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# PCEO Statement

## Dear Shareholders,

Sustainability sits at the heart of our business strategy. Our purpose and mission are linked to the long-term interests of our customers, our communities and our people because we believe that this will, in turn, ensure the long-term success of SATS. Our sustainability framework focuses on three key themes – developing smart infrastructure, reducing food and packaging waste, and nurturing skills for the future.

### Developing Smart Infrastructure

Our digital transformation is a multi-year journey, involving cultural change, the buildout of technological capabilities and process changes in parallel. For example, SATS' eAcceptance facility, which we implemented some years ago to achieve a paperless hub, enabled freight forwarders in Singapore to lodge cargo using digitalised processes during the lockdown when movements were restricted. Our pharma handling facilities in Bangalore, Beijing and Singapore facilitated the storage and transport of vaccines safely and swiftly.

We are actively leveraging our capabilities and investments in automation and digitalisation to help

in community relief efforts across our network. For example, the automated rice line in SATS Inflight Catering Centre 2 in Singapore gave SATS the capacity to feed workers in essential services, while our digital integrated supply chain kept the supply chain in motion when sources of supply were disrupted by the pandemic. The airport pass retrieval lockers controlled by face-recognition technology installed by SATS' associate Beijing Aviation Ground Services have enabled airport operations to continue uninterrupted during the pandemic in China.

### Reducing Food and Packaging Waste

SATS has been working with our customers and suppliers to find ways to reduce food and packaging waste. Our subsidiary in the UK, Monty's Bakehouse, is a market leader in developing products with sustainable packaging, having developed a range of biodegradable packaging for handheld snacks. They are now raising the bar further by developing substrates that can be broken down to provide a closed-loop solution to reduce packaging waste. In partnership with Singapore Airlines, we have developed environmentally friendly food packaging made from natural materials that biodigesters at SATS can break down to reduce waste by as much as 60%.

SATS is taking steps to help reduce global food waste by working with our customers and suppliers to use more plant-based proteins. Plant-based proteins enable specific cuts of proteins, e.g. beef tenderloin, to be produced in large quantities without creating an equal amount of waste in other cuts of proteins. Using plant-based proteins will also reduce carbon emissions.

### Nurturing Skills for the Future

Investing in our people has strengthened our collective resilience and agility. Over the past year, SATS undertook the most extensive redeployment and reskilling of people in its history. SATS Academy trained 11,154 aviation workers under the SkillsFutureSG Enhanced Training Support Package (ETSP), and 4,000 SATS employees were reskilled, multiskilled and redeployed under Workforce Singapore's Place and Train and Professional Conversion Programmes. Our employees across all age groups switched to using a digital platform for e-learning when restrictions were placed on in-person interactions. LinkedIn Learning commended SATS for achieving higher user completion rates against global benchmarks.

## Commitment to Climate Action

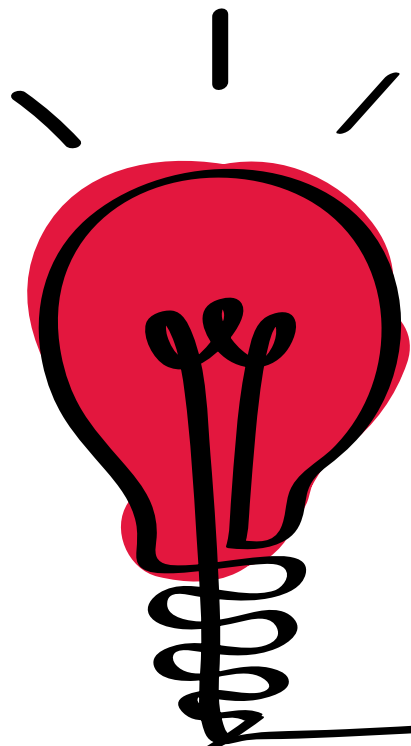
Operating in an environment where extreme weather can have a direct impact on our business, SATS is firmly committed to addressing issues related to climate change. We followed the Taskforce on Climate-related Financial Disclosures' process to develop climate scenarios to better understand the company's exposure to the risks and opportunities of climate change, and incorporated mitigating actions to build climate resilience into our business. This year, SATS has also included carbon intensity reduction as part of management performance targets which are linked to remuneration.

Overall, it has been a challenging year, but the pandemic has given us a renewed sense of the importance of our purpose to feed and connect communities. We will pursue our mission with renewed vigour to create a greater impact and build a resilient, progressive company for all stakeholders.

### Alex Hungate

President & Chief Executive Officer

1 June 2021



# 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

1 June 2021

## Board of Directors

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**Euleen Goh**

Chairman  
Non-Executive and Independent Director



**Alex Hungate**

Executive Director  
President and Chief Executive Officer



**Achal Agarwal**

Non-Executive and Independent Director



**Vinita Bali**

Non-Executive and Independent Director



**Chia Kim Huat**

Non-Executive and Independent Director



**Michael Kok**

Non-Executive and Independent Director



**Jenny Lee**

Non-Executive and Independent Director



**Deborah Ong**

Non-Executive and Independent Director



**Jessica Tan**

Non-Executive and Independent Director



**Tan Soo Nan**

Non-Executive and Independent Director



**Yap Chee Meng**

Non-Executive and Independent Director



**Yap Kim Wah**

Non-Executive and Independent Director