ENSURING

ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

WE BELIEVE THAT AN ESTABLISHED CULTURE OF ETHICS AND INTEGRITY IS CRUCIAL TO OUR BUSINESS SUCCESS AND SUSTAINABILITY. TO UPHOLD OUR REPUTATION AND BUILD TRUST AMONG STAKEHOLDERS, WE ENFORCE STRONG CORPORATE GOVERNANCE AND ETHICAL BUSINESS PRACTICES.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

CYBERSECURITY & DATA PRIVACY	ASSET PROTECTION & SAFETY	BUSINESS INTEGRITY & GROWTH
Reinforcing all protective and compliance processes to prevent threats and breaches to our cybersecurity and data.	Fortifying safeguards to manage and protect assets within the organisation's responsibility.	Upholding integrity and ethical practices across all layers of business practices through compliance and responsible affiliations

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CYBERSECURITY, DATA GOVERNANCE & PRIVACY

WHY THIS ISSUE IS MATERIAL
At SBS Transit, we remain vigilant and keep pace with the evolving cyber landscape. For example, we have adopted digitalisation to facilitate remote and flexible working arrangements, resulting in maximum cost efficiencies, time savings and higher productivity. However, with the advancement and acceleration of digital transformation, it is increasingly critical to maintain and enhance our safeguards against cybersecurity threats, cyberattacks and online scams. We are committed to fortifying our security systems to protect our information assets and customers' data.

HOW WE MANAGE THIS
Annually, our Cybersecurity Steering Committee performs a review of our cybersecurity policies, measures, and standards to ensure that they remain resilient and relevant in the constantly evolving technology space. The Committee also ensures that our measures and policies comply strictly with the Cybersecurity Act.

To keep our Senior Management updated, our Cybersecurity team facilitates quarterly meetings comprising the Bus and Support Cybersecurity Working Committee, Rail Cybersecurity Working Committee and Cybersecurity Steering Committee.

In 2022, in view of the expanded scope of our businesses, we appointed two Data Protection Officers who are supported by a structural Personal Data Protection Committee (PDPC). The PDPC formulates data protection policies, processes and directives, and enforces strong awareness of personal data protection measures and data breach procedures through regular bulletins, briefings, and specialised training to staff.

Our cybersecurity standards and guidelines apply to our information technology (IT) and operational technology (OT) systems. Our IT systems comprise office automation networks and information processing systems, including our email systems, intranet systems, all business application systems, SBS Transit website and other internet related systems. Meanwhile, our OT systems refer to systems that monitor events, processes and devices required to facilitate adjustments across our industrial operations. These OT systems also include our rail and bus transport systems.

We have implemented Monitoring and Detection tools including a Security Operation Centre SOC which continuously monitors critical and internet-facing systems, network protection devices and our email messaging gateway. Other preventive measures to safeguard the use of online services include:

1. Email safety and protection
2. No internet surfing and browsing
3. Secure sockets layer for websites
4. Malware Protection protocols at end points and servers
5. Office laptop hard disks are encrypted with McAfee MFE Firewall
6. Data encryption installed for data in use, at rest and in transit
7. Regular patching for end points and servers to ensure our applications address cybersecurity vulnerabilities, or updates to its functionality, usability or performance
8. Blockage of USB ports on laptops to prevent data protection leak
9. Implement Network Access Control (NAC) to ensure only permitted devices can connect to Office Automation network
10. Cloud Access Security Broker to enforce Data Loss Prevention/Protection for cloud applications
11. Disaster recovery programmes at secondary site
12. Firewall protection for blocking incoming traffic from untrusted sources
13. Regular audit, risk assessment and vulnerability assessment and penetration test for both SBS Transit's IT and OT systems
14. Reviews of our internet accounts – monthly Active Directory Local Area Network account review, half-yearly email account review and annual internet user account review
15. OT system is air-gapped to ensure it is isolated from unsecured networks

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We maintain sustained engagement with stakeholders, such as our suppliers, to ensure that they adhere to our stringent standards of data security. For our current contracted suppliers, we have included the Personal Data Protection Act (PDPA) as an addendum to their parental contract and require them to commit to our company's PDPA Policy. We also enforce third-party cybersecurity training for suppliers maintaining our IT and OT systems as a prerequisite. For future contracted suppliers, we plan to incorporate the PDPA clause within the main contract to negate affiliated risks. Similarly, for ad hoc suppliers, we assess their competency in adhering to and upholding the PDPA standards through a related questionnaire to decipher their capabilities prior to our engagement.

OUR INITIATIVES

COMPLIANCE WITH CYBERSECURITY ACT

As an essential rail transport operator, SBS Transit is classified as a Critical Information Infrastructure Organisation (CIIO) as per the Cybersecurity Act (2018). We adopt a robust IT governance framework focusing on people, process, and technology, which is in alignment with the LTA's approach, to govern both its OT and IT infrastructure and systems. We have established automated tools and processes for cybersecurity controls and governance to address the following impacts on SBS Transit:

Actual impact	• Safeguard and prevent threats and vulnerabilities on infrastructure and systems. • Increase awareness on cybersecurity hygiene for staff through regular training and the conduct of regular vulnerability assessment, risk assessment and security audit to reduce risk and impact to the lowest. level.
Positive and potential impact	• Gain confidence from stakeholder and increase competitiveness in market share. • Staff will adopt the good habit of protecting organisation resources with due diligence.
Negative impact	• Any breach of the Cybersecurity Act will result in a penalty from the Authorities. Reputation will be affected with a loss of stakeholders' confidence.

CYBERSECURITY AWARENESS TRAINING

Compliance training sessions were held in alignment with the Cyber Security Agency of Singapore (CSA) Cybersecurity Code of Practice requirements. The training covered all the necessary standards, policies, and regulations. Staff and contractors with access to company emails, IT and OT systems are mandated to complete a "Cybersecurity Awareness for Everyone" (CAFÉ) training. In addition to the annual CAFÉ refresher training, staff are subject to annual training with simulated phishing incidents.

Our training programmes are reviewed and updated each year to reflect the new requirements and best practices stipulated in our cybersecurity policies. Biennially, we also engage an independent external consultant to perform an audit of our CIIO to fortify our security systems.

Some of our other internal campaigns and initiatives to promote proper cyber hygiene include:

1. **Weekly Cybersecurity Advisory**
   Cyber security advisories are posted weekly via email and made available on the intranet cybersecurity portal for easy access by staff. These advisories include warnings on specific risks such as viruses, new vulnerabilities, social engineering, and countermeasures.

2. **Quarterly Cybersecurity Briefing**
   Employees are briefed on cybersecurity topics on user responsibility and awareness including but not limited to the following: cybersecurity hygiene, user ID and password requirements and end-points security (e.g. virus protection, phishing, ransomware, incident reporting, information classification, information security monitoring processes in use and contacts for additional information).

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3. Annual Security Conference Day

Every October, we organise an Annual Security Conference Day to share insights on emerging risks and threats in the cybersecurity landscape as well as ways of overcoming these risks and establishing information security. External parties are invited to speak at this conference.

4. Annual Computer Emergency Response Team (CERT) Blue Team training

Team members are assigned and briefed on their roles and responsibilities during the cyber-range exercises. The objective of the blue team training is to ascertain the effectiveness of our Cybersecurity Incident Management Procedures according to the cybersecurity standards set out in the CSA Cyber Security Code of Practice (CcoP) and LTA Code of Practice (CoP) for Cyber Security Incident Management Procedures in MRT systems. The Competency Training covers at least one of the following scenarios with reference to SBS Transit Cybersecurity Incident Response Plan (CSIMP): Ransomware attack, Denial of Service or Distributed Denial of Service attack, network failure and website defacement.

5. Regular PDPA bulletin to all staff

Regular updates on the PDPA are communicated to employees via email to promote staff awareness and ensure compliance.

DATA PROTECTION TRUSTMARK (DPTM) CERTIFICATION

SBS Transit pursued the DPTM in 2022 to further enhance our capabilities in responsibly managing and protecting the personal data of our commuters, business partners, vendors, suppliers, and contractors. This ensures our adherence to personal data protection standards and best practices.

The certification is administered by the IMDA based on Singapore's PDPA and international best practices. The DPTM is an accountability tool utilised to demonstrate our commitment in adopting responsible data protection practices and effecting good management of personal data. It also underlines our compliance with the 10 PDPA obligations including Notifications, Consent, Purpose Limitation, Accuracy Protection, Retention Limitation, Transfer Limitation, Access/ Correction, Data Breach Notification and Data Portability.

Obtaining the DPTM certification also mitigates the risk of enforcement action in the event of a data breach and allows us to demonstrate accountable data protection practices. We target to attain the certification in 2023.

OUR PERFORMANCE AND LOOKING FORWARD

We conduct regular audits on both our IT and OT systems to track the effectiveness of our actions and initiatives. In 2022, there were no major incidents of breaches and no substantiated complaints concerning breaches of customer privacy and losses of customer data. For further detail, please refer to Appendix 1: GRI Index, GRI418-1. Our annual policies are continuously reviewed and updated to include new requirements and policies to further safeguard our information and assets.

Moving forward our targets for cybersecurity and data protection include:

1. Reduce the number of non-conformities identified through the audits to 10% for IT and OT systems.
2. Zero breaches to the Cybersecurity Act.
3. Conduct a data classification exercise by the second quarter of 2023 where SBS Transit will categorise various information assets based on the sensitivity of the document's, physical and logical, content, to identify employee access points while applying relevant security measures to prevent data leakage. The system used to store, process, or communicate information shall provide protection over information according to the classification.

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ASSET PROTECTION AND SAFETY

WHY THIS ISSUE IS MATERIAL

SBS Transit's operating assets and infrastructure used in operating public transport services are owned by the LTA. As these assets are critical to achieving our business objectives, it is our responsibility to establish controls to protect and safeguard them when used in our daily operations.

HOW WE MANAGE THIS

To safeguard our assets, SBS Transit developed an Asset Management System Manual and Asset Management Policy Statement that are aligned with the ISO55001:2014 Asset Management standards to guide our measures and actions. This manual is reviewed and assessed annually to ensure it remains compliant with all updated requirements. In addition to the Manual, we have a prevailing Asset Management and Safety and Health Policy to guide and remind employees of the expectations and procedures in safeguarding our assets. We conduct internal and external audits involving all stakeholders annually. The LTA also conducts monthly and quarterly maintenance audits on bus assets, infrastructure, bus ticketing system and common fleet management system. We conduct internal monthly audits on Workplace Safety & Health, Bus Ticketing System and Common Fleet Management System to ensure our assets are maintained according to the required standards.

SBS Transit's Rail Asset Management Policy entails the following guidance:

1. Operate and maintain Rail Transit System (RTS) assets in accordance with relevant Safety, Quality and Asset Management Standards
2. Manage RTS assets in a sustainable and whole life-cycle management approach including minimising societal and environmental impacts.
3. Leverage data to enhance asset performance
4. Actively identify, assess, and manage risks
5. Develop, sustain, and improve asset management capabilities in our staff

The Rail CEO is responsible for the proper management of the railway operating assets within the Rail Division by setting desired organisational and network objectives for the business. The Head of Engineering is responsible for approving the Operator Asset Management Plans and Operator Asset Work Plans, which outline various maintenance, enhancements, refurbishment, and renewal plans. These include plans pertaining to improvements and innovations endorsed by the LTA on an annual basis for the management of the railway operating assets to meet the targets set within those plans.

We continue to conduct internal audits, Red Teaming exercises, and inspections to ensure that ground staff are prepared and ready to handle intrusions. In the process of doing so, we remain dedicated to maintaining strict compliance with the LTA's regulatory Codes of Practice as required under the licensing conditions. The Red Teaming exercises are covertly conducted and simulate real-world conditions in the form of an adversarial attempt to compromise organisational business processes. This exercise provides a comprehensive assessment of the security capability of the organisation and tests the vigilance and alertness of the premises supervisor.

OUR INITIATIVES

CCTVS AND VIDEO ANALYTICS

To ensure the safety and security of our assets and operations, we employ Closed-circuit Television system (CCTVs) and video analytics in our bus interchanges and terminals during non-operational hours. The Video Analytics (VA) system detects any intrusion or trespassing and triggers a pop-up screen with an audible signal in our Operational Control Centres (OCC) to prompt immediate action by the service controller. Additionally, our CCTV footage is continuously live streamed to the OCC, enabling the service controller to promptly respond to any incidents that may arise.

We also conducted a trial using VA to perform access control of vehicles into our bus depots. This License Plate Recognition system detects vehicle registration numbers, checks and verifies whether the vehicle is authorised for entry. An audio-visual alert is displayed on the dashboard in the guard house if an unauthorised vehicle attempts to enter the premises.

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THREAT ORIENTED PERSON SCREENING INTEGRATED SYSTEM TRAINING (TOPSIS)

To reaffirm situational awareness, detection of suspicious characters and identification of potential threats, we continued with the TOPSIS training, which was developed by the Ministry of Home Affairs. In 2022, we included the TOPSIS programme into our e-learning portal to make it accessible and inclusive for staff. A Chinese version of the TOPSIS module was also developed. To incentivise and reward individuals who practice the TOPSIS principles, we present annual awards to recognise exemplary individuals for their efforts.

We also focused on cultivating the 'See Something Say Something' principles with focus on the 3Rs - Recognise, Report and Resolve.

In recognition of our dedicated efforts in conducting TOPSIS training, we were presented with the Star award at the LTA's Public Transport Safety and Security Award ceremony on 19 August 2022. We were also honoured with the 'Outstanding Organisational' award by Singapore Police Force and the Ministry of Home Affairs on 28 September 2022 at the National Safety and Security Watch Group award presentation ceremony.

LOOKING FORWARD

In 2023, we aim to maintain a 100% TOPSIS Level 1 training to ensure competency of all staff in protecting and safeguarding our assets.

BUSINESS INTEGRITY & GROWTH

Building trust with our stakeholders is crucial for success and growth. SBS Transit prioritises integrity and transparency, which enables us to assure our stakeholders, in particular, our customers, suppliers and regulators, of our business practices and decisions.

CORPORATE GOVERNANCE

WHY THIS ISSUE IS MATERIAL

Possessing a robust corporate governance is critical and fundamental to our success and in creating long-term shareholder value. Effective corporate governance measures will ensure decisions are made in the best interest of the company and our stakeholders. We strive to fully comply to legislation and regulatory requirements and uphold the highest levels of ethical considerations across our operations. To achieve this, we strictly adhere to the Code of Corporate Governance issued by the Monetary Authority of Singapore in 2018 and enforce it throughout our organisation and the actions we take.

HOW WE MANAGE THIS

The Board of Directors has the overarching duty to protect and enhance the long-term value of the Company and achieve sustainable growth for the Group. They are responsible for setting the overall strategic direction and overseeing the Group's business conduct, performance, and affairs. Board members are expected to exercise independent judgement and act in good faith in the best interest of the company and its stakeholders. Senior management reports quarterly to the Board on the management of the organisation's ESG material topics.

In reviewing the Board composition and succession planning, the NRC considers various aspects of diversity, as all Board appointments and re-appointments are based on merit. In nominating and selecting the Board, the NRC examines the size and composition of the Board to ensure an appropriate balance and diversity of skills, knowledge, experiences, age, and gender and that the size is conducive for effective discussion and decision making. The NRC also takes into consideration the promotion of tripartism experience from labour, government, and business.

These considerations are further strengthened with the Board Diversity Policy adopted in 2019. With respect to gender diversity, the Board ensures that female candidates

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are included for consideration when identifying suitable candidates for new appointments to the Board, and in 2022, the Board adopted a guideline that at least one female Director sits on each Board Committee, including the NRC.

Upon their appointment, a Director is provided with a copy of the relevant Board terms of reference which sets out the scope of their authority, duties, and responsibilities.

All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Group. In the event that a Director has a conflict of interest, or it appears that he/she may have a conflict of interest in relation to any matter, the Director must immediately declare his/her interest at a meeting of the Board or send a written notice to the Board and the Company containing details of his/her interest in the matter and the actual or potential conflict, and recuse himself/herself from participating in any discussion or decision on the matter. In the case of any matter where the Chairman is conflicted, such as his remuneration or re-election as a Director, he will similarly recuse himself from participating in the discussion; and the other Directors may elect someone among themselves to preside over the discussion and lead the Directors in decision making.

The Group has established through its Whistleblowing Policy, a mechanism for employees and external parties to raise concerns to the Board. The Audit Risk Committee (ARC) Chairperson is also readily available to shareholders if they have concerns for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

As at 31 December 2022, the Board comprised 10 directors, of whom 80% are independent directors. This figure exceeds the SGX Listing Rules and MAS's Code requirements. When appointing Directors, SBS Transit seeks out individuals who have demonstrated integrity, expertise, business acumen, shareholder orientation and a genuine interest in the Group.

All Board of Directors attended a one-time training on sustainability in 2022 to ensure that they possess the relevant experience and knowledge on sustainable development.

The Directors undergo a Board Performance Assessment yearly as a means of evaluating individual and peer performance. The Board Performance Assessment is a formal annual assessment of the Board's effectiveness as a whole. It also evaluates the performances of each Board Committee and individual Directors. The NRC is delegated by the Board to assess the effectiveness of the Board in terms of overall performance and growth of the Group, returns for shareholders, mitigation of conflicts of interest and balancing the competing demands of the Group. In evaluating the contributions and performance of each individual Director, factors taken into consideration include attendance at the Annual General Meeting, Board and Board Committee Meetings and corporate activities, contributions in specialist areas and maintenance of independence. The performance assessment of the Sustainability Committee entails a review of their achievements pertaining to sustainability reporting and performance.

OUR PERFORMANCE

GRI 2-9: Governance structure and composition

BOARD COMPOSITION	
Percentage of independent non-executive director	80%
Percentage of non-independent and executive director	20%
BOARD DIVERSITY	
Women	30%
Men	70%
DIRECTORS' LENGTH OF SERVICE	
Served > 9 years	10%
Served < 9 years	90%
MANAGEMENT DIVERSITY	
Women	10%
Men	90%

The members of our Board of Directors can be found on our website here: https://www.sbstransit.com.sg/home/boardofdirectors

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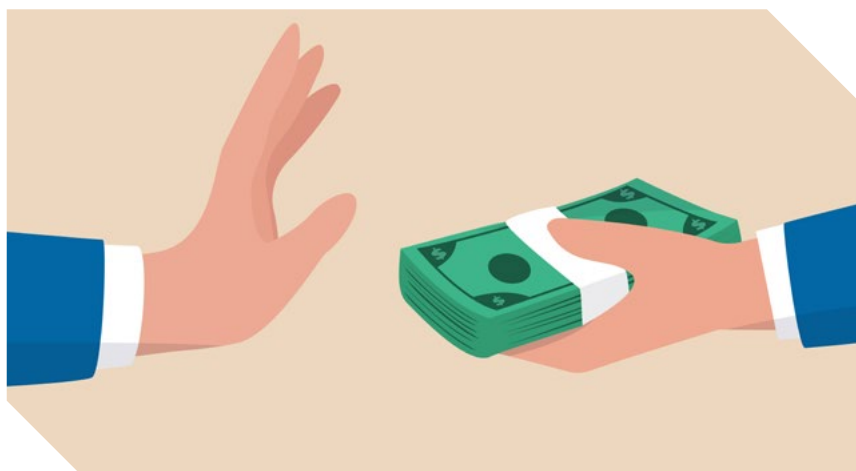
Board meetings are held quarterly. During these meetings, SBS Transit's impact on the economy, the environment, and the people – including due diligence processes, are discussed. The Chairman of the ARC and the Sustainability Committee report back to the Board to secure endorsement before implementing any policies or initiatives. Once approved, these will be reported to the Regulator, if necessary, and communicated to staff through circulars, app messages and briefings. In 2022, there were no critical concerns identified by SBS Transit, hence, no concerns were raised to the Board. For further detail, please refer to Appendix 1: GRI Index, GRI2-16.

LOOKING FORWARD

As an advocate for equal opportunity, we continue to encourage diversity and inclusion in our management and Board.

REGULATORY & COMPLIANCE, ANTI-CORRUPTION & ANTI-BRIBERY

WHY THIS ISSUE IS MATERIAL

SBS Transit places high priority on compliance with laws and regulations, particularly in our heavily regulated industry. We are committed to maintaining a culture of integrity, where fraudulent and corrupt practices are strictly prohibited and will not be tolerated.

GRI 2-9: Competencies of the Board relevant to the impacts of the organisation

EXPERIENCE, EXPERTISE, OR ATTRIBUTE	BOB TAN	CHENG SIAK KIAN	LIM TIEN HOCK	DESMOND CHOO	CHUA MUI HOONG	SUSAN KONG	LEE SOK KOON	LIM SEH CHUN	TAN KIM SIEW	YU CHING MAN
Accounting & finance	Y			Y			Y		Y	
Business and management	Y	Y	Y	Y			Y		Y	Y
Industry	Y	Y						Y		Y
Strategic planning	Y	Y		Y		Y	Y		Y	
Customer experience	Y				Y					
Trade union	Y			Y						
Human resource management	Y						Y	Y		
Legal and regulatory				Y		Y	Y			
Government		Y		Y					Y	
Communications			Y		Y					
Engineering								Y	Y	Y
Training and education			Y					Y		Y
Risk management										
IT										Y
Cybersecurity		Y								
Corporate governance						Y				
Diversity equity and inclusion			Y							

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HOW WE MANAGE THIS

To ensure regulatory compliance, we adopted a Code of Business Conduct that outlines the principles and policies that all employees and third parties acting on behalf of the company must follow. Key components of the Code of Business Conduct include anti-corruption and anti-bribery policies, with zero tolerance for fraud, and improper use of monetary favours, gifts or entertainment. We strongly encourage employees to avoid situations that could create a conflict of interest, whether it is actual, potential, or perceived. In cases where there is potential conflict of interest, employees should declare it to their immediate supervisors and recuse themselves from the decision-making process.

Our Whistleblowing Policy provides well-defined and accessible confidential disclosure channels for employees to raise concerns, identify and address grievances about possible improprieties in financial reporting or other improper business conduct. Our Company Handbook details how employees can raise their concerns. Incidents can also be reported via a direct Intranet link to the Chairperson of the Audit and Risk Committee and/or the ComfortDelGro Group Chief Internal Audit Officer. All cases are investigated and dealt with promptly and thoroughly. Regardless of their significance, all Whistleblowing cases will be registered by the Group Chief Internal Audit Officer and reported to the Audit and Risk Committee on a quarterly basis.

OUR INITIATIVES

STRENGTHENING OUR ANTI-CORRUPTION AND ANTI-BRIBERY POLICIES

As we strive to enhance and strengthen our anti-corruption and anti-bribery policies, all employees are required to declare their compliance to our Code of Business Conduct and any investigations or charges imposed by the authorities to the Company immediately. The annual Code of Business Conduct declaration has been rolled out through the e-learning portal, where employees are required to go through a refresher course on the requirements and achieve a perfect score in a quiz before they are able to submit their declarations.

Following the case of our two former rail engineers who were found guilty by the Court on bribery charges, we have reviewed our processes and taken preventative, detective, and responsive controls to strengthen our internal assessments. They are as follows:

Preventive controls:

1. Strong tone from Senior Management on zero tolerance against fraud and corruption, which is also outlined in our Employee Handbook. Violation of this policy will lead to harsh disciplinary actions, including dismissal of service.
2. Background checks on employees, e.g. reference checks on key employees as part of recruitment procedures.
3. Disclosure of Conflict on Interest (including employee and suppliers for each tender participation).
4. Tight on-boarding process of new vendors which includes validating vendors' credential against industry partners, government company registry, publicly available records. Any ad hoc vendors who have transacted more than six times will also trigger the above on-boarding process.
5. Group Procurement to organise tender process or negotiate for a term contract for vendors/contractors who did not go through the formal tender process but have accumulated more than $50,000 value of transactions within a year.
6. Financial Authority Limits imposed for different levels of staff.
7. Finance and Group Procurement departments will perform spend analysis for prequalified vendors, who have accumulated more than $50,000 spend within a year, for Management's review every six months to identify unusual spending trends.
8. Segregation of duties and restricted access control to sensitive systems.
9. Job Rotation and Mandatory Leave where employees who handle money, inventories, payroll processing and approvals, and purchasing of goods and services, are rotated every three to five years.

Detective controls:

1. Management review of monthly accounts which is monitored against budget, review of balance sheet schedules including bank reconciliations, review of debtors' collection, long outstanding accounts payable, among others.
2. Established Whistleblowing Policy.
3. Audits by internal and external auditors. Group Internal Audit to adopt data analytic tools.

Responsive controls:

1. Internal Investigation
2. Remedial Actions
3. Fidelity Guarantee insurance

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OUR PERFORMANCE AND LOOKING FORWARD

In 2022, two former staff were charged and sentenced for obtaining personal gratifications and loans in exchange for the advancements of business interests of various companies with SBS Transit. The services of both employees have been terminated as it was a case of personal malpractice.

In spite of this, SBS Transit had zero instances of non-compliance with laws and regulations. This includes non-monetary sanctions and fines. Additionally, there were no legal actions pending or completed during 2022 regarding anti-competitive behavior and violations of anti-trust and monopoly legislation. For further detail,

please refer to Appendix 1: GRI Index, GRI2-27, 206-1 and Appendix 2: SASB Index, SASB Rail Transportation TR-RA-520a.1.

SBS Transit has a strict policy of non-tolerance towards fraud and corruption. All employees are expected to adhere to high standards of professionalism and integrity. We have reviewed our procedures to ensure that such incidents do not recur and will continue to abide strictly with regulatory requirements for anti-corruption and anti-bribery acts. We will also enhance our internal controls and compliance to prevent further cases of corruption and fraud.

GRI 205-1: Operations assessed for risk related to corruption

Total number of operations	5
Total operations assessed for risks relating to corruption	5
Percentage of operations assessed for risks relating to corruption	100%

GRI 205-2: Communication and training about anti-corruption policies and procedures

	ABSOLUTE	PERCENTAGE
Total number of governance body members	10	100%
Total number of governance body members whom we have communicated our anti-corruption policies and procedures to	10	100%
Total number of governance body members who have received training on anti-corruption	10	100%

GRI 205-2: Communication and training about anti-corruption policies and procedures

	TOP MANAGEMENT	MIDDLE MANAGEMENT	OPERATIONS & SUPPORT EMPLOYEES
Total number of employees in each employee category	58	768	9,199
Total number whom we have communicated our anti-corruption policies and procedures to	55	719	7,908
Total percentage of employees whom we have communicated our anti-corruption policies and procedures to	95%	94%	86%
Total number of employees who received training and anti-corruption	55	719	7,908
Total percentage of employees who received training and anti-corruption	95%	93%	86%

GRI 205-2: Communication and training about anti-corruption policies and procedures

Total number of business partners	1,215
Total number of business partners whom we have communicated our anti-corruption policies and procedures to	1,215
Total percentage of business partners whom we have communicated our anti-corruption policies and procedures to	100%

GRI 205-3: Confirmed incidents of corruption and actions taken

	2021	2022
Total number of confirmed incidents of corruption	1	0
Nature of confirmed incidents of corruption	Gratifications	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	1	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	1	0
Public legal cases regarding corruption brought against the organisation or its employees	1	0

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RISK MANAGEMENT & TRANSPARENCY

WHY THIS ISSUE IS MATERIAL

Risk management is vital for our business strategy as it equips us with the ability to detect, analyse and prevent potential threats to our business and operations. We consider ESG and climate-related risks in our risk management approach. With early identification, we are able to mitigate and reduce the uncertainties and impact on SBS Transit. Ultimately, over the long run, this enhances shareholder value while bringing forth growth that is sustainable and profitable.

HOW WE MANAGE THIS

With risk management as a priority, the SBS Transit Risk Steering Committee (RSC) works closely with all business units to implement the Risk Management Framework throughout the organisation. The RSC, which includes members from key departments and is led by the Group CEO, presents a bi-annual report on critical risks to the ARC and the Board. Our Internal and External Auditors carry out routine reviews as per their audit plans, and any non-compliance and suggestions for internal control improvements are reported to the ARC.

SBS Transit's approach to risk management is underpinned by the following key principles:

1. Promote and instil risk awareness among all our employees through the embedment of risk management processes into day-to-day business operations and setting an appropriate tone at the management-level. Continuous education, training and regular exercises on risk management are carried out to sustain a risk-informed and risk-aware culture in the Company.

2. Clearly defined ownership and accountability of risk management processes to risk owners. Managers at each level have in-depth knowledge of their businesses and take ownership of risk management, with stewardship retained at Senior Management level.
3. Risk identification, assessment and risk management practices are reviewed and updated regularly every six months to manage risks proactively.

Our risk management process involves having all businesses refresh their risk inventories, conduct risk prioritisation exercises, identify key and emerging risks, and developing the necessary risk controls and treatment action plans. The identified risks, their indicators and actions plans are frequently reviewed and reported.

OUR PERFORMANCE

Due to our robust risk management system, SBS Transit achieved the following awards in 2022:

1. The Singapore Corporate Awards 2022: Best Managed Board (Gold)
2. The Singapore Corporate Awards 2022: Best Risk Management (Gold)
3. Investors' Choice Awards 2022: Shareholder Communications Excellence Award, Most Transparent Company Award

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SBS Transit performed well in the Singapore Governance and Transparency Index 2022, which evaluates listed companies on transparency, accessibility, timeliness, and quality of their corporate governance practices and disclosures. With a score of 102 points, SBS Transit was ranked 17th among 489 companies.

Singapore Governance and Transparency Index Survey 2022

	2020	2021	2022
Score	107	106	102
Rank	17	14	17
Position	Top 2.9%	Top 2.7%	Top 3.4%

LOOKING FORWARD

Going forward, we will maintain our commitment to evaluate, report on, and improve our risk management system as needed. We will also continue to create and implement mitigation and action plans to ensure the protection of our operations, services, and financial performance.

RESPONSIBLE SUPPLY CHAIN & PARTNERSHIP

WHY THIS ISSUE IS MATERIAL

Ensuring the standards of our supply chain partners are consistent with our internal standards of transparency, compliance, social and environmental sustainability is fundamental to us. We actively manage our supply chain by introducing new initiatives and measures to ensure responsible partnership management.

HOW WE MANAGE THIS

SBS Transit requires all our tenderers and suppliers to declare their compliance to ComfortDelGro's Supplier Code of Conduct (see Annex A) which outlines our expectations on compliance to law and regulations, fair practice, ethical conduct, social responsibility, and environmental sustainability. This ensures that our suppliers conduct their businesses with integrity, transparency, and honesty - values which underpin SBS Transit's business conduct.

In April 2022, we implemented an ESG assessment for suppliers who participated in tenders valued at or more than $500,000. Suppliers are evaluated based on their policies, achievements, and disclosure on non-compliance.

OUR PERFORMANCE AND LOOKING FORWARD

In 2022, we engaged 1,215 suppliers, out of which 106 were newly added to our procurement system. All (100%) of our suppliers were screened using an environmental and social criterions to ensure they met SBS Transit's standards and code of conduct. As we ensure adherence to our Supplier Code of Conduct, all new suppliers were onboarded through our procurement system. This approach facilitates the exchange of our compliance expectations regarding applicable laws, regulations, and policies. Only suppliers who comply with our policies are engaged. For further detail, please refer to Appendix 1: GRI Index, GRI 308 and 414.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

R&D, TECHNOLOGY, AND INNOVATION

WHY THIS ISSUE IS MATERIAL

We are committed to providing the best public transport services by continually investing in research and development (R&D), technology and innovation. By going beyond the needs of our customers, we strive to make public transport a preferred mode of travel not only for new and existing users but also future ones. This will also enable us to optimise our operations to provide efficient and sustainable public transport services while retaining our competitive edge.

HOW WE MANAGE THIS

To improve our productivity as well as existing systems, we have been digitalising our operations and moving away from manual processes. The Bus Future Systems and Technology team and the Rail Technologies workgroup organise regular meetings to share about the performance of systems and solutions that are being trialled or implemented while regular updates on their progress are shared with our stakeholders.

To enhance our R&D, technology, and innovation, we present SBS Transit's technology roadmap in an annual paper to the Board, which highlights key technological investments we intend to make over the next five years to improve efficiency and performance. We also signed MoUs to co-create capabilities that will benefit not only the company but also our customers and ultimately the industry.

One notable MOU was signed with the National University of Singapore (NUS) to co-develop innovative solutions to transform the public transport industry. We tapped on the expertise of NUS' faculty members to serve as project mentors for the projects that will be funded under the SkillsFuture Singapore (SSG) Enterprise Transformation Project grant. Incorporating technologies such as data analytics, robotics and 5G applications, the projects are aimed at enhancing safety, reliability and optimise operational processes while improving manpower efficiency, productivity and customer experience. The partnership also presents opportunities for us to develop the capabilities of our staff through various training opportunities offered by NUS.

OUR INITIATIVES

Keeping abreast of the latest technologies and innovations, we work closely with industry partners and technology vendors in the following areas:

1. Digitalisation
2. Condition monitoring
3. Data and video analytics
4. Artificial Intelligence, Augmented and Virtual Reality

ENSURING ETHICAL BUSINESS AND
STRONG GOVERNANCE PRACTICES

DIGITALISATION

We enhanced our digital operations to optimise efficiency and streamline our operations. Some of the notable initiatives and measures introduced in 2022 included:

- Upgrading technology to further optimise bus scheduling tool for buses to improve efficiency in operations, enhance workforce schedules and reduce manpower utilisation.

- Introducing new modules in iLink such as personalised performance data (GEMS fore) and gamification as part of the move to shift operations into the mobile space as part of the next phase of SBS Transit's digitalisation plans.

- Implementing new systems to improve Bus Captains' driving such as 360 cameras and digital side mirrors. Together with other systems in use, they enhance safety on the road.

- Rolling out the Bus Enterprise Asset Management System (BEAMS) to replace the existing Maintenance Management system used by the engineering department. BEAMS introduced additional functionalities to boost efficiency as it integrates and automates the management of various processes in areas such as maintenance, material, asset, contracts, warranty and campaigns on a single cloud platform.

- Operationalising a Management System in the depot to ease the planning and assignment of trains to maintenance staff. This increases the depot supervisor's efficiency when accounting for the fleet.

- Implementing the Track Access Management System (TAMS), which digitalises track access management workflow, for expediency and enhanced safety on the DTL mainline. The NEL TAMS is currently in the implementation and testing phases and is expected to be completed by 4Q 2023. A similar TAMS system will be expanded to our other rail mainlines and depots by 4Q 2024.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

CONDITION MONITORING AND DATA ANALYTICS

We have implemented various initiatives and measures in 2022 that employ data analytics to strengthen our monitoring systems and amplify our operational systems, service quality and reliability. These initiatives included:

1. Signing an MOU with CRRC Nanjing Puzhen Co., Ltd (CRRC) to collaborate on railway technology applications and maintenance engineering. SBS Transit has been working with CRRC on the mid- life upgrade (MLU) of NEL's 25 first generation trains since 2018 and is reaping the benefits of this partnership particularly in the use of condition monitoring and data analytics onboard. This partnership serves to deepen our relationship in the domain of railway maintenance and repair overhaul (MRO) resulting in improvements to safety, service reliability, commuter experience, energy saving and faster train recovery.

2. Establishing a data analytic team within the SBS Transit Rail's Asset Management department to develop and apply data analytics on available system data to detect and highlight system anomalies for timely intervention. The team worked with various departments, namely Rolling Stock and Signalling and Systems, to generate use cases to improve maintenance effectiveness and efficiency.

3. Expanding the use of Bus Data Analytics tools to improve operational efficiency and workforce touchpoints. This has resulted in improvements made to generating data from the Feedback Management Portal, optimising resources as well as providing insights to identify and manage individual Bus Captain's driving behaviour and their training needs.

4. Trialling the tire tread depth monitoring system that provides a comprehensive platform for data collection and analysis. This enables access to immediate, actionable tire tread data on specific tires as well as historical wear rates, customisable alerts, and fleet data.

AUGMENTED AND VIRTUAL REALITY

Similarly, we are exploring new opportunities to advance our management and maintenance regimes through augmented and virtual reality technology. These initiatives included:

- Trialling mixed reality remote diagnostics for bus engineering to improve its maintenance regimes. Instead of deploying technical specialists on-site to assist in troubleshooting when buses break down, we plan to station these specialists at more central locations. They will advise the technicians remotely through the use of mixed reality diagnostics tools, enabling quicker decisions and repairs.

- At the Rail Training Institute, we leverage augmented and virtual reality to enhance maintenance and operational training. Train simulators are being deployed to enable train drivers to learn and perform driving and rescue operations, while augmented and virtual reality training packages are used by technical staff to learn and practise the removal and installation of components during rolling stock maintenance.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

**VIDEO ANALYTICS AND ARTIFICIAL INTELLIGENCE**
We ventured into Video Analytics (VA) and Artificial Intelligence (AI) to magnify the quality and reliability of our services. With these advanced technological tools, SBS Transit is able to identify new innovative solutions. The following initiatives were implemented in 2022:

- We successfully demonstrated the proof-of-concept for Siemens Mobility's AI-based software (AIRO) to optimise train deployment and better match customer's travel patterns. This project could potentially significantly reduce energy consumption and resource wastage as trains will be deployed in a more efficient manner as compared to the current fixed headway based on times of the day. We are currently on track to develop an AIRO proposal for the DTL for review and approval by the LTA.

- We signed an MOU with Huawei International Pte. Ltd. to collaborate on a project involving smart glasses for remote assistance when our employees are faced with emergencies or technical faults that may require additional support. With the pair of smart glasses, they will be able to communicate with, and be guided by operations and engineering experts, who will have a first-person view of the situation. This remote assistance concept and technology enables responsive and precise diagnosis and enhances decision-making abilities in time-critical events.

- A collaboration with Thales Asia to implement video analytics technology at five NEL interchange stations. Through the use of smart video analytics, the system is able to assist station staff in identifying unattended luggage, unexpected crowds and other established parameters more efficiently.
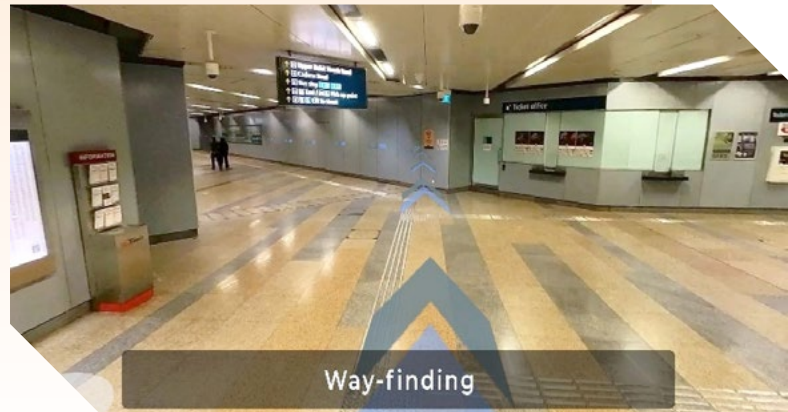
Way-finding

- Through a strategic collaboration agreement with VIZZIO Technologies, we are working on two keystone innovations developed as part of the SBS Transit's Smart Station concept. They are the 3D Virtual Patrol and 3D Way-Finding app. Central to the Smart Station is its 3D live digital twin that provides an immersive and interactive 3D tour, and collects a host of real-time information via IoT sensors and CCTV cameras. The insights generated by this digital twin makes the station intelligent, with real-time sensing and analysis that can be exploited for safety, security, operations management and customer experience. This forms the basis of the Virtual Patrol and Way-Finding app which are currently being developed and trialled at our Smart Station Sandbox at DTL's Cashew MRT Station.

Incident Management, Fault Detection
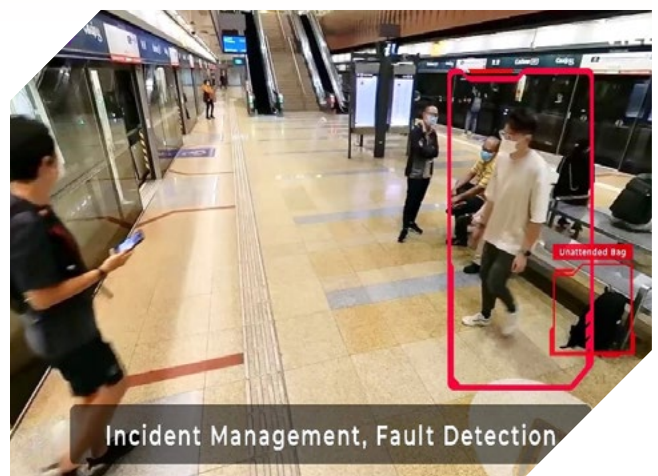
LOOKING FORWARD
We will continue to explore technologies that optimise resources and improve operational efficiency and performance, to enable us to remain efficient, effective and cost competitive.

APPENDICES AND ANNEXES