



OUR APPROACH TO SUSTAINABILITY

AS A LEADING PUBLIC TRANSPORT SERVICE PROVIDER, WE AIM TO PROVIDE SINGAPORE'S COMMUTERS WITH A SAFE, RELIABLE, SUSTAINABLE, AND ACCESSIBLE WAY TO TRAVEL. TO DO SO, WE ARE DEDICATED TO REDUCING OUR IMPACT ON THE ENVIRONMENT, ENHANCING EMPLOYEE AND CUSTOMER SAFETY AND WELL-BEING, AND GIVING BACK TO THE COMMUNITY WHILE MAINTAINING THE ROBUSTNESS OF OUR GOVERNANCE SYSTEM AND PROTECTING OUR ASSETS.

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BOARD STATEMENT

As the leading public transport service provider in Singapore, our vision is to move people in a safe, reliable and affordable way. Importantly, we do this in a sustainable manner which is focused on minimising our impact on the environment, ensuring road, commuter and workplace safety, enhancing the well-being of our people and the community as well as upkeeping the robustness of our governance system and protecting our assets.

Our commitment to safeguarding the interests of our stakeholders for sustainable growth comes under the governance of the SBS Transit's Board of Directors, which has identified sustainability as a key pillar in our overall strategy. The Board considers ESG issues as part of our strategy formulation particularly in three distinct areas:

- (i) Driving environmental stewardship to enhance sustainability in Singapore
- (ii) Reinforcing our social responsibilities to our customers, employees and communities
- (iii) Ensuring ethical business and strong governance practices

As a public transport service provider, we are mindful that the delivery of our services has a direct impact on the environment. To this end, we work closely with the Land Transport Authority (LTA) to reduce our carbon footprint. We wholeheartedly support the LTA in its commitment to introduce greener buses, with the entire fleet of public buses running on cleaner energy by 2040. We embrace sustainability in our organisation by practising responsible consumption and production; and the Risk and Sustainability Steering Committee is responsible to drive change within the organisation for long term success.

We care for our people and the people we serve. From the health and safety of our employees to the safety of our regular and physically challenged customers, we are constantly looking at ways to do better. We have also not forgotten the socially disadvantaged in our community. Our employees are committed to projects and activities that serve our community and help protect the environment. ESG matters as determined by our stakeholders and deemed to be material to value creation are integrated into our balanced scorecard, which is used to set objectives, drive behaviours, measure performance and determine remuneration. The Board Sustainability Committee (SC) reviews and approves these material issues quarterly and provide guidance to the Senior Management team to execute initiatives, manage and monitor these issues closely.

With a workforce of more than 10,000 people, we are committed to nurturing a corporate culture that encourages our employees to act ethically and with a strong sense of mission in meeting the needs of our customers that includes innovations and to ensuring transparent management and fair decision-making in this regard. With a strong emphasis on good corporate governance, we have enhanced the management oversight function of the Board of Directors by implementing appropriate measures such as reviewing the terms of reference of all Board Committees and building Board competence through relevant trainings and workshops.

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MATERIALITY ASSESSMENT AND APPROACH



For the year under review, we undertook a materiality assessment in line with the new GRI 2021 standards with an independent external consultant to holistically identify the material topics most relevant to us. This was aimed at refreshing and reprioritising key material topics. Under the new materiality methodology, greater emphasis was placed on the impact of our business operations on people, the environment and economy. The updated process also highlighted the emerging sustainability issues as well the evolving industry and market needs of the future. Subsequently, the reassessment of our material topics underwent a validation process with our Board-level Sustainability Committee, which helped to determine the prioritisation of material ESG topics critical to our business.

In 2021, we had conducted a stakeholder engagement with our internal and external stakeholders who included SBS Transit's key management, employees, regulatory agencies, shareholders, unions, and suppliers. This process aided in the identification and validation of our material topics and further enhanced our materiality process.

PRIORITISED LIST OF MATERIAL TOPICS		
Environmental	Social	Governance
<i>Driving environmental stewardship to enhance sustainability in Singapore</i>	<i>Reinforcing our social responsibility to our customers, employees and communities</i>	<i>Ensuring ethical business and strong governance practices</i>
EMISSIONS & ENERGY	SAFETY & HEALTH	CYBERSECURITY, DATA GOVERNANCE & PRIVACY
RESOURCE EFFICIENCY	CUSTOMER EXPERIENCE	ASSET PROTECTION & SAFETY
SUSTAINABLE TRANSITION	EMPLOYEE CARE	BUSINESS INTEGRITY & GROWTH
SOCIAL ECONOMIC CONTRIBUTION		

STAKEHOLDER ENGAGEMENT

Our stakeholders are core components of our business and our approach to sustainability is firmly underpinned by our dedication to creating long-term sustainable value for them. As such, we regularly engage with our stakeholders to foster trust and integrity. Our stakeholders are identified through our risk management process and feedback from these engagement sessions is recorded and taken into consideration in the curation of our sustainability strategy. The various channels, priorities and how engagement feedback is utilised are outlined in the table below:

STAKEHOLDER	FORMS OF ENGAGEMENT	STAKEHOLDER PRIORITIES	OUR RESPONSE TO PRIORITIES
Authorities 	<ul style="list-style-type: none"> Quarterly Sustainability Engagement meeting, and regulatory meetings with LTA Regular meetings with Ministry of Transport, Public Transport Council (PTC), Ministry of Manpower (MOM) and the National Environment Agency (NEA) 	<ul style="list-style-type: none"> Operation key performance indicators Safety and security Accessibility Carbon emissions reductions 	<ul style="list-style-type: none"> Review operation, safety and security performances Provide constructive feedback when Regulator reviews existing and implements new policies Set aggressive targets to reduce consumption by identifying and implementing initiatives to reduce carbon emissions
Customers 	<ul style="list-style-type: none"> Information counters at bus interchanges and MRT stations Regular updates on SBS Transit website, and Social Media platforms QR code and hotline for queries and concerns Annual customer satisfaction surveys Press releases on company related news 	<ul style="list-style-type: none"> Reliability Bus Captain service Safety Security Overall service experience 	<ul style="list-style-type: none"> Operate services well according to planned schedules and good schedule adherence Adhere to robust safety standards and stringent checks across all operations Conduct up-to-date training for all Bus Captains and Customer Service Officers to ensure the highest standards of safety, security and service are delivered

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STAKEHOLDER	FORMS OF ENGAGEMENT	STAKEHOLDER PRIORITIES	OUR RESPONSE TO PRIORITIES
Employees 	<ul style="list-style-type: none"> Regular communication to ensure line of sight to achieve strategic/operational outcomes Biennial engagement surveys and more frequently via: <ul style="list-style-type: none"> Monthly team briefings to frontline employees Toolbox meetings to update Engineering employees Quarterly briefings to frontline supervisors Feedback channels via email, WhatsApp chat groups and face-to-face meetings to address concerns feedback and suggestions on social issues and those related to the environment Regular visits by Management to the ground units 	<ul style="list-style-type: none"> Training and skills development Appraisal and remuneration Health and well-being at work Motivation and morale 	<ul style="list-style-type: none"> Organise regular training courses and provide sustainability-related information to engage and educate employees Benchmark our employees' salaries to the market on an annual basis to ensure competitiveness Organise annual health screenings and coaching to promote healthy lifestyle among employees Organise regular webinars and provide online resources to promote and support employees' mental well-being Provide appropriate uniforms and personal protection equipment to enhance workplace safety Practise good management by walking the ground
Shareholders 	<ul style="list-style-type: none"> Annual General Meeting SGX announcements Press releases 	<ul style="list-style-type: none"> Active and adequate risk management Timely and accurate updates 	<ul style="list-style-type: none"> Committed to disseminate accurate and pertinent information to the market in a timely manner as part of good corporate governance
Partners/Suppliers 	<ul style="list-style-type: none"> Work closely with our Partners and Suppliers to ensure the smooth delivery of our services Communicate our expectations on ESG matters 	<ul style="list-style-type: none"> Fair opportunity Collaborative relationship Timely and fair payment 	<ul style="list-style-type: none"> Ensure fair opportunity and responsible practices, as well as strict adherence to our Supplier Ethics Policy Use of procurement software and work closely with suppliers to improve processes and ensure compliance on ESG matters. Implementation of ESG assessment with 10% weightage
Union 	<ul style="list-style-type: none"> Regular meetings with key Union leaders Regular tripartite discussions Regular engagement lunches between ground managers and Union leaders Monthly productivity meeting Annual Management and Union retreat 	<ul style="list-style-type: none"> Job matching Remuneration Grievance handling Rewards and compensations Prepare workforce for the future Improve operation, safety and security key performance indicators 	<ul style="list-style-type: none"> Work closely with Union to achieve win-win outcomes for all Collaborate with the Union to work with employees to improve Operation, Safety and Security key performance indicators
Communities 	<ul style="list-style-type: none"> School talks Community outreach programmes Media updates Train Station/Bus Interchange adoption programme 	<ul style="list-style-type: none"> Latest technologies Operation insights Maintenance insights 	<ul style="list-style-type: none"> Sharing fun facts and quiz Broadcast educational videos Site visits Issue news releases

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OUR SUSTAINABILITY FRAMEWORK & TARGETS

Our sustainability framework is derived with our material topics in mind and mapped with reference to the most relevant United Nations Sustainability Development Goals (SDGs) to our business, as seen in Appendix 3. We contribute to the achievement of these SDGs with established targets and quantifiable measurements in the implementation of initiatives which are set out in the three key pillars below:

CORE PILLARS OF SBS TRANSIT LTD SUSTAINABILITY FRAMEWORK		
Driving environmental stewardship to enhance sustainability in Singapore	Reinforcing our social responsibilities to our customers, employees, and communities	Ensuring ethical business and strong governance practices

- Achieved/on track
- Requires improvement

MATERIAL TOPIC	SHORT TERM	MEDIUM TERM	LONG TERM	2022 RESULT	PROGRESS
Energy and emissions	<ul style="list-style-type: none"> • Energy Consumption ↓15% vs 2019 by 2030 • ↑ Solar PV generation to 7 MWp • Scope 1 & 2 Emission ↓25% vs 2022 by 2030 	<ul style="list-style-type: none"> • Energy Consumption ↓20% vs 2019 by 2050 • ↑ Solar PV generation to 10 MWp by 2050 • Scope 1 & 2 Emission ↓50% vs 2022 by 2045 • Net Zero operations by 2050 	<ul style="list-style-type: none"> • Energy Consumption ↓25% vs 2019 beyond 2050 • ↑ Solar PV generation to 15 MWp beyond 2050 • Maintain Net Zero operations beyond 2050 	<ul style="list-style-type: none"> • Energy Consumption ↓9.50% vs 2019 • Solar PV generation: 4.28 MWp • Scope 1 & 2 Fleet emissions: 418,079 tonnes 	●
Resource efficiency	<ul style="list-style-type: none"> • Water Consumption ↓15% vs 2019 by 2030 • ↓ Total Annual General Waste to 25% by 2030 • Maintain Eco-office certification for all office premises 	<ul style="list-style-type: none"> • Water Consumption ↓17% vs 2019 by 2050 • ↓ Total Annual General Waste to 22% by 2050 	<ul style="list-style-type: none"> • Water Consumption ↓20% vs 2019 beyond 2050 • ↓ Total Annual General Waste to 20% from 2050 	<ul style="list-style-type: none"> • Water Consumption ↓13.34% vs 2019 • Annual General Waste: 35.59% • 100% of office buildings Achieved Eco-office (Elite) certification • Achieved Water Efficient Building (Basic) Certification by Public Utilities Board (PUB) for 87 premises 	●
Sustainability transition	<ul style="list-style-type: none"> • 25% and 50% cleaner energy bus fleet by 2025 and 2030 respectively • 35% cleaner energy utility vehicle fleet by 2030 • Promote Green Corporate culture internally and community through education and engagement events 	<ul style="list-style-type: none"> • 100% cleaner energy bus fleet by 2040 • 100% cleaner energy utility vehicle fleet by 2050 		<ul style="list-style-type: none"> • 1.57% of cleaner energy bus fleet • 2 Electric utility vehicles • Conducted 4 staff, 1 school and 1 community sustainability engagement programmes and initiatives 	●

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- Achieved/on track
- Requires improvement

MATERIAL TOPIC	SHORT TERM	MEDIUM TERM	LONG TERM	2022 RESULT	PROGRESS
Customer Experience	<ul style="list-style-type: none"> • Delivery of high level customer service • Continuous improvements in mobility and inclusive accessibility for the communities 			<ul style="list-style-type: none"> • Achieved 93.8% customer satisfaction by PTC • Launched 13 initiatives 	●
Safety & health	<ul style="list-style-type: none"> • Zero fatalities • Injury rates below national averages in our industry 			<ul style="list-style-type: none"> • 3 Road fatalities (2 not-at-fault) • 1 Workplace fatality • Kept workplace injury rates (WIR) below national average for the industry 	●
Employee Care	<ul style="list-style-type: none"> • Promoting digital training • Investing in education and training opportunities to develop our employees to achieve 40 training hours per employee by 2030 • Employment of persons with disabilities • Embracing diversity in the workplace in terms of gender, race, ability and age amongst other backgrounds where possible and applicable • Continuing as a signatory to TAFEP 			<ul style="list-style-type: none"> • ↑ Training hours to 39.43 from 27 vs 2021 • Increased digital training capabilities • Launched new mobile app Intellect to support employee well-being, including expanded mental health support and free counselling • Sharing of productivity gains • Performance and reliability incentives • Safety incentives • 4 PWD employees employed • Maintained as a signatory to TAFEP 	●
Social economic contribution	<ul style="list-style-type: none"> • Continuously committed to contributing to the local community 			<ul style="list-style-type: none"> • Resumed community service initiatives 	●
Cybersecurity, data governance & privacy	<ul style="list-style-type: none"> • Maintain zero major cybersecurity breaches • Maintain zero incidents of major personal data breaches • Continuously solidify cybersecurity, data protection and privacy measures 			<ul style="list-style-type: none"> • Zero major cybersecurity breaches • Zero major personal data breaches 	●
Asset Protection & Safety	<ul style="list-style-type: none"> • Comply with all asset maintenance audit requirements • Ensure that only approved or authorised entry is allowed at depots 			<ul style="list-style-type: none"> • Passed all external audits and complied with the requirements • No cases of intrusion 	●
Ethical business and operational integrity	<ul style="list-style-type: none"> • Zero cases of corruption and fraud • Maintain zero cases of non-compliance to anti-competitive behaviour, bribery, and corruption • Maintain high standards of transparency, accountability, ethics, and integrity across our operations • 100% of employees undergo mandatory anti-corruption training by 2030 • Invest in new technologies to benefit the industry and communities • Drive innovation and change initiatives 			<ul style="list-style-type: none"> • 1 case of personal bribery occurred between 2019 and 2021, sentenced in 2022 • Singapore Corporate Awards 2022: Best Managed Board (Gold) and Best Risk Management (Gold) • 7 new Memoranda of Understanding for technologies and innovation signed 	●

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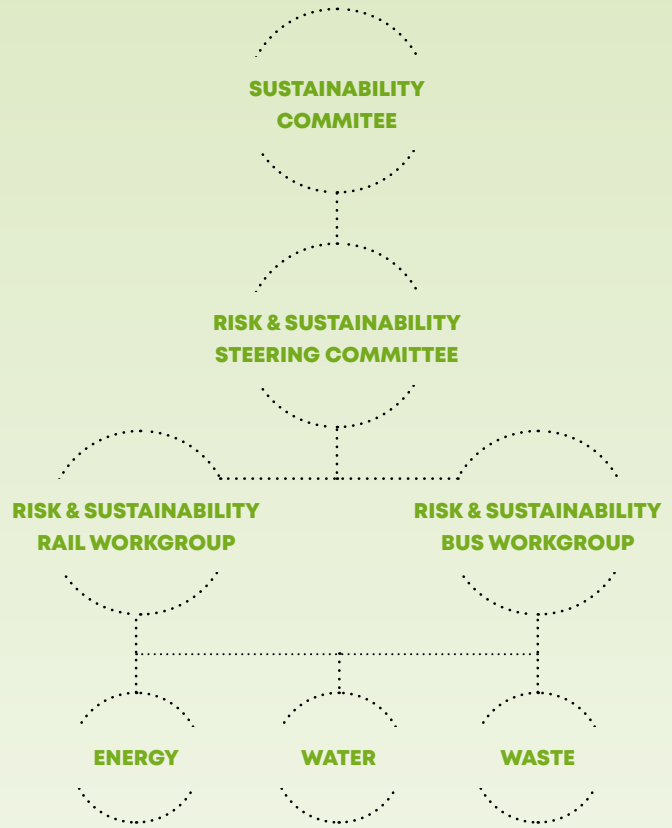
SUSTAINABILITY AND RISK GOVERNANCE

SUSTAINABILITY, STEERING AND WORKING COMMITTEES

We understand that driving sustainability throughout the organisation requires strong leadership support. The Board of Directors, led by our Chairman, Mr Bob Tan, endorses SBS Transit's sustainability efforts advocated by our Sustainability Committee (SC). The SC reviews the sustainability strategy to ensure alignment of commercial and sustainability considerations for long-term profitability. Our SC is chaired by Board Director, Professor Lim Seh Chun, and it meets on a quarterly basis to deliberate on ESG matters to provide guidance to the Senior Management team in steering SBS Transit's sustainability ambitions. Subsequently, the Sustainability Committee Chairman reports the Committee's decisions to the Board when deemed appropriate by the Chairman of the Board.

For the year under review, our then Group CEO, Mr Cheng Siak Kian, chaired our Risk and Sustainability Steering Committee (RSSC) which comprised eight key members of our Senior Management team. The RSSC established SBS Transit's sustainability strategies by providing directions and considering ESG issues as part of its strategic formulation and investments.

The Head of Bus, Mr Ivan Tan, and CEO of Rail, Mr Jeffrey Sim, both spearhead our Bus and Rail Risk and Sustainability Workgroups respectively. The Risk and Sustainability Workgroup convenes every quarter to analyse consumption patterns and discuss possible solutions. These heads are accountable for daily operations and consumption, whereby they monitor and analyse trends, and propose recommendations for improvement to the Steering committee. In 2022, we formalised our Workgroup structure and appointed pillar heads for Energy, Water and Waste pillars to further steer our environmental efforts. The pillar heads drive progress and execution of pillar projects across the business and ensure accountability from the issue owners, who serve as subject matter experts to track and share relevant external developments around material issues as well as outline roadmaps to achieve desired goals for the pillar. This enables us to double down on the initiatives and measures



taken to better manage these issues and reduce our environmental footprint in our business activities.

To further enhance our sustainability approach for both Bus and Rail businesses and drive our Risk and Sustainability efforts, the Risk and Sustainability section under Bus Support Division assumed a department status. The new department provides secretariat support to the two Risk and Sustainability Working Groups for Bus and Rail and secretariat support to the RSSC.

Ensuring effective processes in the management of our material topics, the Sustainability Committee reviews existing processes annually and keeps up dated on industry standards. To enhance the collective knowledge of the Board on issues of ESG and sustainable development, all Board Directors attended the 'Environmental, Social and Governance Essentials' training, conducted by the Singapore Institute of Directors in 2022.

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As of 1 January 2023, Mr. Jeffrey Sim has been appointed Group CEO of SBS Transit and Chairman of the RSSC while Mr Anthony Mok, the Head of NEL/SPLRT will take over as the Rail Workgroup chairman.

AUDIT AND RISK COMMITTEE

SBS Transit's Risk Management Framework provides a systematic process for the Businesses to identify and review the nature and complexity of the risks involved in their business operations and to prioritise resources to manage them. We are committed to enhancing shareholder value through growth that is profitable and sustainable, while taking measured and well-considered risks.

Our approach to risk management is underpinned by several key principles:

- The risk management process is a continuous and iterative one, as our businesses and operating environments are dynamic. Risk identification, assessment and risk management practices are reviewed and updated regularly to manage risks proactively.
- We promote risk awareness among all our employees by embedding risk management processes into day-to-day business operations and setting an appropriate tone at the top. Regular exercises, continuous education, and training, as well as communications through various forums on risk management are carried out to sustain a risk-informed and risk-aware culture in the organisation.
- Ownership of and accountability for the risk management process is clearly defined and assigned to the risk owners. Managers at each level have intimate knowledge of their businesses and take ownership of risk management, with stewardship retained at Senior Management.

In recognition of our robust framework, SBS Transit won two top awards at the Singapore Corporate Awards. We were recognised in the Best Managed Board (Gold) and Best Risk Management (Gold) in the mid-cap category for companies with S\$300 million to less than S\$1 billion in market capitalisation.

The Risk and Sustainability Steering Committee works closely with all Businesses to ensure that risk management is taken seriously, and that the Risk Management Framework is diligently implemented across the group. The Group CEO chairs this Steering Committee, and members are drawn from major Businesses/ Departments Heads. Key risks for the Group, including ESG related risks, are identified and presented to the Audit and Risk Committee and the Board at half-yearly intervals.