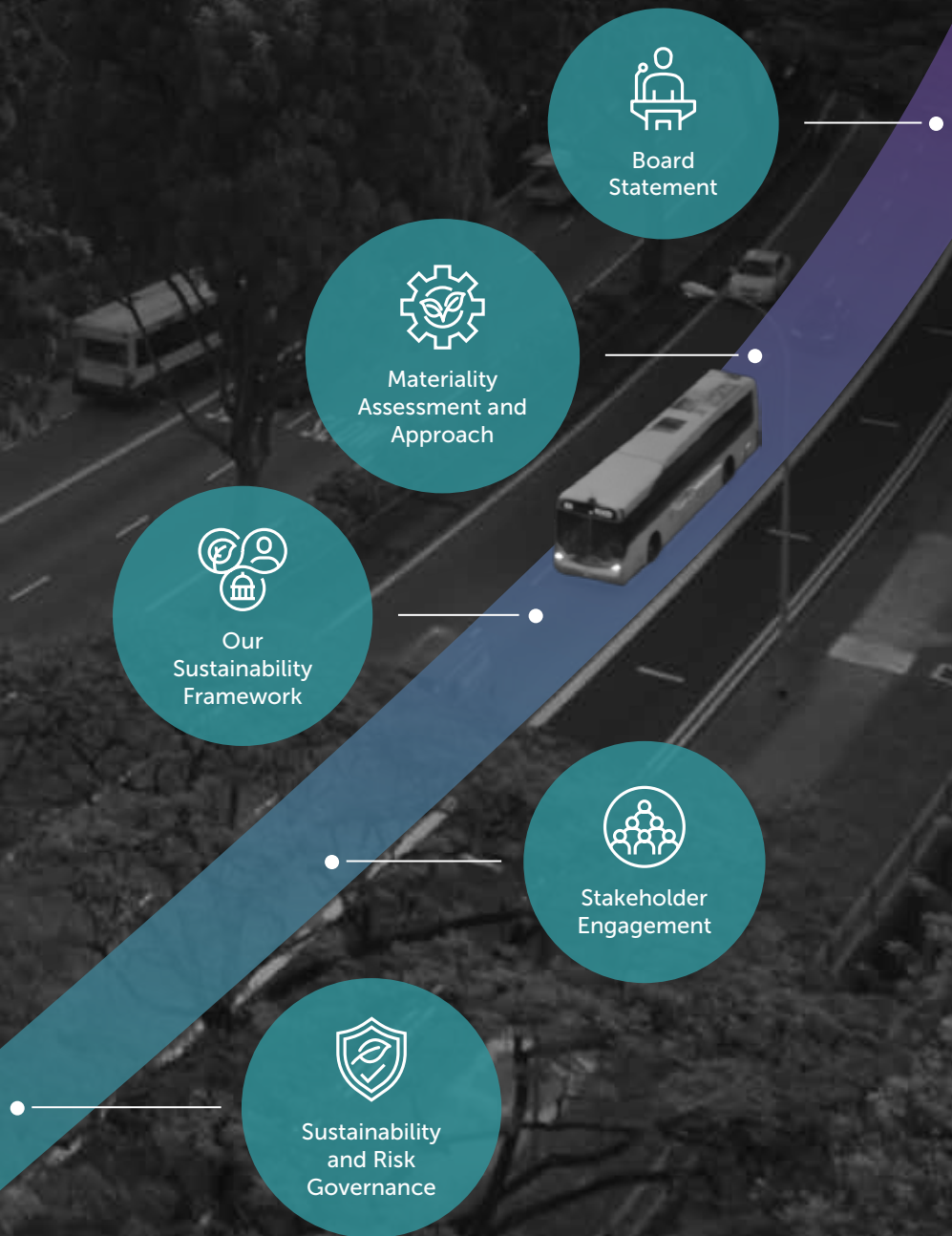


Our approach to sustainability

As a trusted and leading public transport service provider, we are committed to delivering safe, reliable, accessible and sustainable public transportation for all commuters in Singapore. Our sustainability strategy underscores our commitment to integrating ESG principles into every facet of our operations. By focusing on our key objectives outlined within our sustainability framework, we aim to foster a company culture that prioritises environmental stewardship, inclusivity and the betterment of the communities we serve.



OUR APPROACH TO SUSTAINABILITY

BOARD STATEMENT

Our Stewardship Role

The Board of Directors of SBS Transit is fully committed to the company's mission – achieving excellence for our customers, employees, shareholders and community by offering sustainable bus and rail services that are safe, reliable, efficient, and accessible. In particular, we want to ensure that we achieve this sustainability through:

1. Maintaining an effective stewardship and governance system,
2. Keeping transportation safe for commuters,
3. Ensuring that our operations are environmentally conscious, and
4. Promoting the well-being of our employees.

In our quest for both growth and sustainability, the Board also ensures that the interests of all stakeholders are safeguarded.

ESG and Transformation of Public Transport Sector

The Board's further focus is to ensure that in our strategy formulation, adequate consideration is given to ESG issues. In particular, this calls for:

1. Driving Singapore's Environmental ambitions in the public transport system;
2. Reinforcing our Social responsibilities to our customers, employees, and communities;
3. Ensuring ethical and strong Governance practices.

The Board is fully aware that the biggest challenge facing the public transport sector is the transition to electric vehicles, which necessitates a thorough transformation of the company's operations. **As a public transport operator, we recognise the significant environmental impact of our current operations. We are collaborating closely with the Land Transport Authority to minimise our carbon footprint and achieve the national goal of net-zero greenhouse gas emissions by 2050. We actively support LTA's initiative to introduce greener buses and strive for our entire fleet of public buses to run on cleaner energy by 2040.** Within our organisation, we prioritise sustainability by embracing responsible consumption and production practices. The Board's Sustainability and Service Quality Committee plays an active role in driving these transformational changes and ensuring long-term organisation success.

People and Communities

With a workforce of more than 10,000 people, we prioritise the well-being of our people as well as those we serve. This includes ensuring their health and safety, with a particular focus on the vulnerable in our population. The Board has devoted considerable attention to and given its full support for management's constant efforts to improve our safety and well-being initiatives. **We are proud to see the significant improvement in our workplace injury rate, which has fallen from 186.2 per 100,000 employees to 109.5 – well below the industry average of 660.**

We also recognise our responsibility to support the socially disadvantaged within our community and strive to continually improve the accessibility and inclusivity of our operations through innovative solutions and community partnerships. We strongly support efforts to give back to the broader community, beyond our core operations.

The Board has ensured that ESG matters are integrated into our balanced scorecard, which is used to set objectives, drive behaviours, measure performance and determine remuneration. The Board's Sustainability and Service Quality Committee reviews these issues quarterly and provides guidance to the Senior Management team to execute, manage and monitor our initiatives. The material issues are raised to and approved by the Board on an annual basis.

Transparency in Sustainability Reporting

The Board has also overseen the efforts to continuously improve the transparency and accuracy of our sustainability reporting. Aided by the work of the global Taskforce for Climate-related Financial Disclosures (TCFD), the Board has considered climate-related risks and opportunities in our strategic decision-making and is committed to continual advancement in this area. We are progressing towards the climate reporting standards required by the Accounting and Corporate Regulatory Authority and Singapore Exchange Regulation. With the TCFD's incorporation into the ISSB standards in 2024, our comprehensive sustainability report takes reference from the IFRS S1 and S2 sustainability disclosure standards (IFRS S1 refers to the "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 to the "Climate-related Disclosures") of the International Financial Reporting Standards Foundation or IFRS. This approach allows us to take a progressive stance on reporting, thereby reinforcing trust between SBS Transit and our stakeholders.

An Ethical Organisation

As the Board of a large organisation, we are committed to nurturing a corporate culture that encourages all our employees to act ethically and with a strong sense of mission in meeting the needs of our customers. This ensures transparent management and fair decision-making. We have in place a zero-tolerance stance on corruption, bribery and illegal activities. Additionally, we have formulated a clear and transparent whistleblowing policy and procedures. We have also enforced comprehensive policies to ensure robust cybersecurity and to safeguard personal data.

With our emphasis on strong stewardship and governance, and by continuously integrating sustainability and governance principles into our operations and embracing innovative solutions, we are confident in the company's ability to create lasting positive impact on both society and the environment and lasting value for our stakeholders.




OUR APPROACH TO SUSTAINABILITY

MATERIALITY ASSESSMENT AND APPROACH

MATERIALITY ASSESSMENT AND APPROACH

This year, we have undertaken a refresh of our materiality assessment to validate relevant material topics, based on the latest business landscape and our impact on people, environment and economy. The exercise builds on our previous materiality exercise, allowing us to reassess the significance of our key material topics identified following the GRI 2021 guidelines. The material topics identified (see table below) signal the areas where our business has the most significant impact, hence providing the overall direction of our sustainability practices.

Overall, our material topics have not changed, as there were no significant changes within our operational landscape since the last reporting cycle. However, based on peer analysis and feedback from our internal stakeholders, we have identified the topics "Responsible Supply Chain and Partnership" and "R&D, Technology and Innovation" as standalone material topics rather than reported as sub-topics. This further highlights the impact of our business in these areas and would enable greater clarity and transparency moving forward.

| PILLAR | KEY MATERIAL TOPICS |
|---|--|
| ENVIRONMENTAL Driving Singapore's low-carbon ambition through environmental stewardship  | Emissions and Energy |
| | Resource Efficiency <ul style="list-style-type: none"> Water efficiency Waste management and circularity |
| | Sustainability Transition <ul style="list-style-type: none"> Climate change mitigation and adaptation Sustainability engagement |
| SOCIAL Reinforcing our social responsibility to our customers, employees and communities  | Customer Experience <ul style="list-style-type: none"> Service quality Accessibility and inclusion |
| | Safety and Health <ul style="list-style-type: none"> Customer safety and health Employee and contractor safety and health |
| | Employee Care <ul style="list-style-type: none"> Well-being and work-life harmony Diversity, equal opportunity, human rights and fair labour Employee training, upskilling and development |
| | Social Economic Contribution |
| GOVERNANCE Ensuring ethical business and strong governance practices  | Business Integrity and Corporate Governance <ul style="list-style-type: none"> Regulatory and compliance, anti-bribery and anti-corruption Risk management and transparency |
| | Responsible Supply Chain and Partnership |
| | R&D, Technology and Innovation |
| | Cybersecurity, Data Governance and Privacy |
| | Asset Protection and Security |

OUR APPROACH TO SUSTAINABILITY

OUR SUSTAINABILITY FRAMEWORK

Our sustainability framework is designed and constructed with our identified material topics in mind and mapped with reference to the current United Nations Sustainability Development Goals (UN SDGs). We support achieving 10 of the 17 SDGs with established targets and commitments to implement initiatives and measures outlined within our three key pillars as set out below:

Driving Singapore’s low-carbon ambition through environmental stewardship



Reinforcing our social responsibilities to our customers, employees, and communities



Ensuring ethical business and strong governance practices



We recognise the importance of early identification of sustainability-related risks and opportunities to evaluate our sustainability strategies and identify areas for improvement. Through the scenario analysis conducted, we explored the direct and indirect climate-related risks and opportunities that would affect our operations and our value chain. We then dedicated ourselves to effectively managing and adapting to these climate-related risks to prepare for potential disruptions. We continue to monitor and identify any other relevant sustainability-related risks and opportunities and address them accordingly and in alignment with our sustainability strategy.




OUR APPROACH TO SUSTAINABILITY

OUR SUSTAINABILITY FRAMEWORK

Our sustainability targets and how they contribute to the UN SDGs




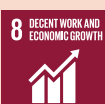

Overall, SBS Transit is progressing well towards achieving our targets set for the short, medium, and long-term. We have been particularly successful in meeting our social and governance targets. As for the environment, we face some challenges in meeting our short-term targets while continuing to grow our public transport network.

We remain optimistic about our long-term environmental targets, as we continue partnering with LTA. on various environmental initiatives.

| | MATERIAL TOPICS | SHORT-TERM TARGETS (2025-2030) MEDIUM-TERM TARGETS (2030-2050) LONG-TERM TARGETS (2050 AND BEYOND) | 2024 PERFORMANCE |
|---|------------------------|---|---|
| DRIVING SINGAPORE'S LOW-CARBON AMBITION THROUGH ENVIRONMENTAL STEWARDSHIP UN SDGs supported:    | Emissions and Energy | Short-Term: <ul style="list-style-type: none"> Reduce energy consumption by 15% from 2019 baseline Reduce scope 1 and 2 fleet emissions by 25% from 2022 baseline Increase Solar PV capacity to 7 MWp by 2030 Medium-Term: <ul style="list-style-type: none"> Reduce energy consumption by 20% from 2019 baseline Reduce scope 1 and 2 fleet emissions down by 50% from 2022 baseline Increase Solar PV capacity to 10 MWp by 2030 Long-Term: <ul style="list-style-type: none"> Reduce energy consumption by 25% from 2019 baseline Increase Solar PV capacity to 15 MWp by 2030 Maintain net-zero operations beyond 2050 | ↓ Energy consumption reduced by 8.7% from 2019 baseline ↑ Scope 1 and 2 fleet emissions increased by 2.2% from 2022 baseline ↑ Solar PV capacity increased by 21% from 4.28 MWp to 5.18 MWp ↓ Absolute Emissions reduced to 714,121 tCO ₂ e |
| | Resource Efficiency | Short-Term: <ul style="list-style-type: none"> Reduce water consumption by 15% from 2019 baseline Reduce annual general waste ratio to 25% All office buildings to be Eco-office certified Medium-Term: <ul style="list-style-type: none"> Reduce water consumption by 17% from 2019 baseline Reduce annual general waste ratio to 22% All office buildings to be Eco-office certified Long-Term: <ul style="list-style-type: none"> Reduce water consumption by 20% from 2019 baseline Reduce annual general waste ratio to 20% All office buildings to be Eco-office certified | ↓ Water consumption reduced by 17.1% from 2019 baseline • Annual general waste ratio: 44.3% • Maintained Eco-office certification for all offices |
| | Sustainable Transition | Short-Term: <ul style="list-style-type: none"> Achieve 50% electric bus fleet Achieve 35% electric utility vehicle Promote green corporate culture internally and community through education and engagement events Medium-Term: <ul style="list-style-type: none"> Achieve 100% cleaner energy bus fleet Achieve 100% electric utility vehicle fleet Promote green corporate culture internally and community through education and engagement events Long-Term: <ul style="list-style-type: none"> Maintain 100% cleaner energy bus fleet Maintain 100% electric utility vehicle fleet Promote green corporate culture internally and community through education and engagement events | <ul style="list-style-type: none"> Achieved 3.3% cleaner energy bus fleet Achieved 4.8% electric utility vehicles Conducted five staff and two community sustainability engagement initiatives |




OUR APPROACH TO SUSTAINABILITY

OUR SUSTAINABILITY FRAMEWORK

| | MATERIAL TOPICS | SHORT-TERM TARGETS (2025-2030) MEDIUM-TERM TARGETS (2030-2050) LONG-TERM TARGETS (2050 AND BEYOND) | 2024 PERFORMANCE |
|--|------------------------------|--|--|
| REINFORCING OUR SOCIAL RESPONSIBILITIES TO OUR CUSTOMERS, EMPLOYEES, AND COMMUNITIES UN SDGs supported: <ul style="list-style-type: none">      | Customer Experience | <ul style="list-style-type: none"> Deliver high level customer service Make continuous improvements in mobility and inclusive accessibility for all communities, especially the vulnerable | <ul style="list-style-type: none"> Compliment to valid complaint ratio to 11.7 CARES Training: 7,518 trained staff to-date Launched new initiatives like: Find Your Way, Experiential Learning and the School-Friendly Public Bus |
| | Safety and Health | <ul style="list-style-type: none"> Achieve zero fatalities Achieve injury rates below national averages for our industry | <ul style="list-style-type: none"> ↑ 4 fatalities (1 not-at-fault) ↓ Reduced our workplace injury rate from 186.2 to 109.5 per 100,000 employees, exceeding the industry average of 660 |
| | Employee Care | <ul style="list-style-type: none"> Invest in education and training opportunities to develop our employees to achieve 40 training hours per employee Employ 100 of persons with disabilities by 2030 Uphold diversity representation in the workplace in terms of gender, race, ability and age amongst other backgrounds where possible and applicable Maintain as a signatory to TAFEP | <ul style="list-style-type: none"> ↑ Increased training hours from 86 to 140 hours ↑ Increased PWDs employed from 26 to 36 9.4% female employee population 39.8% employees aged 50 years and above Launched new mobile app (ThoughtFull), to support employee well-being, including expanded mental health support and free counselling Shared productivity gains with workforce Paid out performance, reliability and safety incentives Remained a signatory to TAFEP |
| | Social Economic Contribution | <ul style="list-style-type: none"> Demonstrate commitment to contribute to the local community | <ul style="list-style-type: none"> Donated \$688,756 to charitable causes Over 9,000 beneficiaries impacted through our community outreach |
| | | | |

OUR APPROACH TO SUSTAINABILITY

OUR SUSTAINABILITY FRAMEWORK

| | MATERIAL TOPICS | SHORT-TERM TARGETS (2025-2030) MEDIUM-TERM TARGETS (2030-2050) LONG-TERM TARGETS (2050 AND BEYOND) | 2024 PERFORMANCE |
|--|---|--|---|
| ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES UN SDGs supported:    | Business Integrity and Corporate Governance | <ul style="list-style-type: none"> Maintain zero cases of corruption and fraud Maintain zero cases of non-compliance to anti-competitive behaviour, and bribery Maintain high standards of transparency, accountability, ethics, and integrity across our operations 100% of employees to undergo mandatory anti-corruption training by 2030 | <ul style="list-style-type: none"> Zero incidents of corruption and fraud Zero incidents of non-compliance to anti-competitive behaviour and bribery All employees completed anti-corruption training |
| | Responsible Supply Chain and Partnership | <ul style="list-style-type: none"> Ensure high standards of transparency, accountability, ethics, and integrity across our supply chain and partners Achieve zero supplier incidents of social or environmental non-compliance occurring within SBS Transit's premises or operations | <ul style="list-style-type: none"> Engaged 1,363 suppliers, including 130 new additions 97.9% of suppliers underwent screening based on environmental and social criteria, up from 96.5% in 2023 Achieve zero supplier incidents of social or environmental non-compliance occurring within our premises or operations |
| | R&D, Technology and Innovation | <ul style="list-style-type: none"> Invest in new technologies to benefit the industry and communities Drive innovation and change initiatives | <ul style="list-style-type: none"> Signed 35 new Memorandums of Understanding for technologies and innovation |
| | Cybersecurity and Data Protection | <ul style="list-style-type: none"> Achieve zero reportable cybersecurity breaches Achieve zero reportable personal data breaches Consistently enhancing our cybersecurity, data protection, and privacy measures | <ul style="list-style-type: none"> Zero incidents of reportable breaches Zero incidents of reportable personal data breaches |
| | Asset Protection and Safety | <ul style="list-style-type: none"> Comply with all audit requirements on asset maintenance Ensure only authorised entry at depots | <ul style="list-style-type: none"> Passed all audits and complied with the requirements No cases of intrusion |








Our targets are regularly reviewed, especially when we identify significant changes in our operating environment, to ensure they remain relevant and ambitious. During the exercise, the Risk and Sustainability department conducts a review of all our sustainability targets, supported by external consultants, by investigating any new or updated standards or legislation, as well as considering industry developments. Any improvements to the targets identified during the process will be raised to the Sustainability and Service Quality Committee and Board accordingly for approval before implementation.

Our next target review exercise will be conducted in 2025, during which we will assess the alignment of our fleet greening targets with the LTA's transition plans. Our targets are regularly communicated across our operations and reflected in relevant performance scorecards to ensure timely measurement and tracking of performance.

OUR APPROACH TO SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

Creating long-term, sustainable value for our stakeholders, who are at the core of our business, drives our sustainability approach. We identify our stakeholders through our risk management process, including regulators, customers, shareholders, employees, and business partners. To foster trust and integrity, we engage with them regularly. The feedback and insights gathered from these sessions are recorded and carefully considered in our sustainability strategy. The list of identified stakeholders and their priorities is shown below, with further details on our engagement efforts and responses outlined in Appendix 4.

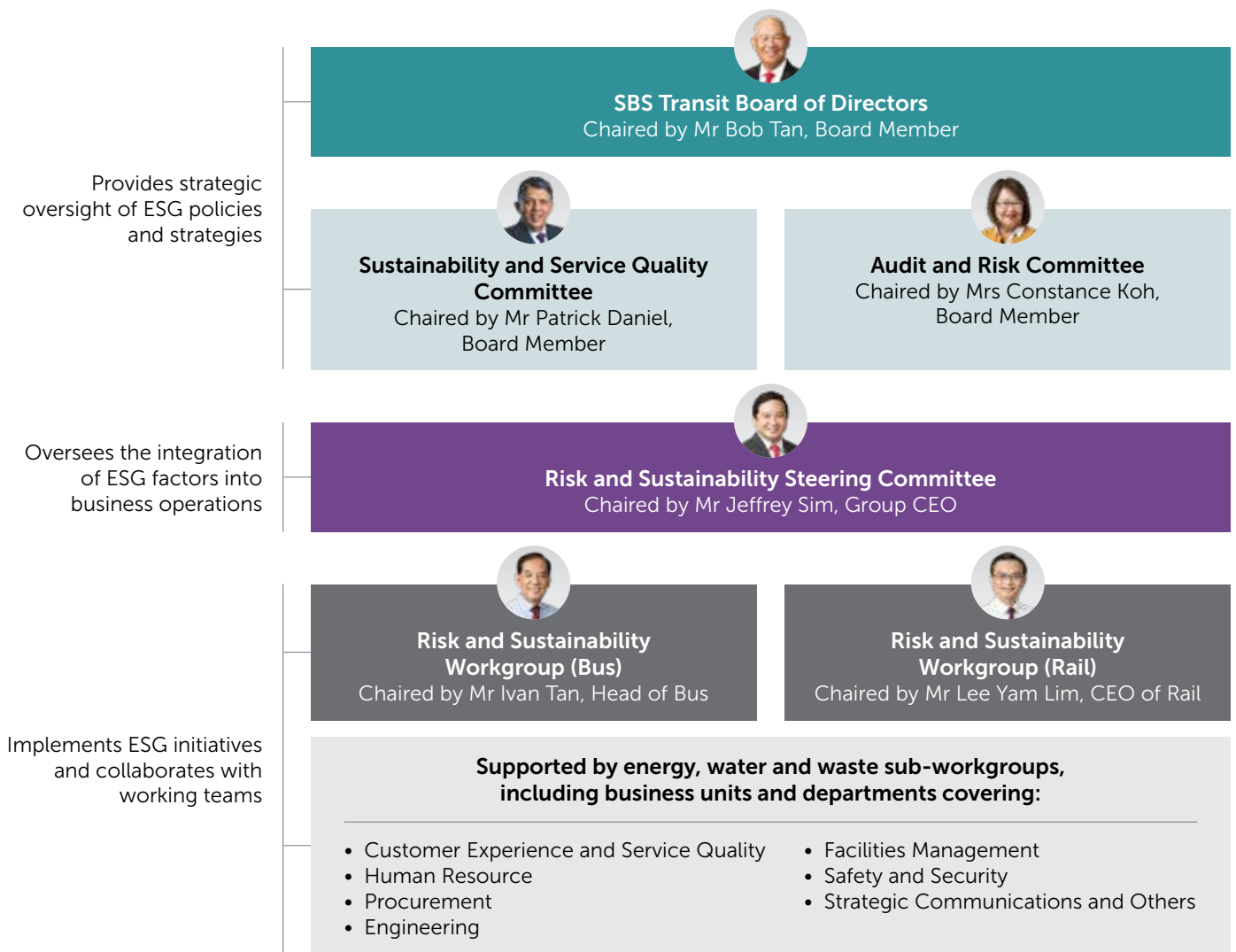
| STAKEHOLDERS | STAKEHOLDER PRIORITIES |
|---|---|
| AUTHORITIES  | <ul style="list-style-type: none"> • Operational performance: Deliver operational excellence • Safety and reliability: Safe and secure transport for all; service reliability and recovery • Security: Protection of assets • Accessibility: Inclusive and accessible public transport environment • Emissions: Reduction of carbon footprint |
| CUSTOMERS  | <ul style="list-style-type: none"> • Reliability: Dependable transportation services • Service experience: High standards of customer service quality • Security: Protection of people |
| EMPLOYEES  | <ul style="list-style-type: none"> • Training: Essential skills and knowledge • Performance appraisal and remuneration: Fair performance appraisal systems, and fair compensation and reward structures • Well-being: Healthy and supportive work environments • Morale and employee engagement: Enhancing morale through recognition and personal growth |
| SHAREHOLDERS  | <ul style="list-style-type: none"> • Stewardship and governance: Good oversight by the board • Business performance: Productivity and cost efficiency, profitability and dividend payments • Risk management: Identification and mitigation of workplace, operational and climate risks • Communication: Provision of timely and accurate business updates |
| PARTNER/SUPPLIERS  | <ul style="list-style-type: none"> • Opportunity: Equal access to business opportunities • Collaboration: Strategic and integrated partnerships • Payment: Timely and fair payment for goods supplied or services provided |
| UNION  | <ul style="list-style-type: none"> • Job roles: Design of jobs; alignment of roles with skills and staff aspirations • Use of Technology: Provision of the right tools and latest technology for the job; Nurturing future-ready employees • Compensation and rewards: Recognition of performance with appropriate incentives; Competitive and equitable packages • Employee grievances: Avenues for staff to surface grievances; Concerns addressed promptly and fairly by management • Workplace 'hygiene': Provision of a supportive work environment that caters to employee well-being |
| COMMUNITIES  | <ul style="list-style-type: none"> • Sustainable Operations: Minimise environmental impact through sustainable practices • Connectivity: Provide accessible and reliable public transport that connects everyone • Community Development: Engage in community development initiatives |

OUR APPROACH TO SUSTAINABILITY

GOVERNANCE OF SUSTAINABILITY AND RISK MANAGEMENT

Strategic stewardship, in particular our organisational set-up at both the board and senior management levels, plays a crucial role in the progress and success of our sustainability initiatives.

The Board of Directors is led by our Chairman Mr Bob Tan, who oversees sustainability efforts advocated by our Board-level Audit and Risk Committee (ARC) and Sustainability and Service Quality Committee (SSQC). The current structure is depicted in the chart below.



OUR APPROACH TO SUSTAINABILITY

GOVERNANCE OF SUSTAINABILITY AND RISK MANAGEMENT

Board-level Sustainability and Service Quality Committee

The company's sustainability strategy undergoes quarterly reviews by the SSQC, chaired by Board Director Mr Patrick Daniel. The SSQC's focus is to ensure that our sustainability initiatives make a significant positive impact on the company's cost efficiency and long-term profitability. Board members and the SSQC exercise independent judgement, keeping in mind always the best interests of the company and our stakeholders.

Our SSQC deliberates on ESG matters in a detailed and systematic manner, focusing on the major decision areas – from overall strategy and management of sustainability-related risks and opportunities to target-setting and review of the company's operational performance against the targets set. The SSQC leverages on internal tools and processes – such as data collection systems, key risk indicators, and progress meetings to address any specific items that may arise, and to facilitate decision making regarding the management of sustainability-related risks and opportunities. This approach allows us to focus our efforts on areas assessed to be of higher impact, while addressing longer term solutions over time. To ensure effective management of our material topics, the SSQC also does a full annual review to stay up to date with latest industry standards.

In addition, the SSQC serves as a sounding board for the Senior Management team and provides guidance in steering SBS Transit's sustainability ambitions. The SSQC Chairman regularly highlights the committee's key decisions to the Board for review and endorsement.

To build Board capability on ESG and sustainable development, all board members attended the "Environmental, Social and Governance Essentials" training conducted by the Singapore Institute of Directors as a foundation for board directors to drive sustainability compliance and integrate ESG factors into the company's business strategy. This course covered topics such as sustainable corporate governance, TCFD disclosures and SGX Listing rules. This ensured that SBS Transit's board members are cognisant of the role they play in driving sustainability throughout the organisation.

Board-level Audit and Risk Committee

The Board's Audit and Risk Committee, chaired by Board director Mrs Constance Koh, has formulated SBS Transit's Risk Management Framework to provide a systematic process to identify, manage, and review the risks involved in our business operations. SBS Transit is committed to enhance shareholder value through sustainable growth while managing our business risks.

SBS Transit's approach to risk management is governed by several key principles:

- **Ensuring a continuous, proactive and iterative risk management process:** Due to the dynamic nature of SBS Transit's operating environment, risk identification and assessment, as well as risk management measures, are reviewed and updated regularly.
- **Promotion of risk awareness among all employees:** Risk management processes are embedded into daily business operations and the appropriate tone is set at the top of the organisation. Regular exercises, continuous education and training, as well as communications through various forums on risk management, are carried out to instil a sustained risk-centric culture within SBS Transit.
- **Ensuring accountability for the risk management process:** Clearly defined tasks and ownership structures have been established within the risk management process. Managers at each level take ownership of risk management, with stewardship provided by Senior Management.

Senior Management Risk and Sustainability Steering Committee, and Workgroup

At the management level, Group CEO, Mr Jeffrey Sim, chairs the Risk and Sustainability Steering Committee (RSSC), comprising eight key members of our Senior Management team. Key risks, including ESG and climate-related risks, are identified and presented half-yearly to the Board and its Audit and Risk Committee. The RSSC provides direction to designated workgroups on material sustainability issues. This includes accounting for the impact of initiatives on climate-related risks and opportunities.

The Head of Bus, Mr Ivan Tan, and the CEO of Rail, Mr Lee Yam Lim, front SBS Transit's Bus and Rail Risk and Sustainability Workgroups respectively. Each Risk and Sustainability Workgroup convenes quarterly to analyse current performance and consumption patterns and discuss new solutions to sustainability-related issues that impact operations and business development. These heads are responsible for monitoring and analysing trends and proposing recommendations for improvement to the RSSC.

Within the workgroups, pillar heads have been appointed for the Energy, Water and Waste pillars to spearhead execution of pillar projects across the business. In addition, issue owners are held accountable by the pillar heads to track and share relevant external developments, and to deliver the desired goals for each pillar. The company's dedicated Risk and Sustainability department provides secretariat support to the four mentioned committees.