

OUR APPROACH TO SUSTAINABILITY



OUR APPROACH TO SUSTAINABILITY

BOARD STATEMENT

ComfortDelGro is committed to creating long-term shared value for our stakeholders while driving positive impact for people, planet and society. ComfortDelGro's Board and Sustainability Committee ("SC") provide the corporate governance oversight to integrate Environment, Social and Governance ("ESG") considerations into the Group's business strategy and all material sustainability issues.

Sustainability is also embedded within ComfortDelGro's core values and mission. Our sustainability framework is aligned with the United Nations' Sustainable Development Goals ("UN SDGs"), and reflects the material topics that impact our business, our environment and society. Our sustainability framework consists of the following three key pillars:

1. Enabling a climate-friendly and sustainable transport system;
2. Safeguarding the well-being, health and safety of our people, patrons and communities;
3. Growing our business with strong governance, ethical integrity and innovation.

As an international mobility operator, it is crucial for us to deliver clean, low carbon transport solutions with the aim of reaching net zero emissions reduction targets by 2050 in line with Article 6 of the Paris Agreement. We have set clear decarbonisation targets for our greenhouse gas ("GHG") emissions. In 2022, our emissions reduction target have been officially approved by the Science Based Targets initiative ("SBTi") and are consistent with reductions required to limit global warming to 1.5°C above pre-industrial levels, the most ambitious goal of the Paris Agreement.

To achieve our targets, we are continuing our efforts to electrify our fleets globally and investing in emerging mobility technologies and innovation. This includes building new partnerships, shifting towards renewable energy sources, enhancing the efficiency of our operations and responsibly managing our energy, fuel, water usage as well as our other limited resources.

Our people play a vital role in ComfortDelGro's success. Following the launch of the new Code of Practice ("COP") on Chief Executives and Board of Directors' Workplace Safety and Health ("WSH") Duties in October 2022, all company directors attended a WSH training workshop on the COP and assigned WSH oversight to the sustainability committee. We ensure a safe and healthy environment for all our employees by protecting their mental and physical well-being – prioritising health and safety, equal opportunities, diversity and inclusion, as well as training and upskilling for our employees. For our customers, we strive to deliver the highest service quality by providing accessible mobility solutions and making a positive impact to the communities that we operate in.

The Board provides key oversight in upholding strong corporate governance and ethical business practices throughout the organisation. We have established a clear and transparent whistleblowing process, and we adopt a zero-tolerance policy towards corruption, bribery, and unlawful actions. We have developed and implemented strong policies to ensure robust cybersecurity measures and the protection of personal data.

We have also implemented a clear code of conduct for all employees and suppliers, which ensure that all activities in the Group's value chain are aligned with our sustainability and ethical business principles. We aim to capitalise on our sphere of influence to improve industry practices and drive positive change.

The Board plays a crucial role in the monitoring, oversight and management of the Group's business strategy, sustainability framework and ESG performance. Our Board members regularly update their skills and capabilities through relevant training programmes. Working closely with senior management, the Board ensures ComfortDelGro's alignment with relevant sustainability guidelines, regulations and standards. The Group has also embarked on efforts to integrate ESG factors into executive compensation to support long-term sustainability performance.

Through our continued efforts to integrate our sustainability vision with our business strategy, we firmly believe that we will be able to create long-term value for society and the environment.

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MATERIALITY APPROACH AND PROCESS

In line with GRI 2021, we conducted a revised materiality assessment to refresh and reprioritise key material topics with an independent external consultant. Through this process, we managed to holistically identify the material topics most relevant to us.

In 2021, we undertook a stakeholder engagement exercise with our internal and external stakeholders – these stakeholders include ComfortDelGro’s key management, employees, regulatory agencies, shareholders, unions, and suppliers. This process aided in the identification and validation of our materiality revision. It also further improved our materiality process, allowing us to keep up with emerging sustainability issues and the evolving landscape while providing us with a materiality refresh and reprioritisation of our material topics. This helps us focus on identifying the positive and negative impacts from ComfortDelGro’s business operations on society and the environment.

Under the new materiality methodology, an additional materiality refresh was conducted in 2022. Additional

landscape analysis and peer reviews were conducted to further enhance the context for the material topics as greater emphasis was placed on the impact of ComfortDelGro’s business operations on the people, environment and economy surrounding us. The refreshed materiality assessment also accounted for the emerging sustainability issues as well as industry and market needs for us moving forward.

VALIDATION OF MATERIAL TOPICS

The reassessment of our material topics included a validation process with our Board level Sustainability Committee, the results of which assisted in the prioritisation of material ESG topics critical to our business. A materiality revision exercise was also performed by two of our listed subsidiaries – SBS Transit Ltd and VICOM Ltd, and their results were also taken into consideration.

Overall, our material topics have not changed since our assessment in 2021. However, the reassessment has resulted in a reprioritised list of material topics as seen in the table below.

PILLAR	KEY MATERIAL TOPICS	MATERIAL SUB-TOPICS
ENVIRONMENTAL Enabling a climate-friendly and sustainable transport system	Climate Change Adaptation and Mitigation	<ul style="list-style-type: none"> Climate Friendly Mobility Sustainable Products and Services
	Emissions	N/A
	Energy and Fuels	N/A
	Resource Stewardship	<ul style="list-style-type: none"> Water Waste
SOCIAL Safeguarding the Well-being, Health and Safety of Our People, Patrons and Communities	Health and Safety	<ul style="list-style-type: none"> Occupational Health and Safety Public Health and Safety
	Our People	<ul style="list-style-type: none"> Human and Labour Rights Diversity and Equal Opportunity Employee Well-being Training
	Our Patrons and Communities	<ul style="list-style-type: none"> Accessibility Service Quality Local Impact and CSR
GOVERNANCE AND ECONOMY Growing Our Business with Strong Governance, Ethical Integrity, and Innovation	Ethical Business and Operational Integrity	N/A
	Cybersecurity, Data Privacy and Innovation	N/A
	Supply Chain Management	N/A

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OUR SUSTAINABILITY FRAMEWORK

ComfortDelGro's Sustainability Framework comprises three core pillars:



Enabling a climate-friendly and sustainable transport system



Safeguarding the well-being, health, and safety of our people, patrons, and communities



Growing our business with strong governance, ethical integrity, and innovation

Our sustainability framework drives our strategy to prioritise material impacts whilst enhancing our focus on ESG. The framework is aligned to the UN SDGs at the target level, where we support the achievements of the SDGs through our three key pillars mapped to established targets, commitments, and implementation measures.

PILLAR	KEY MATERIAL TOPICS	MATERIAL SUB-TOPICS	SDG TARGETS
 <p>ACCELERATING TOWARDS CLIMATE CHANGE ADAPTATION AND MITIGATION</p>	Climate Change Adaptation and Mitigation	<ul style="list-style-type: none"> Climate Friendly Mobility Sustainable Products and Services 	<p>Target 13.2 – Integrate climate change measures into national policies, strategies, and planning</p> <p>Target 13.3 – Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p> <p>Target 12.7 – Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p>
	Emissions	<ul style="list-style-type: none"> Emissions 	<p>Target 13.2 – Integrate climate change measures into national policies, strategies, and planning</p>
	Energy and Fuels		<p>Target 7.2 – By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>Target 7.a – By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology</p>
	Resource Stewardship	<ul style="list-style-type: none"> Water Waste 	<p>SDG Target 12.5 – By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse</p> <p>SDG Target 12.6 – Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>

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PILLAR	KEY MATERIAL TOPICS	MATERIAL SUB-TOPICS	SDG TARGETS
 <p>DRIVING THE SAFETY AND WELL-BEING OF OUR PEOPLE, OUR PATRONS, AND OUR COMMUNITIES</p>	Health and Safety	<ul style="list-style-type: none"> Occupational Health and Safety Public Health and Safety 	SDG Target 3.6 – By 2020, halve the number of global deaths and injuries from road traffic accidents
	Our People	<ul style="list-style-type: none"> Human and Labour Rights Diversity and Equal Opportunity Employee Well-being Training 	<p>SDG Target 4.4 – By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship</p> <p>SDG Target 5.5 – Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life</p> <p>SDG Target 8.5 – By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>SDG Target 8.7 – Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms</p> <p>SDG Target 8.8 – Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>
	Our Patrons and Communities	<ul style="list-style-type: none"> Accessibility Service Quality Local Impact and CSR 	SDG Target 11.2 – By 2030, provide access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons



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PILLAR	KEY MATERIAL TOPICS	MATERIAL SUB-TOPICS	SDG TARGETS
 <p>UPHOLDING STRONG GOVERNANCE AND ETHICAL BUSINESS IN OUR JOURNEY TOWARDS SUSTAINABLE ECONOMIC GROWTH AND INNOVATION</p>   	Ethical Business and Operational Integrity		SDG Target 16.5 – Substantially reduce corruption and bribery in all their forms
	Cybersecurity, Data Privacy and Innovation		SDG Target 9.4 – By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities
	Supply Chain Management		SDG Target 12.7 – Promote public procurement practices that are sustainable, in accordance with national policies and priorities

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OUR TARGETS AND PERFORMANCE HIGHLIGHTS

To reiterate our continuous effort in our sustainability journey, ComfortDelGro has undertaken a revision of our short-, medium- and long-term targets relating to each pillar, for better alignment with our material topics and sustainability framework.

- Achieved/on track
- Requires improvement

MATERIAL TOPICS	2022 PERFORMANCE & ACHIEVEMENTS	PROGRESS	SHORT-TERM, MEDIUM-TERM & LONG-TERM TARGETS
CLIMATE CHANGE ADAPTATION AND MITIGATION <ul style="list-style-type: none"> • Climate friendly mobility • Sustainable products and services 	<ul style="list-style-type: none"> • 65% of our total car fleet globally are cleaner energy vehicles 	●	<ul style="list-style-type: none"> • Transition 90% of our total car fleet across all our operations globally to cleaner energy vehicles by 2030 and 100% by 2040 • Transition 50% of our total bus fleet across all our operations globally to cleaner energy vehicles by 2030 and 100% by 2050 • Continue to keep 100% of our total rail across all our operations globally to using electric traction power • Continue to remain abreast of climate-friendly mobility solutions and adopt appropriate solutions for future mitigation and adaptation
EMISSIONS	<ul style="list-style-type: none"> • Reduced GHG emissions intensity in 2022 from 2021 (240 tCO₂e/\$S\$M Revenue) 	●	<ul style="list-style-type: none"> • 54.6% reduction in absolute Scope 1 and Scope 2 GHG emissions from our operations by 2032 from a baseline year of 2019 • 61.2% reduction in absolute Scope 3 GHG emissions from fuel and energy-related activities by 2032 from a baseline year of 2019 • Aiming to reach net zero timelines and targets for the transport sector, set by the countries that we operate in
ENERGY AND FUELS	<ul style="list-style-type: none"> • Increased solar photovoltaic ("PV") capacity to 4.885 MWp globally 	●	<ul style="list-style-type: none"> • Increase solar PV output to 8 MWp by 2030 • Continue to investigate renewable energy options for adoption in our businesses
RESOURCE STEWARDSHIP	<ul style="list-style-type: none"> • 62.5% of our offices in Singapore are Eco-Office certified 	●	<ul style="list-style-type: none"> • 50% of all office buildings globally to be environmentally friendly (i.e. Eco-Office certified or their equivalent) by 2030, and 100% by 2050

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- Achieved/on track
- Requires improvement

MATERIAL TOPICS	2022 PERFORMANCE & ACHIEVEMENTS	PROGRESS	SHORT-TERM, MEDIUM-TERM & LONG-TERM TARGETS
HEALTH AND SAFETY <ul style="list-style-type: none"> • Occupational health and safety • Public health and safety 	<ul style="list-style-type: none"> • 3 employee fatalities: 2 fatalities in CDC, and 1 from SBS Transit • 1 non-employee fatality: ComfortDelGro Bus 	●	<ul style="list-style-type: none"> • Zero cases of work-related fatalities and work-related high consequence safety incidents annually • Lost-time injury rates below the national averages in our respective locations of operation
OUR PEOPLE <ul style="list-style-type: none"> • Training • Human and labour rights • Diversity and equal opportunities • Employee well-being 	<ul style="list-style-type: none"> • 36% female representation in our Board • 14% female representation in our workforce • 22.1 average training hours annually per employee globally 	●	<ul style="list-style-type: none"> • Maintain a minimum of 30% female representation on the Board • Achieve 30 training hours annually per employee globally by 2030 • Zero affiliation with operations with significant risks affiliated with child labour, hazardous or forced labour, underage employment and labour exploitation annually • Zero incidences of non-compliance relating to violation of rights, relevant regulations and policies and complaints relating to discrimination and equal opportunity annually • Invest in education, training and digital training across all Business Units • Continue commitment to the United Nations Global Compact (“UNGC”), International Labour Organisation (“ILO”), TAFEP for fair employment practices and adhere to existing practices imposed by local manpower regulations annually • Uphold diversity representation in the workplace in terms of gender, race, ability, and age amongst other backgrounds where possible and applicable • Ensure an equitable remuneration structure based on work performance without gender bias
OUR PATRONS AND COMMUNITIES <ul style="list-style-type: none"> • Accessibility • Service quality • Local impact and CSR 	<ul style="list-style-type: none"> • All our public bus and trains are 100% wheelchair accessible 	●	<ul style="list-style-type: none"> • Continuous improvements in mobility and accessibility for the communities

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- Achieved/on track
- Requires improvement

MATERIAL TOPICS	2022 PERFORMANCE & ACHIEVEMENTS	PROGRESS	SHORT-TERM, MEDIUM-TERM & LONG-TERM TARGETS
ETHICAL BUSINESS AND OPERATIONAL INTEGRITY <ul style="list-style-type: none"> • Anti-bribery • Anti-corruption • Competitive behaviour • Compliance, ethical conduct, transparency, and accountability • ESG governance • Systemic risk management • Asset protection and safety 	<ul style="list-style-type: none"> • One case of personal bribery occurred between 2019 and 2021, sentenced in 2022 (SBS Transit) • 85 employees in Singapore received anti-corruption training • 100% employees made their annual declaration on ComfortDelGro's Code of Business Conduct¹¹ • Zero incidents of bribery, anti-corruption behaviour and non-compliance with voluntary codes • 90% board independence 	●	<ul style="list-style-type: none"> • Maintain high standards of transparency, accountability, ethics, and integrity across our operations • Maintain zero cases of non-compliance to anti-competitive behaviour, bribery, and corruption • 100% employees globally to undergo mandatory anti-corruption training by 2025 • 100% employees globally to make their annual declaration on ComfortDelGro's Code of Business Conduct by 2024 • Maintain above 50% board independence annually, enhancing compliance with the 33% board independence requirements as per SGX and MAS
CYBERSECURITY AND DATA PRIVACY	<ul style="list-style-type: none"> • Zero substantiated complaints concerning breaches of customer privacy • Zero complaints received from outside parties and regulatory bodies • Zero identified leaks, thefts or losses of customer data 	●	<ul style="list-style-type: none"> • Maintain zero major cybersecurity breaches • Continuously solidify cybersecurity, data protection and privacy measures • Continue to conduct internal audits to measure adherence to PDPA Policies
INNOVATION AND GROWTH <ul style="list-style-type: none"> • Technology and innovation • Economic performance, growth and opportunities 	<ul style="list-style-type: none"> • The Digitalisation Board Committee set up in 2020 continues to ensure strategic digitalisation investments are made annually • Continuous investments made through ComfortDelGro Ventures, a US\$100 million corporate venture capital fund set up in 2019 • Set up a S\$30 million Autonomous Vehicle Centre of Excellence aimed at building up its capabilities in the operations and maintenance of AVs in 2022 	●	<ul style="list-style-type: none"> • Continue to develop and invest in new digital solutions, services and new businesses to meet our customers' changing needs
SUPPLY CHAIN MANAGEMENT <ul style="list-style-type: none"> • Environmental screening • Social screening 	<ul style="list-style-type: none"> • Zero supplier incidents of social or environmental non-compliance occurring within ComfortDelGro's premises or operations 	●	<ul style="list-style-type: none"> • Zero supplier incidents of social or environmental non-compliance occurring within ComfortDelGro's premises or operations • Ensure 100% compliance on ComfortDelGro's Supplier Code of Conduct¹² i.e. environmental responsibility; labour rights

¹¹ Refer to our [Code of Business Conduct](#) for more information.

¹² Refer to our [Supplier Code of Conduct](#) for more information.

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ENGAGEMENT WITH OUR STAKEHOLDERS

ComfortDelGro thrives on connecting people and engaging with our stakeholders to understand their needs. This is an essential part of our sustainability journey as it fosters trust and integrity amongst our key stakeholders. We identify our stakeholders based on the impacts our business has on them, as well as their role in impacting our operations. As a means of actively engaging key stakeholders regularly, ComfortDelGro utilises the various channels below.

STAKEHOLDERS	FORMS OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	STAKEHOLDER PRIORITIES RAISED	OUR RESPONSE TO PRIORITIES
CUSTOMERS 	Commuters <ul style="list-style-type: none"> Information counters at bus interchanges/MRT stations, website, app and hotline Social media channels to engage customers and to promote our services Satisfaction survey such as the Public Transport Customer Satisfaction Survey, conducted by the Public Transport Council Businesses <ul style="list-style-type: none"> Client engagement and presentations on our green mobility products and services Outreach programmes where new and existing customers are invited to visit our operations 	Commuters <ul style="list-style-type: none"> Daily Businesses <ul style="list-style-type: none"> Engage as needed 	<ul style="list-style-type: none"> Public health and safety Service quality 	<ul style="list-style-type: none"> Operate services according to planned schedules and adhere to robust safety standards and stringent checks Work with Traffic Police to improve road safety and conduct up-to-date training for all Bus Captains and Customer Service Officers to ensure the highest standards of safety and security Implement Safe Management Measures to keep our commuters safe
EMPLOYEES 	<ul style="list-style-type: none"> Virtual dialogue sessions with staff to better understand employee needs and concerns Update on staff Code of Business Conduct, welfare and benefits on intranet Employee Engagement Survey 	<ul style="list-style-type: none"> Annually Engage as needed 	<ul style="list-style-type: none"> Training and development Health and safety at work Service quality Ethical and transparent business 	<ul style="list-style-type: none"> Team bonding, well-being and community giving events Implement Safe Management and ART testing measures for staff at our work and support flexible work arrangement for those who can work from home Regular seminars and training courses ensure employees' skills remain future-ready Support employee training such as conducting digital readiness and cybersecurity training sessions Employee Code of Business Conduct to provide guidance on ethical business behaviour

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STAKEHOLDERS	FORMS OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	STAKEHOLDER PRIORITIES RAISED	OUR RESPONSE TO PRIORITIES
UNIONS & ASSOCIATIONS SHAREHOLDERS 	<ul style="list-style-type: none"> Ensure regular engagement and productivity meeting with key union leaders Establish strong labour management relations grounded on good tripartite collaboration 	<ul style="list-style-type: none"> Annually 	<ul style="list-style-type: none"> Safety and well-being of employees Training and development Fair compensation 	<ul style="list-style-type: none"> We uphold tripartism and commit to working closely with the union to achieve win-win outcomes We work with the union to improve operational, safety and security performance so that we do well and reward our workers better
INVESTORS 	<ul style="list-style-type: none"> Meeting with some 212 groups of investors, analysts and equity sales personnel; The team also addressed queries from investors through emails, telephone calls and the online enquiry form Participation in 10 virtual investor conferences and non-deal roadshows Organised face-to-face briefings for the media and sellside analysts, with some 80 research reports on the Company and the industry were published during the year Shareholders have the opportunity to interact with the Board and Senior Management at our Annual General Meeting; Electronic voting also allows for transparent process All material announcements posted in the Investor Relations section of our corporate website 	<ul style="list-style-type: none"> Throughout the year 	<ul style="list-style-type: none"> Ethical and transparent business Climate change adaptation and mitigation Innovation and technology Employee safety and well-being 	<ul style="list-style-type: none"> The Investor Relations team has regular interactions with investors, shareholders and analysts to ensure a thorough understanding of our business models and strategies, operations and financial performance and growth opportunities We are committed to disseminate accurate and pertinent information to the market in a timely manner as part of good corporate governance We participate in ESG ratings, such as DJSI, Sustainalytics, MSCI and CDP, to disclose our ESG performance and efforts to our shareholders

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STAKEHOLDERS	FORMS OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	STAKEHOLDER PRIORITIES RAISED	OUR RESPONSE TO PRIORITIES
PARTNERS & SUPPLIERS 	<ul style="list-style-type: none"> Reviewed our Supplier Code of Conduct¹³ to reflect our sustainability ambition Work closely and communicate with our Partners and Suppliers to ensure the smooth delivery of our services that complies with our ESG expectations Supplier environmental and social screening assessment questionnaire 	<ul style="list-style-type: none"> Throughout the year 	<ul style="list-style-type: none"> Innovation and technology Collaboration efforts 	<ul style="list-style-type: none"> Supplier management and communication ensure fair opportunity and responsible practices, as well as strict adherence to our Supplier Code of Conduct Utilised CompPASS, our procurement software, to manage suppliers, improve processes and ensure compliance on ESG matters
REGULATORS 	<ul style="list-style-type: none"> Regular dialogue sessions and/or reporting to the Singapore Exchange ("SGX"), and the various land transport authorities, environmental agencies, manpower ministries and energy regulators, across Singapore, Australia, UK & Ireland, China, New Zealand and Malaysia. 	<ul style="list-style-type: none"> Throughout the year 	<ul style="list-style-type: none"> Climate change adaptation and mitigation Diversity and inclusion Sector development Ethical and transparent business 	<ul style="list-style-type: none"> Review operational, safety and security performances Provide constructive feedback when regulator needs to review existing and implement new policies Reliable partner to explore and trial new systems Identify and implement initiatives to cut carbon emissions Discuss manpower and infrastructural development and sustainability issues

13 Refer to our [Supplier Code of Conduct](#) for more information.

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GOVERNING OUR SUSTAINABILITY AND RISK

An established governance framework minimises our ESG risks and ensures opportunities are capitalised on, promoting long-term and sustainable growth within our organisation.

SUSTAINABILITY GOVERNANCE STRUCTURE

Our Sustainability Committee ("SC"), established in April 2021 and chaired by Ms Jessica Cheam, is responsible for maintaining oversight on ComfortDelGro's sustainability ambitions, strategies and performance. The efforts of the SC are supported by our Chairman, Mr Lim Jit Poh, who is also a member of the committee.

ESG matters are deliberated by the Board level SC at least every quarter to ensure proper management of the impacts on the economy, environment, and people. The SC members are appointed based on their expertise and knowledge in sustainability matters, in relation to environment, social and governance; with access to expert advice through external consultants.

ESG matters are further communicated to the Board by the SC on a quarterly basis. These quarterly Board meetings involve active discussions in the development of strategies or policies on how ComfortDelGro can better manage the impacts on the economy, environment, and people including due diligence processes. Significant concerns or feedback from the SC are raised to the Board. Subsequently, quarterly reviews are conducted to approve and update any new developments and policies.

The SC members are appointed by the Board. Each Director is subject to rotational reappointment in accordance with the Company's Constitution. The appointment of SC member terminates when the member ceases to be a Director or as determined by the Board. Like other Board Committees, the members of the SC may be rotated for new members to provide fresh perspectives and constructive debates to enhance the Board's ability to drive sustainability issues across the Group.

Similarly, our Management Sustainability Committee, overseen by the SC, is chaired by our MD/Group CEO Mr Cheng Siak Kian, and comprises key members of the Senior Management. This Committee reviews, reports, and assesses ComfortDelGro's sustainability performance against the targets established by the Board, on a quarterly basis.

Sustainability is part of the Group Corporate Affairs Division, led by the Group Chief Corporate Affairs Officer, Ms Tammy Tan. Our Group Chief Sustainability Officer, Mr Jonathan Jong, oversees all ESG related matters. He is supported by the ESG Working Groups, which assess and

review ESG progress, identifying potential sustainability initiatives for implementation across the Group and its Business Units.

The Board works closely with senior management and is actively involved in developing ComfortDelGro's sustainability framework, strategies, policies, ESG targets, ESG risk management and impact management frameworks among other sustainability related issues. Furthermore, ESG factors have been integrated into executive compensation, driving positive ESG outcomes that benefit both shareholders and stakeholders. Board members are also expected to exercise independent judgement and good faith in the best interest of the company and its stakeholders.

The Board is responsible for reviewing and approving ComfortDelGro's sustainability report which includes our materiality assessment annually. The senior management, supported by our external consultant, performed an in-depth materiality exercise in accordance with GRI 2021 requirements and held internal board meetings to validate the prioritisation of material topics for 2022. The validation of material topics with the Board was also undertaken by two of our listed subsidiaries – SBS Transit Ltd and VICOM Ltd, and their results were also taken into consideration. As a result of the validation process, the senior management across each subsidiary subsequently submitted to our Board their list of material topics, informing ComfortDelGro's final ESG material topics.

To ensure good corporate governance, our board and sustainability committee must avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Group. Where a Director has a conflict of interest, or it appears that he/she might have a conflict of interest in relation to any matter, they must immediately declare his/her interest at a meeting of the Directors, or by giving written notice to the Company and recuse himself/herself from participating in the discussion or any decision-making.

The Board is evaluated annually via Board Performance Evaluation Forms, which are facilitated by the Company Secretary. Through the questionnaire, the Board's is assessed on its performance in overseeing the management of ComfortDelGro's impacts on the economy, environment, people, and also how well the Group's ESG strategies, sustainability developments, policies, and commitment are managed. Every year, one third of the Board of Directors, particularly, those who have served longest since their last re-election, will step down and stand for re-election at the Annual General Meeting ("AGM"). In addition, newly appointed directors will also step down at their first AGM since their appointment and stand for re-election.

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BOARD INDEPENDENCE

At ComfortDelGro, we expect our Board members to exercise independent judgment during decision making processes to enable the best business outcomes. Across the Board, our members prioritise the business success of ComfortDelGro whilst embodying integrity, professionalism, ethical behaviour, and the consideration of enhancing our sustainability journey in the execution of their duties.

To enforce an ethical business practice across the geographies in which we operate, the Board regularly reviews the Company's business strategy, sustainability efforts and ambitions with Senior Management. Similarly, our Senior Management is also tasked with maintaining oversight on ESG issues, performance, and reporting.

The roles and responsibilities of the Board entail:

- Driving strategic objectives and direction with adequate emphasis on sustainability, innovation, and value creation for ComfortDelGro by exercising enterprising leadership and guidance. Additionally, the Chairman must ensure sufficient human and financial resources available to attain these objectives.
- Aiding in the development of financial authority limits and relevant risk management and control systems, whilst balancing between organisational performance and ComfortDelGro's risk appetite to protect the company and stakeholders against potential risks.
- Monitoring and managing organisational performance whilst identifying appropriate areas for improvement.
- Determining relevant key stakeholders and ensuring their concerns are addressed in ComfortDelGro's strategies and management processes, whilst prioritising transparency and accountability.

- Enforcing ComfortDelGro's values, standards, policies, and procedures, whilst fostering an ethical corporate culture.
- Ensuring environmental, social and governance considerations are considered in the formulation and deployment of sustainability strategies.
- Ensuring full participation of directors on sustainability trainings

To uphold strong corporate governance, ComfortDelGro also maintains oversight on executive compensation to drive positive outcomes benefiting all stakeholders, whilst aptly rewarding the tenure of our executives.

We also have other Board Committees to aid the Board in their decision-making and execution of sustainability duties. The Committees are as follows:

- Audit and Risk Committee ("ARC")
- Nominating and Remuneration Committee ("NRC")
- Investment Committee ("IC")
- Digitalisation Committee ("DC")
- Sustainability Committee ("SC")

As part of the Board succession plan, potential candidates may be identified from time to time for appointment to the Board after the NRC evaluates and assesses their suitability in strengthening the diversity of skills, experience, age, gender, knowledge and relevant core competencies of the Board, whilst ensuring that there is a balanced tripartism experience from government, labour and business to avoid unproductive group-think and bias.

More information on our corporate governance and risk management can be found on pages 75 to 102 and 108 to 115 in the ComfortDelGro [Annual Report 2022](#).

BOARD COMPOSITION	
Percentage of independent non-executive director	90%
Percentage of non-independent and non-executive director	N/A
Percentage of non-independent and executive director	10%
BOARD DIVERSITY	
Women	30%
Men	70%
DIRECTORS' LENGTH OF SERVICE	
Served > 9 years	20%
Served < 9 years	80%
MANAGEMENT DIVERSITY ¹⁴	
Women	26%
Men	74%

14 Management is defined as employees that operate at managerial level and above.

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CORPORATE GOVERNANCE AND RISK

Our wider governance framework is aligned to the governance policies and practices set out in the Code of Corporate Governance issued by the Monetary Authority of Singapore (“MAS”) on 6 August 2018. A robust Enterprise Risk Management Framework has been implemented to assist in understanding the complexities of risk and opportunities arising from our operations. This process standardises and provides a methodological approach in the identification, assessment, and evaluation of risks, ultimately aiding in its management and effective prioritisation of resources.

We adopt the precautionary principle in our risk management approaches. As a signatory of the UNGC, we are committed to the ten principles of Human Rights, Labour, Environment and Anti-corruption. More information on our corporate governance and risk management can be found on pages 75 to 102 and 108 to 115 in the ComfortDelGro [Annual Report 2022](#).

BOARD CAPABILITIES AND MANAGEMENT

To ensure that our Board has the relevant experience and knowledge on sustainable development, all Board of Directors attended a one-time training on sustainability in

2022. The training covered the impact and implications of ESG developments on business, how companies can drive value creation through ESG, TCFD recommendations, SGX requirements on sustainability and climate-related risks reporting and board’s and director’s roles and responsibilities in driving sustainability compliance and strategy. More information on the competencies of the Board relevant to the impacts of the organisation can be found on pages 26 to 31 in the ComfortDelGro [Annual Report 2022](#).

ComfortDelGro acknowledges the importance of a skilled and dedicated workforce in growing our business and keeping abreast within an increasingly competitive and challenging environment. Our NRC plays a crucial role in retaining talented staff through management of the Group’s remuneration policies. They also oversee the Board and the committee’s performance in relation to the management of the organisation’s impacts on the economy, environment, and people.

Every year, we benchmark and review our remuneration policies, partnering an external consultant to conduct studies for the benchmarking of the total compensation of our talents and senior staff.

ANNUAL TOTAL COMPENSATION	
Annual total compensation of organisation’s highest paid individual	S\$2,679,201
Median annual total compensation for all employees in Singapore (excluding the highest-paid individual)	S\$66,070
Ratio of highest paid: median value	40.6

LOOKING FORWARD

ComfortDelGro has established the following Board level targets:

- Maintain diversity and inclusion across the Board
- Maintain a minimum of 30% female representation on the Board

MEMBERSHIP OF ASSOCIATIONS

ComfortDelGro is affiliated with the following memberships below:

- National Taxi Association
- National Transport Workers’ Union
- Singapore Low Carbon Network
- Singapore National Employers’ Federation
- Singapore Mediation Centre Tripartite Alliance for Fair & Progressive Employment Practices
- United Nations Global Compact
- World Business Council for Sustainable Development

SGX DISCLOSURE REQUIREMENT: LIST OF RELEVANT CERTIFICATES

- ISO 45001 - Occupational Health and Safety System Certifications
- ISO 9001 – Quality Management Systems
- ISO 50001 – Energy Management systems
- Eco-Office Certification
- BizSafe “Star” Certification