



Incredible

Incredible Holdings Ltd.



Sustainability Report

FY2022

Sponsor Statement

This report has been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this report, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Vera Leong, Vice President, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone (+65) 6415 9881.

Feedback

We would like to provide a channel for our stakeholders to give us comments on sustainability issues to enable continual improvements.

Please send your feedback and suggestions to investors@incredible.sg or the address below:

Incredible Holdings Ltd
Harvest @ Woodlands,
280 Woodlands Industrial Park E5, #10-50,
Singapore 757322

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BOARD STATEMENT

The Board would like to present the annual Sustainability Report (“**Report**”) for Incredible Holdings Ltd (“**Incredible**” or the “**Company**”) and its associates and subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2022 (“**FY2022**”).

The Group continues to set up retail outlets for selling luxury timepieces in Singapore, South Korea, and Denmark, and continues trading watches in Hong Kong via an internet e-commerce platform. The Group has commenced its secured lending business in Hong Kong and has begun to generate revenue from this business segment after acquiring Billion Credit Financial Company Limited.

The Board recognizes that managing the socio-environmental impact of our business operations is essential for assuring long-term sustainability. Therefore, in formulating the business strategy, the Group will ensure the sustainability issues are integrated in our strategy formulation and will uphold our commitment towards ensuring that our business practices are sustainable.

Under the SGX-Catalist listing requirements, the Group is required to present the sustainability reporting annually to disclose the Company's sustainable business practices concerning the environmental, social, and governance (“**ESG**”) topics. The Board is responsible for driving the Group's policies and performance in key environmental, social, and governance matters. The Board also provides oversight and monitors the management on these material ESG matters.

The Group has conducted an annual review of the material ESG matters in FY2022, given that the Dry Film business has ceased. The Group has made some amendments to its material ESG topics of Waste Management (GRI 306-2), which replaces the damaged Dry Film product management with the obsolete Thick Film Materials (“**Thick Film**”) management, which will be elaborated in the rest of the Report.

With the latest change in SGX Sustainability Reporting requirements, the Board is well aware of the changes in regulations and keeps ourselves equipped with the sustainability knowledge to keep up with the latest changes, such as board diversity and climate-related disclosures.

The Group has aligned its Covid-19 prevention measures with the local authorities' revised Covid-19 strategy of living with the disease as an endemic like influenza. The office working environment has returned to normal. However, the measures requiring staff who have a fever or contracted the coronavirus not being allowed to come to the office until their Covid-19

symptoms have subsided and show a negative Antigen Rapid Test (“**ART**”) test results remain in place.

The Group welcomes comments and suggestions from readers on this Report. All the comments and suggestions from our customers, business partners, and the public will help determine and reinforce the Group's future sustainability strategies.

Please feel free to give us feedback through email to investors@incredible.sg

Thank you.

Leung Kwok Kuen, Jacob

Independent Non-Executive Chairman,

Independent Director

Incredible Holdings Ltd

ABOUT THIS REPORT

This Report sets out our management approach to sustainable topics of environmental, social, and governance ("**ESG**") topics that are considered important and material to the Group. We hope various stakeholders such as shareholders, suppliers, customers, and employees amongst others, would better appreciate our strategies and commitment towards the area of sustainability. The Board has re-evaluated the ESG topics and made necessary changes as the luxury watch business activities have increased in the recent period.

This Report provides an update on the performance and targets of sustainability as set out in the previous FY2021 Report and the relevant changes in the ESG topics.

Concerning the Group's economic performance, please refer to the Company's FY2022 Annual Report. Refer to the Group Announcement dated 13 April 2023 on SGXNet that the FY2022 Annual Report to be issued by 15 June 2023, subject to approval by the Singapore Exchange Securities Trading Limited for a corresponding extension of time that the Company may issue its annual report to shareholders and SGX-ST.

Reporting Period

This sustainability report presents the annual sustainability performance of the Group for the period 1 January 2022 to 31 December 2022. This Report presents our approaches and performance regarding our key ESG topics for FY2022.

Reporting Framework

This Report is also prepared in accordance with SGX-ST Listing Rules 711A and 711B and the relevant SGX Practice Notes on Sustainability Reporting Guide. The data displayed in this Report covers the period from 1 January 2022 to 31 December 2022 ("**FY2022**").

This Report has been prepared with reference to Global Reporting Initiatives ("**GRI**") Standard 2021 Revision. The Group has adopted the application of the GRI Standards for sustainability reporting due to its internationally recognized guidelines. It is also deemed the most widely-adopted standard by organisations around the world.

Our climate-related disclosures are guided by the recommendations of the Task Force on Climate-related Financial Disclosure ("**TCFD**").

There are no significant changes from the previous reporting period in the material sustainability issues and boundaries list⁽¹⁾.

Report Accessibility

In order to reduce our environmental footprint and the impact on the environment, the hardcopy version of this Report will not be made available.

The Report is only available in PDF format which can be downloaded from the SGX website.

Feedback

We welcome views on this Report from stakeholders. Please send feedback and enquiries to investors@incredible.sg.

Independent Assurance

The Group has engaged an external sustainability consultant (ESG & Biz Solutions Pte Ltd) to guide us on the sustainability reporting in order to comply with the latest requirements.

All the information and data disclosed in this Report have been reviewed by the independent internal auditor (Virtus Assure Pte Ltd) engaged by the group.

There was no external assurance on the sustainability report performed.

Note:

(1) Boundaries list refer to the reporting scope to cover the same subsidiaries as previous reporting years.

SUPPORT THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

The United Nations Sustainable Development Goals ("UN SDGs") provide a shared roadmap for governments, private sectors and civil society organizations to address the most pressing social and environmental issues faced by our society today.

The SDGs aim to end poverty, protect the planet and ensure peace and prosperity for all people by 2030.



Source: Image from United Nations (<https://sdgs.un.org/goals>)

At Incredible, we are committed to play our part in supporting the 17 global goals. In FY2022, we mapped the 17 goals over our material topics and decided to focus on the following goals in our sustainable business strategy.



OUR COMPANY

Our Group's vision is to develop a leading e-Marketplace for luxury watch enthusiasts around the World. We curate fast-moving and in-demand luxury watches from authorized distributors and resellers to sell via our online platform or retail shops to end consumers in Europe and Asia. We trade brand new highly sought-after luxury watch brands like Rolex, Patek Phillip, Omega, Audemars Piguet, Vacheron Constantin, etc.

Our Group is in the process of establishing retail outlets in Singapore, South Korea, and Denmark to support the aforesaid vision. After acquiring a 42% equity interest in Golden Ultra Limited, we secured the online luxury watches trading platform known as www.bestwatch.com.hk established in Hong Kong.

Our Group has commenced its asset-backed loan financing business in Hong Kong after acquiring Billion Credit Financing Company Limited and has generated revenue for the Group in FY2022. The money lending business customers are individuals and small and medium size enterprises who provide assets (e.g. properties) as collateral.

Aside from the aforesaid trading of the luxury watch and secured loan business, the Group also has another business segment of trading and selling Thick Film Materials ("**Thick Film**"). The Group imports Thick Film from the United States and the United Kingdom for distribution to the local Thick Film Hybrid Circuits manufacturer in Singapore.

Our Group will continue to pursue the core strategy of developing a leading global e-Marketplace for luxury watch enthusiasts and hunt for earnings accretive acquisitions that will complement our Group's core strategy.

OUR KEY BUSINESS AND VALUE CHAIN

In FY2022, the group focused on the following 3 business sectors to generate our economic growth.

Luxury Watch Trading

We curate fast-moving and in-demand luxury watches to sell via our online platforms or retail shops to end consumers in Europe and Asia.

We trade first-hand luxury watch brands like Rolex, Patek Philip, Omega, Audemars Piguet, Vacheron Constantin, etc,

Asset-Backed Loan Financing

We provide short to medium-term personal loans to retail clients secured by privately owned commercial, industrial or residential properties in Hong Kong based on a Loan-To-Value (“LTV”) ratio at prevailing market interest rates.

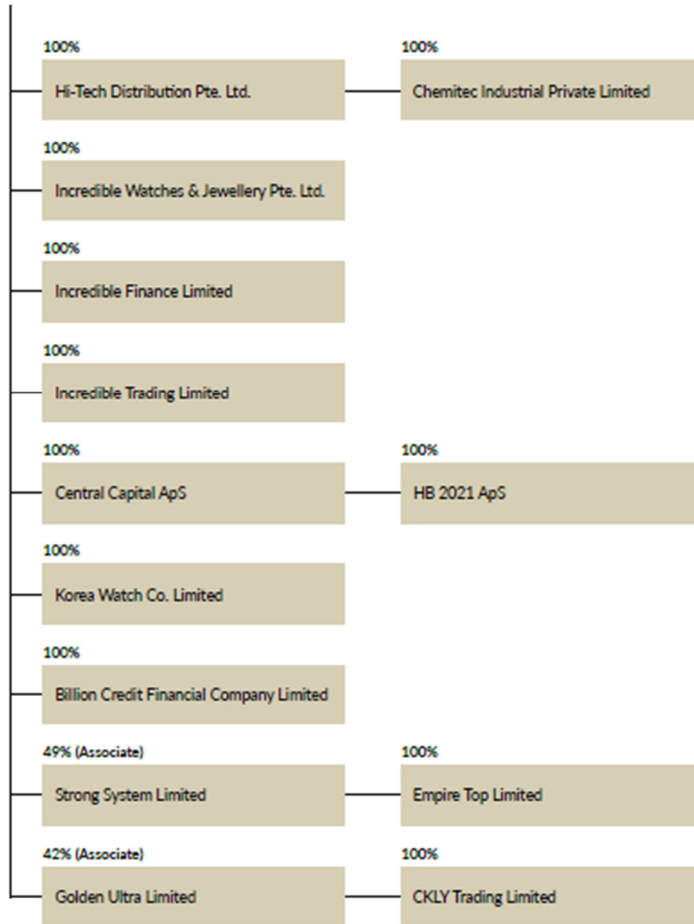
Distribution of Electronic Consumables

We are in the distribution business of consumables to electronics manufacturers in Singapore. Electronic consumables generally consist of Thick Film, soldering materials, Printed Circuit Board (“PCB”) chemicals, PCB repairing materials, electronic materials for Electrostatic Discharge (“ESD”) protection etc.

OUR GROUP STRUCTURE



ORGANISATION CHART As at 20 May 2022



Our Business Address

HQ ADDRESS

Incredible Holdings Ltd Ltd
Harvest @Woodlands
280 Woodlands Industrial Park E5,#10-50, Singapore 757322

OUR OTHER BUSINESS LOCATIONS

Singapore (Retail Outlet)

11 Beach Road, #01-02, Singapore 189675.

Hong Kong (Office)

Room 1C, No. 96 Ma Tau Wai Road, Hung Hom, Hong Kong

Korea (Office)

Room 403, 33, Toegye-ro 18-gil, Namsandong 2-ga, Jung-gu, Seoul, South Korea 04631

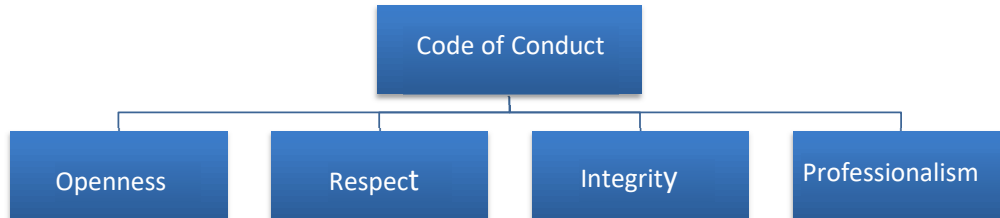
Denmark (Retail Outlet)

Bredgade 19, st., nedre/øvre, parterre, matr.nr.: 197 Sankt Annæ Øster Kvarter, Denmark

OUR VALUES AND CODE OF CONDUCT

We abide and operate by an internal Code of Conduct and Ethics stipulating our business principles and practices for our day-to-day operations. This Code of Conduct provides a framework for employees to understand, observe and operate based on accountability, honesty and integrity in all aspects of the Group's business and its dealings with all stakeholders.

Our Code of Conduct and Ethics is as follows:

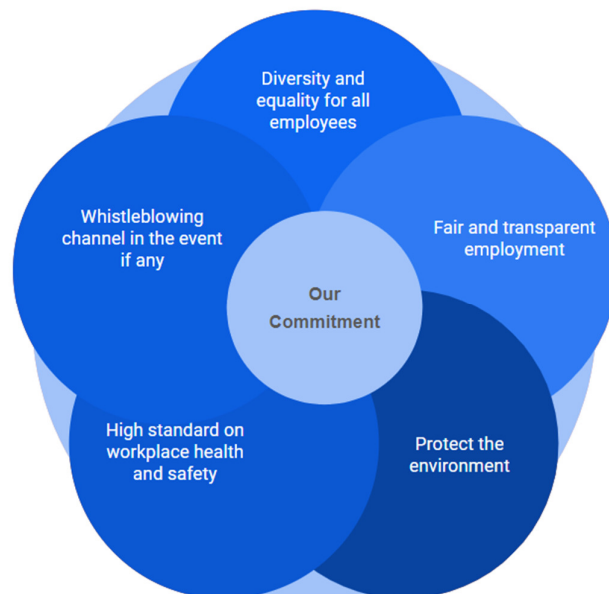


Throughout our day-to-day operations, we continue to remain fair, transparent and aware of the needs of our employees, stakeholders, communities and the environment.

Our employees, management and Board of Directors maintain a high level standard of conduct, behaviour and attitudes towards colleagues, clients and the Company.

Our day-to-day business practice is also based on key principles such as professionalism, high ethical standards, accountability to our stakeholders, respecting the law, being people-driven and striving for excellence.

Our Code of Conduct provides guidance and emphasizes our commitment to:



In line with the Group's stance to pursue our business objectives with integrity and in compliance with applicable laws and regulations in all countries in which we operate, we also have in place the following policies and guidelines:



CORPORATE GOVERNANCE AND GOVERNANCE STRUCTURE

The Board of Directors (“the Board”) is committed to uphold high standards of corporate governance practices throughout the Group that is in line with the Code of Corporate Governance 2018 (Last Amended 11 January 2023). The Board will ensure compliance with the other relevant regulations, notices, circulars, and guidelines that may be issued by the Monetary Authority of Singapore and the SGX-ST. Explanations will be provided should there be any deviations.

The Board provides leadership, determines and sets the Group's corporate strategies and objectives, and ensures that the necessary financial and human resources are in place for the Company to meet its objectives.

The primary role of the Board is to protect and enhance long-term shareholders' value. It provides entrepreneurial leadership, sets the overall strategy for the Group and ensures that the necessary governance approach, policies and procedures are in place to meet its objectives. The Board has an established framework of prudent and effective controls, which enable risks to be assessed and managed, including safeguarding shareholders' interests and the Group's assets, supervising management, reviewing management's performance, and monitoring the performance of business goals to enhance shareholders' value.

The Board is also responsible for the overall corporate governance of the Group, acting in its fiduciary capacity. Where appropriate, the Directors receive relevant briefings from time to time on new updates in relation to regulatory changes, accounting standards, the listing manual, corporate governance, and other statutory requirements.

The Board has an overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management systems and internal controls to safeguard shareholders' interests and the Group's assets.

Our Governance Structure

Below are the details of our Board of Directors:

NAME	GENDER	BOARD OF DIRECTORS
MR. CHRISTIAN KWOK-LEUN YAU HEILESEN	Male	Executive Director
MS. ZHOU JIA LIN	Female	Non-Executive and Non-Independent Director
MR. LEUNG KWOK KUEN JACOB	Male	Independent Director
MS. EUNICE VEON, KOH PEI LEE	Female	Independent Director
MR. LEUNG YU TUNG, STANLEY	Male	Independent Director

Total Number of Board Directors		5	
Female	2 (40%)	Independent	3 (60%)
Male	3 (60%)	Non-Independent	2 (40%)

Board Director Sustainability Training

All Directors have completed at least one of the approved sustainability training courses as required under Catalist Rule 720(6) during the reporting period..

Collective Knowledge of Governance Body

The current Board composition provides a diversity of background, knowledge and experience to enable the Board to make decisions in the best interests of the Company with the following core competencies:

- Business Management;
- Economic and Financial Planning;
- Accounting and Finance;
- Legal and Corporate Governance;
- Risk Analysis; and
- E-commerce.

More details about our Corporate Governance Statement are provided in our Annual Report.

Directors' Duties and Responsibilities

All Directors discharge their duties and responsibilities objectively at all times as fiduciaries in the interest of the Group and exercise due diligence in dealing with the business affairs of the Group and are obliged to act in good faith for the interest of the Group.

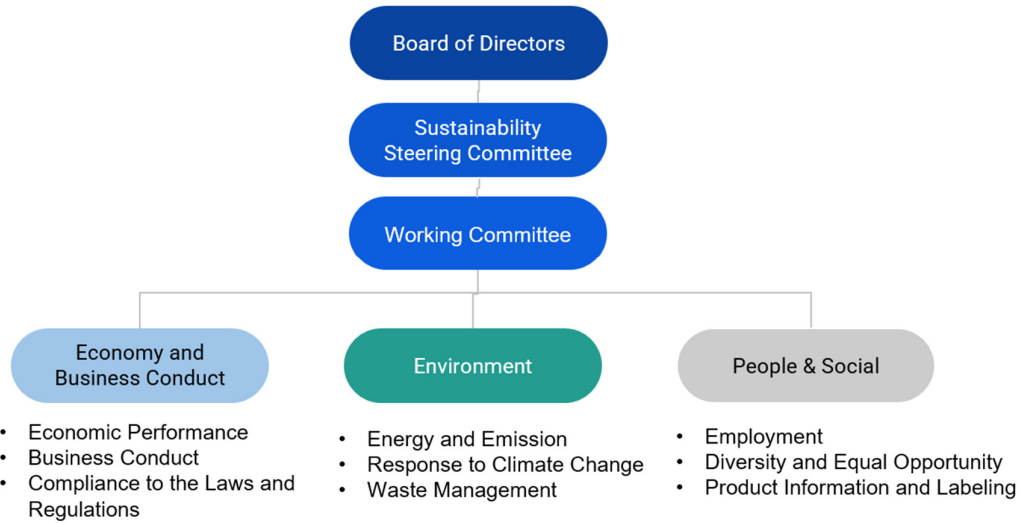
The Board puts in place a code of conduct and ethics, sets the appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Group. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Directors must understand the Group's businesses as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. The Company has in place a process of induction, training and development for new and existing directors.

Sustainability Governance Structure

The Board has assigned the responsibility for monitoring and overseeing the Company's sustainability efforts to the Sustainability Steering Committee ("Steering Committee"), which is chaired by the Group's Chief Executive Officer and key executives across business functions and business segments in the Group.

The Sustainability Governance Structure of the Group is as follows:



The Steering Committee develops and oversees the sustainability strategy, framework and policy. In addition, the Steering Committee reviews and reports the progress of our sustainability plans, efforts and performance to the Board. The Board approves the sustainability strategy, framework and policies before their implementation.

The Working Committee assists the Steering Committee in providing relevant information or data and implements the action plans of the sustainability strategy.

The Steering Committee also oversees the climate risks to ensure that all climate-related risks are being properly identified, monitored and managed.

OUR REPORTING PRINCIPLES

According to GRI 2021-Foundation, we follow the 8 reporting principles in preparing our Sustainability Report.

Accuracy	Balance	Clarity	Comparability
Completeness	Sustainability Context	Timeliness	Verifiability

Principle	Explanation
Accuracy	The information disclosed in this Report is correct and sufficiently detailed to assess the organization's impact.
Balance	The information is disclosed in an unbiased way and provides a fair representation of the organisation's negative and positive impacts.
Clarity	The information presented in this Report is accessible and understandable.
Comparability	The Group endeavours to select, and compile the report information consistently to enable an analysis of changes in the organisation's impacts over time.
Completeness	The Group tries its best to provide sufficient information to enable the transparency of its efforts in ESG topics.
Sustainability Context	The Group ensures that the information it discloses in this Report is about its business impacts within the context of sustainable development.
Timeliness	The Group reviews its ESG material topics on a regular basis to ensure that all the information declared in this Report is updated.
Verifiability	The information declared in this Report has been internally reviewed by the Group's internal auditor to ensure its accuracy and quality.

STAKEHOLDER ENGAGEMENT

Our stakeholders are people or entities directly or indirectly influenced by our businesses' operations and outcomes, which can significantly influence our businesses. They are the individuals or groups that have an interest that is affected or could be affected by the organisation's activities.

The Company adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders.

Stakeholder engagement is the key step in determining issues that are material to the Company, giving insight into our stakeholders' perspectives and what they deem important in the context of their relationship with the Company.

Feedback from our key stakeholders forms a crucial part of our strategic and business planning. It is considered a valuable insight for the Group to continuously improve its sustainability performance. Through internal discussions and review, key stakeholder groups are identified across the entire value chain.

Taking care of our stakeholder's interests by setting regular communication channels and increasing our information transparency can ensure that our stakeholder's interests are protected.

Stakeholder Identification

According to our business activities, supply chain and scope of operations, we have identified our stakeholders into the following groups:



Stakeholder Engagement Approach

We engage our stakeholders regularly and on a day-to-day basis for specific stakeholders. The inputs and feedback from stakeholders, including areas of our sustainability approach, have enabled us to identify, validate and continuously calibrate our approach towards our sustainability topics and practices. Our engagement approach with the various key stakeholders are listed below:

Stakeholders	Engagement Approach	Key Interests
Employees, Management and Board of Directors	<ul style="list-style-type: none"> • Regular dialogue • Training programs • Work-related meetings and discussions • Surveys 	<ul style="list-style-type: none"> • Working environment • Staff benefits • Development of technical skills
Customers	<ul style="list-style-type: none"> • Phone calls • Email contacts • Formal and informal meetings • Surveys 	<ul style="list-style-type: none"> • Ensure the quality of products and services • Goods and services delivered on time • Ensure customers' satisfaction
Suppliers	<ul style="list-style-type: none"> • Phone calls • Email contacts • Formal and informal meetings • Surveys 	<ul style="list-style-type: none"> • Good relationships • Fair market practices
Investors and Shareholders	<ul style="list-style-type: none"> • Half-yearly and full-year results announcements • Quarterly results announcements (if any) • SGX Announcements • Annual General Meetings 	<ul style="list-style-type: none"> • Corporate governance • Risk management • Group operations • Compliance • Economic Performance
Government and Regulators	<ul style="list-style-type: none"> • Government announcements; • Meetings and seminars; • Emails; 	<ul style="list-style-type: none"> • Compliance with laws and regulations.

The Group has engaged an external sustainability consultant to guide us on the sustainability reporting requirements. All information and data disclosed in this Report have been internally verified and no external assurance on the sustainability report was performed.

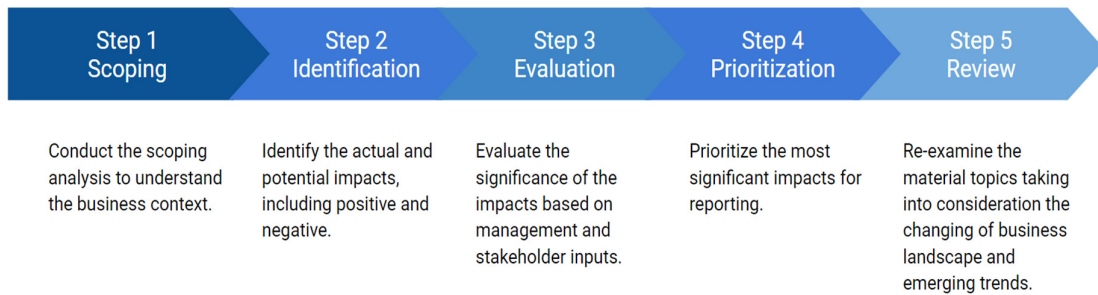
No material outcomes through stakeholders engagements were noted.

OUR MATERIAL TOPICS

Material topics are topics that represent the Group's most significant impacts on the Economy, Environment, and People.

Material Topic Identification

In line with the latest GRI Standard, the Group has adopted a five-step process to define our material topics:



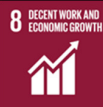


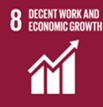

At Incredible, we identify our material topics on an ongoing basis to ensure that all material topics are identified, evaluated and managed in a timely manner.

Feedback from key stakeholders form a crucial part of our strategic and business planning and is viewed as valuable insights for the Group to continuously improve its sustainability performance. The material topics were evaluated in FY2022 for its potential impact on the environment and society, its influence on the stakeholders, and their impact on the Group's operations. All material topics were deemed valid to the Group in FY2022. The Steering Committee recommended to the Board that all FY2021 material topics be the material topics reported in FY2022, however, some topics are being added under the discussion and approval by the management in line with the enhance reporting requirements according to our operation activities.

The Steering Committee conducts an annual review of the Group's material topics as well as monitors the performance of the topics as part of the Group's sustainability strategy.

Material Topics

The following ESG topics have been identified and the approaches to managing these topics are stated in this Report:

Sustainability Focus Areas	Relevant GRI Indicators	Material Topics	Relevant UN SDGs
Economy and Business Conduct	GRI 201-1	Economic Performance	
	GRI 205-3	Anti-Corruption	
	GRI 2-27	Compliance with Laws and Regulations	
Environment	GRI 302-1	Energy & Emissions	
	GRI 305-1		
	GRI 305-2		Waste Management
GRI 306-2			
People	GRI 401-1	Employment	
	GRI 405-1	Diversity & Equal Opportunity	
Product Information	GRI 417-1	Product Information and Labeling	

FY2022 TARGET AT A GLANCE

Material Topics ⁽¹⁾	FY2021 Performance	FY2022 Target	FY2022 Performance	FY2023 Target
Anti-Corruption	There were no incidents of corruption.	Maintain zero violation of the laws, rules and regulations for FY2022.	There were no incidents of corruption and the Group has a target of zero incidents perpetually.	Maintain zero violation of the laws, rules and regulations for FY2023 and beyond.
Compliance with the laws and Regulations	There were no reported incidents of non-compliance with the local laws, rules and regulations across the Group.	We aim to maintain zero violation of the laws, rules and regulations for FY2022.	There was no reported incidence of non-compliance with the local anti-corruption laws, rules and regulations across the Group in FY2022.	Maintain zero violation of the laws, rules and regulations for FY2023 and beyond.
Waste Management	The Group has met the FY2020 target to dispose 100% of damaged Dry Film through the local licensed waste management agency.	Dispose all damaged thick film with a licensed waste management agency;	Due to slow-moving inventories, this resulted in expired inventory of 0.5kg. All expired thick films have been disposed by a licensed waste management agency.	The Group aims for zero expiry and obsolete inventory in the next financial year.
Product Information and Labelling	The Group has ensured that 100% of the luxury timepieces are tagged with labeling and instruction booklets are sent to customers at all times	100% of the luxury timepieces are tagged with labelling and instruction booklets are sent to customers at all times.	For FY2022, the Group has ensured that 100% of the luxury timepieces are tagged with labelling and instruction booklets are sent to customers at all times.	100% of luxury timepieces with instruction booklets contain detailed information on the product, operational instruction, care and maintenance sent to all our customers.

Note (1): The material topics being summarized here only reflect the material topics being disclosed in FY2021.

In FY2022, the Group is setting up more material topics in line with the long-term vision for sustainable development. The Group has started to collect all the data and monitor the performance in order to set up effective goals for us to set the long-term development plan.

ECONOMY AND BUSINESS CONDUCT

Key Material Topics	Relevant SDGs
GRI 201-1 Economic Performance	
GRI 205-3 Anti-Corruption	

The Group strives to conduct business with the highest standards of integrity, transparency, and accountability, and does not tolerate bribery or corruption, and acts with fairness and integrity in its businesses. Therefore, the topic of Anti-Corruption is deemed to be material to the Group. The Group is of the view that its whistleblowing policy is an important tool for the Group to achieve this objective.

Whistleblowing Policy

The Group has set up its whistleblowing policy and disseminated it to all employees through email and verbal communication. By adopting the whistleblowing policy and for the purpose of good governance, it is the policy of the Group that employees may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters without fear of retaliation. The recipient of such complaints shall forward them promptly to the Audit Committee Chairman.

The main scope of the Group's whistleblowing policy covers the following:

- Fraudulent financial reporting;
- Misstatements arising from misappropriation of assets;
- Improper or unauthorized expenditures (including bribery and other improper payment schemes);
- Violations of laws and regulations (including those that expose the Group or its agents to regulatory or criminal actions, such as securities fraud); and
- Substantial and specific danger to public health or safety.

The contact person of the whistleblowing policy is Mr. Stanley Leung Yu Tung, the Audit Committee Chairman of the Group, is available by email at ac_chairman@incredible.sg. He will protect the identity of the complainant and investigate the matters with the Audit Committee. The Group will treat all information received confidentially and protect the interest of all whistleblowers. A record of the complaint will be kept confidential for investigation. The Board will evaluate the effectiveness of the policy annually, based on management's feedback and from other avenues.

The Company will not tolerate the harassment or victimisation of a whistleblower. Any effort to retaliate against a whistleblower or harass him shall be strictly prohibited and shall be reported immediately to the Audit Committee Chairman.

Anti-Corruption Policy

In Incredible, our core business value is building up a culture where we are committed to operate our business responsibly. We remain dedicated to uphold our business ethics and integrity to the highest level, enforce a system without tolerance for fraud, corruption and unethical actions.

We ensure that all our business units comply with the relevant laws and regulations to address ESG issues, including environmental and social regulations, personal data security, employment rights and regulations, and income tax laws.

Any material violation of rules and regulations could significantly impact the Group and its reputation. In view of this, the Group adheres to high corporate governance standards and ensures compliance with all applicable rules and regulations.

The Group's Anti-Corruption policy is reviewed periodically and communicated to all key management and staff.

Conflicts of Interest

All management and staff are required to promptly declare any conflict or potential conflict of interests, whether direct or indirect, in relation to any transactions or proposed transactions with the Group as soon as practicable after the relevant facts have come to his/her knowledge. The Group's conflict of interest policy is reviewed periodically and communicated to all key management and staff.

Policy Commitment

Besides the above policies to ensure the ethical conduct of business, Incredible has also set up various policies across environment management, human resource management, and Occupational Health and Safety Management system in line with our ISO management and certification process.

We commit ourselves to all policies, including:

- Ensuring fairness of employment;
- Protecting the environment; and

- Ensuring the highest level of adherence towards Occupational Health and Safety Management from our employees and contractors.

To ensure we can fulfil our role as a responsible corporate citizen, we provide the utmost responsibility to our stakeholders as a group.

Please refer to our material topic sections for the policy and management approach.

All the above policies are communicated to all employees within the Group, as well as our suppliers and contractors.

Our Performance

The Group has met all targets for FY2021 and FY2022, with no incidents of corruption.

Our Target

We aim to maintain zero violation of the laws, rules and regulations for FY2023 and beyond.

Regulatory and Legal Compliance

Incredible is committed to comply with all relevant laws and regulations. Besides establishing whistleblowing and anti-corruption policies, we have conducted regular legal and compliance assessments to ensure that our business is conducted with integrity, fairness, impartiality and ethical behavior.

We monitor our existing customers and vendors periodically. This ensures that we stay vigilant and remain up to date with the latest international economic environment and the latest laws and regulations. We take our corporate responsibilities very seriously, including paying our fair share of taxes, corporate income taxes, and social contributions.

Our commitment to these responsibilities is also embodied in our corporate culture. Tax payments to the relevant authorities are in accordance with applicable anti-corruption laws, rules and regulations.

Our Performance

We are pleased to report that there were no reported incidents of non-compliance with the local anti-corruption laws, rules and regulations across the Group in FY2021 and FY2022.

Our Target

We aim to maintain zero violation of the laws, rules and regulations for FY2023 and beyond.

ECONOMIC PERFORMANCE

The Group believes in integrating sustainable practices as part of our business strategy for driving long-term growth. We are committed to high standards of business ethics, and a nurturing working environment to boost our employee productivity and morale in delivering quality service to our customers. Our sustainability agenda also guides our business strategy in maintaining sustainable economic value for our stakeholders while investing in our people's development. Incredible is committed to strengthen our economic value to our shareholders while investing in our people and communities.

For the Group's financial performance in FY2022, please refer to our FY2022 Annual Report to be issued by 15 June 2023⁽¹⁾, subject to approval by the Singapore Exchange Securities Trading Limited for a corresponding extension of time that the Company may issue its annual report to shareholders and SGX-ST.

Note:(1)As per reference to the Group announcement dated 13 April 2023 on SGXNet.

ENVIRONMENT

Key Material Topics	Relevant UN SDGs
GRI 302-1 Energy GRI 305-1,2 Emissions GRI 306-2 Waste Management	 

Our Response to Climate Change (TCFD)

Climate change poses an enormous threat to the safety and wellbeing of our community and to the global economy. In the FY2021 National budget, Singapore government has announced that the carbon tax price will be increased from current S\$5/tCO₂e to \$25/tCO₂e in 2024 and 2025, and \$45/tCO₂e in 2026 and 2027, with a view to reaching \$50-80/tCO₂e by 2030 in order to achieve the climate ambition⁽¹⁾.

In Jan 2022, the Singapore Exchange mandated climate reporting for selected sectors to follow the Task Force on Climate-related Financial Disclosure guidelines. At Incredible, although we are not under the prioritized industry sector nor the energy-intensive industry, with increasing energy prices and global supply chain challenges, we must prepare ourselves for a sustainable future. At the same time, we have an obligation to be a responsible corporate citizen to play our part in response to climate change.

Therefore, in line with the TCFD Reporting guidelines, the Group is preparing ourselves to evaluate our performance and disclosure with the following four aspects:

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Source: Taskforce Climate Related Disclosure, 2017

Note: (1) NEA, Carbon Tax, www.nea.gov.sg/our-services/climate-change-energy-efficiency/climate-change/carbon-tax

Climate Risk Management

The Group has evaluated its key operational activities, with the consideration of including the following two risk categories into our Risk Management in the future.

Physical Risk

Physical risks are associated with the physical impacts of climate change arising from extreme weather events due to changes in climate patterns.

Within Incredible's Operations, the following operational activities might be affected by physical risk:

	Risk	Risk Description	Potential Impact
Physical Risk	Acute Risk	Adverse weather, such as flooding	<ul style="list-style-type: none"> Supply chain disruption; Increased maintenance fees for vehicles and retail shops;
	Chronic Risk	Sea level rise	<ul style="list-style-type: none"> Change of Investment direction of business under the threat of climate change; Increased maintenance fees for vehicles and retail shops;

Transitional Risk

Transitional Risk means transitioning to a lower-carbon economy, which may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying financial and reputational risk levels to organizations.

Within Incredible's operational activities, the following transitional risks might be faced by the organisation during our short and long-term operations:

	Risk	Risk Description	Potential Impact
Transitional Risk		Increasing emission requirements by local laws	<ul style="list-style-type: none"> Increased maintenance fees; Higher operating costs;
		Carbon Tax	<ul style="list-style-type: none"> Higher operating costs;
		Higher fuel cost	<ul style="list-style-type: none"> Higher operating costs;

	Change in customer preference across the supply chain	<ul style="list-style-type: none"> Decrease in service demands due to customer's preference in purchasing;
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Energy and Emission

With the latest change in the Singapore Stock Exchange reporting guidelines as well as the transition towards the low-carbon economy, the Group realises the importance of reporting the Group's energy usage and CO₂ emissions, although we are not in the energy-intensive industry. It is also part of the TCFD Reporting requirements under "Metrics and Targets". The Group will collect the data for two years before setting targets to ensure meaningful target setting.

Energy Usage

	FY2022*
Energy Consumption	50,626 MJ

*The energy consumption only includes the following operating premises: Office in Harvest in Woodlands and the retail outlet in Beach Road.

Carbon Emissions

Scope 1 GHG Emission	
FY2022	
Mobile Combustion	27.48 tCO ₂ e
Stationary Combustion	0
Total Scope 1 GHG Emission	27.48 tCO ₂ e

Scope 2 GHG Emission	
FY2022	
Purchased Electricity	14,063 kWh
Total Scope 2 GHG Emission	5.71 tCO ₂ e

Waste Management

The Group has conducted an annual review of the material ESG matters in FY2022, due to the Dry Film business having ceased operations in the Group in FY2021. Instead, another business segment involving the trade and selling of Thick Film Materials (“**Thick Film**”) shall be included in the annual sustainability report.

Thick Film is used for fabricating Thick Film Hybrid Circuits that are applied in the manufacturing of microphones, hearing aids, and other electronic components. Thick Film is an ink paste produced through mixing, kneading, and dispersing metal powders, glass powders, and inorganic oxides with organic solvent in a three-roll mill and is considered an environmentally hazardous material and is subject to compliance with the environmental protection regulation for disposal of such materials. To protect the environment, we are committed to properly dispose expired, obsolete, and damaged Thick Film. Therefore, we have selected this topic to be material for the Group.

The Group has established a policy of handling obsolete and damaged Thick Film. Thick Film is imported from an overseas supplier and resold to local Thick Film Hybrid Circuits manufacturers. Thick Film could be damaged during transportation from overseas or due to defects in the manufacturing process or inappropriate storage. The damaged Thick Film needs to be properly disposed of as it contains environmentally hazardous substances such as cadmium and cadmium oxide.

We are committed to comply with the Environmental Protection and Management Act 1999, under Part 7: Hazardous Substances Control. All obsolete or damaged Thick Film are properly kept in the original boxes, sealed with adhesive tape, and disposed of according to the guidelines. Before disposal, the obsolete or damaged Thick Film is kept securely and separately on the Group's premises.

To mitigate the adverse environmental impact and costs of managing the expired, obsolete, and damaged Thick Film, management shall purchase the Thick Film based on the customer's request. The Group aims for zero expired, obsolete, or damaged Thick Film as it is costly to engage a licensed waste management agency to dispose of the obsolete or damaged Thick Film at incineration plants.

Our Performance

For FY2021 and FY2022, Covid-19's impact on slow-moving inventories resulted in an expired inventory of approximately 800 grams and 500 grams respectively. All targets set for FY2021 and FY2022 were met, with all damaged Dry Film and all expired Thick Films having been disposed by a licensed waste management agency in FY2021 and FY2022 respectively.

Our Target

The Group aims for zero expired and obsolete inventory in the next financial year.

PEOPLE

<u>Key Material Topics</u>	<u>Relevant UN SDGs</u>
GRI 401-1 Employment	 
GRI 405-1 Diversity & Equal Opportunity	

Our employees are our most valuable assets, and they are essential to the Group's long-term success. In order to keep our employees motivated, we promote a supportive, inclusive, safe work environment with opportunities for development. This is a cornerstone of the Group's long-term human resources strategy.

Organization Environment & Culture

We believe that a supportive workplace culture and a commitment to invest in human capital underpin our success today. Maintaining ethical hiring processes across the Group is the cornerstone of a cohesive workplace.

Engaging our People

Communication is essential to convey information and exchanging ideas. Staff interactions are constantly encouraged and enhanced for effective two-way communication between management and staff and to build a positive and transparent working environment.

Benefits & Wellness for our People

The team spirit, physical health, and energy of each person serves as the foundation for the employees' well-being with the emphasis on a healthy lifestyle and work-life balance. The company believes that productivity will rise with happier and healthier workers, boosting business profitability.

Our Employment

At the end of FY2022, our total employee headcount was 16, comprising 100% permanent full-time employees.

Total Headcount by Gender

Gender	FY2022
Male	8
Female	8
Total	16

Total Headcount by Employee Type

Gender	Permanent	Temporary
Male	8	0
Female	8	0

Gender	Full Time	Part Time
Male	8	0
Female	8	0

New Hires and Employee Turnover

Gender	No. of new Hires	Employee Turnover
Male	2	5
Female	1	1

New Employee Hire and Turnover Rate, by Age and Gender

		No. of New Hires	Hiring Rate (%)⁽¹⁾
Age Group	Under 30 years old	0	0
	30-50 years old	3	13.6%
	Over 50 years old	0	0
Gender	Male	2	9.1%
	Female	1	4.5%

Note: (1) The hiring rate is calculated by the number of staff hired in FY2022 over the highest number of staff during the year.

Diversity and Equal Opportunity

Incredible Group values its' employees, and follows a policy of hiring, employing, training and compensating employees in a non-discriminatory way and without regard to race, gender, religion, age or nationality.

We have employees from diverse nationalities, including Singaporeans, Chinese, Danish and Filipinos. The Group encourages an inclusive working environment that supports diversity in all aspects. We hire based on qualification and specialization and do not tolerate discrimination or biases. We believe employees will flourish in a nurturing, open and diverse environment where their perspectives and ideas can be inter-exchanged. We ensure fair opportunities and provide long-term career development, embrace diversity and value all cultures.

Our 16 employees comprise 5 different nationalities.

Employee Nationalities

Nationality	Male	Female	Total
Singaporean	1	4	5
Malaysian	2	0	2
Danish	3	0	3
Filipino	1	0	1
Chinese	1	4	5
Total	8	8	16

Employee Age Group

Age Group	Male	Female	Total
<30	0	0	0
30-50	6	7	13
>50	2	1	3
Total	8	8	16

Employee Training and Skill Development

We owe our success to our employees. To show our gratitude, we invest in the training of our people for them to achieve their full potential. We also offer talented employees opportunities to take on more challenging postings and groom them for greater responsibilities.

We encourage lifelong learning among our employees to prepare themselves for this ever-changing and dynamic industry. Employees will be sent for training whenever necessary to improve their skill sets.

Apart from some online courses, we also offer the following training opportunities:

- Formal training sessions (Individual or corporate);
- Employee coaching and mentoring;
- Seats at industry conferences;
- On-the-job training;
- Job shadowing; and
- Job rotation.

Development is a collective process. Employees and managers are regularly engaged in discussions on exploring new learning opportunities. It is HR's responsibility to facilitate any development activities and processes.

Employee Evaluation

Every employee in the Group receives regular performance and career development reviews, which illustrates our resolve to manage and develop our human capital. After the review process, employees undergo training pertaining to their job requirements to ensure greater efficiency and effectiveness in their performance.

PRODUCT INFORMATION

<u>Key Material Topics</u>	<u>Relevant UN SDGs</u>
GRI 417-1: Marketing and Labeling	

Product Information and Labelling

Transparency is key to build trust and credibility among our customers. It is our role and responsibility to share with our customers adequate information about the positive and negative environmental and social impacts of our products. Therefore, we deem this topic to be material for the Group.

All the luxury timepieces sold to customers have detailed labelling and instruction booklets. The product label is tagged on every box that is delivered to our customers. We share detailed information with our customers through the product label tagged on the luxury timepiece boxes and the instruction booklet.

The Group understands that some watches are sold running on batteries made of Lithium Metal, which poses potential hazards to the environment. For those watches, the instruction booklet states that "this product should not be discarded with household waste".

Our Performance and Target

For FY2021 and FY2022, the Group has met its target by ensuring that 100% of the luxury timepieces were tagged with labelling and instruction booklets, and are always sent to customers. The Group will continue to strive to achieve this target for FY2023. The instruction booklets contain detailed information on the product, operational instructions and care and maintenance.

GRI CONTENT INDEX

Statement of Use

Incredible Holdings Ltd. has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI standards.

GRI 1 used

GRI 1: Foundation 2021

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2-4 Restatements of information	N.A	N.A
2-5 External assurance	N.A	N.A
2-6 Activities, value chain and other business relationships	Our Key Business and Value Chain	Pg.11
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