

MESSAGE FROM THE CHAIRMAN AND MD/GROUP CEO



LIM JIT POH
CHAIRMAN

YANG BAN SENG
MD/GROUP CEO

2021 was a year characterised by resilience. Despite the persistent uncertainties brought on by the COVID-19 pandemic, Governments and companies like ComfortDelGro have doubled down on their sustainability commitments. In 2021, we established the Sustainability Committee at the Board-level to better integrate Environmental, Social and Governance (ESG) considerations into the business strategies of the Group. Ms Jessica Cheam gamely agreed to chair this new Committee. Her passion and experience will help chart our ESG strategies and drive our efforts towards sustainable mobility.

ENABLING A CLIMATE-FRIENDLY AND SUSTAINABLE TRANSPORT SYSTEM

The sobering Inter-governmental Panel on Climate Change (IPCC) Assessment Report 6 signalled a "Code Red" for humanity as man-made carbon emissions were singled out as the definitive cause of global warming since the Industrial Revolution. Conference of the Parties 26 (COP26), a significant climate conference delayed by COVID-19, was finally held in November 2021, with nearly 200 countries banding together to ink the Glasgow Climate Pact. While some observers noted that more could be achieved, the Pact had set a strong foundation

to reduce Greenhouse Gas (GHG) emissions and embark on a decarbonisation pathway that would limit planet warming to 1.5°C in the next century. Over 2,000 companies, including ComfortDelGro, have risen to the challenge to take accelerated climate action by committing to the Science Based Targets initiative (SBTi).

Since committing to SBTi for the "Well Below 2°C" scenario in February 2021, the Group has developed stretched targets to achieve the more ambitious 1.5°C scenario. This entails putting in-place aggressive decarbonisation programmes to achieve a 55% reduction in our GHG emissions

MESSAGE FROM THE CHAIRMAN AND MD/GROUP CEO

by 2032. The Group has since submitted its plans to the SBTi expert committee for approval. ComfortDelGro is the first mobility operator in the region to have committed and submitted its SBTi plans. We commend the Sustainability Office and the Business Units for their aspirations and efforts.

To reduce our emissions, the Group and its Business Units have been working tirelessly to move away from the use of Internal Combustion Engine (ICE) vehicles and to electrify our fleet. The tender win by the ComfortDelGro Engineering-ENGIE consortium to install 479 out of 632 charging stations for Electric Vehicles (EVs) in Singapore was a significant milestone. We look forward to offer our expertise in EV charging to build up the local infrastructure and encourage EV adoption. This will also provide every opportunity for us to speed up the electrification of our own fleet.

Another heartening news was the award of the S\$30 million contract to our wholly-owned subsidiary ComfortDelGro Bus (CDG Bus) to operate a fully electrified private fleet of shuttle buses at the National University of Singapore campus. CDG Bus later also won a S\$20 million multi-year contract to serve four shuttle bus routes in the Nanyang Technological University (NTU) with 20 electric buses. These were significant wins as they would position CDG Bus as the largest private operator of electric buses in Singapore. Together with our planned roll out of up to 400 electric taxis in 2022, it would strengthen our suite of sustainable mobility solutions for our customers.

Metroline, ComfortDelGro's fully-owned subsidiary in the UK, has also been operating its fleet of 20 hydrogen double-deck buses in London since June 2021. This experience will increase the Group's knowledge in operating alternative clean energy vehicles,

and enable us to explore the implementation of such solutions in other geographies that we operate in.

In Australia, CDC Victoria was a commendable finalist in Healthy Environment category of the 2021 Premier's Sustainability Awards. We were the first public transport operator in Australia to implement the use of automatic geofencing technology to deliver enhanced environmental performance by cutting emissions and limiting engine noise. Operating on Melbourne's track bus services, 48 of 50 of the Volvo hybrid buses have shown to reduce nitrogen oxide and particulate emissions by up to 50% and reduce fuel and CO2 emissions by up to 40%.

ComfortDelGro recognises that electrification needs to be coupled by the greening of the electricity grid to further reduce the impact on the environment. With that, ComfortDelGro Engineering and ENGIE entered into a second joint venture to develop and manage solar solutions. As a start, the joint venture will install and operate rooftop solar panels later in 2022 at ComfortDelGro Engineering's Loyang, Pandan and Ubi premises. The renewable energy generated will feed the energy usage of the automotive workshops and fast charging station for cabbies and public EV users at these locations. They target to achieve 50MWp renewable energy capacity by 2030, or the equivalent of powering 12,500 four-room housing flats.

Ahead of regulatory pressure to report on climate risks, ComfortDelGro has also embarked on its Task Force on Climate-related Financial Disclosures (TCFD) journey. This year, we engaged business units from Singapore, Australia, China, UK and Ireland in climate risk workshops. These workshops sought to establish the physical and transition risks and opportunities of climate change for our operations. The full report is expected to be published in May 2022.

SAFEGUARDING THE WELLBEING, HEALTH AND SAFETY OF OUR PEOPLE, PATRONS AND COMMUNITIES

As a global mobility operator, the health and safety of our employees and commuters continues to be a priority for the Group. Practicing the three-pronged protocol of Trace, Test and Vaccinate, ComfortDelGro has invested our best effort to curb the spread of COVID-19 within our communities.

Due to the high transmissivity of the Delta variant, COVID-19 clusters emerged across several of the bus interchanges in Singapore earlier in July. Over 200 of our bus captains were tested positive. Our public transport operator, SBS Transit, took swift and decisive actions to strengthen safe management measures and reduce further transmissions. Similarly, when a COVID-19 cluster was discovered at the ComfortDelGro Driving Centre, it was immediately closed for two weeks for deep cleaning and disinfection. We are relieved to report that there have been no fatalities.

We continued to provide support to our staff and business partners during this difficult period. The Group distributed over 200,000 Antigen Rapid Test (ART) kits to our staff in Singapore. On top of the S\$86.5 million rental relief disbursed, ComfortDelGro Taxi also distributed ART kits to cabbies to support their routine COVID-19 testing regime. About 100 of our cabbies in Singapore made a total of 15,000 trips to convey persons serving Stay-Home Notice (SHN) for their COVID-19 test. The cabbies were unfazed by the additional risks and kept up diligently with thorough cleaning routines after each trip.

In the geographies that ComfortDelGro operates in, we worked closely with the respective authorities, business partners and employees to encourage vaccination that would offer protection against the virus. In Australia, we ran a campaign to promote

MESSAGE FROM THE CHAIRMAN AND MD/GROUP CEO

vaccination take-up rate by offering gift-cards to fully vaccinated workers. At the time of this report, the vaccination rate stands at more than 90% at the Group-level. 99% of China and Singapore staff have been vaccinated.

In 2021, we continued to give back to various causes and our communities. Our contribution to seniors, children, the sick and persons with disabilities amounted to S\$2.07million. ComfortDelGro Taxi's cabby volunteer group, CabbyCare Charity Group (CabbyCare), kept up its practice of delivering meals to the needy and made a total of 2,310 pro-bono trips, or the equivalent of about S\$173,250 in fares forgone. This is more than double the number of trips made last year.

In Australia, we have committed a sponsorship of A\$750,000 over three years to the Kinchela Boys Home Aboriginal Corporation (KBHAC) to not only build and maintain a mobile bus education centre for KBHAC, but to also deploy drivers to support its community events that promote cultural exchange and understanding for the Aboriginal and Torres Strait Islander people. More of our community engagement efforts are reflected later in this report.

GROWING OUR BUSINESS WITH STRONG GOVERNANCE, ETHICAL INTEGRITY AND INNOVATION

Strong corporate governance forms the cornerstone of how we do business. This year, ComfortDelGro refreshed several of its policies and practices. We have published our Whistleblowing Policy to improve transparency of our grievance mechanism. Our Supplier Code of Conduct has been revised to reflect our growing attention to sustainability along our supply chain. This sustainability report is also the first report which we sought limited internal assurance. We plan to seek external assurance in 2023.

In the digital economy, cybersecurity threats have become more prevalent. We have guided our Business Units to obtain the Data Protection Trustmark, a Singapore national-level certification for organisations that have demonstrated strong data protection practices. ComfortDelGro Engineering and VICOM Inspection Services have attained their Data Protection Trustmark in 2021. Several other BUs are in the process of attaining their certification by the end of 2022.

To drive innovation, ComfortDelGro collaborated with the National University of Singapore to establish the Smart and Sustainable Mobility Living Lab. This is intended as a sandbox for research on mobility technologies that can be commercialised for the mass market. Through this initiative, we would initiate several projects that would generate insights on how to operate EVs more efficiently and maximise the lifespan of EV batteries.

THE WAY FORWARD

ComfortDelGro is a signatory to the United Nations Global Compact, and we are pleased to reaffirm our support for the 10 universal principles in the area of Human Rights, Environment, Labour and Anti-Corruption. This report serves as our Communication on Progress for 2021, and describes the action we have taken to incorporate the principles in our business strategy and operations.

We are thankful that our efforts in sustainability were recognised when ComfortDelGro was selected as one of four Singapore companies to be included in the 2021 Dow Jones Sustainability Index (DJSI) – Asia Pacific. This is the third year that the Group has been included in this prestigious index. We also maintained our rating in the top fifth percentile of the Sustainalytics

ESG assessment and improved our rating in the MSCI ESG rating to an "AA" grade. This would not be possible without the grit of our people, the support from our partners and customers, as well as the trust bestowed by our patrons and stakeholders.

With pressing urgency for climate action, the sustainability journey ahead will be arduous. Still, the accomplishment this year demonstrates that we are capable of achieving more for the betterment of the planet and future generations.

We thank our Customers, Staff, Partners and Stakeholders for their support in our sustainability journey. We look forward to your continuing support.

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