consumption among our employees and educate them on sustainable developments through sharing or training sessionsDesignated platform for union representatives to introduce unions to new employees at our bi-monthly employee familiarisation programme | Investors (Institutional) and sell-side analysts | <ul style="list-style-type: none">Annual General Meeting and quarterly earnings conferenceParticipation in investor conferences to meet with investorsResponse to email requests from key institutional investors to meet with senior management on specific matters and queries about our businessDedicated investor relations team and clearly defined investor relations policy to guide our communication with investorsCapital Markets Day for investors and analysts | <ul style="list-style-type: none">Sustainable development and long-term growthCapital investments in sustainability initiativesUse of renewable energyProgrammes on reducing and managing food wastage | <ul style="list-style-type: none">Continue to harness technology and automation to enhance our operational efficiency and achieve scaleExpanded the installation of rooftop solar panels across our premises with a combined capacity of 8.1 megawatt-peak atop SATS Airfreight Terminals 1 to 4, both of SATS’ inflight catering centres as well as the SATS Maintenance WorkshopContinue to invest with the long-term view of creating shared value for our stakeholdersManage food waste responsibly by improving demand planning, optimising supply chain efficiencies and judicious use of food trimmings in our production. |
| | <ul style="list-style-type: none">On-ground service teams interact with customers daily, such as dedicated delay handling teamRegular audits by our customersRegular outreach events, such as events to promote healthy diets to our young customers (school children) | <ul style="list-style-type: none">Sustainable practices in operations such as in the use of packaging materials and waste managementExploring the use of plant-based ingredients in menu offeringsOffering carbon footprint information by meal type | <ul style="list-style-type: none">Continue to work with our partners to promote the use of healthy ingredientsProvide allergen information for all meals by 2030Uphold our high standard in food safety, starting with the selection of quality raw materials from our suppliers to quality management in our kitchensAdopt new technology to enhance product qualityEstablished Digital Integrated Supply Chain (DISC) to enable end-to-end traceability | Partners (Business) | <ul style="list-style-type: none">Regular face-to-face meetings, phone calls and emails to discuss projects | <ul style="list-style-type: none">Sustainable sourcingCarbon and energy reduction and waste issuesAutomation and digitalisationValue creation through partnership | <ul style="list-style-type: none">Uphold our Supplier of Code of Conduct and build our relationship with business partners through integrity and continue to practice sustainable and responsible sourcingInvested in technology to create value for our business partnersLaunched initiatives with our partners to enhance the travel experience, such as assisting SIA and SilkAir in their launch of P60 service to enable passengers to order duty-free goods up to 60 minutes before flight departureContinue to track and reduce waste and carbon emissions |

Annex D: Stakeholder Engagement and Membership of Associations

Stakeholder engagement methods and key concerns raised

| Key Stakeholder Groups | Engagement Method and Frequency | Key Topics and Concerns Raised | SATS’ Response |
|---------------------------------------|---|--|--|
| Partners (Government & Regulators) | <ul style="list-style-type: none">Company announcementsQuarterly financial results announcementNews releaseCorporate presentation on websiteOur management team, including PCEO, regularly communicates with government authorities and regulators on behalf of the company | <ul style="list-style-type: none">Workers’ well-beingCybersecurityAutomation and digitalisationRegulatory and legal compliance e.g. the National Environment Agency’s mandatory packaging reporting | <ul style="list-style-type: none">Board has overall responsibility in regulatory and legal complianceProtect our employees through fair employment and Occupational Health and Safety Management System. Continue to improve employees’ well-being through engagement activities, training and provision of other non-monetary benefits.Invested in technology to enhance digitalisation and automationEstablished policies and practices to form our comprehensive cyber defense systemImplemented several initiatives to reduce our carbon footprint, such as the electrification of our fleet |
| | | | |
| Suppliers | <ul style="list-style-type: none">Face-to-face meetings, phone calls and emails on a project-basisAnnual suppliers’ day forum | <ul style="list-style-type: none">Comprehensive yield testOpenness to proposal and ideas for cost-effective raw materialsSustainable product packagingNutritional quality of products | <ul style="list-style-type: none">Uphold our Supplier Code of Conduct to ensure they meet specified standards and qualificationsContinue to form strategic long-term partnerships in areas such as delivery innovation, collaboration and co-branding activities |
| Community | <ul style="list-style-type: none">Various community outreach and engagement activities, including donations and volunteering programmes | <ul style="list-style-type: none">Sustainable waste managementCarbon emission reductionEmpowering our communities through education | <ul style="list-style-type: none">Continue to track and reduce waste and carbon emissionsConduct school outreach programmes to educate children on healthy eating habits |

| Key Stakeholder Groups | Engagement Method and Frequency | Key Topics and Concerns Raised | SATS’ Response |
|------------------------|---|---|---|
| NGOs | <ul style="list-style-type: none">Company announcementsQuarterly financial results announcementNews releaseCorporate presentation on websiteDonation to NGOs through SATS Foundation and SATS Staff Association | <ul style="list-style-type: none">Sustainable development in line with international practice | <ul style="list-style-type: none">Comply with sustainability regulations and integration of sustainable practices beyond compliance |

Membership of Associations

| Organisation Name | SATS Saudi Arabia |
|--|--|
| International Air Transport Association | Airport Operator Committee |
| Singapore Business Federation | Saudi Chambers of Commerce and Industry |
| Singapore National Employers Federation | |
| Singapore Aircargo Agents Associations | |
| The International Air Cargo Association | |
| SATS Tokyo Flight Kitchen | |
| Chiba Prefectural Government, Industrial Study | The Energy Conservation Center |
| Chiba Safety Driving and Traffic Education, Airport District Council | Chiba Corporate Management Association |
| Japan Tariff Association | Japan Inflight Catering Association |
| NAA Airport Operators Committee | Narita Chamber of Commerce |
| Narita Corporate Tax Study group | Narita Cosmopolitan Rotary Club |
| Narita Fire and Disaster Prevention Association | Narita Liquor Merchants Association |
| Narita Indirect Tax Association, Narita office | Public Opinion Study Association |
| Narita International Airport Police Association | Association des Disciples d'Auguste Escoffier du Japon |
| Narita International Airport Promotion Association | The Association for the Advancement of the Japanese Culinary Art |
| Narita Labour Standards Association | Chiba Bank Research Institute |
| Narita Tourism Association | Mizuho Bank Study Group |
| Narita Withholding Tax Association | Small Kindness Movement Office |

Annex E: GRI Content Index

| GRI Standard | Disclosure Number | Disclosure Title | Page Number and Reasons for Omissions, if applicable |
|-----------------------------------|-------------------|--|---|
| General Disclosures | | | |
| Organisational Profile | | | |
| GRI 102: General Disclosures 2016 | 102-1 | Name of the organization | Front Cover |
| | 102-2 | Activities, brands, products, and services | About SATS, Page 18 |
| | 102-3 | Location of headquarters | Singapore |
| | 102-4 | Location of operations | About SATS, Page 19 |
| | 102-5 | Ownership and legal form | About SATS, Page 18 |
| | 102-6 | Markets served | About SATS, Pages 18-19 |
| | 102-7 | Scale of the organization | About SATS, Pages 19, 45 |
| | | | Refer to SATS Annual Report 2019-2020, Pages 96, 98-99 for information on net sales and total capitalisation |
| | 102-8 | Information on employees and other workers | Connecting People > Grow with SATS, Page 45 |
| | 102-9 | Supply chain | Nourishing Communities > Ensure Supply Chain is Sustainable, Page 32 |
| | 102-10 | Significant changes to the organization and its supply chain | There are no significant changes to SATS and its supply chain during this reporting period. |
| | 102-11 | Precautionary principle or approach | Treasuring Resources > Use Scarce Resources Efficiently, Page 62 |
| | 102-12 | External initiatives | Nourishing Communities > Ensure Supply Chain is Sustainable, Page 33 Nourishing Communities > Uphold Food Safety, Page 35 Connecting People > Grow with SATS, Page 48 |
| | 102-13 | Membership of associations | Annex D: Stakeholder Engagement and Membership of Associations |
| Strategy | | | |
| GRI 102: General Disclosures 2016 | 102-14 | Statement from senior decision makers | Board Statement, Page 9 PCEO Statement, Page 8 |
| Ethics and Integrity | | | |
| GRI 102: General Disclosures 2016 | 102-16 | Values, principles, standards, and norms of behavior | About SATS, Page 18 |
| Governance | | | |
| GRI 102: General Disclosures 2016 | 102-18 | Governance structure | Our Sustainability Framework, Pages 9, 13 |

| GRI Standard | Disclosure Number | Disclosure Title | Page Number and Reasons for Omissions, if applicable |
|-----------------------------------|-------------------|--|--|
| General Disclosures | | | |
| Stakeholder Engagement | | | |
| GRI 102: General Disclosures 2016 | 102-40 | List of stakeholder groups | Annex D: Stakeholder Engagement and Membership of Associations |
| | 102-41 | Collective bargaining agreements | Connecting People > Grow with SATS, Page 48 |
| | 102-42 | Identifying and selecting stakeholders | Annex D: Stakeholder Engagement and Membership of Associations |
| | 102-43 | Approach to stakeholder engagement | Annex D: Stakeholder Engagement and Membership of Associations |
| | 102-44 | Key topics and concerns raised | Annex D: Stakeholder Engagement and Membership of Associations |
| | | | |
| Reporting Practice | | | |
| GRI 102: General Disclosures 2016 | 102-45 | Entities included in the consolidated financial statements | Annex A: About this Report & Contact Info |
| | 102-46 | Defining report content and topic Boundaries | Annex C: Our Material Topics |
| | 102-47 | List of material topics | Annex C: Our Material Topics |
| | 102-48 | Restatements of information | Treasuring Resources > Reduce Emissions, Page 68 |
| | 102-49 | Changes in reporting | Annex A: About this Report & Contact Info |
| | 102-50 | Reporting period | Annex A: About this Report & Contact Info |
| | 102-51 | Date of most recent report | Annex A: About this Report & Contact Info |
| | 102-52 | Reporting cycle | Annex A: About this Report & Contact Info |
| | 102-53 | Contact point for questions regarding the report | Annex A: About this Report & Contact Info |
| | 102-54 | Claims of reporting in accordance with the GRI Standards | Annex A: About this Report & Contact Info |
| | 102-55 | GRI content index | Annex E: GRI Content Index |
| | 102-56 | External assurance | We have not sought external assurance for this report and we will work towards getting our Sustainability Report externally assured in the next three to five years. |

Annex E: GRI Content Index

| GRI Standard | Disclosure Number | Disclosure Title | Page Number and Reasons for Omissions, if applicable |
|-------------------------------------|-------------------|--|--|
| Topic Specific Disclosures | | | |
| Category: Economic | | | |
| Procurement Practices | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Nourishing Communities > Ensure Supply Chain is Sustainable, Pages 32-33 |
| | 103-2 | The management approach and its components | Nourishing Communities > Ensure Supply Chain is Sustainable, Pages 33-34 |
| | 103-3 | Evaluation of the management approach | Nourishing Communities > Ensure Supply Chain is Sustainable, Page 33 |
| GRI 204: Procurement Practices 2016 | 204-1 | Proportion of spending on local suppliers | Nourishing Communities > Ensure Supply Chain is Sustainable, Page 33 |
| Category: Environmental | | | |
| Materials | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Nourishing Communities > Tackle Food and Packaging Waste, Pages 26-27 Treasuring Resources > Use Scarce Resources Efficiently, Page 61 |
| | 103-2 | The management approach and its components | Treasuring Resources > Use Scarce Resources Efficiently, Page 62 Nourishing Communities > Tackle Food and Packaging Waste, Pages 27-28 |
| | 103-3 | Evaluation of the management approach | Nourishing Communities > Tackle Food and Packaging Waste, Pages 27-28 |
| GRI 301: Materials 2016 | 301-1 | Materials used by weight or volume | Each year, we use approximately 18,000 tonnes of food ingredients and raw materials. We are working towards collecting data for other materials used. |
| Energy | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Treasuring Resources > Reduce Emissions, Page 66 |
| | 103-2 | The management approach and its components | Treasuring Resources > Reduce Emissions, Pages 66, 69-70 |
| | 103-3 | Evaluation of the management approach | Treasuring Resources > Reduce Emissions, Page 66 |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organization | Treasuring Resources > Reduce Emissions, Page 67 |
| | | | Annex B: Energy and Greenhouse Gas Calculation Methodology |

| GRI Standard | Disclosure Number | Disclosure Title | Page Number and Reasons for Omissions, if applicable |
|-----------------------------------|-------------------|--|--|
| Topic Specific Disclosures | | | |
| Category: Environmental | | | |
| Water and Effluents | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Treasuring Resources > Use Scarce Resources Efficiently, Page 62 |
| | 103-2 | The management approach and its components | Treasuring Resources > Use Scarce Resources Efficiently, Page 62 |
| | 103-3 | Evaluation of the management approach | Treasuring Resources > Use Scarce Resources Efficiently, Page 62 |
| GRI 303: Water and Effluents 2018 | 303-1 | Interactions with water as a shared resource | Treasuring Resources > Use Scarce Resources Efficiently, Pages 62-63 |
| | 303-2 | Management of water discharge-related impacts | Treasuring Resources > Use Scarce Resources Efficiently, Page 62 |
| | 303-3 | Water withdrawal | Treasuring Resources > Use Scarce Resources Efficiently, Pages 63-64 Water withdrawn in Singapore and our overseas operations is freshwater and from municipal supply. Based on World Resources Institute's Aqueduct Water Risk Atlas tool, our operations in Japan, Australia and Saudi Arabia are currently located in water stress areas. |
| Emissions | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Treasuring Resources > Reduce Emissions, Page 66 |
| | 103-2 | The management approach and its components | Treasuring Resources > Reduce Emissions, Pages 66, 69-70 |
| | 103-3 | Evaluation of the management approach | Treasuring Resources > Reduce Emissions, Page 66 |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | Treasuring Resources > Reduce Emissions, Page 68 Annex B: Energy and Greenhouse Gas Calculation Methodology |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | Treasuring Resources > Reduce Emissions, Page 68 Annex B: Energy and Greenhouse Gas Calculation Methodology |

Annex E: GRI Content Index

| GRI Standard | Disclosure Number | Disclosure Title | Page Number and Reasons for Omissions, if applicable |
|---|-------------------|---|---|
| Topic Specific Disclosures | | | |
| Category: Environmental | | | |
| Effluents and Waste | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Nourishing Communities > Tackle Food and Packaging Waste, Pages 26-27 |
| | | | Treasuring Resources > Use Scarce Resources Efficiently, Page 62 |
| | 103-2 | The management approach and its components | Nourishing Communities > Tackle Food and Packaging Waste, Pages 27-31 |
| | | | Treasuring Resources > Use Scarce Resources Efficiently, Pages 61-62 |
| | 103-3 | Evaluation of the management approach | Nourishing Communities > Tackle Food and Packaging Waste, Pages 28, 31 |
| | | | Treasuring Resources > Use Scarce Resources Efficiently, Page 62 |
| GRI 306: Effluents and Waste 2016 | 306-2 | Waste by type and disposal method | Treasuring Resources > Use Scarce Resources Efficiently, Page 65 |
| Environmental Compliance | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Connecting People > Ensure Seamless Connection, Page 44 |
| | 103-2 | The management approach and its components | Connecting People > Ensure Seamless Connection, Page 44 |
| | 103-3 | Evaluation of the management approach | Connecting People > Ensure Seamless Connection, Page 44 |
| GRI 307: Environmental Compliance 2016 | 307-1 | Non-compliance with environmental laws and regulations | Connecting People > Ensure Seamless Connection, Page 44 |
| Supplier Environmental Compliance | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Nourishing Communities > Ensure Supply Chain is Sustainable, Pages 32-33 |
| | 103-2 | The management approach and its components | Nourishing Communities > Ensure Supply Chain is Sustainable, Page 33 |
| | 103-3 | Evaluation of the management approach | Nourishing Communities > Ensure Supply Chain is Sustainable, Page 33 |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 | New suppliers that were screened using environmental criteria | Information currently not available. We will disclose this information in the future. |

| GRI Standard | Disclosure Number | Disclosure Title | Page Number and Reasons for Omissions, if applicable |
|---|-------------------|--|--|
| Topic Specific Disclosures | | | |
| Category: Social | | | |
| Employment | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Connecting People > Grow with SATS, Pages 45-46 |
| | 103-2 | The management approach and its components | Connecting People > Grow with SATS, Pages 45-46 |
| | 103-3 | Evaluation of the management approach | Connecting People > Grow with SATS, Page 46 |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | Connecting People > Grow with SATS, Pages 49-50 |
| Labour-Management Relations | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Connecting People > Grow with SATS, Page 48 |
| | 103-2 | The management approach and its components | Connecting People > Grow with SATS, Page 48 |
| | 103-3 | Evaluation of the management approach | Connecting People > Grow with SATS, Page 48 |
| GRI 402: Labour-Management Relations 2016 | 402-1 | Minimum notice periods regarding operational changes | Connecting People > Grow with SATS, Page 48 |

Annex E: GRI Content Index

| GRI Standard | Disclosure Number | Disclosure Title | Page Number and Reasons for Omissions, if applicable |
|--|-------------------|---|---|
| Topic Specific Disclosures | | | |
| Category: Social | | | |
| Occupational Health and Safety | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Connecting People > Safeguard Operational Safety, Page 52 |
| | 103-2 | The management approach and its components | Connecting People > Safeguard Operational Safety, Pages 52-53 |
| | 103-3 | Evaluation of the management approach | Connecting People > Safeguard Operational Safety, Pages 52-53 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 | Occupational health and safety management system | Connecting People > Safeguard Operational Safety, Page 52 |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | Connecting People > Safeguard Operational Safety, Page 52 |
| | 403-3 | Occupational health services | Connecting People > Safeguard Operational Safety, Page 52 |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | Connecting People > Safeguard Operational Safety, Pages 52-53 |
| | 403-5 | Worker training on occupational health and safety | Connecting People > Safeguard Operational Safety, Pages 52-53 |
| | 403-6 | Promotion of worker health | Connecting People > Safeguard Operational Safety, Page 53 |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Connecting People > Safeguard Operational Safety, Page 53 |
| | 403-9 | Work-related injuries | Connecting People > Safeguard Operational Safety, Page 53 |
| Training and Education | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Connecting People > Grow with SATS, Page 46 |
| | 103-2 | The management approach and its components | Connecting People > Grow with SATS, Pages 46-47 |
| | 103-3 | Evaluation of the management approach | Connecting People > Grow with SATS, Page 46 |
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per year per employee | Connecting People > Grow with SATS, Page 47 |

| GRI Standard | Disclosure Number | Disclosure Title | Page Number and Reasons for Omissions, if applicable |
|---|-------------------|--|---|
| Topic Specific Disclosures | | | |
| Category: Social | | | |
| Diversity and Equal Opportunity | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Connecting People > Grow with SATS, Page 48 |
| | 103-2 | The management approach and its components | Connecting People > Grow with SATS, Page 48 |
| | 103-3 | Evaluation of the management approach | Connecting People > Grow with SATS, Page 48 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | Connecting People > Grow with SATS, Pages 50-51 |
| Non-Discrimination | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Connecting People > Grow with SATS, Page 48 |
| | 103-2 | The management approach and its components | Connecting People > Grow with SATS, Page 48 |
| | 103-3 | Evaluation of the management approach | Connecting People > Grow with SATS, Page 48 |
| GRI 406: Non-Discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | Connecting People > Grow with SATS, Page 48 |
| Supplier Social Assessment | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Nourishing Communities > Ensure Supply Chain is Sustainable, Pages 32-33 |
| | 103-2 | The management approach and its components | Nourishing Communities > Ensure Supply Chain is Sustainable, Page 33 |
| | 103-3 | Evaluation of the management approach | Nourishing Communities > Ensure Supply Chain is Sustainable, Page 33 |
| GRI 414: Supplier Social Assessment 2016 | 414-1 | New suppliers that were screened using social criteria | Information currently not available. We will disclose this information in the future. |

Annex E: GRI Content Index

| GRI Standard | Disclosure Number | Disclosure Title | Page Number and Reasons for Omissions, if applicable |
|--|-------------------|---|---|
| Topic Specific Disclosures | | | |
| Category: Social | | | |
| Customer Health and Safety | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Nourishing Communities > Uphold Food Safety, Page 35 |
| | | | Connecting People > Ensure Seamless Connection, Page 38 |
| | 103-2 | The management approach and its components | Nourishing Communities > Uphold Food Safety, Page 35 |
| | | | Connecting People > Ensure Seamless Connection, Pages 41-43 |
| | 103-3 | Evaluation of the management approach | Nourishing Communities > Uphold Food Safety, Page 35 |
| | | | Connecting People > Ensure Seamless Connection, Page 41 |
| GRI 416: Customer Health and Safety 2016 | 416-1 | Assessment of the health and safety impacts of product and service categories | Nourishing Communities > Uphold Food Safety, Page 35 |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Nourishing Communities > Uphold Food Safety, Page 35 |
| Customer Privacy | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Connecting People > Ensure Seamless Connection, Page 44 |
| | 103-2 | The management approach and its components | Connecting People > Ensure Seamless Connection, Page 44 |
| | 103-3 | Evaluation of the management approach | Connecting People > Ensure Seamless Connection, Page 44 |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Connecting People > Ensure Seamless Connection, Page 44 |
| Socioeconomic Compliance | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Connecting People > Ensure Seamless Connection, Page 44 |
| | 103-2 | The management approach and its components | Connecting People > Ensure Seamless Connection, Page 44 |
| | 103-3 | Evaluation of the management approach | Connecting People > Ensure Seamless Connection, Page 44 |
| GRI 419: Socioeconomic Compliance 2016 | 419-1 | Non-compliance with laws and regulations in the social and economic area | Connecting People > Ensure Seamless Connection, Page 44 |

| GRI Standard | Disclosure Number | Disclosure Title | Page Number and Reasons for Omissions, if applicable |
|-----------------------------------|-------------------|--|--|
| Topic Specific Disclosures | | | |
| Category: Social | | | |
| Food Innovation and Technology | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Nourishing Communities > Make Balanced Diets Accessible, Pages 22-24 |
| | 103-2 | The management approach and its components | Nourishing Communities > Make Balanced Diets Accessible, Pages 22-24 |
| | 103-3 | Evaluation of the management approach | Nourishing Communities > Make Balanced Diets Accessible, Page 24 |
| Non-GRI | | Investing in food innovation and technology | Nourishing Communities > Make Balanced Diets Accessible, Page 24 |
| Changing Aviation Markets | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Connecting People > Ensure Seamless Connection, Page 44 |
| | 103-2 | The management approach and its components | Connecting People > Ensure Seamless Connection, Page 44 |
| | 103-3 | Evaluation of the management approach | Connecting People > Ensure Seamless Connection, Page 44 |
| Non-GRI | | Regulatory and market risk management | Connecting People > Ensure Seamless Connection, Page 44 |
| Geopolitical Instability | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Connecting People > Ensure Seamless Connection, Page 44 |
| | 103-2 | The management approach and its components | Connecting People > Ensure Seamless Connection, Page 44 |
| | 103-3 | Evaluation of the management approach | Connecting People > Ensure Seamless Connection, Page 44 |
| Non-GRI | | Regulatory and market risk management | Connecting People > Ensure Seamless Connection, Page 44 |

Annex F: Glossary

| | | | | | |
|----------------------|--------------------------------------|--------------|---|------------------|--|
| AESU | Air Transport Executive Staff Union | GRI | Global Reporting Initiative | SATS DN | SATS Delaware North |
| AFT | Airfreight Terminal | GSE | Ground Support Equipment | SATSWU | Singapore Airport Terminal Services Workers’ Union |
| AI | Artificial Intelligence | HPB | Health Promotion Board | SCOC | SATS-Creuers Ops Center |
| AISATS | Air India SATS | IATA | International Air Transport Association | SDG | Sustainable Development Goal |
| ASC | Aquaculture Stewardship Council | IPCC | Intergovernmental Panel on Climate Change | SFA | Singapore Food Agency |
| CAG | Changi Airport Group | LIDAR | Light Detection And Ranging | SFOC | Smart Facility Operational Capacity |
| CCP | Critical Control Points | LNG | Liquefied Natural Gas | SFS | SATS Food Service |
| CDCC | Cruise Dorm Comms Centre | LPG | Liquefied Petroleum Gas | SIA | Singapore Airlines |
| CFO | Consumer-facing Organisation | MBCCS | Marina Bay Cruise Centre Singapore | SICC | SATS Inflight Catering Centre |
| CGH | Changi General Hospital | MIC | Maldives Inflight Catering | SIT | Singapore Institute of Technology |
| CoC | Chain of Custody | MSC | Marine Stewardship Council | SMC | SATS Maintenance Centre |
| Country Foods | Country Foods Pte. Ltd | OHS | Occupational Health & Safety | SPL | SATS Premium Lounges |
| DISC | Digital Integrated Supply Chain | PCEO | President & Chief Executive Officer | STP | Sewage Treatment Plant |
| e-AWB | electronic airway bills | PI | Primary Industries | tCO2e | tonnes of carbon dioxide equivalent |
| EDB | Economic Development Board | PRM | Person with Reduced Mobility | TMF | Texture Modified Food |
| ESG | Environmental, Social and Governance | PTB | Passenger Terminal Building | TUMCREATE | TUM CREATE Ltd |
| GHG | Greenhouse Gas | SAF | Singapore Armed Forces | ULD | Unit Load Device |
| GJ | gigajoules | SAL | SATS Aero Laundry | WSHC | Workplace Safety and Health Council |