

OUR APPROACH TO SUSTAINABILITY



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As Singapore's trusted leading public transport service provider, we operate with a mandate to provide transportation that is safe, reliable, accessible and sustainable to Singapore's community while keeping public transport affordable. In this regard, we are dedicated to reducing our environmental footprint, enhancing employee and customer safety and well-being, and giving back to the community while maintaining the rigour of our governance system and protecting our assets.

BOARD STATEMENT

As a leading public transport service provider in Singapore, our vision is to move people in a safe, reliable, accessible, and sustainable 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 sustainability 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:

1. Driving environmental stewardship to enhance sustainability in Singapore
2. Reinforcing our social responsibilities to our customers, employees, and communities
3. Ensuring ethical 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 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 & Sustainability Steering Committee (RSSC) 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 all our customers, including those from vulnerable populations, 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 & Service Quality Committee (SSQC) reviews these material issues quarterly and provides guidance to the Senior Management team to execute initiatives, manage and monitor these issues closely. These material issues are discussed and approved by the Board annually.

We strive for transparency, accuracy, and continuous improvement in our sustainability reporting efforts. Through the TCFD, the Board has considered

climate-related risks and opportunities in our strategic decision making and is committed to continually advancing in this area. We are progressing towards the climate reporting requirements from the Accounting and Corporate Regulatory Authority (ACRA) and Singapore Exchange Regulation (SGX RegCo). The TCFD is incorporated into our comprehensive sustainability report, including some related disclosures that take preliminary reference to some of the S1 – General Requirements for Disclosure of Sustainability-related Financial Information and S2 – Climate-related Disclosures of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standard. This approach allows us to take a progressive stance on reporting, reinforcing trust between SBS Transit and our stakeholders.

With a workforce of close to 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 of the terms of reference of all Board Committees and building Board competence through relevant trainings and workshops.

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MATERIALITY ASSESSMENT AND APPROACH

During our preceding reporting period, we conducted a thorough materiality assessment following the guidelines of GRI 2021, in collaboration with an independent external consultant. The purpose of this assessment was to identify the material topics that hold the greatest significance for our organisation. In 2023, we conducted an exercise to validate and reassess the importance of our key material topics. Under the current materiality

methodology, emphasis was placed on the impact of SBS Transit's business operations on the people, environment, and economy. The updated process also highlighted any emerging sustainability issues, industry, and market needs moving forward. Subsequently, the reassessment of our material topics underwent a validation process with our Board-level Sustainability & Service Quality Committee - the results of which assisted in the prioritisation of material ESG topics critical for our business.

In 2021, a stakeholder engagement exercise with our internal and external stakeholders was conducted – these stakeholders include SBS Transit's key management, employees, regulatory agencies, shareholders, unions, and suppliers. This process aided in the identification and validation of our material topics and further enhanced our materiality process.

PRIORITISED LIST OF MATERIAL TOPICS

ENVIRONMENTAL Driving environmental stewardship to enhance sustainability in Singapore 	Emissions & Energy
	Resource Efficiency
	Sustainable Transition
SOCIAL Reinforcing our social responsibility to our customers, employees and communities 	Safety & Health
	Customer Experience
	Employee Care
	Social Economic Contribution
GOVERNANCE Ensuring ethical business and strong governance practices 	Cybersecurity, Data Governance & Privacy
	Asset Protection & Safety
	Business Integrity & Corporate Governance

OUR SUSTAINABILITY FRAMEWORK




Our sustainability framework is constructed and designed with our material topics identified in mind and mapped with reference to the current United Nations Sustainability Development Goals (UN SDGs) to our business. We further promote the achievement of these SDGs with established targets, commitments, and the implementation of initiatives and measures outlined within our three key pillars below:



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Our sustainability targets and how they contribute to the United Nations Sustainability Development Goals






Overall, SBS Transit is progressing well towards achieving our short, medium and long-term targets. We have been particularly successful in meeting targets set in accordance with our material topics relating to social and governance. While we encountered some challenges in reaching our short-term environmental targets, we remain optimistic as we continue to partner with the LTA on various environmental initiatives.

	MATERIAL TOPICS	SHORT-TERM TARGETS (2025-2030)	MEDIUM-TERM TARGETS (2030-2050)	LONG-TERM TARGETS (2050 AND BEYOND)	2023 PERFORMANCE
DRIVING ENVIRONMENTAL STEWARDSHIP TO ENHANCE SUSTAINABILITY IN SINGAPORE   	Emissions & Energy	<ul style="list-style-type: none"> Energy Consumption ↓ 15% vs 2019 by 2030 ↑ Solar PV generation to 7 MWp by 2030 Scope 1 & 2 Fleet Emission ↓ 25% vs 2022 by 2030 	<ul style="list-style-type: none"> Energy Consumption ↓ 20% vs 2019 by 2050 ↑ Solar PV generation to 10 MWp by 2050 Scope 1 & 2 Fleet Emission ↓ 50% vs 2022 by 2045 Net Zero operations by 2050 	<ul style="list-style-type: none"> Energy Consumption ↓ 25% vs 2019 beyond 2050 ↑ Solar PV generation to 15 MWp beyond 2050 Maintain Net Zero operations beyond 2050 	<ul style="list-style-type: none"> Energy Consumption ↓ 9.98% vs 2019 Solar PV capacity: 4.28 MWp Scope 1 & 2 fleet emissions: ↑ 2.73% vs 2022¹
	Resource Efficiency	<ul style="list-style-type: none"> Water Consumption ↓ 15% vs 2019 by 2030 ↓ Total Annual General Waste Ratio to 25% by 2030 	<ul style="list-style-type: none"> Water Consumption ↓ 17% vs 2019 by 2050 ↓ Total Annual General Waste Ratio to 22% by 2050 	<ul style="list-style-type: none"> Water Consumption ↓ 20% vs 2019 beyond 2050 ↓ Total Annual General Waste Ratio to 20% by 2050 	<ul style="list-style-type: none"> Water Consumption ↓ 13.33% vs 2019 Total Annual Waste to Landfill: 50.38%² Achieved Water Efficiency Building (Basic) certification by PUB for all premises Maintained Eco-office (Elite) Certification for all offices
	Sustainable Transition	<ul style="list-style-type: none"> 25% and 50% Cleaner energy bus fleet by 2025 and 2030 respectively 35% Electric utility vehicle fleet by 2030 Promote green corporate culture internally and community through education and engagement events 	<ul style="list-style-type: none"> 100% Cleaner energy bus fleet by 2050 100% Cleaner energy utility vehicle fleet by 2050 Promote green corporate culture internally and community through education and engagement events 	<ul style="list-style-type: none"> 1.6% Cleaner energy bus fleet 2.35% Electric utility vehicles Conducted 3 staff, 1 school and 3 community sustainability engagement programmes and initiatives 	

² With data collection improvements, our 2023 data includes Open Top Container waste. Data is not available for 2021 and 2022, hence the figures in past years have been maintained. As we look to maintain a high level of accuracy regarding data measurement, collection, and progress, moving forward, SBS Transit will reassess our waste reduction targets with respect to the baseline year to better reflect our initiatives and objectives in waste reduction.




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	MATERIAL TOPICS	SHORT-TERM TARGETS (2025-2030)	MEDIUM-TERM TARGETS (2030-2050)	LONG-TERM TARGETS (2050 AND BEYOND)	2023 PERFORMANCE
REINFORCING OUR SOCIAL RESPONSIBILITIES TO OUR CUSTOMERS, EMPLOYEES, AND COMMUNITIES     	Customer experience	<ul style="list-style-type: none"> Deliver high level customer service Continuous improvements in mobility and inclusive accessibility for communities 			<ul style="list-style-type: none"> Launched 13 initiatives
	Safety and health	<ul style="list-style-type: none"> Zero fatalities Maintain injury rates below national industry average 			<ul style="list-style-type: none"> 3 Fatalities (2 not-at-fault) Kept injury rates below national averages for the transportation industry
	Employee care	<ul style="list-style-type: none"> Promote digital training Invest in education and training opportunities to develop our employees to achieve 40 training hours per employee by 2030 and beyond Employment of persons with disabilities (PWD) 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"> ↑ Training hours to 86.6 from 39.43 vs 2022 Launched employee assistance app and program, to support employee wellbeing Sharing of productivity gains Performance and reliability incentives Safety incentives 30 PWDs employed Maintained a signatory to TAFEP
	Social economic contribution	<ul style="list-style-type: none"> Continuous commitment to contribute to the local community 			<ul style="list-style-type: none"> Launched a new CSR framework Collaborated with various social service agencies to launch 5 school and 8 community initiatives

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	MATERIAL TOPICS	SHORT-TERM TARGETS (2025-2030)	MEDIUM-TERM TARGETS (2030-2050)	LONG-TERM TARGETS (2050 AND BEYOND)	2023 PERFORMANCE
ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES   	Cybersecurity and data protection	<ul style="list-style-type: none"> • Maintain zero major cybersecurity breaches • Maintain zero major personal data breaches • Continuously solidify cybersecurity, data protection, and privacy measures 			<ul style="list-style-type: none"> • Zero incidents of cybersecurity breaches • Zero incidents of major personal data breaches
	Asset protection and safety	<ul style="list-style-type: none"> • Comply with all asset maintenance audit requirements • Ensure that only approved or authorised entry is allowed at depots 			<ul style="list-style-type: none"> • Passed all audits and compiled with the requirements • Zero cases of intrusion
	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, bribery, and corruption • Maintain high standards of transparency, accountability, ethics, and integrity across our operations • 100% of employees to undergo mandatory anti-corruption training by 2030 • Invest in new technologies to benefit the industry and communities • Drive innovation and change initiatives 			<ul style="list-style-type: none"> • Singapore Corporate Governance Award Most Transparent Company Award (Industrials) • Best Annual Report Award 2023 (Gold) • 11 new Memorandum of Understanding • 100% of employees completed anti-corruption training

Our targets are reviewed on an annual basis to ensure that they remain relevant and ambitious. The Risk & Sustainability Department will conduct a review by investigating any new or updated standards or legislation, as well as considering developments in the market. If targets are identified for improvement, these will be raised to the SSQC and Board accordingly for approval before disclosure. Our targets are regularly communicated across our operations and reflected in relevant performance score cards to ensure appropriate measurement, monitoring, and tracking of performance is completed in a timely manner.




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STAKEHOLDER ENGAGEMENT

Our stakeholders represent the core of our business and hence, our approach to sustainability is firmly underpinned by our dedication to create long-term and sustainable value for them. To foster trust and integrity, we hold regular engagements with our stakeholders identified through our risk management process. These include authorities, customers, employees, shareholders, partners and suppliers, the union and communities. The feedback gathered from these engagement sessions are recorded and due consideration is given during the curation of our sustainability strategy. The various channels, priorities, and how engagement feedback is utilised are outlined in the table below:

STAKEHOLDERS	FORMS OF ENGAGEMENT	STAKEHOLDER PRIORITIES	OUR RESPONSE TO PRIORITIES
 <p>AUTHORITIES</p>	<ul style="list-style-type: none"> Quarterly Sustainability Engagement meeting, and regulatory meetings with LTA Regular meetings with Ministry of Transport (MoT), Public Transport Council (PTC), Ministry of Manpower (MoM) and the National Environment Agency (NEA) 	<ul style="list-style-type: none"> Operation key performance indicators Safety and security Accessibility Carbon emissions reductions 	<ul style="list-style-type: none"> Review operation, safety, and security performances Provide constructive feedback when Regulator reviews existing and implements new policies Set ambitious targets to reduce consumption by identifying and implementing initiatives to reduce carbon emissions
 <p>CUSTOMERS</p>	<ul style="list-style-type: none"> Information counters at bus interchanges and MRT stations Regular updates on SBS Transit website, and social media platforms QR code and hotline for queries and concerns Annual customer satisfaction surveys Press releases on company related news 	<ul style="list-style-type: none"> Reliability Bus Captain Service Security Overall service experience 	<ul style="list-style-type: none"> Operate services well according to planned schedules and good schedule adherence Adhere to robust safety standards and stringent checks across all operations Conduct up-to-date training to all Bus Captains and Customer Service Officers to ensure the highest standards of safety, security and service are delivered
 <p>EMPLOYEES</p>	<ul style="list-style-type: none"> Monthly sustainability engagement campaigns Feedback channels via email, WhatsApp chat groups and face-to-face meetings to address concerns feedback and suggestions on environmental and social related issues Regular visits by Management to the ground units 	<ul style="list-style-type: none"> Training and skills development Appraisal and remuneration Health and well-being at work Motivation and morale 	<ul style="list-style-type: none"> Organise regular training courses and sustainability related information engage and educate employees Benchmark our employees' salaries to the market on an annual basis to ensure competitiveness Organise annual health screenings and coaching to promote healthy lifestyle among our employees Organise regular webinars and provide online resources to promote and support employees' mental well-being Provide appropriate uniforms and personal protection equipment to enhance workplace safety Practise good management by walking the ground
 <p>SHAREHOLDERS</p>	<ul style="list-style-type: none"> Annual General Meeting SGX announcements Press releases 	<ul style="list-style-type: none"> Active and adequate risk management Timely and accurate updates 	<ul style="list-style-type: none"> Commit to disseminating accurate and pertinent information to the market in a timely manner as part of good corporate governance

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STAKEHOLDERS	FORMS OF ENGAGEMENT	STAKEHOLDER PRIORITIES	OUR RESPONSE TO PRIORITIES
PARTNER/ SUPPLIERS 	<ul style="list-style-type: none"> • Work closely with our Partners and Suppliers to ensure the smooth delivery of our services • Communicate our expectations on ESG matters 	<ul style="list-style-type: none"> • Fair opportunity • Collaborative relationship • Timely and fair payment 	<ul style="list-style-type: none"> • Ensure fair opportunity and responsible practices, as well as strict adherence to our <u>Supplier Code of Conduct</u> • Use of procurement software, to work closely with suppliers to improve processes and ensure compliance on ESG matters. • Implementation of ESG assessment with 10% weightage
UNION 	<ul style="list-style-type: none"> • Regular meetings with key Union leaders • Regular engagement lunches between ground managers and Union leaders • Monthly productivity meeting • Annual Management and Union retreat 	<ul style="list-style-type: none"> • Job matching • Remuneration • Grievance handling • Rewards and compensations • Prepare workforce for the future • Improve Operation, Safety and Security key performance indicators 	<ul style="list-style-type: none"> • Work closely with Union to achieve win-win outcomes for all • Collaborate with the Union to work with employees to improve Operation, Safety and Security key performance indicators
COMMUNITIES 	<ul style="list-style-type: none"> • School CARES engagement • Community outreach programmes • Media updates • Train Station/Bus Interchange adoption programme 	<ul style="list-style-type: none"> • Latest technologies • Operation insights • Maintenance insights 	<ul style="list-style-type: none"> • Sharing fun facts and quiz • Broadcast educational videos • Site visits

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SUSTAINABILITY AND RISK GOVERNANCE

SUSTAINABILITY & SERVICE QUALITY COMMITTEE

Effective leadership is instrumental in driving sustainability initiatives throughout the organisation. The Board of Directors, led by our Chairman Mr Bob Tan, underwrites the SBS Transit sustainability efforts advocated by SBS Transit's dedicated Board-level Sustainability & Service Quality Committee (SSQC). The sustainability strategy undergoes regular reviews by the SSQC ensuring alignment of commercial and sustainability considerations for long-term profitability. Board members are expected to exercise independent judgement and good faith in the best interest of the company and its stakeholders.

The SSQC, chaired by Board Director – Prof. Lim Seh Chun, deliberates ESG matters on a quarterly basis including major decision areas on the sustainability strategy, target setting and review of SBS Transit's performance against targets, and risk management. Internal tools and processes such as data collection systems, enterprise risk matrices, and progress meetings to address any specific items that may arise, are employed by the SSQC to allow for informed decision making regarding the management of sustainability-related risks and opportunities.

To this point, efforts may be focused where the most impact is likely to be achieved, while longer term considerations are dealt with in due course. This highlights that while there are no explicit trade-offs in the oversight of sustainability related risks and opportunities, there is a strategic approach as to how these are addressed by the organisation.

In addition, the SSQC serves as a sounding board to the Senior Management team and provides guidance in steering SBS Transit's sustainability ambitions. Subsequently, the SSQC Chairman (Prof. Lim) reports the decisions of the committee to the Board. To ensure effective processes in the management of our material topics, the SSQC also reviews SBS Transit's processes on an annual basis and makes certain to stay up to date with current industry standards.

Our Group CEO – Mr Jeffrey Sim, chairs our Risk & Sustainability Steering Committee (RSSC), comprising eight key members of our Senior Management team. The RSSC aids in establishing SBS Transit's sustainability strategies by providing direction to the workgroups and considering ESG issues as part of its strategic formulation and investments. This includes the impact of climate-related events.

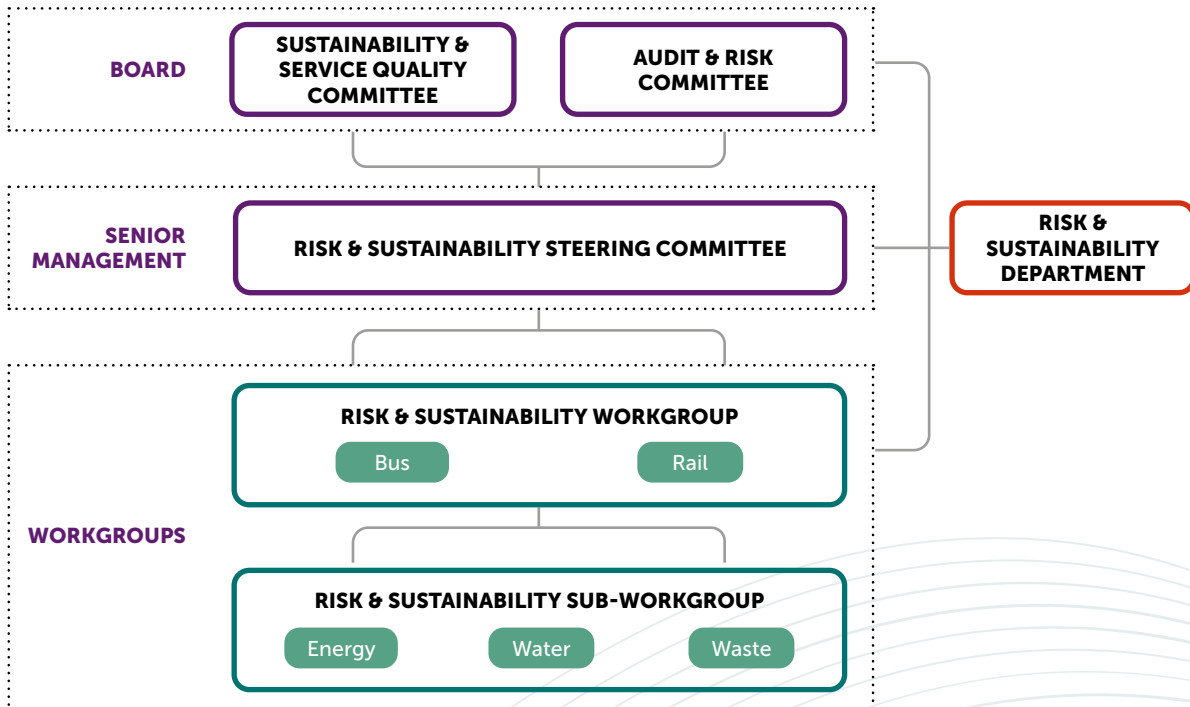
The Head of Bus Workgroup, Mr Ivan Tan, and Head of the Rail Workgroup, Mr Anthony Mok, front SBS Transit's Bus and Rail Risk & Sustainability Workgroups respectively. Each Risk & Sustainability Workgroup convenes quarterly to analyse current consumption patterns and discuss

sustainability related issues impacting operations and business development. These workgroup heads are responsible for monitoring and analysing trends and proposing recommendations for improvement to the RSSC.

Aside from the workgroups, the pillar heads appointed for Energy, Water and Waste pillars help to spearhead progress and execution of pillar projects across the business and ensure issue owner accountability. Issue owners will serve as subject matter experts to track and share relevant external developments around sustainability-related material issues, and outline roadmaps to achieve the desired goals for each respective pillar. This enables SBS Transit to track the progress of the initiatives and measures taken, and better manage and reduce our environmental footprint from our business activities. The dedicated Risk & Sustainability department provides secretariat support to the four mentioned committees.

To establish Board capability regarding 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 the Board members to drive sustainability compliance and integrate ESG factors into their business strategy. This course covers topics such as sustainable corporate governance, TCFD disclosures and SGX Listing rules. This allows SBS Transit's board members to be cognizant of the role they play in driving the organisation's sustainability strategy.

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AUDIT AND RISK COMMITTEE

SBS Transit’s Risk Management Framework provides a systematic process to identify and review the nature and complexity of the risks involved in business operations. This aids in the prioritisation and management of resources. The Group is committed to enhance shareholder value through sustainable growth while taking measured and well-considered risks.

The Group’s approach to risk management is governed by several key principles:

- Ensuring a continuous and iterative risk management process: Due to the dynamic nature of SBS Transit’s operating environment, risk identification, assessment, and risk management practices are reviewed and updated regularly to manage risks proactively.

- Promoting risk awareness among all employees: This is practiced by embedding risk management processes into day-to-day business operations and setting an appropriate tone at the top. Regular exercises, continuous education, and training, as well as communications through various forums on risk management are carried out to sustain a risk-informed culture within the Group.
- Ensuring accountability for the risk management process: This is done through clearly defined tasks and ownership structures within risk management process. Managers at each level have intimate knowledge of their businesses and take ownership of risk management.

The SBS Transit RSSC at the Group level works closely with all Businesses to ensure that risk management is taken seriously, and that the Risk Management Framework is diligently implemented across the Group. Key risks for the Group, including ESG and climate-related risks, are identified and presented to the Audit and Risk Committee and the Board half-yearly. In November 2023, we also published our TCFD report, highlighting the key and relevant climate-related risks and opportunities to SBS Transit. Within the report, we have also highlighted the governance approach to managing and overseeing our climate-related risks and opportunities.