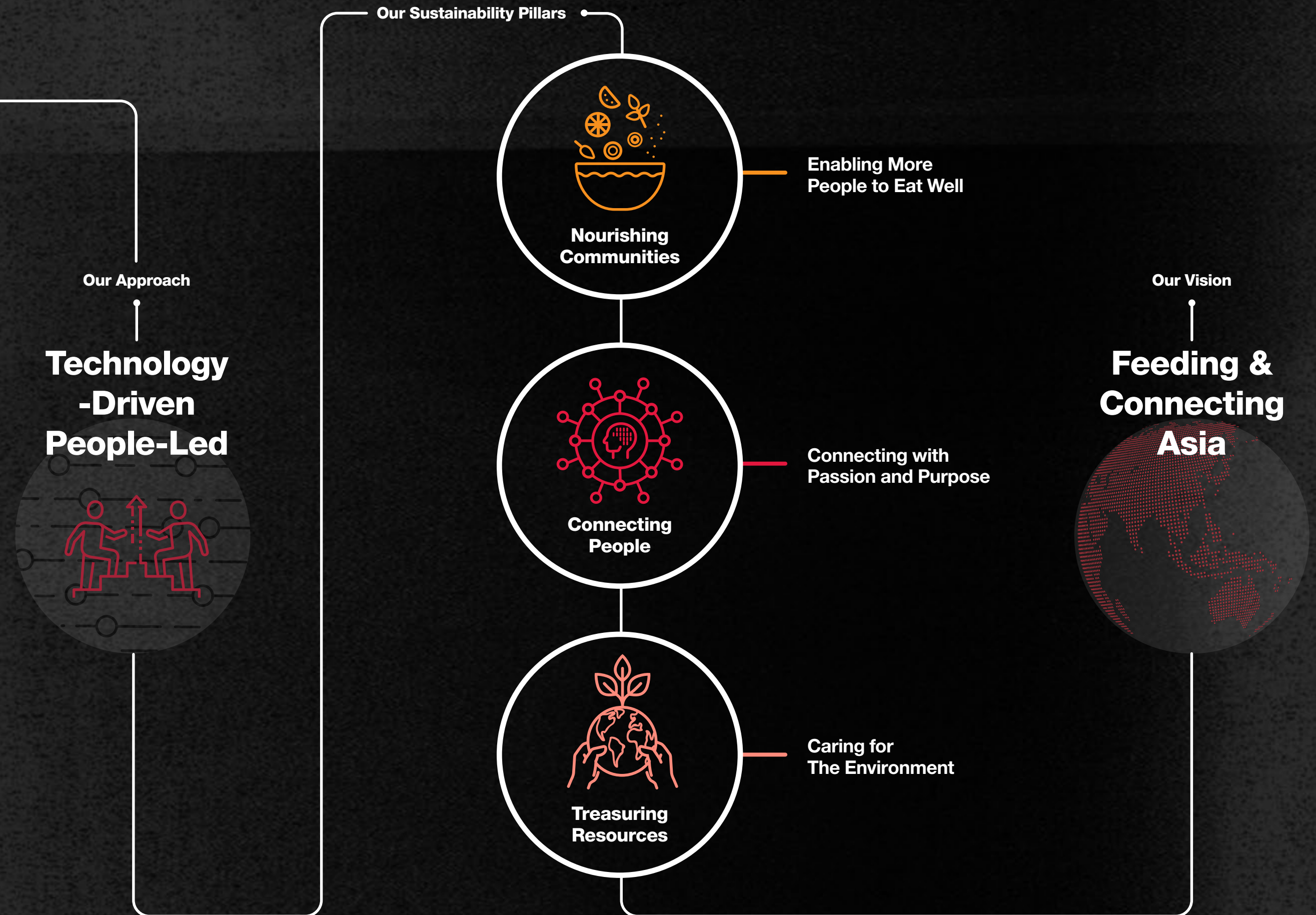


Sustainable Business Strategy

A guide to our sustainability journey

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

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



Materiality

Finding out what matters to us and our stakeholders

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

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

SATS Material ESG Issues



Nourishing Communities



Connecting People



Treasuring Resources

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

Sustainability Governance

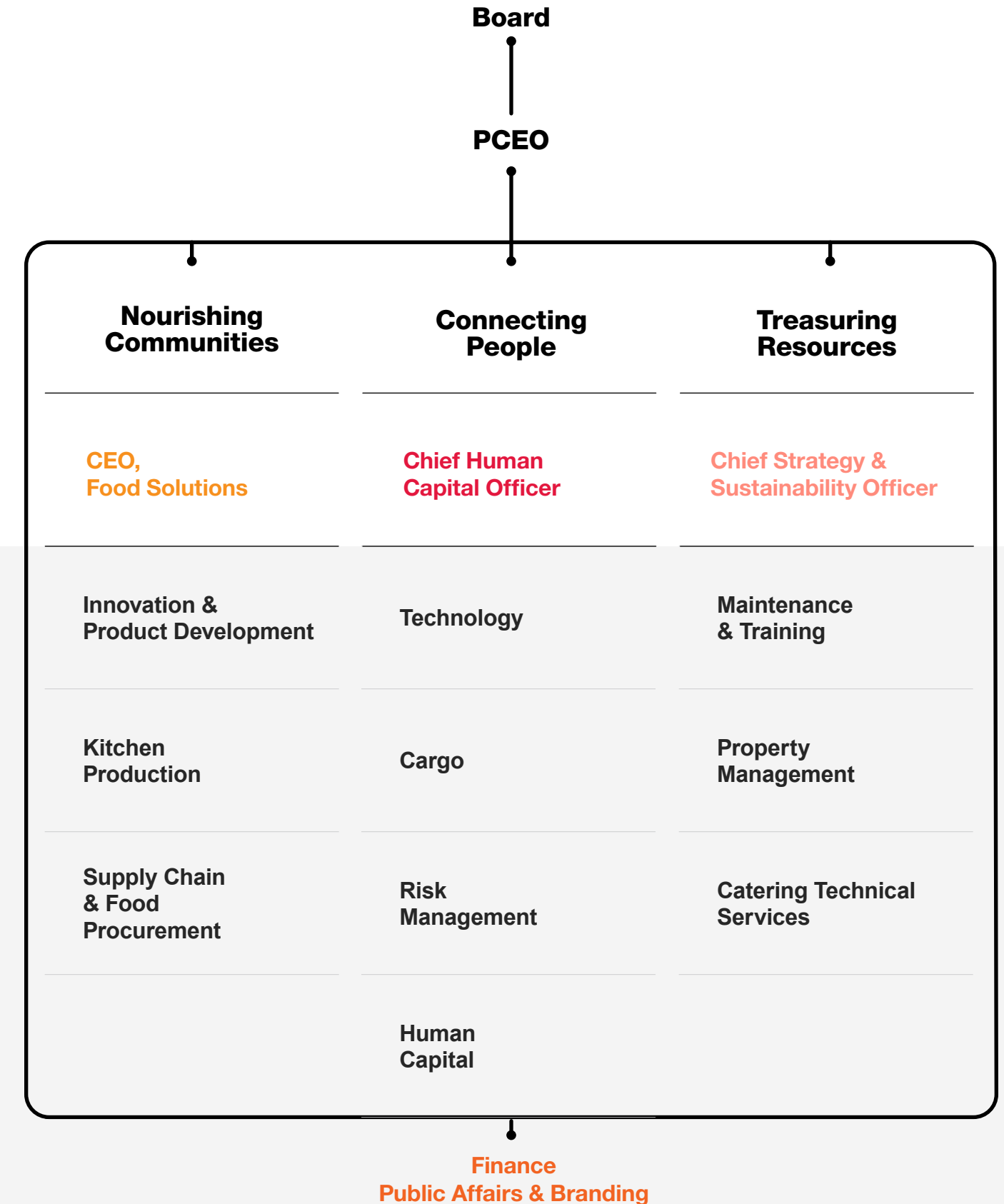
How do we keep ourselves accountable?

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

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

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

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



New Initiatives & Progress

Where are we on our sustainability journey?

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

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



Our new targets include:



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

[view more](#)

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

[view more](#)

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Assessing climate-related risks

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



Our Sustainability Framework





view new initiatives & progress 

OUR SUSTAINABILITY PILLARS		OUR 2030 AMBITIONS				
 <p>Nourishing Communities</p>	<p>Enabling More People to Eat Well</p> <p>Harnessing our culinary innovation and technical expertise to provide better, more nutritious food from sustainable sources to improve the health and well-being of our communities and ecosystems.</p>	 	<p>Make Balanced Diets Accessible </p> <ul style="list-style-type: none"> All customers are offered a healthy choice option¹ Nutritional information² will be provided for all meals 	<p>Tackling Food and Packaging Waste </p> <ul style="list-style-type: none"> Halve food wastage in all operations³ from a 2018 baseline Introduce 100% sustainable food packaging⁴ by 2030 	<p>Ensure Supply Chain is Sustainable </p> <ul style="list-style-type: none"> 100% of fish and palm oil originate from sustainable sources 	<p>Uphold Food Safety </p> <ul style="list-style-type: none"> Food supply chain for 100% of high-risk products traceable to origin
			 <p>Connecting People</p>	<p>Connecting with Passion and Purpose</p> <p>Ensuring seamless connections for passengers and cargo every day, while empowering communities and our people to fulfil their fullest potential, we embrace technology, digitalisation and change.</p>		<p>Ensure Seamless Connections </p> <ul style="list-style-type: none"> 100% paperless hub High score on seamless connectivity customer and cargo experience Zero tolerance of security breaches (robust fallback system)
 <p>Treasuring Resources</p>	<p>Caring for the Environment</p> <p>Enhancing our operational efficiencies and reducing our carbon footprint and waste, while shifting to renewable and sustainable sources of energy, water and raw materials to lessen the impact our business has on the environment.</p>	 				<p>Use Scarce Resources Efficiently </p> <ul style="list-style-type: none"> 100% wastewater treatment based on local regulatory requirements 50% water recycled for non-food use Ensure resources used are sustainably sourced and disposed across all operations⁶

Our Sustainability Framework

view our sustainability pillars & 2030 ambitions







view new initiatives & progress

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

Our Sustainability Framework

view new initiatives & progress

view our sustainability pillars & 2030 ambitions

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