Shaping the Future

SATS Ltd.
Sustainability Report FY2021-22

EXPLORE

Shaping the Future

The pandemic has brought about lasting impact on people and businesses, changing how we live. Emerging from the pandemic, every stakeholder from government to the community is rethinking innovation and collaboration to build greater resilience and operational excellence. At SATS, we work synergistically across our network with our stakeholders in the aviation, logistics, and food ecosystems, to drive collaborative advantage and shape the future of sustainability together.

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Maximising Positive Impact Through Building Ecosystems

Kerry Mok
President and Chief Executive Officer

→ Read Full Statement

PCEO Statement

Dear Shareholders,

Leading SATS Food Solutions through the pandemic and taking the helm as President and CEO of the SATS Group just as borders were reopening, I am conscious that leadership at SATS is not only about ensuring the enterprise's operational excellence, but also to contribute to the community's well-being. As a service provider to a broad spectrum of customers – airlines, foodservice chains, retailers, institutions, cruise lines, freight forwarders, postal services and eCommerce companies – we have to balance the interests of myriad stakeholders to generate long-term tangible benefits for the greater good. By operationalising our sustainability strategy across the value chain to unlock potential within the various ecosystems, we create greater impact with our sustainability initiatives.

Foundational to our ability to connect purpose to productivity and impact is to have data that will help us track the milestones in our sustainability journey, and develop holistic solutions that involve our stakeholders to drive meaningful change. For example, progressing with our decarbonisation strategy, we have used the Quantis assessment tool recognised by the Science Based Targets initiative to assess our Scope 3 carbon emissions for FY2019-20 as the base year and identify the key sources of carbon emissions along our value chain. The data enables SATS to prioritise initiatives in our decarbonisation strategy.

To ensure social responsibility and governance, we made acceptance of the SATS' Supplier Code of Conduct mandatory for suppliers who wish to participate in SATS' sourcing activities. SATS and seven of its Singapore-based companies successfully obtained the ISO 37001 certification in December 2021, fortifying our commitment to upholding the highest level of business integrity and ethical practices prescribed in the international standard for anti-bribery management systems. We also became a signatory of the United Nations Global Compact, reinforcing our commitment to human rights, labour, environment and anti-corruption.

Maturing the sustainability culture in our organisation, we have extended our ESG practices to our subsidiaries beyond Singapore. A Sustainability Council comprising representatives from all major business units and overseas representatives meet regularly to share best practices and spearhead sustainability initiatives. We have also trained over 500 employees across our network on the importance and different aspects of sustainability.

Accelerating climate and societal change, we maximise impact through building ecosystems that unleash collective energy. In Japan, for example, SATS TFK has been certified by the Marine Stewardship Council for using sustainably sourced seafood in line with internationally recognised standards for sustainable fishing & seafood traceability. Our non-travel business development team develops new menus that use only these sustainable sources of seafood. At Changi, we are also constantly engaged in tripartite engagements with our industry partners to enhance our charging infrastructure on the airside to promote cleaner transportation.

Operationalising our sustainability strategy across the value chain may pose some challenges, but overcoming these challenges will unlock huge potential in the ecosystems to generate significant impact for the community. At SATS, we are committed to aligning with other leading companies around the world that share the same aspirations to be a force for good to secure our collective future.

Kerry Mok
President and Chief Executive Officer
24 May 2022

"By operationalising our sustainability strategy across the value chain to unlock potential within the various ecosystems, we create greater impact with our sustainability initiatives."

Board Statement

The Board believes that the business strategy of SATS must be sustainable in order to safeguard the long-term success of the company and its shareholders. As it oversees the development of the company's purpose, vision and mission, it makes certain that sustainability goals are integrated into all programmes and business imperatives.

While the Board sets the risk appetite for SATS to pursue its purpose to feed and connect communities, management provides stewardship on sustainability implementation and ensures that business strategy aligns with the company's sustainability goals. To provide a dedicated focus on sustainability, the Chief Sustainability Officer has formed a Sustainability Council comprising representatives from relevant parts of the SATS group.

SATS maps material topics to the United Nations' Sustainable Development Goals and reports sustainability performance in line with the SGX Sustainability Reporting Guide, with reference to the core option of the Global Reporting Initiative (GRI) framework. Recognising the inter relationship between its business activities and climate change, SATS is providing greater disclosure in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). The TCFD framework will provide additional guidance on how SATS manages climate risks and opportunities through the lenses of governance, strategy, risk management as well as metrics and targets. The achievement of our sustainability goals and those of our stakeholders will help build a resilient and progressive company that we can all be proud of.

Euleen Goh
Chairman

24 May 2022

EULEEN GOH

KERRY MOK

ACHAL AGARWAL

VINITA BALI

CHIA KIM HUAT

MICHAEL KOK

JENNY LEE

DEBORAH ONG

JESSICA TAN

TAN SOO NAN

YAP KIM WAH

Our Sustainability Framework

Our sustainability framework outlines how our response to global sustainability challenges will drive the future success of SATS as a business.

At SATS, we adopt a technology-driven, people-led approach to deliver long-term value for our stakeholders. We develop innovative solutions to improve our services and find more sustainable ways to perform our business activities without depleting scarce resources.

Our 2030 goals drive the three core themes within the sustainability framework to grow with purpose towards a sustainable future. In line with Industry 4.0 and related strategies to enable industrial transformation, the three themes of our new sustainability framework build upon our core competencies to:

(i) Develop smart infrastructure to reduce our environmental impact;
(ii) Reduce and process food and packaging waste sustainably; and
(iii) Nurture skills for the future which enable our people and communities to fulfil their fullest potential.

We also map material topics to the United Nations (UN) Sustainable Development Goals (SDGs), and continually review our sustainable business strategy to improve our stewardship and reporting format.

These cut across all the ESG issues that are relevant to our business.

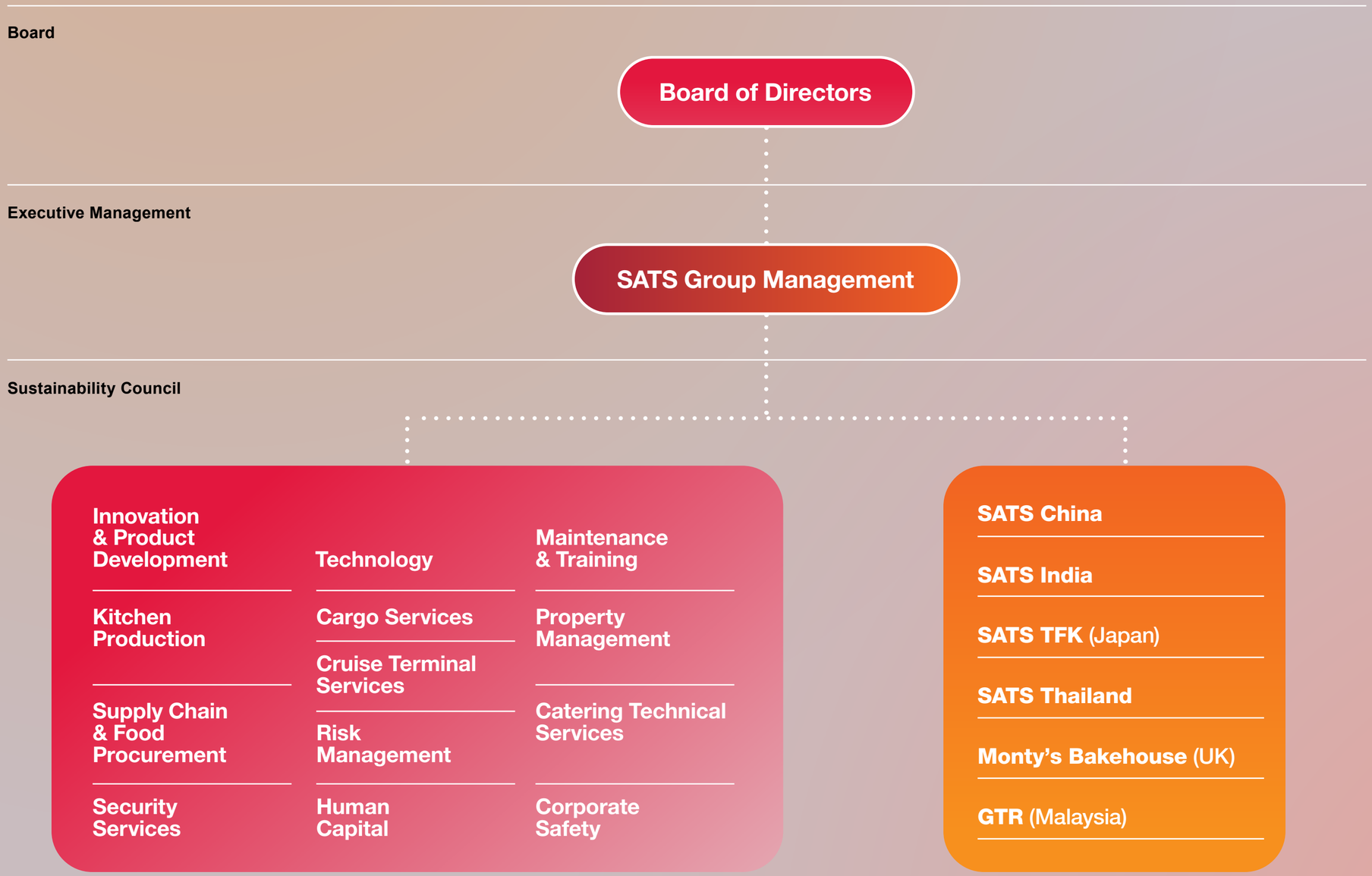
Note: All years refer to fiscal years starting on 1 April of any given year. This year, we embarked on our Scope 3 assessment and are committed to setting science-based targets for Scope 1, 2 and 3 within the next two years (actual targets to be published by 2024).

[1] Timing to be confirmed after coordination with other Changi ecosystem stakeholders and subject to commercial availability of such equipment.

[2] Baseline year has been adjusted to FY2019-20 in line with Scope 3 baseline.

[3] Adjusted to reflect food waste generated for every unit of output.

OUR SUSTAINABILITY THEMES		UN SDGS	2030 GOALS	
DEVELOP SMART INFRASTRUCTURE 	**Build and deploy smart infrastructure that includes airport ground support equipment and facilities.**	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION	• Convert 100% of ground support equipment in Singapore hub to sustainable energy resources for example, electrification by 2030[1].	• Reduce Singapore-based Scope 1 and 2 carbon footprint by 50% by 2030 from FY2019-20 baseline[2].
REDUCE FOOD AND PACKAGING WASTE 	**Reduce and process food and packaging waste responsibly.**	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	• Halve food waste intensity[3] in Singapore operations from 2021 baseline by 2028.	• Introduce 100% sustainable food packaging by 2030.
NURTURE SKILLS FOR THE FUTURE 	**Develop and share culinary, nutritional, service and technological expertise that will enable our people and the communities we serve to develop to their fullest potential.**	8 DECENT WORK AND ECONOMIC GROWTH	• Increase average value-add per employee across all subsidiaries by 50% by 2030 from FY2020-21 baseline.	• Touch a million lives by sharing our expertise with the communities in which we operate, by 2030 from FY2018-19 baseline.



Governance Structure

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 priorities.

We are committed to engaging staff on sustainability across all levels of the organisation. Our Board has oversight of our sustainability strategy and performance, in addition to the adequacy and effectiveness of the Group's internal control and risk management system. While the Board makes certain that sustainability goals are integrated into all programmes and business imperatives, executive management at SATS provides stewardship and ensures that our business and strategy are aligned with our sustainability goals. They are supported by a Sustainability Council that was set up this year, comprising sustainability champions from the business units and staff representatives across 10 key departments as well as representatives from our overseas subsidiaries.

The Sustainability Council evaluates the effectiveness of our sustainability programmes together with key performance metrics each month, shares best practices between Singapore and our overseas operations, and governs the proceeds from the sale of our Renewable Energy Certificates by channelling them towards meaningful sustainability initiatives. The Chief Strategy and Sustainability Officer (CSO) chairs the Sustainability Council.

For more details about our Board of Directors, risk management and corporate culture, please refer to our full corporate governance report as laid out in SATS Annual Report 2021-22.

Embedding Sustainability In Everything We Do

Spencer Low
Chief Strategy and Sustainability Officer

→ **Join the conversation**

In Conversation with Spencer Low

Q

As travel recovers, carbon emissions from the aviation industry is expected to rise again. What are SATS' plans for decarbonisation?

A

In the last two years, we experienced an involuntary reduction in carbon emissions due to the impact of COVID-19 on the travel industry. However, SATS embeds sustainability in every aspect of our business and has remained steadfast in pursuing our ESG goals throughout the pandemic. We are structurally tackling our carbon footprint to build back better. There are many initiatives, but here are some of the key ones we have put in place to achieve that:

FY2021-22 was the first year management compensation was tied to a carbon target, namely carbon intensity for the three most significant areas of our business in Singapore — per gross meal produced, per flight handled, and per tonne of cargo handled. We have met our target for gross meal produced and exceeded our targets for flights and cargo handled, and we have set even more ambitious targets for FY2022-23.

In addition to our Scope 1 and 2 carbon emissions reporting, we have also established our Scope 3 carbon emissions for the baseline year FY2019-20 using the Quantis assessment tool, recognised by the Science Based Targets initiative (SBTi). Knowing our Scope 1, 2 and 3 carbon emissions gives us a fuller picture of our carbon footprint and enables SATS to develop a holistic plan to reduce our carbon emissions. We have established that Scope 3 carbon emissions were 836,000 tCO_2e in FY2019-20, and make up 87% of our total carbon footprint for that baseline year. Purchased goods and services, in large part the agricultural products used in our food business, accounted for the biggest share at 64% of our Scope 3 emisssions. Using this analysis, SATS is looking to set meaningful science-based targets.

Continuing with our smart infrastructure initiatives, we have converted more of our GSE to electric models. SATS' subsidiary, AAT, has installed electric vehicle (EV) charging stations at their facility in Hong Kong to reduce monthly consumption by 150 to 200 litres of petrol/vehicle. SATS' joint venture company, AISATS, has begun converting its diesel GSE fleet to electric GSE. Throughout FY2021-22, 20 electric GSE were purchased for the Delhi, Bengaluru, and Hyderabad stations.

AISATS plans to achieve 100% conversion of light motorised GSE to electric versions by 2025.

In FY2021-22, we commissioned three new sites for solar installation, expanding our total renewable energy capacity by 5,470 kilowatt-peak to a total of 9,081 kilowatt-peak. Our increased renewable energy capacity allows us to abate approximately 4,448 tCO_2e yearly, with more than 10,000 MWh of power being generated annually. We aim to push our solarisation efforts to generate up to 15,000 MWh annually in Singapore.

SATS TFK plans to implement solar installations at our Shibayama ware wash facility near Tokyo's Narita Airport to lower TFK's carbon footprint. The short-term target is to increase solar energy to 5% of TFK's overall energy mix by 2024. We also use the Internet-of-Things (IoT) to collect data that provides a greater understanding of the energy performance of our machines in Singapore and elsewhere in our network. We are working towards incorporating data with energy consumption patterns to derive a plan for energy management to improve energy efficiency.

In addition to new installations and equipment, we have upgraded our facilities to reduce our carbon footprint. In this respect, our subsidiary, AAT, has made a significant impact and won the prestigious "Sustainable Warehouse Operator of the Year 2022" award in the Freightweek Sustainability Awards. AAT has achieved a 50% reduction in carbon footprint since 2008 through the implementation of a variety of infrastructure refurbishments. These included upgrading the warehouse lighting system, changing chillers, pumps and air handling units (AHUs) to those with variable-frequency drives, and switching to electric variant for 95% of the forklifts.

Besides smart infrastructure, our subsidiary Country Foods is also leading the way for sustainable food innovation by encouraging carbon-neutral food production with the greater use of alternative proteins. Country Foods partners with alternative protein brands and food tech start-ups to tailor their product offerings for Asian palates, bringing the likes of Fable Food, First Pride, and v2food to market.

"Scope 3 carbon emissions were 836,000 tCO_2e in FY2019-20, and make up 87% of our total carbon footprint for that baseline year. Purchased goods and services, in large part the agricultural products used in our food business, accounted for the biggest share at 64% of our Scope 3 emissions."

In Conversation with Spencer Low

We have converted more of our GSE to electric models in Singapore and across our network.

Q

Earlier, you mentioned that SATS met the carbon targets tied to management compensation this year. Is this due to the lower volume of activities caused by the pandemic or the result of the decarbonisation efforts of the company?

A

The targets are actually set on the basis of the lower level of activities due to the pandemic and they were achieved through the various initiatives I highlighted earlier to reduce our carbon intensity.

Q

What is SATS' view on carbon credits?

A

As nations accelerate their efforts to decarbonise, demand for carbon credits will outpace supply, creating opportunities for SATS to explore waste-to-energy solutions that could also produce carbon credits. It is important to note that the SBTi definition of net-zero explicitly excludes the use of carbon credits to achieve science-based targets.

Q

IATA supports a resolution by the aviation industry to achieve net-zero carbon emissions by 2025. The Singapore government has also announced it will achieve net-zero carbon by around mid-century. How will SATS align its decarbonisation efforts to these goals?

A

There are currently different definitions for net-zero, which again differ from goals such as carbon neutral or climate neutral. SATS uses SBTi's framework, which calls for net-zero goals to encompass indirect or Scope 3 emissions. A significant mix of SATS' business is in the food catering business, and there is as yet no scalable net-zero agricultural model. However, we are committed to working with our supply chain to make progress towards net-zero carbon emission goals.

"We commissioned three new sites for solar installation, expanding our total renewable energy capacity by 5,470 kilowatt-peak to a total of 9,081 kilowatt-peak. Our increased renewable energy capacity allows us to abate approximately 4,448 tCO_2e yearly, with more than 10,000 MWh of power being generated annually."

In Conversation with Spencer Low

Q

What are some challenges impacting your decarbonisation efforts?

A

Some initiatives like the electrification of GSE are an ecosystem effort. We obviously have a plan for electrification but for our plan to work, we also need the support of stakeholders such as Changi Airport Group (CAG) to put in place the infrastructure needed to charge our vehicles. Another challenge is the availability of electric versions for some of our vehicles and equipment. In some cases alternatives are not yet commercially available. In other cases, the increased costs (whether in terms of capital or operating expenses) could also be a factor slowing down decarbonisation efforts. At SATS, we adopt a holistic approach towards evaluating sustainability-related initiatives. For example, the substrate used for making the sustainable packaging for Singapore Airlines' inflight service ware may cost a little more, but we gain in other areas like haulage because biodigestion can reduce the waste by as much as 60%.

Policies and regulations are also not always clear. For example, there is a lack of clarity and alignment across governments and regulatory bodies regarding emission reduction targets. In our industry, there is the additional challenge of waste segregation. When you are served a meal on a plane, you will see different types of packaging like plastics, foil, paper, etc. For this to be made more sustainable, we will need to segregate the waste, and that is generally not feasible. Nonetheless, we are constantly working with our customers and strategic partners to develop more sustainable packaging for inflight service like the "Doodle" that is used for certain Singapore Airlines flights.

"We are committed to working with our supply chain to support net-zero carbon emissions goals."

Q

I understand SATS adopts an open collaborative platform to engage external partners to collectively develop solutions to protect our environment. Can you tell me what some of these collective actions are?

A

There are many solutions that we are trialing with our customers and strategic partners, but notable ones include Country Foods working on growing the alternative protein market with different start-ups. One of these is Fable which is a mushroom-based ingredient that has the texture of meat that is almost like pork. Through a collaboration with our subsidiary in UK, Monty's, we have developed a range of products that is now sold in over 300 Marks & Spencer stores in the UK. We have also done a lot of work around waste reduction for Singapore Airlines, which has removed 80% of the plastics in the meal service. We are also developing closed-loop solutions for some of our non-travel customers by replacing disposables with rotables.

Through a joint collaboration between Country Foods and the SATS Global Innovation Centre hubs in Singapore and the UK, the Group has connected Australian-based Fable Food to growth opportunities in Asia and beyond.

In Conversation with Spencer Low

The artificial intelligence capabilities of our waste tracking system are trained to learn and recognise different types of waste and automatically record them in a database.

Q

Can you give a broad overview of SATS' commitments towards sustainability in the food industry, particularly with food waste?

A

One of the themes of our sustainability framework is to reduce and process food and packaging waste responsibly. For food waste specifically, our goal is to halve food wastage intensity in all operations by 2028 from our 2021 baseline.

Q

How is the data collected stored and used for SATS' operations and systems?

A

Data is being collected manually and digitally, and we endeavour to roll out more of the AI-enabled waste tracking system across our production facilities. Our operation teams glean insights from these digitally stored data, such as the type of SKUs being disposed of regularly.

Q

How are waste streams measured and monitored?

A

The artificial intelligence capabilities of our waste tracking system are trained to learn and recognise different types of waste and automatically record them in a database. Through data analytics, we can monitor the reasons for wastage, for example spoilage, expiry, or over-production, and adjust our demand planning and material sourcing accordingly.

Q

Can you share with us the waste stream process during production?

A

Waste generated from our production kitchens is comprised primarily of food trimmings. Food trimmings do not have less nutritional value, but are waste generated by the cutting and meal presentation requirements. Our chefs find ways to repurpose the use of food trimmings that not only reduce waste but also allow them to hone their culinary innovation by blending certain trimmings to enrich the flavours of soups and sauces.

Q

How much product is converted through the eco-digesters? How are these products re-channelled through SATS' systems?

A

For the period January to June 2021, we have converted a monthly average of four tonnes of food waste to refuse-derived fuel (RDF) through our pilot biodigester. The RDF output can be used as fuel additives in incinerators. We work with local waste management solution providers to convert the RDF to energy. This system helps reduce the volume of waste requiring haulage by as much as 60%. We will continue to explore new technologies that can enable better circularity of waste treatment and management for our operations. For example, we are currently working on a proof-of-concept of an anaerobic digester at our catering facility.

Q

Can you tell us more about the equipment and machines used by SATS to reduce food waste?

A

We can't manage what we can't measure. Hence, we've implemented an automated food waste tracking system at our in-flight catering centre using six AI-enabled machines that capture volumes of different waste streams from our production kitchens. This helps us gain greater visibility of our waste output, enabling us to identify ways to improve production efficiencies and optimise material planning. On the backend, we use a pilot biodigester to reduce the food waste treated by as much as 60% of volume.

> **"Our goal is to halve food wastage intensity in all operations by 2028 from our 2021 baseline."**

In Conversation with Spencer Low

Q

What are the top three issues faced by the food industry?

A

First is food security. With increasing urbanisation and population growth, food sources are struggling to catch up with demand. There are two billion people in the world who do not have access to safe, nutritious food. Even in prosperous cities like Singapore where food availability has not been an issue, we have to increase our supply chain resilience to ensure we have safe access to food. Second is food and packaging waste. According to a 2021 UN report, 17% of food produced globally in 2019 goes to waste, with foodservice and retail accounting for 26% and 13% of this respectively. Single-use plastics are the biggest contributor to waste around the world, and food packaging is a major component. The third issue is the carbon footprint of food production. Almost a third of human-caused greenhouse gases are from the world's agri-food system. In many countries, the food supply chain is going to overtake farming as the largest contributor of greenhouse gases.

Q

How does SATS' sustainability thought leadership help to bridge the gap?

A

Sustainability thought leadership sits with the SATS Global Innovation Centre or SGIC. There are three disciplines within the SGIC – insights ecosystem, sustainability thought leadership and design thinking.
The insights ecosystem helps us to understand in depth, the markets, the channels and the consumers that we want to target. Sustainability thought leadership focuses on new and more sustainable food and packaging ideas that help position SATS as the leading authority in Asia in this area. These two capabilities help us to identify the areas where we want to innovate.
We then apply design thinking as a discipline, working with our colleagues at SGIC who have the relevant expertise and supplementing this with knowledge from our business units and collaborators outside of the business.
We will then focus on developing the innovative food and packaging solutions that will target the white space opportunity we have identified.

Q

How much capital expenditure have you earmarked for your ESG initiatives?

A

This is not done explicitly. Commitments to our ESG goals are part of our sustainable business strategy and aligned with our strategic priorities. Much of the capital expenditures for upgrading our facilities in Singapore and elsewhere have taken into consideration the benefits to the business in terms of higher energy efficiency and lower wastage.
For example, we have made available sustainable packaging for food on board Singapore Airlines, which gets broken down by a biodigester, reducing the waste substantially and reducing waste haulage cost. We also replace our ground support equipment at the end of their lifecycle with electric models.

Q

Does the board have ultimate responsibility for climate change?

A

Our Board has oversight of our sustainability strategy and performance, in addition to the adequacy and effectiveness of our internal control and risk management system. While the board makes certain that sustainability goals are integrated into all programmes and business imperatives, our executive management provides stewardship and ensures that our business and strategy are aligned with our sustainability goals. This is supported by the Sustainability Council set up last year, comprising sustainability champions from the business units and staff representatives across various departments and overseas subsidiaries. Since last year, we have also included carbon intensity reduction as part of management performance targets linked to remuneration.
This signals our management's commitment to tackling climate change.

Q

In closing, what would you advise businesses that are starting on their sustainability journey?

A

My advice is to make sustainability central to your business. Sustainability is essential for the long-term success and survival of any business. We operate across complex supply chains involving many different parties, and engaging them on sustainability will develop collaborative advantage that will benefit every stakeholder within the ecosystem.

→

Sustainability thought leadership focuses on new and more sustainable food and packaging ideas that help position SATS as the leading authority in Asia in this area.

Progress on Sustainability

DEVELOP SMART INFRASTRUCTURE

2030 GOALS

Convert 100% of ground support equipment in Singapore hub to sustainable energy resources, for example, electrification by 2030.

Reduce Singapore-based Scope 1 and 2 carbon footprint by 50% by 2030 from FY2019-20 baseline.

ACHIEVEMENTS

38% of our GSE have been electrified

COMPRISING

- **298** tractors
- **141** forklifts
- **2** aircraft pushback tractors

SATS conducted electric van trials for our catering operations between February to April 2022.

Completed operational trial of electric skyloader in November 2021.

Introduced carbon intensity as an operational metric tied to management renumeration.

Expansion of rooftop solarisation that spans about 7 football fields and will generate more than 10,000 MWh annually.

REDUCE FOOD AND PACKAGING WASTE

2030 GOALS

1/2 **food waste intensity in Singapore operations from 2021 baseline by 2028.**

Introduce 100% sustainable food packaging by 2030.

ACHIEVEMENTS

Commissioned an anaerobic digestion trial that converts food waste into heat, electricity and digestate.

→ For more details, please refer to page 18

Deployed a 500 kg food composting machine in Maldives to convert food waste into fertilizers in 24 hours.

→ For more details, please refer to page 18

SATS' subsidiary, Twyst, utilises sustainable packaging for its bowls and lids. The bowls are plastic-free and made from reclaimed and rapidly renewable sugarcane pulp, while the lids are recyclable.

NURTURE SKILLS FOR THE FUTURE

2030 GOALS

Increase average value-add per employee across all subsidiaries by 50%, by 2030 from FY2020-21 baseline.

Touch a million lives by sharing our expertise with the communities in which we operate, by 2030 from FY2018-19 baseline.

ACHIEVEMENTS

VAPE

$51,512

for FY2021-22
(90% increase from FY2020-21 baseline).

Touched

48,749

lives in FY2021-22
(Total cumulative lives touched from FY2018-19 is 387,612).

Employee engagement score of 76%

54 average hours of training per employee.

Contributed

831 TOTAL VOLUNTEERING HOURS

13.6% voluntary attrition rate.

74% critical and key positions filled by internal talent.

31% female representation in senior management
(Currently defined as VPs and above).

26.41% rate of new hires.

Caring for our Environment

Harnessing technology and renewable energy to develop innovative solutions that create a positive impact on the environment.

UN SDG

IN THIS SECTION

Environmental

SATS has been investing in several initiatives over the years to reduce our carbon footprint. Our decarbonisation strategy includes electrification, solarisation, and optimisation. To generate greater impact for our decarbonisation strategy, we have developed a fuller picture of our carbon footprint in FY2021-22. Using the Quantis assessment tool recognised by the Science Based Targets initiative (SBTi), we have established that our Scope 3 carbon emission for the baseline year FY2019-20 were 836,000 tCO_2e, and made up 87% of our total carbon footprint that year. Purchased goods and services, in large part the agricultural products used in our food business, accounted for the biggest share at 64% of our Scope 3. Using this analysis, SATS is looking to set meaningful science-based targets before engaging all relevant value chain stakeholders across our key sources of emissions to reduce our carbon footprint. Simultaneously, we are accelerating our ongoing work on reducing carbon emissions for the 13% of our total carbon footprint from Scope 1 and 2.

Electrification

We continue to expand our fleet of electric vehicles and ground support equipment (GSE) by replacing diesel-powered ones with an electric version at the end of their useful life. Projects completed and planned within the year were:

- **Installation of three electric vehicle (EV) charging stations at AAT in Hong Kong. The EV charging stations enable the reduction in monthly fuel consumption of 150-200 litres of petrol per vehicle.**

- **Purchase of 20 electrical GSE for the Delhi, Bengaluru, and Hyderabad stations in India. AISATS plans to achieve 100% conversion of light motorised GSE to electric versions by 2025.**

Our plan for electrification is dependent on the support of stakeholders, such as Changi Airport Group (CAG), to provide the infrastructure needed to charge our vehicles, and the availability of electric versions for some of our vehicles and equipment. In some cases, alternatives are not yet commercially available. To advance our electrification plan, we are constantly engaged in tripartite engagements on charging infrastructure on the airside.

Our electrification plan goes beyond just GSE. We are trialling other vehicles to explore converting them to electric. Between February to April 2022, SATS successfully conducted trials on two models of electric vans, and we plan to install charging stations at our catering centres for these vans. Within our food preparation facilities, we have also been deploying electric reach trucks, which eliminate fumes within the facilities.

We are also exploring other forms of sustainable energy resources, such as biodiesel, as an alternative to fuel vehicles that do not have a commercially available electric variant at the moment. The use of alternative fuels could also mitigate risks of electrical downtime and strengthen our operational resilience in a 24/7 airport environment.

We are working actively with the Civil Aviation Authority of Singapore (CAAS) and the Agency for Science, Technology and Research (A*STAR) on harvesting kinetic energy to increase the operational lifespan of the batteries in GPS trackers used to locate our non-motorised equipment. Phase 1 of the study concluded in end-2020 with a successful on-bench proof-of-concept setup of the rotational energy harvester. We are now in the second phase, and have translated the bench-top energy harvester to a rugged form factor to validate its performance on actual non-motorised equipment through field trials. We hope to reduce energy and battery consumption, as well as the frequency of manual battery replacements with energy harvesters.

We have also put in place plans to further reduce carbon emissions in the near term. At our airfreight terminals in Singapore, we have installed 70 EV charging stations to charge 141 forklifts which are expected to be delivered by October 2022, and we are targeting to convert 116 diesel tractors to electric by the end of FY2022-23. Installation of an on-premise fast charger at Maldives Inflight Catering for operationalising an electric hi-lift is expected to be completed in August 2022. The electric hi-lift conforms to IATA standards and is equipped with safety features such as buzzer alarms and an anti-collision proximity switch. Powered by a Li-ion type battery, each unit is expected to abate 24 tCO_2e annually over its diesel counterpart.

“Simultaneously, we are accelerating our ongoing work on reducing carbon emissions for the 13% of our total carbon footprint from Scope 1 and 2.”

Environmental

Solarisation

In FY2021-22, we commissioned three new sites in Singapore for solar installation, expanding our total renewable energy capacity by 5,470 kilowatt-peak to a total of 9,081 kilowatt-peak. We will abate approximately 4,448 tCO_2e of energy on a yearly basis, generating more than 10,000 MWh annually. We target to increase our renewable energy portfolio up to 15,000 MWh annually.

In India, AISATS has also installed solar panels on the rooftop of its Bengaluru station which provides up to 55% of its energy needs, leading to an abatement of 1.4 tCO_2e for FY2021-22.

Solar Installation	Installed Capacity (kWp)	Turn-on Date	Projected Annual Solar Production (MWh/year)	Projected Annual Carbon Emissions Abatement (tCO_2e/year)
AFT 1-4	4,388	10 November 2021	5,266	2,151
AFT 5-6	3,611	23 February 2017 (AFT5) 10 April 2017 (AFT6)	4,333	1,770
ICC1	618	1 December 2021	733	299
ICC2	464	1 October 2021	557	228
Total	9,081		10,889	4,448

Environmental

Optimisation

In the year, we have also upgraded our facilities or rationalised activities across our buildings to optimise and reduce energy usage. For example, we channelled funds from the sale of our Renewable Energy Certificates to replace 840 of the high-bay lights in our cargo warehouse in Singapore to energy-efficient LED lights, and abated 225 tCO_2e in the form of energy savings. SATS China has converted manual light switches to sensor switches and replaced 30 lights around the production facility with solar-powered lights, resulting in energy savings of 20 kWh/day and 200 kWh/day respectively. SATS TFK has converted 70% of existing lights to LED for all non-kitchen areas, resulting in a 34% reduction in energy consumption. SATS TFK has plans to increase the conversion to cover 80% of all existing lights. Maldives Inflight Catering has replaced all of its existing 534 lights to LED, achieving an estimated annual reduction of 32,400 kWh in energy consumption.

In addition to the use of LED lights, we have also introduced other measures to reduce our carbon footprint, such as optimising machine maintenance cycles and improving system productivity through the use of Industrial Internet-of-Things (IIoT) technology. At SATS' meal production facility at Inflight Catering Centre 2 in Singapore, Edge IoT devices have been connected to operational equipment to collect real-time data to be sent to the cloud for analysis. The production team receives insights on each equipment to help them make informed decisions on optimising maintenance schedules and equipment utilisation. Each equipment also has an Overall Equipment Effectiveness (OEE) tagged to it to indicate its performance in the timeframe selected. The OEE is derived based on users' input of the equipment's operating parameters, for example, uptime/downtime, energy consumption. The IIoT provides real-time visibility to help the production team understand current energy performance across different machines and groups, allowing the team to identify abnormal energy consumption patterns and quantify energy efficiency gaps. We are working towards incorporating production data with energy consumption patterns to derive a plan for energy management in day-to-day operations to improve energy efficiency by eliminating possible energy wastage in the production line.

Across our network, we have also implemented other solutions to reduce our carbon footprint. SATS Coolport operations in Singapore, for example, has installed a new cooling water pump with variable speed drive that produces higher output with lower power consumption. The upgrade resulted in the indirect abatement of 1,671 kg of carbon emissions annually through energy savings.

Other initiatives include the consolidation of AISATS facility spaces that led to an estimated reduction of 300 tCO_2e of electricity used. SATS TFK has also consolidated and streamlined delivery of bulk food purchases to a single facility at Haneda Airport, resulting in an 8% reduction in annual diesel consumption during FY2021-22. SATS China started using recycled water from water purification and washing of vegetables after treatment, which resulted in total water consumption reduction of 5 tons/day.

We are also incorporating sustainability features into new buildings to create greater impact in the long term. For example, the SATS Food Hub is being designed to achieve a Green Mark Platinum Super Low Energy (SLE) rating to achieve 60% energy savings from 2005 building codes. We will be incorporating a number of features, such as solar installation, waste water treatment for non-potable use, waste segregation, intuitive digital building smart system, and district cooling supply.

The Tianjin Central Kitchen, which will be completed in August 2022, has included multiple energy efficient initiatives to reduce the resource intensity of the facility. For example, variable-frequency drives are installed for the chiller compressors to achieve energy savings of more than 15%, while evaporative instead of water-cooled condensers will be used, eradicating the need for water pumps, cooling towers and basins, leading to water savings of 90%. Air coolers instead of heat exchange tubes will be used for cooling equipment, improving energy efficiency. The evaporator adopts hot gas defrosting or automatic defrosting to further reduce electricity consumption.

AAT Awarded Sustainable Warehouse Operator of the Year 2022

We are very proud that our subsidiary AAT has won the prestigious "Sustainable Warehouse Operator of the Year 2022" award in the Freightweek Sustainability Awards. They achieved 50% reduction in their carbon footprint since 2008 through the implementation of a variety of infrastructural upgrades previously mentioned. AAT also received the "Wastewi$e" Certification (Excellent Level) and "Energywi$e" Certification (Excellent Level) from the Hong Kong Green Organisation Certification (HKGOC) in recognition of our commitment to and efforts in environmental protection through energy conservation, waste reduction and recycling.

AAT won "Sustainable Warehouse Operator of the Year 2022 award, and received "Wastewi$e" Certification (Excellent Level) and "Energywi$e" Certification (Excellent Level) from the Hong Kong Green Organization Certification.

Environmental

Reducing Food and Packaging Waste

We found that food waste generated from our catering operations in Singapore, arising from expired raw materials to cooked food, contributes to 4% of our total production output. The bigger problem in tackling food and packaging waste comes from flights that land in Singapore for the airlines whose waste we manage. In our constant search for innovative solutions to achieve 'closed-loop' waste treatment, SATS initiated a proof-of-concept trial for an anaerobic digestion system at our catering facility. The anaerobic digester can recover some energy stored in the food waste before it is sent to end-of-life treatment facilities. It has a capacity to convert energy from 50 kg of food waste per day to three different forms of energy: biogas, waste heat and digestate by-products. Biogas can be used to power a generator in our facility to produce electricity while waste heat can be used for our production heating needs, and digestate by-products can be treated and recycled as fertiliser for landscaping purposes.

Our catering operations across our network are also innovating new ways to reduce food and packaging waste. In Japan, SATS TFK has initiated several short-term targets to reduce food waste related costs by 30% by 2024. They are rerouting overproduced food at Narita Airport to the staff canteen, resulting in 1,095 kg of excess food being rerouted in FY2021-22. SATS TFK is also targeting to save JPY 174 million annually by implementing an AI-enabled system to track food waste generated in kitchens. They have also implemented the removal of moisture from food waste before disposal to reduce weight and haulage cost, leading to an estimated JPY 1 million being saved in FY2021-22. Our kitchen in Maldives Inflight Catering has implemented a waste management initiative to segregate organic food waste to be repurposed as fertiliser. An automatic waste composting machine has been installed in June this year. The composting machine is capable of processing up to 500 kg of waste daily and converting food and horticultural waste into fertiliser within 24 hours. In Hong Kong, AAT engages a refuse collection vendor to segregate and recycle waste off-site. Used wooden pallets which are still in good condition are also sent to a local logistics partner company to be reused.

In March 2021, Monty's switched to a waste management provider with a policy of zero-waste to landfill. The waste management company provides monthly reports detailing the amount of waste being incinerated, recycled and the amount of food waste that is anaerobically digested at their site. Through staff training at Monty's, the proportion of recycled waste, including food waste, increased from 30% to 70%.

Sustainable Sourcing and Packaging

SATS TFK has been certified by the Marine Stewardship Council for using sustainably sourced seafood in line with the council's internationally recognised standards for sustainable fishing and seafood traceability. We use these products to develop new menu delights for our non-travel business in Japan, displaying the Blue Seafood label on our product packaging to advocate sustainably sourced seafood consumption.

SATS new F&B concept, Twyst, utilises sustainable bowls and lids for both dine-in and takeaway orders. Made from the fibrous substance that is left behind after the juice of the sugarcane plant is harvested, the bowl is suitable for home composting while the PET lid is recyclable. SATS in China has switched to using biodegradable cutlery for domestic flights. Since January 2022, 165,000 pieces of such cutlery were used.

→ Blue Seafood label on our product packaging to advocate sustainably sourced seafood consumption.

Investing in People

Nurturing our people through upskilling, reskilling and multi-skilling, and embracing a diverse and inclusive workforce for employees to achieve their full potential.

UN SDG

8 DECENT WORK AND ECONOMIC GROWTH

IN THIS SECTION

Social

At SATS, we want to encourage our people and the community to uncover their talents and empower them to achieve their full potential. From ground handling to food solutions, we have a workforce of over 11,000 who handled 10.4 million passengers, and produced 52.4 million gross meals in FY2021-22. Every aspect of our business calls for a deep understanding of people's needs. As a business, we have to transform to keep abreast of changes in market and consumer trends, but we are aware how these changes will impact our people and the community. In our social sustainability strategy, which sits under the pillar of nurturing skills for the future, we have several purposeful initiatives that create opportunities for our people and the community to grow in their own way.

Nurturing Skills for the Future

At SATS, we emphasise life-long learning to shape and future-proof our workforce. As we adopt technology to digitalise our business processes, we redefine the key skills that our people will need to work in the future economy. In nurturing skills for the future, SATS Academy has developed training programmes that align with the 16 competencies deemed most essential at the workplace by SkillsFuture Singapore (SSG).

These are grouped into three clusters of skills, namely:

Thinking Critically – These are cognitive skills that are needed to think broadly and creatively to see connections and opportunities in the midst of change. Cognitive skills are the root of technical skill development and progression.

Interacting with Others – Learning from others is one of the most effective ways to acquire new skills and ideas. Being effective at interacting with others means thinking about the needs of other people, as well as being able to exchange ideas and build a shared understanding of a problem or situation. Increasingly, people need to be able to combine their technical skills with those of others to succeed.

Staying Relevant – Managing oneself effectively and paying close attention to trends impacting work and daily life. Having knowledge of this provides the person with the strategies, direction, and motivation for technical skill development.

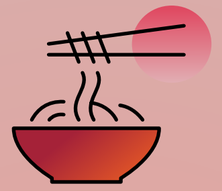
SATS Academy has developed a programme with 35 modules of two-hour bite-sized e-learning based on the SSG Critical Core Skills framework. To encourage employees to take charge of their learning and learn at their convenience, the courses associated with this initiative will be rolled out digitally, via the LinkedIn Learning platform, and gamified to make the learning experience fun and engaging.

To create a purposeful environment for our people to grow, and to encourage greater ownership of our sustainability initiatives, we galvanise our people around our sustainability goals. We curated a customised sustainability training module which has become a part of our new employee induction programme. We have trained over 500 SATS employees, including staff from some of our overseas subsidiaries, and also employees of our customer, Singapore Airlines. We ran a total of 21 sustainability training sessions for our customer, which involved 464 participants. The programme is now available on LinkedIn Learning to facilitate more people to learn at their convenience.

SATS TFK in Japan subsidises English lessons for our Japanese colleagues as a form of skills training and community development. SATS Singapore and SATS TFK run a cultural exchange programme to provide employees in both countries the opportunity to cross-train in different work environments and learn different work cultures.

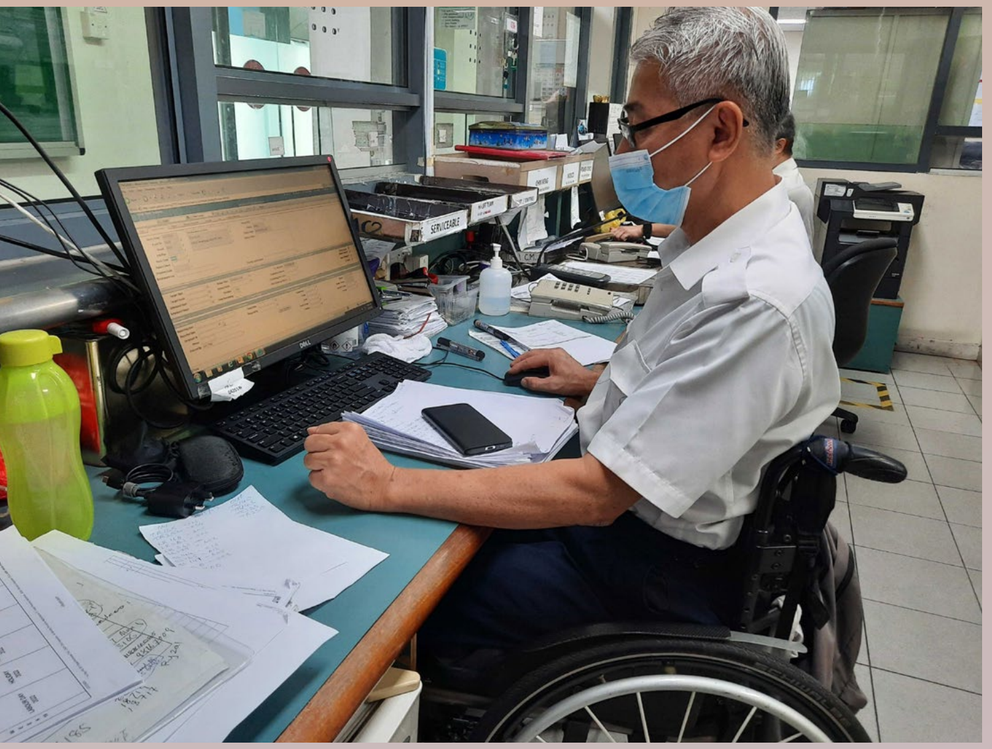
“ To create a purposeful environment for our people to grow, and to encourage greater ownership of our sustainability initiatives, we galvanise our people around our sustainability goals. ”

10.4M
Passengers handled



52.4M
Gross meals produced

Social



Building an accessible workplace to foster an environment where every employee can contribute his or her best.

Embracing Diversity and Inclusion

With a network that spans over 14 countries, we work across diverse cultures and traditions, and serve customers with different needs. Developing empathy and care for people is a prerequisite for our promise of delivering heartfelt service to our customers with a passion to delight. Coupled with our belief in empowering everyone to develop their full potential, SATS has many initiatives that provide equal opportunities for everyone to excel.

Lim See Hee, Operations Assistant, SATS Maintenance Centre, is an example of how SATS embraces inclusion. He is 54 years old and a wheelchair user. Before his injury, See Hee was a technician in charge of servicing and repairing baggage loaders at SATS for 32 years. He became paralysed after an accident outside of work that injured his spine. SATS redesigned his role to allow him to continue working with the company in a clerical role, taking care of the scheduling of ground service equipment maintenance. To facilitate wheelchair users like See Hee to get around our buildings, SATS built ramps in our maintenance centre where he works, widened the space between work desks, and installed a handicap toilet at the workplace.

Amid the hustle and bustle of SATS Catering kitchen, Kanesvaran s/o Ratnam, Syed Al-Aminur Shah B S H Shah and Chuan Juat Kheng stay laser-focused on their tasks.
They are deaf cooks in the kitchen. They communicate with their colleagues through a mix of sign language, lip-reading, and writing. Over time, communicating with them has encouraged colleagues to pick up basic sign language, and many have affectionately developed their own form of signing to communicate with the trio. For example, brushing two fingers repeatedly over the top of your hand communicates seasoning. Their colleagues also appreciate their keen sense of touch as they can tell from the vibrations of the machines, if they require maintenance. Syed has recently been promoted to Chef de Partie.

We also work with charity organisations to help provide learning and employment opportunities to their beneficiaries. For example, SATS Aircraft Interior Cleaning collaborated with Movement for the Intellectually Disabled of Singapore (MINDS) on their MINDS Enclave project to employ eight of their beneficiaries and one training officer to perform the task of packing airline amenity kits.

A culture of inclusion drives innovation and employee engagement.

Social

Monty's donated

25,720

units of unused food products to local food banks and redistribution centres in the UK.

Women have a fair share of voice in our organisation, well represented on the Board (45%) and at Senior Management levels (31%). To encourage more women to aspire to roles traditionally dominated by men in the organisation, we celebrated women who have broken the bias in this year's International Women's Day.

Nurfarizan Binte Isahak, a Ramp Terminal Manager based in Terminal 4, has been working at SATS for nine years. Responsible for baggage and cargo loading and unloading, Nurfarizan has to endure challenging weather conditions at times to carry out physically demanding tasks which are mostly undertaken by male colleagues.

In our Hong Kong subsidiary, Asia Airfreight Terminal, Cheung Ka Man, Kamen is our Building Services Manager responsible for managing the 24-hour operations of our two cargo terminal buildings spanning a gross floor area of 166,000 square metres. She held a role that is traditionally male-dominated, but Kamen's professional engineering background helps her to break the bias. Her green initiatives won her the Good Class of Innovation Award in the Hong Kong International Airport Carbon Reduction Award Scheme in 2020.

Caring for the Community

We believe in supporting the community through our participation in philanthropic projects. For example, Monty's Bakehouse has an ongoing partnership with local food banks and food redistribution centres in the UK. Between April 2021 and March 2022, Monty's donated 25,720 units of unused food products to these organisations. SATS TFK also participated in the SATS SEED grant campaign, and donated 200 frozen inflight meals to Nakadai Children Canteen in April 2022.

Besides donating food products, the Monty's team also contributed personal time for community work. They completed 615 hours of volunteering time, including two company days at a local charity, helping with the renovation of an old manor house, and turning it into a holiday destination for vulnerable children.

Connecting People

On 26 March 2022, SATS' employees joined millions of people across the globe in switching off non-essential lights on our business premises for one hour from 8.30pm, as part of Earth Hour. Seven of our premises across Singapore, Malaysia, Hong Kong and Maldives participated in this event to drive positive environmental impact, uniting our people across the network in a purposeful activity that they personally support.

"We believe in supporting the community through our participation in philanthropic projects."

Nurfarizan takes on a physically demanding job of handling baggage and cargo even under challenging weather conditions.

Kamen manages the 24-hour operations of two cargo terminal buildings spanning a gross floor area of 166,000 square metres.

Our Commitment to Governance

Conducting business ethically and with the highest level of integrity to future-proof the success of SATS.

UN SDG

IN THIS SECTION

Governance

“ SATS introduced carbon intensity reduction as part of management performance targets linked to remuneration. We set the targets to track carbon intensity performance for the three most significant areas of our business in Singapore – per gross meal produced, per flight handled, and per tonne of cargo handled.”

Meals
($kgCO_2e$/gross meal produced)

	Threshold	Target	Exceed
Target	0.94	0.85	0.77
Actual	**0.84** (Met Target)		

Flights
($kgCO_2e$/flight handled)

	Threshold	Target	Exceed
Target	172	156	140
Actual	**130.18** (Exceeded Target)		

Cargo
($kgCO_2e$/tonne of cargo handled)

	Threshold	Target	Exceed
Target	9.0	8.2	7.4
Actual	**7.00** (Exceeded Target)		

[1] Absolute emissions used in our carbon intensity exclude solar generation.

Our sustainability goals contribute significantly to fulfilling our purpose to feed and connect communities. They drive our three focus areas – to develop smart infrastructure to reduce our environmental impact, reduce and process food and packaging waste sustainably, and nurture skills for the future.

As Asia’s leading food solutions and gateway services provider, SATS works with our stakeholders to deliver heartfelt innovation to ensure the sustainability of our business as well as that of the communities we serve. At SATS, we are guided by our core values of safety, passion to delight, innovation, trust, and teamwork to develop a high-performing culture that cuts across geographical diversity. Our objective is to work with our customers and partners in the various aviation, food, and supply chain ecosystems to leverage sustainability efforts to find a collaborative advantage, rather than a competitive one, that will benefit the larger community.

Embedded in our unique culture is a set of ethical practices that define the standards of behaviour expected of everyone working at SATS. These ethical practices reflect our priorities across all three themes in our sustainable business strategy. They govern how we engage with our stakeholders in the ecosystem, helping us uphold the highest standards of integrity and business conduct.

To establish greater accountability for our decarbonisation programme, SATS introduced carbon intensity reduction as part of management performance targets linked to remuneration in FY2021-22. We set the targets to track carbon intensity performance for the three most significant areas of our business in Singapore – per gross meal produced, per flight handled, and per tonne of cargo handled.

The carbon intensity performance for these three metrics was tracked and reported monthly. Our performance for the year was calculated from the absolute emissions[1] reported for Singapore-based entities, divided by the respective gross meal, flight, and cargo tonnage recorded in our operating statistics. We have met our target for gross meal produced and exceeded our targets for flights and cargo handled.

Governance

Strengthening Ethical Governance

"The ISO 37001 certification provides assurance to our stakeholders on the robustness of our management system in preventing, detecting and responding to bribery and corruption."

In FY2021-22, SATS embarked on a journey to reinforce our anti-bribery and anti-corruption efforts, and SATS and seven of its Singapore-based companies achieved certification for the rigorous International Organisation for Standardisation (ISO) 37001 standard. This ISO standard specifies requirements and provides guidance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system. It has specific requirements on organisational context (which includes the need to conduct bribery risk assessment), leadership, planning, support (which includes the requirement for awareness, training and communication), operation (which includes the need for due diligence, channels to raise concerns and procedures for investigation), performance evaluation and improvement.

The ISO 37001 certification provides assurance to our stakeholders on the robustness of our management system in preventing, detecting and responding to bribery and corruption. SATS intends to certify another six of its Singapore-based subsidiaries in FY2022-23, and subsequently its overseas subsidiaries in phases.

To ensure compliance with the standards, SATS' Internal Audit and Ethics and Compliance departments jointly conducted 24 face-to-face and two virtual Risk and Control training sessions for employees. Anti-bribery and anti-corruption awareness training is now part of the induction programme conducted by SATS Academy for new employees. To reinforce the importance of adhering to ethical practices, all employees from Administrative Officer to Vice President will be required to complete an online anti-bribery and anti-corruption training on an annual basis.

We extend our policy of ethical practices to suppliers too. All new suppliers will be required to comply with the SATS' Supplier Code of Conduct, which specifically prohibits bribery and corruption. In addition, we have also included in our contracts with suppliers the right to terminate for non-compliance with our ethical practices.

To further strengthen internal controls, a Fraud Risk Review exercise was conducted this financial year at the business unit and department levels, to identify any potentially fraudulent activities that could occur in key processes, and facilitate the implementation of a combination of preventive and detective anti-fraud control measures.

SATS has a whistleblowing policy that provides an anonymous channel and protection from retaliation for reporting, in good faith, actual or suspected wrongdoings, by any SATS employee or business partner. We will investigate and report to the relevant board committees all alleged cases of corruption. Employees found breaching the company's policies will be dealt with in accordance with internal disciplinary procedures.

SATS joined the United Nations Global Compact as a signatory member, demonstrating our commitment to human rights, labour, environment and anti-corruption. As a signatory to the United Nations Global Compact, we pledge to align our strategies and operations with 10 universal principles on human rights, labour, environment, and anti-corruption, to develop plans that put people and the environment at the heart of our business to be a force for good.

WE SUPPORT UN GLOBAL COMPACT

"SATS is a signatory of the United Nations Global Compact, and is committed to aligning our strategies and operations to the universal principles of human rights, labour, environment, and anti-corruption."

We have met our targets for gross meal produced and exceeded our targets for flights and cargo handled.

Governance

Governing Supply Chain

"We are working to strengthen our supply chain governance and resilience by engaging the partners in our value chain on ESG aspects beyond the traditional assessment criteria."

To ensure social responsibility and governance, SATS has been working with our customers and suppliers to implement initiatives that help us reduce the impact of our activities on the environment and the communities in which we operate. We have incorporated various ESG criteria into our business practices.
In February 2017, we launched the Supplier Code of Conduct which was further enhanced in November 2021 to include our refreshed purpose, vision and mission, core values and the range of environmental criteria we may use to assess our suppliers. It is now mandatory for potential suppliers to accept SATS' Supplier Code of Conduct before they can participate in SATS' sourcing activities. SATS' Sustainability, Enterprise Risk Management and Global Procurement teams adopt one approach when integrating ESG criteria into our vendor selection and procurement practices across SATS Group entities, including all local and overseas subsidiaries over which we have operational control.

We are working to strengthen our supply chain governance and resilience by engaging the partners in our value chain on ESG aspects beyond the traditional assessment criteria.
In the Global Procurement Operations Manual implemented starting 1 January 2022, we incorporated ESG criteria into our Global Procurement Best Value framework, Global Procurement Sourcing Principles and Global Procurement Responsible Sourcing framework.
We will develop a supplier selection strategy that includes ESG criteria, conduct supply chain risk screening, and measure the ESG performance of our suppliers regardless of their scale of operations.

Stakeholder Engagement

We engage our internal and external stakeholders regularly through multiple channels to seek alignment on material issues that guide our decision making. Working collaboratively with stakeholders creates a more significant positive impact on the environment and the communities we serve. For example, to help our business units keep a pulse on sustainability, a Sustainability Council comprising representatives from all major business units and overseas representatives, meets regularly to share best practices and spearhead sustainability initiatives.
SATS also serves as a key stakeholder in the Singapore Government's OneAviation Sustainability plan and the International Advisory Panel for Sustainable Aviation Hub. In FY2021-22, we also engaged more than 400 analysts/investors in 30 or more meetings to give them deeper insights into our business performance and sustainability initiatives.

We leverage our expertise and work with our stakeholders across various aviation, food and supply chain ecosystems to build collaborative advantage for everyone.

Governance

Reporting Framework

We report our sustainability performance following the SGX Sustainability Reporting Guide and the Global Reporting Initiative (GRI) Standards: Core option. The increasing focus on climate change has resulted in calls for a transition to a lower-carbon economy.

In FY2021-22, we followed the Task Force on Climate-related Financial Disclosures (TCFD) process to develop climate scenarios to better understand the Company's exposure to the risks and opportunities of climate change. We incorporated mitigating actions to build climate resilience into our business, and we will continue strengthening our climate reporting following TCFD recommendations. We also map material topics to the United Nations Sustainable Development Goals and continually review our sustainable business strategy to improve our stewardship and reporting format. Following the recent increased emphasis on climate-related disclosures, SATS will continue to provide and improve our climate-related disclosures consistent with the TCFD recommendations in our future sustainability reports.

Awards and Certifications

Attained

ISO 37001

certification, the international standard for anti-bribery management systems

Topped Singapore Governance and Transparency Index for the

Second Year

running in the general category

Winner: Corporate Excellence & Resilience Award, Singapore Corporate Awards 2020/2021 Special Edition

Winner: Singapore Corporate Governance Award (Diversity category), SIAS Investors' Choice Awards 2021

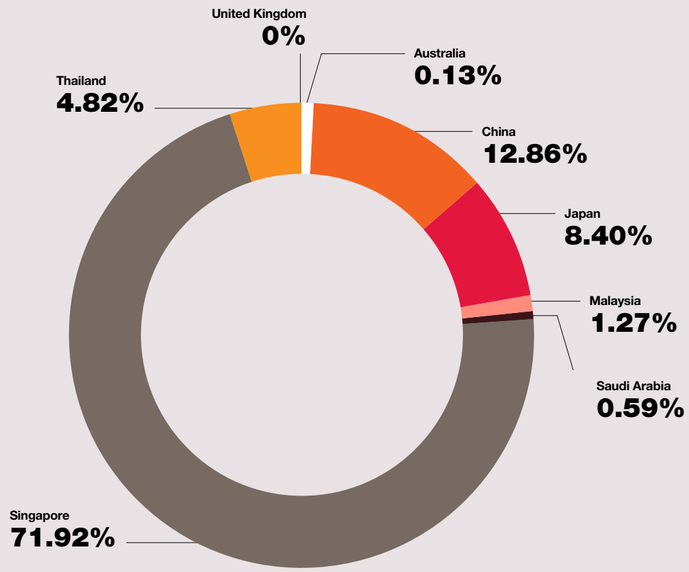
Winner: Silver and Bronze Awards for Innovation in Publications for SATS FY2018-19 and FY2019-20 Annual Reports respectively, The Asia-Pacific Stevie Awards 2021

Runner-up: Shareholder Communications Excellence Award (Big Cap category), SIAS Investors' Choice Awards 2021

For more information on governance, please refer to the Corporate Governance section of SATS Annual Report.

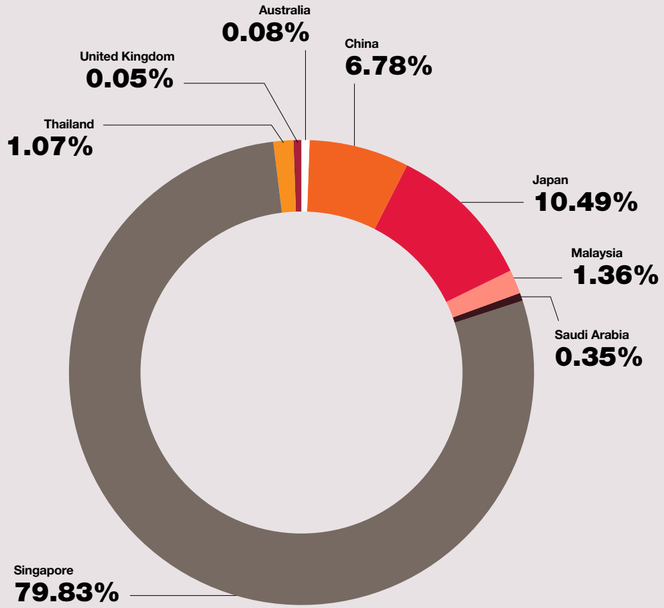
GRI Disclosures

EMISSIONS BREAKDOWN BY COUNTRY



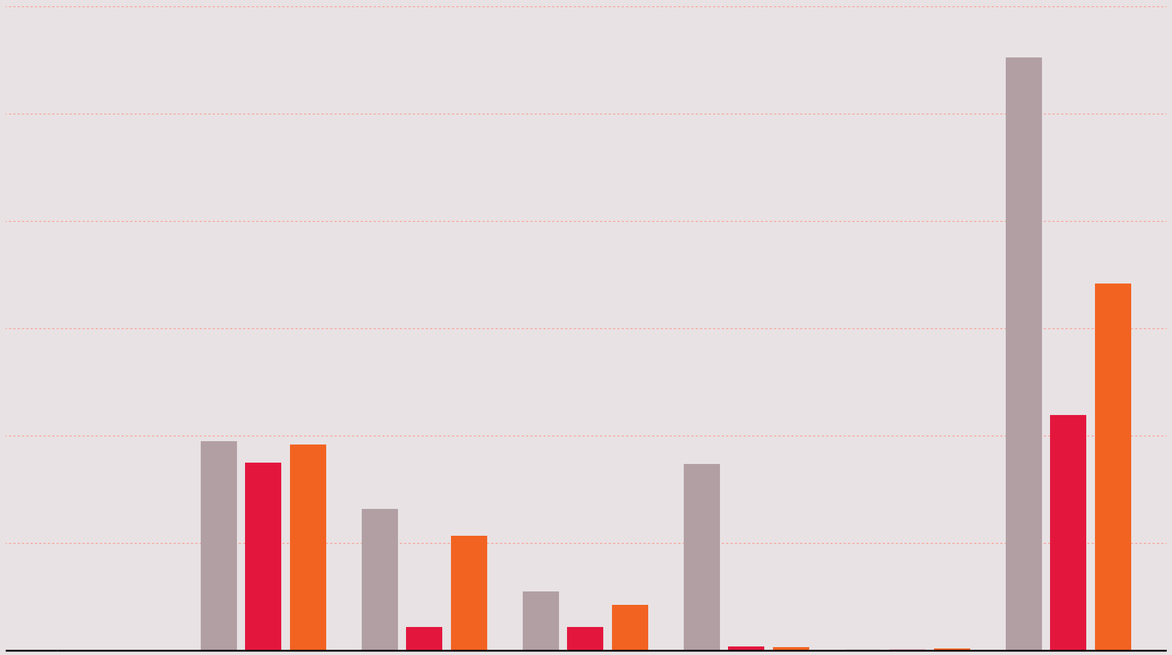
- Australia
- China
- Japan
- Malaysia
- Saudi Arabia
- Singapore
- Thailand
- United Kingdom

ENERGY BREAKDOWN BY COUNTRY



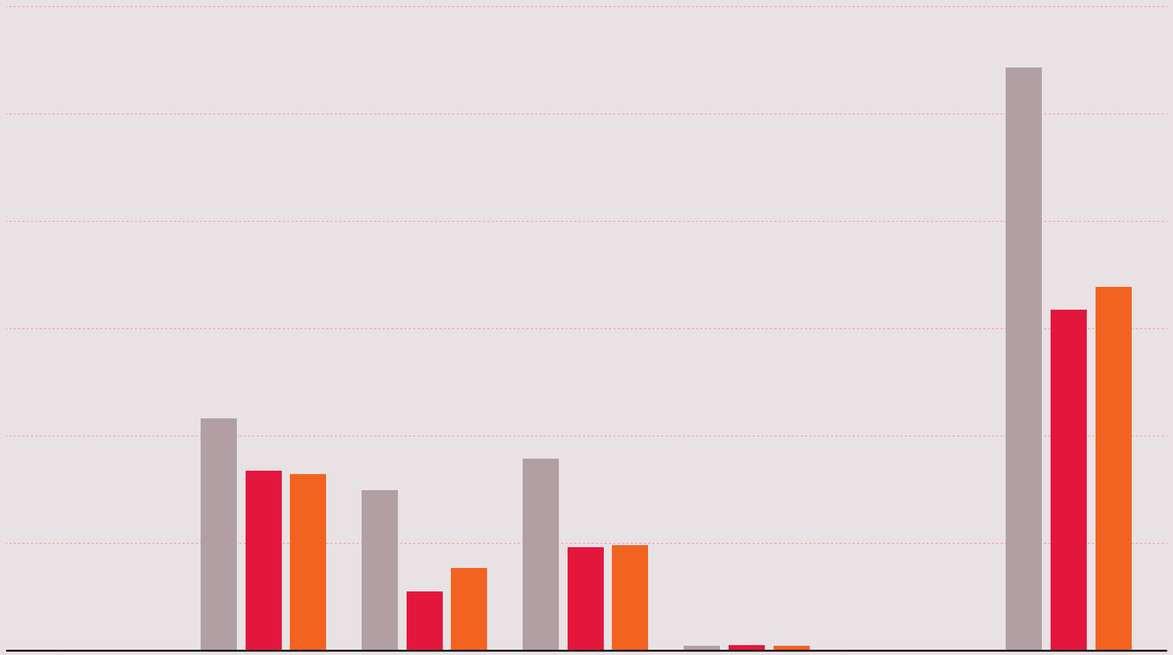
- Australia
- China
- Japan
- Malaysia
- Saudi Arabia
- Singapore
- Thailand
- United Kingdom

TOTAL ENERGY FOR OVERSEAS OPERATIONS



(GJ)	Electricity and Cooling	Heating and Steam	Diesel - transport	Motor Gasoline - transport	Renewable Energy	Total
FY2019-20	96,838	65,244	26,989	86,024	0	275,095
FY2020-21	86,892	10,338	10,251	1,292	0	108,774
FY2021-22	95,221	52,882	20,627	1,001	406	170,137

TOTAL ENERGY FOR SINGAPORE OPERATIONS



(GJ)	Electricity and Cooling	Heating and Steam	Diesel - transport	Motor Gasoline - transport	Renewable Energy	Total
FY2019-20	429,725	295,492	354,061	2,321	0	1,081,600
FY2020-21	331,488	107,212	189,265	3,135	0	631,100
FY2021-22	325,332	151,171	193,912	3,024	0	673,438

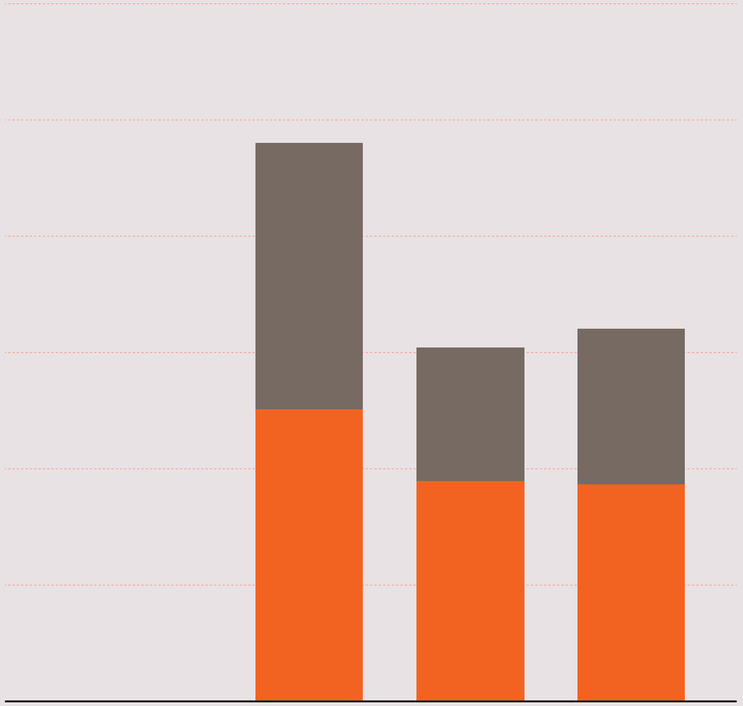
Note: Solar generation is reported as zero under the GHG Protocol because the Renewable Energy Certificates (RECs) arising from SATS' solar generation are sold annually, with the funds raised being channeled back to finance carbon abatement projects.

SCOPE 1 AND SCOPE 2 EMISSIONS

During this reporting period, our direct emissions (Scope 1) amounted to 33,607 tonnes of carbon dioxide equivalent (tCO_2e), and emissions from our purchase of electricity, cooling, heat and steam (Scope 2) were 55,140 tCO_2e.

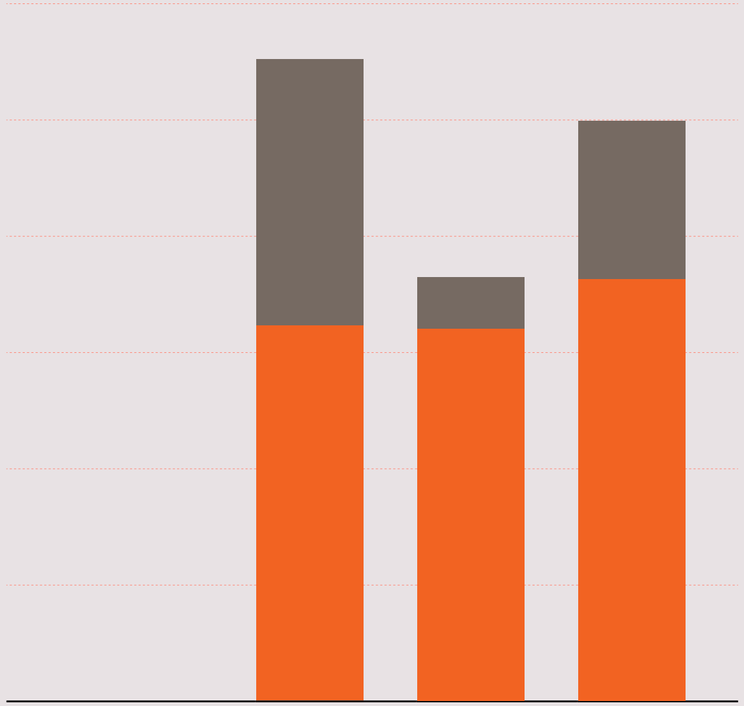
Location	Energy (GJ)	Scope 1 Emission (tCO_2e)	Scope 2 Emission (tCO_2e)	Total Emission (tCO_2e)
Australia	668	19	95	**113**
China	57,153	941	10,474	**11,415**
Japan	88,460	1,831	5,628	**7,459**
Malaysia	11,462	657	469	**1,126**
Saudi Arabia	2,967	9	516	**526**
Singapore	673,438	26,795	37,036	**63,831**
Thailand	8,994	3,353	923	**4,276**
United Kingdom	433	2	0	**2**
Total	**843,575**	**33,607**	**55,140**	**88,747**

SCOPE 1, 2 AND TOTAL EMISSIONS FOR SINGAPORE OPERATIONS



(tCO_2e)	FY2019-20	FY2020-21	FY2021-22
Scope 1 emission	45,799	23,019	26,795
Scope 2 emission	49,991	37,615	37,036
Total emissions	95,791	60,634	63,831

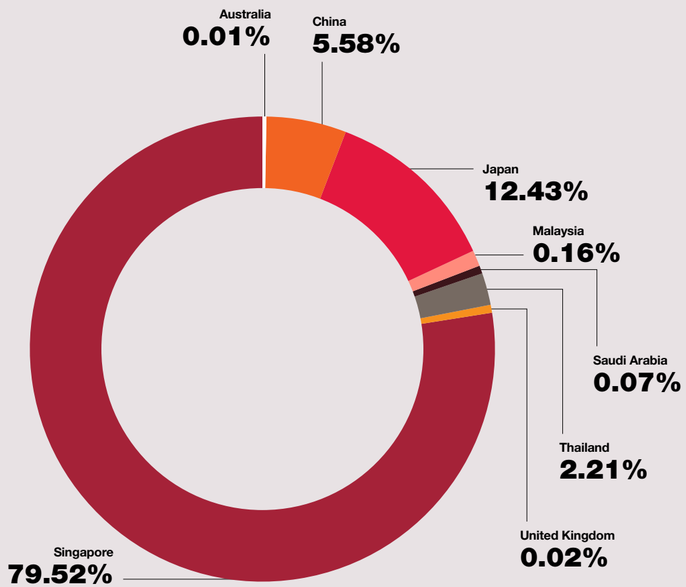
SCOPE 1, 2 AND TOTAL EMISSIONS FOR OVERSEAS OPERATIONS



(tCO_2e)	FY2019-20	FY2020-21	FY2021-22
Scope 1 emission	11,445	2,208	6,812
Scope 2 emission	16,111	15,971	18,104
Total emissions	27,556	18,179	24,917

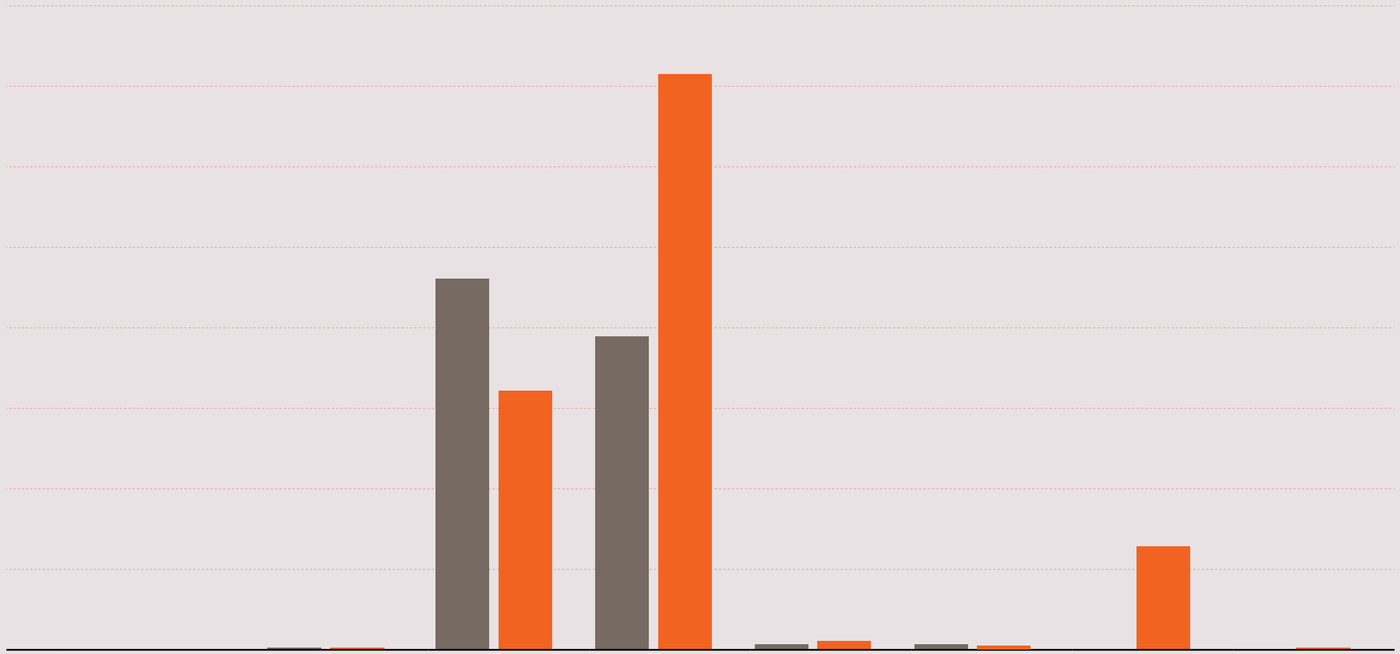
Note: Adjustments made to FY2019-20 and FY2020-21 following an internal review conducted on Singapore operations' emissions.

WATER WITHDRAWAL BY COUNTRY



Australia	Saudi Arabia
China	Thailand
Japan	United Kingdom
Malaysia	Singapore

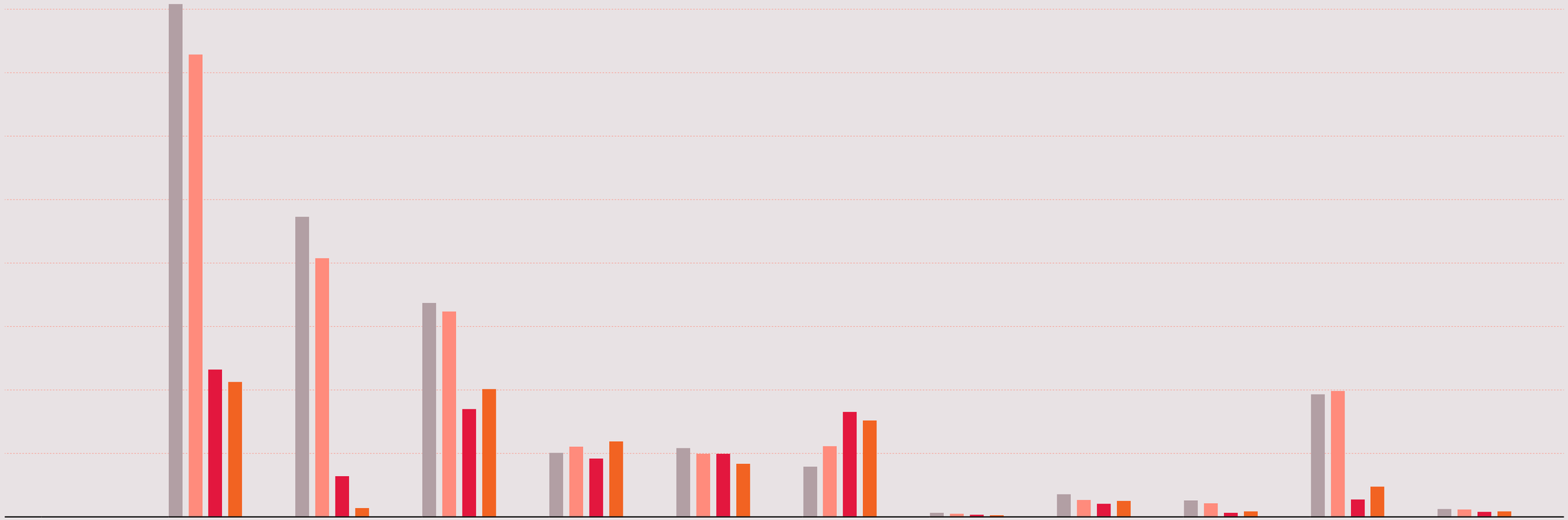
WATER WITHDRAWAL BY OVERSEAS OPERATIONS



(ML)	Australia	China	Japan	Malaysia	Saudi Arabia	Thailand	United Kingdom
FY2020-21	0.1	92.0	77.7	1.1	1.0	n.a.	n.a.
FY2021-22	0.1	64.2	143.1	1.8	0.8	25.5	0.2

Note: Adjustments made to FY2021 water withdrawal in Malaysia following an internal review.

WATER WITHDRAWAL ON SINGAPORE PREMISES



(ML)	SICC 1/2	SICC 1	SICC 2	AFT	SFS	PI	SATS DN	MBCCS	PTB	SAL	SMC
FY2018-19	807	472	336	99	106	77	4	33	24	191	10
FY2019-20	727	406	322	109	97	109	3	25	19	197	10
FY2020-21	230	62	168	90	98	164	2	19	4	25	6
FY2021-22	211	12	199	117	82	150	0	23	6	45	7

Note: Offsite premises are not reflected in the graph.

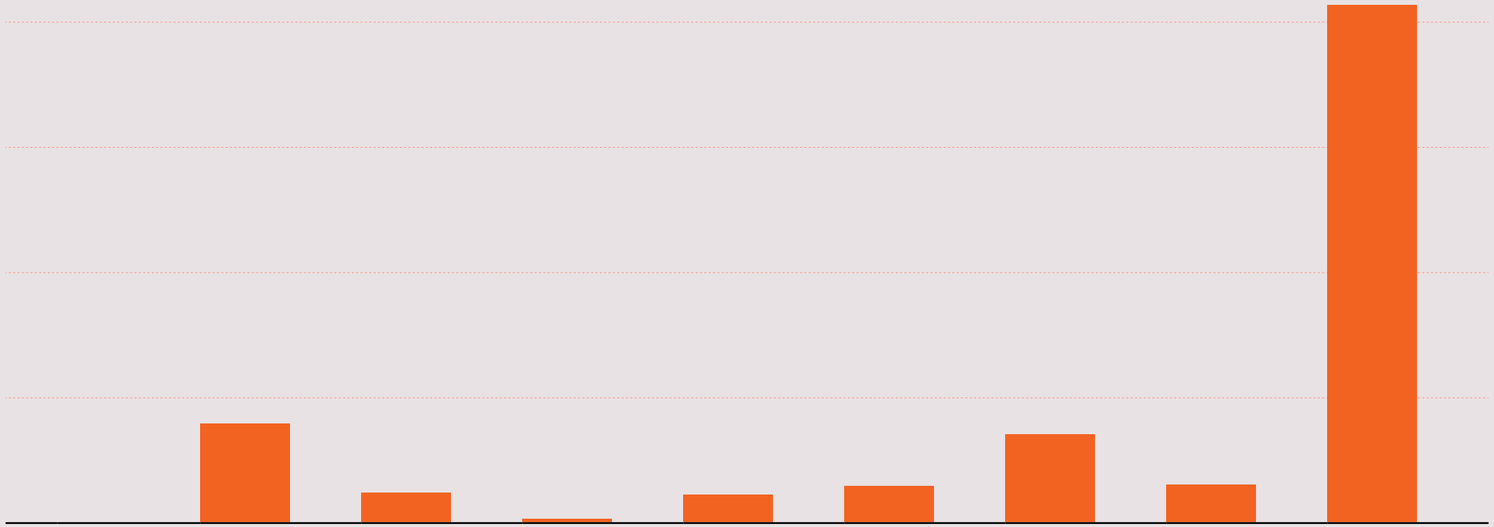
WASTE GENERATION

This FY, we have included waste generated at our non-aviation operations. During this reporting period, our operations in Singapore generated about 135 metric tons (t) and 10,589 metric tons of hazardous and non-hazardous waste respectively. About 31.4% of our non-hazardous waste was recycled.

Hazardous Waste	Weight (t)	Disposal Method
Hazardous Solid Waste	73	Incineration
Waste Oil	48	Recycled
Waste Sludge	11	Incineration
Oily Water	4	Sent to wastewater treatment plant
Total	**135**	

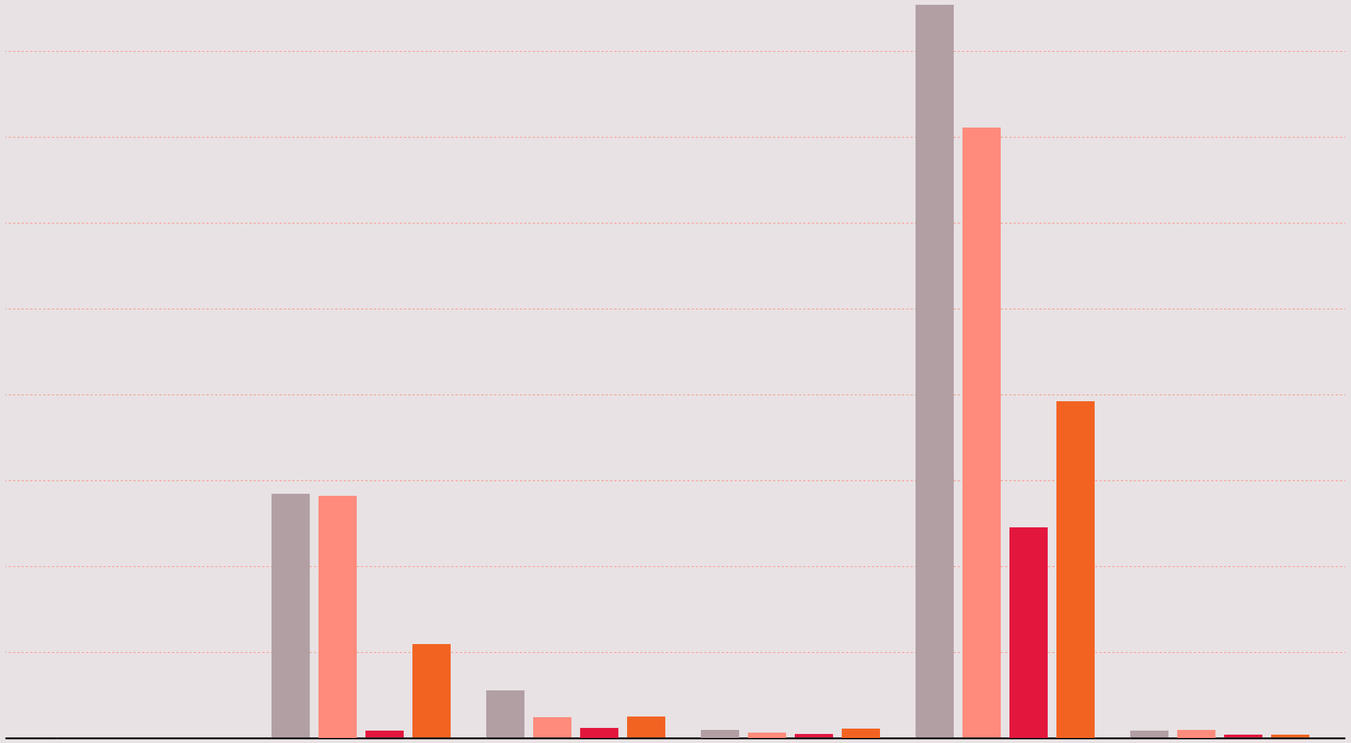
Non-Hazardous Waste	Weight (t)	Disposal Method
General Waste	7,262	Incineration
Recyclable Waste	3,327	Recycled
Total	**10,589**	

TOTAL WEIGHT OF RECYCLED WASTE BY TYPE



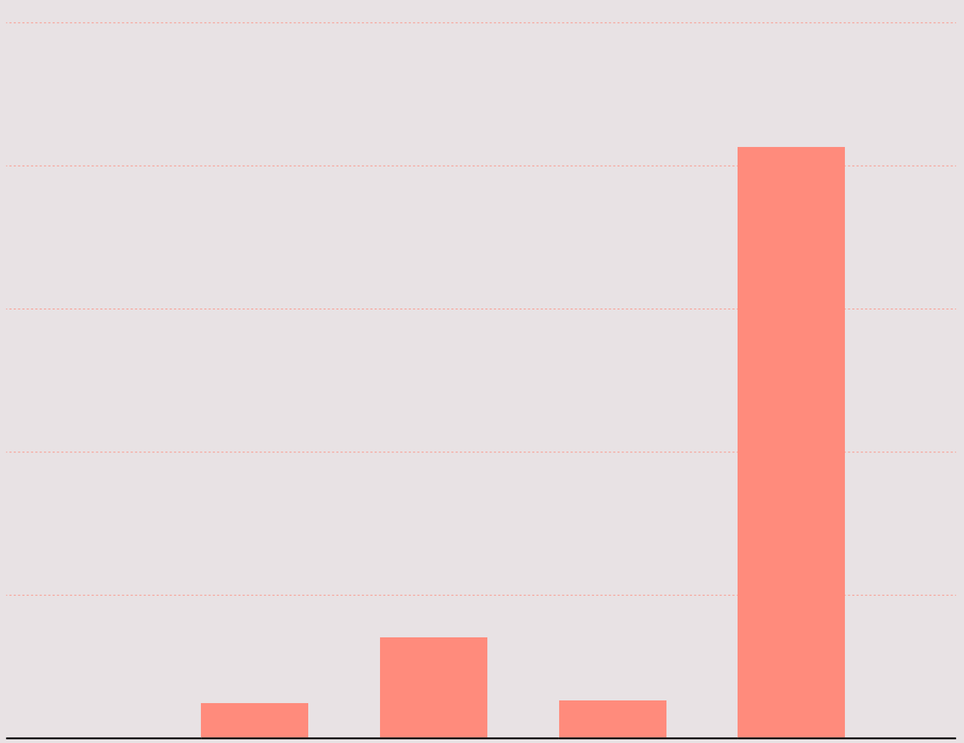
(t)	Cardboard	Carton Box	Cooking Oil	Glass	Metal	Paper	Plastic	Wood
FY2021-22	391	115	12	108	142	348	148	2,065

WEIGHT OF WASTE RECYCLED AT SICC 1 AND SICC 2



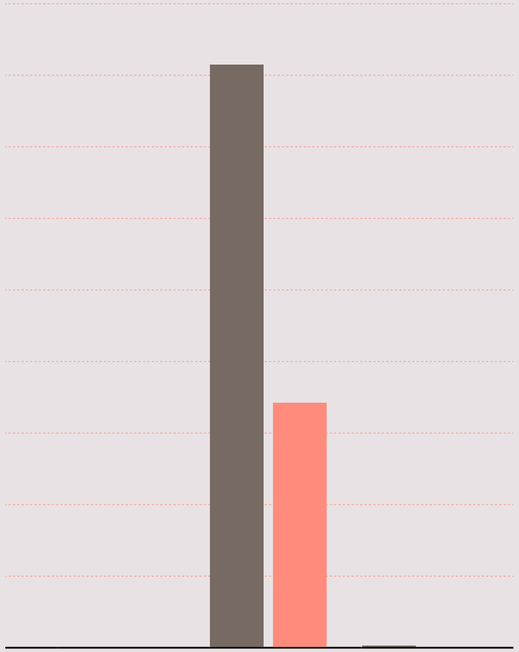
(t)	Glass	Metal	Plastic	Carton Box	Cooking Oil
FY2018-19	283	54	8	852	7
FY2019-20	281	23	5	709	8
FY2020-21	7	11	3	244	2
FY2021-22	108	23	10	391	2

WEIGHT OF WASTE RECYCLED AT AFTS 1 TO 6



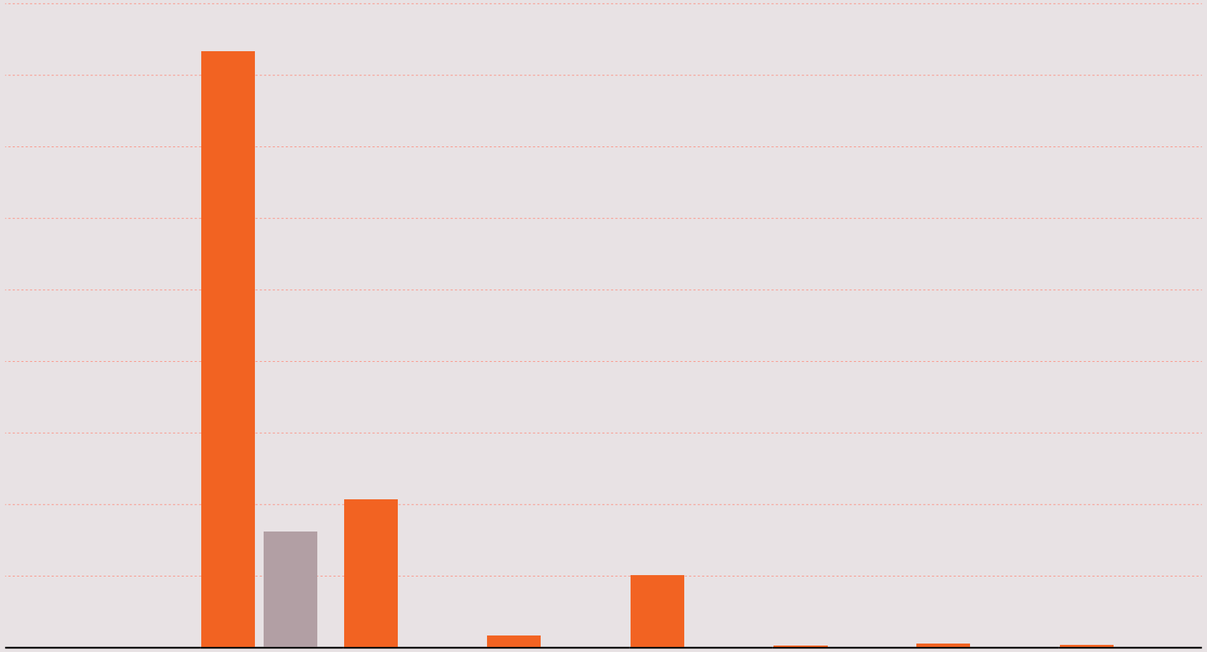
(t)	Metal	Paper	Plastic	Wood
FY2021-22	117	348	127	2,065

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE BY GENDER



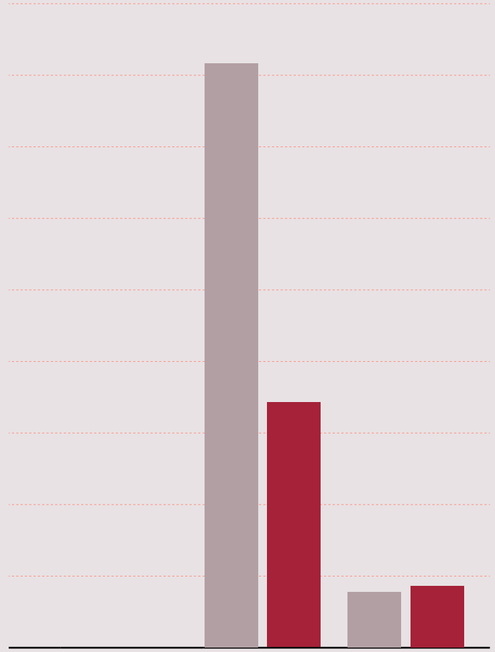
	Full-time	Part-time
Male	8,130	9
Female	3,407	0

TOTAL NUMBER OF EMPLOYEES BY EMPLOYEE CONTRACT BY REGION



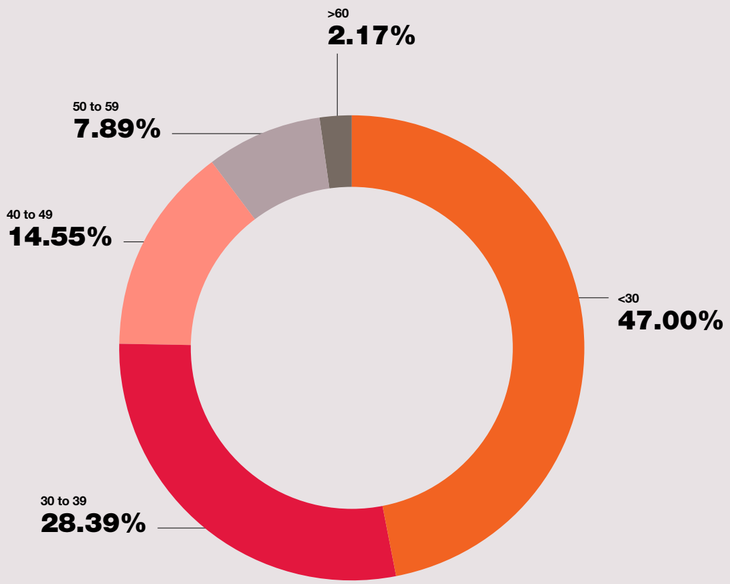
	Singapore	Malaysia	China	Japan	Saudi Arabia	India	UK
Permanent	8,311	2,049	152	992	32	10	20
Temporary	1,599	0	0	0	0	0	0

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT BY GENDER



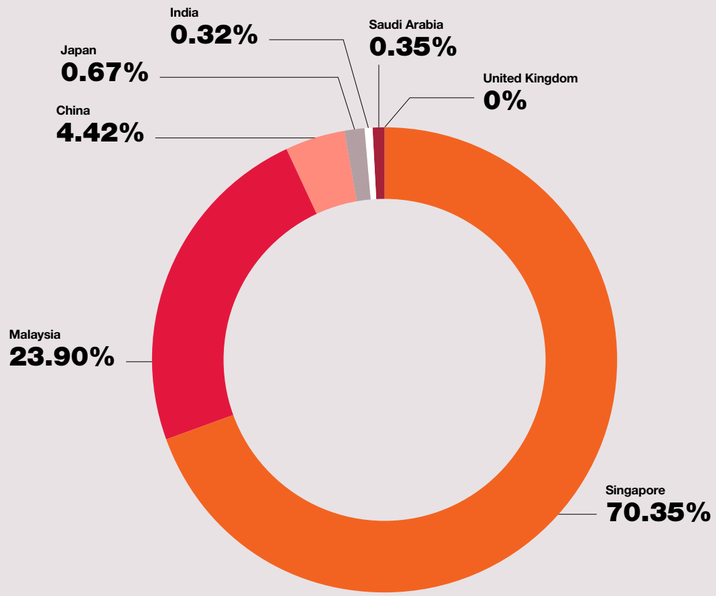
	Permanent	Temporary
Male	8,139	757
Female	3,407	842

NEW EMPLOYEE HIRES BY AGE GROUP



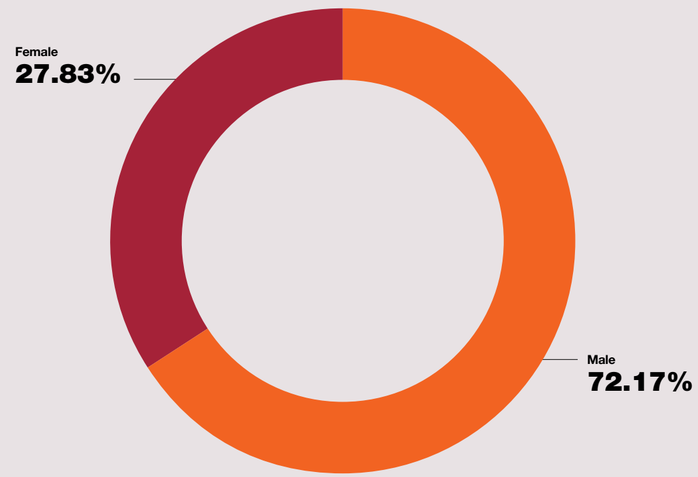
	Total number
<30	1,341
30 to 39	810
40 to 49	415
50 to 59	225
>60	62
Total	2,853

NEW EMPLOYEE HIRES BY REGION



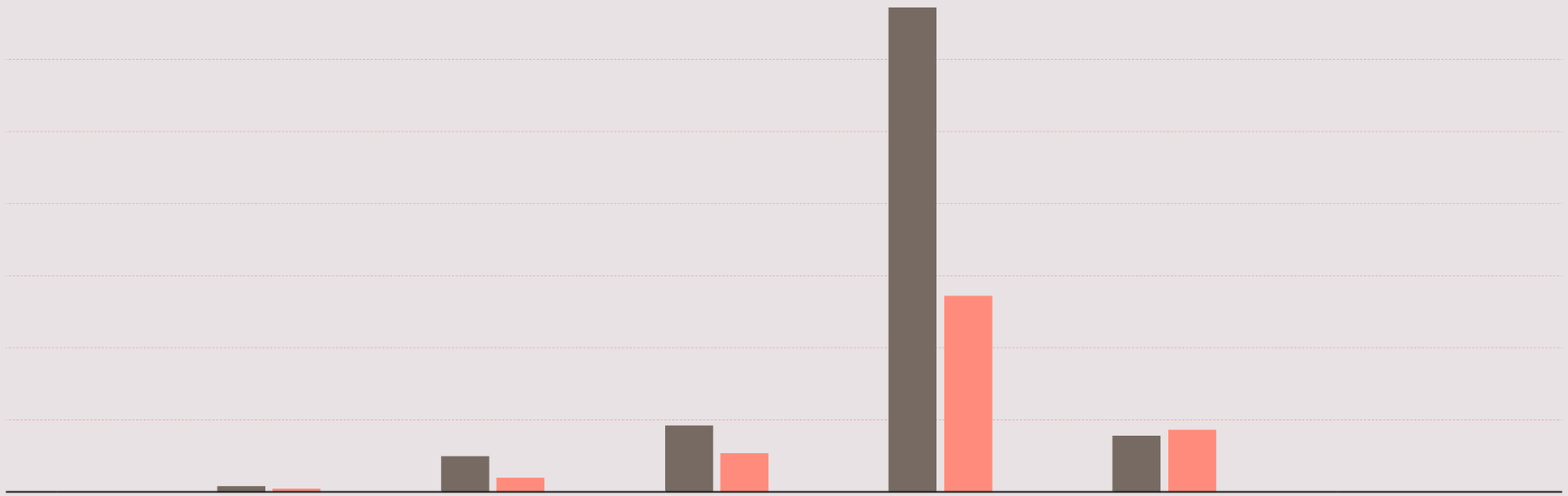
	Total number
Singapore	2,007
Malaysia	682
China	126
Japan	19
India	9
Saudi Arabia	10
UK	0
Total	2,853

NEW EMPLOYEE HIRES BY GENDER



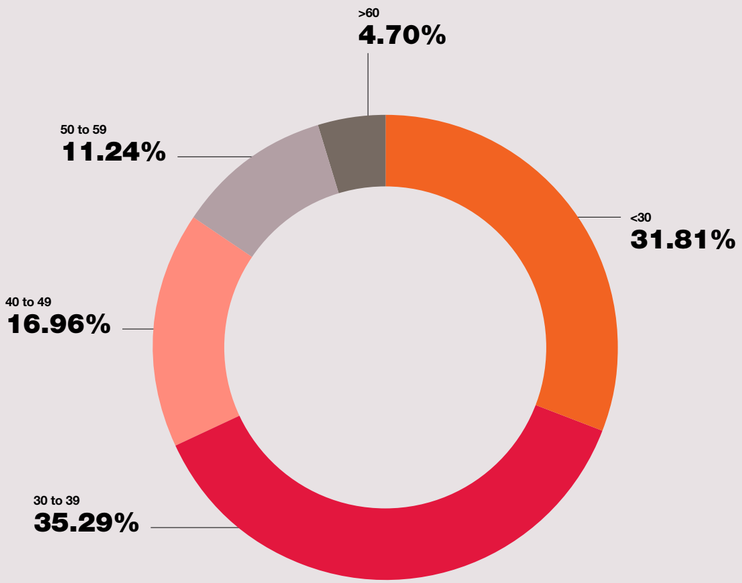
	Total number
Male	2,059
Female	794
Total	2,853

EMPLOYEE CATEGORY BY GENDER



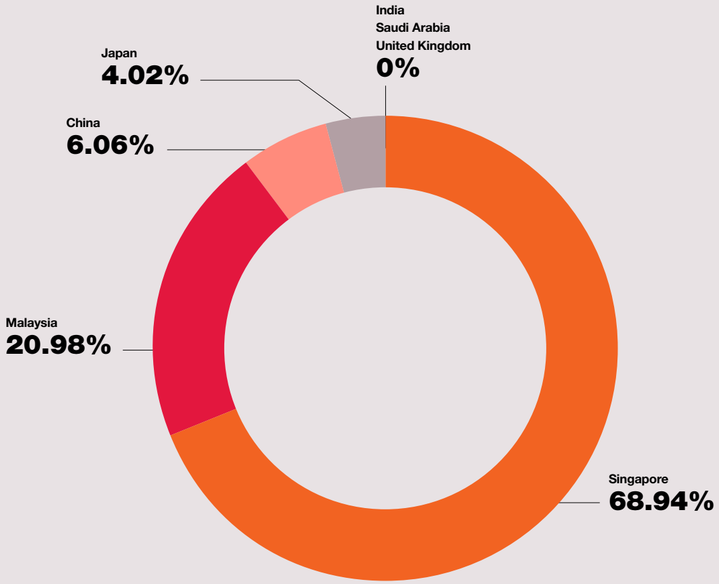
	VP & Above	Managers to AVP	Executive	Non-Executive	Flexi / Temp	Grand Total
Male	51	476	897	6,707	757	4,878
Female	23	170	511	2,697	842	8,253
Total	**74**	**646**	**1,408**	**9,404**	**1,599**	**13,131**

EMPLOYEE TURNOVER BY AGE GROUP



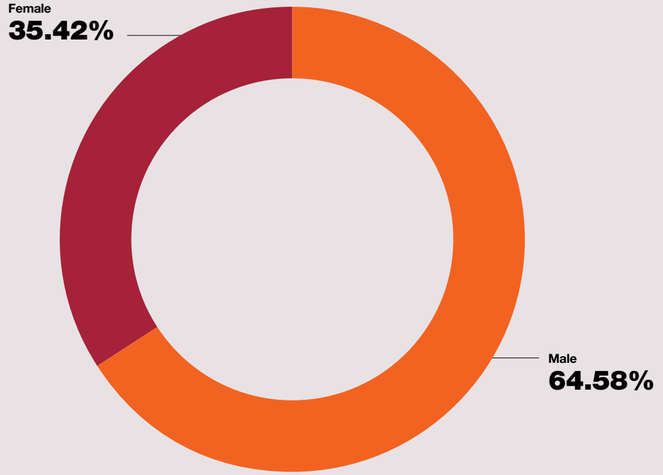
	Total number
<30	467
30 to 39	518
40 to 49	249
50 to 59	165
>60	69
Total	1,468

EMPLOYEE TURNOVER BY REGION



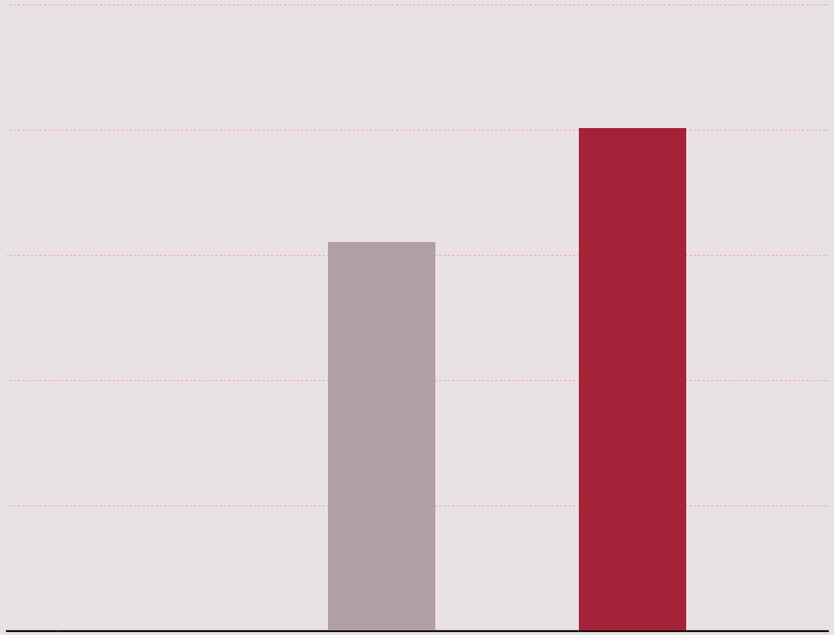
	Total number
Singapore	1,012
Malaysia	308
China	89
Japan	59
India	0
Saudi Arabia	0
UK	0
Total	1,468

EMPLOYEE TURNOVER BY GENDER



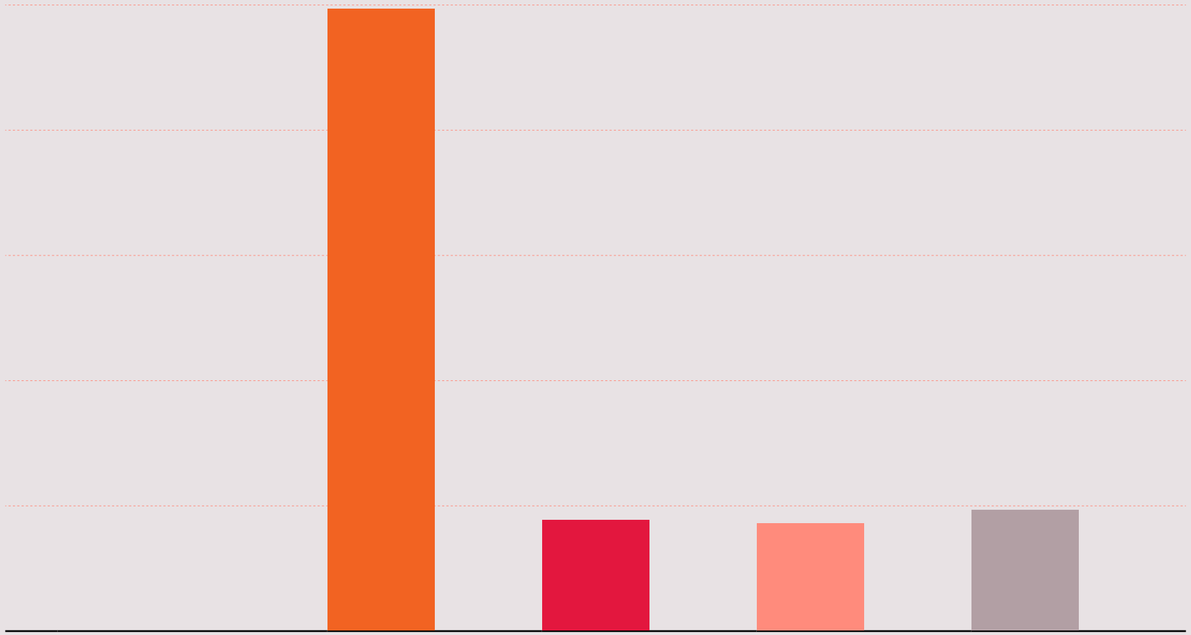
	Total number
Male	948
Female	520
Total	1,468

AVERAGE TRAINING HOURS BY GENDER



	Male	Female
Average Training Hours	309.8	401.5

AVERAGE TRAINING HOURS BY EMPLOYEE CATEGORY



	Non-Executives	Executives	Managers to AVPs	VPs and above
Average Training Hours	397.6	70.9	68.9	77.5

Safeguard Operational Safety

To further enhance existing safety standards, a Safety Transformation Office led by SATS PCEO and our senior management, and comprising of members from all levels of the organisation had been setup. The Safety Transformation Office introduced initiatives such as the appointment of Ground Commanders, who monitor safety operations on site and the 'Everyone Home Safe (E.H.S.)' programme.

The E.H.S programme, in particular, encourages employees to cultivate positive safety habits through mnemonics such as L.T.A ('Look, Think, Act') – a reminder of the importance of communication, thoughtful action, and the maintenance of safety and security in the workplace, which is a shared responsibility among all SATS employees. In addition, we introduced an incentive scheme which rewards staff who exhibit exemplary safety behaviour by going above and beyond their duties to create a safer workplace for all.

As a leading food solutions and gateway services provider in the region, and a trusted employer to our staff, SATS takes pride in our ability to operate safely and seamlessly despite the disruptions caused by the global pandemic. With the support of our industry and airline partners, and our employees, we will continue to spearhead efforts to achieve safe, efficient and sustainable operating standards across the aviation industry.

SATS Safety 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:

01. Nurture a culture that promotes a sustainably safe and healthy workplace

02. Continually improve our processes through consultation, participation and engagement with employees, customers and partners to achieve the highest competency levels

03. Comply with all legal requirements in every jurisdiction in which we operate

04. Anticipate and respond to all possible terror risks

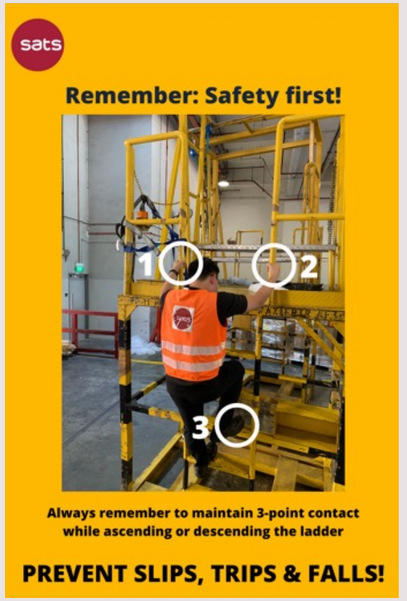
05. Eliminate hazards using all reasonable measures including technological solutions

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

Kerry Mok

Kerry Mok
President & Chief Executive Officer, SATS Ltd.

Cargo



Apron

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	253	1	8.88	0.04	28,476,148

Workplace Safety and Health Slips, Trips and Falls (STF) Campaign

As part of the Workplace Safety and Health objective to promote the co-creation of safe workplaces and eliminate Slips, Trips and Falls (STF) incidents, SATS' Performance Enhancement Section (Gateway) and Cargo Services Transformation Office collaborated in November and December 2021 to design a series of 12 educational posters targeted at STF hotspots.

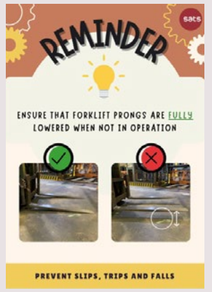
To maximise coverage, the cargo posters were put up at key areas of the warehouse and uploaded onto TV screens, which are located at high footfall areas, such as canteens and lift lobbies. In addition, these posters were disseminated to cluster leaders, who then shared them with the team members.

Cargo

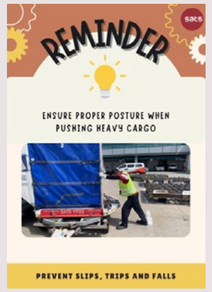
Apron

Passenger

Cargo



Apron



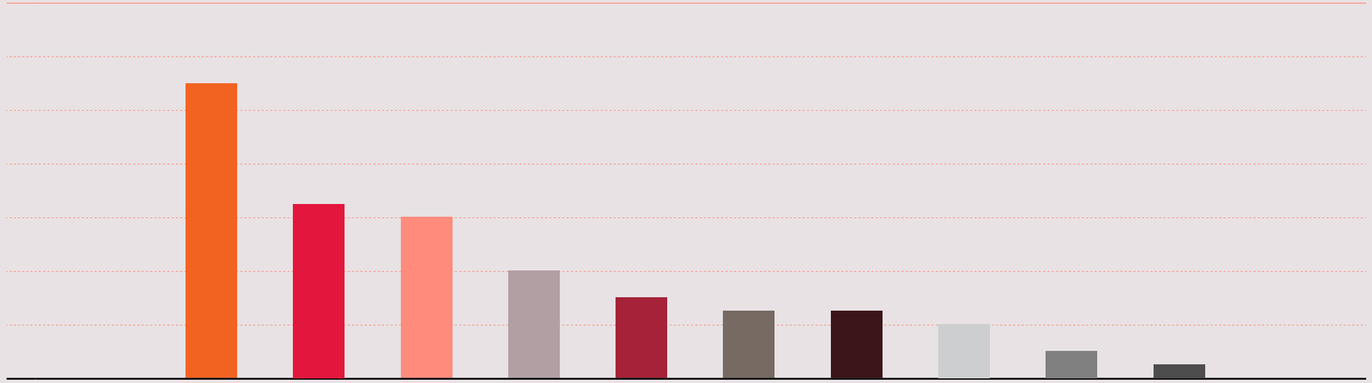
Workplace Safety and Health Slips, Trips and Falls (STF) Campaign

To conclude the STF campaign, the team hosted a week-long STF Hazards Elimination roadshow in January 2022 to reach out to more operations staff and have one-on-one interaction with them. This was executed in conjunction with the Cargo Hazards Elimination campaign that was launched in November 2021 to increase the visibility and reach of the in-house SATS Safety application.

The integration of both campaigns allowed us to raise awareness of common STF hazards and provide guidance to staff on how to report these hazards. Employees are encouraged to report different types of STF hazards that they are exposed to.

STF	Slip/Trip/Fall
OESM	Caught in Between Object
CIBO	Over Exertion/Strenuous Movement
SBMO	Struck by Moving Object
Cut	Cut
SBFO	Struck by Falling Object
SAO	Struck against Object
VA	Vehicle Accidents
Others	Others
ETET	Exposure to Extreme Temperature
FFH	Fall from Height

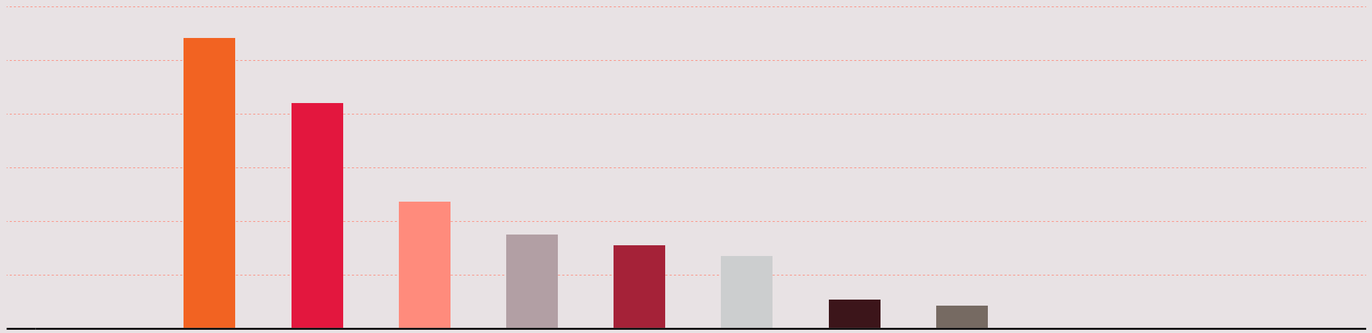
WORK INJURY CAUSES (SINGAPORE) – FOOD SOLUTIONS



	STF	Cut	SAO	SBFO	ETET	SBMO	CIBO	OESM	FFH	Others	VA
Food Solutions	22	13	12	8	6	5	5	4	2	1	0

Total Work Injury Cases till end of March 2022 **78**

WORK INJURY CAUSES (SINGAPORE) – GATEWAY SERVICES



	STF	OESM	CIBO	SAO	SBMO	SBFO	Cut	Others	VA	ETET	FFH
Gateway Services	53	41	23	17	15	13	5	4	0	0	0

Total Work Injury Cases till end of March 2022 **171**

Employees covered by collective bargaining agreements

GRI Standard 102-41	Count of employees covered by collective bargaining agreements	a) Percentage of total employees covered by collective bargaining agreements
As at 31 Mar 2022		
SATS Singapore	4,221	50.79%
SATS TFK	990	99.80%
TOTAL	**5,211**	**45.13%**

GRI Standard 402-1	Minimum notice periods regarding operational changes		
	a) Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.	b) For organisations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.	Remarks
SATS Singapore	4 weeks. The entire process will typically take approximately a month. We will discuss job role changes with both the union and staff prior to actual deployment.	Yes, notice periods are specified. 1) SATSWU: 2 weeks (employee in employment <5yrs); 1 month (>5yrs) 2) AESU: 2 months 3) SIESU: 1 month 4) FDAWU: 2 weeks	The entire process will typically take approximately a month. We will discuss job role changes with both the union and staff prior to actual deployment.
SSSB	2 weeks	Not applicable.	
GTR	Not applicable.	Not applicable.	
SATS Greater China	30 days	Not applicable.	30 days
SATS India	Not applicable.	Not applicable.	
SATS TFK	No, we do not have a specific clause in the agreements to give advance notice for such operation changes.	No specific statement in the agreements.	
SATS Saudi Arabia	30 days' notice required to inform employees prior to the implementation of significant operational changes that could substantially affect them.	Not applicable.	
Monty's Bakehouse	No minimum notice period but depending on circumstances, 1-2 weeks where possible.	Not applicable.	

Annex A

About this Report and Contact Info

This is SATS' sixth Sustainability Report, demonstrating our unwavering commitment to sustainability. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, as well as SGX Listing Rules 711A and 711B.

In addition, we have also aligned our climate-related disclosures to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. Our sustainability performance data not only covers our Singapore operations, but also the overseas subsidiaries in which 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 2021 to 31 March 2022.

We welcome feedback and suggestions. You may direct them to:

Sats Public Affairs and Branding
20 Airport Boulevard,
Singapore 819659
Tel: +65 6541 8200
Email: info_enquiry@sats.com.sg

Annex B

Task Force on Climate-related Disclosures (TCFD)

Climate Scenario Analysis

A year prior, in response to the increasingly urgent need to transition to a lower-carbon economy to mitigate the consequences of climate change, SATS is committed to building our climate risk resilience in line with the TCFD's recommendations.

Following the TCFD's process, we developed climate scenarios that aim to assess the physical and transition[1] risks and opportunities that our businesses face. A series of workshops involving senior management and members from various departments were conducted to determine our exposure to climate-related impacts, assess the relative significance of key risks and opportunities, examine mitigating actions, and identify ways to build climate resilience. We remain dedicated to transparent disclosures and addressing climate-related risks and opportunities, which enables us to build climate resilience into our business and strategy.

To better understand how the changing climate may affect our direct operations and its value chain, we used what we term a "business as usual" scenario (4°C) and a strong mitigation scenario (1.5°C - 2°C) to assess our risks and opportunities in each. In the former scenario, greater focus is placed on assessing potential physical risks to our businesses as a result of events brought about by or related to climate change such as extreme weather, rising sea levels, drought, water stress and flooding. In comparison, the strong mitigation scenario placed greater emphasis on transition risks. In order to meet the goals laid out in the Paris Agreement regarding reductions in global levels of greenhouse gas (GHG) emissions and successfully transition to a more sustainable, lower-carbon world, there needs to be radical changes in regulations, individual and organisational behaviour, and technological breakthrough.

[1] Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change.

TCFD's Recommended Disclosures	SATS Approach	Report Section
Governance SATS governance around climate-related risks and opportunities	• Our board-level (Board Risk and Safety Committee) has oversight of climate-related risks and opportunities and typically meets biannually to review emerging climate-related issues and our low-carbon strategy and initiatives. • Our Chief Strategy & Sustainability Officer (CSO) chairs the Sustainability Council and reports directly to the PCEO and the Board on all sustainability matters, including global and local climate-related issues.	Governance Structure
Strategy Proactive approach to identify and pre-empt potential impact of climate-related risks by setting ESG targets and practices to prepare business units accordingly.	• We strive to stay abreast of trends and highlight potential opportunities and develop innovative solutions to lower our carbon footprint, in line with ESG best practices. • Materiality Analysis: In 2019, we undertook an extensive engagement exercise with our key stakeholder groups to validate the material ESG issues first identified in 2017, and to align our goals with those of our key stakeholders. In 2021, our management has decided to focus our efforts on selected priority material issues, as reflected in the latest sustainability framework. • Climate Change Scenario Planning: Two key global scenarios served as references for our scenario analysis:- a) RCP8.5 high GHG emissions scenario in Intergovernmental Panel on Climate Change's Fifth Assessment Report (IPCC AR5) b) 2°C Scenario (2DS) and Beyond 2°C Scenario (B2DS) in International Energy Agency (IEA)'s Energy Technology Perspectives 2017	Sustainability Framework and 2030 Targets Climate Scenario Analysis
Targets and metrics	• We have been tracking and reporting our Scope 1 and 2 carbon emissions since 2018 based on the global GHG Protocol and have also been disclosing related metrics in our annual Sustainability Reports. • We have a long-term carbon emissions target to reduce our carbon footprint by 50% by 2030, from our FY2019-20 baseline.	Sustainability Framework and 2030 Targets

The risks and opportunities discussed in each of the scenarios are listed below:

Business as usual scenario (4°C)	Strong mitigation scenario (1.5-2°C)
• Water stress • Raw material availability and prices • Extreme weather events (that result in property damage and loss of productivity) • Disruption to supply chain	• Changes in the aviation sector • Raw material costs (due to changes in the agriculture sector) • Changes in diets (with the growing availability and popularity of alternative proteins) • Carbon prices • Energy efficiency and renewable energy • Waste management

Annex B (continued)

Description and potential impact	Mitigating actions
Physical risk: Extreme heat causing health hazards to workers, especially those working outdoors such as the tarmac, where there is direct exposure to weather elements. Heat-related illnesses among staff may lead to manpower shortage, disruption to operations and higher operational costs.	• Redesign uniforms using dry-fit material for staff exposed to long periods of heat and provide ample water breaks for hydration • Provide personal protection equipment (PPE) or cooling vests to staff (Ramp Operations)
Physical risk: Extreme weather may result in volatility in raw material prices, damage to physical assets, depressing the market for air travel leading to loss in revenue and increasing maintenance costs. Operational services such as flight scheduling and loading/off-loading services may also be affected.	• Develop local supply base and strategic partners • Develop preemptive supply chain strategy for higher risk areas (local and foreign) • Reduce wastage • Produce meals with longer shelf-life • Work with the relevant authorities to provide necessary infrastructure to ensure continuation of services
Transition risk: The lack of proper sustainable procurement framework may lead to reputational risk and loss of market share for subsidiaries like Country Foods.	• Implement supplier onboarding checklist and process • Conduct regular engagements and audits to ensure that suppliers adopt sustainable practices
Transition risk: Regulatory changes such as the implementation of carbon tax, diesel tax, climate bond and legislation, fines and penalties, and higher insurance premiums, higher operational and facilities maintenance costs incurred in the transition towards becoming a low-carbon or carbon-neutral business	• Adopt the use of energy-efficient equipment • Implement heat recovery and renewable energy systems • Explore how circularity framework can be implemented • Replace diesel vehicles with electric vehicles • Increase natural lighting and the use of energy efficient equipment (Cargo) • Implement a sensor system to regulate lighting and air-conditioning (Cargo) • Replace parts with recyclable materials, where possible (Cargo) • Continual process optimisation • Concerted efforts to encourage and educate our people to reduce, reuse and recycle

Description and potential impact	How we manage it
Transition risk: Corporate finance implications such as increased acquisition and integration costs arising from new investments (e.g. shadow pricing, more stringent building & ESG requirements, and climate risk-induced risks) along with fewer investment opportunities	
Opportunity: Sustainable procurement and waste management systems that prevent unnecessary food and materials wastage (e.g. paper, plastics, food waste) and maximise sustainable efforts such as recycling and food composting	• Optimise production system at the new SATS Food Hub to minimise wastage and energy footprint • Develop a pro-recycling company culture where staff are encouraged to segregate discarded items so that waste can be effectively recycled (e.g. by providing more recycling bins for different waste categories across our premises) • Explore new opportunities to upcycle material waste into usable products • Explore feasible solutions for water recycling • Partner with waste companies to improve recycling efforts • Engage with suppliers proactively for responsible sourcing of raw materials • Continue to recycle materials such as plastics, carton boxes, metals and glass bottles and used cooking oil
Opportunity: Expand the use of renewable energy, implement energy-efficient technologies, optimise building designs to reduce energy intensity	• Invest in heat recovery models • Explore renewable energy and energy-efficient equipment • Implementing IIoT to maximise overall equipment effectiveness • Engage experienced contractor to design heat exchange network and layout to reduce air-conditioned spaces • Convert all our lighting requirements to LED and incorporate the use of light sensors to optimise energy use in buildings. • Continue to expand rooftop solar installations across our premises where appropriate
Opportunity: De-risk and shorten supply chain by engaging multiple vendors and developing a sustainable local supply base (e.g. local fish farms, hydroponics farms)	• Expand and diversify supply sources and leverage Country Foods trading and distribution networks • Continual engagement with suppliers • Partner with local farms to promote locally grown products • Procure raw materials like proteins from sustainable sources • Organise regular suppliers' day to promote local produce to our customers
Opportunity to position SATS as a sustainable brand, which may strengthen employee recruitment, retention, reputation and customer loyalty.	• Continue to promote SATS' stewardship
Opportunity: Increased business and investment opportunities, partnerships and funding from ESG initiatives (ESG financial instruments, green bonds and government grants)	• Collaborating with government agencies to explore potential partnerships and possible incentives to develop sustainability capabilities and functions • Explore green financing for the SATS Food Hub

Annex C

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, some estimations were made in lieu of delayed receipt of invoices.

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 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, we use the operational control approach in our consolidation of emissions data, which comprise data from Singaporean Subsidiaries and Overseas Subsidiaries.

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 6 to convert each gas to carbon dioxide equivalent.

Scope 2 emission
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, grid emission factors published by Institute for Global Environmental Strategies, 2011 UNDP in Ghana GHG inventory and Australian Government National greenhouse accounts.

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	kWh	kg	0.108
	Sm^3	kg	0.607
Natural Gas	MMBtu	kg	23.450
LPG	Cylinders	kg	50.000
Electricity	kWh	MWh	0.001

- GJ = Gigajoule
- Kg = Kilogramme
- L = Litre
- kWh = Kilowatt Hour
- MWh = Megawatt Hour
- Sm3 = Standard Cubic Metre
- MMBtu = Metric Million British Thermal Unit

Annex C (continued)

Introduction

Scope 3 emission

Scope 3 emissions often represent the most considerable portion of companies' GHG inventories. To understand the full impact of our carbon footprint, we need to quantify emissions coming from our value chain. Emissions coming from our value chain include all indirect emissions arising from our value chain activities outside our operations, which are not within the boundaries of our Scope 1 and 2 emissions. The 15 categories of Scope 3 emissions cover both upstream and downstream value chain activity emissions. In late 2021, SATS undertook a group-wide Scope 3 emission assessment to understand our Scope 3 footprint and identify major hot spots along our value chain that contributed to it.

Boundary

We used the operational control methodology for our footprint assessment. Assessing our footprint involved mapping out operations for data collection from SATS and subsidiaries for which SATS has full operational control.

Methodology

For our initial assessment of Scope 3, we conducted a high-level screening exercise using a spend-based method to quantify our value chain emissions from the 2019 base year. We identified major categories (out of the 15 Scope 3 categories) relevant for SATS. For this exercise, we used the Quantis Scope 3 evaluator tool, a GHG Protocol-approved tool that applies industry-average emissions factors based on the economic value of the procured goods and services. The results of Quantis helped identify key emission hot spots and subsequent supplier/vendor types for further engagement. We used the 80-20 rule as a standard approach, i.e. concentrated on goods and services that constitute 80% of our total purchasing expenditure as recommended by the GHG protocol.

Key Findings

Scope 3 emission contribute to 87% of SATS' overall emissions. The purchased goods and services category and investment category contribute to over 80% of our Scope 3 emission profile.

The purchased goods and services category includes all upstream food and non-food related goods purchases and transport-related, financial, and real estate-related services. The investment category includes emissions from SATS' associated companies and joint ventures.

Among the purchased goods and services, purchased food items have the highest Scope 3 emission impact for SATS. Purchased fresh food items, particularly poultry and pork, have the most significant impact on value emission based upon expenditure. Food and beverage items, such as refrigerated fish and meats, also contributed significantly to the Scope 3 emission for SATS.

The Quantis results helped distil the major items contributing to Scope 3 emission within the purchased goods and services category and the associated suppliers. Overall, we have identified over 1,650 suppliers responsible for supplying high emission items. These findings have helped frame our Scope 3 management efforts and targeted supplier engagement plans.

Supplier Engagement Plan

We have begun training our procurement teams to engage key suppliers on decarbonisation, and will be developing a data management tool to collect and report activity data regularly from the key suppliers identified. We will also develop a strategy and roadmap to meet our emission reduction targets across Scope 1, 2 and 3.

For Scope 3 emission reduction, this would require diversifying our Scope 3 target and collaboratively working with our procurement teams and suppliers to explore decarbonisation opportunities.

Limitations of our Approach

Our approach to Scope 3 emission identification and hot spot analysis is evolving. Although a spend-based method for Scope 3 emission calculation provided a reasonable basis for identifying GHG emission hot spots, we recognise this methodology's limitations. Hence, we are working to move from a spend-based method toward a supplier-specific method of data collection and assessment that requires us to collect and report supplier activity data instead.

Science-based Targets

Background

The Paris agreement, set out in COP21 in 2015, called for a global climate action to limit global temperature increase by 1.5°C degrees above pre-industrial times. Since then, there has been a consorted effort towards decarbonisation to meet this objective which would require global emissions to reach net-zero by 2050. For SATS, we need to set robust targets aligned to climate sciences that help meet this global objective.

SATS has been committed to decarbonising our operations and has set 50% carbon footprint reduction targets by 2030 (Scope 1 and 2). As we have begun monitoring and data collection of emissions from our value chain (Scope 3), we are looking to deepen our commitment and set ambitious, climate-aligned targets as well.

We are committing to and setting targets aligned with the Science Based Targets initiative (SBTi), which defines and promotes best practices in emission reductions and net-zero targets in line with climate science. Our approach is first to set near-term science-based targets (between 5 and 10 years) and progressively develop longer-term, net-zero targets.

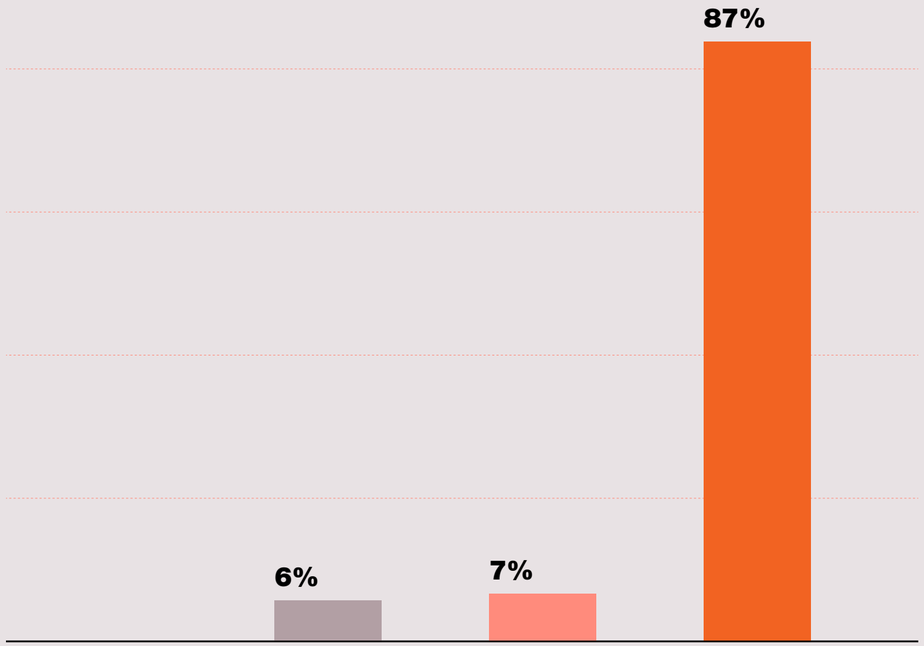
Why commit to science-based targets?

Stakeholders and investors are calling on companies to be more aggressive, innovative and transparent in preventing climate risks. Science-based targets provide an evidence-based foundation for targeted action on emission reductions that maximises return on investment and smartly deploys continuous improvement measures in energy efficiency and renewable energy.

Beyond operational improvements, setting science-based targets can be hugely beneficial for innovation and risk management. A robust target-setting exercise can uncover potential carbon risks in supply chains, identify key areas for innovation like low-carbon product development and elevate key partnerships necessary to achieve more complex goals.

Annex C (continued)

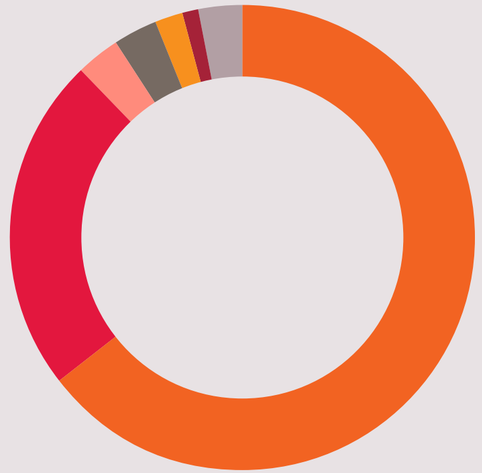
SATS GHG EMISSIONS BY SCOPES



	Scope 1	Scope 2	Scope 3
tCO_2e (FY2019-20)	57,000	66,000	836,000

Note: Figures are rounded off to the nearest thousand.

SCOPE 3 EMISSION BREAKDOWN (tCO_2e)



	Purchased goods and services	**64%**
	Investments	**23%**
	Fuel and energy-related activities (not included in Scope 1 and 2)	**3%**
	Employee commuting	**3%**
	EoL of sold products (intermediate products, if relevant)	**2%**
	Waste generated from operations	**1%**
	Others	**3%**

Annex D Our Material Topics

SATS' Material Topics	Definitions	Mapping to GRI Material Topics
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
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
Cyber security	Digitisation 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

SATS' Material Topics	Definitions	Mapping to GRI Material Topics
Key Stakeholders: Our employees, customers, local communities and shareholders		
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
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 E 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
Employees and trade unions	• Annual employee engagement survey • Monthly staff bonding activities • Breakfast sessions between staff and senior management • OnePeople initiative to engage employees on digital platforms • Reporting systems for employees to report work-related risks • Monthly breakfast meetings and quarterly tea sessions or luncheons with union representatives • Monthly Union Management Meetings chaired by PCEO • Regular performance and career development review • Whistle-blowing platforms	• Creating an agile workforce that embraces diversity • Increasing senior leadership communication • Improving non-monetary benefits for our employees • Automation's impact on employment • Knowledge transfer on sustainability issues	• 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 courses • Uphold our "technology-driven, people-led" approach and maintain a high level of engagement in the process of digitalisation and automation • Encourage conscious consumption among our employees and educate them on sustainable developments through sharing or training sessions • Designated platform for union representatives to introduce unions to new employees at our bi-monthly employee familiarisation programme
Customers and Consumers	• On-ground service teams interact with customers daily, such as dedicated delay handling team • Regular audits by our customers • Regular outreach events, such as events to promote healthy diets to our young customers (school children)	• Sustainable practices in operations such as in the use of packaging materials and waste management • Exploring the use of plant-based ingredients in menu offerings • Offering carbon footprint information by meal type	• Continue to work with our partners to promote the use of healthy ingredients • Allergen information will be provided for all meals by 2030 • Uphold our high standard in food safety, starting with the selection of quality raw materials from our suppliers to quality management in our kitchens • Adopt new technology to enhance product quality • Established Digital Integrated Supply Chain (DISC) to enable end-to-end traceability
Investors (Institutional) and sell-side analysts	• Annual General Meeting and quarterly earnings conference • Participation in investor conferences to meet with investors • Response to email requests from key institutional investors to meet with senior management on specific matters and queries about our business • Dedicated investor relations team and clearly-defined investor relations policy to guide our communication with investors • Capital Markets Day for investors and analysts	• Sustainable development and long-term growth • Capital investments in sustainability initiatives • Use of renewable energy • Programmes on reducing and managing food wastage	• SATS has been harnessing technology and automation to enhance our operational efficiency and achieve scale • Expanded the installation of rooftop solar panels across our premises with a combined capacity of 9,081 kilowatt-peak atop SATS Airfreight Terminals 1 to 6 and both of SATS' inflight catering centres • We invest with the long-term view of creating shared value for our stakeholders • Manage food waste responsibly by improving demand planning, optimising supply chain efficiencies and judicious use of food trimmings in our production
Partners (Business)	• Regular face-to-face meetings, phone calls and emails to discuss projects	• Sustainable Sourcing • Carbon and energy reduction and waste issues • Automation and digitalisation • Value creation through partnership	• Uphold our Code of Conduct and build our relationship with business partners through integrity and continue to practice sustainable and responsible sourcing • Invested in technology to create value for our business partners • Launched 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 departure • Continue to track and reduce waste and carbon emissions

Annex E 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)	• Company announcements • Quarterly financial results announcement • News release • Corporate presentation on website • Our management team, including PECO, regularly communicates with government authorities and regulators on behalf of the company	• Workers' well-beings • Cybersecurity • Automation and digitalisation • Regulatory and legal compliance e.g. the National Environment Agency's mandatory packaging reporting	• Board has overall responsibility in regulatory and legal compliance • Protect 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 automation • Established policies and practices to form our comprehensive cyber defense system • Implemented several initiatives to reduce our carbon footprint, such as the electrification of our fleet
Suppliers	• Face-to-face meetings, phone calls and emails on a project-basis • Annual suppliers' day forum	• Comprehensive yield test • Openness to proposal and ideas for cost-effective raw materials • Sustainable product packaging • Nutritional quality of products	• Uphold our Supplier Code of Conduct to ensure they meet specified standards and qualifications • Continue to form strategic long-term partnerships in areas such as delivery innovation, collaboration and co-branding activities
Community	• Various community outreach and engagement activities, including donations and volunteering programmes	• Sustainable waste management • Carbon emission reduction • Empowering our communities through education	• Continue to track and reduce waste and carbon emissions • Conduct school outreach programmes to educate children on healthy eating habits
NGOs	• Company announcements • Quarterly financial results announcement • News release • Corporate presentation on website • Donation to NGOs through SATS Foundation and SATS Staff Association	• Sustainable development in line with international practice	• Compliance with sustainability regulations and integration of sustainable practices beyond compliance

Membership of Associations

GRI 102-13	FY2020/21
SATS Singapore	International Air Transport Association Singapore Business Federation Singapore National Employers Federation
SSSB	Not applicable.
GTR	Not applicable.
SATS Greater China	Not applicable.
SATS TFK	Chiba Prefectural Government, Industrial study Chiba safety driving and traffic education, Airport district council Japan Tariff Association NAA Airport Operators Committee Narita Corporate Tax Study group Narita Fire and Disaster Prevention Association Narita Indirect Tax Association, Narita office Narita International Airport Police Association Narita International Airport Promotion Association Narita Labour Standards Association Narita Tourism Association Narita Withholding tax Association The Energy Conservation Center Chiba Corporate Management Association Japan Inflight Catering Association Narita Chamber of Commerce Narita Cosmopolitan Rotary Club Narita Liquor Merchants Association Public Opinion Study Association Association des Disciples d'Auguste Escoffier du Japon The Association for the advancement of the Japanese Culinary art Chiba Bank Research Institute Mizuho Bank study group Small Kindness Movement office
SATS Saudi Arabia	Not applicable.
Monty's Bakehouse	Member of CampdenBRI

Annex F 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	Refer to SATS Annual Report 2021-2022, SATS Story, Page 3
	102-2	Activities, brands, products, and services	Refer to SATS Annual Report 2021-2022, SATS Story, Page 3
	102-3	Location of headquarters	Singapore
	102-4	Location of operations	Refer to SATS Annual Report 2021-2022, SATS Story, Page 3
	102-5	Ownership and legal form	Refer to SATS Annual Report 2021-2022, SATS Story, Page 3
	102-6	Markets served	Refer to SATS Annual Report 2021-2022, Geographical Presence, Page 19
	102-7	Scale of the organization	Refer to SATS Annual Report 2021-2022, Page 112 and 114 for information on net sales and total capitalisation
	102-8	Information on employees and other workers	Investing in People, Page 19 GRI Disclosures, Page 28
	102-9	Supply chain	FY2019-2020 Sustainability Report > Nourishing Communities > Ensure Supply Chain is Sustainable, Page 32 to 33
	102-10	Significant changes to the organization and its supply chain	There is no significant changes to SATS and its supply chain during this reporting period.
	102-11	Precautionary Principle or approach	Our Sustainability Framework, Page 5
	102-12	External initiatives	Environmental, Page 14 Social, Page 19 Governance, Page 23
	102-13	Membership of associations	Annex e: Stakeholder Engagement and Membership of Associations
Strategy			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	Board Statement, Page 4 PCEO Statement, Page 3
Ethics and Integrity			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	Governance, Page 24

GRI Standard	Disclosure Number	Disclosure Title	Page Number and Reasons for Omissions, if applicable
General Disclosures			
Governance			
GRI 102: General Disclosures 2016	102-18	Governance structure	Our Sustainability Framework > Governance structure, Page 6
Stakeholder Engagement			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Annex e: Stakeholder Engagement and Membership of Associations
	102-41	Collective bargaining agreements	GRI Disclosures, Page 28
	102-42	Identifying and selecting stakeholders	Annex e: Stakeholder Engagement and Membership of Associations
	102-43	Approach to stakeholder engagement	Annex e: Stakeholder Engagement and Membership of Associations
	102-44	Key topics and concerns raised	Annex e: 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, Page 45
	102-46	Defining report content and topic Boundaries	Annex d: Our Material Topics, Page 50
	102-47	List of material topics	Annex d: Our Material Topics, Page 50
	102-48	Restatements of information	GRI Disclosures, Page 31 and 32
	102-49	Changes in reporting	Annex a: About this Report & Contact Info, Page 45
	102-50	Reporting period	Annex a: About this Report & Contact Info, Page 45
	102-51	Date of most recent report	Annex a: About this Report & Contact Info, Page 45
	102-52	Reporting cycle	Annex a: About this Report & Contact Info, Page 45
	102-53	Contact point for questions regarding the report	Annex a: About this Report & Contact Info, Page 45
	102-54	Claims of reporting in accordance with the GRI Standards	Annex a: About this Report & Contact Info, Page 45
	102-55	GRI content index	GRI Content Index, Page 53
	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 F 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	Our Commitment to Governance > Governing Supply Chain, Page 26
	103-2	The management approach and its components	Our Commitment to Governance > Governing Supply Chain, Page 26
	103-3	Evaluation of the management approach	Our Commitment to Governance > Governing Supply Chain, Page 26
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Proportion of spending on local suppliers is more than 90%.
Category: Environmental			
Materials			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	In Conversation with CSO, Page 7 Caring for Our Environment > Reduce Food and Packaging Waste, Sustainable Sourcing and Packaging, Page 18
	103-2	The management approach and its components	In Conversation with CSO, Page 7 Caring for Our Environment > Reduce Food and Packaging Waste, Sustainable Sourcing and Packaging, Page 18
	103-3	Evaluation of the management approach	In Conversation with CSO, Page 7 Caring for Our Environment > Reduce Food and Packaging Waste, Sustainable Sourcing and Packaging, Page 18
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Each year, we used approximately 4,000 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	In Conversation with CSO, Page 7 Caring for Our Environment, Page 14
	103-2	The management approach and its components	In Conversation with CSO, Page 7 Caring for Our Environment, Page 14
	103-3	Evaluation of the management approach	In Conversation with CSO, Page 7 Caring for Our Environment, Page 14
GRI 302: Energy 2016	302-1	Energy consumption within the organization	GRI Disclosures, Page 30

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	Caring for Our Environment, Page 14
	103-2	The management approach and its components	Caring for Our Environment, Page 14
	103-3	Evaluation of the management approach	Caring for Our Environment, Page 14
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Caring for Our Environment, Page 14
	303-2	Management of water discharge-related impacts	Caring for Our Environment, Page 14
	303-3	Water withdrawal	GRI Disclosures > Water Withdrawal, Page 32 Water withdrawn in Singapore and our overseas operations are freshwater and from municipal supply. Based on WRI'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	In Conversation with CSO, Page 7 Caring for Our Environment, Page 14
	103-2	The management approach and its components	In Conversation with CSO, Page 7 Caring for Our Environment, Page 14
	103-3	Evaluation of the management approach	In Conversation with CSO, Page 7 Caring for Our Environment, Page 14
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	GRI Disclosures > Scope 1 and 2 Emissions, Page 31
	305-2	Energy indirect (Scope 2) GHG emissions	GRI Disclosures > Scope 1 and 2 Emissions, Page 31
Effluents and Waste			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	In Conversation with CSO, Page 7 Environment > Reducing Food and Packaging Waste, Page 18
	103-2	The management approach and its components	In Conversation with CSO, Page 7 Environment > Reducing Food and Packaging Waste, Page 18
	103-3	Evaluation of the management approach	In Conversation with CSO, Page 7 Environment > Reducing Food and Packaging Waste, Page 18
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	GRI Disclosures > Waste Management, Page 34

Annex F GRI Content Index

GRI Standard	Disclosure Number	Disclosure Title	Page Number and Reasons for Omissions, if applicable
Topic Specific Disclosures			
Category: Environmental Compliance			
Environmental Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	In Conversation with CSO, Page 7 Caring for Our Environment, Page 14
	103-2	The management approach and its components	In Conversation with CSO, Page 7 Caring for Our Environment, Page 14
	103-3	Evaluation of the management approach	In Conversation with CSO, Page 7 Caring for Our Environment, Page 14
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	In Conversation with CSO, Page 7 Caring for Our Environment, Page 14
Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Our Commitment to Governance > Governing Supply Chain, Page 26
	103-2	The management approach and its components	Our Commitment to Governance > Governing Supply Chain, Page 26
	103-3	Evaluation of the management approach	Our Commitment to Governance > Governing Supply Chain, Page 26
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.
Category: Social			
Employment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Investing in People, Page 19
	103-2	The management approach and its components	Investing in People, Page 19
	103-3	Evaluation of the management approach	Investing in People, Page 19
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	GRI Disclosures > Number of Employees, Page 36

GRI Standard	Disclosure Number	Disclosure Title	Page Number and Reasons for Omissions, if applicable
Topic Specific Disclosures			
Category: Social			
Labour-Management Relations			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Investing in People, Page 19
	103-2	The management approach and its components	Investing in People, Page 19
	103-3	Evaluation of the management approach	Investing in People, Page 19
GRI 402: Labour-Management Relations 2016	402-1	Minimum notice periods regarding operational changes	GRI Disclosures, Page 44
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	GRI Disclosures > Safeguard Operational Safety, Page 41
	103-2	The management approach and its components	GRI Disclosures > Safeguard Operational Safety, Page 41
	103-3	Evaluation of the management approach	GRI Disclosures > Safeguard Operational Safety, Page 41
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	GRI Disclosures > Safeguard Operational Safety, Page 41
	403-2	Hazard identification, risk assessment, and incident investigation	GRI Disclosures > Safeguard Operational Safety, Page 41
	403-3	Occupational health services	GRI Disclosures > Safeguard Operational Safety, Page 41
	403-4	Worker participation, consultation, and communication on occupational health and safety	GRI Disclosures > Safeguard Operational Safety, Page 41
	403-5	Worker training on occupational health and safety	GRI Disclosures > Safeguard Operational Safety, Page 41
	403-6	Promotion of worker health	GRI Disclosures > Safeguard Operational Safety, Page 41
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	GRI Disclosures > Safeguard Operational Safety, Page 41
	403-9	Work-related injuries	GRI Disclosures, Page 43

Annex F GRI Content Index

GRI Standard	Disclosure Number	Disclosure Title	Page Number and Reasons for Omissions, if applicable
Topic Specific Disclosures			
Category: Social			
Training and Education			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Investing in People > Nurturing Skills for the Future, Page 20
	103-2	The management approach and its components	Investing in People > Nurturing Skills for the Future, Page 20
	103-3	Evaluation of the management approach	Investing in People > Nurturing Skills for the Future, Page 20
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	GRI Disclosures, Page 40
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Investing in People > Embracing Diversity and Inclusion, Page 21
	103-2	The management approach and its components	Investing in People > Embracing Diversity and Inclusion, Page 21
	103-3	Evaluation of the management approach	Investing in People > Embracing Diversity and Inclusion, Page 21
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	FY2021-22 Annual Report, Page 51
Non-Discrimination			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Investing in People > Embracing Diversity and Inclusion, Page 21
	103-2	The management approach and its components	Investing in People > Embracing Diversity and Inclusion, Page 21
	103-3	Evaluation of the management approach	Investing in People > Embracing Diversity and Inclusion, Page 21
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Investing in People > Embracing Diversity and Inclusion, Page 21

GRI Standard	Disclosure Number	Disclosure Title	Page Number and Reasons for Omissions, if applicable
Topic Specific Disclosures			
Category: Social			
Supplier Social Assessment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Governance > Governing Supply Chain, Page 26
	103-2	The management approach and its components	Governance > Governing Supply Chain, Page 26
	103-3	Evaluation of the management approach	Governance > Governing Supply Chain, Page 26
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.
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	FY2019-2020 Sustainability Report > Nourishing Communities > Uphold Food Safety, Page 35
	103-2	The management approach and its components	FY2019-2020 Sustainability Report > Nourishing Communities > Uphold Food Safety, Page 35
	103-3	Evaluation of the management approach	FY2019-2020 Sustainability Report > Nourishing Communities > Uphold Food Safety, Page 35
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	FY2019-2020 Sustainability Report > Nourishing Communities > Uphold Food Safety, Page 35
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	FY2019-2020 Sustainability Report > Nourishing Communities > Uphold Food Safety, Page 35

Annex F GRI Content Index

GRI Standard	Disclosure Number	Disclosure Title	Page Number and Reasons for Omissions, if applicable
Topic Specific Disclosures			
Category: Social			
Customer Privacy			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	FY2019-2020 Sustainability Report > Connecting People > Ensure Seamless Connection, Page 38 to 44
	103-2	The management approach and its components	FY2019-2020 Sustainability Report > Connecting People > Ensure Seamless Connection, Page 38 to 44
	103-3	Evaluation of the management approach	FY2019-2020 Sustainability Report > Connecting People > Ensure Seamless Connection, Page 38 to 44
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	FY2019-2020 Sustainability Report > Connecting People > Ensure Seamless Connection, Page 38 to 44
Socioeconomic Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	FY2019-2020 Sustainability Report > Connecting People > Ensure Seamless Connection, Page 38 to 44
	103-2	The management approach and its components	FY2019-2020 Sustainability Report > Connecting People > Ensure Seamless Connection, Page 38 to 44
	103-3	Evaluation of the management approach	FY2019-2020 Sustainability Report > Connecting People > Ensure Seamless Connection, Page 38 to 44
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	FY2019-2020 Sustainability Report > Connecting People > Ensure Seamless Connection, Page 38 to 44
Food Innovation and Technology			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	FY2019-2020 Sustainability Report > Nourishing Communities > Make Balanced Diets Accessible, Page 22
	103-2	The management approach and its components	FY2019-2020 Sustainability Report > Nourishing Communities > Make Balanced Diets Accessible, Page 22
	103-3	Evaluation of the management approach	FY2019-2020 Sustainability Report > Nourishing Communities > Make Balanced Diets Accessible, Page 22
Non-GRI		Investing in food innovation and technology	FY2019-2020 Sustainability Report > Nourishing Communities > Make Balanced Diets Accessible, Page 22

GRI Standard	Disclosure Number	Disclosure Title	Page Number and Reasons for Omissions, if applicable
Topic Specific Disclosures			
Category: Social			
Changing Aviation Markets			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	FY2019-2020 Sustainability Report > Connecting People > Ensure Seamless Connection, Page 38 to 44
	103-2	The management approach and its components	FY2019-2020 Sustainability Report > Connecting People > Ensure Seamless Connection, Page 38 to 44
	103-3	Evaluation of the management approach	FY2019-2020 Sustainability Report > Connecting People > Ensure Seamless Connection, Page 38 to 44
Non-GRI		Regulatory and market risk management	FY2019-2020 Sustainability Report > Connecting People > Ensure Seamless Connection, Page 38 to 44
Geopolitical Instability			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	FY2021-2022 Annual Report, Page 98
	103-2	The management approach and its components	FY2021-2022 Annual Report, Page 98
	103-3	Evaluation of the management approach	FY2021-2022 Annual Report, Page 98
Non-GRI		Regulatory and market risk management	FY2021-2022 Annual Report, Page 98

Annex G Glossary

A*STAR	Agency for Science, Technology and Research
AAT	Asia Airfreight Terminal Company Limited
AFT	Airfreight Terminal
AHU	Air Handling Unit
AI	Artificial Intelligence
AISATS	Air India SATS
CAAS	Civil Aviation Authority of Singapore
CAG	Changi Airport Group
COP21	21st Conference of the Parties
Country Foods	Country Foods Pte. Ltd.
CSO	Chief Sustainability Officer
ESG	Environmental, Social and Governance
EV	Electric vehicle
FAHU	Fresh Air Handling Unit
GHG	Greenhouse Gas
GJ	Gigajoules
GPS	Global Positioning System
GRI	Global Reporting Initiative
HKGOC	Hong Kong Green Organisation Certification
GSE	Ground Support Equipment
IATA	International Air Transport Association
IIoT	Industrial Internet-of-Things
ISO	International Organisation for Standardisation
LED	Light-emitting Diode
LPG	Liquefied petroleum gas
MBCCS	Marina Bay Cruise Centre Singapore
MINDS	Movement for the Intellectually Disabled of Singapore
NGO	Non-governmental Organisations
OEE	Overall Equipment Effectiveness
PCEO	President & Chief Executive Officer
PET	Polyethylene terephthalate
PI	Primary Industries
PTB	Passenger Terminal Building
RDF	Refuse-derived Fuel
SAL	SATS Aero Laundry
SBT	Science Based Targets
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goals
SATS DN	SATS Delaware North
SFS	SATS Food Services
SGIC	SATS Global Innovation Centre
SGX	Singapore Exchange
SIA	Singapore Airlines
SICC	SATS Inflight Catering Centre
SKU	Stock Keeping Unit
SMC	SATS Maintenance Centre
SLE	Super Low Energy
SSG	SkillsFuture Singapore
SSSB	SATS Services Sdn Bhd
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	tonnes of carbon dioxide equivalent
UNEP	United Nations Environment Programme
UN SDG	United Nations Sustainable Development Goals