

ENGRAINING A CULTURE OF STRONG GOVERNANCE AND INNOVATION



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As a global organisation, the ComfortDelGro Group of Companies needs to ensure that it remains resilient to change in increasingly uncertain operational circumstances. Strong governance and the ability to innovate are key elements in navigating the way forward.

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GOVERNANCE

As our operations continue to expand worldwide, it is pertinent for ComfortDelGro’s wide range of businesses, companies, corporations and entities, including their employees, agents and representatives to always be in full compliance of local laws and regulations in their areas of operation. We also expect our Business Units and Suppliers to uphold the highest ethical standards.

Progress against targets:

TARGET	2020 PERFORMANCE
Zero cases of corruption and fraud	<ul style="list-style-type: none"> • No incidents of corruption and fraud reported in 2020 • Developed a Group-level governance structure for personal data protection • Developed a Group-level Enterprise Risk Management (ERM) structure
Zero major cybersecurity breaches	<ul style="list-style-type: none"> • No major cybersecurity breach • Implementation of the mandatory Cyber Security Awareness Training • Quarterly review of Key Risk Indicators (KRIs)

ANTI-CORRUPTION

WHY THIS ISSUE IS MATERIAL

Business and ethical integrity are pillars of our corporate psyche. With operations and a workforce that span seven countries, the Group recognises that good corporate governance, transparency and integrity are key in maintaining the trust of our Stakeholders.

HOW WE MANAGE THIS ISSUE

We conduct our business with integrity, transparency and honesty. We do not condone any corrupt practices such as bribery, extortion or embezzlement. Similarly, we do not condone fraudulent practices such as intentional deception or misappropriation of resources. ComfortDelGro targets for zero cases of corruption and fraud and expects to do so.

The Group has in place strong processes that ensure impartiality and provide checks and balances. Employees are educated on corruption risks and we conduct

regular audits on internal practices and processes. Our employees are not allowed to accept payments, gifts or other kinds of reimbursement from a third party that could affect or appear to affect their objectivity in business decisions.

We extend our anti-corruption commitments to our partners. Representatives of the Group are not allowed to offer Customers, Potential Customers, Suppliers, Consultants, Governments, Agencies of Governments, or any representative of such entities, any rewards or benefits in violation of applicable laws, in order to obtain or retain business or to gain any other improper advantage.

We also require our Suppliers to operate in accordance with the principles in our Supplier Ethics Policy and in full compliance with all applicable laws and regulations.

All officers administering and approving contracts in which they or their close relatives have significant interests are required to declare and recuse themselves from handling these contracts. Staff in the procurement and purchasing team make a declaration on conflict of interest annually. All members of the Procurement Category team are to attend a workshop on "Procurement Fraud Prevention & Detection" within their first two years of service. The workshop equips our staff on effective internal controls within the

procurement process, as well as the prevention and detection of procurement fraud.

The ComfortDelGro Alert Line facilitates whistle-blowing reporting to the Chairperson of the ComfortDelGro Audit and Risk Committee and the Group Chief Internal Audit Officer. All whistle-blowing reports are investigated thoroughly, independently and fairly, with prompt and proper closure.

GROUP PERFORMANCE SUMMARY



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**PUBLIC POLICY
AND REGULATORY
FRAMEWORK**

WHY THIS ISSUE IS MATERIAL

As our transport services are used by the public on a daily basis, we recognise the important role we play in shaping public policy and regulations in a way that benefits commuters, a key stakeholder. We are cognisant that we play an increasingly important role in influencing public policy and regulatory framework to aid transport operators in increasing their operating efficiencies and capacities.

HOW WE MANAGE THIS ISSUE

ComfortDelGro regularly engages with Governments and Regulators at many different levels to help shape public policy and regulation that support the land transport sector. We work closely with Association Partners and Unions on issues which affect them and our business. We actively incorporate the outcomes of these engagements in our decision-making processes and ensure that we are up to date with the latest regulations and stakeholder agreements. In doing so, we uphold our accountability, high business ethics and integrity to instil trust in our Stakeholders. At the same time, we expect all business partners, suppliers and employees to adhere to our guidelines on regulatory compliance and ethical conduct.

CYBERSECURITY

In an increasingly digital world, cybersecurity is and will be a growing concern for all. As we find new ways to adapt and take advantage of technology in our business, we must also develop safeguards for data protection and strengthen our cybersecurity defences. We also strictly comply with all cybersecurity and data protection regulations in our locations of operation.

To secure the integrity of our online systems, we enhanced our understanding of the current attack vectors and the associated mitigating behaviours in the event of cyber-attacks. To provide the highest assurance to our customers on protecting and using their personal data, we have put in place initiatives to equip our Company and our employees with essential competencies and capabilities in relation to cybersecurity as well as approaches to deal with incidences such as data breaches.

In 2020, we implemented a mandatory Cyber Security Awareness Training via an e-learning platform. This was disseminated across the Group. New staff are required to attend mandatory awareness training that inform them of the latest information security policies, procedures and risks. This is to better prepare them to acquire competencies, new techniques and methods that are essential in mitigating security risks.

Information technology (IT) system failures are key risks for the Group since almost all the businesses rely heavily on IT. In recognition of the risks of a major system failure – disruption of the business, loss of data or a security breach of our information technology systems, we ensure our information technology security management framework complies with current industry standards. The Group has also implemented various controls and data recovery measures to mitigate the risks, including the use of intrusion prevention systems, multi-level firewalls, server protection, software code hardening and data loss prevention controls to manage Internet security and cyber threats. Audits and penetration tests are conducted regularly to test the integrity of the systems – to identify potential vulnerabilities, strengthen the security hardening of our websites, and ensure that high standards are maintained.

CUSTOMER PRIVACY

ComfortDelGro complies with Singapore’s Personal Data Protection Act (PDPA) through the Group PDPA Compliance Policy. We have also developed a Data Breach Management Plan as a comprehensive response in the event of data and security breaches. The plan includes processes for reporting, assessing and evaluating risks and impacts of data breaches. We plan to review the PDPA Compliance Policy every two years and whenever there are amendments to the PDPA. Relevant internal and external stakeholders are updated as and when there are changes in policies, plans and practices. Compliance audits are

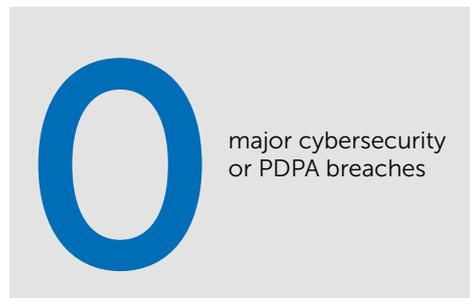
conducted by the Group on Business Units from time to time to ensure adherence to the Group’s PDPA policies.

We have appointed Data Protection Officers (DPOs) from various Business Units and formed a Data Protection Work Group to ensure the compliance of PDPA when developing and implementing policies and processes for handling personal data. This is to foster a data protection culture within the organisation and Business Units and to facilitate the communication of personal data protection policies to stakeholders.

We have identified the DPOs and data protection support staff to send for training in year 2020 as recommended by the PDPA competency framework. Business Units are also encouraged to obtain the Data Protection Trust Mark certification to ensure conformance to PDPA best practices.

GROUP PERFORMANCE SUMMARY

In 2020, there were no political contributions made and no incidents of socio-economic non-compliance.



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INNOVATION

Progress against targets:

TARGETS	2020 PERFORMANCE
Invest in new technologies to benefit the industry and communities Drives innovation and change initiatives Embeds 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 BUs had the chance to showcase their digital ideas • Company-Led Training (CLT) Programme for up to 80 mid-career staff In October 2020

DIGITALISATION

To remain at the forefront of the digital transformation, in 2020, we appointed Ms Siew Yim Cheng as our new Group Chief Digital Officer. This new key position will oversee all future ventures in the technology-related arena.

With this appointment also comes several key initiatives and digital solutions under ComfortDelGro.

We recognise that increasing digitalisation and technology adoption may not be equitable to all, and can discriminate based on age. In order to bridge this gap, we organised a Company-Led Training (CLT) Programme for up to 80 mid-career staff. We plan to roll out more of such capacity building sessions in the future.

For more information on our digitalisation programs, please see page 60-66 of the 2020 Annual Report.

SUPPORTING INNOVATION

Digital transformation does not start in a cubicle. It requires teamwork and a conducive platform to imagine, innovate and co-create. In June 2020, ComfortDelGro held the CDG Global Digital Challenge Demo Day, as a chance for our business units to showcase their ideas for digital solutions.

CDG Global Digital Challenge hopes to build corporate innovation by bringing the start-up mindset to the workplace. Open to ComfortDelGro employees worldwide, the Challenge aims to bring fresh ideas and ignite an entrepreneurial spirit within our people, and to value-add to their work and productivity. Employees are encouraged to form cross-functional and global teams to identify disruptive ideas that are able to uplift ComfortDelGro into the digital era. Funding is provided for teams and incentives are in place to encourage inter-business unit teams.

SBS Transit introduced e-services for our 6,200-odd Bus Captains, enabling them to use their handphones to carry out a host of administrative functions such as checking on work rosters and payslips, applying leave and reporting incidents and bus defects wherever they are. BCs can also access their individual driving competency scores generated from iSafe to find out about their driving behaviour. Using a mobile application, iLink, our BCs are given the flexibility to perform these functions at their convenience as well as stay in touch with the Company through news, safety alerts and advisories.

A cleaning robot was also deployed to our canteen at the Ulu Pandan Bus Depot. It is constantly on the move, sweeping and mopping to keep the premises clean at all times.



Launch of the myCDC Mobile App

In September of 2020, ComfortDelGro Driving Centre (CDC) launched the “myCDC” mobile application. The first of its kind, the app enables learners to log in just once with their learner identification and password and book not only lessons such as theory, practical, evaluation and simulator training, but also theory and practical test dates with Traffic Police. For those learning to drive, the App also enables them to track their progress digitally as every completed lesson that is recorded on the driving instructor’s tablet is synced to the learner’s profile in the App.

To help learners keep track of their scheduled bookings, push notifications are sent to them twice via the App – a day in advance and an hour in advance. In addition, learners can cancel or reschedule bookings, top up their stored-value accounts, and update personal details through the app. There is even an online merchandise shop that learners and non-learners alike can purchase accessories on-the-go.