

ABOUT
SATS

LEADERSHIP
STATEMENT

SUSTAINABILITY
FRAMEWORK

**SUSTAINABLE
NUTRITION**

TREASURING
RESOURCES

CONNECTING
PEOPLE

ENSURING
TRANSPARENCY AND
ACCOUNTABILITY

INDEPENDENT
STATEMENT

ANNEX

GLOSSARY

**Inaugural
Sustainability
Report 2016-17**



Sustainable Nutrition

Make Healthy Food Affordable



Tackle Food Wastage



Ensure Supply Chain is Sustainable



Food Safety



ABOUT
SATSLEADERSHIP
STATEMENTSUSTAINABILITY
FRAMEWORK**SUSTAINABLE
NUTRITION**TREASURING
RESOURCESCONNECTING
PEOPLEENSURING
TRANSPARENCY AND
ACCOUNTABILITYINDEPENDENT
STATEMENT

ANNEX

GLOSSARY

**Inaugural
Sustainability
Report 2016-17**

Sustainable Nutrition

Our commitment to sustainable nutrition is one of the pillars of SATS' sustainability framework, and is driven by our desire to provide not simply more, but better, nutritious food from more sustainable sources to **improve the health and well-being of our communities and ecosystems.**

We constantly leverage our culinary and food science expertise to create meals that support healthy eating. A regular in-flight hot meal (excluding sides) provided by SATS has approximately 450 kcal., and we work with customers to create dishes bearing the Healthier Choice Symbol. In fact, our subsidiary SATS Food Services Pte Ltd, which handles institutional catering, has been endorsed as a Healthier Caterer by Singapore Health Promotion Board.

Our goal of sustainable nutrition is pursued through three parallel routes: making healthy food affordable, tackling food wastage and building sustainable supply chains.



Make Healthy Food Affordable

ABOUT
SATS

LEADERSHIP
STATEMENT

SUSTAINABILITY
FRAMEWORK

**SUSTAINABLE
NUTRITION**

TREASURING
RESOURCES

CONNECTING
PEOPLE

ENSURING
TRANSPARENCY AND
ACCOUNTABILITY

INDEPENDENT
STATEMENT

ANNEX

GLOSSARY

**Inaugural
Sustainability
Report 2016-17**



“

With our expertise in large batch production of freshly cooked food, we are in the position to make nutritious food affordable for more people.

”

Urbanisation has led to increased travel and higher demand for safe, healthy and high quality freshly prepared food. SATS produced 123 million meals in FY2016-17. With our expertise in large batch production of freshly cooked food, we are in a position to make nutritious food affordable for more people.

As we grow our institutional and in-flight catering presence in the region, our 2030 ambitions in this area are twofold: to raise awareness of the importance of healthy eating by providing nutritional information on all our in-flight meals, and to support our customers' healthy eating lifestyles by offering them a healthy choice option.

123M

Meals produced in FY2016-17

Tackle Food Wastage

ABOUT SATS

LEADERSHIP STATEMENT

SUSTAINABILITY FRAMEWORK

SUSTAINABLE NUTRITION

TREASURING RESOURCES

CONNECTING PEOPLE

ENSURING TRANSPARENCY AND ACCOUNTABILITY

INDEPENDENT STATEMENT

ANNEX

GLOSSARY

Inaugural Sustainability Report 2016-17

SATS is committed to doing our part to tackle food wastage.

We invest in new food preparation and packaging methods that extend the shelf life of freshly prepared food without the use of preservatives. In this way, we work in partnership with our customers to improve demand planning and ensure more of the food that is produced is actually consumed.

There are a few important reasons for reducing food and material wastage. Food and material are resources, so reducing wastage translates into financial benefit. Cutting back on food and material wastage also means a reduction in the amount of pollution emitted into the environment, whether from decomposition of by-products or disposal logistics. Lastly, wasting less food and material also reduces the amount of energy needed to harvest raw material.

SATS carefully manages our food waste based on cost. Processes are in place to ensure raw materials are used in a timely manner, reducing the need for unnecessary disposal:

- Kitchens try to produce quantities that are close to the advance loads given by airlines. For example, SATS Inflight Catering Centre ("SICC") 1 is able to obtain Singapore Airlines' advance loads up to four days in advance so that our chefs have good visibility to plan, order, and utilise the raw materials.
- Every bin containing raw materials has a date code sticker with the receiving date to facilitate the practice of first in, first out ("FIFO").
- The Sous Chef or Chef de partie regularly checks quality and quantity of raw materials in the chillers and dry stores. We take stock of our inventories at the start of each day to ensure we order only what we require for the day.
- Dishing staff practise FIFO by first using the Gastronorm ("GN") trays that have an earlier production date.
- At SICC1, GN buffers at dishing areas have been programmed to practise FIFO – to first charge out items that are half-dished before using a full GN tray. We also keep food waste low through the judicious use of food trimmings.

Every month, the estimated total food wastage for our in-flight kitchens, including trimmings, amounts to about 12,750kg. Food wastage, including trimmings, accounts for about 3% of our monthly total production of 425 tonnes. To further reduce food wastage, we plan ways for food trimmings to be used in our menus.

Every month, both SICC1 and SICC2 utilise about 6,500kg of trimmings, and we reuse these in the following areas:

- Beef trimmings used in soup, lasagna, beef pie and beef satay
- Fish trimmings (e.g. perch) used in otah
- Lamb trimmings used in satay or made into minced lamb to be used in dishes
- Minced chicken used for consommé, to enrich stock
- Salmon trimmings used in specially requested meals

We are currently looking into implementing an eco-friendly system to convert our fruit and vegetable waste to compost or water. With this system, we will be able to convert solid food waste materials into compost or reusable water which can be used for multiple purposes such as washing the floor. We expect to have this system in place by 2020.

By 2030, we aim to halve food wastage in all operations (with reference to a 2018 baseline), and to reduce in-flight meals uploaded through better demand planning.

“**SATS carefully manages its food waste and we continuously explore better ways to reduce food wastage.**”

Ensure Supply Chain is Sustainable

Raw material costs account for 17% of SATS' expenditure. We work with 3,700 suppliers from all over the world. With our substantial purchasing power, we could influence suppliers to adopt sustainable practices and protect the long-term viability of our business. Safety and Security is the number one priority for SATS. Having 100% traceability of high-risk products helps to enhance our food safety policy.

Most industrial production methods are currently not sustainable, and could threaten long-term food security in the region. There is a need to shift towards more sustainable and less wasteful production methods to arrest or reverse this trend and provide food for Asia's growing populations.

3,700

Suppliers from all over the world

The production of palm oil, for example, may result in serious adverse effects on the environment and local communities. For this reason, we keep our use of palm oil to a minimum – SATS Catering Pte Ltd, which handles in-flight catering services, uses no palm oil at all, while the palm oil used in our institutional catering services are purchased only from sustainable sources.

We aim to establish food supply chains for high-risk products that are 100% traceable to their origins by 2030, with all seafood and palm oil originating from certified sustainable sources.



Ensure Supply
Chain is
Sustainable

CASE STUDY

Sourcing Seafood from Sustainable Sources

Sustainable seafood can be wild-caught or farmed in aquaculture. Wild-caught seafood may be sustainably sourced from fast-growing, highly productive species that are caught by methods that do not destroy ocean habitats. Sustainably farmed seafood is usually grown in closed aquaculture systems that neither destroy coastal habitats nor depend on wild fisheries for feed.

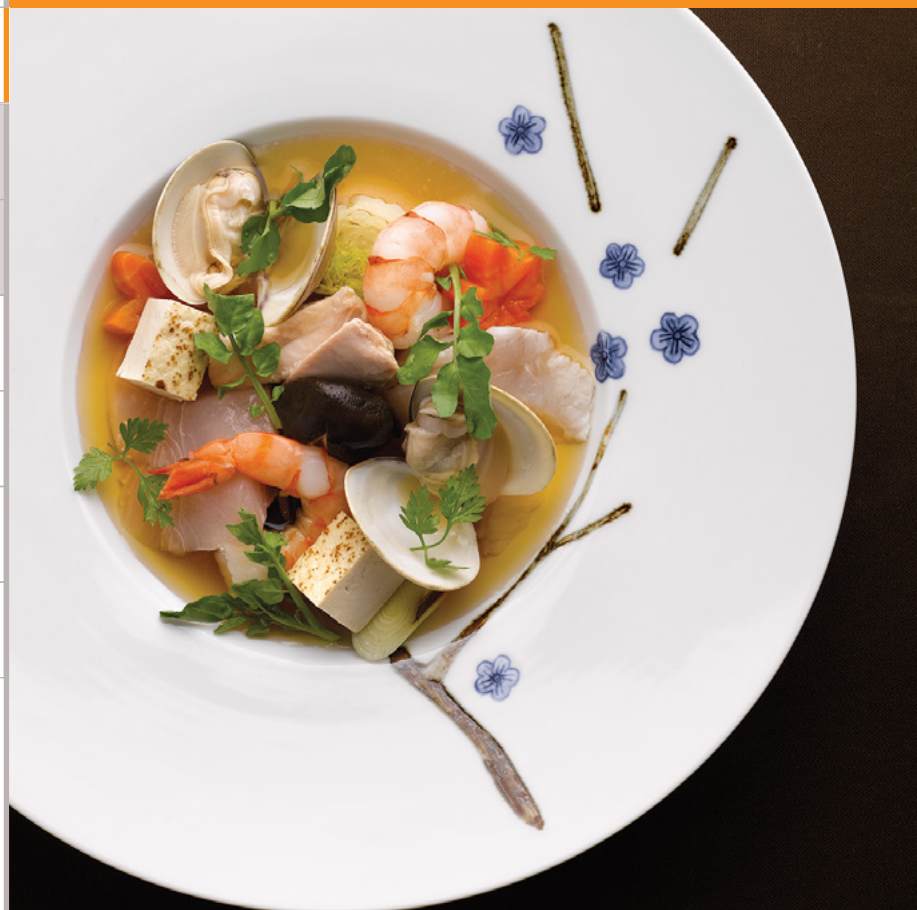
Our oceans are now in a state of crisis globally, brought about by the single greatest threat to ocean-life – overfishing. More than 85% of fishing grounds in the world are already overfished. Sustainable consumption of seafood is the only way to reverse this decline and prevent the depletion of fish stocks, failing which future generations may no longer have seafood to enjoy.

85% 

Fishing grounds in the world are already overfished.

Increasingly, consumers want to know where their food comes from and what it contains. SATS understands the importance of purchasing seafood from sustainable sources and food traceability. As such, SATS worked towards and attained the Marine Stewardship Council (MSC) consumer facing organisation (CFO) Multi site Chain of Custody (CoC) (MSC-C-55971) and the Aquaculture Stewardship Council (ASC) CFO Multi site CoC (ASC-C-01503) in 2017.

In 2017, 7% of the seafood in in-flight meals prepared by SATS in Singapore was sourced from MSC-certified sources. We are working towards featuring more types of sustainably-sourced fishes for our catering businesses.



ABOUT
SATS

LEADERSHIP
STATEMENT

SUSTAINABILITY
FRAMEWORK

**SUSTAINABLE
NUTRITION**

TREASURING
RESOURCES

CONNECTING
PEOPLE

ENSURING
TRANSPARENCY AND
ACCOUNTABILITY

INDEPENDENT
STATEMENT

ANNEX

GLOSSARY

**Inaugural
Sustainability
Report 2016-17**

ABOUT
SATS

LEADERSHIP
STATEMENT

SUSTAINABILITY
FRAMEWORK

**SUSTAINABLE
NUTRITION**

TREASURING
RESOURCES

CONNECTING
PEOPLE

ENSURING
TRANSPARENCY AND
ACCOUNTABILITY

INDEPENDENT
STATEMENT

ANNEX

GLOSSARY

**Inaugural
Sustainability
Report 2016-17**



Food Safety

In our Food Solutions business, we have established a robust Food Safety and Quality Management System to enable our customers to meet their clients' expectations for safety, speed and accuracy. To further ensure the quality of our products is maintained throughout the food processing chain, SATS has an end-to-end integrated quality assurance and traceability system which covers food sourcing, suppliers approval,

storage, central food processing, as well as meal preparation and catering services. Our processes adhere to International Flight Services Association's World Food Safety Guidelines, Singapore Food Regulations, Agri-Food & Veterinary Authority of Singapore's food safety standards, Hazard Analysis & Critical Control Points ("HACCP") and the ISO 22000 Food Safety Management System.

CASE STUDY

Perishable Meat Products

With effect from October 2016, meat from New Zealand destined for the European Union ("EU") markets can transit through Singapore. SATS Coolport was officially listed by the EU's DG Sante as the authorised ground handler and establishment for meat products travelling from New Zealand to the EU and the United Kingdom. With this, SATS became the world's first ground handler to be approved by the EU as an authorised establishment, for the provision of multi-modal meat transshipment services between New Zealand and the EU. This not only underscores our leadership in multi-modal transportation solutions – it is also a testament to our unique capabilities in perishables handling and our reputation for high safety and quality standards.

Generally, meat products heading for the EU are not allowed to transit through a third country for the breaking down and reconsolidation of shipments unless the country had been approved by the EU

as a transit location. The authorisation is not limited to lamb products, but extends to other types of meat like cattle, poultry, wild and farmed game meat from approved plants in New Zealand.

With the availability of this multi-modal transshipment, New Zealand is able to airfreight meat products to Singapore before shipping them to the EU via seafreight, cutting the total transit time to between 18 and 20 days. Compared to a shipment method using only sea freight, this doubles the products' shelf life to a month, thereby contributing towards our ambition to reduce food wastage and provide sustainable nutrition.

+10%



Meat transshipment traffic via Singapore expected to increase in the next two years

We expect the multi-modal protocol to increase the meat transshipment traffic via Singapore by at least 10% in the next two years. This competency amplifies not only our ability to future-proof our business – it also helps us ensure that we create sustainable value for our customers and the communities we operate in.

ABOUT
SATSLEADERSHIP
STATEMENTSUSTAINABILITY
FRAMEWORKSUSTAINABLE
NUTRITIONTREASURING
RESOURCESCONNECTING
PEOPLEENSURING
TRANSPARENCY AND
ACCOUNTABILITYINDEPENDENT
STATEMENT

ANNEX

GLOSSARY

Inaugural
Sustainability
Report 2016-17