A LOW-CARBON FUTURE THROUGH ENVIRONMENTAL STEWARDSHIP

We champion sustainable mobility by supporting the LTA's Land Transport Master Plan and advancing a greener transport system. Through innovation and responsible practices, we contribute to Singapore's journey toward net-zero emissions by 2050.

2025 AWARDS AND ACHIEVEMENTS

ECO OFFICE
- All premises are Eco-Office certified

ISO 14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEMS
- Bus Business
- Rail Business

ISO 50001:2018 ENERGY MANAGEMENT SYSTEMS
- Bus Business
- Rail Business

ISO 46001:2019 WATER EFFICIENCY MANAGEMENT
- Rail Business

ISO 22301:2019 BUSINESS CONTINUITY MANAGEMENT
- Bus Business
- Rail Business

Emissions and Energy

Resource Efficiency

Sustainable Transition

EMISSIONS AND ENERGY

Driving fuel and energy efficiency through innovation and best-practice integration, guided by our climate transition plan for a sustainable future.

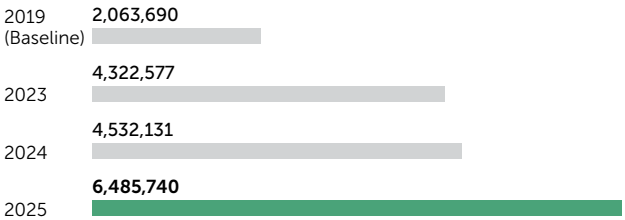
As a leading public transport operator, we are committed to reducing our environmental footprint while delivering safe and reliable journeys. In support of the Singapore Green Plan 2030 and LTA's targets, we focus on lowering emissions, improving energy efficiency and adopting cleaner technologies across our operations. In addition, we are committed to improving our alignment with IFRS S2 disclosure requirements. Looking ahead, we will continue to innovate and collaborate with key stakeholders to build a greener, more sustainable transport system for future generations.

Greening Our Infrastructure

Energy efficiency remains a key focus across our sites, supported by ongoing technology upgrades and asset renewal initiatives. In line with our previous solar PV target of 7 MWp by 2030, we expanded our solar panel deployment by increasing installed capacity from 5.18 MWp to 10.13 MWp, surpassing our 2030 target. Largely contributed by the 3.50 MWp solar PV system at Sengkang Depot, this represents a significant addition to our renewable energy capacity and supports our efforts to contribute to the greening of Singapore's power grid.

Renewable Energy Generated

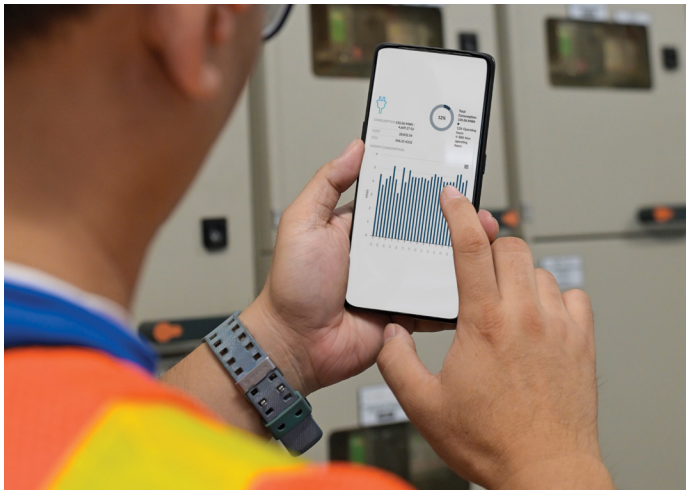
(kWh)



A LOW-CARBON FUTURE

EMISSIONS AND ENERGY

To further optimise energy use, we expanded our installation of smart meters, which are equipped with occupancy and temperature sensors, to two additional locations in 2025. These meters help identify opportunities to reduce consumption, such as switching off air-conditioning during unoccupied periods, and alert staff to anomalies for timely corrective action. Asset renewal works, led by LTA, have commenced at Ang Mo Kio, Bedok, Serangoon, Clementi, Sengkang and Toa Payoh bus interchanges. Similarly, upcoming renewal works along NEL are expected to improve energy efficiency, as underground stations consume significant electricity due to air-conditioning requirements.



Accelerating the E-Bus Transition

Decarbonising our fleet is central to our sustainability vision and a key lever for reducing emissions. In 2025, we operationalised Sengkang West Bus Depot for large-scale electric bus deployment.

Building readiness for electric bus operations goes hand in hand with LTA's broader electric fleet expansion, requiring a comprehensive approach that integrates technology, safety and workforce capability.

Our readiness efforts in 2025 focused on three key areas:

Operations:

We operationalised the Charging Station Management System to manage large-scale charging operations, collaborated with industry partners to monitor battery State of Health and End of Life, developed standard operating procedures (SOP) for contingencies and leveraged data analytics to continuously improve operational performance.

Safety:

We established an eBus fire SOP for depots and partnered SCDF in two joint emergency drills, earning the SCDF Strategic Partner Award 2025 for our preparedness.

Manpower:

Our technicians underwent specialised training at the eBus Satellite Training Centre at Seletar Depot, covering advanced electrical maintenance on high-voltage systems and familiarisation with BYD and ZhongTong eBus models. In 2025, 159 of our technicians were NESS-certified, equipping them with the skills to manage electric bus operations safely and effectively. Training was conducted using high-voltage simulators and an eBus chassis to ensure hands-on competency and safety.

A LOW-CARBON FUTURE

EMISSIONS AND ENERGY

Driving Sustainable Operations

We are committed to advancing sustainability across both bus and rail operations. In support of LTA's goal of a 50% electric bus fleet by 2030 and 100% cleaner-energy fleet by 2040, we focus on improving fuel efficiency within our current diesel fleet through schedule optimisation, telematics-driven fuel-efficient driving and deploying buses based on fuel economy performance.

Preventive maintenance and innovations such as the AI-powered Automated Tyre Management System introduced at Bedok North Depot have transformed tyre inspections from a 40-minute manual process into an automated check completed within minutes, enabling more frequent inspections and enhancing safety. On rail operations, we optimise train timetables to reduce energy use by leveraging regenerative braking systems. This allows energy generated by decelerating trains to be recaptured by accelerating trains through intelligent scheduling algorithms, reducing overall network energy consumption.

In line with our group-wide target[4] to reduce Scope 1[5] and Scope 2[6] fleet emissions[7] by 25% by 2030 and 50% by 2050 (from a 2022 baseline), we continued to advance our energy and emissions[8] performance in 2025. Total energy consumption decreased by 13%, from 7,401,766 GJ to 6,450,657 GJ, resulting in a 7% reduction in Scope 1 emissions and a 2% increase in Scope 2 emissions compared to the baseline. The increase in our Scope 2 emissions is attributable to higher operational electricity consumption arising from the expanded e-Bus fleet, as well as increased cooling demand following the opening of Punggol Coast MRT Station, which is supplied by the Punggol Digital District Cooling System.

This overall performance was further reflected in our intensity metrics, with electricity intensity at 1,004 GJ/S$M revenue (a 10% reduction from the 2019 baseline) and fuel intensity at 3,243 GJ/S$M revenue (a 19% reduction from the 2019 baseline). These efficiency gains were supported by fleet modernisation, the integration of cleaner-energy buses and operational changes such as the handover of the Jurong West package, which collectively improved the energy performance of our operations.

In parallel, on-site renewable generation continued to grow. We produced 6,485,740 kWh of solar energy in 2025, a 43% increase from 2024, supported by the ongoing rollout of photovoltaic systems across our premises.

Prior to 2024, all electricity sold by SBS Transit referred to renewable electricity generated on-site by our solar panels, but not consumed by SBS Transit and sold directly to the grid. In 2024, we updated our accounting methodology for renewable energy generated onsite. Our protocol is to register renewable electricity generated on-site. Under the revised approach, renewable electricity generated on-site is registered as Renewable Energy Certificates (RECs), which are then either sold or retired for our own operations.

For 2025, the REC registration and retirement process for the year is still underway. As a result, no renewable energy is reported to have been consumed by SBS Transit or sold to the market. Given this, and the absence of other contractual instruments, we have reported only our location-based emissions for 2025, and the electricity sold figure reflects only brown energy sold in 2025.

4 The greenhouse gases considered in our emissions target are units of kilograms of CO_2e, comprising carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).

5 Scope 1 emissions arise from the consumption of diesel, petrol and refrigerants.

6 Scope 2 emissions arise from the consumption of purchased electricity.

7 All GHG emissions calculations were completed using the operational control approach in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004). We have opted for the operational control approach as this best reflects our ability to enact change to manage emissions. Our emissions were calculated using inputs from the US EPA, DESNZ 2025, and the Singapore Emissions Factor Registry, where applicable, given these sources' relevance to our activities, and/or for consistency with market practice. All GHG emissions are calculated in carbon equivalent (CO_2e), and this also includes the following greenhouse gases: carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O). Where full year data is not available, SBS Transit extrapolates the available data on a straight-line basis. Our GHG calculations methodology has remained the same since 2024.

8 All Scope 1 and 2 emissions relate to our consolidated accounting group and SBS Transit has no other investees with operational emissions in 2025.

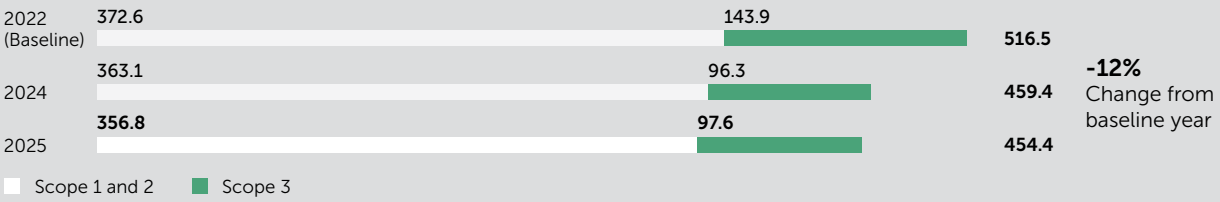
A LOW-CARBON FUTURE

EMISSIONS AND ENERGY

GRI 305-4

Scope 1, 2 and 3 Emissions Intensity[9,10]

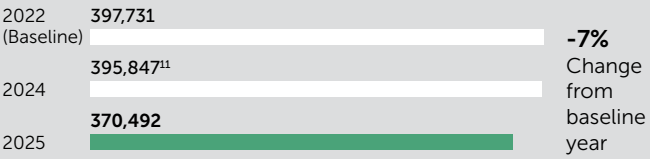
(tCO_2e/S$M Revenue)



GRI 305-1, GRI 305-2 AND GRI 305-3

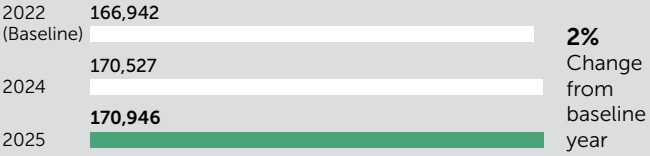
Scope 1 GHG Emissions

(tCO_2e)



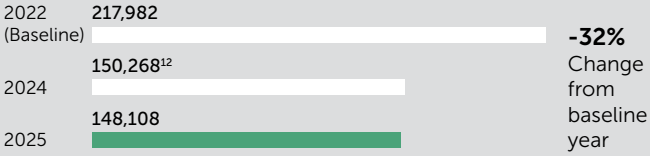
Scope 2 Location-based GHG Emissions

(tCO_2e)



Scope 3 GHG Emissions

(tCO_2e)



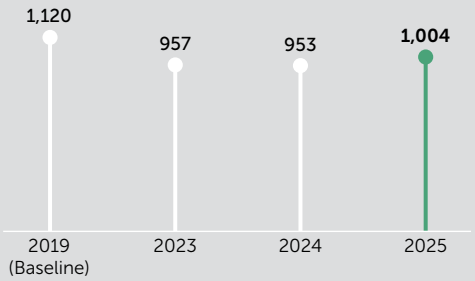
9 The revenue used for all our intensity ratios are S$1,517.35 million for the financial year of 2025.
10 Scope 2 location-based GHG emissions were used to calculate our Scope 1, 2 and 3 emissions intensity.
11 The previously reported Scope 1 figure of 395,535 in the 2024 Sustainability Report has been restated following refinements to refrigerant-related data. The corrected value is reflected in the current reporting period.
12 The 2024 Scope 3 figure has been restated to reflect updated waste data, a change in the business travel data source, and the correction of a calculation error related to downstream leased assets, purchased goods and services, and capital goods.

A LOW-CARBON FUTURE

EMISSIONS AND ENERGY

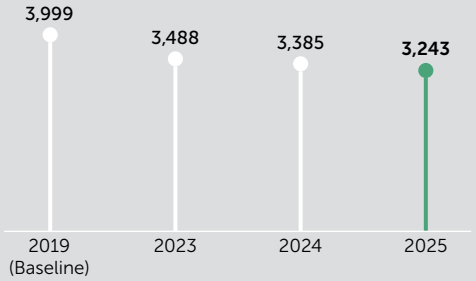
GRI 302-3[13]

Electricity Intensity
(GJ/S$M Revenue)



-10% Change from baseline year

Fuel Intensity
(GJ/S$M Revenue)

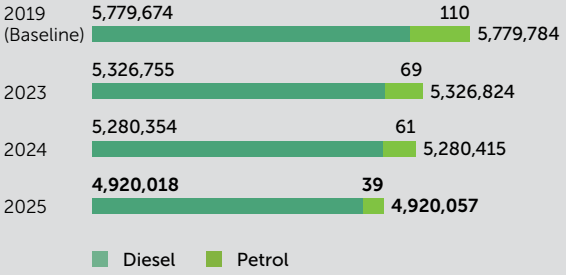


-19% Change from baseline year

All types of energy within the organisation have been factored into the calculation of the intensity ratios presented.

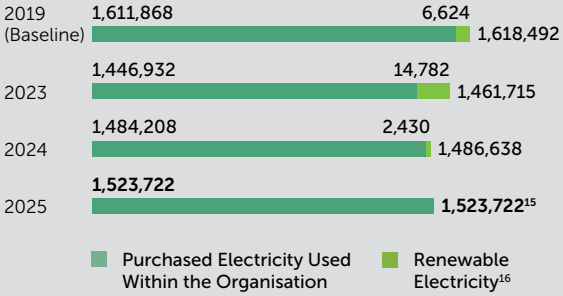
TR-RO-11A.3, TR0401-03[14]
GRI 302-1

Total Non-Renewable Fuel Consumption
(GJ)



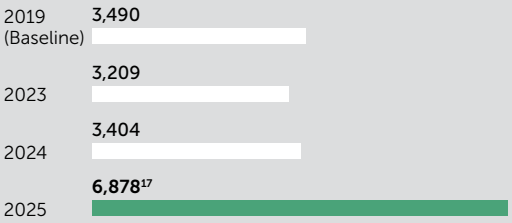
-15% Change from baseline year

Total Electricity Consumption
(GJ)



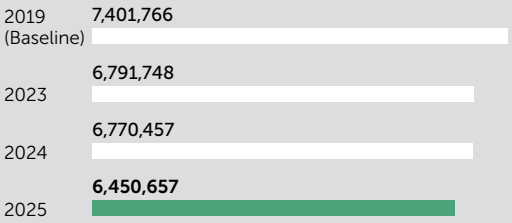
-6% Change from baseline year

Cooling Consumption
(GJ)



97% Change from baseline year

Total Energy Consumption Within the Organisation
(GJ)



-13% Change from baseline year

13 The revenue used for all our intensity ratios are S$1,517.35 million for the financial year of 2025.
14 Prior-year electricity data has been restated to reflect consumption in gigajoules for improved alignment with GRI disclosure requirements.
15 For 2025, the REC registration and retirement process is still underway. As a result, no renewable energy has been recognised as consumed or sold by SBS Transit. In the absence of other contractual instruments, only location-based emissions have been reported for 2025, and the electricity sold figure reflects only brown energy.
16 This refers to renewable electricity consumed from on-site solar power generated at SBS Transit's premises.
17 The increase in cooling consumption for 2025 is attributable to the opening of Punggol Coast MRT Station, which relies on cooling supplied via the Punggol Digital District Cooling System.

A LOW-CARBON FUTURE

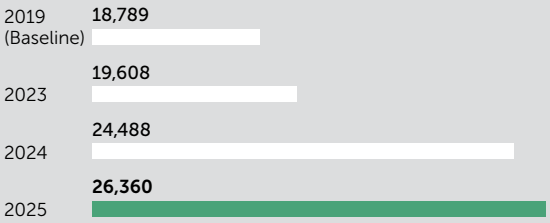
EMISSIONS AND ENERGY

GRI 302-2

Electricity Sold (Solar)
(GJ)

482% Change from baseline year

Electricity Consumption Outside the Organisation (Consumption by Tenants and Others)
(GJ)



40% Change from baseline year

GRI 305-3

Scope 3 GHG Emissions By Category

SCOPE 3 CATEGORY	SCREENED OR CALCULATED	METHODOLOGY	TOTAL EMISSIONS (tCO_2e)	% OF SCOPE 3 EMISSIONS
Category 1: Purchased goods and services	Calculated	GHG Protocol: Spend-based method	23,114	15.61%
Category 2: Capital goods	Calculated	GHG Protocol: Spend-based method	2,094	1.41%
Category 3: Fuel- and energy-related activities not included in Scope 1 and Scope 2	Calculated	GHG Protocol: Average-data method	111,225	75.10%
Category 4: Upstream transportation and distribution	Calculated	GHG Protocol: Spend-based method	282	0.19%
Category 5: Waste generated in operations	Calculated	GHG Protocol: Waste-type specific method	38	0.03%
Category 6: Business travel	Calculated	GHG Protocol: Distance-based method	1,884	1.27%
Category 7: Employee commute	Calculated	GHG Protocol: Distance-based method: Based on average emission factors estimated through a representative sample from the data collected through an employee commute survey which is then applied to SBS Transit's employee headcount	6,520	4.40%
Category 12: End-of-life treatment of sold products	Calculated	GHG Protocol: Waste-type specific method	7	0.00%
Category 13: Downstream leased	Calculated	GHG Protocol: Asset-specific method (buildings) and Lessee-specific method (vehicles)	2,944	1.99%

RESOURCE EFFICIENCY

Conserving resources through sustainable water and waste management practices.

Mindful of the earth's limited resources, we closely monitor our consumption within our operations and facilities and implement water conservation and waste reduction strategies.

WATER EFFICIENCY

We are committed to reducing our water consumption. Water is primarily used for vehicle and facility cleaning, sanitary needs and chilled-water air-conditioning. All water is supplied by Singapore's Public Utilities Board (PUB), including NEWater. Waste water is treated via wastewater treatment plants and grease interceptors before being discharged through the public drainage system.

To improve efficiency, we focus on both operational practices and infrastructure upgrades. We recover condensate from Air Handling Units (AHUs) for reuse and have installed additional pumps to increase the volume of recycled water captured at our depots. Smart utility meters have been deployed at selected bus and rail facilities to monitor consumption and detect leaks early. Beyond these measures, we continually optimise water usage by seeking water-efficient building certifications, which requires us to achieve high standards of water efficiency across our premises. These efforts help us reduce wastage while maintaining operational standards.

As part of our continuous improvement efforts, we completed the renovation of nine washrooms across our network in, incorporating water-efficient fittings to reduce resource consumption and enhance user comfort.

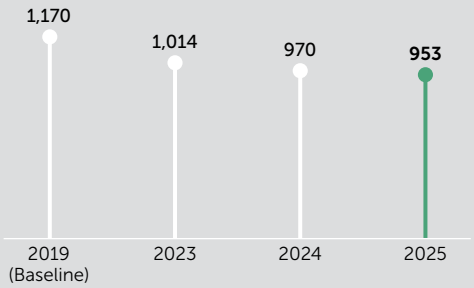
In 2025, our total water consumption decreased by 1.7%, when compared to 2024. Relative to our 2019 baseline, we have reduced water consumption by 18.5%, surpassing our medium-term target of 17%. This improvement reflects both continued efficiency efforts across our bus depots and operational changes during the year. We note that part of the year-on-year reduction was due to the cessation of the Jurong West bus package after 2024, though underlying efficiency measures have also contributed to sustained progress.

A LOW-CARBON FUTURE

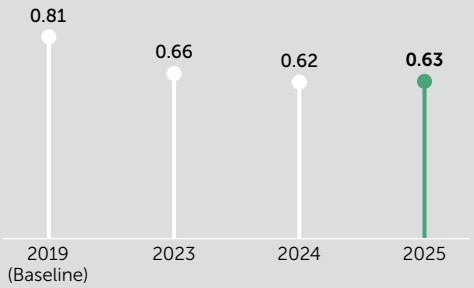
EMISSIONS AND ENERGY

GRI 303-3[18]
SGX CORE METRICS: WATER CONSUMPTION INTENSITY

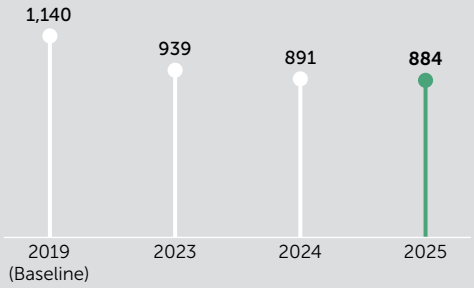
Total Water Consumption[19]
(ML)



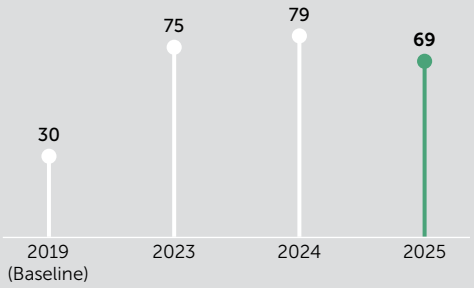
Water Consumption Intensity
(ML/$SM Revenue)



Municipal Water
(ML)



NEWater
(ML)



WASTE MANAGEMENT AND CIRCULARITY

Our operations generate diverse waste streams, ranging from paper to used train components and automotive parts. We manage these responsibly through third-party waste contractors to minimise downstream impacts and ensure proper treatment and resource recovery.

A core focus is waste prevention through asset life extension and condition-based maintenance, guided by systematic reviews, field data and engineering assessments. This approach shifts us from time-based to condition-based replacements, reducing material use and ultimately waste generated.

In 2025, we extended the service life of key components, such as twin turbochargers on the MAN E5 fleet and MAN bus radiators, based on failure data and reliability analyses. These targeted interventions help us avoid unnecessary replacements and conserve resources.

Where feasible, we prioritise reuse and recycling, including tyre retreading, battery and oil upcycling, tyre recycling and scrap metal recovery. We also deploy additive manufacturing for on-demand 3D printing of train parts to cut material consumption and avoid unnecessary replacements. In addition, we are working with LTA to expand these applications for rail components, further reducing lead times and material waste. We will continue to broaden these initiatives as we enhance circularity across our bus and rail operations.

Aligned with the waste hierarchy, we prioritise reuse before recycling or disposal, adopting a circular approach to our waste management. During the year, we reduced paper usage by transitioning from paper-based processes to digital platforms such as the iLink App. This included automating workflows like Store-to-Store Requisition for spare part transfers, and implementing electronic approvals and signatures. Training materials were shared electronically, and routine documents were prioritised for digital distribution.

18 Water withdrawn is via PUB and NEWater.
19 According to the World Resources Institute's Aqueduct Water Risk Atlas, Singapore is a country with low water stress.

A LOW-CARBON FUTURE

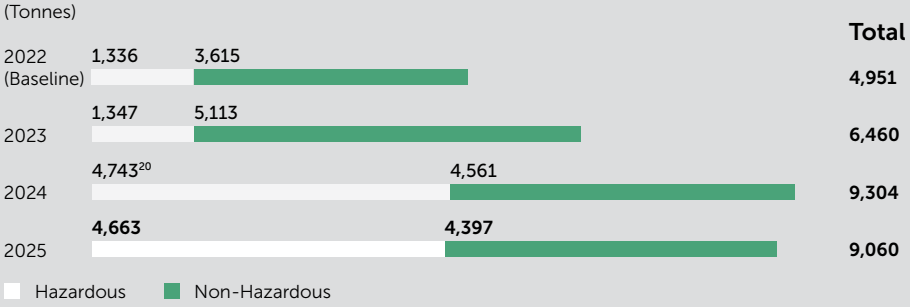
RESOURCE EFFICIENCY

A major milestone in 2025 was the relocation of our Braddell Headquarters, involving 500 staff members. To minimise waste during this move, we organised multiple recycling drives for e-waste and set up a "Give and Take" corner to promote the concept that one man's junk is another man's treasure. We also redistributed furniture to depots and interchanges, and hosted a Friends and Family Furniture Sale, where more than 850 pieces of furniture were given a second life. These efforts ensured that items were reused rather than discarded, extending their useful life.

In 2025, our operations generated a total of 9,060 tonnes of waste, representing a 2.6% decrease from 2024. Of this, 4,663 tonnes were hazardous waste, and 4,397 were non-hazardous waste. The increase of hazardous waste directed to disposal reflects improved waste data availability following a change in our waste management vendor.

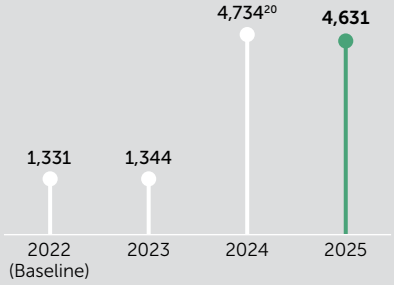
GRI 306-3

Total Waste Generated
(Tonnes)

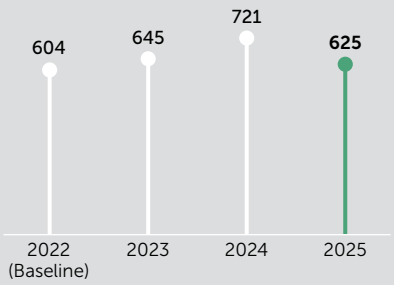


GRI 306-4[21]

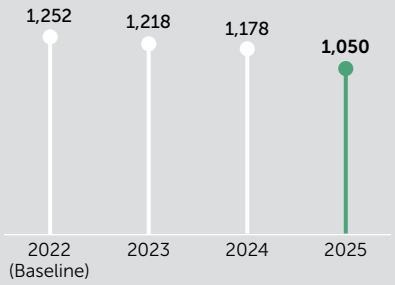
Hazardous Waste - Recycled
(Tonnes)



Non-Hazardous Waste - Recycled
(Tonnes)

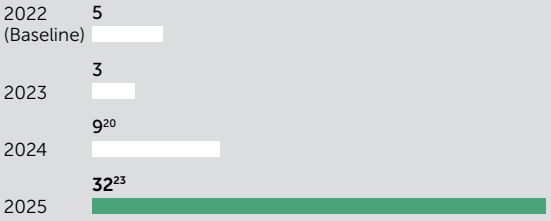


Non-Hazardous Waste - Reused
(Tonnes)

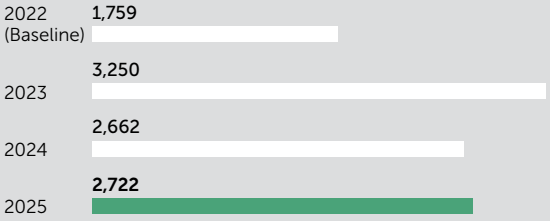


GRI 306-5[22]

Hazardous Waste
(Tonnes)



Non-Hazardous Waste
(Tonnes)



20 Hazardous waste generated, hazardous waste recycled and hazardous waste directed to disposal in 2024 were restated to reflect improved data availability and completeness regarding waste types and newly available waste data.
21 All hazardous waste diverted from disposal were recycled, none are reused.
22 All waste directed to disposal were incinerated, none were directed to landfill.
23 For 2025, the increase in hazardous waste directed to disposal reflects improved data availability following a change in our waste management vendor.

SUSTAINABLE TRANSITION

Mapping climate risks, turning insight into targeted adaptation and mitigation, and building climate awareness across our workforce and the communities we serve.

We are committed to strengthening climate resilience and supporting the nation's 2050 net-zero ambition. Climate change presents operational and strategic risks while also creating business opportunities. We proactively identify and manage climate-related risks and opportunities across our operations and value chain. Using scenario-based insights, we focus on mitigating the impacts of rising temperatures, extreme rainfall and shifting policies, while adapting our infrastructure and capabilities to maintain service continuity.

CLIMATE CHANGE MITIGATION AND ADAPTAION

Singapore has designated 2026 as the "Year of Climate Adaptation" and will introduce its first National Adaptation Plan (NAP) to strengthen the nation's resilience to climate-related risks, including sea level rise, extreme heat and food and water insecurity. As the impact of climate change intensifies, the NAP will guide adaptation efforts to prepare our national infrastructure, businesses and communities for a climate-challenged future.

In response to this evolving landscape, SBS Transit has integrated climate considerations into its business strategy, operational planning, asset management and risk governance, addressing both climate mitigation and adaptation.

This has begun with a company-specific Climate Scenario Analysis (CSA) as recommended by the Task Force on Climate-related Financial Disclosures (TCFD) and progressively aligned also with IFRS S2 requirements. The outcomes of the scenario analysis guide SBS Transit's sustainability and operational strategies for managing climate-related risks and opportunities.

This exercise allows SBS Transit to assess the resilience of our existing decarbonisation strategy and identify areas where needs to be done to mitigate future risks.

A LOW-CARBON FUTURE

SUSTAINABLE TRANSITION

Climate Scenario Analysis overview

In 2023, SBS Transit completed its first CSA[24] to assess potential climate-related impacts across our business and operations. The inaugural assessment, covering both transition and physical risks, followed the TCFD framework and drew on various credible external sources. These included the International Energy Agency (IEA)'s World Energy Outlook (WEO)[25], Climate Analytics' Climate Impact Explorer[26], Network for Greening the Financial System (NGFS)[27] and the Intergovernmental Panel on Climate Change's Sixth Assessment Report (IPCC AR6).

An internal review in 2025 deemed that the 2023 CSA results remain applicable to our current business. Although parts of our business and operations have evolved, the parameters applied and the climate-related risks identified, remain relevant because they continue to align with our current operations and geographic footprint.

The 2023 CSA was conducted by our external consultant following the 4-step process summarised in the diagram below in Figure 1, while Table 1 summarises the scope and parameters of this screening.

FIGURE 1: FOUR STEPS OF CLIMATE SCENARIO ANALYSIS

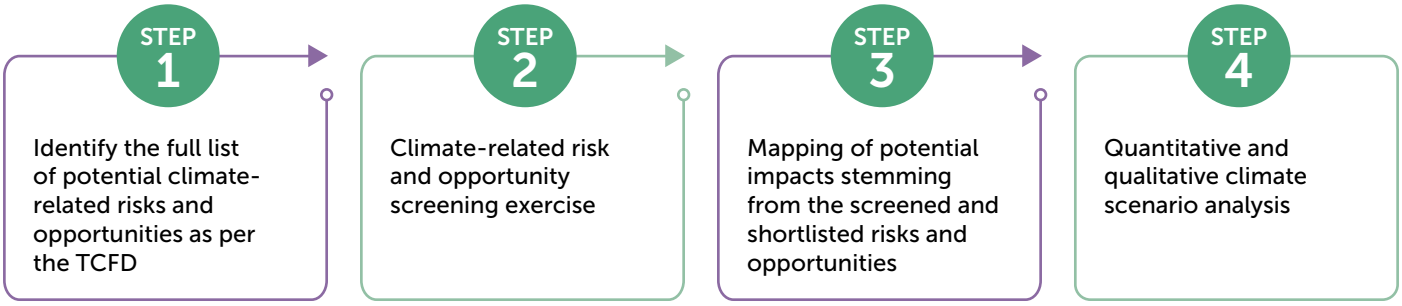


TABLE 1: PARAMETERS AND SCOPE OF CLIMATE-RELATED RISK AND OPPORTUNITY SCREENING

PARAMETERS	SCOPE	
Countries	Singapore	
Baseline year	2022	
Timeframe	• Short-term: up to 2030 • Medium-term: up to 2040 • Long-term: up to 2050	
Scenarios explored	• 1.5°C warming (NGFS Net-Zero by 2050, IEA NZE 2050 & RCP 2.6) • >3°C warming (NGFS Current Policies, IEA STEPS & RCP 8.5)	
Risks	Transition risks • Carbon pricing • Changing customer expectations • Low carbon economy transition policies and regulations • Reputational risks • Technology shifts	Physical risks • Floods • Heatwaves (Rising mean temperatures) • Storms and cyclones • Wildfires • Rising sea levels • Droughts (Water scarcity)
List of data sources used	The sources used as inputs in the scenario analysis include, but are not limited to, the following recognised sources: • The NGFS & Climate Impact Explorer • The IEA World Energy Outlook • The IPCC AR6 Report	• The World Bank Climate Change Knowledge Portal • Other country specific sources and academic studies • Enterprise risk policy

24 Found in our TCFD Report, published in December 2023.
25 IEA, 2022, World Energy Outlook 2022.
26 Climate Analytics, Climate Impact Explorer.
27 NGFS, Scenarios Portal.

A LOW-CARBON FUTURE

SUSTAINABLE TRANSITION

The 2023 CSA was based on a baseline year of 2022 and used two distinct scenarios: a 1.5°C warming scenario and a >3°C warming scenario. These scenarios reflect plausible policy and physical pathways most relevant to assessing SBS Transit's climate resilience. Our scenario analysis incorporated Singapore's Nationally Determined Contribution (NDC) trajectory under the Paris Agreement and LTA's 2040 cleaner-energy fleet policy as key assumptions.

The 1.5°C scenario, known as the orderly scenario, is aligned with the Paris Agreement and assumes successful implementation of climate policies and significant decarbonisation efforts. On the other hand, the >3°C scenario, referred to as the 'hot house' scenario, assumes insufficient climate policies and actions to address the impacts of climate change. Both scenarios were applied in the analysis of climate-related transition and physical risks across the defined time horizons.

The short- (up to 2030), medium- (up to 2040) and long-term (up to 2050) horizons for this exercise are informed by the time horizons used in our strategic risk management planning and serve as a guide in our target setting and strategic decision-making. This alignment provides a useful reference point for prioritising and implementing interventions for key climate-related risks and opportunities across different time horizons, contributing to the resilience of our longer-term strategies.

In line with the TCFD, scenarios are intended to explore alternative futures that may significantly change the basis for "business-as-usual" assumptions. Key parameters or assumptions considered in the scenario analysis include carbon pricing, energy demand and energy mix, technology developments and policy changes.

We will integrate findings from the 2023 CSA, as reviewed in 2025, into SBS Transit's upcoming Climate Transition Plan and our enterprise risk management processes. We will also continue to review climate-related risks and opportunities in alignment with IFRS S2 Disclosures, as summarised in Appendix 4.

In this year's Sustainability Report, we have made a start in disclosing, where practicable, the current and anticipated financial effects of climate-related risks and opportunities which are material to SBS Transit. We will continue to expand and improve on our disclosures of climate-related financial effects.

As data quality and availability improves, we will expand the quantification of material climate-related risks and opportunities to support effective governance, strategy formulation and risk management. We will continue to enhance our disclosures on methodology, assumptions and financial implications as our analysis matures.

A LOW-CARBON FUTURE

SUSTAINABLE TRANSITION

Identifying Climate-Related Risks and Opportunities - Across Our Operations

We identified the potential level of climate-related risks through a climate screening exercise, and shortlisted relevant climate-related risks deemed likely to have a moderate or high impact on our business operations and financial performance. The shortlisting was based on qualitative desktop research, applying the TCFD's categorisation of physical and transition climate risks.

Examples of climate-related risks were taken from Table 1 of TCFD's Final Recommendations Report:

- Transition risks arising from the shift to a low-carbon economy, including new climate policies and regulations, adoption of low-carbon technologies, carbon pricing and changes in consumer preferences and market sentiment.
- Physical risks stemming from direct climate impacts that may either be chronic (e.g., rising temperatures, sea-level rise) or acute (e.g. extreme rainfall, floods and storms).

Figure 2 summarises the screening outcomes and potential risk levels, highlighting climate-related risks assessed to have a moderate or high impact on our operations and financial performance.

FIGURE 2: CLIMATE-RELATED RISK SCREENING RESULTS

SINGAPORE			
PHYSICAL	1.5°C warming	Heatwaves (rising mean temperatures)	
	>3°C warming	Floods Rising sea levels	Droughts/ Water scarcity Heatwaves (rising mean temperatures)
TRANSITION	1.5°C warming	Carbon pricing Technology shifts Policies and regulations	Changing customer expectations Reputational risks
	>3°C warming	Carbon pricing Technology shifts Policies and regulations	Changing customer expectations Reputational risks

Potential impact magnitude[28]: Moderate risk High risk

28 Magnitude is determined through well-referenced literature and data sets on climate risk indicators as well as observed and projected trends in physical risks from the Climate Analytics' Climate Impact Explorer and the World Bank Climate Change Knowledge Portal.

A LOW-CARBON FUTURE

SUSTAINABLE TRANSITION

Climate-related Risks

In the assessment of physical and transition risks, it was determined that some risks apply directly to SBS Transit as 'first order' risks, which are expected to have a direct and material impact on the business. For example, physical risks such as floods can cause damage to our property and infrastructure. In contrast, 'second order' risks have a more indirect impact and are experienced by SBS Transit through cost pass-through effects. For example, SBS Transit does not experience the direct impact of carbon taxes. However, due to the nature of our operations, the indirect impact may be reflected in the potential rise of electricity prices in the future. Thus, the transition risk of rising carbon prices is excluded from SBS Transit's overall direct financial impact projections. Nevertheless, this risk remains as a second-order risk (through the value chain) in the transition to a lower carbon economy and is explored separately under a "what if" scenario in the section below.

Climate-related Opportunities

We identify, assess, prioritise and monitor climate-related opportunities through the same screening and scenario analysis process. Scenario outputs are used to inform key business opportunities arising from the growing focus on climate action.

Through the analysis, it was found that climate-related opportunities are expected to positively influence SBS Transit's prospects from the transition to a cleaner fleet, shifts in commuter behaviour, policy incentives for decarbonisation and higher public transport demand during adverse weather conditions.

These may lower long-term operating costs, increase ridership and strengthen operational efficiency as new technologies and low-carbon solutions become more widely adopted. SBS Transit integrates these opportunity areas into strategic and operational planning to support resilient growth in a low-carbon future.

Assessing Climate Resilience Through the Use of Climate-related Scenario

Based on the mapped risks and opportunities, a detailed quantitative climate scenario analysis was performed to identify the potential financial exposure. By modelling the vulnerability of our assets to extreme weather conditions, we strengthened our understanding of the potential financial impacts on our business and our resilience to these risks (Step four in Figure 1). The results of the physical risk analysis were determined on the assumption that no mitigation or adaptation action were undertaken by SBS Transit to address the identified climate risks. The findings were broadly consistent across our various business segments, reflecting our Singapore-based operations and the concentration of climate impacts within the country.

Through the scenario analysis, we concluded that unmitigated climate risks could result in potential financial impacts in the respective years assessed.

In the 'hot house' scenario (>3°C) for 2050, physical impacts across SBS Transit's operations are projected to intensify significantly.

- Heat-related illnesses are expected to reduce labour productivity, contributing to an increase in annual operational costs.
- Higher temperatures also drive air-conditioning demand, resulting in electricity costs rising over time in both the 1.5°C and >3°C scenarios, and reaching their highest levels in 2050 under the 'hot house' pathway.
- Among the quantified physical risks, higher spending on cooling due to rising temperatures is deemed to be the most significant first-order risk across all time horizons and scenarios.
- Heavy rainfall and flooding risks are also expected to escalate in the 'hot house' scenario. Business interruption costs associated with flood events are expected to rise, while fleet and engine damage is predicted to remain stable in the 1.5°C scenario across the three time horizons, but worsening flash flooding under the >3°C scenario is expected to result in higher financial impacts over time.

Across our transition risks:

- Carbon taxes, a second order risk, are expected to have a significant impact as they may account for a large proportion of the additional financial costs in future. Modelling the impact from carbon taxes on a "what if" scenario (where the potential financial implications were quantified assuming carbon taxes were directly applicable to SBS Transit). The cost of carbon pricing shows a clear distinction between mitigated and unmitigated scenarios.
- Under the 1.5°C and >3°C pathways, additional carbon costs in the mitigated scenario are projected to be lower than those in an unmitigated scenario across the 2030-, 2040- and 2050-time horizons, supported by planned reductions in Scope 1 and Scope 2 emissions. In terms of transition opportunities, we expect to meet the goals of having half of our fleet running on cleaner-energy by 2030 and 100% by 2040, in line with LTA's commitment.

For a more a detailed explanation of each quantified risk, please refer to our 2023 TCFD Report[29].

29 All assumptions and limitations related to the assessment of climate risk can be found in the Appendix of the 2023 TCFD report accordingly.

A LOW-CARBON FUTURE

SUSTAINABLE TRANSITION

Identifying Climate-Related Risks and Opportunities - Within Our Value Chain

In 2024 and 2025, SBS Transit conducted a value chain analysis to evaluate climate-related risks and opportunities across our upstream and downstream activities. This included a detailed mapping of key suppliers across all geographies, as well as an assessment of the downstream supply chain, such as commuters, and resale and end-of-life disposal activities.

Key findings include:

- **Upstream Suppliers**[30]
  Our Tier 1 suppliers face increasing pressure from policies such as carbon pricing and electric vehicle regulations, rising expectations from investors, partners and reputational considerations. They are also exposed to key physical risks, including heavier rains and flash flooding and more intense extreme-weather events. Low-carbon policies and carbon pricing are likely to increase energy and manufacturing costs, some of which could be passed on to SBS Transit.

  In addition, the shift towards more efficient transport solutions and electric vehicles may require suppliers to adjust product offerings and invest in new skills, leading to higher short-term costs before efficiency gains are realised.

  Physical risks such as heatwaves and flooding may also disrupt repair and maintenance activities, limit access to assets and increase cooling and maintenance needs across the supply chain.

- **Downstream Suppliers**
  Physical climate risks could disrupt transport infrastructure and demand in the areas we operate, affecting services and delaying revenue. At the same time, growing demand for greener mobility presents opportunities to expand cleaner transport offerings and enhanced commuter experience.

  End-of-life disposal activities may face higher costs due to stricter waste and carbon regulations, while these same policies are expected to drive investment in greener technologies and more resilient transport infrastructure.

Overall, the value chain analysis provided additional insight into risks and opportunities, with findings broadly consistent with the climate-related risks and opportunities identified in the 2023 CSA.

Mitigation Through Operations

SBS Transit's CSA has strengthened our understanding of the key climate-related risks affecting our operations, including physical and transition risks. Under the Bus Contracting Model (BCM) and the New Rail Financing Framework (NRFF), SBS Transit operates and maintains assets owned by LTA while supporting LTA's strategic direction, including the transition to a cleaner-energy bus fleet. Consequently, capital expenditure of core bus and rail assets and any associated climate-related financial effects on these assets, are not included in SBS Transit's financial statements.

Our mitigation approach focuses on building operational resilience, improving efficiency and managing consumption of energy, fuel, water and waste. These efforts are supported by our Bus and Rail Energy Efficiency Workgroups, which drive improvements in high-consumption areas and support emissions reduction.

In 2025, SBS Transit incurred capital expenditure for installation of solar photovoltaic panels, electric vehicle chargers and smart meters. These were funded through operating cashflows[31] and did not have a material impact on the Group's consolidated financial statements for 2025.

We continue to refine our mitigation strategy and business model over the short-, medium- and long-term in line with the risks and opportunities identified through the CSA.

30 Key upstream suppliers include fuel and electricity providers, vehicle manufacturers and original equipment manufacturers, vehicle service providers and facility management.

31 Details on our operating cash flows are presented within our Annual Report 2025.

A LOW-CARBON FUTURE

SUSTAINABLE TRANSITION

Looking forward – Our Climate Transition Plan

Climate transition planning is an increasing focus for SBS Transit as it pursues decarbonisation goals, manages climate-related risks and opportunities and supports the economy-wide transition to a low-carbon future. In 2025, SBS Transit began developing its inaugural Climate Transition Plan (CTP), guided by the Transition Plan Taskforce (TPT) Disclosure Framework[32] and the evolving regulatory expectations in Singapore.

We are making a broad range of climate-related investments to reduce emissions, improve energy efficiency and enhance resilience. These include expanding onsite solar PV installations towards a revised target of 20 MWp by 2030, upgrading our air-conditioning systems across our network and retrofitting premises with heat-reflective coatings. Together, these measures strengthen our ability to manage climate impacts, meet long-term transition expectations and deliver a resilient public transport service in Singapore. Over the next two years, SBS Transit expects to incur additional capital expenditure for building the infrastructure to accommodate additional 0.9 MWp of solar PV installations. The planned expenditure will be funded from operating cash flows.

These initiatives form part of a structured CTP that is anchored by clear strategic ambitions, defined milestones and targeted capital allocation, and is delivered through coordinated action across bus and rail operations, workforce readiness, supply chain engagement and financial planning. This year, we began laying the groundwork for our CTP, showcasing how near-term actions are integrated into a transition framework aligned with national transport objectives and evolving transition planning expectations. The key components of the emerging SBS Transit CTP are shown in Figure 4.

Artist Impression

32 The TPT Disclosure Framework is now maintained by the IFRS Foundation and hosted on the IFRS Sustainability Knowledge Hub.

A LOW-CARBON FUTURE

SUSTAINABLE TRANSITION

FIGURE 4 - SBS TRANSIT'S CTP OVERVIEW

Foundations

- Net-zero target across operations for 2050 and beyond
- Understanding our climate related impacts and dependencies to inform necessary mitigation strategies
- Continually refining the assumptions underpinning our transition pathway(s)

Implementation Strategy

Actions underway to deliver the transition include:

- Fleet electrification in line with LTA's cleaner-energy bus fleet pathway
- Depot and infrastructure readiness, including smart metering and solar PV deployment
- Operational efficiency measures such as energy and charging optimisation, predictive maintenance and eco-driving practices
- Workforce upskilling to support e-bus and new technology deployment

Engagement Strategy

To enable delivery of the transition plan, SBS Transit is engaging:

- Suppliers to manage climate risks and readiness across the value chain
- Industry partners to share knowledge and build capabilities for sustainable public transport
- Regulators, in particular LTA, to align on fleet transition, infrastructure and safety requirements
- Public agencies and communities to support inclusive, resilient and sustainable mobility

Metrics and Targets

The targets and indicators used to track progress include:

- Interim energy consumption reduction targets from the 2019 baseline
- Interim Scope 1 and Scope 2 fleet emissions reduction targets from the 2022 baseline
- Increasing cleaner-energy fleet deployment through greater proportion of cleaner-energy bus and utility vehicles used across operations
- Interim target to increase solar PV capacity
- Transition-related resilience priorities, such as NESS certifications

Governance

Ensuring oversight of and accountability for the transition planning process is effectively integrated into existing sustainability governance structures

A LOW-CARBON FUTURE

SUSTAINABLE TRANSITION

TRANSITION PLAN HIGHLIGHTS AND APPROACH

Operational Decarbonisation

SBS Transit's transition plan is centred on decarbonising its operations through fleet electrification, energy efficiency improvements and supporting infrastructure upgrades. Together, these initiatives translate our decarbonisation ambition into practical changes to how bus and rail operations are powered, managed and maintained.

Value Chain and Stakeholder-enabled Decarbonisation

Delivery of SBS Transit's transition plan depends on coordinated action across our value chain and the wider transport ecosystem. SBS Transit will work closely with LTA under the BCM and NRFF to advance shared ambitions such as fleet electrification and transition to cleaner-energy buses. Beyond working with LTA, processes for supplier engagement, ESG screening and valuechain mapping are in place to improve understanding of upstream risks, dependencies and Scope 3 considerations.

Culture, Governance and Capabilities

Delivering SBS Transit's transition plan depends not only on technology and infrastructure changes, but also a workforce that can adapt to new operating requirements, safety protocols and service expectations. As the transition to lower-emission public transport accelerates, embedding sustainability into day-to-day decision-making and building frontline readiness will be critical to maintaining operational reliability and safety. To support this, SBS Transit is strengthening internal culture and capability through purpose-led values, internal communications, sustainability engagement activities and depot-level reporting, while expanding workforce training in areas such as electric vehicles, high-voltage systems, e-bus operations and operational safety with oversight from the Board and management.

Managing Transition-related Impacts

The climate transition is already influencing how SBS Transit operates, plans and invests across its business. We will seek to anticipate and manage transition-related impacts across our workforce, supply chain, customers and communities. SBS Transit will also consider broader physical climate risks, such as extreme heat and flooding, alongside trade-offs in capital investment requirements, operational change and rising electricity demand.

The above provides an early view of the foundational steps taken in 2025, which will be expanded further in our standalone inaugural CTP to be published separately in 2026.