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Connecting People

At SATS, we adopt a people-led approach to serve our communities and enable them to fulfil their full potential.

In this digital age, we deploy technology to help us achieve better synergies within our operations, improve productivity and provide a seamless, secure experience for our customers and partners. We embrace innovation to work faster and smarter.

In giving back to the communities that we operate in, we continue to fulfil our brand promise – “Passion to Delight”. By empowering those in need through financial support, training and other initiatives, we aim to make a positive and meaningful impact on society.



Ensure Seamless Connections

An airport is a place where families and friends unite. Through supporting airport activities such as passenger services and air freight, we facilitate trade flows and economic growth. With SATS' ability to manage large volumes of passenger and cargo traffic efficiently, we enable airports, airlines and businesses to grow.

SATS manages 545,000 flights, 103 million passengers and 4.4 million tonnes of cargo a year, and we need to ensure connections are secured in order to protect the privacy of the data we manage. The transition to an increasingly digital world comes with concerns about data privacy and cyber security. Our systems are robust to protect customers' data seamless travel and enable more seamless travel for passengers at each airport that we serve throughout the region. By 2030, we hope to achieve greater customer satisfaction in terms of seamless connectivity for passengers and cargo.

PAPERLESS HUB

In the move towards digitisation, we have worked with our airline customers to roll out electronic airway bills (e-AWB) and e-Freight initiatives. To date, 12 airlines have implemented export e-AWB, and 17 airlines have implemented import e-AWB. As of March 2017, export e-AWB penetration achieved an average of 55.6%.

We have also implemented an e-acceptance system – a paperless process for freight acceptance advanced information and an electronic receipt. This impacted about 350 freight forwarders and contractors that we worked with, and saved more than 600,000 copies of paper control forms annually for the freight industry. This method of freight acceptance also enables the e-AWB and e-freight processes to be effective.

Our Cargo Operations System was also enhanced in March 2016 to transfer and generate historical reports and store documents electronically for ease of reference and retrieval. This allows us to save close to 800,000 pieces of paper annually.

In line with the International Air Transport Association (IATA) and the Civil Aviation Authority of Singapore's push for reduction of transport paper documents, we aim to adopt mobility devices to replace paper, and utilise e-pouches to facilitate the e-freight process. Our aim is to become a 100% paperless hub by 2030.



545,000

Flights handled by SATS

800,000

Pieces of paper saved annually

Ensure Seamless Connections

CYBER SECURITY

As part of our cyber security efforts, a cyber wargame for senior management and key appointment holders was conducted in March 2017. This wargame was conducted to improve SATS' operational awareness of business impacts from an enterprise-wide cyber attack, and effect future-ready improvements and further integration with Business Continuity Planning. New staff would also go through the Information Security e-Learning Module during their on-boarding.

We have put in place an Information Security Policy which is aligned with ISO 27001 Information Security Management. All users of information assets owned or managed by SATS are required to comply with this Policy and its supporting standards and guidelines. In addition, we have established a Cyber Security Management Framework designed to protect, detect, respond to cyber security threats and recover quickly from any attack. The framework covers security controls in the following three areas (people, process, and technology) to protect SATS businesses and information assets. By 2030, we aim to put in place a robust fall-back system with zero-tolerance of security breaches.

CYBER SECURITY MANAGEMENT FRAMEWORK

PROTECTION

Ability to protect, limit or contain the impact of a potential Cyber Security event

Defence

- Intrusion Protection System
- Firewall
- Virtual Private Network
- Proxy Service
- Email and Site Filter
- Switch & Router

Mobile Security

Host Security

Server Security

System Security

Application Security

Data Protection

Access Control

OPERATIONS

Timely discovery of Cyber Security events and response to recover the system

Identity and Access Management

Security Information and Event Management

Incident Response and Management

Threat Intelligence Vulnerability Management

Patch Management

Capacity Management

IT Disaster Recovery

Business Continuity Management

GOVERNANCE

Proactively identify cyber risks and establish processes and procedures to focus and prioritise its efforts towards minimising Cyber Security risks

Policies

Standards

Procedures

User Awareness

Security Testing

Audit and Compliance

Service Level Agreement

Risk Management

Metrics and Reporting

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SMART GLASS

We use Augmented Reality (AR) technology in our Smart Glass for ramp operations. This technology enables our staff to execute the loading of cargo and baggage onto the aircraft more efficiently and with better accuracy. The load control specifications for each aircraft, which were traditionally printed on rolls of paper, are now being reflected on the Smart Glass through AR technology. The Smart Glass also includes a “See-what-I-see” function, which allows the ramp control centre to observe actual on-ground operations. The use of AR helps to digitise our ramp operations, reducing turnaround time by 15 minutes, from an hour previously. Hence, this improves productivity, reduces the manpower required, and enhances the precision of the loading process.



SMART WATCH

In 2016, SATS became the first in the world to harness Internet of Things (IoT) technology through the use of the Smart Watch in our technical ramp operations, which allowed us to streamline on-ground processes and enhance communication, productivity and safety. The use of Smart Watch in technical ramp handling eliminates the need for technical ramp agents to make trips back to the office to receive their work orders. Information is pushed to the Smart Watch and communication is via bone-conducting headsets attached to their helmets. The smart watches are paired with bone-conductor headsets via Bluetooth, allowing technical ramp personnel to make and receive hands-free calls, increasing safety and ease of collaboration.

Apart from making the work environment a safer one for our employees, this smart solution boosts efficiency, allowing us to reallocate resources for greater productivity. By capturing the start and completion time of each task, SATS can analyse the data to glean key performance insights to help improve resource planning. Using these wearable technologies has helped to improve productivity, enhanced accuracy and safety.



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SATS COOLPORT

SATS Coolport is Asia's first on-airport perishables handling centre with an estimated annual operating capacity of 250,000 tonnes, and a host of value-added services such as warehousing, distribution, and an inventory management system. Our facility has a scope for expansion from its amount 8,000 to 14,000 square metres.

SATS Coolport forms an integral part of the overall logistics value chain, strengthening Singapore's position as an air cargo and logistics hub.

We are proud to be the pioneer in the development of this significant milestone in Singapore's air cargo industry.

To ensure it is able to handle temperature-sensitive products to globally recognised standards, SATS Coolport has been designed to meet international safety requirements. Within two years of operations, SATS Coolport has obtained five key certifications:

- Halal-certified zone
- Hazard Analysis and Critical Control Points ("HACCP") certification
- Licensed under AVA's Food Safety Excellence Scheme for Coldstore Establishment (Awarded 'A' grading since certification began)
- Good Distribution Practice for Medical Devices ("GDP-MDS")
- Good Distribution Practice ("GDP")



Ensure Seamless
Connections

CASE STUDY

Enabling Trade Through Pharmaceutical -handling

At SATS, we are aware of the importance of our role in enabling global pharmaceutical trade, to strengthen Changi Airport's position as an established air hub, and Singapore as a biomedical hub. Our high safety, quality and service standards enable us to provide seamless connectivity for our customers in the pharmaceutical sector, where safety and assurance standards are paramount.

In the process of building up our pharmaceutical-handling expertise beyond our GDP certification, we became the world's first IATA-certified Centre of Excellence in Pharmaceutical Handling in February 2014. In collaboration with IATA, we developed the first version of this certification that became the benchmark for airfreight standards in the handling of pharmaceutical products.



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In November 2014, SATS Coolport was certified as a Centre of Excellence for Independent Validators (CEIV) in Pharmaceutical Handling by IATA – another world's first achievement.

On 14 Jun 2016, Swiss WorldCargo, Cargologic and SATS established a secure temperature-controlled quality corridor between Singapore and Zurich. The three parties synchronised cargo-handling facilities and procedures to deliver accurate and reliable end-to-end handling. Cargologic and SATS are both certified to IATA CEIV and GDP standards. This new corridor promotes the carriage of pharmaceuticals and other temperature-sensitive airfreight on the Singapore-Zurich route, enhancing the connectivity between the two air hubs, and to our wider airfreight handling network across Asia.

>50% 

Growth in pharmaceutical loads

In Singapore, SATS Coolport has also worked closely with strategic airlines and key pharmaceutical and freight forwarders to be certified as an approved point in the approved transportation routes for numerous leading pharmaceutical companies like Roche, Novartis, and MSD. As a result, we have been able to develop new multi-modal pharmaceutical trade flows for the freight fraternity.

Furthermore, we played a significant role in assisting Singapore Airlines Cargo to become the first airline in the Asia Pacific region to achieve CEIV certification. We have also shared our expertise with Swiss Cargo and Asiana Airlines to assist them in their certification.

Since 2013, our pharmaceutical loads have increased by more than 50%. Our new inter-modal pharmaceutical products grew by 50% from 2016.

Through building a network of certified pharmaceutical trade lanes that promise temperature integrity and meet pharmaceutical companies' handling standards, we enable the growth of the pharmaceutical industry.

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Empower Communities



COMMUNITY ENGAGEMENT

As a people-led company centred on the needs of our customers as well as those of our local communities, SATS firmly believes in supporting and giving back to our local communities. SATS Foundation was established in 2010, with the support of SATS Ltd, which made an annual donation of \$500,000⁴ (0.19% of profits) to support company-wide corporate social responsibility events and initiatives. SATS Staff Association is also deeply involved in such initiatives. For the year in review, we donated approximately S\$1 million which has made an impact on a total of 350,000 beneficiaries. By 2030, we hope to have touched an accumulated total of four million lives through social and community investments that impart our expertise, to empower people to fulfil their fullest potential.

\$500,000

Annual donation to support corporate social responsibility initiatives

Our community engagement activities have been prioritised to three key themes which represent who we are, our values, and our passions. They are: enabling people to change through providing financial support for individuals and families in need; empowering people to achieve their fullest potential through training, and other initiatives that enhance the likelihood of realising their aspirations; and rebuilding lives through helping disadvantaged individuals, families or communities to reintegrate into society, as well as for retirees in their transition to their second career.

SATS conducts these activities with the support from SATS Foundation and SATS Staff Association. One highlight was the inaugural Be Active @ SATS Charity Run, which saw the participation of 700 employees, family, and friends. We raised a total of S\$200,000 for Assisi Hospice, a local institution which provides palliative care to patients with life-limiting illnesses.

⁴ The total amount of donations SATS made to charitable and social causes in the year under review may be more than this amount as in-kind sponsorship is not tracked.

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SATS STAFF ASSOCIATION (SSA)

Established since 1979, SSA first started operations by running a shelter for the elderly at a void deck in Bedok. Funded by monthly contributions from SATS employees, SSA hopes to inculcate a spirit of giving back to the community through volunteerism.

INTERNATIONAL CHEFS' DAY

Since 2011, we have been celebrating International Chefs' day together with our chefs, colleagues, and adopted charities as a way of giving back to the community. This year's theme was "Food for Healthy Heroes", and the beneficiaries who attended the event were students from the Association for Persons with Special Needs (APSN) Katong. Our team of chefs served up immaculately prepared food with the assistance of staff volunteers, APSN teachers and the children's caregivers.

EMPOWERING LOCAL COMMUNITIES THROUGH EDUCATION

Two key thrusts of SATS Foundation is to empower people to achieve their fullest potential and rebuild lives. Our scholarships and bursaries recognise and encourage the future generation to achieve greater academic excellence. During the reporting period, SATS awarded a total of S\$1,166,900 in training grants, scholarships and bursaries.





SATS OCCUPATIONAL HEALTH & SAFETY (OHS) POLICY

At SATS we are committed to providing a safe, secure and healthy work environment for our people. In line with our core values, we maintain and promote an effective occupational health and safety management program. Our SATS approach is as follows:

Strive to anticipate hazards and eliminate them to prevent personal injury/illness to employees or loss/damage to equipment and property.

Assure a high level of compliance by meeting applicable legal requirements and adopting best practices.

Train and educate employees and contractors to prevent accidents and injuries, and promoting a healthy lifestyle.

Seek and implement all reasonable measures to provide the best possible care in maintenance of our equipment and facilities.

This Policy will be kept up-to-date and relevant, and communicated to everyone at SATS as well as to all persons working under the control of SATS, so that they are reminded of their individual OHS obligations.

We are all responsible for preventing injury and ill-health, both to ourselves as well as to fellow colleagues.

The prevention of accidents is a joint effort. We collaborate to continually improve our occupational health & safety performance to make our company the best and safest place to work.

Alex Hungate
President & Chief Executive Officer
SATS Ltd.



Dated: 01 March 2017

Safety

Safety is one of SATS' core values, and is deeply rooted in our DNA. As a premium service provider with extensive regional operations, we are committed to ensuring a safe, secure and healthy environment for our employees, contractors, and customers. Our Occupational Health and Safety Management System, which was established in 2008, have been certified as meeting the internationally-recognised OHSAS 18001 Occupational Safety & Health Management System. This certification is audited on an annual basis.

Regular audits are conducted by our customers and partners as well as for numerous local and international safety and quality certifications, including OHSAS 18001, ISO 9001 Quality Management System as well as IATA's

Safety Audit for Ground Operations, which is an audit standard applicable to all ground handling companies worldwide, coupled with a uniform set of standards relevant for the specific activities of any ground handler. Formal joint management-worker health and safety committees oversee safety at both the site and business unit levels. Close to 100% of our employees are involved in these committees.

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

Safety

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In 2016, SATS became world's first ground handler to integrate smart watches in technical ramp operations, which enhances operational communication to improve productivity, safety and collaboration.

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

The three most common injuries among SATS' employees are: caught by or between objects, strains and sprains, and slips, trips and falls. The injury rate and lost day rate across SATS' operations is 3.88 and 177.15 respectively. There were no work-related fatalities in the

reporting period. We are cognisant of the fact that the occupational activities such as loading and unloading of cargo, docking and undocking of Ground Support Equipment to the aircraft, undertaken by our Cargo and Ramp employees, have a higher risk of suffering from strains, sprains and contracting Musculoskeletal Disease. Outreach sessions are held regularly, by Business Unit Management, to increase employees' situational awareness on the common risks they are exposed to. We have also embarked on an Ergonomics and Fatigue Management Programme with the Health Promotion Board (HPB) to prevent work-related health issues, injuries, and improve work postures.

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