

# GCEO REVIEW

I am honoured and excited for this opportunity to lead SingPost as Group CEO since 1 September 2021 and to continue the transformation journey of the company.

The past year marked the second year in the world's fight against COVID-19. As a company, we are challenged by the profound impact the pandemic has had on our business, both operationally and strategically. While we have responded and adapted to the immediate challenges, the operating environment has irrevocably changed. SingPost's efforts to overcome these challenges as one team have shown our collective resilience as we continue to navigate and transform for the future.

While our traditional postal business has been severely impacted by the pandemic, our logistics operations have performed well. As a result, I'm pleased to share that SingPost recorded a 18.6 per cent rise in Group revenue for the financial year, with a corresponding increase of 35.2 per cent in underlying net profit. Customer satisfaction scores have also improved through the year, reflecting our commitment to serving our customers even through the difficult operating environment. This affirms our transformation strategy in diversifying our earnings base and delivering our commitment.

## DELIVERING OUR STRATEGY WITH A NEW PURPOSE

In March 2022, we launched our new Purpose: ***Making Every Delivery Count for People and Planet.***

Our Purpose defines our work and impact on our customers and stakeholders. Our focus on People and Planet—considering our impact on customers, stakeholders, as well as commitment to sustainability—will shape our growth moving forward.

With this in mind, we have restructured our operating model into the three key strategic geographical pillars of Singapore, Australia, and International businesses.

In Singapore, our home market, we will focus on growing our leading position in eCommerce logistics while continuing to deliver on our core postal services obligation. This will be delivered mainly through building a smart and green urban logistics ecosystem and will enable us to deliver enhanced customer experience, better cost and carbon efficiencies.

In Australia, we have recently increased our investment in the FMH Group to a majority (51%) stake. Together with CouriersPlease, we will be looking at building an omni-channel network tapping on the strengths of these assets to build scale and provide a comprehensive suite of logistics solutions for our customers.

In our International business, we will be re-engineering our assets to deliver a best-in-class customer experience in global cross-border eCommerce logistics. We have strategic assets and capabilities in 13 markets other than Singapore and Australia as well as alliances under the Universal Postal Union, putting us in good stead to deliver seamless cross-border solutions.

## STRONGER THROUGH ADVERSITY

COVID-19 has had a big impact on our business. In Singapore, while the postal service remained undisrupted with minimal impact, it is clear that we have to hasten the pace of re-engineering our operations with automation and improving productivity as part of our Future of Post plans.

Internationally, the air freight capacity remains stretched in meeting demands, with connectivity to some countries still limited, resulting in sustained higher conveyance costs. That said, we continue to manage margins carefully, innovate and keep to our service obligations.

In Australia, we delivered a record number of eCommerce packages and parcels through a very long period of COVID-19 lockdowns. Our new subsidiary FMH had increased our revenue base, delivering value to our customers across Australia and helping them meet their supply chain challenges.

## COMMITMENT TO SUSTAINABILITY

Earlier this year, we announced our target of net zero carbon emissions (Scopes 1 and 2) for our domestic operations by 2030, and for our international businesses by 2050 (Scopes 1, 2 and 3). We will also adopt the recommendations of the Taskforce on Climate-related Financial Disclosures. This will enable us to gain visibility on opportunities and financial impacts of climate-related risks, so we can adapt and be more resilient against these risks. To demonstrate our commitment, the compensation of my management team and other key team members will include a link to the performance against sustainability targets placed in their Balanced Score Cards.

In 2021, we commenced trials with electric vehicles in Singapore, with a plan to operate a 100 per cent electric fleet by 2026. We have also reintroduced our postage-paid packaging smartpac which is recyclable and made from recycled materials.



## GOING FORWARD

The business environment continues to be challenging with disruptions to supply chains due to periodic lockdowns, geopolitical tensions as well as inflation.

Notwithstanding the challenges we faced, we believe our journey to reposition the Group as a leading logistics solutions provider in the Asia Pacific remains a strong proposition. We will tap into the accelerated eCommerce growth to re-organise the value chains of logistics for our customers. Moving forward, we will focus on investing in sustainability, integrating our business assets, simplifying the way we do business, driving customer centricity, and building a digitally pervasive future.

## THANK YOU

I would like to extend my heartfelt appreciation to all our team members around the world for playing their part through the past year to achieve the results we had in FY2021/22.

Also, I would also like to thank the Board of Directors, shareholders, customers, and union partners for the continued support to the management.

**PHANG HENG WEE, VINCENT**  
Group Chief Executive Officer