

## **OUR APPROACH TO SUSTAINABILITY**

**AS THE LEADING PUBLIC TRANSPORT SERVICE PROVIDER IN SINGAPORE, OUR VISION IS TO MOVE PEOPLE IN A SAFE, RELIABLE AND AFFORDABLE WAY. IMPORTANTLY, WE DO THIS IN A SUSTAINABLE MANNER WHICH IS FOCUSED ON MINIMISING OUR IMPACT ON THE ENVIRONMENT, ENSURING ROAD, CUSTOMER AND WORKPLACE SAFETY, ENHANCING THE WELL-BEING OF OUR EMPLOYEES AND THE COMMUNITY AS WELL AS UPKEEPING THE ROBUSTNESS OF OUR GOVERNANCE SYSTEM AND PROTECTING OUR ASSETS.**

## OUR APPROACH TO SUSTAINABILITY

### BOARD STATEMENT

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

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

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

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

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

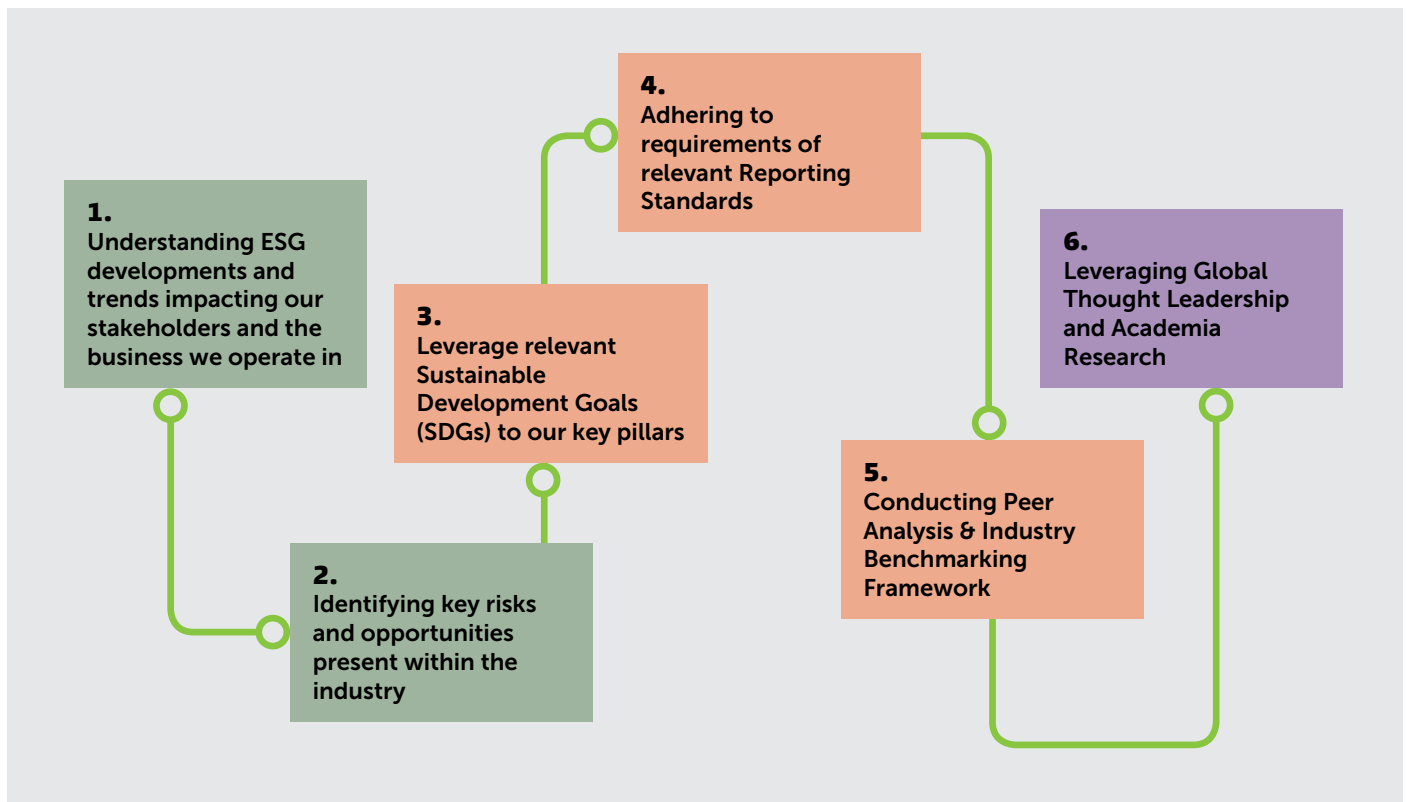
With a workforce of more than 10,000 people, we are committed to nurturing a corporate culture that encourages our employees to act ethically and with a strong sense of mission in meeting the needs of our customers that includes innovations and to ensuring transparent management and fair decision-making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

## OUR APPROACH TO SUSTAINABILITY

### MATERIALITY ASSESSMENT AND APPROACH

To refresh and reprioritise key focus areas for SBST, we undertook a materiality exercise to identify material topics relevant to our stakeholders and the transportation industry in general. In addition to addressing our key stakeholders' expectations, this also allowed us to identify and adapt to emerging sustainability issues and market needs. It further helps us shape our sustainability strategy and focus our efforts on long-term goals that are aligned with the three key pillars of our sustainability framework.

The materiality assessment process was supported by an independent external consultant that assist us to identify material topics that are relevant to SBST. The following inputs aided in establishing our potential material topics:



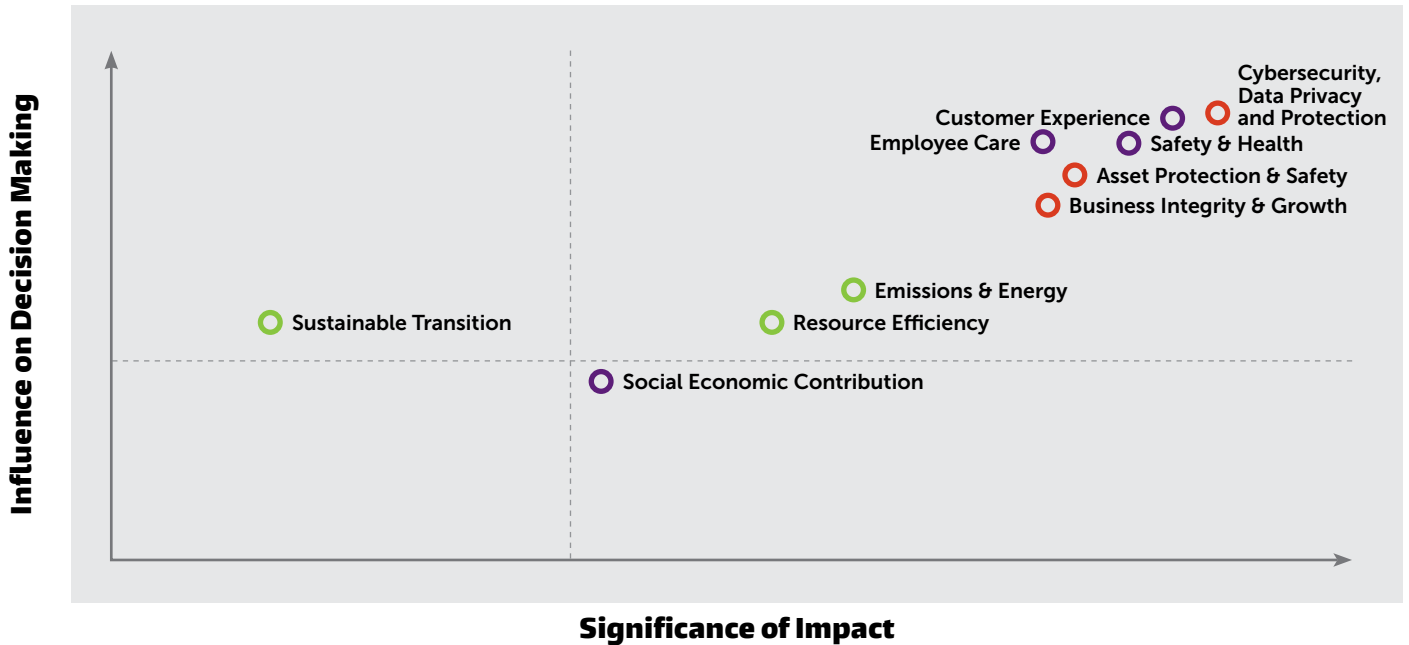
### ENGAGING KEY STAKEHOLDERS

To anticipate and adapt to the rapid change in business landscapes and stakeholder expectations, internal and external stakeholders were engaged, to validate the identified ESG material topics and issues. A balance of both qualitative and quantitative interviews were obtained from SBST's key management, employees, regulatory agencies, shareholders, unions and suppliers via different modes of engagement. This includes interviews, live conferences, video workshops and surveys.

The results derived from our review of the materiality assessment interviews and surveys conducted were then analysed, assessed, and prioritised into areas of focus. In assessing materiality, the Board of Directors considered both quantitative and qualitative factors, deliberated and validated the material topics based on their understanding of the business and its internal and external stakeholders. Through this process, 10 key material topics divided across the three pillars of ESG were established. Under the 10 overarching material topics, 21 sub-topics were identified to aid in targeted efforts towards ensuring sustainability.

## OUR APPROACH TO SUSTAINABILITY

### MATERIALITY MATRIX







PILLAR	KEY MATERIAL TOPICS	PRIORITY	MATERIAL SUB-TOPICS
<b>Environmental</b> Driving environmental stewardship to enhance sustainability in Singapore	Emission & Energy	High	-
	Resource Efficiency	High	<ul style="list-style-type: none"> <li>Water</li> <li>Waste management and circularity</li> </ul>
	Sustainable Transition	Medium	<ul style="list-style-type: none"> <li>Contribution to sustainable city development</li> <li>Green initiatives</li> </ul>
<b>Social</b> Reinforcing our social responsibility to our customers, employees and communities	Safety & Health	High	<ul style="list-style-type: none"> <li>Customer safety &amp; health</li> <li>Employee and contractor safety &amp; health</li> </ul>
	Customer Experience	High	<ul style="list-style-type: none"> <li>Quality of service</li> <li>Customer care and relationship</li> <li>Customer inclusiveness and accessibility</li> </ul>
	Employee Care	High	<ul style="list-style-type: none"> <li>Employee training, upskilling and development</li> <li>Wellbeing and work life balance</li> <li>Diversity, equal opportunity, human rights and fair labour</li> </ul>
	Social Economic Contribution	Medium	-
<b>Governance</b> Ensuring ethical business and strong governance practices	Cybersecurity, Data Governance & Privacy	High	-
	Asset Protection & Safety	High	-
	Business Integrity and Growth	High	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Regulatory &amp; compliance, anti-corruption &amp; anti-bribery</li> <li>Risk management &amp; transparency</li> <li>Responsible supply chain &amp; partnerships</li> <li>R&amp;D technology innovation</li> </ul>

## OUR APPROACH TO SUSTAINABILITY




### STAKEHOLDER ENGAGEMENT

SBST's approach to sustainability is firmly supported by our commitment to create long-term sustainable value for our Stakeholders, who are identified through our Risk Management process. Key Stakeholders, such as our Regulators, Customers, Shareholders, Employees and Partners are groups that can significantly impact or be impacted by our operations. SBST utilises the various channels highlighted below to regularly and actively engage our key Stakeholders.

We have also conducted an extensive stakeholder engagement exercise (refer to page 14), including in-depth interviews and online surveys.

STAKEHOLDER	FORMS OF ENGAGEMENT	PRIORITIES RAISED BY STAKEHOLDERS	OUR RESPONSE TO PRIORITIES
<b>Authorities</b> 	<ul style="list-style-type: none"> <li>Regular and Quarterly Regulatory meetings with LTA</li> <li>Regular meetings with Ministry of Transport, Public Transport Council, Ministry of Manpower and the National Environment Agency</li> </ul>	<ul style="list-style-type: none"> <li>Operation key performance indicators</li> <li>Safety and security</li> <li>Accessibility</li> <li>Carbon emissions reduction</li> </ul>	<ul style="list-style-type: none"> <li>Review operation, safety and security performances</li> <li>Provide constructive feedback when Regulator reviews existing and implements new policies</li> <li>Identify and implement initiatives to cut carbon emissions</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Information counters at bus interchanges/MRT stations</li> <li>Regular updates on SBST website, and Social Media platforms</li> <li>QR code and hotline allow customers to reach us when there are queries and concerns</li> <li>Conduct customer satisfaction surveys</li> <li>Issue press releases on company related news</li> </ul>	<ul style="list-style-type: none"> <li>Reliability</li> <li>Bus Captain Service</li> <li>Safety</li> <li>Security</li> <li>Overall service experience</li> </ul>	<ul style="list-style-type: none"> <li>Operate services well according to planned schedules and good schedule adherence</li> <li>Adhere to robust safety standards and stringent checks across all operations</li> <li>Conduct up-to-date training to all BCs and Customer Service Officers to ensure the highest standards of safety, security and service are delivered</li> <li>Implement Safe Management Measures to keep our employees and customers safe during their commute</li> </ul>
<b>Communities</b> 	<ul style="list-style-type: none"> <li>School talks</li> <li>Community outreach programmes</li> <li>Media updates</li> <li>Train Station/Bus Interchange adoption programme</li> </ul>	<ul style="list-style-type: none"> <li>Latest technologies</li> <li>Operation insights</li> <li>Maintenance insights</li> </ul>	<ul style="list-style-type: none"> <li>Sharing fun facts and quiz</li> <li>Broadcast educational videos</li> <li>Site visits</li> </ul>
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>SGX announcements</li> <li>Press releases</li> </ul>	<ul style="list-style-type: none"> <li>Active and adequate risk management</li> <li>Timely and accurate updates</li> </ul>	<ul style="list-style-type: none"> <li>Committed to disseminate accurate and pertinent information to the market in a timely manner as part of good corporate governance</li> </ul>

## OUR APPROACH TO SUSTAINABILITY

STAKEHOLDER	FORMS OF ENGAGEMENT	PRIORITIES RAISED BY STAKEHOLDERS	OUR RESPONSE TO PRIORITIES
<b>Union</b> 	<ul style="list-style-type: none"> <li>Regular meeting with key Union leaders</li> <li>Establish strong tripartite relationship</li> <li>Regular engagement lunches between ground managers and Union leaders</li> <li>Monthly productivity meeting</li> <li>Annual Management and Union retreat</li> </ul>	<ul style="list-style-type: none"> <li>Job matching</li> <li>Remuneration</li> <li>Grievance handling</li> <li>Rewards and compensations</li> <li>Prepare workforce for the future</li> <li>Improve Operation, Safety and Security key performance indicators</li> </ul>	<ul style="list-style-type: none"> <li>Work closely with Union to achieve win-win outcomes for all</li> <li>Collaborate with the Union to work with employees to improve Operation, Safety and Security key performance indicators</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Regular communication to ensure line of sight to achieve strategic/operational outcomes</li> <li>Biennial engagement surveys and more frequently via:               <ul style="list-style-type: none"> <li>Monthly team briefings to frontline employees</li> <li>Toolbox meetings to update Engineering employees</li> <li>Quarterly briefings to frontline supervisors</li> </ul> </li> <li>Feedback channels via email, WhatsApp chat groups and face-to-face meetings to address concerns and feedback, including on mental wellness</li> <li>Regular visits by Management to the ground units</li> </ul>	<ul style="list-style-type: none"> <li>Training and skills development</li> <li>Appraisal and remuneration</li> <li>Health and well-being at work</li> <li>Motivation and morale</li> </ul>	<ul style="list-style-type: none"> <li>Organise seminars and training courses to ensure employees' skills remain relevant and future-ready</li> <li>Benchmark our employees' salaries to the market on an annual basis to ensure they are paid competitively</li> <li>Organise annual health screenings and coaching to promote healthy lifestyle among our employees</li> <li>Organise regular webinars and provide online resources to support the mental well-being of our employees</li> <li>Provide appropriate uniforms and personal protection equipment to enhance workplace safety</li> <li>Practice good management by walking the ground</li> </ul>
<b>Partners/Suppliers</b> 	<ul style="list-style-type: none"> <li>Work closely with our Partners and Suppliers to ensure the smooth delivery of our services</li> <li>Actively communicate our expectations on ESG matters</li> </ul>	<ul style="list-style-type: none"> <li>Fair opportunity</li> <li>Collaborative relationship</li> <li>Timely and fair payment</li> </ul>	<ul style="list-style-type: none"> <li>Ensure fair opportunity and responsible practices, as well as strict adherence to our Supplier Ethics Policy</li> <li>Use ComPASS, a new procurement software, to help us work more closely with suppliers to improve processes and ensure compliance on ESG matters.</li> </ul>

## OUR APPROACH TO SUSTAINABILITY

As a major public transport operator in Singapore, maintaining customer satisfaction and prioritising the safety and health of everyone is core to our business. Therefore, our sustainability approach is not only focused on driving environmental stewardship to enhance sustainability in Singapore, but also on reinforcing our social responsibilities to all.

### OUR SUSTAINABILITY FRAMEWORK

Our framework is mapped with reference to the United Nations Sustainability Development Goals (UN SDGs), that are most relevant to our businesses. We support the achievement of these SDGs through our three key pillars below with established targets, commitment and implementation of measures.

#### CORE PILLARS OF SBS TRANSIT LTD

<b>Driving environmental stewardship to enhance sustainability in Singapore</b>	<b>Reinforcing our social responsibilities to our customers, employees, and communities</b>	<b>Ensuring ethical business and strong governance practices</b>
Ensure fuel, energy and water efficiency by integrating best practices into business operations.	Maintain the highest level of customer satisfaction, provide a safe and healthy environment for employees and customers, and uphold employee well-being.	Proactively maintain security processes and control measures to ensure compliance with local legislation and prevent data breaches to maintain compliance with regulatory boards.

### HOW WE CONTRIBUTE TO THE UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS

The UN SDGs are an urgent call for action by all countries, both developed and developing, to join hands in a global partnership to improve health and education, reduce inequality, and spur economic growth, while tackling climate change.

#### DRIVING ENVIRONMENTAL STEWARDSHIP TO ENHANCE SUSTAINABILITY IN SINGAPORE



● Achieved/on track  
● Requires improvement

MATERIAL TOPICS	TARGETS BY 2030	2021 ACHIEVEMENTS	PROGRESS
<ul style="list-style-type: none"> <li>Emissions &amp; Energy</li> </ul>	<ul style="list-style-type: none"> <li>50% of bus fleets to be hybrid or electric</li> <li>Improve bus fuel efficiency of at least 2%, from the 2019 baseline</li> <li>Increase solar PV output to 7 megawatt-peak (MWp)</li> </ul>	<ul style="list-style-type: none"> <li>Operated a total of 30 electric and 25 hybrid buses on revenue service</li> <li>Achieved 4.5% improvement in bus fuel efficiency</li> <li>Achieved Green Mark Platinum and Super Low Energy Building award for Ulu Pandan Bus Depot</li> <li>Expanded installation of solar panels at Gali Batu Depot</li> <li>Achieved solar PV output of 4.15 MWp</li> </ul>	●
<ul style="list-style-type: none"> <li>Resource Efficiency</li> <li>Sustainability Transition</li> </ul>	<ul style="list-style-type: none"> <li>100% of all office buildings to be green Eco-office certified</li> <li>Promote Green corporate culture across departments</li> </ul>	<ul style="list-style-type: none"> <li>Achieved Eco-office certification for all office buildings in Bus and Rail Businesses and Head Quarters</li> <li>Obtained Green-DNA award</li> <li>Achieved Water Efficient Building (Basic) Certification by Public Utilities Board (PUB) for Gali Batu and Ulu Pandan Depot</li> <li>Participated in Singapore's national waste reduction campaign</li> </ul>	●

## OUR APPROACH TO SUSTAINABILITY

### REINFORCING OUR SOCIAL RESPONSIBILITIES TO OUR CUSTOMERS, EMPLOYEES, AND COMMUNITIES



- Achieved/on track
- Requires improvement

MATERIAL TOPICS	TARGETS	2021 ACHIEVEMENTS	PROGRESS
<ul style="list-style-type: none"> <li>• Customer Experience</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver high level customer service</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved 74.5 points, above sector average of 74.4 points for our bus operations under the Customer Satisfaction Index of Singapore</li> <li>• Achieved 78.2 points, above sector average of 74.2 points for our rail operations under the Customer Satisfaction Index of Singapore</li> </ul>	●
	<ul style="list-style-type: none"> <li>• Continuous improvements in mobility and inclusive accessibility for the communities</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of bus fleet is wheelchair accessible</li> <li>• Launched inclusive initiatives</li> </ul>	●
<ul style="list-style-type: none"> <li>• Safety &amp; Health</li> </ul>	<ul style="list-style-type: none"> <li>• Zero fatalities</li> </ul>	<ul style="list-style-type: none"> <li>• Two road fatalities</li> <li>• Zero workplace fatalities</li> </ul>	●
	<ul style="list-style-type: none"> <li>• Injury rates below national averages in our industry</li> </ul>	<ul style="list-style-type: none"> <li>• Kept injury rates below national averages for the transportation industry*</li> </ul>	●
<ul style="list-style-type: none"> <li>• Employee Care</li> </ul>	<ul style="list-style-type: none"> <li>• Commit to the key principles of fair employment practices</li> <li>• Abide by labour laws</li> <li>• Invest in education and training opportunities to develop our employees</li> <li>• Promote digital training where possible</li> </ul>	<ul style="list-style-type: none"> <li>• Maintained a signatory to the Tripartite Alliance of Fair and Progressive Employment Practices (TAFEP)</li> <li>• Achieved 27 training hours per employee</li> <li>• 75% of the training places were conducted digitally</li> <li>• Launched e-learning courses for BCs</li> </ul>	●

\* Workplace Injury Rate (WIR) was 771 per 100,000 employed persons for the Logistics & Transport industry. The statistics is published by Ministry of Manpower in the Workplace Safety and Health Report 2021.



## OUR APPROACH TO SUSTAINABILITY

### ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES

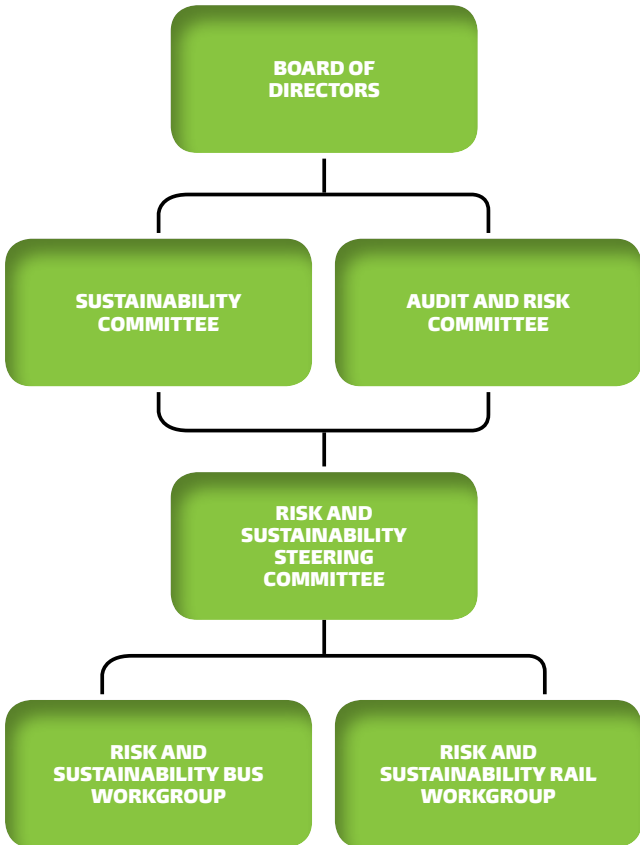


- Achieved/on track
- Requires improvement

MATERIAL TOPICS	TARGETS	2021 ACHIEVEMENTS	PROGRESS
<ul style="list-style-type: none"> <li>• Cybersecurity, Data</li> <li>• Governance &amp; Privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Zero major cybersecurity breaches</li> <li>• Zero major personal data breaches</li> </ul>	<ul style="list-style-type: none"> <li>• Zero incidents of major cybersecurity breaches</li> <li>• Zero incidents of major personal data breaches</li> </ul>	●
<ul style="list-style-type: none"> <li>• Asset Protection &amp; Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with all asset maintenance audit requirements</li> <li>• Ensure that only approved or authorised entry is allowed at depots</li> </ul>	<ul style="list-style-type: none"> <li>• Passed all audits and complied with the requirements</li> <li>• All bus depots have been gazetted as Protected Places under the Infrastructure Protection Act (IPA) by Ministry of Home Affairs in March 2021</li> </ul>	●
<ul style="list-style-type: none"> <li>• Business Integrity &amp; Growth</li> </ul>	<ul style="list-style-type: none"> <li>• Zero cases of corruption and fraud</li> <li>• Invest in new technologies to benefit the industry and communities</li> <li>• Drive innovation and change initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• No confirmed incidents of corruption and fraud</li> <li>• Partnered with ST Engineering Autonomous Solutions (STEAS) to operate an Autonomous Vehicle (AV) revenue shuttle at Jurong Island services from January to April 2021</li> </ul>	●

## OUR APPROACH TO SUSTAINABILITY

### SUSTAINABILITY AND RISK GOVERNANCE



### SUSTAINABILITY COMMITTEE, STEERING AND WORKING COMMITTEE

Led by our Chairman Mr Bob Tan, the Board of Directors endorses SBST’s sustainability efforts championed by the Sustainability Committee chaired by Board Director, Prof Lim Seh Chun. ESG matters are deliberated by the Sustainability Committee on a quarterly basis, providing guidance to the Senior Management team in driving SBST’s sustainability ambitions.

The Sustainability Steering Committee, chaired by our CEO Mr Cheng Siak Kian, and comprising key members of our Senior Management team, establishes SBST’s sustainability strategies by providing directions and considering ESG issues as part of its strategic formulation and investments.

The Bus and Rail Sustainability Workgroups, spearheaded by Head of Bus, Mr Ivan Tan and CEO Rail, Mr Jeffrey Sim respectively, are assisted by Head of Departments from various fields of expertise. Each Workgroup convenes quarterly to review the progress and discuss how SBST can better implement initiatives and contribute to the Company’s ESG efforts.

### AUDIT AND RISK COMMITTEE

As part of our wider governance framework, our governance policies and practices are aligned with the principles and guidelines set out in the Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018.

Our robust Enterprise Risk Management Framework adopts the precautionary principle, enabling our Business Units to understand the nature and complexity of the risks involved in our operations. This includes ESG-related risks, and provides a systematic process to identify and review the risks and prioritise resources to manage them.