

JOINT STATEMENT BY CHAIRMAN & GROUP CEO



BOB TAN BENG HAI
CHAIRMAN

JEFFREY SIM VEE MING
GROUP CHIEF EXECUTIVE OFFICER

AN AUSPICIOUS AND EVENTFUL YEAR

2023 was an auspicious year for SBS Transit as we marked 50 years of providing public transport services in Singapore.

All our staff can take pride in the continuous progress we have made over the past five decades. As showcased in our Golden Jubilee roving exhibitions at our bus interchanges and MRT stations, our public transport services have not stopped evolving to serve the changing travel needs of our passengers.

In 2023, we remained the biggest public bus operator in Singapore with a market share of 62% by number of bus routes operated. Our rail network – comprising the Downtown Line, the North East Line and the Sengkang Punggol LRT, which together span 83 km with 78 stations – gave us a market share of 30% of the railway's total track length.

With the lifting of pandemic restrictions, we witnessed in 2023 a resurgence in bus and rail ridership. In total, SBS Transit now moves 3.5 million passenger trips every day. To be able to serve this large a number is an achievement we are proud of and also humbled by.

BUS OPERATIONS

2023 marked our seventh year of operations under the Bus Contracting Model, where transport companies are contracted and paid to operate public bus services through a competitive tendering process. The Government retains fare revenues and owns all infrastructure and operating assets such as buses and depots.

Under this model, we have continued to operate 220 bus routes under nine bus packages. Two of our tendered contracts – Bukit Merah and Seletar Bus Packages – were put up for competitive tendering again as they were due to expire within the next two years. We

were successful in our bid for the Bukit Merah Bus Package. We are awaiting the results of the Seletar Bus Package which closed on 4 March 2024.

Besides the two tendered contracts, SBS Transit is the incumbent operator of seven negotiated bus contracts. Six of them have had their contracts extended in recent years. Unfortunately, we did not manage to retain the Jurong West Bus Package, which will expire in August 2024.

We have also stepped up efforts in the recruitment of Bus Captains in our tight labour market. To make the profession more attractive, in particular to Singaporeans and Permanent Residents, we have revised our salary package to be the most competitive in the industry and increased our sign-on bonuses to \$10,000. We have also provided career progression opportunities where all Bus Captains can enjoy rewarding careers with us. In 2023, we succeeded in recruiting 760 new Bus Captains.



We have made it our work culture to encourage our staff to pursue every opportunity to boost productivity at the workplace – from innovations to redesign of work. One such initiative involved the review of the Downtown Line train maintenance scheduling, which yielded an average saving of \$1.8 million annually.

In 2023, we shared 100% of our total productivity savings of about \$12 million with our staff, with each SBS Transit staff receiving \$1,200.



RAIL OPERATIONS

With the lifting of pandemic measures, our rail services experienced double-digit growth of 18.7% in 2023, with 428 million passenger trips made. We are heartened by the resurgence in rail ridership which was just 3.7% short of the 2019 pre-pandemic ridership level.

On rail reliability, the nationwide MRT network's average Mean Kilometre Between Failure, a universally recognised measure of rail reliability, was 2.08 million train-km in 2023. The Downtown Line well exceeded the industry's average performance while the North East Line turned in a steady 2.06 million train-km. The Sengkang Punggol LRT also performed reliably, doubling the nationwide LRT network's average of 546,000 car-km. Our rail teams have done an excellent job to keep our three rail networks operating without any major disruptions in 2023 and we applaud their efforts.

On future projects, we worked hard in 2023 to develop comprehensive bids to operate and manage the upcoming Jurong Region Line and the Cross Island Line, working in partnership with France's RATP Dev, a leading public transport operator. The 24-km Jurong Region Line will be Singapore's seventh MRT line while the extensive Cross Island Line, at more than 50 km long, will bolster the resilience of the MRT network with its many interchange stations. We

are confident that our rail experience will put us in good stead in these bids.

PRODUCTIVITY IN THE WORKPLACE

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As part of skills upgrading, we have also actively promoted a learning culture in the organisation. A major initiative involved training programmes for Bus Captains in supervisory roles to equip them with skills to coach and mentor junior colleagues. This also enables them to advance their own careers in operations management.

Employing technology for enhanced learning is another key strategy. One standout example is our mixed reality simulator for Light Rail Vehicle training, which replaced the traditional mode of training on actual trains. This also enables our LRT staff to acquire competencies in managing emergencies and crisis situations.



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TOWARDS A SUSTAINABLE FUTURE

In 2023, about nine in 10 buses in our fleet of 3,572 buses met the Euro 5 or higher emission standards, which minimise environmental pollution. Of these, 57 were “green” buses, comprising 32 fully electric and 25 diesel-hybrid ones.

More green buses will enter our fleet under the Land Transport Master Plan 2040, which is the industry’s major sustainability roadmap. SBS Transit has already begun detailed studies to build capabilities in battery management and disposal, in preparation for a fully green fleet.

In train maintenance, we have embarked on an initiative to do 3D printing of train parts locally. This will boost efficiency, minimise downtime and reduce our carbon footprint. We are also exploring the use of AI to cut back on energy consumption by up to 3,000 megawatt-hours annually.

In the area of diversity and inclusivity, we have continued to explore new initiatives and technologies to promote safe and independent commuting for passengers with disabilities.

A key initiative was the launch of Waymap-SG – an audio-based wayfinding app for the visually impaired that functions without the need for GPS, WiFi or Bluetooth signals. Done in collaboration with the London-based Waymap, this is the first of its kind in the Asia-Pacific. We are grateful to the Singapore Association for the Visually Handicapped and to Guide Dogs Singapore for working closely with us to fine-tune and test the app for user-friendliness.

Another of our initiatives, “Find Your Way” in partnership with Dementia Singapore, received positive feedback from passengers living with dementia and from the elderly. Our colour-coded murals depicting nostalgic items and directional floor stickers have made it easier for them to navigate our transport nodes. With the encouraging feedback, we are launching Phase Two

with another 18 premises, up from the current nine.

Meanwhile, SBS Transit is continuing to hire individuals with disabilities – 30 of them are currently serving in frontline and support positions. Our goal is to hire a total of 100 of them within the next four years.

More details are found in our Sustainability Report.

PRIORITISING WORKPLACE SAFETY

In 2023, our workplace injury rate improved across our bus and rail businesses. Notably, we recorded a 23% decrease in our bus workplace injury rate, resulting from renewed efforts to put safety first.

We have also explored a new technological solution using digital side mirrors inside our buses to further enhance the visibility of blind spots for Bus Captains. The initial trial results were favourable and more buses will be fitted with this system in 2024 to further assess its effectiveness.

While we continue to cater to our employees’ physical health needs, we have not overlooked their mental well-being. We have invested in a mobile app that provides employees round-the-clock accessibility to services and resources should they face mental health challenges.

PARTNERSHIPS

As the industry leader, we forged a partnership with Enterprise Singapore to establish a Mobility Innovation Centre to drive the co-creation of innovative mobility solutions. Bringing together government agencies, industry experts, academia, start-ups, and other key stakeholders, we are hopeful this Centre will address some of the challenges faced by the transport sector.

To drive sustainability in public transport, we signed a Memorandum of Understanding (MOU) with Engie, a global leader in low carbon energy and services. Several other MOUs were signed with local and international



We now have 14 Directors on the Board, with a female director ratio of close to 30%.

APPRECIATION

As Chairman, I would like to thank Management and staff for their tireless commitment and dedication which have made SBS Transit a leading public transport operator with a reputation for safety and reliability.

To our fellow Directors, thank you for your invaluable contributions, and unwavering support.

To the National Transport Workers' Union, we appreciate working closely together to forge a strong and harmonious tripartite partnership.

Special thanks to the Ministry of Transport, LTA, Public Transport Council and other agencies for your understanding, support and assistance.

To our passengers, thank you for supporting and riding with us for the past 50 years. We remain committed to improving our services and standards in serving your travel needs.

Last but not least, we would like to express our appreciation to our loyal Shareholders.

BOB TAN BENG HAI
CHAIRMAN

JEFFREY SIM VEE MING
GROUP CHIEF EXECUTIVE OFFICER

March 2024

partners such as Siemens Mobility, Taipei Rapid Transit Corporation, Technical University of Munich (Asia) and SG Enable with the aim of shaping a smarter, greener, more accessible, and sustainable public transportation system in Singapore.

RECOGNITION AND AWARDS

In 2023, we won a string of awards including:

- Singapore Corporate Governance Award (mid-cap), Singapore Corporate Sustainability Award (mid-cap), Shareholder Communication Excellence Award (mid-cap) and Most Transparent Company Award (Industrials) at the Investors' Choice Awards organised by SIAS, the Securities Investors Association (Singapore);
- Best Annual Report (Gold) at the Singapore Corporate Awards;
- Jurong West Bus Package (Excellence) and Sengkang-Hougang Bus Package (Merit) in the Operational and Workplace Safety (Bus Operator) category at the Public Transport Safety and Security Awards organised by the Land Transport Authority (LTA);
- NEL (Merit) in the Operational and Workplace Safety (Rail Operator) category at the Public Transport Safety and Security Awards organised by LTA; and
- bizSAFE Partner Award from the Workplace Safety and Health Council.

Some of our employees were individually lauded. They included:

- Our Group CEO, Mr Jeffrey Sim – Executive of the Year (Transport) at the Singapore Business Review Management Excellence Awards 2023;
- Master Technical Specialist Govindaraju Sundaravadivelu – SkillsFuture Fellowships 2023;
- Six bus technicians in two teams – Grand Champion and First runner-up at the Singapore BusTech Grand Challenge organised by LTA;
- 246 staff members – Commendation Awards at Singapore Kindness Movement's National Kindness Awards – Transport Gold 2023;
- Nine employees – Outstanding Awards at Singapore Kindness Movement's National Kindness Awards – Transport Gold 2023; and
- 1,883 staff members – Excellent Service Award (EXSA).

DIRECTORS

We wish to welcome three new Directors – Dr Christina Lim Yui Hung, Mr Patrick Daniel, and Mr Edwin Yeo Teng Chuan.

Three Directors – Professor Lim Seh Chun, Professor Simon Yu and Ms Chua Mui Hoong – will be retiring after the Annual General Meeting on 25 April 2024. We would like to thank them for their invaluable contributions over the years.