

A stylized illustration of a folder with a paperclip and a pen. The folder is represented by a vertical line on the left with several horizontal lines indicating its sections. A paperclip is attached to the top edge. A pen is shown at the bottom, angled upwards. The entire illustration is composed of thin green lines.

STATEMENT BY THE BOARD

Sustainability is a key pillar of the Group's overall strategy and one that the Board pays close attention to. In particular, we consider environmental, social and governance (ESG) issues as part of our strategic formulation.

Our global sustainability strategy focusses on three key areas: our products, our planet and our people.

Being in the land transport business, we are cognisant that the delivery of our services has a direct impact 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. We are encouraged by the advancement of technology and are keeping close tabs on developments in the field of Green technology. We are already operating hybrid buses and taxis, and have been working with manufacturers and Regulators on electric vehicle trials. Certainly, technological advancements will have a significant impact on the way we operate and our environmental footprint.

Our people, and the people we serve, is another area of focus. From the health and safety of our employees to the support for the socially disadvantaged, we are constantly looking at ways to improve. Our employees are committed to projects and activities that contribute to society and help protect the environment.

ESG matters as determined by our Stakeholders and deemed to be material to value creation are integrated into our balanced scorecard, which is used to set objectives, drive behaviours,

measure performance and determine remuneration. The Board has reviewed and approved the material issues, and has delegated the management and monitoring to Senior Management.

For more information on our approach to sustainability, please refer to page 41.

Corporate governance is also something that the Board watches closely. As a company that conducts business on a global scale, we are committed to nurturing a corporate culture that encourages employees to act ethically and with a strong sense of mission in meeting the needs of customers and in ensuring transparent management and fair decision-making. In this regard, the adoption of the corporate auditor system has helped us increase the effectiveness of the auditing and monitoring functions fulfilled by Auditors. Moreover, we are enhancing the management oversight function of the Board of Directors by implementing appropriate measures such as reviewing the terms of reference of all Board Committees.

For more information on corporate governance, please refer to pages 48 to 67 in the ComfortDelGro Annual Report 2017.