

OUR APPROACH TO SUSTAINABILITY

As a global mobility service provider, we move and connect people, create jobs, invest and innovate to remain relevant and improve the quality of life. Our sustainability approach is focussed on minimising our environmental footprint, ensuring road, passenger and workplace safety, and enhancing the well-being of our people and the community.

BOARD STATEMENT

ComfortDelGro is committed to safeguarding the interests of our Stakeholders for sustainable growth, at the highest governance level. Sustainability is a key pillar of the Group's overall strategy and one that the Board pays close attention to. In particular, we consider Environmental, Social and Governance (ESG) issues as part of our strategic formulation. Our global sustainability strategy focusses on three key areas: enabling an energy efficient transport system, enhancing the safety and well-being of the community and our people, and engraining a culture of innovation and strong governance.

Being in the mobility business, we are cognisant that the delivery of our services has a direct impact on the environment. To this end, we will continue to work closely with the Regulators, the vehicle manufacturers and our suppliers to reduce our overall carbon footprint. We are encouraged by the advancement of technology and are keeping close tabs on developments in the field of Green technology. We are already operating hybrid buses and taxis, and have been working with manufacturers and Regulators on electric vehicle (EV) trials. We believe that technological advancements will have a significant impact on the way we operate and our environmental footprint.

Our people, and the people we serve, is another area of focus. From the health and safety of our employees to the

support for the socially disadvantaged, we are constantly looking at ways to improve. Our employees are committed to projects and activities that contribute to society 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 reviews and approves these material issues and has tasked the Senior Management team with the management and monitoring of these issues.

Corporate governance is also something that the Board watches closely. As a company that conducts business on a global scale, we are committed to nurturing a corporate culture that encourages employees to act ethically and with a strong sense of mission in meeting the needs of customers and to ensuring transparent management and fair decision-making.

In this regard, the adoption of the corporate auditor system has helped us increase the effectiveness of the auditing and monitoring functions fulfilled by Auditors. We 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.

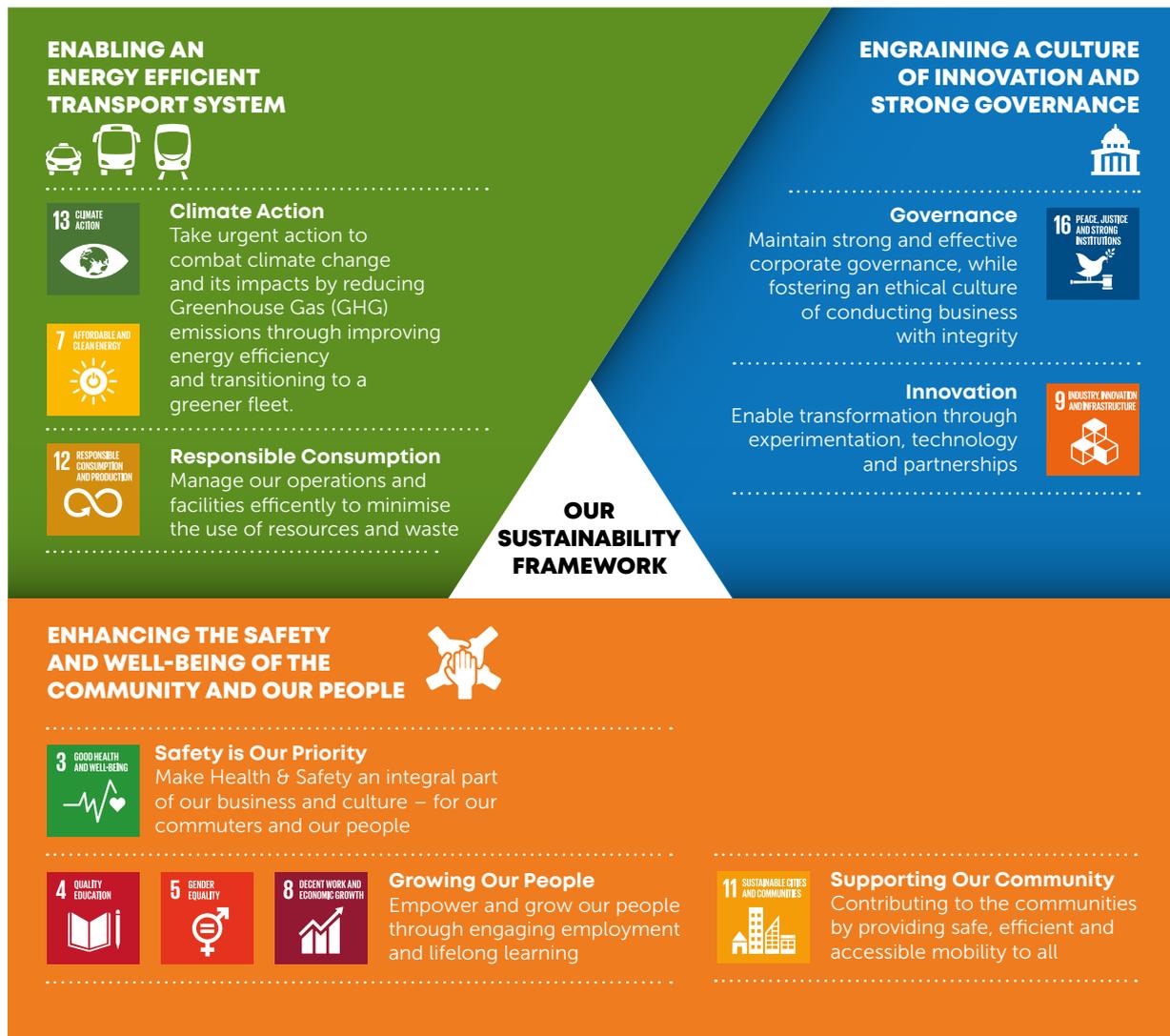
OUR SUSTAINABILITY FRAMEWORK

We mapped the United Nation’s (UN) Sustainability Development Goals (SDGs) into our sustainability framework. We focussed our framework on the 10 SDGs that are most relevant to our business. Despite the pandemic, ComfortDelGro remains steadfast in delivering on our commitments as presented in this framework.

ComfortDelGro’s framework consists of three key pillars:

- Enabling an Energy Efficient Transport System,
- Enhancing the Safety and Well-Being of the Community and Our People, and
- Engraining a Culture of Innovation and Strong Governance.

For each of these pillars, we set targets and commitments, and implement measures to contribute to the SDGs:



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SUSTAINABILITY PILLAR	TARGETS	2020 ACHIEVEMENTS
ENABLING AN ENERGY EFFICIENT TRANSPORT SYSTEM		
<p>Climate Action</p>  	<p>By 2023,</p> <ul style="list-style-type: none"> Reduce GHG emissions intensity by 20% from 2015 level 100% hybrid vehicles for taxi fleet 50% of all office buildings in Singapore to be green building certified <p>By 2030,</p> <ul style="list-style-type: none"> Reduce GHG emissions intensity by 50% from 2015 level Increase hybrids for all other vehicles 100% of all office buildings in Singapore to be green building certified <p>By 2023,</p> <ul style="list-style-type: none"> Increase solar photovoltaic (PV) output to 4 MWP <p>By 2030,</p> <ul style="list-style-type: none"> Increase solar PV output to 8 MWP 	<ul style="list-style-type: none"> GHG emissions intensity reduced by 8.1% from 2015 level, on track to reducing 20% by 2023 57.1% of total taxi fleet in Singapore are hybrid or electric vehicles Ulu Pandan Depot awarded Green Mark Platinum (Super Low Energy) in February 2020 44% of office buildings are Green Mark / Eco Office certified Increased solar photovoltaic (PV) output to 1.85 MWP
<p>Responsible Consumption</p> 	<p>By 2023,</p> <ul style="list-style-type: none"> All Singapore Business Units to be Eco Office Plus certified <p>By 2030,</p> <ul style="list-style-type: none"> Promote Green Corporate culture across Business Units in all countries 	<ul style="list-style-type: none"> In 2020, we achieved an additional eleven Eco Office Plus awards Two of our Business Units, ComfortDelGro Engineering and SBS Transit were also awarded the GreenDNA certification ComfortDelGro Headquarters obtained PUB Water Efficient Building (WEB) certification in February 2020

SUSTAINABILITY PILLAR	TARGETS	2020 ACHIEVEMENTS
ENHANCING THE SAFETY AND WELL-BEING OF THE COMMUNITY AND OUR PEOPLE		
Health & Safety 	<ul style="list-style-type: none"> • Zero fatalities • Injury rates below national averages in our locations of operation 	<ul style="list-style-type: none"> • Zero road fatalities and • Zero workplace fatalities • Kept injury rates below national averages*
Growing Our People   	<ul style="list-style-type: none"> • Invest in education and training opportunities to develop our people • Promote digital training across all Business Units • Increase female representation in the workplace • Ensure equitable remuneration structure based on work performance without gender bias • Commit to the key principles of fair employment practices • Abide by labour laws 	<ul style="list-style-type: none"> • Rolled out Microsoft Office, Tableau and Sharepoint training programmes to better prepare our employees for a digital future • 30% female representation in our Boards exceeded the target established by the Council for Board Diversity • Maintained a signatory to the Tripartite Alliance of Fair and Progressive Employment Practices (TAFEP) • No incidents of breach of any labour laws
Supporting Our Community 	<ul style="list-style-type: none"> • Continuous improvements in mobility and accessibility for the communities 	<ul style="list-style-type: none"> • 100% of buses are wheelchair accessible in Singapore • Over 90% of buses are wheelchair accessible in the UK • Over 57% of buses are wheelchair accessible in Australia • In 2020, the Mean Kilometres Between Failure (MKBF) of our North East Line and Downtown Line were 2.04 million train-km and 2.09 million train-km respectively, exceeding the 1 Million Mean Kilometres Between Failure (MKBF) target.

* Workplace Injury Rate (WIR) for Singapore and UK/Ireland falls below the Workplace Safety and Health Report 2019 national statistics published by Ministry of Manpower. The 2019 national statistics for workplace injury rate for Logistics & Transport industry is 821.2 per 100,000 employed persons. Australia's benefit systems and "no-fault" system of workers' compensation for work-related injuries indirectly led to relatively high number of workplace injury reports and long medical leaves.

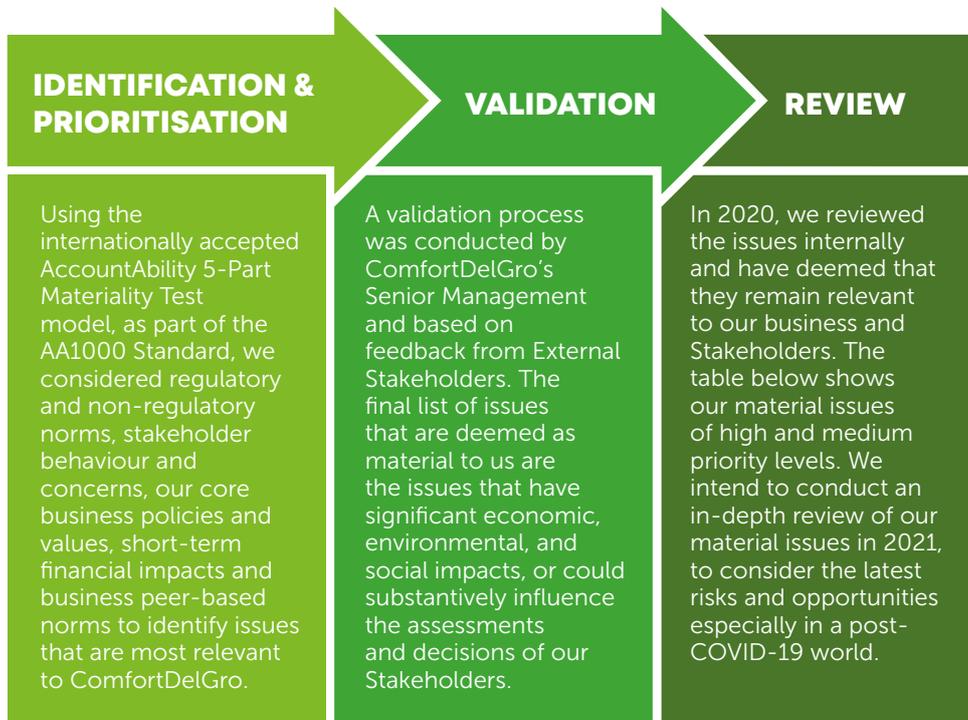
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SUSTAINABILITY PILLAR	TARGETS	2020 ACHIEVEMENTS
ENGRAINING A CULTURE OF INNOVATION AND STRONG GOVERNANCE		
<p>Governance</p> 	<ul style="list-style-type: none"> • Zero cases of corruption and fraud • Zero major cybersecurity breaches 	<ul style="list-style-type: none"> • No incidents of corruption and fraud reported in 2020 • Extended a Group-level governance structure for personal data protection to Australia, UK and China • Developed a Group-level Enterprise Risk Management (ERM) structure • No major cybersecurity breach • Implementation of the mandatory Cyber Security Awareness Training • Quarterly review of Key Risk Indicators (KRIs)
<p>Innovation</p> 	<ul style="list-style-type: none"> • Invest in new technologies to benefit the industry and communities • Drive innovation and change initiatives • Embed principles and mind-set of transformation office among Stakeholders 	<ul style="list-style-type: none"> • CDG Global Digital Challenge Demo Day was held in June 2020 and Business Units had the chance to showcase their digital ideas • Company-Led Training (CLT) Programme for up to 80 mid-career staff In October 2020

MATERIALITY

The materiality process guides ComfortDelGro in focussing on the most important issues for long-term value creation. This report details topics which have been deemed as material to ComfortDelGro’s businesses and key Stakeholders, based on the economic, environmental and social impact caused by our business activities.

We started our sustainability reporting journey in 2015 with an in-depth materiality assessment. The assessment was based on international best practice, integrating the principles of Stakeholder Inclusivity and Sustainability Context. This would enable us to focus on matters that impact business growth and are of importance to our Stakeholders, in the wider context of sustainability.



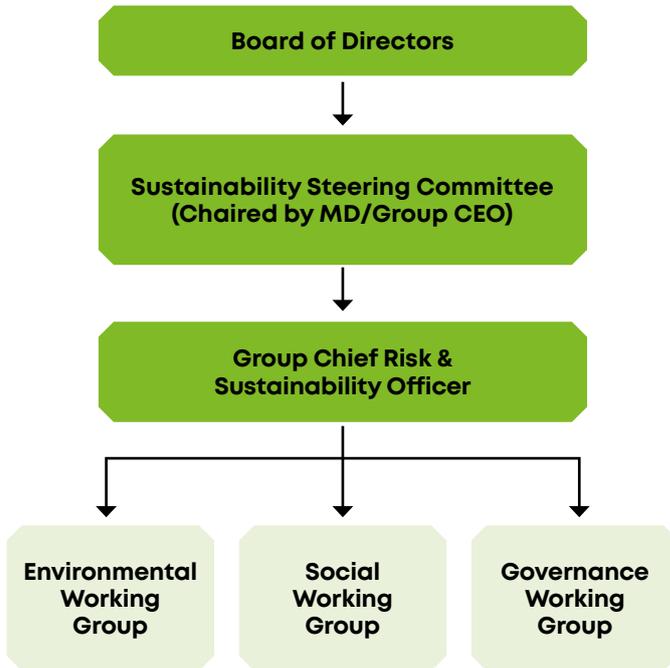
LEVEL	COMFORTDELGRO’S MATERIAL ISSUES
High	<ul style="list-style-type: none"> Anti-Corruption (I&E) Economic Performance (I&E) Energy Efficiency, Air Emissions (I&E) Health & Safety (I&E) Labour-Management Relations, Employee Engagement (I) Non-Discrimination (I&E) Public Policy and Regulatory Framework (I&E)
Medium	<ul style="list-style-type: none"> Accessibility (E) Diversity (I&E) Employee Training (I) Local Communities (E) Waste Management (I&E) Water Consumption (I&E)

Topic boundaries, in terms of whether impacts are relevant to internal or external Stakeholders, were considered during the materiality assessment. (I = Relevant to internal Stakeholders, E = Relevant to external Stakeholders)

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SUSTAINABILITY AND RISK GOVERNANCE

A robust governance framework is critical for effective management of economic, environmental and social risks, and opportunities, and also the long-term success of the organisation.



SUSTAINABILITY GOVERNANCE STRUCTURE

Led by our Chairman Mr Lim Jit Poh, the Board of Directors champions and provides oversight on ComfortDelGro's sustainability effort. ESG matters are deliberated by the Board of Directors every half-yearly at the tabling of the six-monthly progress report.

The Sustainability Steering Committee, chaired by our MD/Group CEO Mr Yang Ban Seng, and comprising key members of the Senior Management, reviews ComfortDelGro's sustainability performance and reports performance against targets to the Board. The Steering Committee plays a key role in driving the Group's sustainability ambitions, spearheaded by our Group Chief Risk & Sustainability Officer Mr Jackson Chia, who is assisted by the ESG Working Groups. Each working group convenes bi-monthly to review the progress and discuss how the Group and its Business Units can better implement initiatives and contribute to the ESG efforts.

CORPORATE GOVERNANCE AND RISK

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

We also have in place a robust Enterprise Risk Management Risk Framework which enables our Group and Business Units to understand the nature and complexity of the risks involved in the operations and provides a systematic process to identify and review the risks and prioritise resources to manage them.

In 2020, we appointed Ms Siew Yim Cheng as our new Group Chief Digital Officer, to better position ComfortDelGro to tackle challenges of the digital economy. This new key position will oversee all future ventures in the technology-related arena. It will support our efforts in advancing Green and smart mobility.

In addition, ESG risks and digitalisation are global megatrends that will impact every facet of our business in the coming years. With the pace of change accelerated by the pandemic, such disruptions are

also opportunities for the group to reinvent and transform into a sustainable enterprise.

We continue to adopt the precautionary principle in our risk-based approach. We are a signatory of the UN Global Compact and are committed to the 10 principles on Human Rights, Labour, Environment and Anti-corruption. More information on our corporate governance and risk management can be found on pages 118 to 137 and 142 to 148 in the ComfortDelGro Annual Report 2020.



ComfortDelGro and Its Listed Companies Ranked Top 20 in Governance & Transparency Index

We are proud to share that in 2020, all three entities of the ComfortDeGro Group – ComfortDelGro, VICOM and SBS Transit – have been ranked amongst the Top 20 in the Singapore Governance and Transparency Index (SGTI).

ComfortDelGro climbed one spot from the 14th to the 13th spot, VICOM from 17th to 16th, and SBS Transit leapt from the 40th spot to 17th this year.

“This is a very significant milestone and one which we, as a Group, are very proud of. Corporate governance and transparency form the basis of a lot of things that we do. They are not just textbook concepts you read about. At the Board level, we have committed to renewal and diversification. In fact, the current makeup of our Boards and Board Committees reflects our commitment to all aspects of governance and transparency.”

Mr Lim Jit Poh, Chairman of ComfortDelGro

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OUR STAKEHOLDERS

ComfortDelGro’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 Customers, Shareholders, Employees, Partners and Regulators, are groups that can significantly impact or be impacted by our operations. ComfortDelGro utilises various channels to regularly and actively engage our key Stakeholders. Sustainability topics have been discussed more frequently with increased awareness among our Stakeholders.

STAKEHOLDER	FORMS OF ENGAGEMENT	ISSUES RAISED	HOW WE RESPOND
<p>Customers</p> 	<ul style="list-style-type: none"> • We conduct outreach programmes where new and existing customers are invited to visit our operations. • Information counters and hotlines allow customers to reach us as and when there are queries and concerns. • Monthly Meet-the-Managers sessions to engage customers in-person. • Collection of customer feedback via questionnaires, online feedback forms and our service hotlines. • Obtain feedback from the Public Transport Customer Satisfaction Survey, conducted by the Public Transport Council. 	<ul style="list-style-type: none"> • Safety, accessibility and the overall service experience 	<ul style="list-style-type: none"> • Adhering to robust safety standards and stringent checks across all operations. • Conducting up-to-date training to all drivers to ensure the highest standards of safety. • In 2020, we implemented safe management and hygiene measures to keep our customers safe during their commute. <p>For more details on our safety efforts, please see pages 45-55.</p>
<p>Shareholders</p> 	<ul style="list-style-type: none"> • In 2020, the Investor Relations team met 260 groups of fund managers, analysts and equity sales personnel. The team also addressed queries from investors through emails, telephone calls and the online enquiry form. • Besides face-to-face office meetings and conference calls, we also participated in six virtual investors conferences and non-deal road-shows. • We also organised face-to-face briefings for the media and sell-side analysts for the full-year results and conducted dial-in conference calls with sell-side analysts for the other quarterly announcements. 	<ul style="list-style-type: none"> • Provision of timely and accurate updates • Active and adequate risk management 	<ul style="list-style-type: none"> • We are committed to disseminating accurate and pertinent information to the market in a timely manner as part of good corporate governance. • We participate in ESG ratings, such as S&P, Sustainalytics, MSCI and CDP, to disclose our ESG performance and efforts to our shareholders.

STAKEHOLDER	FORMS OF ENGAGEMENT	ISSUES RAISED	HOW WE RESPOND
<p>Employees</p> 	<ul style="list-style-type: none"> Quarterly newsletters are disseminated to provide latest updates. Weekly dialogue sessions are conducted to better understand employee needs and concerns. 	<ul style="list-style-type: none"> Training and skills development Remuneration Health and well-being at work during the pandemic 	<ul style="list-style-type: none"> Regular seminars and training courses ensure employees' skills remain future-ready. We supported our employees in 2020 through various initiatives, such as conducting digital-readiness training sessions and provision of accommodation. More details are in later sections of the report. Team bonding, well-being and community giving events.
<p>Regulators</p> 	<ul style="list-style-type: none"> Regular dialogue sessions with the various Regulators including the Land Transport Authority, the SGX, the National Environment Agency and the Ministry of Manpower. 	<ul style="list-style-type: none"> Upcoming trends and technologies Safety Competition Environmental issues Accessibility issues 	<ul style="list-style-type: none"> Where Regulators seek consultation in reviewing existing and emerging policies, we are responsive and strive to provide constructive feedback. We solicit honest feedback on service quality, operational reliability and safety.
<p>Partners & Suppliers</p> 	<ul style="list-style-type: none"> We work closely with our Partners and Suppliers to ensure the smooth delivery of our services and to achieve our sustainability goals. Our procurement policy includes a supplier assessment to ensure there is no adverse impact on society and the environment. We actively 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"> We manage our Suppliers carefully to ensure fair opportunity and responsible practices, as well as strict adherence to our Supplier Ethics Policy. We introduced ComPASS, a new procurement software, which has helped us work more closely with suppliers to improve processes and ensure compliance on ESG matters. <p>For more details on how we manage our supply chain, please see pages 28-29.</p>

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MANAGING OUR SUPPLY CHAIN

We work closely with our suppliers to maintain high standards of operation. We uphold fairness and respect in our relationships with our suppliers, pay our bills on time, and are transparent in all contracts and negotiations.



**Working with our suppliers to
tide through COVID-19**

During the COVID-19 pandemic, the ComfortDelGro Group played an essential role to direct the flow of Personal Protective Equipment (PPE) (items such as surgical masks/ gloves /gowns/hand sanitisers/disinfectant

wipes) across its global network of business units.

China is the first country to be hard hit by the pandemic in February 2020, which was coincidentally the Chinese New Year period. Holiday closure of factories, coupled with lockdowns across the country caused a dire shortage of PPEs. Our public transport businesses in China needed essential PPEs urgently to protect our public-facing staff. ComfortDelGro worked swiftly to consolidate and airfreight masks, surgical gloves and thermometers to China.

During the onset of the pandemic, ComfortDelGro sourced for PPE items from all parts of the world, as the world's factory – China was halting exports. We had our supply chains stretching to countries such as Saudi Arabia, India and Bangladesh. Thankfully, we also received precious supplies from our Australian office.

In the latter half of 2020, the pandemic shifted to the rest of the world, and our Malaysian, the UK and Australian offices were not spared. Fortunately, major PPE producing countries such as China, Thailand and Vietnam began to resume the export of PPEs. As such, ComfortDelGro Singapore was able to procure and airfreight them to our overseas counterparts.

This pandemic not only tested the resiliency of our supply chains; it also deepened the bonds between our global offices. As the Chinese saying goes, “患难见真情 - A friend in need is a friend indeed”, we are heartened to have global counterparts to rely on in times of need. Everyone was ready to “雪中送炭 - offer help to each other in times of need”.

PURCHASES FROM OUR SUPPLIERS

The bulk of our purchases consists of energy and direct material & services for the operation and maintenance of our fleets. In 2020, we purchased over 500 hybrid taxis and fully-electric taxis. About 90% of our spend is with 47 suppliers, of which approximately 51% of them have worked with us for more than five years. We have long-term contracts of three years or more with 235 suppliers. About 74% of the contracts by value were established through competitive sourcing exercises, including 53% through public tenders. The rest of the contracts were established with suppliers who are sole source, or incumbents with whom we leveraged existing contract volumes.

SUPPLIER SELECTION

We select our suppliers using a multi-criteria weighted matrix, with each criterion assigned a weightage according to its relative importance. Criteria used include the supplier’s technical capabilities, service quality, supply assurance, environmental responsibility, safety records, financial stability and cost competitiveness. Suppliers are also made aware of our Supplier Ethics Policy in every tender document, which outlines our expectations on fair practice, ethical conduct, social and environmental responsibility. We refrain from working with suppliers if they cannot comply with our Policy, and have implemented measures to mitigate supply chain risks in the areas of Fraud and Corruption, Supply, Legal, Price, Environmental, and Health & Safety. Read more about our Supplier Ethics Policy in Annex A.

SUPPLIER PERFORMANCE MANAGEMENT

We conduct Supplier Performance Management exercises regularly to assess our suppliers’ performance against market norms and the expectations agreed upon in our contracts. Key suppliers are appraised on their cost management, safety and service standards. These contribute to our risk mitigation efforts, allowing us to accurately uncover the root causes of potential problems and resolve them as quickly as possible. Moving forward, we plan to further integrate ESG criteria into the supplier performance scoring system.

As part of our digitalisation efforts, our new procurement software, ComPASS (ComfortDelGro Procurement, Analytics, Sourcing and Supplier) was introduced in 2020. As at January 2021, ComPASS is actively used by over 93% of Business Units in Singapore. The electronic spend management system will drive end-to-end procurement processes, which cover supplier onboarding, sourcing, contract management, procure-to-pay and spend analysis functions. ComPASS will enable a more robust supplier governance, and will help us work more closely with suppliers to improve processes and ensure compliance with environmental and safety regulations.

To-date, over 10,000 orders and over 8,000 invoices have been processed electronically, reducing paper wastages and saving a total of 1,113kgCO₂e.

