

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES



ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES



BUSINESS INTEGRITY & CORPORATE GOVERNANCE

Upholding integrity and ethical practices across all layers of business practices through compliance and responsible affiliations

CYBERSECURITY & DATA PRIVACY

Reinforcing all protective and compliance processes to prevent threats and breaches to our cybersecurity and data.

ASSET PROTECTION & SAFETY

Fortifying safeguards to manage and protect assets within the organisation's responsibility.

BUSINESS INTEGRITY AND CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

WHY THIS ISSUE IS MATERIAL

Our company prioritises a robust corporate governance framework. This framework safeguards the long-term interests of our shareholders by ensuring decisions align with the company's and stakeholders' well-being. We are committed to ethical operations, full legal and regulatory compliance, and upholding the highest standards. Our governance practices strictly adhere to the Monetary Authority of Singapore (MAS) 2018 Code of Corporate Governance, which serves as our foundational guide for achieving and maintaining good corporate governance.

HOW WE MANAGE THIS

The Board of Directors are the stewards of the Company's long-term value and sustainable growth. They set the strategic direction, oversee all aspects of the Group's business, and hold executive management accountable for performance. Board members must act independently, prioritise the company's and its stakeholders' best interests, and always approach their duties with good faith.

SBS Transit's Senior Management provides quarterly reports to the Board regarding the management and performance of the organisation's ESG material topics. This includes discussions and reviews on developments, strategies or policies on the management of the economy, environment, and people.

Any significant concerns from the SSQC will be raised to the Board during these meetings.

The Board is responsible for reviewing SBS Transit's Sustainability Report, which encompasses our materiality assessment and sustainability targets. Sustainability targets are regularly reviewed and agreed upon during Board meetings. Furthermore, ESG considerations have been integrated into Senior Management compensation to instill accountability for positive ESG outcomes that benefits both our shareholders and stakeholders. In 2023, ESG targets accounted for 20% of the annual BSC. To reflect our growing ESG focus, these targets will increase to 25% in 2024.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

The NRC carefully considers various aspects of diversity when reviewing Board composition and succession planning, ensuring that all appointments and re-appointments are based on merit.

In the process of nominating and selecting Board members, the NRC thoroughly assesses the size and composition of the Board to ensure a suitable balance and diversity of skills, knowledge, experiences, age, gender, and other aspects of diversity within the Board. In assessing the balance and diversity of skills within the Board, the NRC takes into consideration various experiences or attributes of the existing Board members and the candidates, including experiences or skills in sustainability, diversity, equity and inclusion, cybersecurity, corporate governance, legal and regulatory. Additionally, the NRC considers the promotion of tripartism, valuing experience from labour, government, and business sectors, to foster well-rounded constructive discussions and effective decision-making.

SBS Transit implemented its formal Board Diversity Policy in 2019, and revised it in 2022 to include a specific guideline that at least one female director sits on each Board Committee. In particular, the guideline also extends to the NRC, ensuring that due consideration is given to ensure female candidates are included in the nomination process. As of 2023, we have one female director in the NRC.

Upon their appointment, Directors receive a copy of the relevant Board terms of reference, which outlines their authority, duties, and responsibilities. All appointed directors are required to avoid any situations where their personal or business interests may

conflict or appear to conflict with the interests of the Group. If the Directors have a conflict of interest or a potential conflict of interest on any matter, they must promptly declare their interest at a Board meeting or provide written notice to the Board and the Company. They should recuse themselves from participating in discussions or decisions related to the matter.

In cases where the Chairman has a conflict of interest, such as remuneration or re-election, they also are to recuse themselves from the discussion or decision. The remaining Directors may elect someone from among themselves to preside over the discussion and lead decision-making.

The Group has established a Whistleblowing Policy that allows employees and external parties to raise concerns to the Board. If shareholders have concerns that cannot be addressed through normal channels of communication with the Chairman or Management, they can reach out to the Chairperson of the Audit and Risk Committee (ARC).

As of December 31, 2023, the Board consisted of 12 Directors, with 58.3% being independent directors, surpassing the requirements of the SGX Listing Rules and MAS's Code. When appointing Directors, SBS Transit looks for individuals who have demonstrated integrity, expertise, business acumen, a shareholder orientation, and a genuine interest in the Group.

The Directors undergo a yearly Board Performance Assessment, which evaluates individual and peer performance. It assesses both the effectiveness of the Board as a whole, and the individual performances of each Board Committee and individual

Director. The NRC is delegated by the Board to develop and maintain a formal performance evaluation framework to assess and evaluate the effectiveness of the Board, the Board Committees and individual Directors. Factors considered in evaluating the contributions and performance of each Director include attendance at meetings, insights and contributions in specialised areas, maintenance of independence, strategic networking, availability for guidance and advice outside of formal Board and Board Committee meetings, and participation in corporate activities.

The performance assessment of the SSQC includes a review of the implementation of the SBS Transit's sustainability strategy, including materiality assessment, review of compliance with policies, and alignment of sustainable development policies with laws and regulations, as well as review of Management's commitment and appropriate allocation of resources to achieving the desired outcomes of SBS Transit's sustainability strategy. Board meetings take place on a quarterly basis, during which discussions are held regarding SBS Transit's impact on the economy, environment, and society. This includes deliberations on due diligence processes. The Chairman of the ARC and the SSQC provide reports to the Board, seeking approval before implementing any policies or initiatives. Once approved, these initiatives, if required, will be communicated to the Regulator and shared with staff through circulars, app messages, and briefings. In 2023, SBS Transit did not identify any critical concerns, and as a result, no concerns were raised to the Board during that period. For further information, please refer to Appendix 1: GRI Index, GRI2-16.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

Ensuring Effective Management of Sustainability Matters through our Board Training Programme

To ensure our Directors possess the necessary expertise and understanding of sustainable development and its relevance to SBS Transit's operations, as part of our Board Training Programme, all our directors have undergone a comprehensive one-time training on sustainability (Environment, Social and Governance Essentials). This training equips them with the knowledge needed to effectively navigate and incorporate sustainable practices within our organisation. In 2024, the entire Board will undergo a training program titled 'Sustainability Urban Transport

Planning and Strategies', curated by LTA, that will cover clean energy strategy and green initiatives.

In the spirit of continuous improvement, the Board has decided that members should notify the Management of any training modules or programmes that are suitable and appropriate for governance and sustainability of the Company's business, so that they can be taken into consideration in the crafting of the Board Training Programme, and be made available to Directors.

The company secretariat will make topical training programmes which are

relevant to Directors' discharge of their duties available to Directors on ad-hoc basis. In 2023, the programme "Climate Reporting Fundamentals" organised by SGX, to help listed companies prepare for climate reporting requirements, was made available to our Directors, and our newly appointed Director and member of Sustainability Committee, Dr Christina Lim attended the programme. This demonstrates our management's dedication and commitment to transparency and providing accurate and comprehensive reporting of our climate-related activities.

OUR PERFORMANCE

GRI 2-9: Governance Structure and Composition

Board Composition	
Percentage of independent non-executive director	(7) 58.3%
Percentage of non-independent non-executive director	(3) 25.0%
Percentage of non-independent executive director	(2) 16.7%
Board Diversity	
Women	(4) 33.3%
Men	(8) 66.7%
Directors' Length of Service	
Served > 9 years	(1) 8.3%
Served < 9 years	(11) 91.7%
Management Diversity	
Women	(6) 10.0%
Men	(54) 90.0%

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

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

GRI 2-9: Competencies of the Board Relevant to the Impacts of the Organisation

EXPERIENCE, EXPERTISE, OR ATTRIBUTE	Bob Tan	Cheng Siak Kian	Desmond Choo	Chua Mui Hoong	Susan Kong	Lee Sok Koon	Lim Seh Chun	Lim Tien Hock	Tan Kim Siew	Yu Ching Man	Jeffrey Sim	Christina Lim
Accounting & finance	✓		✓		✓	✓			✓			
Business and management	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	
Industry	✓	✓					✓			✓	✓	
Strategic planning	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓
Customer experience	✓			✓								
Trade union	✓		✓									
Human resource management	✓			✓		✓	✓	✓		✓		✓
Legal and regulatory			✓	✓	✓	✓						
Government		✓	✓						✓			
Communications			✓	✓		✓						✓
Engineering		✓					✓		✓	✓	✓	✓
Training and education	✓						✓	✓		✓	✓	✓
Risk management	✓	✓		✓	✓	✓					✓	
IT & Cybersecurity		✓							✓	✓	✓	
Sustainability	✓			✓	✓	✓						
Corporate governance	✓											
Diversity equity and inclusion	✓	✓		✓	✓			✓		✓	✓	

LOOKING FORWARD

As a firm believer of an industry with equal opportunity, we remain committed to promoting diversity and inclusion within our management team and Board.

REGULATORY & COMPLIANCE, ANTI-CORRUPTION & ANTI-BRIBERY

WHY THIS ISSUE IS MATERIAL

SBS Transit places significant emphasis on adhering to laws and regulations, particularly within our industry, which is subjected to rigorous oversight. We are dedicated to upholding a culture of integrity, where any form of fraudulent or corrupt activities is strictly forbidden and will not be tolerated.

HOW WE MANAGE THIS

To ensure compliance with regulations, we have implemented a Code of Business Conduct that outlines the principles and policies that all employees and third parties acting on behalf of the company must adhere to.

The Code includes strict anti-corruption and anti-bribery measures, with a zero-tolerance approach towards fraud and improper use of monetary favours, gifts, or entertainment. Employees are strongly encouraged to avoid any situations that may give rise to actual, potential, or perceived conflicts of interest. If there is a potential conflict of interest, employees are required to disclose it to their immediate supervisors and recuse themselves from the decision-making process.

Our Current Processes to Prevent Corruption

To ensure all employees uphold our Code of Business Conduct, an annual refresher training is mandated. This annual process culminates

with a compliance declaration, and requirement for employees to promptly report any investigations or charges posed against them by the authorities.

To ensure our supply chain partners maintain the same level of rigour we set internally, our suppliers are required to comply with our [Supplier Code of Conduct](#). If our suppliers are found to have participated in any fraudulent activity, corrupt conduct or demonstrate non-compliance to our Code of Conduct, we will cease future engagements with them. Our Group Internal Audit team conducts regular audits and provide assurance to the operational integrity of related Code of Conduct and anti-corruption.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

Whistleblowing Policy

Our Whistleblowing Policy provides clear and accessible channels for employees to confidentially report concerns or grievances regarding possible financial improprieties or other improper business conduct. Detailed instructions on how to raise such concerns are outlined in our Company Handbook. Incidents can also be reported directly through the company's intranet link to the Chairperson of the Audit and Risk Committee and/or the Group Chief Internal Audit Officer (GCIAO). All reported cases are promptly and thoroughly investigated and addressed. All whistleblowing incidents and cases reported are recorded by the GCIAO and reported to the Audit and Risk Committee, which is responsible for oversight and monitoring of whistleblowing.

Conflict of Interest

Our efforts to uphold business integrity is also underpinned by our Group's Conflict of Interest policy. This policy aims to foster a culture of ethics and integrity where all representatives of the Group are guided by a set of guidelines for gifts. These guidelines set out the Group's intolerance for improper use of gifts or entertainment to gain special advantage in a business relationship which include solicitation of gifts or entertainment, seeking favours or preferential terms for personal benefit from any business partners. Employees are therefore not permitted to offer or accept any gifts or entertainment without the authorisation of their supervisions. Business gifts and entertainment presented on the Group's behalf must be consistent with our highest standards of ethical business practice and any applicable laws and regulations and only for the achievement of business goals and objectives. In any instance, employees are empowered and encouraged to declare to Human Resources (HR), any circumstances, updates, and situations which may arise to a potential conflict of interest at any time during their employment.

All new employees hired must make a declaration of any conflict of interest to HR upon onboarding. Declarations made are reported to respective direct superiors, the CEO of the Business Unit and Group Chief HR Officer. Additionally, all staff involved in onboarding suppliers, raising purchase requisition, tender evaluation, tender award are reminded to make such declarations as well. To ensure the continual awareness of avoiding conflicts of interest and maintaining fair business dealings by our staff, we have an annual declaration exercise in which all the relevant employees must diligently and duly complete a mandatory annual declaration.

Our procurement team makes an annual declaration on conflicts of interest and is required to attend a workshop on "Procurement Fraud Prevention and Detection" within their first two years of service.

OUR PERFORMANCE AND LOOKING FORWARD

SBS Transit maintained a clean record of compliance with laws and regulations in 2023, with no instances of non-compliance leading to sanctions, fines, or legal actions against the Company related to anti-competitive behaviour, violations of anti-trust laws, or monopoly legislation. For more detailed information, please refer to Appendix 1: GRI Index, GRI2-27, 206-1, and Appendix 2: SASB Index, SASB Rail Transportation TR-RA-520a.1.

We are proud to have upheld our robust anti-bribery and corruption policies, and in 2023, there has been zero cases of corruption, incidents where employees were dismissed or disciplined for corruption or any legal action taken against SBS Transit or our employees by the authorities in connection with corrupt practices or bribery in the pursuit of SBS Transit's interest. In addition, there has also been zero incidents of contracts with business partners terminated or not renewed due to violations related to corruption.

In 2023, there were 7 whistleblowing cases reported via our whistleblowing channel to the ARC, of which, 1 case was assigned to be investigated by Group Internal Audit. Upon investigation, the allegation for this case was unsubstantiated. The remaining 6 cases were relating to operational matters that were investigated and resolved by the management.

SBS Transit continues to uphold a stringent policy of zero tolerance towards fraud and corruption. We expect all employees to adhere to high standards of professionalism and integrity. We remain committed to compliance with applicable regulatory requirements related to anti-corruption and anti-bribery practices. Furthermore, we seek to continuously enhance our internal controls and compliance measures to prevent future cases of corruption and fraud.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

GRI 205-1: Operations Assessed for Risk Related to Corruption

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

GRI 205-2: Communication and Training about Anti-Corruption Policies and Procedures

	GOVERNANCE BODY	SENIOR MANAGEMENT	MANAGEMENT	PROFESSIONALS	NON-EXECUTIVES
Total number	12	60	171	718	9,013
Percentage that the organisation's anti-corruption policies and procedures have been communicated to	100%	100%	100%	100%	100%
Percentage that received training on anti-corruption	92% ²¹	100%	100%	100%	100%

GRI 205-2: Communication and Training about Anti-Corruption Policies and Procedures

Total number of business partners	1,302
Total number of business partners that the organisation anti-corruption policies and procedures have been communicated to	1,302
Total percentage of business partners that the organisation anti-corruption policies and procedures have been communicated to	100%

²¹ As of 31 December 2023, all members of the governance body except Dr Christina Lim have completed anti-corruption training. Dr Lim joined the board in October 2023 and is scheduled to complete the training before her first-year anniversary.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

RISK MANAGEMENT & TRANSPARENCY

WHY THIS ISSUE IS MATERIAL

Effective risk management is essential to our business strategy as it provides us with the capability to identify, analyse, and proactively address potential threats to our business and operations. Within our risk management approach, we consider ESG factors as well as climate-related risks. By recognising these risks early on, we can take appropriate measures to mitigate and minimise uncertainties and their impact on SBS Transit. This contributes towards our goals of delivering safe and reliable services at an affordable price, being an employer of choice, creating significant shareholder's value, and a socially responsible corporate role model.

HOW WE MANAGE THIS

Given the importance of risk management, the SBS Transit RSSC provides the guidance to all business units to ensure the implementation of the Risk Management Framework across the organisation. The RSSC, led by the Group CEO and comprising members from business and division heads, provides bi-annual reports on enterprise risks to the ARC and the Board.

To maintain effective risk management practices, our Internal and External Auditors conduct regular reviews. Any instances of non-compliance and recommendations for enhancement of internal controls are reported to the ARC. SBS Transit's risk management approach is based on the following fundamental principles:

1. Foster and promote risk awareness among our employees by integrating risk management processes into daily business operations and establishing a management-level commitment. 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 company culture.

2. Assign clear ownership and accountability for risk management processes to the respective risk owners. Managers at all levels must possess a deep understanding of their respective business areas and assume responsibility for risk management. Senior management retains overall stewardship of the risk management function.
3. Regularly review and update risk identification, assessment, and risk management practices every six months to proactively address risks.

Our risk management process involves conducting risk screening (as performed in the climate scenario analysis), risk inventories, prioritising risks, identifying both key and emerging risks, and developing appropriate risk controls and action plans. The identified risks, along with their indicators and action plans, are regularly reviewed and reported by the risk owners.

OUR PERFORMANCE

In recognition of our governance and sustainability disclosures, SBS Transit achieved the following awards in 2023:

1. Singapore Corporate Sustainability Award (Mid Cap) – SIAS Investor Choice Awards 2023
2. Singapore Corporate Governance Award (Mid Cap) – SIAS Investor Choice Awards 2023
3. Shareholder Communications Excellence Award (Mid Cap) – SIAS Investor Choice Awards 2023

4. Most Transparent Company Award (Industrials) – SIAS Investor Choice Awards 2023
5. Best Annual Report Award (Gold) – The Singapore Corporate Awards

SBS Transit maintained its strong performance in the 2023 Singapore Governance and Transparency Index, which assesses the transparency, accessibility, timeliness, and quality of corporate governance practices and disclosures of listed companies. With a score of 83 points, SBS Transit secured the 19th position (top 4%), demonstrating its commitment to good governance and transparency.

LOOKING FORWARD

Moving forward, we will strive to uphold our dedication to assess, report, and enhance our risk management system. We will persist in the development and execution of mitigation and action plans to safeguard our operations, services, and financial performance.



ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

RESPONSIBLE SUPPLY CHAIN & PARTNERSHIP

WHY THIS ISSUE IS MATERIAL

Maintaining alignment between the standards of our supply chain partners and our internal standards of transparency, compliance, social responsibility, and environmental sustainability is of utmost importance to us. We proactively oversee our supply chain by implementing new initiatives and measures to ensure responsible partnership management.

HOW WE MANAGE THIS

SBS Transit mandates that all suppliers are to declare their adherence to our Supplier Code of Conduct. This code outlines our expectations for compliance with laws and regulations, fair business practices, ethical conduct, social responsibility, and environmental sustainability. In 2023, we enhanced the Supplier Code of Conduct to strengthen the human and labour rights, business practices, ethics, and risk management aspects. By requiring suppliers to comply with these standards, we ensure that their operations are conducted with integrity, transparency, and honesty, which are

fundamental values in SBS Transit's business practices.

In addition, SBS Transit has in place an ESG assessment. This assessment has been made mandatory for all suppliers participating in tenders valued at \$500,000 or above. The ESG assessment evaluates our suppliers based on their policies, achievements, and disclosures, and will flag out any non-compliance with the relevant ESG standards.

Early Payment Programme

To strengthen our supplier relationships for a sustainable and resilient supply chain, we partnered with C2FO, a global leader in working capital solutions, to launch our Early Payment Programme in March 2023.

The programme allows our suppliers to receive early payment on their approved invoices in exchange for a discount. This convenient platform can be accessed at any time and gives suppliers control over when they receive their payments. This increases the supplier's working capital, improve their financial metrics and to manage their supply chain risk better.

OUR PERFORMANCE AND LOOKING FORWARD

In 2023, we established relationships with a total of 1,302 suppliers²², with 149 being new suppliers. To ensure alignment with SBS Transit's standards and code of conduct 96.8% (1,261) underwent screening based on environmental and social criteria. For more details, please refer to Appendix 1: GRI Index, GRI 308 and 414.

As part of our commitment to upholding the Supplier Code of Conduct, we onboarded all suppliers through our procurement system. This approach enables us to effectively communicate our compliance expectations regarding the relevant laws, regulations, and policies within our operating environment. We make certain to engage only with suppliers who demonstrate compliance with our policies.



22 Excludes intercompany and public service suppliers

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

R&D, TECHNOLOGY, AND INNOVATION

WHY THIS ISSUE IS MATERIAL

Our commitment to deliver outstanding public transport services is demonstrated through our ongoing investments in research and development (R&D), technology, and innovation. By constantly striving to exceed the expectations of our customers, we aim to establish public transport as the preferred mode of travel for all. This approach enables us to enhance the efficiency and sustainability of our operations, while also maintaining our competitive advantage.

HOW WE MANAGE THIS

To enhance productivity and streamline our existing systems, we have undertaken a digitalisation initiative to transition from manual processes. The Bus Future Systems and Technology team along with the Rail Technologies workgroup regularly convene meetings to discuss the performance of systems and solutions that are being tested or implemented. In addition, we ensure that our stakeholders are regularly updated on the progress of these initiatives.

In 2023, we signed 11 MoUs to collaborate on developing capabilities that will benefit not only our company but also our customers and the wider industry.



We continued to collaborate with the National University of Singapore (NUS) on innovative solutions for the public transport industry, focusing on technological advancements for SBS Transit's operations. Some ongoing projects include data-driven inventory optimization and emission accounting for our bus depot. NUS mentors support the progress of these projects and provide training opportunities for our staff, with a goal to enhance safety, reliability, efficiency, and passenger experience through data analytics, robotics, and 5G applications.

To further advance our research and development, technology, and innovation efforts, we present SBS Transit's technology roadmap to the Board annually. This roadmap outlines the key technological investments we plan to make over the next five years, with the aim of improving efficiency and performance. Along with the launch of MINNOVA, planned for second half of 2024, we are committed to leverage on technologies and find novel ways to tackle problems within Singapore's mobility ecosystem.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

OUR INITIATIVES

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

Digitalisation

In our pursuit of operational efficiency and process optimization, SBS Transit has undertaken various efforts to enhance our operations. In 2023, we implemented several noteworthy initiatives and measures, including:

1. Enhancing our multi-function track trolley, the world's first integrated motorised set-up, to improve upon our inspection and measurement capabilities, with measurements digitally formatted.
2. For enhanced safety, our buses now feature handbrake audio alerts that warn Bus Captains when exiting with the parking brake disengaged.
3. Implementing the Track Access Management System (TAMS), our in-house solution developed to digitalise track access management and improve overall efficiency and workplace safety. In 2023, TAMS was fully implemented for DTL while installation at NEL will be completed by Q2 2024.
4. Trial of Artie, our service ambassador robot, at several bus interchanges to advise and assist passengers with journey planning.



Artie, our service ambassador robot at Boon Lay Bus Interchange

Condition Monitoring and Data Analytics

In 2023, we took steps to bolster our condition monitoring application and enhance our data analytics capabilities. These have elevated our operational systems' performance and improve the overall quality and reliability of our services. Some of the noteworthy initiatives and measures we implemented during this period include:

1. Installation of Point Machine Condition Monitoring System operational at 2 NEL stations with completion at all other NEL stations by December 2024.
2. Equipping our six new NEL trains with real-time condition monitoring systems to monitor the health and performance of various train equipment.
3. Introduction of a bus condition monitoring system in a pilot project across 1,000 buses. This system can anticipate and avert bus breakdowns, minimising inconvenience to our passengers.
4. Formation of the SBS Transit Power BI CoP (Community of Practice) to encourage learning and cross-sharing of experience.
5. Developing an intelligent dashboard that monitors facilities, alerting our station staff of excessive equipment downtime as well as highlighting any unusual activities beyond its usual operating hours. This empowers them to swiftly address potential issues, ensuring smooth operations and preventing unnecessary energy consumption.
6. Deploying a suite of dashboards to facilitate post-analysis of train and/or track incidents and assist in pre-operations planning by assessing the operational readiness of the entire train fleet. This optimises train deployment and operational efficiency.
7. Applying analytics to track maintenance KPIs to ensure that maintenance targets are met and to bring any increase in overdue or delayed works to the management's attention for further investigation.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

LOOKING FORWARD

We are committed to continued exploration of technologies that enhance resource optimization and drive operational efficiency and performance. In doing so, we aim to maintain our efficiency, effectiveness, cost competitiveness, and drive value for our stakeholders.

Augmented and Virtual Reality

We have embarked on exploring augmented and virtual reality technologies to discover new possibilities for advancing our management and maintenance practices. Through these initiatives, we aim to harness the potential of augmented and virtual reality to improve our operations. Some of the specific initiatives we have undertaken in this area include:

1. A pilot program for a 360° virtual navigation map (NaviAID) is underway at Sengkang Integrated Transport Hub. Leveraging augmented reality, NaviAID is designed to enhance customers navigation within the hub. The trial commenced in September 2023 and is expected to conclude in August 2024.
2. Launch of the Virtual Reality Railway Safety Trainer to coach learners to navigate realistic underground railway tunnel environments and practice crucial safety procedures, in an immersive and interactive environment.
3. Developing a Mixed Reality (MR) train driving simulator to provide an immersive and interactive experience for train drivers to hone their psychomotor skills for train driving. The MR simulator can be deployed at the train stations to facilitate the convenience of integrating refresher training into the work cycle of our operational staff, alleviating operational constraints. Approximately 470 staff will benefit from this annually, once launched in Q3 2025.

Artificial Intelligence (AI)

SBS Transit has also embraced the combination of AI and video analytics to improve the quality and reliability of our service offerings. This includes:

1. Project VAnGuard, a Track Intrusion Detection System that employs video analytic technologies to analyse surveillance footage and detect any intrusions on the tracks. This enables our staff to take immediate action to stop the train, investigate, and implement necessary measures. VAnGuard is set to be installed at 28 LRT stations on the SPLRT network, with expected completion in 2024.
2. In addition to deploying AVATAR, an autonomous AI-enabled robotic dog to assist with train inspections, we will explore expanding its sensor capabilities for predictive maintenance capabilities. This will enable us to tackle component failures proactively before they manifest into issues impacting train operations, or causing delays.



NaviAID

GET AROUND MORE EASILY WITH OUR VIRTUAL MAP

Know your way around the Sengkang Integrated Transport Hub with NaviAID - our 360° virtual map. Easy to use, you'll never get lost again! With NaviAID, you can travel with confidence and ease.

SBS TRANSIT

- SBS TRANSIT
- SBS TRAINING SERVICES
- SBS TRAVEL INFORMATION
- NEARBY ATTRACTIONS

Please click here to access NaviAID that will show you the way around SBS Transit premises!



ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

CYBERSECURITY, DATA GOVERNANCE & PRIVACY

WHY THIS ISSUE IS MATERIAL

SBS Transit strives to remain updated on the ever-changing cyber landscape. For instance, embracing digitalization for remote and flexible work arrangements has proven advantageous for both the organisation and its employees, leading to improved cost efficiency, time savings, and productivity. However, as the pace of digital transformation advances, it becomes increasingly vital to strengthen and enhance our defences against the ever-growing cyber threats, attacks, and online scams. It is imperative that we reinforce our security systems to safeguard our assets and customer data.

HOW WE MANAGE THIS

Every year, our Cybersecurity Steering Committee conducts a comprehensive assessment of our cybersecurity policies, measures, and standards to ensure their resilience and applicability in the rapidly evolving technological landscape. The Committee also ensures that our cybersecurity policies and measures promote strict adherence to the requirements of the Cybersecurity Act 2018. The Cybersecurity team is responsible for organizing quarterly meetings to provide updates to SBS Transit's Senior Management, which includes the Bus & Support Cybersecurity Working Committee, Rail Cybersecurity Working Committee, and Cybersecurity Steering Committee.

Our two appointed Data Protection Officers oversee the Bus and Rail Business and Corporate Support Departments respectively. They are supported by a structural Personal Data Protection (PDP) Committee who designs the respective data protection policies, processes and directives. The PDP Committee also spreads the awareness of personal data protection measures and data breach procedures through regular informative bulletins, briefings, and specialised staff trainings.

Our cybersecurity standards and guidelines are applicable to both our information technology (IT) and operational technology (OT) systems. Our IT systems consist of office automation networks, information processing systems, email systems,

intranet systems, all business application systems, the SBS Transit website, and other internet-related systems. On the other hand, our OT systems encompass the systems responsible for monitoring events, processes, and devices that facilitate adjustments in our industrial operations, including our rail and bus transport systems.

To ensure the security of these 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. Additionally, we have put in place preventive measures such as network access controls and Malware Protection protocols at end points and servers that aim to protect the use of online services. We also conduct regular reviews of our internet accounts to ensure the effectiveness of our controls.

We actively engage with stakeholders, including our suppliers, to ensure strict adherence to our high standards of data security. For our existing contracted suppliers, we have included the Personal Data Protection Deed as an addendum to their main contract and require their commitment to our company's Personal Data Protection Act (PDPA) Policy. Moreover, we enforce third-party cybersecurity training as a prerequisite for suppliers responsible for maintaining our IT and OT systems.

In our future contracts with suppliers, we plan to integrate the PDPA clause directly into the main contract to mitigate associated risks. Similarly, when engaging with ad hoc suppliers, we assess their competence in adhering to and upholding PDPA standards through a comprehensive questionnaire to evaluate their capabilities, prior to establishing any engagement.

OUR INITIATIVES

Compliance with Cybersecurity Act

As a Critical Information Infrastructure Organisation under the Cybersecurity Act (2018), SBS Transit prioritises data security and regulatory compliance. To achieve this, we follow a robust IT governance framework aligned with the Cybersecurity Act and LTA's recommendations. This framework encompasses people, processes, and technology to manage both operational and information technology systems.

Furthermore, we employ automated tools and regular practices like training, assessments, and audits to mitigate cybersecurity risks and minimise potential impacts like data breaches and reputational damage. Our commitment to data security is evident in our consistent compliance record and with no major breaches to date. This accomplishment reflects our responsible handling of data, stakeholder trust, and continuous efforts to strengthen our cybersecurity posture.



ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

Strong Cybersecurity Governance Framework

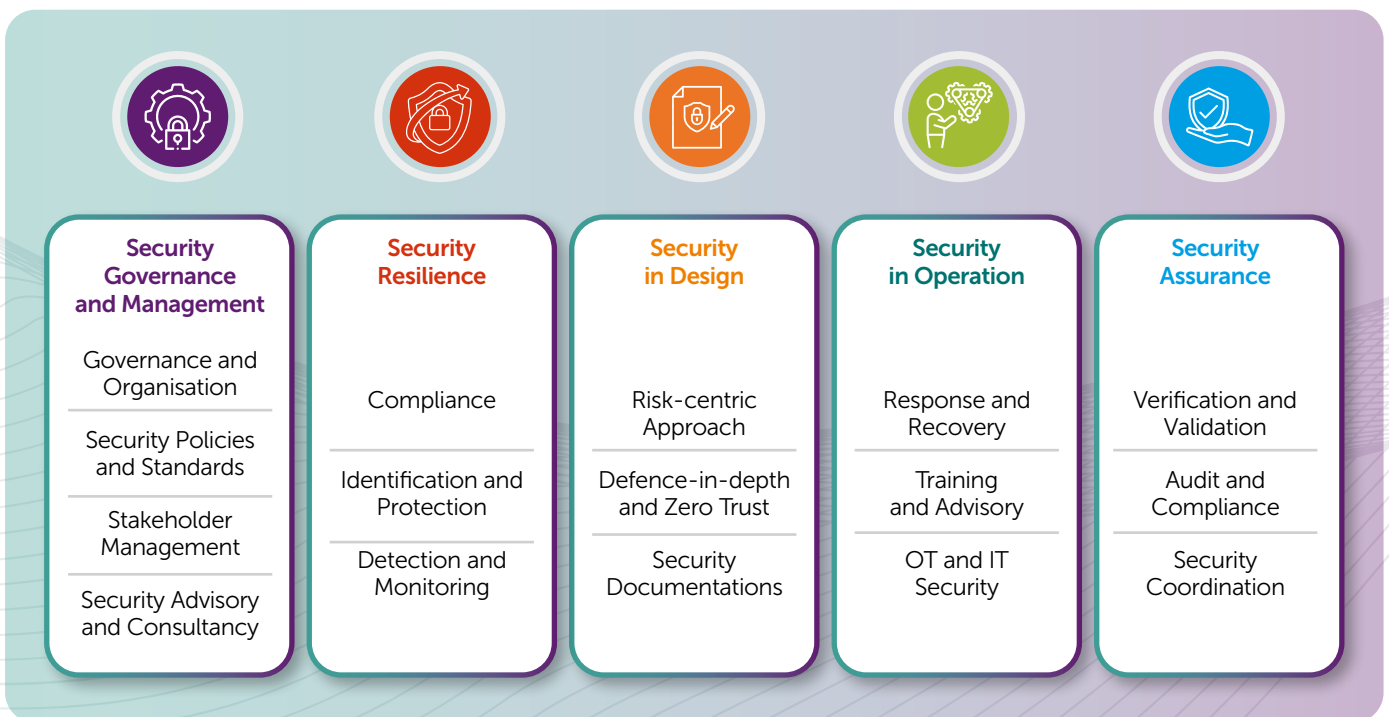
Since 2021, SBS Transit established the cybersecurity governance framework that has helped us effectively manage security risks and protect our assets from various threats, including cyber-attacks, physical security breaches, and other risks. People, Process, and Technology are the three essential components of a security management framework.

- **People** - The human element of security management, including employees, contractors, and other stakeholders
- **Process** - Involves the procedures, policies, and practices that guide security management
- **Technology** - The tools and systems used to implement and support security management

Our cybersecurity governance framework controls both IT and OT systems to protect our information assets and data to prevent security breaches. To ensure confidentiality,

integrity, and ongoing availability of information and infrastructure, we comply to the highest security standards stipulated by local legislation, regulations and industry i.e., Cybersecurity Act, Cybersecurity Code of Practice for Critical Information Infrastructure, Land Transport Code of Practice 8 and Personal Data Protection Act. Our cybersecurity governance framework comprises the following areas – Security Governance and Management, Security Resilience, Security in Design, Security in Operation, and Security Assurance.

CYBERSECURITY GOVERNANCE FRAMEWORK



Robust Cybersecurity Defence Plan

Our Cybersecurity Defence Plan adopts the international National Institute of Standards and Technology Cybersecurity framework and aligns with the LTA's Cyber Defence Framework.

Our Cybersecurity Defence Plan follows a methodology that involves five essential steps, encompassing various aspects such as cybersecurity policies, standards, and procedures, risk management, patch management, change management, incident

management, and business continuity management. This comprehensive methodology ensures that all critical areas of cybersecurity are addressed and safeguarded within our organisation.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

Cybersecurity Awareness Training

From comprehensive training to rigorous audits, SBS Transit prioritises a holistic approach to cybersecurity awareness and risk mitigation. All employees and contractors with access privileges receive mandatory "Cybersecurity Awareness for Everyone" (CAFÉ) training, aligned with the CSA Cybersecurity Code of Practice. Additionally, annual phishing simulations hone their ability to identify and react to cyber threats effectively. Beyond training, we actively engage independent cybersecurity experts to conduct regular audits of our IT and OT systems ensuring our policies and practices remain relevant and effective. This multi-pronged strategy empowers our workforce and strengthens our defences against evolving cyber risks.

Aligning with the LTA Public Transport Safety and Security Awards (PTSSA) Star Award

Our cybersecurity culture and awareness philosophy is based on five areas using our "TRACK" framework, which is aligned with the LTA PTSSA award requirement:


- **T**eamwork – Collaboration with stakeholders.
- **R**esilience – Ability to adapt despite challenges faced.
- **A**gility – Ability to respond promptly to minimise safety and security risks and reduce accidents.
- **C**ommitment – Proactiveness and self-initiative in taking ownership of safety and security.
- **K**nowledge – Ensure relevant security knowledge to work safely and respond effectively to security threats.

We have created a strong culture of cybersecurity awareness by implementing the following initiatives, using the TRACK framework principles as our guide. SBS Transit Cybersecurity won the LTA PTSSA Star award for promoting cybersecurity awareness in Q3 2023 and we will continue harness this expertise to ensure similar success.

Cybersecurity Advisory

Weekly bilingual advisories are distributed via email and readily accessible on the dedicated intranet cybersecurity portal. These advisories provide clear warnings about current risks, including specific examples like viruses, emerging vulnerabilities, social engineering tactics, and most importantly, recommended countermeasures to stay protected.

Being Aware Of SOCIAL MEDIA SPOOFING




01. SPOTTING SPOOFED ACCOUNTS

- Be wary of unusual or off-topic links, they could be phishing attempts.
- If asked for money, it's likely a scam. Verify requests through other means.
- Doubtful of a connected friend's message? Verify through other channels before responding.
- If you suspect a spoofed account, inform the real account owner and report to the platform.

02. PREVENTING BEING SPOOFED

- Set your account to private, reducing the chances of being spoofed.
- Review and adjust privacy settings regularly.
- Only accept requests from people you know and trust.
- Suspect your account's been spoofed? Contact the platform's customer service.



ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

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).

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.

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 and LTA Code of Practice 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: Ransomware attack, Denial of Service or Distributed Denial of Service attack, network failure and website defacement.

Cybersecurity Table Top Exercise

The cyber team carries out four table top exercises annually for critical IT and OT systems to validate our Cybersecurity Incident Management Plan capabilities and operational processes to respond and recover from a major unforeseen disruption and ensuring business continuity in our operations. Our cybersecurity scenarios are rotated annually to simulate different types of cyber-attack such as ransomware attack, website defacement and distributed denial-of-service attack and major network failure in our environment.

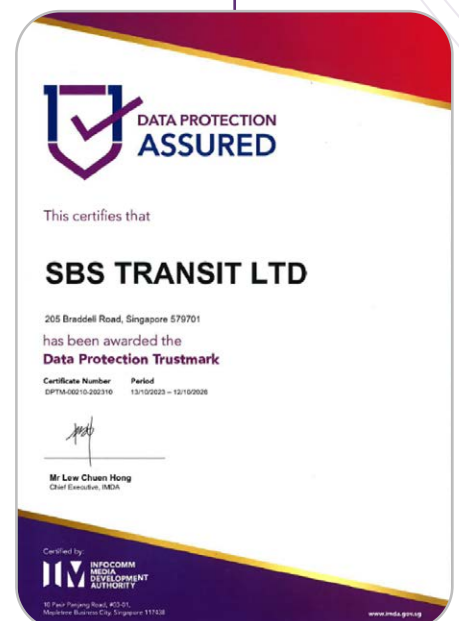


Data Protection Trustmark (DPTM) Certification

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

The certification administered by the Infocomm Media Development Authority (IMDA) based on Singapore's PDPA and international best practices 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. SBS Transit Ltd was awarded with DPTM certificate issued by IMDA on 13th October 2023.



ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

OUR PERFORMANCE AND LOOKING FORWARD

We conduct regular audits on our IT and OT systems to track the effectiveness of our actions and initiatives. In the year 2023, there were no major incidents of breaches and no substantiated complaints concerning breaches of customer privacy and losses of customer data. For more detailed information, please refer to Appendix 1: GRI Index, GRI418-1.

Our policies undergo a continuous review process to incorporate new requirements and measures aimed at enhancing the protection of our information and assets.

Moving forward our targets for cybersecurity and data protection include:

1. Reduce the number of non-conformities identified through audits to 10% for IT and OT systems.
2. Zero breaches to the Cybersecurity Act

ASSET PROTECTION AND SAFETY

WHY THIS ISSUE IS MATERIAL

As a national public transport service provider, SBS Transit operates and utilises assets and infrastructure that are owned by the LTA. Recognising the importance of these assets in fulfilling our business objectives, it is our duty to implement controls and take appropriate measures to ensure the protection and security of the assets used in our day-to-day operations

HOW WE MANAGE THIS

SBS Transit has developed an Asset Management System Manual and Asset Management Policy Statement in accordance with the ISO55001:2014 Asset Management standards. These documents provide guidance for our measures and actions. The manual undergoes an annual review and assessment to ensure ongoing compliance with updated requirements.

In addition, we have an established Asset Management and Safety and Health Policy that serves as a guide and reminder for employees regarding expectations and procedures for safeguarding our assets. To ensure adherence to these policies, we conduct internal and external audits involving all stakeholders on an annual basis.

LTA conducts monthly and quarterly maintenance audits on bus assets, infrastructure, the bus ticketing system, and the common fleet management system. We also perform internal monthly audits on Workplace Safety & Health, the Bus Ticketing System, and the Common Fleet Management System to ensure that our assets are maintained in accordance with the required standards.

SBS Transit's Rail Asset Management Policy includes details on the following key principles:

1. Operate and maintain assets in accordance with relevant Safety, Quality and Asset Management Standards
2. Manage 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 Engineering team of technical expert, oversees specific plans crucial to achieving those goals. They review and approve detailed proposals outlining maintenance, improvements, and renewals for the railway assets. These plans consider both LTA-approved innovations and specific targets, ensuring efficient management of the network and achievement of desired outcomes.

Similarly, SBS Transit's Bus Asset Management Policy includes details on the following key principles:

1. Manage assets in a sustainable manner without compromising the interests of asset owners, environment or the health, safety and security of our employees, customers and the public.
2. Comply with all relevant legislative, statutory and contractual requirements in managing our assets.
3. Evaluate asset management expenditures from a whole of life perspective, with due consideration for safety, reliability and long-term performance of these assets.
4. Support our asset management activities with reliable, relevant and timely information to enable informed decisions.
5. Manage asset-related risks in accordance with our Enterprise Risk Management (ERM) framework.

SBS Transit's operations is dedicated to monitoring our performance, and to seek continuous improvement of our asset management capabilities. To ensure the preparedness and readiness of ground staff in handling intrusions, we regularly conduct internal audits, Red Teaming exercises, and inspections. Throughout these activities, we maintain strict compliance with the LTA's regulatory Codes of Practice as mandated by licensing conditions. The Red Teaming exercises are conducted covertly and simulate real-world conditions by attempting to compromise organisational business processes from an adversarial standpoint. These exercises provide a comprehensive evaluation of the organisation's security capabilities and test the effectiveness of existing protective measures.

ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

OUR INITIATIVES

Closed-circuit Television (CCTV) and Video Analytics

To maintain the protection and security of our assets and operations, we utilise advanced technology to enhance the safety and security of our facilities. This includes CCTV with video analytics that monitors our premises outside operational hours and a License Plate Recognition System that regulates vehicle access to our bus depots. These systems effectively identify and address potential threats and unauthorised access.

We are committed to promoting the Threat-Oriented Person Screening Integrated System (TOPSIS) program, which aims to enhance situational awareness and the identification of potential threats. In 2023, we have made significant improvement in accessibility and inclusivity by integrating the program into our e-learning portal and developing a Chinese version. We also established internal awards to recognise individuals who uphold TOPSIS principles and expanded training to the Wider Non-Security Community. These efforts were recognised by the Land Transport Authority with a "Star Award" for our commitment to public transport safety.

LOOKING FORWARD

Moving forward, we aim to achieve a 100% completion rate for TOPSIS Level 1 training in 2024. This ensures all staff have the essential skills and knowledge to effectively safeguard our assets. We will also continue to foster a security-conscious environment among our tenants and contractors, highlighting their critical role as additional observers when on our premises.

