

COMFORTDELGRO



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ABOUT THIS REPORT

ComfortDelGro Corporation Limited reaffirms our commitment to sustainability, with the publication of our second standalone Sustainability Report prepared in accordance with the Global Reporting Initiative's (GRI) G4 Guidelines: Core option.

The Report focusses on aspects which have been deemed as material to ComfortDelGro's businesses and key Stakeholders, based on the economic, environmental and social impact caused by our everyday activities. A Materiality Test was conducted in Financial Year 2015 and the assessment has been reviewed and remains valid.

Your feedback is welcome and you can reach us at sustainability@comfordelgro.com.

Reporting Period and Scope

This Report articulates ComfortDelGro's strategies and practices in all aspects of sustainability, and provides a detailed account of our sustainability performance in all our operations around the world. It is based on the Group's financial year from 1 January to 31 December 2016 and will be published annually.

This Report supplements ComfortDelGro's Annual Report 2016, which can be found on our corporate website www.comfordelgro.com. The Sustainability Report underscores our commitment to keep all Stakeholders – Customers, Employees, Investors, Business Partners, Regulators and Community members – abreast of efforts and developments in the field of Corporate Social Responsibility. In accordance with our efforts to be more environmentally friendly, this Report will only be produced in CD form. It is also available for download on our website.

Independent Consultancy

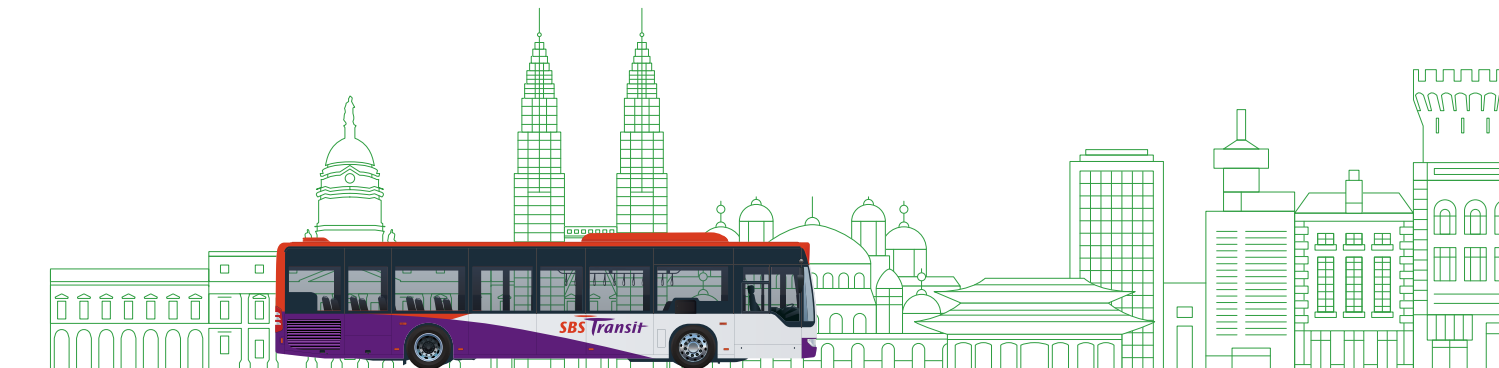
An independent Sustainability consulting firm, Paia Consulting, was appointed to provide external assistance with the development of the contents of this Report, in line with the GRI G4 (Core) guidelines. We intend to seek external assurance in the future.



MESSAGE FROM THE GROUP CEO



As we work at improving our sustainability profile, we continue to keep in view our Core Values of setting realistic and challenging goals whilst upholding the tenets of integrity and ethics.



Introduction

In the last 12 months, we have focussed our attention on building on the foundations that we have laid in the area of sustainability. From health and safety to recycling and waste management, from energy efficiency to people empowerment, we have been, and continue to be, deeply committed to ensuring a more sustainable future, for current and future generations.

Our Commitment

As our businesses have grown through the years, so too has our commitment to the issues that we accord great importance – either because of their impact on us or our Stakeholders, on society or the environment at large.

In this, our second Sustainability Report, we have expanded coverage of our sustainability approach beyond Singapore to all our operations worldwide. We have provided insights into our businesses, while highlighting

the economic, environmental and social aspects of our developments and operations in accordance with the Global Reporting Initiative Guidelines (G4 Core). Specifically, we have focussed on issues that matter most to our businesses and our Stakeholders, both internal and external, based on the materiality test that we conducted in 2015 – and which remain relevant. These include environmental stewardship, economic performance, health and safety, labour practices, energy efficiency, accessibility and social responsibility. In line with these guidelines, we have also set targets where possible.

Conclusion

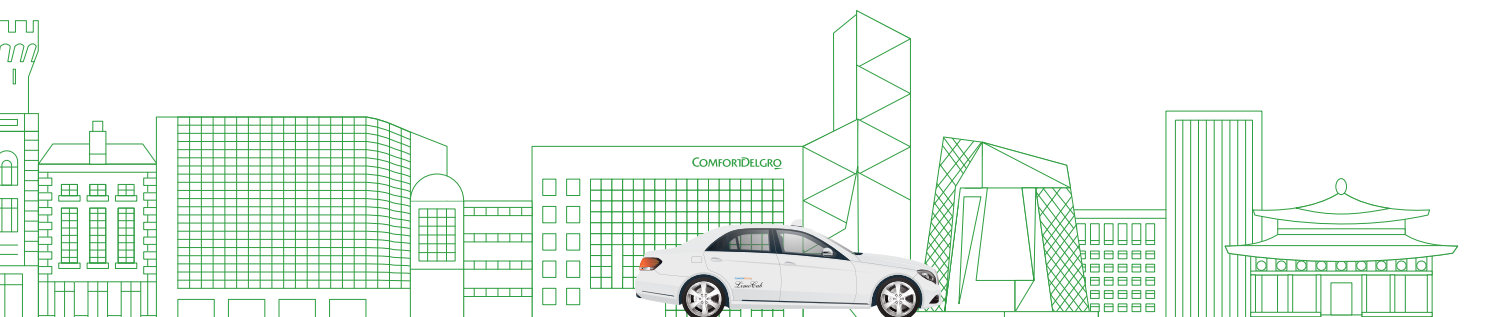
As a global land transport group, we are fully cognisant of the impact our operations can have on the environment. To this end, we have, and continue to, work closely with Regulators as well as vehicle manufacturers and suppliers to reduce our overall carbon footprint.

With a fleet of over 45,300 vehicles worldwide, and a rail network of over 82km, we are also aware of our responsibilities to the millions of commuters and customers we serve every day. To this end, we invest significantly in new technologies to not only improve our backend processes, but also to upgrade our frontend services so as to improve the overall customer experience.

As we work at improving our sustainability profile, we continue to keep in view our Core Values of setting realistic and challenging goals whilst upholding the tenets of integrity and ethics.

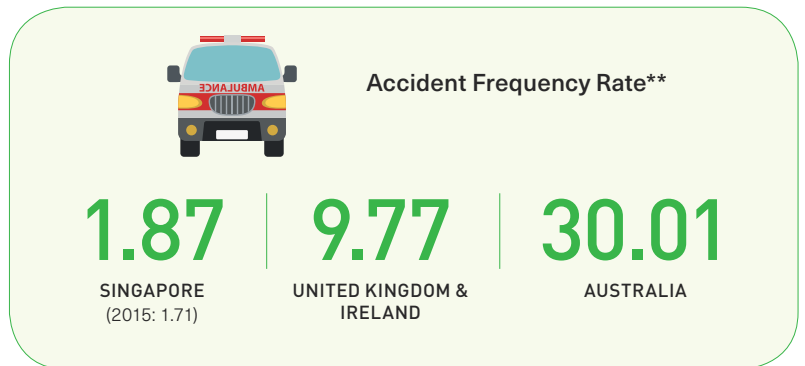
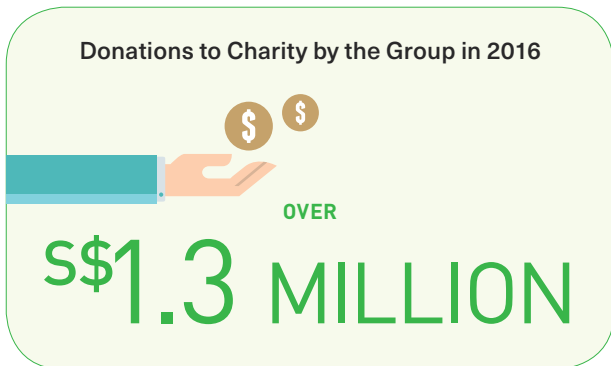
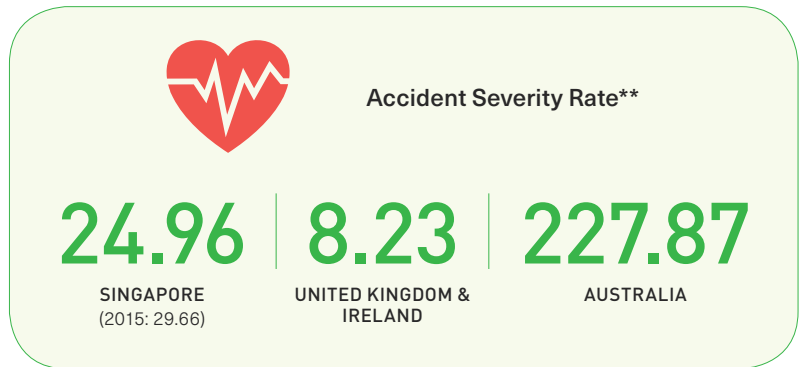
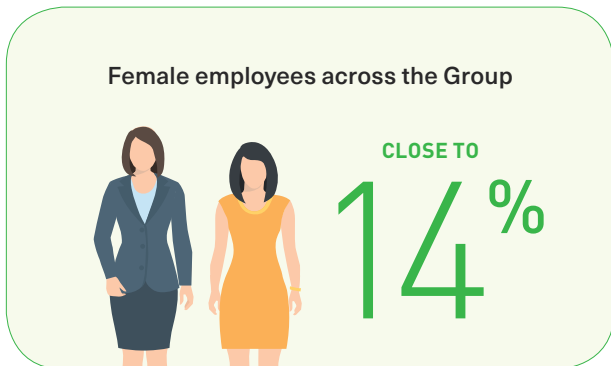
Kua Hong Pak

Managing Director / Group CEO



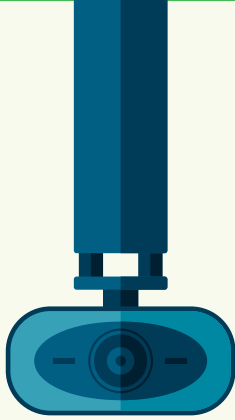
COMFORTDELGRO IN FOCUS

SOCIAL IMPACT



* Singapore operations refer to SBS Transit
 United Kingdom operations refer to Metroline
 Australian operations refer to ComfortDelGro Corporation Australia
 ** Excludes operations in China, Vietnam and Malaysia

ENVIRONMENTAL IMPACT**



Number of vehicles fitted with CCTVs or in-vehicle cameras**

99%

SINGAPORE

100%

UNITED KINGDOM

84%

AUSTRALIA

Greenhouse Gas emissions



1,380,023
TONNES CO₂e

Waste collected



19,137
TONNES

Energy used



380,095,012 KWH

Water used



2,482,239 M³

Paper, including cartons, recycled***



101,380 KG

Paper used****



36,895 REAMS

** Excludes operations in Vietnam and Malaysia

*** Data available only for Singapore

**** Data available only for Singapore and the United Kingdom

MATERIALITY

Materiality guides ComfortDelGro on issues to focus on for long-term sustainability. An in-depth materiality assessment based on internal and external stakeholder expectations was conducted in 2015.

The issues that have been identified as material to us are environmental and social issues that reflect significant impacts on our operations, or could substantively influence the assessments and decisions on our Stakeholders. Based on international best practices, we have made an initial prioritisation of the issues using the internationally accepted AccountAbility 5-Part Materiality Test model, embedded in the AA1000 standard.

The materiality assessment involved ComfortDelGro's Senior Management as well as External Stakeholders. Their rating is shown in the diagram provided. [G4-18]

Accessibility

As a provider of land transport services, accessibility is a critical part of our business focus. We are committed to providing our services equitably to serve all customers – independent of age or ability. To this end, we invest extensively in systems, processes and new technologies including wheelchair-accessible and low-floor buses.

Anti-Corruption

Business and ethical integrity are pillars of our corporate psyche. The ComfortDelGro Group does not tolerate corruption in any part of its business. Our fight against corruption is guided by the following principles:

- The ComfortDelGro Group shall not participate in or endorse any corrupt practices.
- Representatives of the Group shall not 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 or established business practices stricter than applicable

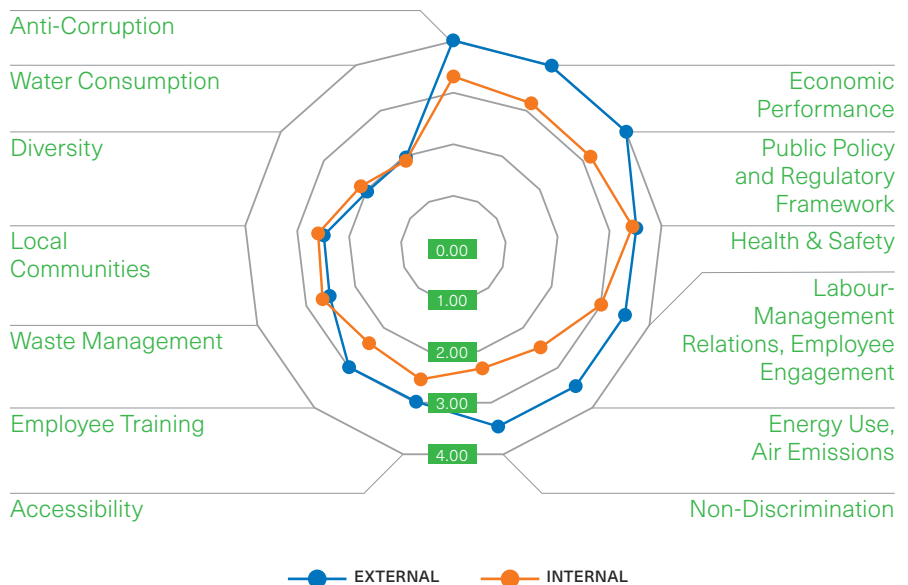
TABLE: LIST OF MATERIAL ISSUES

Level of Relevance	Material Issue
High	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	Accessibility (E) Diversity (I&E) Employee Training (I) Local Communities (E) Waste Management (I&E) Water Consumption (I&E)

(I=Internally relevant, E=Externally relevant)

[G4-19, G4-20, G4-21]

DIAGRAM: RANKING OF MATERIAL ISSUES BY STAKEHOLDERS



laws, in order to obtain or retain business or to gain any other improper advantage.

- Our employees shall not accept payments, gifts or other kinds of reimbursement from a third party that could affect or appear to affect their objectivity in their business decisions.
- We believe in full transparency and accord equal treatment to all existing and potential suppliers.



Diversity and Non-Discrimination

ComfortDelGro embraces diversity. We believe in creating an inclusive environment where our employees treat each other equally, honestly and with respect. We want to nurture a culture where diverse perspectives can help drive our Group forward.

We strive to provide a fair and supportive work environment for all our employees, regardless of their age, sex, marital status, sexual orientation, disability, race, colour, nationality, ethnic or national origin, religion, or affiliation to any political party or trade union. We aim to employ people who reflect the diverse nature of society and we value each of our employees for the contribution they make, both individually, and as part of the Group.

Our policy applies to recruitment and selection, terms and conditions of employment including pay, promotion, training, transfer, references and every other aspect of employment.

Economic Performance

ComfortDelGro believes in creating long-term economic value for our Shareholders as well as the key Stakeholders by adopting responsible business practices and growing the business in a sustainable manner. Details of the Group's economic performance for 2016 can be found in our Annual Report 2016.

Employee Training

ComfortDelGro invests continually in our employees to develop their skills and talent. We ensure that employees understand their responsibilities and are given access to necessary training to equip them to do their jobs better.



Environmental Impacts: Energy Use and Air Emissions, Water Consumption and Waste Management

The ComfortDelGro Group is committed to managing and minimising the impact of our business operations on the environment, including our supply chain. Our commitment to the environment is steadfast. Whether it is the vehicles we run or the buildings we operate in, we are committed to ensuring that our Green Quotient is kept high.

We endeavour to continue to improve the management of our environment impact by reducing resource usage and minimising waste. We are firmly committed to investing in new, more environmentally friendly vehicles, so as to reduce our emissions footprint.



Health & Safety

As a land transport Group, managing the health and safety of our customers, our employees and the public is not just a priority, it is a necessity. With over 45,300 vehicles plying the roads in seven countries, we have in place stringent checks, systems and processes to ensure that health and safety is never compromised. Safety requirements are incorporated in tender documents for relevant products and services. We have also invested heavily in training and re-training courses, and run safety awareness and training

programmes to instil a safety and security conscious culture in employees at all levels. This safety focus continues to be strongly reflected in the Group's policies, procedures and training.

Labour-Management Relations, Employee Engagement

Our people are undoubtedly our most valued assets. Without them, we would not be where we are today. Indeed, we strongly subscribe to the view that a happy and motivated workforce will ultimately translate into happy and satisfied customers. In the long run, this can only result in growth for the organisation.

To this end, we provide equal opportunities to our staff, invest in comprehensive training to develop them to their maximum potential and engage them actively in what we do. Significantly, as an employer, we ensure that all terms and conditions of employment, along with policies and procedures, comply with relevant regulations.

Local Communities

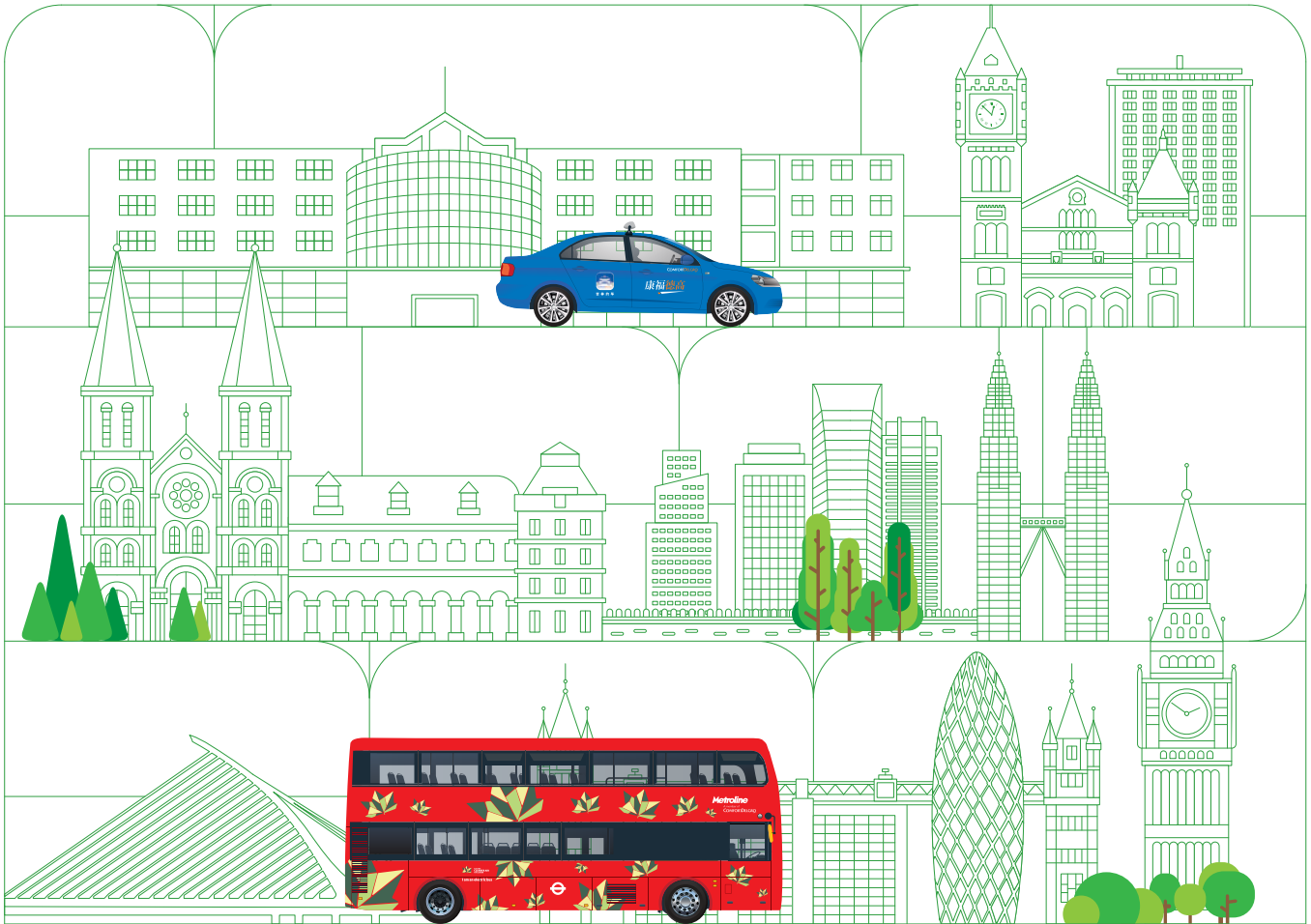
ComfortDelGro is committed to community contribution in all the countries we operate in. We actively reach out in various areas including education, welfare, disaster relief and health.

Public Policy and Regulatory Framework

ComfortDelGro engages with Governments at many different levels to help shape public policy and regulations that support the land transport sector. We also work closely with Regulators, Association Partners and Unions on issues which affect our business and our Stakeholders.

While most of the material issues are relevant to all our Business Units, issues like Public Policy, Accessibility and Local Communities are most relevant to our bus and train businesses. Environmental material issues are of highest significance for our bus, train and taxi businesses.

THE GREEN STATEMENT



The ComfortDelGro Group of Companies aims to minimise the impact of its activities on the environment by ensuring continuous improvement in environmental performance whilst bearing in mind prevailing technical and operational constraints. The Group is also committed to complying with all statutory and regulatory requirements.

Our overall goal in environmental management is to minimise the harmful effects of our operations across Singapore, the United Kingdom, Ireland, China, Australia, Vietnam and Malaysia on the environment. By striving to reduce the environmental footprint of each passenger journey, ComfortDelGro can contribute to reductions in air pollution from road transport and carbon dioxide emissions. A complete elimination of harmful emissions is, however, not possible and we will explore how best we can offset any negative impact we have on the environment.

We endeavour to continue to improve the management of our environmental impacts by reducing resource usage and minimising waste. We will continue to make ongoing investments in new vehicles so as to reduce our emissions profile and we will continue to support research into alternative fuels.

ENVIRONMENT

<p>ComfortDelGro Taxi is rolling out another</p> <p>1,000</p> <p>Toyota Prius petrol-electric hybrid taxis over the next two years</p>	<p>In China, we invest in</p> <p>dual-fuelled taxis</p> <p>that run on both CNG and petrol</p>	<p>In London, Metroline added</p> <p>5</p> <p>all-electric double deck buses in April 2016</p>	<p>SBS Transit achieved a</p> <p>100%</p> <p>passing rate for the Chassis Dynamometer Smoke Test in 2016</p>
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The ComfortDelGro Group is committed to minimising its environmental impact. In fact, the very nature of a large part of our business is to try to steer communities away from the use of private cars. We are continually looking at ways to manage and minimise the impact of our business operations on the environment. Our commitment to the environment is steadfast. Whether it is the vehicles we run or the buildings we operate in, we are committed to ensuring that our Green Quotient is kept high.

We endeavour to continue to improve the management of our environmental impact by reducing resource usage and minimising waste. We are firmly committed to investing in new, more environmentally friendly vehicles, so as to reduce our emissions footprint.

We effectively manage energy efficiency, air emissions, waste and water consumption. Our environmental policy has been implemented for close to a decade under the supervision of our Green Committee, involving Senior Management and all relevant Business Units/Central Functions. ComfortDelGro compiles the necessary data and reviews its performance regularly, deciding on and implementing improvement measures.

This year, we expanded our scope of environmental reporting to include operations in Australia, China, the United Kingdom (UK) and Ireland. Data relating to fuel is provided where the vehicles are owned by the businesses.

Our longer term environmental goals are:

- To improve our emissions profile per passenger journey and per passenger kilometre;
- To reduce waste and to increase the proportion of waste reused/recycled;
- To improve the environmental management standards across the Group;
- To continue to encourage and promote the use of public transport so as to ensure a modal shift away from car use;
- To continue to support initiatives on research and trial the use of alternative fuels;
- To continuously work at inculcating and strengthening the Green Culture amongst the staff

To achieve this, we will:

- Identify, assess and actively manage all material aspects of our environmental impact;

- Continually improve the environmental performance and minimise impact through resource and energy management and pollution prevention;
- Manage our carbon footprint and energy consumption through the use of technology, process improvements, energy optimisation and other efficiency measures; and
- Adopt plans and measures throughout our operations and infrastructure to mitigate the longer term risks of climate change.

These goals and strategies are clearly outlined and displayed in all our offices to motivate our staff.



Vehicle Emissions Profile

ComfortDelGro has always been among the first adopters of the Government's Green Policies in deploying suitable vehicles for service in support of the environment.

Depending on the country, the target is to reduce our emissions profile over the next few years by converting to greener vehicles – be they Euro 6 or better, hybrid, all electric or Compressed Natural Gas (CNG).

In Singapore, for example, ComfortDelGro Taxi intends to convert half of its fleet to Euro 6 and above by 2020. In Perth, the target is to increase the proportion of hybrid taxis in its fleet from 17% to 20% by the end of 2017.

ComfortDelGro Taxi, which is Singapore's largest taxi operator with 16,822 vehicles, registered its first Euro 5 Hyundai i-40



In Singapore, ComfortDelGro Taxi intends to convert half of its fleet to Euro 6 and above by 2020

taxi in August 2013. It also became the first taxi operator in Southeast Asia to roll out Euro 6 Limousines in May 2015, several years ahead of the Government's deadline of January 2018 for diesel vehicles to meet Euro 6 standards. The 150 limousines come with Adblue tanks that help reduce harmful emissions by transforming 90% of the nitrogen oxide into environmentally friendly particles such as water and nitrogen. They also emit only 124g of carbon per kilometre compared to 129g/km for the Euro 5 and 132g/km for the older Euro 4 models.

ENVIRONMENT

Always conscious of its carbon footprint, ComfortDelGro Taxi upped its Green Quotient by trialing two Toyota Prius petrol-electric hybrid taxis in January 2016. The Prius taxi, which is powered by battery and petrol, has a mileage of 3.7 litres per 100km. Its hybrid synergy drive recoups energy when slowing down or braking, charging the battery pack with it. The energy is then used to drive the taxi emissions-free at low speed. Because of the hybrid system, the Prius taxi is able to operate on electric power alone for considerable periods, and has been proven to reduce smog and local air pollution by up to 90%.

Following the successful trial, ComfortDelGro Taxi rolled out a total of 200 Toyota Prius petrol-electric hybrid taxis by end-2016. Another 1,000 Toyota Prius petrol-electric hybrid taxis are expected to replace the Hyundai Sonata taxis over the next two years. The Company had also started trialing the Hyundai Ioniq petrol-electric hybrid taxi in January 2017, which is similar to the Prius.

The carbon emissions from the newer fleet with better emissions are shown below:

- Euro 4 Hyundai Sonata – 184g/km
- Euro 5 Hyundai i-40 – 159g/km
- Toyota Prius – 97g/km

As at December 2016, our taxi fleet in Singapore comprised 52.4% Euro 4 taxis, 44.9% Euro 5 taxis and 1.5% Euro 6 taxis and 1.2% hybrid taxis.

In London, from 1 January 2018, all taxis licensed for the first time must be zero emission capable, while new diesel taxis will not be allowed.

Private hire cars licensed for the first time in 2018 must be hybrids or have Euro 6-standard engines, but it is not until 2020 must all new private hire cabs be capable of running solely on battery power.

In China, we invest in dual-fuelled taxis that run on both CNG and petrol. New dual-fuelled models that were added in 2016 include the Peugeot 508 taxi in Nanjing; the Volkswagen Santana Livida taxi in Suzhou; the Volkswagen Jetta CNG taxi in Chengdu and Jilin; and the Volkswagen Santana Vista in Nanning.



Our global bus fleet is also at the forefront of Green technology.

In Singapore, SBS Transit registered its first Euro 5 bus in 2008 – five years ahead of regulatory requirements. By end of 2016, 72.5% of its fleet or 2,287 buses was Euro 5-compliant. The average age of its fleet was six years. The Company also conducted a hybrid bus trial with Volvo

Singapore during the year in review. Due to the transition into the Government Bus Contracting Model, the number of bus routes operated by SBS Transit reduced from 261 in 2015 to 202 in 2016.

In London, Metroline added five all-electric double deck buses in April 2016. These super Green buses, powered by a compact battery kit, are completely emissions-free. They are able to travel 306km on a single charge and ferry up to 81 passengers at any one time. Metroline is targeting to operate its entire fleet on Euro 6 or better by 2020.

Scottish Citylink Coaches introduced five brand new Scania Irizar i6 Euro 6 coaches for the route between Edinburgh Airport and Glasgow City. Each coach is fitted with USB sockets and 4G Wi-Fi, and also features the latest Euro 6 engines, allowing for greener travel.

As a member of Australia's Roads and Traffic Authority Clean Fleet Programme, ComfortDelGro Corporation Australia (CDC) is committed to providing fleet maintenance that meets regulatory requirements. In 2016, CDC added another 38 Euro 5 Environmentally Efficient Vehicles to its fleet, making 48% of its entire fleet environmentally friendly.

We do not just buy Green vehicles, we also work hand in hand with our vehicle manufacturers and fuel suppliers in the field of Green Engineering, providing them with valuable feedback with regards to the engineering performance of prototype vehicles and fuel technologies.

In a project supported by the Beijing Municipal government, Beijing Jin Jian Taxi Services replaced the auto three-way catalytic converter in their taxis with brand new converters.

Our subsidiary, VICOM, operates a S\$5.8 million facility that can conduct vehicle exhaust gaseous and particulate matter emission tests in compliance with Euro 5 or more stringent exhaust emission standards. The VICOM Emission Test Laboratory (VETL) works closely with the Authorities to ensure that newly registered diesel and petrol-driven vehicles, as well as motorcycles and scooters, comply with emission standards. During the year, as more vehicles de-registered, VETL experienced strong growth. Besides doing more tests for conventional diesel and petrol vehicles, VETL also tested full electric and plug-in hybrid vehicles. As a partner of the National Environment Agency's (NEA) Programme for Environmental Experiential Learning, VICOM also helps to demonstrate the importance of regular vehicle inspections to road users and overseas Regulators. This helps to ensure that vehicles comply with the fuel emission standards.


Since 2005, VICOM's wholly-owned subsidiary, SETSCO, has been providing testing and auditing services for the Singapore Environment Council's (SEC) Singapore Green Labelling Scheme. This label endorses consumer products and services that have a smaller carbon footprint.



Energy Efficiency

Being in the land transport business, energy efficiency ranks high on our priority list. This is especially important given the amount of time our vehicles spend on the road. Most of our taxis, for example, run practically non-stop as the bulk of them operate on dual shifts.

In all, our operations consumed about 22,299GJ of fuel in 2016.



Our operations consumed about **22,299GJ** of fuel in 2016

With advancements in vehicular technology, ComfortDelGro Taxi has been deploying taxis with smaller engine capacities, without compromising on performance. The two-litre Euro 4 Hyundai Sonata taxi has, for instance, been replaced by the 1.7-litre Euro 5 Hyundai i-40 model.

Better fuel efficiency was also achieved through initiatives like EcoDrive in the UK and Scania Optimise in Australia, where drivers are trained on how to

maximise fuel efficiency. In the Optimise system, the driving performance of drivers is tracked and weekly reports provided to show them how well they have performed in reducing emissions and fuel consumption. It is estimated that drivers in the UK reduce average fuel consumption by as much as 15% a year and cut carbon dioxide emissions by more than half a tonne if they adopt the driving patterns as recommended by the trainers. These include proper acceleration and braking techniques, as well as other green tips such as switching the engine off when stationary, filling up to three-quarter tank and de-cluttering the vehicle to lighten the load.

TABLE 1: ELECTRICITY CONSUMPTION

Electricity Consumption (kWh)	2016
Total	380,095,012 ¹

The bulk of our electricity consumption comes from our train operations. To reduce electricity consumption, a 999.6kWp rooftop solar photovoltaic system, for example, was installed in the Downtown Line (DTL)'s Gali Batu Depot in 2016. This initiative helped generate a daily average of 3,737kWh of electricity to run the depot equipment operations. Energy-

efficient lightings such as Light Emitting Diode (LED) lighting and fluorescent light fittings are used within our train stations while natural light is employed at station entrances. Twelve new stations on DTL 2 meet the Singapore standard SS530 for "Energy Efficiency for Building Services".

The escalators in the new stations have been installed with energy saving features. When there is no one using the escalator, speed is reduced. The air conditioning system has also been installed with carbon dioxide sensors to regulate the outdoor air supply to the stations. As a result, energy consumption is reduced.

Our Green efforts extend to the design of our trains too. The new generation trains on the DTL feature a range of environmentally friendly innovations. The use of the efficient regenerative brakes means that every time the train stops, it recovers the kinetic energy and converts it for use in other areas. This also means less wear and tear on the mechanical brakes. The excess energy can be utilised by an accelerating train nearby or channelled back to the power distribution network for other uses.

In 2016, Greenhouse Gas emissions from fuel and electricity for our businesses was 1,380,023 tonnes of CO₂ equivalent.



Rigorous Maintenance

The saying goes that prevention is better than cure. This is certainly true for vehicles and machinery. Indeed, vehicles that are operating at less than optimal level tend to emit more harmful emissions. This is why we have a rigorous maintenance regime in place.

In the case of ComfortDelGro Taxi, all taxis are sent to the workshops on a monthly basis for preventive maintenance. As a result, we have been meeting the "First Inspection Passing Rate" for our fleet against the Land Transport Authority's (LTA) Quality of Service standard of 98% every month.

ComfortDelGro Engineering has been working with Shell Petroleum Singapore since 2012 to test a new form of automatic transmission fluid aimed at extending the fluid change interval for Hyundai Sonata taxis from the usual 40,000km to 80,000km. The aim is to reduce the amount of downtime for taxi drivers as well as the cost and impact on the environment.

¹ Electricity consumption for 2016 includes Singapore, Australia, China and the UK. Data for 2015 not available.

ENVIRONMENT

Our buses are also put through a very strict maintenance schedule. This involves preventive maintenance based on mileage travelled and a monthly safety check.

In between preventive maintenance checks, buses also have to go through safety checks on all safety-related components like the brakes, exhaust and steering.

Under the LTA regulations, all buses must go for half-yearly Roadworthiness Certification conducted by authorised inspection centres. This inspection involves checking the steering, oil leakage, suspension system, corrosion, brakes and smoke emission. The bodywork of buses is also checked for passenger safety and the buses put through a Chassis Dynamometer Smoke Test (CDST). SBS Transit achieved a 100% pass rate for 2016.



Waste Management

We have in place measures to manage waste. For example, ComfortDelGro Engineering has an automated Central Oil Management and Dispensing System, where technicians only need to disengage the hose and the system will do the rest. There is no mess, no spillage and no wastage. Better yet, the system eliminates the need for bottles and drums which were previously needed to store these fluids.

All waste from across our Business Units in Singapore is collected by companies licensed by the NEA. This ensures that all hazardous items are responsibly disposed.

In 2016, our business generated 19,137 tonnes of waste materials, which included batteries, engine oil, tyres, metal, drums, papers and cartons.²

TABLE 2: WASTE DISPOSAL

Waste (tonnes)	2016
Non-hazardous waste not recycled	2,257
Hazardous waste	16,154
Waste sent for recycling	726
Total	19,137

Recycling bins are placed at strategic locations in our offices to encourage staff to recycle. Recycling days are also organised where employees are encouraged to bring paper, plastic and cans from their homes for “deposit” into the bins.

Our staff take it upon themselves to play their part in safeguarding the environment. A Senior Technical Officer on the North East Line (NEL) observed that whenever a Point Machine (which guides trains to run smoothly on the tracks) breaks down, there was no way to pinpoint which of the four relays that controlled it were faulty. As a result, all the four relays had to be disposed. The staff took the initiative and designed a test jig to accurately identify the faulty relays. In 2016, this test jig was officially introduced for use and helped the Company save up to about S\$33,600 last year.

The Group’s paper consumption increased from 30,906 reams in 2015 to 36,895 reams in 2016³; however, a total of 101,580kg of paper and cartons was collected for recycling in Singapore in 2016 – an increase from 83,810kg in 2015.⁴

In an effort to reduce paper wastage, SBS Transit commenced the process of converting paper checklists and forms into e-forms for use on tablets at the bus maintenance depots. This electronic documentation process not only improves efficiency and storage, it also reduces paper usage. In 2016, we saved about 600 reams of A4 paper as a result of this process change. We have put 145 tablets in use at the workshops, and will be introducing another 132 more in 2017.



Water

The most significant use of water in the Group pertains to the washing of vehicles.

TABLE 3: WATER CONSUMPTION

Water Consumption (m ³)	2016
Total	2,482,239 ⁵

Water consumption in Singapore was 973,837 litres in 2016.

² We are working on improving the coverage of waste reporting. We expanded coverage from two Business Units in 2015 to eight Business Units in 2016. Waste disposal for 2016 includes Singapore, Australia, China and the UK. Data for 2015 not available.

³ Only includes paper consumption in Singapore and the UK.

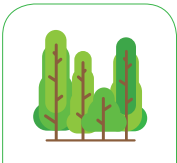
⁴ Only includes recycling of paper and carton boxes in Singapore.



Supporting Community Initiatives

In September 2016, a team of 22 SETSCO volunteers collected close to 500kg of waste materials at the Tanah Merah Beach organised by the International Coastal Cleanup Singapore. This was in conjunction with the “Eco Action Day Coastal Clean Up” event.

In November 2016, staff across ComfortDelGro Group, taxi drivers, as well as 162 young and senior volunteers from various schools and the Lions Befrienders Service Association (Singapore) braved sun and rain to decorate 25 trees that the Group had sponsored in support of “Trees of the World”. The Christmas Light-Up event organised by NParks at the Singapore Botanic Gardens promotes recycling and the re-use of daily materials for the decoration of the trees.



In November 2016, staff across the ComfortDelGro Group decorated **25 trees** in support of “Trees of the World”

To encourage better use of natural resources, VICOM Singapore continued its support of the Earth Hour initiative by turning off lights during lunch, and for the staff at VICOM’s Sin Ming office, their air conditioning units as well.

Besides organising various Green events throughout the year, ComfortDelGro also actively encourages staff to use water and electricity responsibly. Tips on how to save water, electricity and other resources – not just in the office but at home too – are regularly communicated to staff, either through emails or through notice board posters.



External Recognition

ComfortDelGro first received the Eco Office Label from SEC in December 2009. We were recertified in 2012 and then again from 23 October 2015. Each certification lasts for three years from date of certification.

VICOM and SETSCO were also recertified the Eco Office Label in 2016. On top of that, SETSCO received a Certificate of Appreciation from SEC for its invaluable support at the Singapore Environmental Achievement Awards 2016.

CityFleet Networks in the UK enhanced its quality credentials in 2016 by successfully getting all its Business Units in the Group accredited with the latest Environmental Management and Quality Management System Certification (ISO 14001:2015 and ISO 9001:2015).

ComfortDelGro Irish CityLink became fully “Green” in 2016 with an initiative that saw all of its office waste recycled.

⁵ Water consumption for 2016 includes Singapore, Australia, China and the UK. Data for 2015 not available.

HEALTH & SAFETY

<p>Total distance travelled in Singapore:</p> <p>2,514.5 million km</p>	<p>Passenger injuries in Singapore:</p> <p>2.10/one million km</p>	<p>Accident Severity Rate (Singapore):</p> <p>24.96</p>	<p>Accident Frequency Rate (Singapore):</p> <p>1.87</p>
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As a land transport Group, managing the health and safety of our customers, our employees and the public is not just a priority, it is a necessity.

With more than 45,300 vehicles plying the roads in seven countries, we have in place stringent checks, systems and processes to ensure that health and safety is never compromised. We have also invested heavily in training and re-training, and run safety awareness and training programmes to instil and reinforce a safety and security conscious culture in employees at all levels. This focus continues to be strongly reflected in the Group's policies, procedures and training.

Year in Review

Road and passenger safety has, and will continue to be, a key area of focus for the Group.

For 2016, we have expanded our coverage of health and safety statistics to our businesses in the United Kingdom (UK) and Australia, in addition to Singapore.¹

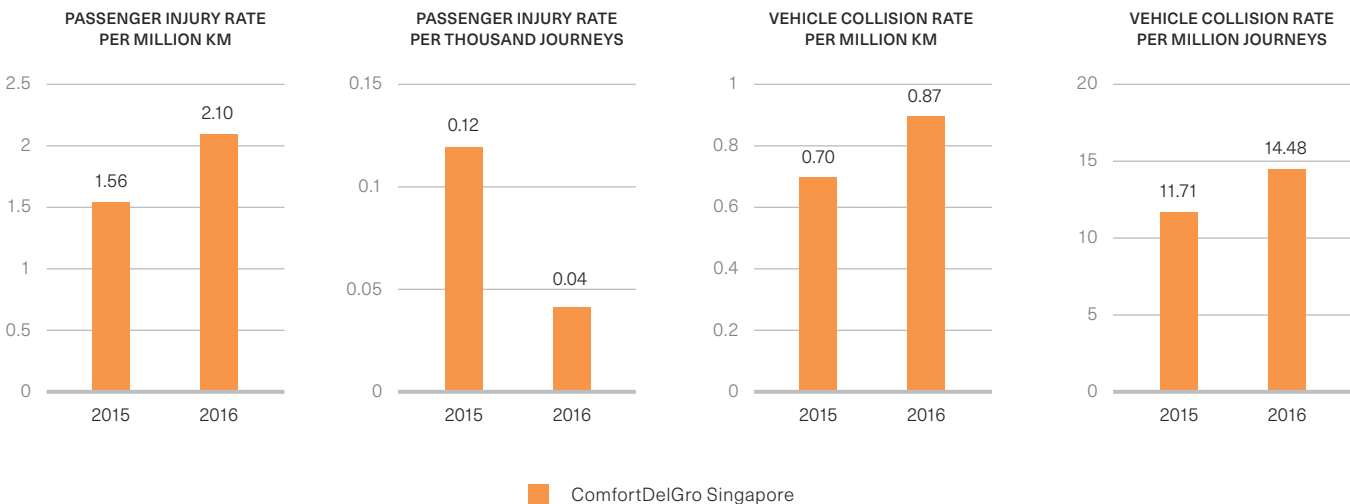
There had been no incidents of non-compliance with regulation and voluntary codes concerning the health and safety impacts of products and services during their life cycle.

TABLE 1: HEALTH & SAFETY STATISTICS OF SINGAPORE, THE UK AND AUSTRALIA

Statistics	Singapore	UK	Australia
Total mileage ('mil)(km)	2,514.5	93.5	74.5
Passenger Injuries	555	1,203	253
Vehicle Collisions	2,200	4,862	2,330
Accident Severity Rate ²	24.96	8.23	227.87
Accident Frequency Rate ³	1.87	9.77	30.01

Singapore

For the year ended 31 December 2016, the Group's vehicles in Singapore made trips totalling 2,514.5 million kilometres – that is about 62,745 times round the globe.⁴ Accidents resulting in 555 injury cases were recorded during the year, translating into 2.10 passenger injuries per one million kilometres travelled in Singapore, or 0.04 injuries per one thousand journeys. There were three bus-related accidents which sadly resulted in passenger fatalities. In terms of vehicle collisions, we averaged 0.87 collisions for every one million kilometres with a total of 2,200 collisions.⁵



¹ Passenger injuries data excludes taxi passenger injuries for Singapore businesses. For overseas operations, passenger injuries and vehicle collision data are reported for company-owned vehicles that are driven by employees only.

² Accident Severity Rate refers to the number of man-days lost to workplace accidents per million man-hours worked.

³ Accident Frequency Rate refers to the number of workplace accidents per million man-hours worked.

⁴ Source: Universe Today (www.universetoday.com/26461/circumference-of-the-earth/).

⁵ Includes accidents that involved our scheduled and unscheduled buses, learner driver vehicles, as well as taxi accidents that were within the Land Transport Authority's Quality of Service (QoS) accident criteria. Excludes non-traffic accidents on board scheduled buses.

In the workplace, the Group recorded zero workplace fatalities and a total of 68 non-fatal workplace injuries⁶, resulting in 909 lost days⁷ in 2016. Of the 68 cases, a majority of 81% involved male employees – similar to the proportion of male employees in the Group’s Singapore operations. A very small proportion of incidents involved contract workers.

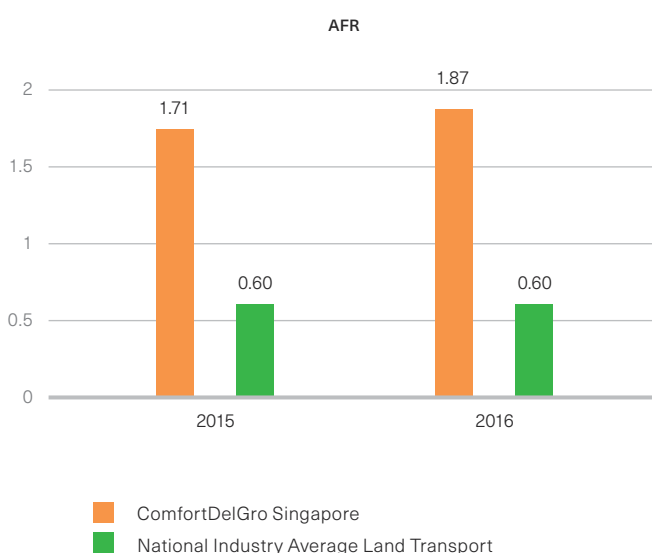
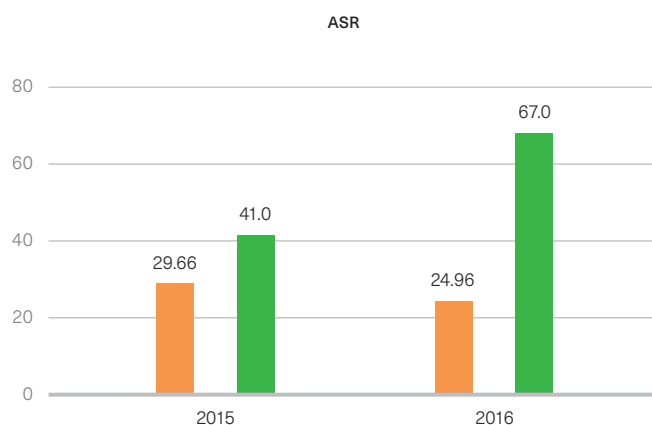
Analysing the data, we see that workplace non-fatal injuries were mainly due to:

- Slips, Trips and Falls (35%);
- Injured by or Struck against Moving or Stationary Objects (21%); and
- Work-related Traffic⁸ (18%);

TABLE 2: INCIDENT TYPES IN SINGAPORE

Incident Types	Total
Slips, Trips and Falls	24
Injured by or Struck against Moving or Stationary Objects	14
Work-related Traffic	12
Caught between Objects	4
Others	4
Fall from Height	3
Struck by Moving Vehicle	2
Over-exertion	2
Exposure to Extreme Temperature/ Harmful Substance	2
Assault	1
Total	68

The Accident Severity Rate (ASR) in 2016 of 24.96, was lower than the 2015 figure of 29.66 as well as the National Industry Average of 67.0.⁹ On the other hand, the Group’s Accident Frequency Rate (AFR) of 1.87 was higher than the previous year’s 1.71 and the National Industry Average of 0.60. We will continue to work towards reducing the AFR in 2017.



United Kingdom¹⁰

Our Metroline buses travelled a total of 93.5 million kilometres in 2016. There were 1,203 recorded injury cases in our scheduled bus business during the year, translating into 12.86 passenger injuries per one million kilometres travelled. In terms of vehicle collisions, we averaged 51.98 collisions for every one million kilometres with a total of 4,862 collisions. Unfortunately, one of these incidents resulted in a fatality.

⁶ Does not include injuries of our taxi hirers, who are not employees of the Group.

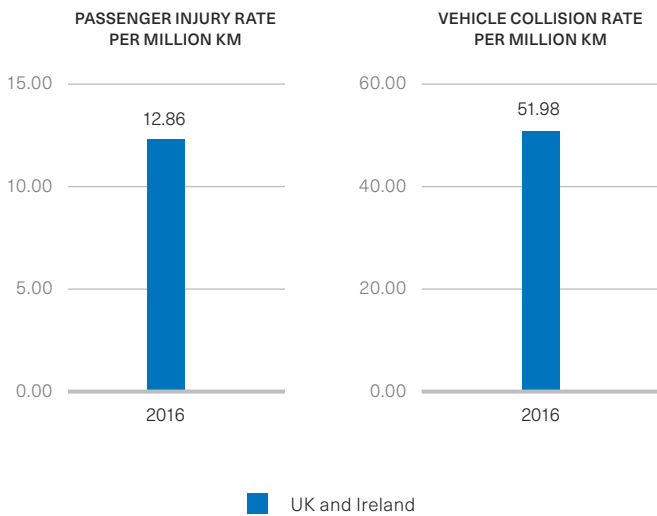
⁷ Lost days are defined as days that could not be worked as a result of a worker or workers who are unable to perform the usual work because of an occupational accident or disease.

⁸ A work-related traffic accident, as defined by the Singapore Ministry of Manpower, is any unintended event that causes bodily injury to a vocational driver or rider while he or she is driving any vehicle in the course of work.

⁹ Source: Singapore Yearbook of Manpower Statistics 2016 by the Ministry of Manpower.

¹⁰ Passenger injuries and vehicle collision data are reported for buses only.

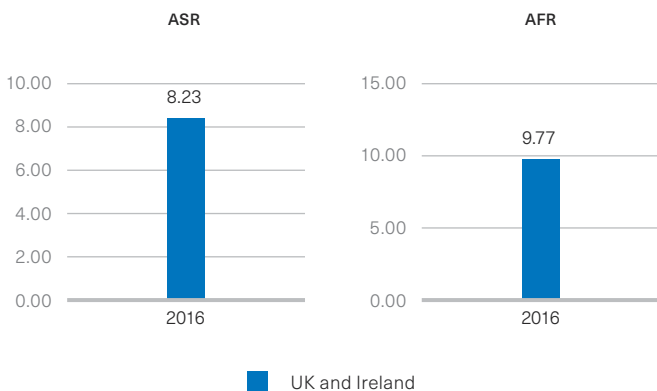
HEALTH & SAFETY



As for workplace injuries, our businesses in the UK recorded zero fatalities. However, a total of 146 workplace cases were registered due mainly to slips, trips and falls as a result of spills and pot holes, as well as assaults resulting in 123 lost days in 2016. Nearly all of these cases involved male employees. The ASR was 8.23 while the AFR was 9.77. We will work towards reducing these occurrences.

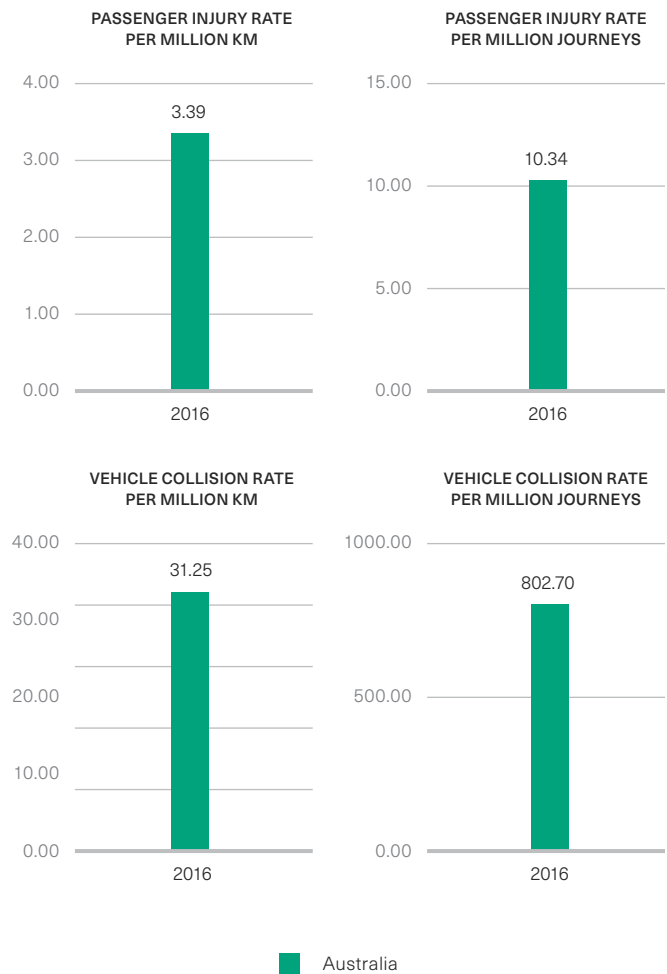
TABLE 3: INCIDENT TYPES IN THE UK

Incident Types	Total
Injury on board bus	52
Assaults	42
Slips, Trips and Falls	22
Others	25
Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR)	5
Total	146



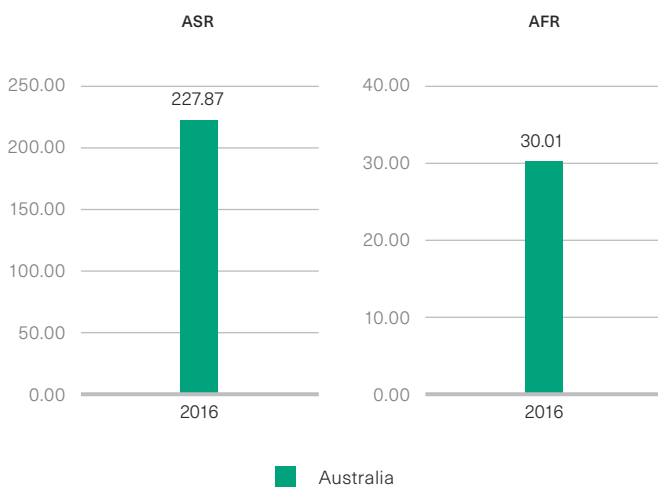
Australia¹¹

In Australia, ComfortDelGro Corporation Australia (CDC) buses travelled a total of 74.5 million kilometres in 2016. A total of 253 injury cases were recorded during the year, translating into 3.39 passenger injuries per one million kilometres travelled, or 10.34 injuries per one million journeys. In terms of vehicle collisions, CDC averaged 31.25 collisions for every one million kilometres with a total of 2,330 collisions.



As for workplace injuries, CDC recorded 135 cases due mainly to musculoskeletal disorders, over-exertion and traffic-related accidents, resulting in 1,025 lost days in 2016. Nine in 10 of these involved male employees. We will continue to work towards reducing both the ASR, which was 227.87 and the AFR, which was 30.01 in 2016.

¹¹ Does not include passenger injury of our taxi business as taxi drivers are not employees of the Group.



Workplace Safety & Health Committees

One of the ways in which the Group manages its health and safety issues is through its Workplace Safety & Health (WSH) Committees. (Annex A)

Singapore

In Singapore, all our Business Units have dedicated WSH Committees. This decentralised approach is more practical in terms of engaging and intensifying staff engagement on the Business Unit level. It also instils in them a sense of ownership over health and safety issues that arise from day-to-day operations.

Senior Management is involved actively in the committees. For example, VICOM's WSH Committee, which comprises 10 members, including a representative from each of its seven inspection centres, is chaired by a Management representative.

Similarly, ComfortDelGro Engineering's nine-member WSH Committee is led by Management, which meets once every month to review health and safety issues. Another 8% or 60 staff are appointed Safety Captains to assist the Fire Safety Manager in ensuring safety measures are complied with. In addition to its WSH Committee, ComfortDelGro Engineering formed two Company Emergency Response Teams (CERTs), comprising seven staff each, in October 2016.

SBS Transit has a Safety Steering Committee chaired by its Senior Management from its bus and rail businesses. The Committee is instrumental in promoting health and safety within the Company, looking at new policies and strategies to this end. SBS Transit's rail business has two Senior Management Safety Committees for North East Line (NEL) and Downtown Line (DTL) in addition to the three separate

WSH Committees for NEL, DTL and its Sengkang and Punggol Light Rail Transit (LRT) system.

ComfortDelGro Driving Centre also has an Accident Review Committee which was formed to evaluate and assess accidents, as well as develop learning points before providing counsel for preventive measures. The Committee has a high participation rate from its Management and staff. Findings from the review are shared during monthly dialogue sessions with staff and new instructors before they are deployed on the ground.

In the case of ComfortDelGro Rent-A-Car, it has set up a Risk Management and Risk Assessment team in place of a WSH Committee.

United Kingdom

In the UK, Metroline's WSH Committees are decentralised. These garage-based WSH Committees include both Management and staff representatives of each garage functions as well as contractors. They meet at least every quarter and are responsible for all local health and safety issues.

Likewise, Scottish Citylink has a WSH Committee that meets every quarter and is chaired by its Operations Director. Its WSH Committee promotes safe systems of work as well as highlights any health and safety concerns to Senior Management. It is also responsible for ensuring that the Health and Safety notice board, which displays a copy of the latest WSH Committee minutes, is maintained.

CityFleet Networks in London has both a centralised Risk Management Committee and CERT, which meet every six months. These meetings are attended by Senior Management as well as up to five staff.

Australia

Every depot under CDC has a Workplace Health & Safety (WHS) Committee comprising Management and staff representatives from Drivers Groups, Mechanics/Workshops, Administration, Planning & Scheduling. These teams meet every quarter – sometimes even monthly – and are in charge of distributing WHS messages to their various workgroups.

In Victoria, a WHS consultant attends all meetings and draws together common themes for action by Senior Management. Where necessary, issues are escalated to the Board. In addition, all WHS Committee representatives attend annual forums to discuss company-wide issues. Depot meetings with the 'SPARCQ Committees' are also organised regularly to discuss safety and other related issues.

In February 2017, a General Manager-Safety & Risk was jointly appointed by CDC to review and streamline all safety, risk and workers' compensation across the broader business. He is in charge of creating and implementing Business Continuity Plans for both operations in New South Wales (NSW) and Victoria.

HEALTH & SAFETY

Swan Taxis' existing Occupational Safety and Health (OSH) policy is managed by its OSH officer, who reports directly to the Chief Executive Officer (CEO). The officer is responsible for carrying out OSH activities, including promoting health and safety messages at the workplace through posters. The Company plans to form an OSH Committee in 2017. In addition to this, Swan Taxis has both a three-member Incident Response Group and an eight-member Crisis Management Group, headed by the CEO, who meets them when required.

China

In West China, Business Units such as Chengdu ComfortDelGro Taxi and ComfortDelGro Rent-A-Car (Chengdu) have WSH Committees comprising between three and five members. These WSH Committees chair monthly safety meetings that are attended by Management staff as well as drivers. As for Business Units that do not have such Committees, Management takes the lead in conducting health and safety briefings as well as organising regular emergency exercise to ensure its staff are responsive at all times. For example, Chengdu ComfortDelGro Qing Yang Driving School conducts health and safety meetings that are attended by department managers and supervisors so as to raise their awareness towards safety issues and to work together to minimise risks. Health and safety messages are also regularly disseminated to staff, especially driving instructors and safety officers.

In Guangzhou, in place of a WSH Committee is a nine-member Safety Production Committee, which meets once a quarter. It manages matters related to occupational diseases, hazards and emergency responses. Management staff is equally involved in these meetings.

Our taxi companies in East China also have qualified safety supervisors who head the Safety Departments. The Operations Manager fronts the CERT.

Vietnam

In Vietnam, our taxi companies have fire fighting teams as regulatory requirements and are looking into forming similar WSH Committees.



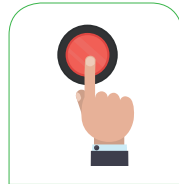
Emergency Preparedness

To respond appropriately to potential emergency situations, all our Business Units regularly assess health and safety risks related to their operations and take adequate precautionary measures.

For example, ComfortDelGro Driving Centre, which builds its entire business model on safe and responsible driving, conducts mandatory safety briefings for all learners. To-

date, close to 60 driving instructors and 314 staff have undergone first aid and fire fighting training to equip them with the necessary skills should accidents happen while practical training is being conducted. As part of emergency preparedness, ComfortDelGro Driving Centre conducted a flood emergency recall exercise in which staff were called back to the Centre to practise the drill in the event of floods.

To ensure staff are familiar with emergency procedures, SBS Transit conducted three bus disruption exercises at Joo Koon Bus Interchange, Changi Business Park Terminal and Soon Lee Bus Depot as well as two train and two LRT service disruption exercises in 2016. It also carried out four depot exercises to test the response to Chemical, Biological, Radiological Explosive (CBRE) threat as well as evacuation.



All public buses in Singapore, Australia and the UK, with the exception of Ireland, are equipped with call out buttons

In China, Guangzhou Xin Tian Wei Transportation Development's Tianhe Bus Station carried out a number of security exercises such as a terrorist attack simulation and fire drills to test its staff's knowledge of the evacuation process.

All public buses in Singapore, Australia and the UK, with the exception of Ireland, are equipped with call out buttons that allow our bus drivers to speak to the Operations Control Centre when there are emergencies. Similarly, our taxis in Singapore, Western Australia, China and the UK come with distress buttons that taxi drivers can activate whenever they require emergency help. These distress buttons when activated allow our call centre agents to listen in and to activate emergency assistance, if needed.



Training, Protective Equipment & Preventive Measures

ComfortDelGro constantly puts a high emphasis on training to safeguard and improve safety standards, both at the workplace and for our passengers. We also ensure that all staff are adequately protected with the proper protective gear depending on their vocation.

At SBS Transit, all new Bus Captains (BCs) undergoing basic training are schooled in safe and defensive driving. Training is intensive and spans between 31 and 52 days. Besides theory lessons, new BCs undergo practical training and have to successfully pass the Class 4A driving test stringently administered by the Traffic Police before they are qualified to drive a bus. Upon completion of their training, BCs are then

paired with Service Mentors, who would accompany them on their trips and share with them practical safety tips.

Experienced BCs are also sent for regular refresher training courses aimed at enhancing their safe driving skills. BCs are also regularly briefed and reminded to observe safe driving habits through case studies which involve actual accidents. Pedestrian Drills, Junction Drills and Bus Stop Drills are continually drummed into them to inculcate the importance of road safety. Random spot checks are conducted to ensure BCs religiously comply with these safety drills.

As testament to its continuous commitment to safety, Metroline became a member of CIRAS – the Confidential Incident Reporting and Analysis System. Through CIRAS, health and safety concerns can be captured internally and investigated successfully. Its managers, supervisors and engineers were also put through six safety courses over two-and-a-half days by the Institute of Occupational Safety and Health. Fire warden training, which is a part of regulatory requirement, and spill control training for staff of all shifts and at all depots, are also provided. In October 2016, Metroline

created the Transport Safety Champion of the Year Award to incentivise its bus drivers to champion the importance of driving safely. It plans to conduct behavioural safety and engineering safety training in early-2017.



Security screens were fitted in about **70 CDC buses** in Victoria to protect bus drivers from unruly passengers

In NSW, CDC communicates customer service and safety messages to its bus drivers at its depots using diamond-shaped signs. These were first developed and launched by Hillsbus in 2013, but can now be seen at depots of Hunter Valley Buses, Blue Mountains Transit and QCity Transit in Canberra. In 2016, CDC also introduced the accident scorecard system to ensure that investigative

methods are consistent. Bus marshals were also put through rear door loading safety training to ensure they are able to assist passengers safely.

In Victoria, Executive Management and Service Delivery Managers attended a Safety Management Course for Bus Operators at the Monash University to learn how to better manage safety and risk issues during operations. That was not all. Security screens were fitted in about 70 buses to protect bus drivers from unruly passengers.

As for our rail business, SBS Transit has installed gap fillers on 25 of its first-generation trains on the NEL. This has effectively reduced the gap between the trains and the station's platforms by half, from 10cm to 5cm, thereby reducing the risk of commuters' feet getting accidentally caught in the gap.

In all our taxi operations worldwide, stringent screening of new taxi drivers, including going through their past safety records, is conducted before any agreement is inked. New taxi drivers have to go through an induction briefing, comprising basic service training and a module on defensive driving.

To incentivise taxi drivers to maintain an accident-free record, ComfortDelGro Taxi rewarded its taxi drivers with No Claim Bonuses. Taxi drivers who maintained accident-free records for four consecutive years would not have to pay their share of repairs should they unfortunately meet with one after that. Drivers who are deemed to be accident-prone are sent for defensive driving courses at ComfortDelGro Driving Centre. Upon completion of the defensive driving course, taxi drivers' accidents records are monitored for the next six months. Those involved in yet another accident within the six-month period had their service contracts revoked.

In China, taxi companies under the East China Business Unit provided training to taxi drivers prior to them being on the roads, and also gave accident-prone taxi drivers remedial training before they are back on the roads. Others such as Beijing Jin Jian Taxi Services not only put accident-prone taxi drivers through retraining but also send their taxi drivers safety tips via WeChat. During the year, it introduced "Safety Awards", which come with rental exemptions, to incentivise its taxi drivers to drive safely and keep accident-free records.

In Vietnam, ComfortDelGro Savico Taxi taxi drivers attended a one-day Traffic Safety and Safe Driving course at the Transportation College.

Our driving schools are also strong advocates where safety is concerned.

ComfortDelGro Driving Centre has in place a Circuit Observation Programme. In this programme, mandatory safety briefings are conducted for all learners. The Chief

Instructors monitor circuit training sessions and look out for lapses in the coaching methodology, safety and quality. Actions are taken thereafter to correct any lapses. The Centre also worked closely with the Traffic Police to alter test routes that are deemed too dangerous for learners.



Ear plugs or muffers are issued to the employees and breaks in between jobs are planned for

In Chengdu, Chengdu ComfortDelGro Qing Yang Driving School conducted health and safety meetings that were attended by Managers and Supervisors to raise their awareness towards safety issues and to work together to minimise risks. Throughout the year, health and safety messages were regularly disseminated to staff, especially driving instructors and safety officers. Its car rental unit, ComfortDelGro Rent-A-Car (Chengdu), conducts bi-monthly safety discussions and holds safety meetings twice a month in Chengdu and Nanba.

HEALTH & SAFETY

SBS Transit's bus and rail engineering staff are trained and qualified to perform their various jobs in accordance with the WSH (Work at Height) regulations, which came into effect in May 2014. Similarly, SETSCO staff who have to work at heights above three metres are also put through safety courses conducted by accredited training providers as well as safety orientation and site familiarisation courses organised by clients in the construction, shipyard, marine and oil/petrochemical sectors. Other courses such as risk management and first aid are also conducted for staff both in-house and through accredited training providers.

SETSCO employees who are exposed to prolonged noise at volumes above 85 decibels may be at risk of noise-induced deafness, while those in charge of radiographic testing could risk radiation over-exposure. To tackle the former, ear plugs or mufflers are issued to employees and breaks in between jobs are planned for. These employees are also sent for annual medical check-ups, which include hearing tests. In the case of radiographic testing, licensed staff are required to wear a thermo luminescent dosimeter (TLD) badge, which is submitted to the National Environment Agency every month, to ensure they are not overly exposed to radiation. Similarly, these employees are sent for annual medical check-ups to ensure they are given a clean bill of health.

SETSCO sent its staff to fire safety courses and conducted a drivers' safety and maintenance talk so that its drivers have the knowledge when they handle the Company's vehicles.

VICOM vehicle inspectors, who have to perform visual inspection and operate test equipment as part of their daily routine, undergo the Technical Knowledge Evaluation examination to ensure that they are kept abreast of the latest advancement in vehicle technology as well as inspection rules and regulations. A Safety Demerit Points System is in place to ensure that they comply with safety rules. Recognising that both vehicle inspectors and motorists could face the risk of slips, trips and falls, as well as accidents, VICOM had all inspection lane pit openings painted prominently for better visibility. This is in addition to the barriers and warning signs that are already in place. Walkways for motorists are also painted to clearly demarcate them from inspection areas.



Preventive Maintenance Checks & Vehicle Inspection

Our vehicle fleets in Singapore undergo regular preventive maintenance checks. ComfortDelGro taxis are checked once a month, while buses are checked once every 45 to 60 days. Rental cars undergo six-monthly preventive maintenance checks as part of road safety measures. As part of regulatory requirement, vehicles that are at least three years old are inspected at our vehicle inspection and testing Business

Unit, VICOM, to ensure they meet safety standards for road-worthiness, while taxis are inspected half-yearly.

In the UK, our London buses go through inspections as well, while our inter- and intra-city coaches are inspected every 28 days by subcontractors in line with the requirements laid by the Department of Transport. Taxi drivers under our radio circuit networks conduct daily basic checks of their taxis and have them serviced every 6,000 to 8,000 miles to ensure their roadworthiness.



Taxis in the UK that do not meet regulatory requirements are issued "stop notes"

Taxis in the UK have to pass a rigorous check every year to qualify for a licence plate, which is displayed on the back and inside of the taxi. Six months later, these taxis undergo a test by the Ministry of Transport, which will last to the end of the year where the licence-plate qualifying process starts over again. This test will determine the licensed taxi is roadworthy and maintained at a high standard.

Enforcement units conduct random spot checks on the road or visit taxi drivers at home to inspect the taxis. Taxis that do not meet regulatory requirements are issued "stop notes". This means the taxi driver cannot work until the stop note is lifted.

Our Australian buses are maintained once a month in accordance with manufacturers' recommendations. Buses in NSW are inspected twice a year, while buses in Victoria are inspected once a year. As for taxis, the State Government's Department of Transport requires all taxis to undergo an annual inspection as part of the licensing agreement.

Like Singapore, taxis that we operate in China and in Vietnam are serviced once a month, and inspected bi-annually.



Technology

At ComfortDelGro, we are always finding new ways to leverage on technology to improve the way we do things. Safety is no exception.

SBS Transit, a forerunner in this area, puts its BCs through a mandatory "Driving Skills Enhancement Programme" to obtain an objective assessment of their driving competency with areas identified for. This is done using technology based on the Vigil Vanguard system, which comprises motion sensors, cameras and mapping software. The BCs' driving behaviour is closely reviewed through Vigil's video recording used to help them improve on their areas of weaknesses. Accident-prone taxi drivers are also sent for defensive driving courses conducted by ComfortDelGro Driving Centre, which uses the same Vigil Vanguard system.

SBS Transit also invested about S\$1.5 million into installing 810 of its buses with Mobileye, a smart camera that is able to detect, analyse and monitor road conditions while the vehicle is moving and provides real-time audio-visual warning via a display unit to the driver. It also trialled Mobileye Shield+, which enhances the safety of other road users, especially the most vulnerable ones like the cyclists, pedestrians, and motorcyclists, when they enter into potential blind spots of our



SBS Transit invested about **S\$1.5 million** into installing 810 of its buses with Mobileye

buses. Two additional Mobileye cameras were placed strategically at the sides of buses to provide additional detection for BCs. When there is imminent collision between the turning bus and these vulnerable road users at the side of the buses, the system will provide both a visual and audio alert to warn the BCs to take evasive actions.

SBS Transit also tapped on the Hazard Awareness Training and Test system (HATT), an interactive video-based system that trains BCs to identify both potential and developing hazards. These videos are based on actual roads that BCs would be familiar with when they drive their revenue services. Besides equipping them with the skill set to identify hazards, they are also taught how to prevent accidents by taking appropriate defensive measures. With the ability to identify and take corrective actions, BCs are better equipped to provide a safer journey for their commuters. Metroline did something similar. It filmed the bus routes that its probationary bus drivers practise on, and added animation to the footage to help them identify risk areas.

GoRoute is the other video-based system that enables SBS Transit BCs to learn their service routes and safety drills in a classroom setting. The videos are based on actual road conditions of their respective service routes, including indications of special zones such as the school zone and black spot areas. With better knowledge of their service routes, its BCs can focus more on driving safely.

Our scheduled buses also come with speed limit devices that prevent them from accelerating beyond 60kmh. Similarly, the Mobile Data Terminal (MDT) in our taxis come with speed alerts that automatically prompt our taxi drivers to slow down when they have exceeded the speed limit.

ComfortDelGro Taxi saw a **40% drop** in the number of speeding offences following the six-month MDT Alert trial with the Traffic Police

ComfortDelGro Taxi collaborated with the Traffic Police to trial the MDT alert on 3,800-odd taxis for six months. An audio and visual alert was triggered whenever a taxi was about 500m away from a speed trap or red light camera. The trial resulted in a drop of 40% in the number of speeding offences and a 34% reduction in red light offences. As such, ComfortDelGro Taxi began rolling out the MDT alert to all its taxis from October 2016 onwards.

During the year, SBS Transit completed the enhancements of its CCTV coverage at both its bus and train depots in 2016.

To better manage and control visitors' entry into these depots, an online electronic visitor management system was implemented in April 2016. Work is in progress to roll out this system on DTL stations in 2017.

As for surveillance on board our vehicles, nearly all our public transport service vehicles in Singapore have CCTVs or in-vehicle cameras.¹² In the UK, Metroline buses are equipped with CCTVs. Down Under, all Swan taxis have in-vehicle cameras. In all, about 84% of our vehicles there are equipped with this capability.

TABLE 4: VEHICLES WITH CCTV OR IN-VEHICLE CAMERAS IN THE UK, SINGAPORE AND AUSTRALIA

Country	Percentage of vehicles with CCTV or in-vehicle cameras
United Kingdom	100%
Singapore	99%
Australia	84%

In 2015, CDC replaced its analogue communication system that was depot-specific and had limited capacity and functionality with a digital radio system that allows users to communicate using multiple channels. For example, the Operations Control Centre could communicate with many depots, including those across the states, through customised talk channels. Following the successful implementation of the digital radio system on board Hunter Valley and Blue Mountain Transit bus fleets, the same system was implemented for all QCity Transit buses in 2016.

¹² Includes only public transport services (bus and rail), taxis as well as learner driver vehicles.

HEALTH & SAFETY



Community Engagement

While the importance of safe driving cannot be emphasised enough, passengers and other road users also have a role to play in ensuring that roads remain safe.

For SBS Transit, commuter safety is enhanced through the use of priority seats reserved for elderly passengers, physically-disabled, or mothers-to-be. Passengers are also reminded to observe safe travelling habits through prominently displayed safety posters and messages on board buses, trains and stations. These include holding onto handrails and stanchion poles, and not running around on board buses and trains.

As part of the “Captain of RoadSense” campaign launched by the Traffic Police and the National Taxi Association on 20 September 2016, about 300 ComfortDelGro taxis carried road safety tips bumper stickers to remind all road users to be considerate while they were on the roads.

The Group, through ComfortDelGro Driving Centre, SBS Transit and VICOM, engages the community through several road safety talks throughout the year.

To create safety awareness amongst the road users, ComfortDelGro Driving Centre actively promoted road safety through talks that were conducted to about 10,000 school students. It was also the only driving centre to participate in the Singapore Bike Show where it conducted safety talks and demonstrated safe riding techniques to the public.

Similarly, SBS Transit reached out to 38,628 students in the 93 school talks and operations visits it conducted. A safety campaign was also carried out at a number of stations of the NEL and DTL to remind commuters to travel safely on escalators.

VICOM holds regular talks for both local and international delegates, imparting knowledge on the best practices used in keeping Singapore’s roads greener and safer. In 2016, nine such talks were held with delegates from various countries including Japan, Philippines, Niger, Kazakhstan, Fiji and more. In total, over 30 hours worth of such sessions were conducted.

To encourage and drive safety awareness amongst drivers of heavy goods vehicles (HGVs), VICOM sponsored the “Use Your Road Sense” seminar, an initiative pioneered by the Traffic Police and Singapore Road Safety Council. The initiative included giving out pledge cards on behalf of Traffic Police to HGV drivers at VICOM’s inspection centres to educate and encourage them to be safer drivers.



Recognition

ComfortDelGro Engineering, which had obtained its BS OHSAS 18001:2007 Occupational Health and Safety Management System and BizSafe Star certifications in 2013, successfully passed both re-certification audits held at Defu and Loyang workshops.

Moove Media, which was BS OHSAS 18001:2007-certified since 2013, successfully renewed its certification in 2016, while ComfortDelGro Bus was awarded bizSAFE since 2014.

SETSCO, which is BS OHSAS 18001:2007-certified, has been lauded by companies for its continued push towards safety. It received the Safety Performance Award by ExxonMobil in February 2016 and was recognised by the Petrochemical Corporation of Singapore for achieving 35 million hours worked without a lost time incident.

At the Singapore Road Safety Award 2015 that was held on 16 December 2016, two SBS Transit BCs and two ComfortDelGro taxi drivers were recognised for their safe driving. SBS Transit Bus Captains Chung Sing Loong and Yue Leong Phang were named Champions in the Safe Driver and Most Improved Driver categories respectively; ComfortDelGro Cabby Pek Ban Choon was Champion in the Safe Driver – Taxi Fleet category, while Cabby Roger Lim received the Merit Award in the same category for keeping accident-free records for 20 years.

CDC underwent an accredited bus operator safety audit by Transport Safety Victoria and achieved a compliance score of 95.37%.

In September 2016, our driving centre in Chongqing earned four stars for upkeeping its safety standards and reputation as a centre that provides quality service.

Annex A: Workplace Safety & Health Committees Across the Group

Country	Business Unit	Workplace Safety & Health Committee	Company Emergency Response Team	Risk Management Committee	Other Safety-related Committees	Nil
	All Business Units with the exception of:	√	√	√		
Singapore	ComfortDelGro Driving Centre	√	√	√	√	
	ComfortDelGro Rent-A-Car			√		
	SBS Transit	√	√		√	
Australia	CDC (NSW)	√	√			
	CDC (VIC)	√			√	
	Swan Taxis	√	√	√		
China	East China		√		√	
	North China					√
	South China		√		√	
	West China	√				
United Kingdom & Ireland	CityFleet Network		√	√		
	ComfortDelGro Irish Citylink				√	
	Metroline	√				
	Scottish CityLink Coaches	√				
Vietnam	ComfortDelGro Savico Taxi				√	
	Vinataxi				√	
Malaysia	CityLimo Leasing (M)					√

SUPPLY CHAIN



We have
long-term contracts
of three years or more with
33 suppliers



75%
of the Procurement Category team
underwent training on "Procurement
Fraud Prevention & Detection"

Our Suppliers

Our suppliers are our partners. Without the goods and services they provide, we would not be able to run our businesses. Working closely with them, we explore ways to increase efficiency and productivity through the procurement of supplies and services which help improve our processes and grow our business. We are committed to treating our suppliers with respect. We pay our bills on time, every time and are transparent in all our contracts and negotiations.

Our Purchases

Energy and direct material and services used for the operation and maintenance of our fleets form the majority of our purchases.

Percentage of value of purchases by type

2016

Energy (Eg., Electricity, Diesel)	44%
Direct Material & Services (Eg., Automotive parts, Consumables and Vehicle Maintenance Services)	30%
Assets (Eg., Vehicles, IT Hardware, Workshop equipment)	18%
Indirect Material & Services (Eg., Facility Management, IT, operating supplies)	8%

About 90% of our spend is with 31 suppliers, of which 30 of them have worked with us for more than five years. We have long-term contracts of three years or more with 33 suppliers.

Equal Opportunity

We believe in full transparency and according equal treatment to all suppliers/would-be suppliers. Our team constantly gains market knowledge and encourages participation from industry players. In 2016, at least 100 companies participated in our tenders for the first time.

Businesses have an equal opportunity to submit their bids for any contract through our sourcing platform which has built-in functions to safeguard the confidentiality of submitted bids.

Specifications are written in to allow bidders the freedom to best meet the contract requirement and to foster supplier interest and encourage innovation.

Supplier Selection

We select our suppliers based on multiple criteria, including but not limited to the supplier's technical capabilities, service quality, supply assurance, environmental responsibility, safety records, financial stability and cost competitiveness. A structured decision matrix approach is used with assigned weightage that reflects the relative importance of each selection criteria.

All recommendations for award are approved in accordance to the financial authority limits delegated by the Board.

Risks Identification and Mitigation Fraud and Corruption Risk

All officers administering and approving contracts in which they or their close relatives have significant interests are required to declare and disqualify themselves from handling these contracts. Staff in the Procurement and Purchasing team sign a declaration on conflict of interest annually. In 2016, 75% of the Procurement Category team underwent training on "Procurement Fraud Prevention & Detection". The workshop equips our staff to be able to implement effective internal controls within the procurement process, and also to acquire skills and techniques to prevent and detect procurement fraud.

Objective of the "Procurement Fraud Prevention & Detection" Workshop

Delivered by Management Development Institute of Singapore (MDIS)

- Gain a thorough understanding of the vulnerability of the procurement function to fraudulent activities
- Understand consequences of procurement fraud to prepare for adverse circumstances
- Explore different kinds of procurement fraud and how they can occur
- Recognise the red flags of procurement fraud
- Learn about effective deterrent, preventive and detective measures to help reduce the occurrence of procurement fraud
- Find out about the four-step process to proactive procurement fraud prevention

About 70% of the contracts by value are established through competitive sourcing exercises, including 38% through public tenders.

Supply Risk

For key purchase categories, the award strategy often includes multiple suppliers from different geographical locations. Where multiple suppliers are not feasible due to various reasons, the Business Continuity Plan of the sole supplier is scrutinised and assessed.

Legal Risk

More than 95% of our contracts with suppliers apply one of our four Standard Terms & Conditions. These contracts contain insurance and limitations of liability clauses. Where supplier's contracts are used, we engage our lawyers to vet through the terms to ensure that they are fair and reasonable.

Price Risk

Where product prices are driven by the volatile commodity prices, an indexed formula is used. This allows our Treasury Department to mitigate cost fluctuation through hedging.

Environmental, Health and Safety Risk

Depending on the nature of purchases, safety rules detailing Environmental, Health and Safety requirements are included in tender documents. Suppliers are required to undertake to comply with the rules. For complex projects, suppliers are required to complete a risk assessment before commencing work.

Supplier Performance Management

We ensure that our suppliers' performance meets the expectations defined in the contract and against market norms through our Supplier Performance Management exercise. Our key suppliers undergo regular appraisals to ensure costs are kept in check, service standards are kept high and risks are mitigated. The ultimate intent is to identify potential issues and their root causes so that they can be resolved as quickly as possible.

In 2016, 20 strategic suppliers* across eight key categories were assessed on five pillars: Procurement, Quality, Logistics, Technology and Supply Security.

Overview of the Scoring System

Supplier Assessment	
	Procurement (30%) Assessed by Procurement
	Quality (25%) Assessed by Contract Owner
	Logistics (25%) Assessed by Supplies & Logistics
	Technology (10%) Assessed by Contract Owner
	Supply Security (10%) Assessed by Finance & Supplier

We highlight areas of strengths and weaknesses to the suppliers and follow up with action plans to improve poor performance. Five suppliers scored very well and have been put on our preferred suppliers list for future contracts.

Our Plans for 2017

- Establish and deploy Supplier Code of Conduct. We intend to embed the Code in our tender documents.
- Launch Tender Portal for Suppliers to self-register and provide us with information about their companies, experience, track records and compliance to international standards. This system enables us to review these aspects of the suppliers and to facilitate the tender evaluation process.

* Data available for Singapore only.

OUR STAKEHOLDERS AND PARTNERS



More than
170 reports
on the Company and the industry
were published during the year



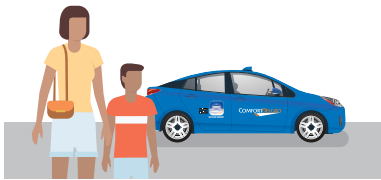
At the 17th Securities Investors Association
Singapore (SIAS) Investors' Choice Awards 2016,
VICOM won the

**Merit Award for
Corporate Governance**
in the Big Cap category

ComfortDelGro is guided by the principle of creating sustainable value for its Stakeholders – be they Customers, Shareholders, Employees, Partners or Regulators. [G4-24]

Key Stakeholders are identified as part of the Risk Management process, based on the extent in which they can affect or are affected by the operations of the Group. [G4-25]

Given the significant roles they play, ComfortDelGro reaches out actively to key Stakeholders through various channels.



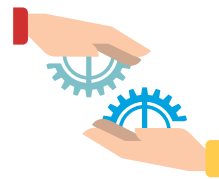
Customers

Good customer service is a fundamental aspect of our business. In fostering a customer-centric culture, a “customer first” mindset permeates through the Group and a robust customer engagement process is adopted.

To this end, employees are equipped with the necessary skills and knowledge to provide customers with a best-in-class experience. Courses that are conducted include technical training courses like “Apply Workplace Safety & Health” and “Perform Maintenance in Electrical and Electronic System” as well as service-centric training like “Demonstrate the Service Vision” and “Manage a Diverse Service Environment”.

Frontline staff in all our businesses actively engage customers through various means including outreach programmes where potential and existing customers are invited to visit our operations once every few months. We also reach out to our customers through information counters, hotlines, as well as monthly Meet-the-Managers sessions.

Customers are encouraged to send us their feedback through customer questionnaires, online feedback forms or via our service hotlines. Other than product and service enquiries, the key areas of concern amongst Customers are safety, accessibility and the overall service experience.



Shareholders

We are committed to disseminating accurate and pertinent information to the marketplace in a timely manner as part of good Corporate Governance.

Our Investor Relations (IR) programme balances regular, effective and fair communications with Shareholders and the investment community with commercial sensitivities. The IR team works closely with Senior Management to proactively carry out this engagement programme.

During the year, the IR team met more than 350 groups of investors, analysts and equity sales personnel over more

than 200 meetings. The team also addressed queries from investors through emails, telephone calls and the online form.

Besides face-to-face office meetings and conference calls, we also participated in seven investor conferences and non-deal road shows in Singapore, Kuala Lumpur, Taipei, Hong Kong, London and Edinburgh. These platforms provide direct access to a wide cross-section of existing and new investors from around the world.

We 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 results. Three post-results luncheons were organised where we met fund managers based in Singapore.

ComfortDelGro attracts active research coverage from sell-side analysts and the stock is now covered by 16 local and international research houses. More than 170 reports on the Company and the industry were published during the year. The IR team has regular interactions with the analysts to ensure a thorough understanding of our business models and strategies, operations and financial performance and growth opportunities.

Shareholders have the opportunity to interact with the Board and Senior Management at our Annual General Meeting. Voting is by way of electronic polling for greater transparency in the voting process and the detailed results are announced immediately at the Meeting and subsequently released to the Singapore Exchange (SGX).

All material announcements are posted in the IR section of the corporate website to ensure equal and timely access to information.

At the 17th Securities Investors Association Singapore (SIAS) Investors' Choice Awards 2016 held on 30 September 2016, VICOM won the Merit Award for Corporate Governance in the Big Cap category.



Employees

With a global workforce of over 22,000, employee engagement is a critical aspect of our human resource management. Talent management and succession planning rank high on ComfortDelGro's priority list.

Through regular employee engagement programmes including seminars, training courses, quarterly newsletters and weekly dialogue sessions, we are able to encourage critical thinking and innovation, build team spirit and groom the next generation of leaders.

Managers are empowered and encouraged to hold regular feedback sessions with their subordinates. The annual appraisal performance session

serves as a platform for employees to discuss their work performance and map out their career progression. Common issues raised by employees include training and remuneration.

More information can be found on pages 28 to 35.



Partners and Suppliers

We work closely with our partners and suppliers to ensure the smooth delivery of our services. We recognise our dependency on the timely delivery of key parts and components and the quality of our subcontractors. This is a key risk which we have identified and which we manage diligently. We also have in place detailed Risk Management contingency plans where needed. More information can be found on pages 39 to 42.

As a responsible corporate citizen, we also strongly believe in ensuring compliance in all our operations and businesses. We do not condone any corrupt practices or anti-competitive behaviour. We have a strict procurement policy which, among other things, conducts supplier assessment to ensure there is no adverse impact on society. Among other things,

suppliers are required to have strict environmental policies, adopt fair employment practices, have clear health and safety policies, and adhere to strict anti-corruption policies.



Regulators

ComfortDelGro is firmly committed to complying with all legal and regulatory requirements.

As the provision of public land transport services is highly regulated, the Group, through our various Business Units, holds regular weekly dialogue sessions with the various regulators including the Land Transport Authority, the SGX, the National Environment Agency and the Ministry of Manpower.

A range of topics are discussed at such meetings, including unfolding trends, new technologies, safety, competition, environmental and accessibility issues.

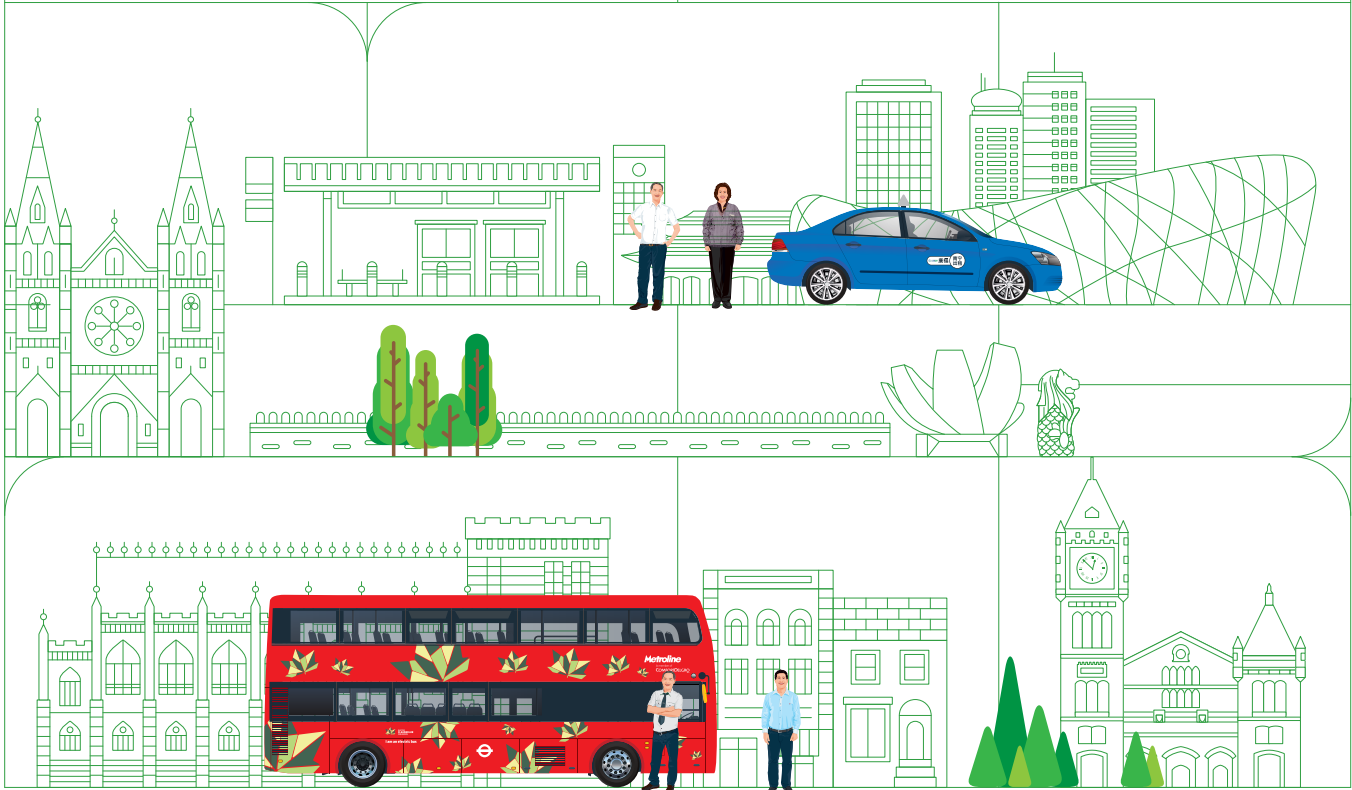
Where Regulators seek consultation in reviewing existing and emerging policies, we are responsive and strive to provide constructive feedback.

[G4-26, G4-27]

OUR PEOPLE

In 2016, the Group employed
22,048 staff

We have a
Diverse group of nationalities
in our workforce



Our people are undoubtedly our most valued assets. Without them, we would not be where we are today. Indeed, we strongly subscribe to the view that a happy and motivated workforce will ultimately translate into satisfied customers. In the long run, this can only result in growth for the organisation.

To this end, we provide equal opportunities to our staff, invest in comprehensive training to develop them to their maximum potential and engage them actively in what we do. Significantly, as an employer, we ensure that all terms and conditions of employment, along with policies and procedures, comply with relevant regulations.

Our people are guided by the common Vision which is "To be the world's land transport operator of choice". Our Vision, Mission, Strategies and Core Values are carved on huge metal plaques and prominently displayed in the lobby to constantly guide our employees on what we stand for from the moment they step through our doors – literally. Posters are also placed around the offices, in the lifts and in publications to serve as constant reminders of our corporate aspiration and how we must never sway from our core values of honesty, integrity and ethics.

OUR STRATEGIES FOR SUCCESS



Look Beyond the Horizon

- Innovate and be receptive to new ideas and opportunities
- Solve problems in a prompt and effective manner
- Anticipate and embrace change



Do the Right Things – Right

- Never take our eyes off the ball
- Deploy people and assets for value enhancement
- Admit and learn from mistakes



Grow Our Talent Base

- Set the performance bar above industry norms
- Give credit where credit is due
- Reward equitably

OUR CORE VALUES



Results Orientation

We will:

- Set challenging goals
- Focus on results
- Identify and solve problems
- Have a sense of urgency and ownership



Integrity and Ethics

We will:

- Conduct our affairs in a manner consistent with the highest ethical and professional standards
- Engage in fair and honest business practices
- Show respect for each other, our customers, business partners, suppliers, shareholders, the authorities and the communities we operate in
- Communicate in a factual, honest and prompt manner
- Be open and transparent in our dealings
- Exhibit strong environmental stewardship



Commitment

We will:

- Anticipate our customers' needs and constantly upgrade ourselves to provide them with outstanding service
- Foster an environment of trust by engaging the communities we serve
- Reward our shareholders by delivering steady and sustainable results through growth in our businesses
- Care for our staff by providing a challenging environment with ample opportunities for growth and development. Build on staff capabilities through effective recruitment, training and career planning so as to develop their full potential. Promote teamwork, initiative and creativity
- Stay committed to the authorities by complying with regulatory requirements

OUR PEOPLE

Diversity With Equal Opportunities

At ComfortDelGro, we believe that diversity in the workplace is fundamental to growth and professional development. It benefits not just the individual, but the company as well, exposing the individual to different ideas, skills, views and attitudes. A diversified workforce – whether in terms of gender, race or nationality – also means we access the widest talent pools.

In 2016, the Group employed 22,048 staff – about 1.1% less than the previous year. In Singapore, we had 12,287 permanent employees while our offices in the United Kingdom (UK) employed 5,935 staff. In Australia, we had 2,289 people, followed by China with 1,276, Vietnam with 205, Malaysia with 42 and Ireland with 14.

As a global group with operations in seven countries, we have a broad mix of nationalities among our staff, with Singaporeans accounting for 28%. The major nationalities include Malaysians at 21%, British at 14%, Australians at 10% and Chinese at 10%.

We have an all-inclusive work culture, with people of different ages, ethnicity and gender working together in harmony. Given that heavy vehicles have traditionally been driven by men, about 86% of our employees are males. The proportion of females has been increasing over the years.

Our workforce also reflects the diversity of the communities we operate in, helping us to better serve our customers. For instance, in Singapore, the composition of our employees' ethnicity closely mirrors that of the local population's workforce profile – 72% of our staff are Chinese compared to 74% in the population; 15% are Malays versus 13.3% nationally and 10% are Indians versus 9.2% locally. Operating in a multi-cultural country, we respect and celebrate ethnic diversity. For example, on the eve of Hari Raya Puasa, which is a major Islamic festival, our Muslim employees enjoy early release from work to prepare for their celebrations. This practice is also observed for the other major festivals of the different ethnic groups.

With diversity in our workforce, it is essential that we also offer equal opportunities for our employees to grow. In this regard, ComfortDelGro is guided by strict human rights and labour practices. In all that we do, we abide by the basic tenet of respecting, protecting and fulfilling human rights and fundamental freedoms. We ensure that employees are selected based on merit and competency.

We implement our guiding principles in a non-discriminatory manner, paying particular attention to the rights and needs of, as well as the challenges faced by individuals within our Group who may be at heightened risk of becoming vulnerable or marginalised. We believe that regardless of age, sex, marital status, sexual orientation, disability, race, colour, nationality, ethnic or national origin, religion, or affiliation to

any political party or trade union, all our staff should be treated equitably and given fair opportunities to grow and develop in accordance to their levels of competence.

We believe that with a fair, supportive and inclusive workplace, our people will be able to perform to their full potential. In Singapore, for example, we have pledged our commitment to adhere to fair employment practices and are a member of the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP), a national agency that is helmed by Singapore National Employers Federation and the National Trades Union Congress. We adhere to the five key principles of fair employment practices – recruiting and selecting employees on the basis of merit, treating them fairly and with respect, providing them with equal opportunities for training and development, rewarding them based on their ability, performance, and contribution and abiding by labour laws and the Tripartite Guidelines.

In employee recruitment, our advertisements do not state age, race, gender or religion as preferences or requirements. At the interviews, applicants are not required to state their race, religion and marital status as they are assessed on competency and suitability.

As an equal opportunity employer, we also do not discriminate against any employee on the basis of age. Our people are as young as under 30 and as matured as over 67, working together and learning from each other. While we value the young for the spark and ingenuity they bring to the workplace, older workers have, and continue to be, a valued part of our workforce too. They tend to be mature, reliable and bring a wealth of experience with them. In fact, in September 2016, a Metroline staff retired after 53 years of serving London's buses.

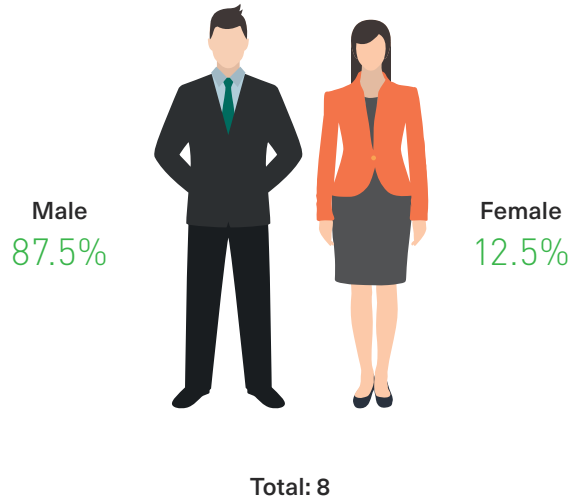
In 2016, on a global level, 14.3% of our workforce were at least 60 years old while 13.8% were under 30 years old. Those between 40 and 50 years old were the majority, comprising 25.9% of our staff strength. About one in every four staff was between 30 and 40 years old followed by those aged between 50 and 60.

In Singapore, our retirement age is 67 years old – five years more than the legislated 62 years old. Employees can opt for retirement at 62 or continue until they are 67. Although it is permissible by law to reduce their pay once they reach the legislated retirement age, our older employees continue to enjoy the same benefits and compensation as they had before if they continue to work in the same job. Those who retire at 67 but are assessed to be still medically fit and are willing to continue working are offered term contracts, subject to availability of such positions.

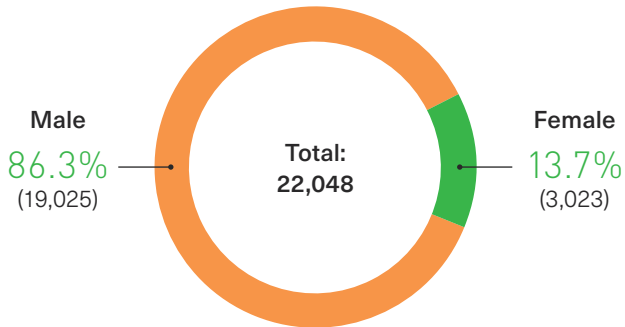
We strongly subscribe to zero tolerance for discrimination at the workplace. There was no report of any discrimination lodged against the Company in 2016.

OUR PEOPLE AT A GLANCE

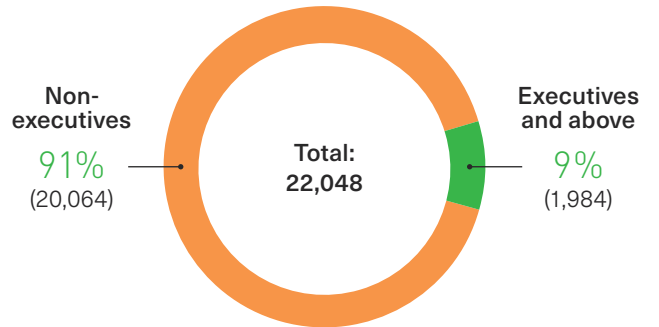
ComfortDelGro Corporation's Board of Directors by Gender
(Please refer to page 56 in the Annual Report for the Board's composition.)



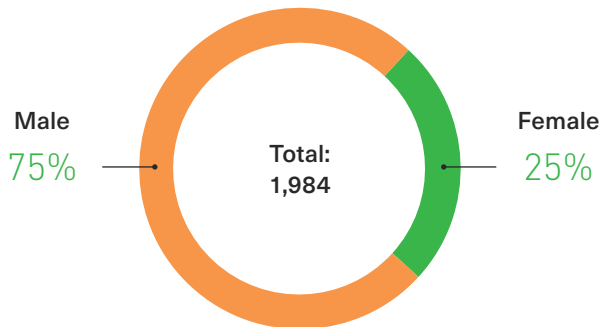
Employees by Gender



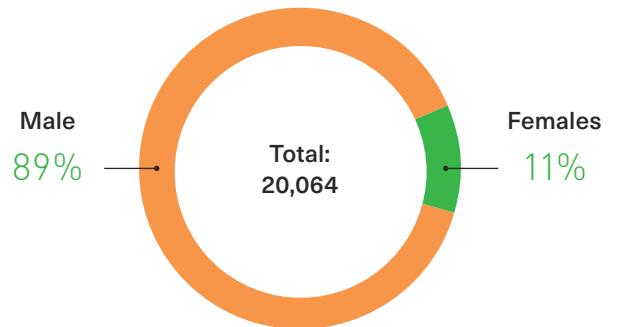
Employees by Category



Executives and Above by Gender

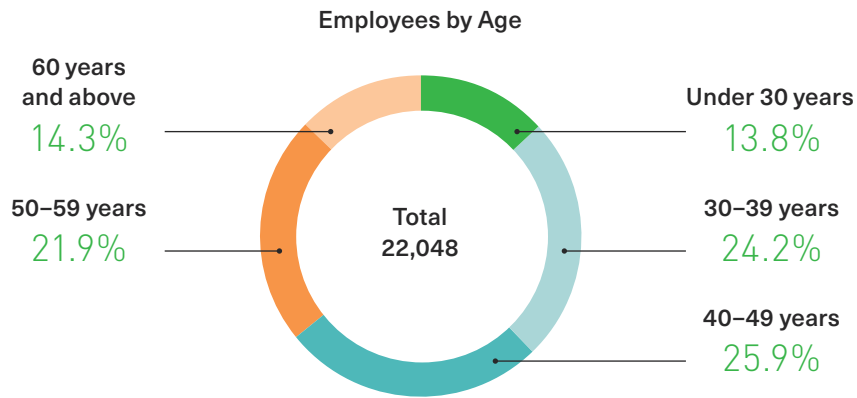


Non-executives by Gender

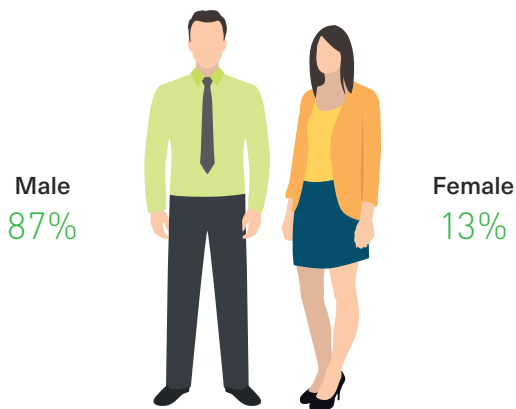


OUR PEOPLE

OUR PEOPLE AT A GLANCE

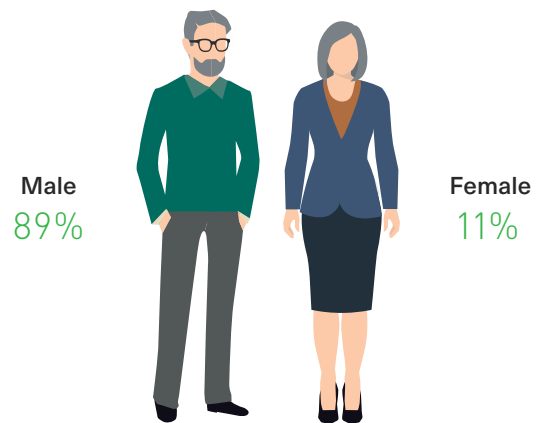


Employees by Gender under 50 years old



Total: 14,073

Employees by Gender over 50 years old



Total: 7,975

Employee Engagement

We believe that engaged employees are motivated to do better. For this reason, ComfortDelGro actively engages its employees through various platforms and avenues.

Employee Satisfaction Surveys are conducted once every two to three years. These are conducted in-house by the different Business Units (BUs) and the identities of employees remain anonymous to encourage honest feedback. The most recent survey was conducted in 2016 involving our staff from ComfortDelGro Taxi. The findings indicated that 94.0% of respondents were happy working in the unit, up from 89.0% in 2013. In fact, HR Asia, a reputed publication for Human Resource professionals, conducted on-ground surveys with employees from 160 companies and ComfortDelGro Taxi emerged as one of the 20 best companies to work for in Asia in 2016!

At the start of every year, at our Corporate HQ, our Chairman and Managing Director/Group Chief Executive Officer (MD/Group CEO) meet Senior Management at a breakfast meeting where they lay out the challenges that are expected in the months ahead. Action plans and strategies are also discussed at this annual meeting which is also attended by the Heads of the overseas BUs, where possible.

In February 2016, the Group organised a brainstorming session involving Senior Management from across our BUs around the world to examine the challenges and re-examine mid and long-term strategies to remain competitive in our changing business environments. A two-day customer-centric initiatives workshop was also conducted for Management to enhance the service leadership mindset, service agility and customer experience in our respective BUs.



Long Service Awards are presented to staff in recognition of their faithful years of service to the Company

On a regular basis, briefing sessions are organised by Management to share information and align business goals and objectives with employees. New hires attend an induction programme to orientate them to our culture, values and businesses.

At the operational level, employees attend meetings and briefings on a regular basis. These are complemented by workshops, seminars and conferences. The frequency varies depending on the need. For instance, Bus Captains in Singapore's SBS Transit attend briefing sessions on safety

and customer service once a month at the various interchanges and depots. Our technicians at the various workshops operated by ComfortDelGro Engineering in Singapore also attend the daily "toolbox" sessions conducted by their supervisors to be updated on the work schedules of the day. Citylimo Leasing in Malaysia holds employee communication sessions to allow Senior Management to communicate and interact with staff. At these sessions, information on the unit's performance, key business focus and directions are shared with staff. Employees are encouraged to ask questions at such sessions.

On information related to human resource matters such as terms and conditions of employment, policies and benefits, these are available in the Employee Handbook which is given to all staff on their first day of work. They are also available on the Group's corporate intranet.

Besides dialogues and sharing of information, we also believe in recognising staff for their contributions. Long Service Awards are presented to staff in recognition of their faithful years of service to the Company. For example, our Bus and Taxi BUs in Australia hand out awards to staff who have served for between five and 35 years while in Singapore, we do so for those with at least 15 years of service. These awards are given at five-year intervals.

Apart from this, employees who had provided quality service to customers received recognition for their good efforts. Internal awards included the Employee of the Month and CEO commendation awards which were held either on a quarterly or annual basis by the different BUs. At Swan Taxis in Australia, 32 drivers were recognised for going the extra mile for their passengers in the Star Drivers Scheme. Nanning Comfort Transportation in China organised two incentive trips to Xiamen (China) and Hong Kong to reward its best performing taxi drivers for a job well done.

Our employees also received prestigious external awards for their outstanding contributions. Leading the way was ComfortDelGro's MD/Group CEO, Mr Kua Hong Pak, who was conferred the Public Service Star (Bar) [Bintang Bakti Masyarakat (Lintang)] during the 2016 National Day Awards. The CEO from our South China BU, Mr Marc Tay, was recognised for the second time as Guangzhou City's Outstanding Manager for Customer Satisfaction. Mr Jim Glasson, our CEO of ComfortDelGro Cabcharge who has since retired, was conferred the "Outstanding Contribution to the Bus Industry" award in October 2016 at the BusNSW Industry Awards while the General Manager of SETSCO, Mr Sze Thiam Siong, received the Distinguished Partner Award from SPRING Singapore for his outstanding contributions to raising Singapore's quality and standards profile.

Awards were not just confined to Management staff. Four of SBS Transit's frontline staff clinched the Land Transport Excellence Award for Outstanding Customer Service, a bus driver from Metroline won Silver in the London Bus Driver of the Year award at the UK Bus Awards and another bus driver from ComfortDelGro Cabcharge in New South Wales won the Bus Driver of the Year award in the rural and regional category. Other awards received include the National Kindness Award – Transport Gold where more than 230 ComfortDelGro staff in Singapore were recognised by the Second Minister of Transport at the awards ceremony.

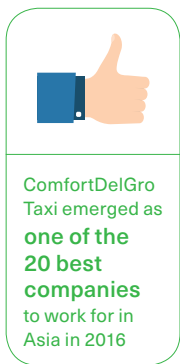
On a global level, ComfortDelGro also recognises employees who go beyond their call of duty to carry out their jobs. It has been conferring the annual Passion! Award on deserving employees since 2008 with past winners coming from the

OUR PEOPLE

UK, Australia, China and Singapore. The winner is flown into Singapore for the presentation of the award and also given an all expenses paid trip to Singapore or one of the other six countries we operate in – depending on where the winner hails from. In 2016, a senior technical officer from SBS Transit won the award and he and his wife received a free holiday to Australia as the prize.

When it comes to corporate awards, Management celebrates the achievement with staff to acknowledge their contributions. For instance, the management of Metroline, which was awarded the “Bus Operator of the Year” at the London Transport Awards, hosted a barbeque for all staff at its garages.

More than just work, we also seek to create a positive environment for our people where they can have fun and de-stress. Monthly birthday celebrations, Christmas



parties, annual Dinner and Dance, department lunches, movie screenings and excursions to places of interest are some of the activities organised. These activities also serve to foster friendships and closer ties among colleagues and facilitate better working relationships.

We believe that having healthy employees is important to our productivity. Hence, we actively promote a healthy lifestyle through lunch talks, bowling competitions, cross-country runs, yoga and zumba sessions as well

as weekly brisk walking and jogging sessions. During the National Day Observance Ceremony in August 2016, a mass workout was organised at our corporate HQ in Singapore. With 1,220 staff and taxi drivers participating in this, we broke the Singapore Book of Records for having the “Most Number of People Exercising with Resistance Bands”. Employees from our China BU that operates the Tianhe Bus Station in Guangzhou organised its inaugural Sports Day in December 2016 for staff and their families to not only exercise but also build camaraderie and teamwork.

In Singapore, SBS Transit has also gone a step further by working with the Health Promotion Board (HPB) and the Transport Union to conduct voluntary employee health screenings. Participants also receive coaching on how to eat and live better where their progress is tracked to encourage positive change. Operators of the staff canteens also chip in by offering healthier food options. This health screening and intervention programme is also extended to drivers of ComfortDelGro Taxi although they are not our employees.

We also believe that staff welfare is an important aspect of employee engagement. For instance, during the hot summer days in China where temperatures can hit up to 40 degrees Celsius, staff at the Tianhe Bus Station were given iced drinks to cool down. Employees were also taught how to prevent

heatstroke and treat those who may suffer from it. At SBS Transit, meals were provided to staff such as Bus Captains who work during the Chinese New Year holidays. Over in Australia’s ComfortDelGro Cabcharge, influenza vaccinations were provided as an employee benefit.

Caring for our employees also extends to their family members. Bursary awards and scholarships are presented to the children of our staff who are in primary school up to university level. Besides children of SBS Transit employees, this scheme is also offered to those of our taxi drivers from ComfortDelGro Taxi. For 2016, 1,574 children of our employees from these two BUs received over S\$338,000 in study awards to encourage them to continue in their studies. This sum is an increase of 86% compared to 2015.

In Singapore, ComfortDelGro Taxi also launched a “Cabby Hardship Fund” to help taxi drivers should they face financial difficulties due to death, incapacity or serious chronic medical conditions. This is despite the fact that the taxi drivers are not our employees but are customers who hire their vehicles from us. The BU donated 50 cents for every booking job that taxi drivers completed on Christmas day and together with donations from staff, over S\$50,000 have been raised so far.

Labour-Management Relations

ComfortDelGro believes in developing and sustaining a harmonious tripartite labour-management relationship. In fact, labour relations is a key function of daily life in the organisation.

In Singapore, for example, bargainable employees are represented by the National Transport Workers’ Union (NTWU) which is affiliated to the National Trades Union Congress (NTUC) – a national confederation of trade unions. About 73% of our staff in Singapore are covered by Collective Agreements. Executives can also opt to join the Union which can now make limited representations on their behalf.

Working hand-in-hand in the spirit of mutual respect and trust, Management and Union constantly collaborate to improve the welfare and well-being of employees. To ensure that communication channels are always kept open, employees are elected and appointed union representatives by union members to provide the crucial link between Management and Union.

In March 2016, our Management team was invited to join the Union and the transport authorities at their Tripartite Retreat in Chiang Mai, Thailand. Two months later, we organised a team-building event in Desaru, Malaysia which involved the Union and our Management staff to forge stronger Labour-Management relations.

Our Collective Agreements with the Union are renewed once every three years. When there are major changes to working conditions due to operational requirements, the changes to be effected are always first discussed with the Union. It is

only when an agreement or a consensus is reached that the changes are announced for implementation. A reasonable time frame of between one and three months' notice is typically given to the affected staff and are communicated officially in writing through letters, circulars or emails. Briefing sessions are organised to communicate any changes where needed.

For promoting good labour-union-management relations, SBS Transit CEO was conferred the Medal of Commendation by the NTUC in May 2016. Our Singapore BUs were also recognised by the Union for their contributions made in 2016 to improve staff well-being and welfare. The awards received in 2016 were:

- NTUC Partnership Award to ComfortDelGro for building an ageless workplace;
- NTUC Partnership Award to SBS Transit for its outstanding support to the Public Transport Tripartite Committee;
- NTUC Partnership Award to ComfortDelGro Taxi for its outstanding support to help taxi drivers inculcate the habit of saving for their future medical needs with the Company matching the dollar-for-dollar contributions;
- Plaque of Commendation to ComfortDelGro Engineering for raising workers' skills and employability; and
- U Safe Sparks Award to SBS Transit for its strong commitment towards enhancing the health of its people.

Vietnam Taxi also received the "Commendation of Typical Enterprise Owners" award given by the Ho Chi Minh City's Export Processing Zones and Industrial Parks Trade Union and Ho Chi Minh City Trade Union Federation for fostering good labour-management relations.

Training And Talent Development

ComfortDelGro invests continually in its employees to develop their skills and talent. We ensure that employees understand their responsibilities and are given access to necessary training to equip them to do their jobs better.

For non-executive staff, training is structured to cater to operational needs where the subjects cover technical aspects, regulatory and safety and soft skills. These include Class 4 and 5 driving, defensive driving, preventive maintenance, report writing and customer service training.



In 2016, our employees in Singapore averaged **48 hours of training**

Besides this, our employees participate in training organised by the industry or regulator. In the UK, Metroline supports "Hello London", a new interactive customer experience training for bus drivers across London in partnership with Transport for London. In Singapore, our Bus Captains at SBS Transit also attend foundational training at the Singapore Bus Academy, which was set up as part of the national manpower plan for the bus sector.

Executive staff attend training sessions which are aimed at enhancing their functional knowledge as well as skills in finance, decision-making, leadership and people management. They also attend training to implement regulatory and key management programmes such as Occupational Health and Safety, Business Continuity Planning and Enterprise Risk Management. For instance, executives in ComfortDelGro Cabcharge in Victoria, Australia, attended anti-bullying and anti-harassment training while the department heads in Vietnam Taxi attended a course on "Management skills for Middle Managers".

We also sponsored employees for training in specialised areas. For example, SBS Transit sponsored 16 employees to undertake a part-time two-and-a-half year diploma programme in rail engineering to help raise their skills levels.

In 2016, our employees in Singapore averaged 48 hours of training. This compares favourably to the national average of 39.2 hours of training per adult. Male employees clocked in 50 hours of training while female employees attended 31 hours of training on average. For executive level staff, they received on average 8.6 hours of training with male executives attending 7.9 hours and female executives 9.4 hours. On the other hand, non-executive level staff averaged 45 hours of training with males attending 51 hours and females 37 hours.

All employees receive performance and career development reviews at least once a year. We practise an open system in our employee appraisals where the supervisor conducts a one-to-one review with the staff based on his/her performance. Employees are assessed based on their competency and contributions while executive level staff are also measured on their achievement of their key performance tasks and targets.

As part of our rigorous process, to ensure a steady pipeline of quality management staff, our high-performing staff are subject to a Promotion Board to assess their general management, people and leadership attributes. Besides the psychometric tools used for recruitment, senior BU Heads and Group Officers are also actively involved in the assessment and recruitment of high potentials.

We also have in place various programmes and processes that focus on key areas, including building management bench strength, talent management, succession planning, performance management and compensation and benefits. In addition, we have established a cross-business unit and off-line mentoring initiative among our high-performing employees.

We believe that our holistic approach in managing and engaging our talent will result in a more sustainable pipeline of future leaders who are committed, dedicated and able to achieve greater performance. Their enhanced development will give them the necessary organisational perspectives and adept leadership abilities to deal with the increasingly complex and competitive business environment.

REACHING OUT



The Group has donated close to
\$1.3 million
 to various charities and welfare organisations in 2016



ComfortDelGro Taxi has made
65,841 subsidised trips
 for Handicaps Welfare Association to-date

At ComfortDelGro, community engagement is not just a catchphrase. It is an integral part of our moral fabric – closely intertwined with everything that we do.

Our guiding principle is simple: Pursue benefits for both the business and the society concurrently. This two-pronged approach involves us finding ways to develop our business whilst creating a sustainable environment. In all that we do, we are constantly looking at ways in which we can help the communities we operate in to grow – in tandem with our businesses.

We believe that business should not just be governed by the mind – but the heart and soul as well. We do this not just because it is the right thing to do but because we care.

In our business, moving people between destinations is central to everything we do. We are continually looking at new and better ways to do this – and to find ways to reach out to an even wider range of commuters.

The nature of our business involves community engagement in most of our operations. But even as we deliver services to the communities, we are also mindful of any potential negative

environmental or safety impact that may result from the roll-out of our operations, particularly the bus and taxi businesses. To this end, we have, and continue to take, preventive measures including investing in environmentally friendly vehicles



SBS Transit operates **193 WAB Services**, which account for close to **95.5%** of its bus services

as well as stepping up safety checks and training. We also reach out to the communities by conducting safety talks.



Accessibility

As a provider of land transport services, accessibility is a critical part of our business focus. We are committed to providing our services equitably to serve all customers – independent of age or ability.

To this end, we operate wheelchair friendly buses that are capable of transporting persons-in-wheelchairs (PIWs) safely and comfortably.

In Singapore, the United Kingdom (UK) and Australia, drivers of our wheelchair friendly bus services are trained in the correct way to deploy the ramps and assist the passengers. In Singapore, SBS Transit operates 193 Wheelchair Accessible Bus (WAB) services, which account for close to 95.5% of its bus services. It aims to be fully wheelchair accessible by 2020. In the UK, Metroline's entire fleet of buses comes equipped with wheelchair ramps as part of a regulatory requirement while in Australia, 75% of the bus services operated by ComfortDelGro Corporation Australia (CDC) in Sydney and Melbourne are wheelchair friendly.

Separately, Metroline, which had signed The Royal National Institute of Blind People's accessibility charter in 2015, continued to hold events at its Cricklewood and Holloway Garages to help its bus drivers become more aware and sympathetic towards visually-impaired passengers. Bus drivers at these events put on "glasses" that

reduce visibility so that they better understand the challenges that the visually-impaired passengers face when they commute by bus.

Our taxis are also disabled friendly.

In Singapore, ComfortDelGro Taxi trains its drivers to assist PIWs in the correct way. Since 1999, the Company has been giving the disabled free or subsidised rides under the Handicare Cab Scheme. In 2016, ComfortDelGro Taxi subsidised S\$9,420 worth of booking fees for 1,642 trips. Since the start of the Scheme in 1999, we have subsidised a total of 65,841 trips worth close to S\$370,000.

CabbyCare Charity Group (CabbyCare), the Company's taxi driver volunteer group, also sponsored S\$1,850 worth of taxi vouchers to help defray the cost of trips made by members of the Handicaps Welfare Association (HWA) and the Society of the Visually Handicapped (SAVH) during the year. Free trips were also given to members of the Singapore General Hospital's Amputees Support Group as they went on their community outings.

In the UK, Computer Cab operates the Taxicard service, which is a scheme that provides subsidised travel to London residents with serious mobility or sight impairments, enabling them to use licensed taxis at subsidised rates.

In Western Australia (WA), Swan Taxis raised funds for VisAbility (formerly known as the Association for the Blind of WA), which provides professional therapy and support services to assist the disabled in their homes, at school, at work and in the community.

In China, Nanjing ComfortDelGro Dajian gave free rides to the disabled on Disability Day. Nanjing ComfortDelGro

Dajian, Shanghai City Qi Ai Taxi Services, Chengdu ComfortDelGro Qing Yang Driving School and Chengdu Jitong Integrated Vehicle Inspection contributed a total of S\$98,434 to the Employment Fund for the Handicapped. As the only driving school approved by Authorities to train disabled students, Chengdu ComfortDelGro Qing Yang Driving School trained 113 such students during the year.

Local Communities

We are committed to the communities we operate in and actively reach out to them through education, welfare, disaster relief and health.

In 2016, the Group continued to care for the poor, the elderly, the children and the sick, donating close to S\$1.3 million to various charities and welfare organisations.



Supporting the Needy and Serving the Elderly Poor

In Singapore, we continued to contribute to NTUC Eldercare, which provides social day care services to the elderly poor. To-date, we have contributed a total of S\$1.6 million to this cause.

In 2016, the Group donated S\$303,785.30 to four charities – Lions Befrienders Service Association (Singapore) (Lions Befrienders); HWA; Cerebral Palsy Alliance Singapore (CPAS); and SAVH – following the end of the “ComfortDelGro Celebrates SG50” charity drive which was held in conjunction with Singapore’s 50th National Day.

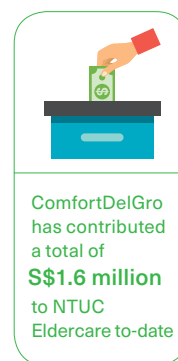
With that donation, ComfortDelGro became one of the Lions Befrienders’ top three donors of all time. To commemorate the strong partnership, an activity hall in its newly-built Lions Befrienders’ Tampines Senior Activity Centre was named after ComfortDelGro.

SBS Transit’s Lost & Found Department also contributed over S\$17,000 of unclaimed monies to the Lions Befrienders’ Home Improvement Programme (HIP) Fund this year. Through the Fund, ComfortDelGro has been able to help improve the living conditions of the elderly poor by purchasing new electrical appliances like washing machines and refrigerators, as well as replacing old furniture like bed frames and mattresses with new ones. In 2016, a total of S\$91,315 was used to purchase these items.

ComfortDelGro staff also brought the Lions Befrienders seniors out on several excursions during the year, including a Peranakan or Straits Chinese food adventure, a mooncake baking workshop and a Singapore Chinese Orchestra concert. For all these activities, Moove Media contributed goodie bags for the seniors and volunteers. On 19 October 2016, ComfortDelGro Rent-A-Car also delivered boxes consisting of basic necessities, including rice, oil, canned food, cereal, and porridge to 60 Lions Befrienders seniors. VICOM brought a different group of seniors from Thong Keng Seniors Activity Centre on an excursion to the Buddha Tooth Relic Temple and Museum.

Other Business Units in Singapore such as SBS Transit continued to offer free travel on the North East Line (NEL) to the elderly residents of the Kwong Wai Shiu Hospital when they went on their excursions. Apart from such free train rides, SBS Transit conducted a one-and-a-half hour long *iris* app sharing session – the first of its kind – for 40 seniors at the RSVP Singapore – The Organisation of Senior Volunteers. Through the SBS Transit’s CARES training, trainee Bus Captains also visited the NTUC Silver Circle Senior Care Centre where they can better understand the mobility challenges faced by the seniors when they commute by bus.

In 2016, ComfortDelGro Taxi staff participated in several fundraising running events in support of charities, including Lee Ah Mooi Old Age Home. In October 2016, 62 staff walked 333km to raise 3,300 bowls of white and brown rice for the less fortunate



in the “Walk for Rice” event that was organised by the South East Community Development Council. CabbyCare also kept up its practice of delivering meals, bread and library books to the needy for free. In all, CabbyCare members made over 4,360 trips during the year, valued at about S\$327,150 in fares foregone.

The Group’s engineering arm, ComfortDelGro Engineering, provided maintenance services at subsidised rates to 11 charitable organisations under the National Council of Social Services.

In September 2016, the social enterprise arm of Moove Media’s associate, Gobbler5, launched the “TOWKAY @ South West” pilot programme which aims to empower lower-income individuals by providing them initially with free merchandise to resell. Subsequent replenishments of stocks are sold to the individuals at cost, thus enabling them to better achieve financial independence.

To spread some Christmas cheer, Gobbler5 also set up booths at 10 train stations along NEL and the Downtown Line (DTL) where members of the public could purchase and donate Christmas hampers to needy families from Fei Yue Family Service Centre. A total of 124 hampers were taken up and distributed before Christmas. In Victoria, CDC encouraged its staff to collect toys as well as cash through its Christmas Appeal programme in support of the Brotherhood of St Laurence, a community organisation that works to prevent and alleviate poverty across Australia.

In China, Beijing Jin Jian Taxi Services donated S\$10,435 towards the Beijing Warmth Foundation, which actively encourages workers to raise funds to help those amongst them who are facing financial difficulties.

REACHING OUT

In Vietnam, Vietnam Taxi (Vinataxi) continued to sponsor the Lawrence S. Ting Charity Walk that supports the poor and needy in Ho Chi Minh City, while ComfortDelGro Savico Taxi donated towards the poor and the Flood Prevention Fund.



Engaging the Young

Apart from the elderly poor, children are very much on our minds too.

In Singapore, CabbyCare deployed 62 taxis to help 500 youth volunteers from the South West District as they gave away bags containing school supplies to 1,500 needy students. Staff from ComfortDelGro Engineering also brought children with special needs from the Canossaville Children's Home on an excursion to the Sentosa Resorts World's S.E.A. Aquarium.

In Sydney, CDC contributed over S\$4,180 towards schools for their awards. It also pledged S\$10,460 towards providing 10 students from Melbourne's West with stored value or MYKI cards worth S\$1,046 each for travel on buses, trains and trams in Victoria.

To clamp down on vandalism on its buses in Victoria, CDC collaborated with the Western Bulldogs' popular youth leadership programme, The Whitten Project, to conduct two 'Graffiti Removal Workshops' in July and August 2016 for about 50 youths. During the three-hour workshops, the youths, aged between 14 and 16, smeared and removed graffiti from a bus so that they could better understand how painstaking and costly the cleaning process was.

In WA, Swan Taxis donated toiletry bags towards Mazenod College in its charity drive to help homeless children.

In China, Guangzhou Xin Tian Wei Transportation Development contributed about S\$370 to needy students, while five taxi companies

in China – CityCab (Shenyang), Jilin ComfortDelGro Taxi, Nanjing ComfortDelGro Dajian Taxi, Shenyang ComfortDelGro Taxi and Suzhou Comfort Taxi – continued to provide free taxi trips to needy students during the country's National Education Entrance Examination. Beijing Tian Long Da Tian Vehicle Inspection donated two computers to children in Kenya.

In Vietnam, Vinataxi sponsored S\$6,875 towards the eighth Phu My Hung Children's Day event, which provided 8,000 children with a day of fun, food and games.



Caring for the Seriously Ill

Our businesses are also firm supporters of non-profit organisations that look after the sick and the terminally-ill.

In Singapore, ComfortDelGro Taxi and CabbyCare participated in Hair for Hope for the third straight year with a record 165 taxi drivers volunteering to have their heads shaven. A total of S\$40,000 was raised for Children's Cancer Foundation, bringing our contribution to S\$90,000 since CabbyCare started participating in Hair for Hope in 2014.

SBS Transit partnered the "Forget Us Not Association" to organise the "Train-the-Trainer" workshop where a Geriatrics Specialist from Khoo Teck Puat Hospital was engaged to help supervisors better coach their staff in identifying and assisting persons with dementia.

Besides setting aside S\$3,000 worth of taxi vouchers for Star PALS, a palliative home care service for children and youth with life-threatening or life-limiting conditions, VICOM continued to place Star PALS donation boxes across all its seven centres. Its staff also brought 25 Star PALS clients to a clay modelling and an ice-cream making workshop in December 2016. Aside from supporting Star PALS, VICOM also forked out S\$16,140 in support of other charitable organisations.

During the year, a team of seven Metroline staff cycled from London to Brussels and Paris, before returning to London in a race against time to raise greater awareness for Macmillan Cancer Support. Metroline sponsored S\$3,552 towards the equipment. The team covered over 700 miles in seven days, raising S\$800 in all. CityFleet Networks also made donations to Cancer Research UK, the Sick Children's Trust and Breast Cancer Awareness Month.

ComfortDelGro Irish Citylink donated unclaimed monies from its Lost & Found Department to various charities including the Jack & Jill Children's Foundation, which provides direct funding to families of children who suffer from severe intellectual and physical developmental delay, as well as Cancer Care West, a cancer treatment centre. Scottish Citylink Coaches, on the other hand, sponsored an individual, who ran 120 miles from the Isle of Skye to Inverness along its 917 coach route, to support Maggie's Cancer Support Centre, Inverness.

In Sydney, CDC bus drivers decorated six of its buses in different Christmas themes to help raise funds for The Children's Hospital at Westmead. The Christmas buses, which plied the Region 4 bus network from 28 November 2016 to 1 January 2017, raised over S\$9,720. CDC also continued to donate to the ACT Eden Monaro Cancer Support Group, Dainere Rainbow Brain Tumor Research Fund, Convoy for Cancer Families, Cancer Council NSW and provided bus services to CanTeen, a non-profit organisation that helps young people deal with the challenges that cancer brings.

In WA, Swan Taxis held its annual Charity Car Wash and raised a total of S\$13,069 for Camp Quality, a non-profit organisation that designs programmes and services for children living with cancer. Swan Taxis also donated another S\$13,253 towards Cure Brain Cancer Foundation; Breast Cancer Care; and the Princess Margaret Hospital Foundation that supports children undergoing life-threatening treatments.

OUR APPROACH TO SUSTAINABILITY



ComfortDelGro is committed to safeguarding the interests of our Stakeholders for sustainable growth. To this end, we hold ourselves to high standards of corporate governance and business and ethical conduct. Our governance policies and practices are in line with the principles and guidelines set out in the Code of Corporate Governance issued by the Monetary Authority of Singapore on 2 May 2012.

We also have in place a robust Enterprise Risk Management 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.

Environmental and social issues rank high on our priority list which is why we have incorporated such considerations into our decision making processes. For example, we are sensitive to the levels of emissions of our vehicles and weigh this against costs when renewing our fleets. Safety considerations are also included in the performance assessments of our operations while our Group-wide Green Committee lead on improvements in environmental issues. Our risk-based approach is aligned to the precautionary principle. We are a proud signatory to the United Nations Global Compact (UNGC).

We are equally committed to respecting the privacy of every individual and adhering to relevant legislation such as the Personal Data Protection Act 2012, Singapore ("PDPA"). We have put in

place adequate and robust Information Technology (IT) security systems and operating processes to ensure data security by adopting the ComfortDelGro IT Risk Management Framework. The security measures are constantly updated to meet the ever-changing threat levels. Staff are also reminded of the need to adhere to the Act and to be mindful of our customers' privacy.

Risk Management

The Group's approach to risk management is underpinned by several key principles:

- The risk management process is a continuous, iterative and developing one, as the Group's businesses and their operating environments are dynamic. Risk identification and assessment and risk management practices are reviewed and updated regularly to manage risks proactively.
- We promote and inculcate risk awareness among all our employees 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 and risk-aware culture in the Group.
- Ownership of and accountability for the risk management process is clearly defined and assigned to the Business Units, Departments and individuals. Managers at each level have intimate knowledge of their businesses and assume

ownership of risk management, with stewardship retained at Senior Management.

The Management Risk Committee (MRC) works closely with the Business Units to ensure that risk management is taken seriously and the Risk Management Framework is properly rolled out across the whole Group. Members of the MRC are drawn from Senior Management staff from the major Business Units and key business functions. Key risks for the Group are identified and presented to the Audit and Risk Committee (ARC) and the Board annually.

The different Business Units have different risk profiles and they have different programmes to manage the risks. The risk management programmes are regularly tested and stressed to ensure that they remain relevant and meet changing business requirements. Some of the key risks faced by the Group, the relevant mitigating factors and how they are managed are set out below.



Financial Risks

The Group has established internal control systems to safeguard its assets and regularly reviews the effectiveness of these controls to improve and fortify financial discipline. All policies and procedures on financial matters, including approval limits and authority, are clearly defined in the Group's Financial Procedures Manual.

OUR APPROACH TO SUSTAINABILITY

Financial Authority Limits

Comprehensive and specific financial authority limits are put in place for capital expenditure, operating expenses, treasury matters, direct investments, revenue tender participation and disposal and write-off of assets. These authority limits are delegated based on the organisational hierarchy from the Board down to the Managing Director/Group Chief Executive Officer (MD/Group CEO) and the Heads of Business Units/ Departments, with the Board retaining the ultimate authority. Any expenditure exceeding the highest authority limit is referred to the Board for approval. To ensure that the Group's assets continue to be managed prudently, the Board periodically reviews the mandate that it delegates to Management.

Budgetary Control

A robust and challenging Annual Budget is prepared and approved by the Board prior to the commencement of each new financial year. Material variations between actual and budgeted performance are reviewed on a monthly basis and explanations provided. Specific approvals are required for unbudgeted expenditures exceeding a relevant threshold. The capital expenditure budget is approved in principle by the Board as part of the Annual Budget. Each capital expenditure is subjected to rigorous justification and review before it is incurred in accordance with the Group's financial authority limits. Tight control on manpower is exercised through headcount budgets.

Financial Risk Management

The Group recognises that prudent management of financial risks is an important aspect in the creation of shareholder value. The main areas of financial risks faced by the Group are foreign exchange/currency risk, interest rate risk, credit/counter-party risk, liquidity risk and fuel and electricity price risk. It is the Group's policy not to participate in financial derivative

instruments, except for use as hedging instruments, where appropriate. Sensitivity analysis and reviews of the Group's exposure to financial risks under changing market conditions are carried out regularly.

A detailed description of the financial risks and how the Group manages them are set out in the Notes to the Financial Statements on pages 102 to 169 in the ComfortDelGro Annual Report 2016.

Economic cycle

Changes in economic conditions in the countries that the Group operates in may impact the businesses in terms of customer demand and the cost of providing the services. We manage these risks by continuously scanning and monitoring political and economic issues. We monitor demand trends and operating margins closely. Expenses are managed in the light of revenue patterns and changing market conditions and to drive improvements in cost structures. Where possible, revenue risks are mitigated by diversifying revenue streams to non-fare sources.



Operational Risks

Operational risks may arise from failures in internal controls, operational processes or the supporting systems. The Group has put in place operating manuals, standard operating procedures, authority guidelines and a regular reporting framework to manage these risks.

Safety

Managing the safety and security of our customers, our staff and the public is the cornerstone of the Group's safety and security plan. We run safety awareness and training programmes to instil a safety and security conscious

culture in employees at all levels. Safety audits are conducted regularly as part of the management and review process to ensure that safety standards are maintained. The Group works closely with the relevant Authorities to ensure that the security of our bus and train services and facilities are not compromised. We regularly carry out drills and exercises internally, as well as with external agencies. Fence intrusion detection systems and other security features are installed at operating facilities and security guards deployed to patrol the facilities. Members of the public are encouraged to look out for suspicious objects or persons.

Environmental

The Group is committed to being a socially-responsible organisation through minimising the impact our business activities have on the environment. Our operations, accidents and natural events can cause pollution or other environmental risks. To limit these risks, we engage in active environmental risk management, ensuring that we target the problems that could arise and implement preventive measures. We comply with all relevant regulations in the countries that we operate in. Ways in which the Group works to protect the environment can be found on pages 8 to 13 of this Report.

Human Resource

The Group's ability to develop and grow the business internationally depends on the quality of its employees and it continues to invest in building up a resource pool to support this growth. We have in place various programmes and processes that focus on several key areas, including building management bench strength, talent management, succession planning, performance management, compensation and benefits, training and development, employee conduct and supervision, as well as occupational health and safety. We ensure that employees are selected based on merit, that they

understand their responsibilities and are given access to necessary training. At all times, a positive, constructive and productive working climate based on strong tripartite relations is fostered. All terms and conditions of employment, along with policies and procedures, comply with the relevant regulations.

Property and Liability

The Group's exposure to property damage, business interruption and other liability risks is constantly monitored and reviewed with the Group's in-house insurance broking associate. Together with external risk management consultants, we ensure sufficiency of insurance coverage and maintain an optimal balance between risks that are retained internally and risks that are placed out with underwriters.

Business Continuity

We have put in place Business Continuity Plans (BCPs) to mitigate the risks of disruption and catastrophic loss to our operations, people, information database and other assets. The BCPs include identification and planning of alternate recovery centres, operational procedures to maintain communication, measures to ensure continuity of critical business functions and recovery of information database. We regularly update and test the BCPs. Drills and emergency response exercises are conducted to familiarise employees with the various incident management plans. The BCPs enhance the Group's operational readiness and resilience to potential business disruptions.



Information Technology Risks

Information technology system failures are key risks for the Group since almost all the businesses rely heavily on information technology. This can take the form of a major system failure

which can result in disruption of the business, loss of data or a security breach of our information technology systems. Information security means protecting information and information systems from unauthorised access, use, disclosure, disruption, modification or destruction. The Group's information technology security management framework complies with current industry standards. We have put in place 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. Penetration tests are carried out regularly to test the systems and identify potential security vulnerabilities and allow us to improve the security hardening of our websites. Information security policies and procedures, including security education for all staff, are regularly reviewed and enhanced.



Compliance Risks

The Group keeps abreast and complies with all laws and regulations governing the conduct of business in the countries that it operates in. The businesses within the Group operate in regulated environment in different countries. These regulations include pricing, service standards, licences to operate and transport policies, which are stipulated by the relevant regulatory Authorities. We work closely with the regulatory Authorities in the respective countries as part of our risk management process to keep abreast of developments and policies that may affect our businesses and the competitive landscape. We manage our operations well and effectively to ensure that standards are met, thereby reducing significantly the risk of licences being withdrawn.



Strategic Risks

We evaluate each new investment proposal to ensure that it is in line with the Group's strategy and investment objective and it can meet the relevant hurdle rates of return. This assessment includes macro and project specific risks analysis covering feasibility study, due diligence, financial modelling and sensitivity analysis of key investment assumptions and variables. To ensure that the rate of return on any new investment or business opportunity commensurates with the risk exposure taken, the new investment opportunity is evaluated in terms of (a) profitability; (b) return on investment; (c) pay back period; (d) cash flow generation; (e) potential for internal and external growth; and (f) investment climate and political stability of the country. The investment proposal has to be approved according to the financial authority limits approved by the Board.



Audit Process

The Internal and External Auditors conduct reviews in accordance with their audit plans to assess the adequacy of the internal controls that are in place. Non-compliance and recommendations for improvements are reported to the ARC, which reviews the effectiveness of the actions taken to mitigate the risks. In the course of their audits, the Internal and External Auditors highlight to the ARC and Management areas where there are material deficiencies and weaknesses or the occurrence or potential occurrence of significant risk events and propose mitigating measures and treatment plans. The recommendations are followed up as part of the Group's continuous review of the system of internal controls.

OUR APPROACH TO SUSTAINABILITY



Code Of Business Conduct And Whistle Blowing Policy

The Group has adopted a Code of Business Conduct which sets out the principles and policies upon which our businesses are conducted, as well as implemented a Whistle Blowing Policy to provide a mechanism for employees to raise concerns, through well-defined and accessible confidential disclosure channels about possible improprieties in financial reporting or other improper business conduct including potential corruption, discrimination or human rights infringements. Employees are given a Company handbook detailing how they can go about raising their concerns.

Incidents can also be reported through a direct link to the MD/Group CEO, the Group Human Resource Officer or the Group Internal Audit Officer on the Group's Intranet. All cases are investigated and dealt with promptly and thoroughly.

In 2016, there was no incident reported. ComfortDelGro has no political affiliations nor did it make any political contributions in 2016.



Opinion Of The Board

Risk management is an important and integral part of ComfortDelGro's strategic planning and decision-making

process. Key risks are identified and presented to the Board annually. Ownership of the risk management process is clearly defined and cascaded to the executive and functional level, with stewardship retained at Senior Management. Action plans that are necessary to manage the risks are in place and closely monitored. The adequacy of the risk governance, risk policy and internal controls in place is also assessed as part of the process. Based on these reviews, the Board is of the view, with the concurrence of the ARC, that there are adequate and effective internal controls in place within the Group to address its financial, operational, compliance and information technology risks.

COMFORTDELGRO CONTENT INDEX G4 (CORE)

GENERAL STANDARD DISCLOSURES		CHAPTER/COMMENTS	PAGE REFERENCE
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability	Message from the Group CEO	2-3
ORGANISATIONAL PROFILE			
G4-3	Name of the organisation	About this Report	1
G4-4	Primary brands, products, and services	Annual Report, Operations Review	AR 36-52
G4-5	Location of the organisation's headquarters	Back cover	Back Cover
G4-6	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report	Annual Report, Global Footprint	AR 2-3
G4-7	Nature of ownership and legal form	ComfortDelGro Corporation Limited as well as its subsidiaries SBS Transit Ltd and VICOM Ltd are listed at the Singapore Stock Exchange	
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Annual Report, Operations Review	AR 36-52
G4-9	Scale of the organisation	Annual Report, Global Footprint Annual Report, Group Financial Highlights Our People	AR 2-3 AR 17-19 28
G4-10	<p>a. Total number of employees by employment contract and gender</p> <p>b. Total number of permanent employees by employment type and gender</p> <p>c. Total workforce by employees and supervised workers and by gender</p> <p>d. Total workforce by region and gender</p> <p>e. Report whether a substantial portion of the organisation's work is performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors</p> <p>f. Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)</p>	Our People No significant number of different employment contracts, of non-permanent employees or of supervised workers. No significant variations in employment numbers	28, 30-32
G4-11	Employees covered by collective bargaining agreements	Our People	34
G4-12	The organisation's supply chain	Supply Chain Our Stakeholders and Partners	24-25 26-27

COMFORTDELGRO CONTENT INDEX G4 (CORE)

GENERAL STANDARD DISCLOSURES		CHAPTER/COMMENTS	PAGE REFERENCE
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	There were no significant changes	
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation	Our Approach to Sustainability	39
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	Our Approach to Sustainability Our People	39-42 30, 33-34
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations	Our Approach to Sustainability Our People	39-42 30, 34
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	All entities included or not included in organisation's financial statements	Annual Report, Directories About this Report	AR 80-83 1
G4-18	Process for defining Report Content	Materiality	6-7
G4-19	The material Aspects identified in the process for defining report content	Materiality	6-7
G4-20	For each material Aspect, Aspect Boundary within the organisation	Materiality	6-7
G4-21	Aspect Boundary outside the organisation	Materiality	6-7
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	There are no restatements	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	About this Report	1
STAKEHOLDER ENGAGEMENT			
G4-24	Stakeholder groups engaged by the organisation	Our Stakeholders and Partners	26-27
G4-25	Basis for identification and selection of Stakeholders with whom to engage	Our Stakeholders and Partners	26-27
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by Stakeholder group	Our Stakeholders and Partners	26-27
G4-27	Key topics and concerns raised through stakeholder engagement, and how the organisation has responded	Our Stakeholders and Partners	26-27
REPORT PROFILE			
G4-28	Reporting period for information provided	About this Report	1
G4-29	Date of most recent previous report	About this Report	1
G4-30	Reporting cycle	About this Report	1
G4-31	Contact point for questions regarding the report or its contents	About this Report	1

GENERAL STANDARD DISCLOSURES		CHAPTER/COMMENTS	PAGE REFERENCE
G4-32	Report on 'In accordance' option, GRI Content Index, reference to External Assurance	About this Report	1
G4-33	Policy and current practice with regard to seeking external assurance for the report	About this Report	1
GOVERNANCE			
G4-34	Governance structure of the organisation	Annual Report, Corporate Governance Our Approach to Sustainability Health & Safety	AR 54-65 39-42 17-18, 23
G4-56	The organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Our People Our Approach to Sustainability	29 39-42

SPECIFIC STANDARD DISCLOSURES		CHAPTER/COMMENTS	PAGE REFERENCE
CATEGORY: ECONOMIC			
ASPECT: ECONOMIC PERFORMANCE			
G4-DMA	Generic Disclosures on Management Approach	Annual Report, Operations Review	AR 36-52
G4-EC1	Direct economic value generated and distributed	Annual Report, Group Financial Highlights Reaching Out	AR 17-19 36-38
CATEGORY: ENVIRONMENTAL			
ASPECT: ENERGY			
G4-DMA	Generic Disclosures on Management Approach	The Green Statement Environment	8 9-11
G4-EN3	Energy consumption within the organisation	Environment	11
ASPECT: WATER			
G4-DMA	Generic Disclosures on Management Approach	Environment	9
G4-EN8	Total water withdrawal by source	Environment Data includes washing of taxi on ComfortDelGro's premises	13
ASPECT: EMISSIONS			
G4-DMA	Generic Disclosures on Management Approach	The Green Statement Environment	8 9-12
G4-EN15	Direct Greenhouse Gas (GHG) emissions (Scope 1)	Environment	11
G4-EN16	Energy Indirect Greenhouse Gas (GHG) emissions (Scope 2)	Environment	11
ASPECT: EFFLUENTS AND WASTE			
G4-DMA	Generic Disclosures on Management Approach	The Green Statement Environment	8 9-12
G4-EN23	Total weight of waste by type and disposal method	Environment	12

COMFORTDELGRO CONTENT INDEX G4 (CORE)

SPECIFIC STANDARD DISCLOSURES		CHAPTER/COMMENTS	PAGE REFERENCE
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK			
ASPECT: LABOUR/MANAGEMENT RELATIONS			
G4-DMA	Generic Disclosures on Management Approach	Our People	34
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in Collective Agreements	Our People	34-35
ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	Generic Disclosures on Management Approach	Health & Safety	14, 17-23
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Health & Safety	14-17
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Health & Safety	15
ASPECT: TRAINING AND EDUCATION			
G4-DMA	Generic Disclosures on Management Approach	Our People	35
G4-LA9	Training per year per employee by gender, and by employee category	Our People	35
G4-LA11	Employees receiving regular performance and career development reviews, by gender and by employee category	Our People	35
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	Generic Disclosures on Management Approach	Our People	30
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Our People All Board members are of Chinese ethnicity. 88% are above 50 years old, with one member (12.5%) belonging to the age group 30-50 years old	30-32
SUB-CATEGORY: HUMAN RIGHTS			
ASPECT: NON-DISCRIMINATION			
G4-DMA	Generic Disclosures on Management Approach	Our People	30
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Our People	30

SPECIFIC STANDARD DISCLOSURES		CHAPTER/COMMENTS	PAGE REFERENCE
SUB-CATEGORY: SOCIETY			
ASPECT: LOCAL COMMUNITIES			
G4-DMA	Generic Disclosures on Management Approach	Reaching Out	36-38
G4-SO1	Operations with implemented local community engagement, impact assessments, and development programmes	Reaching Out	36-38
G4-SO2	Operations with significant actual and potential negative impacts on local communities	Reaching Out	36
ASPECT: ANTI-CORRUPTION			
G4-DMA	Generic Disclosures on Management Approach	Materiality Supply Chain Our Stakeholders and Partners Our Approach to Sustainability	6-7 24-25 26-27 39-42
G4-SO3	Operations assessed for risks related to corruption and the significant risks identified	Materiality Our Stakeholders and Partners Our Approach to Sustainability	6-7 26-27 39-42
G4-SO5	Confirmed incidents of corruption and actions taken	Our Approach to Sustainability	42
ASPECT: PUBLIC POLICY			
G4-DMA	Generic Disclosures on Management Approach	Materiality Our Stakeholders and Partners Our Approach to Sustainability	7 27 42
G4-SO6	Total value of political contributions by country and recipient/beneficiary	Our Approach to Sustainability	42
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
ASPECT: CUSTOMER HEALTH AND SAFETY			
G4-DMA	Generic Disclosures on Management Approach	Materiality Environment Health & Safety	7 9 14-17
G4-PR1	Significant product and service categories for which health and safety impacts are assessed for improvement	All of our operations are regularly assessed for health and safety improvements. Also see Health and Safety	14-21
G4-PR2	Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle	Health & Safety	14

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