



MESSAGE **FROM THE** CHAIRMAN AND GROUP CEO



BOB TAN BENG HAI
CHAIRMAN



JEFFREY SIM VEE MING
GROUP CHIEF EXECUTIVE OFFICER

2022 was a year in recovery with the lifting of most COVID-19 restrictions. Pre-pandemic normalcy has started to return and public transport ridership increased after two years of depressed demand. Yet, throughout all this time, our commitment to and focus on sustainability have never waned as we made significant strides forward to help lay the foundation in our journey of environmental stewardship and corporate sustainability.

At SBS Transit, sustainability is integrated into our business strategy which realises greater, long-term, sustainable business value for our stakeholders who include our customers, employees, partners, and shareholders.

During the year in review, we revisited our materiality assessment to identify Environmental, Social and Governance (ESG) risks that are relevant to our business in accordance with the Global Reporting Initiative (GRI) 2021 standards. From this, we were able to sharpen our focus on the 10 key material topics across the three pillars of ESG.

Operating some 30,200 bus trips a day on average, we are highly cognisant of the impact of our business operations on the environment. While the Land Transport Authority (LTA) provides buses for use in operating bus services, we continue to work closely with them in their transition towards an entirely green fleet by 2040. To-date, we operate 56 green buses – 31 fully electric and 25 diesel-hybrid ones.

With our large operational scale, we also continue to support the LTA by participating in bus trials and offering feedback for consideration as they procure more green buses for fleet replacement. Currently, we are trialling two diesel-hybrid buses, which operate in emission-free electric mode at pre-defined zones on Sentosa Island, to assess their fuel efficiency and carbon savings over a six-month period.

Meanwhile, we continue to focus on other environmental aspects where we are in the position to directly influence the outcomes. In alignment with the Singapore Green Plan 2030, we establish sustainability goals and targets in emissions, energy, and resource efficiency.

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EMBRACING INCLUSIVENESS IN OUR COMMUNITY, WE ARE ENLARGING OUR EFFORTS TO HIRE PERSONS WITH DISABILITIES. CURRENTLY, WE HAVE SEVERAL OF THEM WHO WORK ON BOTH OUR FRONTLINE AND IN BACKEND SUPPORT ROLES. BY PROVIDING MEANINGFUL JOBS TO THEM, WE ARE CONFIDENT THAT THEY CAN DO WELL TO CONTRIBUTE TO OUR SUCCESS.

In 2022, we were able to sharply increase our total renewable energy output by 80% to 4.32GWh, compared to the baseline of 2.4 GWh in 2021. This was possible through the installation of 5,796 additional solar panels at the Downtown Line's (DTL) Gali Batu Depot. We are also working in tandem with the LTA to increase our renewable energy production with more solar panels to be installed at pre-determined locations to further reduce our carbon emission and reliance on fossil fuel.

Our MRT stations comply with the Singapore Standard SS530 for "Energy Efficiency for Building Services". Several energy-saving initiatives have been implemented and this included optimising the temperature of the air-conditioner chillers based on the recommendations of a detailed energy audit that was carried out. We also employed data analytics to optimise energy usage of the escalators, lifts and lightings in our stations. As a result, we were able to cut our overall electricity consumption by 3% in 2022.

At our multi-storey Soon Lee bus depot, we replaced the air conditioning system with a higher efficiency one that resulted in energy savings of over 50,000 kWh. Progressively, LED lightings are being used in our work areas and we expect to reduce energy consumption by up to 30%.

We also received the Water Efficient Building (Basic) Certification across our 87 bus and train premises from the PUB – the national water agency.

Notably, we formalised a workgroup structure to drive responsible consumption of energy and water and

reduce waste generation on the operational level. By appointing heads for each of the respective areas, who are empowered to measure and manage usage and institute changes, we are able to double down on our efforts. We commend the respective workgroups for their dedicated efforts in making a difference. For instance, in water consumption, we achieved a 1.3% reduction in 2022 despite the increase in our operating capacities as we exited from the COVID-19 slowdown.

In safety, we remained committed to providing a safe work environment for our people. Several safety time-out sessions were conducted with walkabouts involving management and supervisors. With safety as a key priority, we embraced a 'Just Culture' to encourage our staff to surface safety concerns and report safety risks and near-misses at their work premises. It also demonstrates joint responsibilities between Management and staff in keeping our workplaces safe.

With our continual focus on safety, we were able to meet the requirements of the Ministry of Manpower's newly issued Code of Practice that integrates workplace health and safety (WSH) practices into organisational processes and with clear responsibilities established for the CEO and Directors in improving safety and accountability for accidents at work.

We also persisted in our efforts to invest in the upskilling, training, and development of our employees. This enables us to maintain a competitive, highly skilled, and efficient workforce which ultimately results in better quality service to our customers.

Besides this, we value our people as our greatest assets and we believe that our organisation is only as good as the people we have. For this reason, we launched the Productivity Payment scheme to share the savings reaped from productivity initiatives with our employees, in consultation with the Union. This acknowledges their participation and contributions to our success and motivates them to take ownership to be resource efficient and innovative as we strive to be more effective and efficient in our operations. For the year, we shared two tranches of productivity savings that amounted to some \$10 million.

As an employer, we are absolutely heartened to be recognised as being among the best in Singapore in a study conducted by The Straits Times and Global data firm, Statista. We were the only public transport operator on the list. We were also named as one of the best companies to work for in Singapore. While we do not seek such recognition, they, however, do affirm that we are on the right track in how we manage and develop our people.

In customer care, we took a major step forward to promote and encourage the use of public transport particularly for people with disabilities. We firmly believe that public transport is for everyone and rolled out new initiatives to serve different disability groups with the objective of helping them to travel safely and with confidence.

Embracing inclusiveness in our community, we are enlarging our efforts to hire persons with disabilities. Currently, we have several of them who work on both our frontline and in backend support roles. By providing meaningful jobs to them, we are confident that they can do well to contribute to our success.



Importantly, with the governance pillar as the backbone of our sustainability strategy, we regularly review our policies for relevance and take further measures to fortify against threats and risks. Besides protecting our information and physical assets, we also make it a point to communicate to our employees that integrity and honesty are the bedrock of our business success and operations.

At the Singapore Corporate Awards, we were honoured to be presented with the prestigious Best Managed Board Award (Gold) and the Best Risk Management Award (Gold) in the mid-cap category for exemplary corporate governance practices.

Meanwhile, we have also commenced work to adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in preparation to meet the regulatory requirements. Our inaugural report is expected to be published in 2023 ahead of the 2025 deadline.

We will continue to press forward and we believe that our actions will make a positive impact on our world and community. We thank our customers, employees, partners, and shareholders for their support and look forward to their continued support in our sustainability journey.

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