

Sustainability Report

At VICOM Ltd, corporate social responsibility 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 and flourish – in tandem with our business.

Put simply, it is about Shared Value Creation.

Environmental

VICOM's entire business model is founded on the need to care for the environment – keeping it clean and pollution free.

Vehicle inspection generally involves the testing of "harmful emissions" like carbon monoxide (CO) and smoke. Under the existing inspection regime, petrol-driven vehicles have to pass the specified CO levels, while diesel-driven vehicles have to make sure their smoke emission levels are kept to a minimum. These tests therefore play an important part in ensuring that air quality is not compromised.

To this end, VICOM Emission Test Laboratory (VETL) continued to work very closely with the Authorities to ensure that newly registered diesel- and petrol-driven vehicles as well as motorcycles and scooters complied with more stringent emission standards that the Authorities had implemented during the year.

As an active partner of the National Environment Agency's (NEA) Programme for Environmental Experiential Learning (PEEL), we also helped to demonstrate the importance of regular vehicle inspections to road users and overseas regulators. Two such sessions were conducted to a combined total of 36 overseas delegates in 2014.

To inculcate a Green culture, we have in place several environmentally friendly initiatives aimed at encouraging our staff to reduce, reuse and recycle resources. One area is that of paper wastage. We have been issuing receipts for cashless and cheque payments only upon request since 2012. As a result, we save 400 reams of paper or 24 trees every year. This year, we also contributed newspapers towards ComfortDelGro's Eco Action Day newspaper recycling competition.

Water and energy consumption are also closely monitored and measures are quickly taken if there are sudden spikes. Our staff is constantly reminded to practise both energy and water-saving.

For example, we have, since 2011, switched non-essential lights off during Earth Hour. In 2014, we took it a step further by switching our air-conditioning units off during the lunch hour for two consecutive weeks leading to Earth Hour.

Energy-saving electrical components and appliances such as energy-saving induction lamps, energy efficient air-conditioning units and motion detectors devices have been installed in our premises. High-energy consumption equipment, in particular, are identified and measures taken to reduce usage. The exhaust fumes extraction system was one such example. To cut energy consumption, a new control system which shuts the motors automatically when the system is not in use, was put on trial at our Sin Ming inspection centre during the year. This helped cut energy consumption substantially. The same control system will be rolled out to our other inspection centres in 2015.

As a result of these efforts, our electricity consumption fell by about 9.2% from 54,484 kWh per million revenue in 2013 to 49,495 kWh per million revenue in 2014, while our water consumption was reduced by 1.5% from 401 cu m per million revenue in 2013 to 395 cu m per million revenue in 2014.

Since 2005, our wholly-owned subsidiary, Setsco Services Pte Ltd (SETSCO), has



400

reams of paper or 24 trees saved every year

9.2%

reduction in electricity consumption

1.5%

reduction in water consumption

been providing testing and auditing services for the Singapore Environment Council's (SEC) Singapore Green Labelling Scheme (SGLS), which endorses consumer products and services that have a smaller footprint on the environment. Partial revenue from these testing services is always contributed back to SEC in support of their awareness programmes. In 2014, SETSCO carried out testing services for 200 products and sponsored one of the Singapore Environmental Achievement Awards under SGLS. Our Green efforts had paid off. In 2014, VICOM and SETSCO each received the ECO Office Label by the SEC.

Product Responsibility: Safety

Our safety checks on vehicles as well as the used car evaluation service, VICOM FIT™, play significant roles in ensuring the well-being of the community. Brake effectiveness as well as the steering system of vehicles are checked to ensure they meet safety standards for road-worthiness.

Given our strong association with the vehicle industry, we continued to work hand in hand with the Authorities where road safety is concerned. Our VICOM Inspection Centre calling point at the Singapore Road Safety Park, where students are taught the importance of road safety, continues to this day. This allows students to be briefly exposed to the different stages that make up the vehicle inspection and safety check process.

Every year, we also conduct talks on vehicle inspection and safety checks for both local and overseas regulators, schools, and tertiary institutions at our inspection centres. A total of 11 talks involving over 250 participants were conducted in 2014.

Continuous learning is also a key area of focus where safety is concerned.

To ensure that our vehicle inspectors keep abreast of the latest in vehicle technology as well as inspection rules and regulations, we test them annually to ensure they are proficient in the Technical Knowledge Evaluation examination. A new Safety Demerit Points System (SDPS) was also implemented to ensure they comply with safety rules.

SETSCO also organised several safety training and courses for its staff throughout the year. This training included safety orientation courses, first-aid, forklift driving and risk management. In May 2014, SETSCO successfully re-attained its Occupational Health and Safety Advisory Services (OHSAS) 18001:2007 certification.

A friend of Consumer Association of Singapore (CASE) since 2007, SETSCO sets aside funds for the CASE Endowment Fund that supports the testing and verification of products which have received complaints. The Government matches the amount dollar-for-dollar.

Social: Human Rights and Labour Practices

VICOM 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 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 that may be at heightened risk of becoming vulnerable or marginalised. We believe that regardless of race, language, religion, sex or age, all our staff should be treated equitably and given fair opportunities to grow and develop in accordance to their levels of competence.

Indeed, we are keenly aware that the continued performance and future success

of VICOM depends on a strong and sustainable talent pipeline. We therefore remain committed to identifying and developing employees to become high-performing leaders with a strong value system.

We continue to leverage on ComfortDelGro Corporation Limited's talent management programme to groom our talents to sustain our talent pipeline. We also aligned our processes of recruitment, deployment, talent development, recognition and rewards with the ComfortDelGro Group to ensure our pipeline of management staff remains consistent and of high quality.

Our next tier of talents completed their Axle Programme in 2014. This was the cross-business unit and off-line mentoring programme that started in mid-2012 with our ComfortDelGro's Business Unit Heads and Group Officers. As part of our talents' self-directed learning and development, they reviewed and discussed various leadership articles and competencies on the e-learning platform Leadership LINK. Selected talents continued to be given exposure in our ComfortDelGro entities through special projects and assignments and engagement opportunities with our senior management.

Society

Beyond inspection and testing, we have always subscribed to the view that a successful business also delivers lasting and positive impact on the community it operates in. Reaching out to the less fortunate is something that is close to the hearts of everyone at the VICOM Group. No action is too small and no contribution, too insignificant.

With this in mind, we have been actively involved in community work, extending help to the needy and the less fortunate through our Care and Share Programme.

VICOM and SETSCO achieved ECO Office Label in 2014

Safety talks to
250
participants

Carried out testing for
200
products

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Staff contributions to the various charities are also matched dollar-for-dollar by the Company.

Monetary contributions aside, our staff put in no less than 620 volunteer hours during the year to reach the elderly, the sick and the underprivileged. Staff celebrated Chinese New Year and the Mid-Autumn Festival with some 210 elderly folks from the Thye Hua Kuan Indus Moral Society. They also brought 40 special needs children from Beyond Social Services to a puppetry show and workshop at the Esplanade, and treated another group of 25 children from the Serangoon Moral Family Service Centre to free happy meals, fun-filled games and a magic show at MacDonald's. SETSCO, on the other hand, donated two new washing machines to the Sunshine Welfare Action Mission Home and its staff helped clean the wards.

Separately, VICOM continued to reach out to Star PALS, a palliative home care service for children and youth with life-threatening or life-limiting conditions, by donating taxi vouchers for their travel needs. In doing so, it also helped ComfortDelGro taxi drivers expand their customer base. We also placed donation boxes at our inspection centres to raise funds for them.

SETSCO continued to hold its bi-annual blood donation drive during the year. In all, it collected a total of 72 units of blood.

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