



## **POLARIS LTD.** Sustainability Report 2023

This report has been prepared by the Company, and its contents have been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

It has not been examined or approved by the SGX-ST, and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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## Contents

Preface.....	1
Balanced Reporting Approach .....	1
Key Frameworks Applied and Scope of the Report.....	1
Assurance.....	2
Feedback.....	2
Materiality .....	2
Disclaimer.....	3
Board Responsibility Statement .....	3
Who We Are.....	5
Future Outlook:.....	5
Sustainability .....	7
Sustainability Strategy.....	7
Environment.....	7
Social.....	8
Governance.....	8
Methodology .....	9
Identification: Materiality Assessment.....	9
Prioritisation: Mapping of Material Matters.....	10
Verification: Material Matters .....	11
Engagement: Stakeholders.....	16
Sustainability Framework.....	19
Governance Structure .....	19
Risk Management.....	20
Sustainability Policy.....	20
Sustainability Scoreboard .....	22
Contribute to Sustainability .....	22
Emission.....	22
Scope 1 .....	22
Scope 2 .....	23
Electricity Usage and Sources .....	23
Water Usage and Sources.....	24
Hazardous Waste.....	24
Social Scoreboard .....	25
Social Data and Analysis .....	25
Discussion of Social Data .....	28

Discussion of Employee Safety and Health Risk.....	28
Discussion of Customer Safety and Health Risk.....	29
Governance Scoreboard .....	30
Governance Data and Analysis .....	30
Discussion on Whistle-Blowing Policy.....	31
Discussion on Anti-bribery Policy.....	31
SGX's 27 Core ESG Metrics Index .....	32

# Preface

## Balanced Reporting Approach

Polaris Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") is a Singapore-listed investment holding company that operates in diverse sectors, including pre-loved luxury goods re-commerce as well as customer service operations, and corporate sales of consumer electronics in Singapore. The organisation is structured into business units, such as pre-loved luxury goods, customer services, consumer electronics, and corporate services. Notably, the pre-loved luxury goods segment imports and exports pre-loved luxury items globally. The customer services division focuses on equipment repairs, and refurbishments technical services, while the consumer electronics unit specialises in corporate sales of products from reputable brands. The corporate segment manages group-level services, treasury functions, and investments in securities, exploring strategic opportunities, including entry into the pre-loved luxury goods business. Polaris is dedicated to sustainability and the circular, evident in its pre-loved luxury goods re-commerce and customer service repair businesses, which align with environmentally conscious practices.

As part of our commitment to good governance practices and transparency, we ensure that our performance reporting is holistic and balanced. This is communicated through Polaris' Sustainability Report 2023, which also includes discussions surrounding sustainability and outlook to give our stakeholders insights into our future orientation over the short-, medium- and long-term perspective.

## Key Frameworks Applied and Scope of the Report

This Sustainability Report for the year 2023 ("**SR**") adheres to the SGX's 27 core ESG metrics ("**Core ESG metrics**"), which constitute a standardised set of ESG metrics outlined in Rules 711A, 711B, and Practice Note 7F of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") for sustainability reporting.

Unless otherwise specified, the report encompasses the sustainability performance and practices of the Singapore Group from 1 January 2023 to 31 December 2023. The inclusion of subsidiaries aligns with the Singapore Financial Reporting Standards ("**SFRS**") and the Companies Act 1967 of Singapore. Comprehensive information on all aspects of the Group's Singapore operations is provided in this report.

## Assurance

The data and information provided have not been verified by an independent third party. Management have relied on internal data monitoring and has introduced internal controls and verification mechanisms to ensure both narratives' and data quality's accuracy and reliability. Furthermore, guidance from an external Environmental, Social, and Governance ("**ESG**") consultant has been taken into account when identifying material topics and ensuring compliance with SGX-ST Listing Rules. The Board of Directors (the "**Board**") oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group's strategic direction and policies.

To enhance the credibility of the Group's sustainability reporting, our sustainability reporting process has undergone internal scrutiny conducted by our internal auditors, as stipulated by SGX-ST Listing Rules 711B(3).

## Feedback

This supplementary report complements the Group's Annual Report for 2023, accessible online through SGXNet and <https://www.wearepolaris.sg/>. A comprehensive section reference aligning with Core ESG Metrics can be found in the SGX's 27 Core Metrics Index section within this report.

We actively encourage feedback from our stakeholders to contribute to the enhancement of our sustainability practices. Any questions or feedback regarding this report can be directed to [ir@wearepolaris.com](mailto:ir@wearepolaris.com).

## Materiality

The substance of this report is centred on matters of paramount importance to both our business and stakeholders. We employ a meticulous four-step materiality assessment process to discern, prioritise, and substantiate these critical issues. This report encompasses our approach to addressing eleven significant material matters, explaining how they substantially impact business operations and stakeholder value.

Our commitment to elevating the quality of our reporting is evident throughout this document. We actively seek stakeholder input and create a collaborative environment that fosters continuous improvement. We recognise that constructive feedback is integral to refining our reporting practices. We aim to adapt and evolve by engaging with shareholders, ensuring that our reporting remains comprehensive and reflects the changing dynamics shaping our business landscape.

## **Disclaimer**

This report may incorporate forward-looking statements, encompassing assumptions, risks, and uncertainties, reflecting our aspirations for the future. The actual future performance, outcomes, and results are inherently uncertain and may deviate significantly from the expressions conveyed in these forward-looking statements due to various risks, uncertainties, and underlying assumptions. It is crucial to acknowledge that these statements are rooted in the current perspective of our management regarding future events, a perspective that is inherently dynamic and subject to change based on evolving circumstances. Numerous anticipated and unforeseen factors may contribute to outcomes that substantially differ from the implications or suggestions of these forward-looking statements. Such factors could include changes in market conditions, economic fluctuations, regulatory developments, technological advancements, and shifts in consumer preferences, among others. As such, readers and stakeholders are cautioned against relying on these forward-looking statements, as they are not guarantees of future performance or results. We remain committed to transparently communicating potential risks and uncertainties while recognising the inherent complexity of predicting future events accurately.

## **Board Responsibility Statement**

The Group's Board are pleased to present the Group's SR for its financial year ended 31 December 2023 ("**FY2023**"). Sustainability is a part of the Group's wider strategy to create long-term value for all its stakeholders. As such, the key material Environmental, Social, and Governance factors for the Group have been identified and judiciously reviewed by the management. The Group's Board is deeply cognisant of its responsibility to uphold the credibility of this SR. Recognising the significance of transparent communication, the Board firmly believes that this SR provides a comprehensive overview of all pertinent factors influencing the Group's capacity to generate value, faithfully reflecting the Group's overall performance. In strict adherence to the standards established by Core ESG Metrics, we meticulously prepared this SR, ensuring alignment with the prescribed guidelines for Environmental, Social, and Governance considerations. It is imperative to note that the Board officially sanctioned and approved this report in its commitment to robust corporate governance. This formal endorsement underscores the Board's dedication to accountability and transparency, reinforcing its role in overseeing and guiding the Group's strategic direction in alignment with sustainable and responsible business practices.

On behalf of the Board,

**Mr Sugiono Wiyono Sugialam**

Executive Director & Executive Chairman

30 April 2024



## Who We Are

Polaris is a Singapore-based investment holding company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (SGX-ST). As an investment holding entity, Polaris oversees a diversified portfolio of assets, emphasising its role in the financial and investment sector with a focus on sustainable growth and global market presence. The Company is in the business of importing and exporting pre-loved luxury goods and premium lifestyle products on a wholesale and/or retail basis, as well as via e-commerce platforms. Additionally, Polaris manages customer service operations and corporate sales of consumer electronics in Singapore. Polaris adopts a multifaceted approach, positioning itself as a dynamic entity in international commerce and investment committed to innovation and customer satisfaction.

## Future Outlook:

The Group maintains its commitment to pursuing businesses aligned with sustainability and the circular economy, focusing on facilitating industry transitions towards sustainability. Central to these efforts are the pre-loved luxury goods re-commerce and customer services repair and refurbishment businesses, alongside expansion plans in Indonesia.

The Group maintains an optimistic outlook for its pre-loved business, having accounted for its dilution in Marque Luxury America in its restated FY2022 FS. Following a rapid contraction in FY2023 due to changes in a key partner's business plans, the customer service segment is showing signs of stability for the 1H of 2024, with 2H contingent upon the development of partner plans.

Having discontinued underperforming ventures in FY2022, the Group is now focusing on corporate sales and government tenders in consumer electronics, aiming for stable year-on-year performance. Despite facing challenges, the outlook remains cautiously positive, with active exploration of opportunities in the circular economy and Indonesia.

Streamlining operations in Singapore contributes to sustainability objectives, emphasising a balanced approach between established ventures and high-growth opportunities aimed at increasing shareholder value.

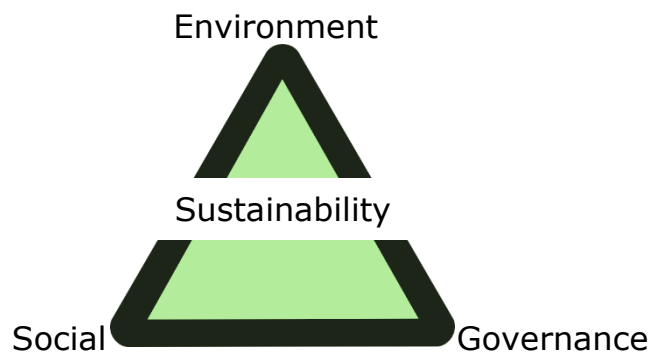




# Sustainability

## Sustainability Strategy

Central to our business management and operations is a commitment to sustainability, focusing on generating value for people and the planet. Our primary dedication is to facilitate the transition towards a low-carbon economy, a commitment enshrined in our Net Zero Carbon Emissions ("NZCE") 2050 Roadmap, a framework established in collaboration with the United Nations ("UN"). Sustainability forms the cornerstone of our business strategy, permeating through our entire Group. We implement a comprehensive framework anchored on four fundamental sustainability pillars: Environmental, Social, and Governance ("ESG"). This strategic agenda encompasses various key focus areas, aligning with seven (7) selected UN Sustainable Development Goals ("UN SDGs") that collectively span all three pillars.



## Environment

To bolster our commitment to sustainability, we have embraced energy-saving measures and implemented waste management initiatives, falling under the broader umbrella of Environmental Stewardship, particularly in the context of pre-loved luxury goods and customer service repairs and refurbishments. This holistic integration allows us to adopt a comprehensive approach to addressing crucial aspects within our sustainability framework. In response to heightened stakeholder expectations, we have introduced a new focus on reducing scope 1 and 2 emissions. This additional initiative underscores our dedication to achieving Net Zero Carbon Emissions (NZCE) by 2050, recognising its pivotal role in shaping a future that actively combats climate change. The initial pillar is centred on key focus areas and aligns with three (3) selected UN Sustainable Development Goals (UN SDGs), as delineated below.



## Social

The Group is steadfast in its commitment to cultivating an inclusive workplace environment marked by mutual respect, fairness, and equality for all our staff and workers. Acknowledging the pivotal role played by our employees in our success, we remain devoted to providing continuous training and development opportunities. The Group aim to empower our staff, enabling them to upskill and reach their full potential. The second pillar of our sustainability framework encompasses various key focus areas and aligns with four (4) selected UN Sustainable Development Goals (UN SDGs), as outlined below.



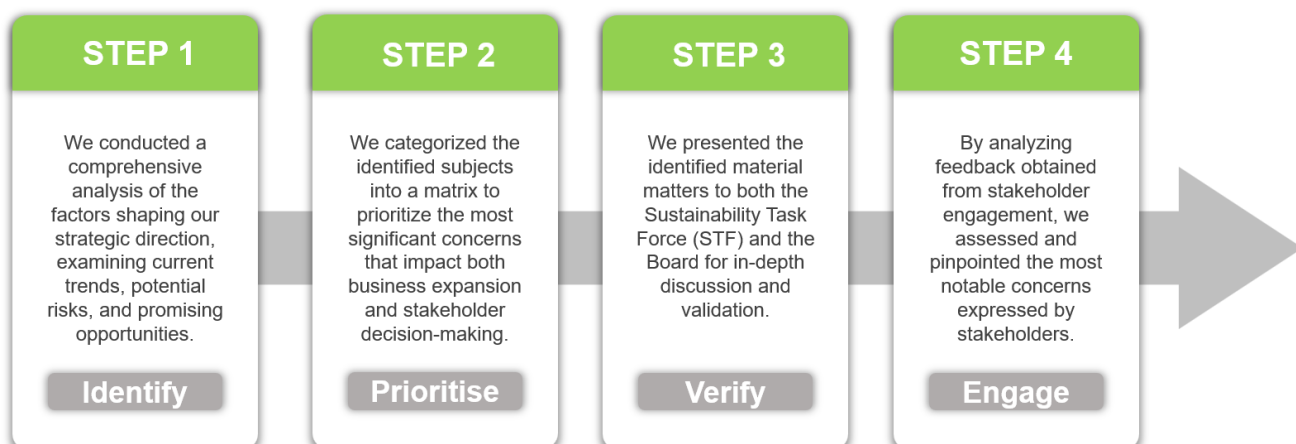
## Governance

The Group steadfastly adheres to a comprehensive framework of laws and regulations, encompassing the Code of Corporate Governance 2018, SGX-ST Listing Rules, and the Securities and Futures Act. Our management proactively reviews emerging and updated regulations regularly to ensure ongoing compliance. Any pertinent updates are promptly communicated to our staff, and robust processes are in place to monitor activities and performance regularly. Moreover, periodically sharing updates with the Board exemplifies our commitment to staying abreast of legal, accounting, and regulatory developments. For instance, the implementation of the continually updated Enterprise Risk Management ("**ERM**") register is part of these efforts. The Company Secretary is pivotal in disseminating relevant articles, reports and press releases from SGX-ST. This commitment to compliance is a testament to our dedication to best practices and a proactive approach to sustainability. This compliance framework ensures adherence to established standards and serves as a mechanism for continuous improvement. By pinpointing areas for enhancement, implementing effective strategies, and consistently elevating our sustainability practices, we strive to align our operations with the highest ethical and regulatory standards. The third pillar of our sustainability framework encompasses diverse key focus areas and aligns with two (2) selected UN Sustainable Development Goals (UN SDGs), as delineated below.












## Methodology

The materiality assessment in FY2023 consisted of four key steps:



## Identification: Materiality Assessment

Regular materiality assessments are integral to our sustainability strategy, aligning with Business Continuity Planning. The Group conducted the assessment annually. In FY2023, the evaluation identified eleven (11) material matters, with seven (7) deemed high-priority. The materiality matrix visually underscores their significance, effectively guiding our sustainability initiatives to address stakeholder needs. We prioritise alignment with the most impactful areas to ensure our efforts' relevance and meaningful impact, demonstrating a commitment to meeting stakeholder expectations.

Environmental	Climate Change	
Environmental	Energy Efficiency	
Environmental	Waste Minimisation	
Social	Occupational Health and Safety	
Social	Talent Attraction, Development and Retention	
Social	Community Development	
Social	Customer Health and Safety	
Social	Marketing and Labeling	
Social	Diversity & Equality	

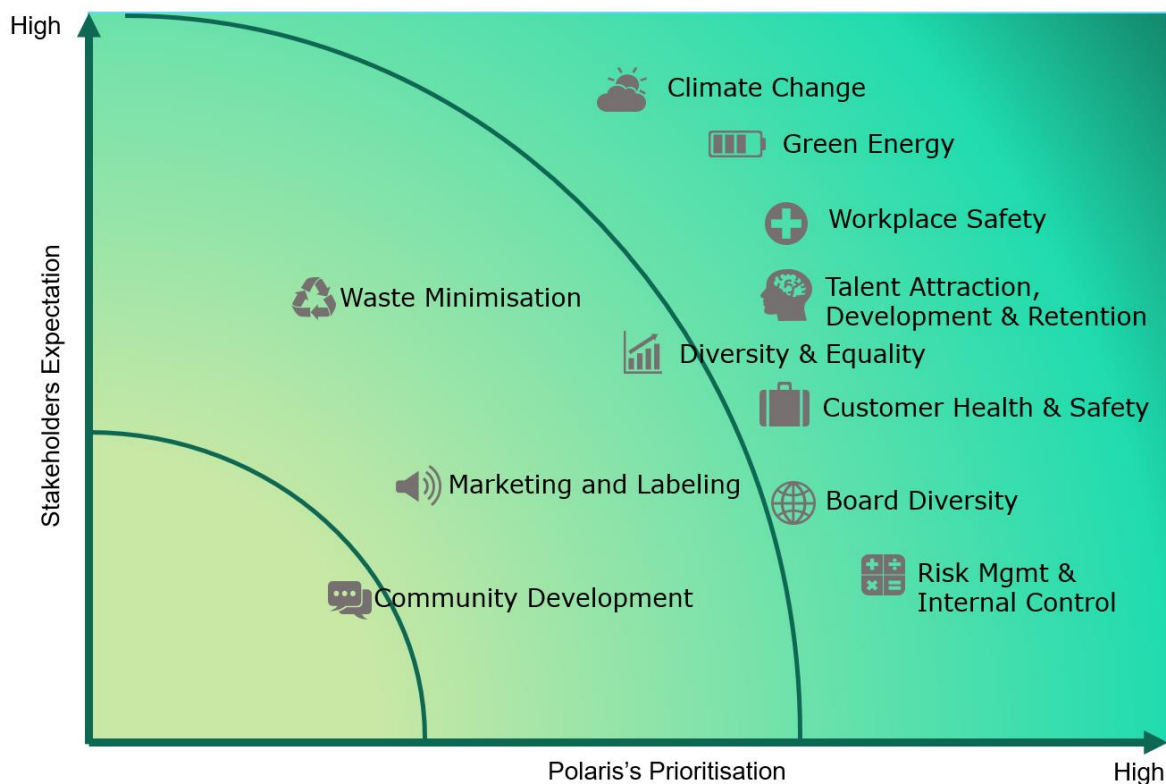
Governance Board Diversity

Governance Risk Management and Internal Controls








## Prioritisation: Mapping of Material Matters







It is imperative for our business and stakeholders that we identify and address material sustainability issues within the Environmental, Social, and Governance pillars. These issues are pivotal in shaping our comprehension of industry trends, allowing us to evaluate associated risks and opportunities. In FY2023, a comprehensive review of our eleven (11) material matters was undertaken to ensure alignment with prevailing industry standards and guiding principles, forming the basis for our three (3) sustainability pillars. The consideration of UN Sustainable Development Goals guided the alignment of our material matters. The ensuing matrix visually maps these eleven (11) material matters.




## **Verification: Material Matters**





After careful consideration and validation, we determined to retain the seven (7) prioritised material matters, categorising them under the three (3) pillars as depicted below. This presentation effectively illustrates their impacts on affected stakeholders, offering a comprehensive overview of each matter. Furthermore, the mapping of material matters has been enriched to encompass actual risk, potential risk, response, and opportunity, providing a more detailed and nuanced perspective on potential opportunities stemming from these considerations.

Pillars	Material Matters	Risks	Opportunities & responses	Policy	Perpetual Target	Stakeholder	UN SDGs
Environment	Climate Change 	<p><b>Actual Risk:</b> Climate-related factors, like changing consumer preferences, supply chain disruptions, and environmental regulations, directly threaten the luxury goods market, impacting business stability and continuity.</p> <p><b>Potential Risk:</b> Insufficient management of climate-related risks could cause potential risk. Failure to transparently address these factors may diminish confidence, negatively impacting overall business performance and reputation.</p>	<p><b>Opportunity:</b> The chance lies in crafting a strong climate strategy and aligning with global frameworks, mitigating risks, appealing to eco-conscious consumers, and navigating market changes.</p> <p><b>Response:</b> The reaction includes refining the climate strategy and targets, fostering effective communication and reporting on climate-related aspects, and enhancing stakeholder trust and investor understanding, especially in the pre-loved luxury goods market.</p>	Climate Change Policy	Achieve 99% reuse and repurpose of goods as pre-loved luxury goods.	Employees Vendors Customers Communities Regulators Shareholders & Investors	  
	Green Energy 	<p><b>Actual Risk:</b> The actual risk involves the potential negative impacts of climate change on the global economy, particularly concerning the increased energy consumption and greenhouse gas (GHG) emissions associated with operating costs.</p>	<p><b>Opportunity:</b> The opportunity exists to transform challenges into climate-related opportunities. This includes cost savings, reduced energy consumption, alignment with customer ambitions, and contribution to government policies supporting sustainability.</p>	Green Energy Policy	To enforce green energy and to be part of the Net Zero Carbon Emission roadmap.	Employees Vendors Customers Regulators Shareholders & Investors	

Pillars	Material Matters	Risks	Opportunities & responses	Policy	Perpetual Target	Stakeholder	UN SDGs
		<b>Potential Risk:</b> The failure to manage and reduce energy consumption leads to higher costs and an increased carbon footprint, contributing to challenges related to climate change.	<b>Response:</b> Our approach includes reducing energy usage and implementing energy management strategies. Engaging stakeholders supports sustainability goals while regularly reporting and proactively addressing energy-related issues.				
Social	Talent Attraction, Development and Retention 	<b>Actual Risk:</b> The tight labour market, resulting from eased COVID-19 restrictions in Singapore, poses challenges in retaining staff and attracting talent.  <b>Potential Risk:</b> Difficulty in retaining and attracting talent in the tight labour market may impact workforce stability and productivity.	<b>Opportunity:</b> Investing in human capital is crucial for business success. The tight labour market allows showcasing competitive remuneration packages to retain and attract talent.  <b>Response:</b> Offering competitive packages, emphasising staff development through performance appraisals, aligning with business objectives, and reviewing policies for ongoing improvement are essential practices.	Human Resource Policy	Attract young talent to join the Group.  Achieve course/training target for employees set annually by the Polaris Sustainability Committee ("PSC")  Sustaining the employee turnover rate	Employees Vendors Customers Regulators Shareholders & Investors	   
	Workforce Safety 	<b>Actual Risk:</b> The actual risk involves a potential workplace accident that may endanger the health and safety of employees.	<b>Opportunity:</b> The opportunity lies in prioritising health and safety standards and creating a safe working environment. This not only safeguards employees but also enhances their reputation.	Occupation Health and Safety Policy	Zero major safety incidents or fatalities	Employees Vendors Customers Regulators Shareholders & Investors	










Pillars	Material Matters	Risks	Opportunities & responses	Policy	Perpetual Target	Stakeholder	UN SDGs
		<p><b>Potential Risk:</b> It effectively communicates the potential risk associated with the failure to manage health and safety matters, highlighting the consequences of increased incidents and diminishing employee well-being on the business' overall performance.</p>	<p><b>Response:</b> the response involves complying with Workplace Safety and Health Act requirements and conducting regular risk assessments. The Group ensures continuous improvement through regular reviews and feedback, reporting workplace accidents and mitigating the risk of reoccurrence.</p>				
	<p>Customer Health and Safety</p> 	<p><b>Actual Risk:</b> The actual risk involves the potential of delivering products that do not meet safety standards, posing risks to customers and affecting the reputation of the Group.</p> <p><b>Potential Risk:</b> It effectively communicates the potential risk associated with inadequate supplier evaluation, which may result in product distribution that does not comply with regulatory standards in manufacturing, safety, and labelling.</p>	<p><b>Opportunity:</b> The opportunity arises to ensure the delivery of quality and safe products aligning with core values. This enhances customer satisfaction and contributes to the pre-loved luxury goods business's long-term sustainability and positive reputation.</p> <p><b>Response:</b> Evaluating suppliers rigorously to ensure compliance with regulatory standards and labelling. This proactive approach safeguards the quality and safety of products, fostering customer trust and sustaining the business in the long run.</p>	Product Health and Safety Policy	Zero non-compliance with health and safety impacts of products	Employees Vendors Customers Regulators Shareholders & Investors	

Pillars	Material Matters	Risks	Opportunities & responses	Policy	Perpetual Target	Stakeholder	UN SDGs
Governance	Board Diversity 	<p><b>Actual Risk:</b> It effectively conveys that the absence of board diversity risks effective decision-making and impacts sustainable development goals across the Group's businesses.</p> <p><b>Potential Risk:</b> It effectively communicates that neglecting board diversity may result in a lack of perspectives, skills, and experiences, impairing strategic decision-making in the pre-loved luxury goods business.</p>	<p><b>Opportunity:</b> Recognising board diversity enhances decision-making, contributing to sustainable development and bringing varied perspectives, skills, and business experiences.</p> <p><b>Response:</b> Acknowledging board diversity as crucial for sustainable development, the breakdown in the report underscores transparency and accountability in fostering diversity in the business.</p>	Corporate Governance Policy	Refer to the Group's Annual Report for FY2023 (Page 12) which details further information on the Group's Board Diversity.	Employees Vendors Customers Regulators Shareholders & Investors	 
	Risk Management & Internal Control 	<p><b>Actual Risk:</b> The actual risk involves potential weaknesses in internal controls and risk management policies, exposing the Group to financial, operational, compliance, and IT risks.</p> <p><b>Potential Risk:</b> It effectively communicates that the risk involves fraud, corruption, or bribery within the Group, which threatens the Group's reputation, legality, and ethics.</p>	<p><b>Opportunity:</b> Implementing anti-corruption measures, robust controls, and a whistle-blowing process can enhance the Group's reputation and ethical standing in the pre-loved luxury goods business.</p> <p><b>Response:</b> Employee education fosters a culture of compliance, and no reported incidents affirm success in maintaining a corruption-free environment.</p>	Anti-bribery Policy  Whistle-blowing Policy	Refer to the Group's Annual Report for FY2023 (Page 26) which details further information on the Group's Whistle-Blowing Policy.		

## Engagement: Stakeholders

The Group acknowledges the significance of attaining sustainable growth by exceeding the reasonable expectations of its primary stakeholders. We actively engage in substantive discussions across various industry and governmental platforms to remain informed about essential stakeholder issues. Stakeholders, defined as those who can or may be impacted by the Group's operations, are outlined in the table along with their principal concerns and engagement venues.

Who	Why	When	How	What issues	Action Taken
 Employees	We engage a talent pool that creates and adds value to the Group's services. We engage in understanding the needs and wants to be a sustainable business.	Yearly	Performance evaluation system, Reporting systems, Virtual meetings	The Group emphasises diversity, equal opportunities, career development, employment benefits, and employee health and safety. These pillars reflect its dedication to nurturing a supportive workplace culture, prioritising its workforce's well-being and professional growth.	The Group engages stakeholders through general meetings and email correspondence, fostering transparent communication. Announcements on SGXNET and the Company website serve as additional channels for disseminating information, and ensuring stakeholders are informed about key developments and initiatives.
 Vendors	We engage raw material and solution providers to ensure business continuity and minimise carbon footprint.	Ad-hoc	Vendor audit, Requests for proposals, Email correspondence, Teleconferences	The focus lies on adhering to purchasing policies and procedures, ensuring compliance and fair cost allocation. Maintaining adherence guarantees ethical business practices and cost-effectiveness in procurement processes.	Implement policies and procedures to guarantee fair selection and procurement processes, uphold ethical business practices, and fulfil contractual obligations effectively.
 Resellers	We engage resellers to ensure business continuity and customer satisfaction.	Ad-hoc	Vendor audit, Requests for proposals, Email correspondence, Teleconferences	The key concerns are timely delivery, quality assurance, after-sales support, strong collaboration, and good customer experience.	Our approach encompasses proactive sales planning to foresee market trends and customer demands. We prioritise comprehensive strategies to anticipate and address potential challenges while maximising opportunities.

Who	Why	When	How	What issues	Action Taken
Business Partner 	We engage raw material and solution providers to ensure business continuity and minimise carbon footprint.	Ad-hoc	Vendor audit, Requests for proposals Email correspondence, Teleconferences	Partnerships can indeed be vital for business. Issues such as trust and value systems could vary from each other.	We prioritise collaboration with reputable partners to enhance our operations and consistently strive to meet their service expectations. This commitment is upheld through regular internal reviews and audits, ensuring alignment with their needs and standards. Furthermore, we actively seek potential collaboration opportunities with additional partners, fostering a network of diverse relationships that contribute to our mutual growth and success.
Customers 	We engage the direct users to identify and understand their needs and wants.	Yearly	Dialogues and feedback, Customer satisfaction surveys conducted by external party	Product quality, safety, accurate information, transparent communication, and customer health and safety are paramount in business operations.	Offer precise product details, actively address customer feedback and queries, and enforce suitable health and safety measures to ensure a positive and secure customer experience.
Regulators 	We articulate the industry challenges to the formal institution of governing rules and regulations and respond to regulator questions when asked.	Ad-hoc	Discussions with relevant agencies and departments	It effectively conveys the importance of compliance with laws, timely resolution of compliance issues, and mandatory reporting of service-related concerns stipulated by regulatory authorities.	Ensure compliance with relevant laws and regulations by implementing policies and procedures to uphold legal requirements and regulatory standards.
Shareholders and investors 	We engage the investors and shareholders to create corporate values.	Mix	Annual reports, Half-yearly reports, Investor relations management, Annual general meetings	Transparency involves timely communication of the Group's progress, project status, and profitability to shareholders, fostering trust and informed decision-making among stakeholders.	Stakeholder engagement occurs through general meetings, emails, and announcements on platforms like SGXNET and the Company website, ensuring transparent communication and involvement in decision-making processes.



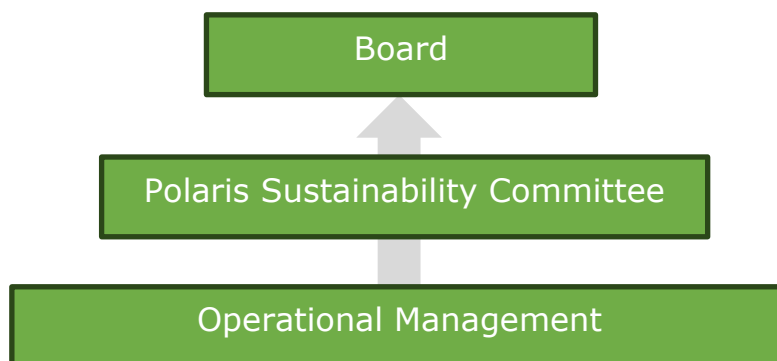
# Sustainability Framework

## Governance Structure

As the Group's highest governing body, the Board is responsible for establishing the Group's sustainability framework, which encompasses its direction, aspirations, and objectives. Additionally, the Board oversees developing and implementing strategies and solutions to address significant sustainability concerns, including potential risks and opportunities.

The Polaris Sustainability Committee ("**PSC**"), consisting of the Executive Director and CEO, key management personnel, and department heads, manages and monitors the Group's sustainability factors and issues. The PSC plays a pivotal role in determining the content and boundaries of the sustainability report by reviewing and assessing the sustainability context material Environmental, Social, and Governance ("**ESG**") topics and prioritising issues based on their relevance and impact. The PSC considers input from various stakeholders to ensure the inclusion of pertinent material topics in the report.

The operational management teams of the Group's subsidiaries are responsible for implementing the sustainability initiatives mandated by the PSC. Recognising that addressing sustainability challenges requires a collective effort, Polaris plans to introduce common ESG targets as key performance indicators in the incentive plans for all Group employees. These targets for 2023 include a 30% reduction in electricity and printed paper usage and skill-development training for at least 10% of staff.



## **Risk Management**

Our Group takes a proactive approach to identifying and addressing various risks, including those related to sustainability. We recognise the importance of considering Environmental, Social, and Governance ("**ESG**") factors as they foster resilience and establish stakeholder trust. Our risk management strategy encompasses interconnected elements, acknowledging the alignment between risks, opportunities, sustainability pillars, and the United Nations Sustainable Development Goals ("**UN SDGs**"). We ensure that all seven material matters, as detailed on pages 12-15, are integrated into our risk management practices, reflecting our unwavering commitment to addressing these issues.

## **Sustainability Policy**

The Group's sustainability policy is a comprehensive document establishing a clear and deliberate framework for environmentally, socially, and governance-responsible practices. It serves as a guiding light, ensuring that every aspect of the Group's operations is conducted in a manner that yields favourable outcomes for the present and secures a sustainable future for future generations. This policy represents the Group's commitment to minimising adverse environmental, societal, and climate change effects. (Refer to pages 12-15).





# Sustainability Scoreboard

## Contribute to Sustainability

In FY2023, the Group generated approximately SGD22.1 million of revenue with a floor area of 726 square meters, creating 33 job opportunities.

	FY2022	FY2023
Total Floor Area (m <sup>2</sup> )	881	726
Total Revenue (SGD million)	27.3	22.1
Total Employee	29	33

## Emission

Greenhouse gas emissions play a vital role in evaluating and tackling environmental consequences, with the Greenhouse Gas ("**GHG**") Protocol being a widely-used international accounting tool for their measurement. This protocol classifies GHG emissions into three scopes, enabling companies to devise comprehensive strategies for emission reduction and sustainability endeavours. Understanding these distinct scopes empowers companies to identify areas where emission control is within their reach (scope 1) and where they can influence emissions through energy procurement and consumption choices (scope 2). This holistic approach equips companies with the knowledge to make informed decisions and take targeted actions to mitigate their environmental impact, thus creating valuable contributions to global initiatives in combating climate change.

## Scope 1

This category includes direct emissions from sources owned or controlled by the Group. These emissions result from activities directly conducted by the Group, such as burning fossil fuels that release greenhouse gases for operating Group-owned vehicles. Scope 1 emissions are considered under the Group's direct operational control. The Group Scope 1 emission intensity has increased slightly compared to FY2022.

Scope 1 Emissions	FY2022	FY2023
Petrol / Diesel (kg CO <sub>2e</sub> )	28,579	26,191
EV energy (kg CO <sub>2e</sub> )	-	-
<b>Total Scope 1 Emissions (kg CO<sub>2e</sub>)</b>	28,579	26,191
<b>Scope 1 (kg CO<sub>2e</sub>/m<sup>2</sup>)</b>	32.44	36.08

## Scope 2

Unlike Scope 1 emissions, which involve direct emissions controlled or owned by the Group, Scope 2 greenhouse gas (GHG) emissions encompass indirect emissions associated with purchasing energy sources. These emissions primarily result from generating electricity and water that the Group procures from external sources. While these emissions are not produced directly by the Group itself but were extracted from natural resources, they are intricately linked to its energy consumption and are, therefore, regarded as falling within the scope of its responsibility. The Group has significantly reduced its Scope 2 emission intensity by optimising office space utilisation and existing retail operations.

Scope 2 Emissions	FY2022	FY2023
Electricity (kg CO <sub>2e</sub> )	27,873	11,103
Solar energy (kg CO <sub>2e</sub> )	-	-
<b>Total Scope 2 Emissions (kg CO<sub>2e</sub>)</b>	27,873	11,103
<b>Scope 2 (kg CO<sub>2e</sub>/m<sup>2</sup>)</b>	31.64	15.29

## Electricity Usage and Sources

Electricity is a critical resource as it drives essential business activities. The service centre uses electricity to power various applications, including operating equipment such as testing equipment, measuring devices, and soldering machinery. Additionally, electricity is essential for running enterprise software to process and interpret experimental data. Efficient electricity is essential to reduce operational costs and minimise the environmental impacts of energy consumption. The Group can achieve this by investing in energy-efficient equipment, implementing energy-saving practices, and exploring renewable energy options. The Group can contribute to broader energy conservation and environmental sustainability efforts by adopting sustainable electricity usage practices and considering renewable energy sources. Additionally, responsible electricity usage aligns

service operations with global goals for a cleaner and more sustainable energy future. We prioritise using energy-efficient appliances like LED lights and air-conditioners in our office spaces. We promote responsible energy usage among our employees by encouraging them to switch off lights and disconnect electricity when possible.

Electric Usage and Sources	FY2022	FY2023
Electricity (kWh)	66,874	26,638
Solar energy (kWh)	-	-
Net total (kWh)	66,874	26,638
<b>Net Total/Total Floor Area (kWh/m<sup>2</sup>)</b>	75.91	36.69

## Water Usage and Sources

Water is one of the most critical resources on Earth, essential for sustaining life and supporting numerous industries, including trading and services. As trader and service centres rely on water for various purposes, it is vital to recognise and address their interactions with water as a shared resource. The Group delves into the significance of water settings, explores its diverse applications, and highlights the importance of responsible water management and conservation to ensure sustainable use.

Water Usage and Sources	FY2022	FY2023
Water (m <sup>3</sup> )	149	94
Rain harvesting water (m <sup>3</sup> )	0	0
Recycle water (m <sup>3</sup> )	0	0
Total (m <sup>3</sup> )	149	94
<b>Net Total/Total Floor Area (m<sup>3</sup>/m<sup>2</sup>)</b>	0.17	0.13

## Hazardous Waste

In the contemporary world, managing waste-related impacts has become of utmost importance due to the alarming levels of waste generation, which present significant environmental and health challenges. Group waste management focuses on the responsible handling, treatment, and disposal of waste to mitigate its adverse effects on ecosystems, human health, and the environment. In FY2022, we sustained our recycling efforts for partner parts, reducing greenhouse gas emissions and water pollutants associated

with waste disposal. Printer Circuit Boards, motors, and cables from fans and vacuums are consolidated monthly and recycled into e-waste, plastics, and metal, lessening pollution and energy consumption from virgin material extraction. Certified companies responsibly dispose of faulty parts. However, in FY2023, all the parts must be returned to the partner. This has brought down the weight significantly.

Waste Generation	FY2022	FY2023
Generation (kg)	16,141	3,304
On-site reused (kg)	0	0
Send for recycling (kg)	16,141	3,304

## Social Scoreboard

### Social Data and Analysis

It is crucial to consider social factors impacting the Group's financial performance. These factors include our abilities to address social trends, manage the talent pool, and promote talent engagement. We firmly believe that focusing on talent transformation can enhance profitability and corporate responsibility. Notably, our workforce remained relatively stable throughout FY2022 and FY2023, and we observed a higher trend in medical and paid leaves in FY2023. Our commitment to encouraging a work-life balance also resulted in steady working hours with zero overtime hours recorded in FY2023.

Our employment practices align with the Tripartite Guidelines on Fair Employment Practices by the Tripartite Alliance for Fair & Progressive Employment Practices ("**TAFEP**"). The Group is committed to fostering a fair, performance-oriented work environment. Our human resource policies prioritise diversity, inclusivity, and collaboration. We actively support our employees in realising their maximum potential, ensuring they embark on fulfilling and meaningful career journeys.

Investing in our employees is fundamental to our business success. We prioritise attracting and nurturing talent while fostering their professional growth and well-being. Despite the challenging labour market due to the employment landscape change, we remain committed to offering competitive remuneration packages to retain and attract top talent.

	Social Data	FY2022	FY2023
Diversity	Number of employees	29	33
	Number of employees with disabilities	0	0
	Percentage of employees with tertiary education (%)	86.2	84.9
	Number of foreign employees	2	2
	Number of female managers	2	2
	Percentage of female managers (%)	28.6	28.6
	Percentage of female C-suite members (%)	0	0
Safety and Health	Total work days	260	260
	Total overtime hours	144	0
	Total lateness hours	0	0
	Total medical leave taken (days)	193	207
	Average paid leave taken (days)	220	281
	Total Recordable Incident Rate	0	0
	Number of fatalities	0	0
Performance	Total training hours	12	48
	Annual training cost (SGD)	1,500	1,500

Diversity Data		FY2022			FY2023		
Gender		Female	Male		Female	Male	
Current employee	%	31.0	69.0		24.2	75.8	
New hires	%	63.6	36.4		55.6	44.4	
New hires	no.	7	4		5	4	
Net Separation	no.	36	20		1	-5	
Employee at the start of the period	no.	45	40		9	20	
Employee at the end of the period	no.	9	20		8	25	
Net Turnover	%	133.3	66.7		11.8	-22.2	
<b>Age-based Diversity</b>		<b>&lt; 30</b>	<b>30 - 50</b>	<b>&gt;= 50</b>	<b>&lt; 30</b>	<b>30 - 50</b>	<b>&gt;= 50</b>
Current employee	%	37.9	44.8	17.2	30.3	54.5	15.2
New hires	%	54.5	45.5	0.0	55.6	44.4	0.0
New hires	no.	6	5	0	5	4	0
Net Separation	no.	19	34	3	1	-5	0
Employee at the start of the period	no.	30	47	8	11	13	5
Employee at the end of the period	no.	11	13	5	10	18	5
Net Turnover	%	92.7	113.3	46.2	9.5	-32.3	0.0
<b>Employment</b>							
Net Separation	no.	56			-4		
Net Turnover	%	98.2			-12.9		
Total employee	no.	29			33		
<b>Development &amp; Training</b>		<b>Female</b>	<b>Male</b>		<b>Female</b>	<b>Male</b>	
Training hours	Hrs	4	8		4	44	
Average training hours/employee	Hrs/no.	0.4	0.4		0.5	1.8	
Average training hours/employee	Hrs/no.	0.4			1.5		

## **Discussion of Social Data**

The Group emphasises staff development and long-term careers, conducting annual performance appraisals to align training with business goals. With an average employment length of three (3) years, the Group fosters fulfilling careers through effective employee engagement and opportunities for growth. The Group continually enhances its people policies through regular feedback mechanisms like team meetings and exit interviews. The Group instituted a Labour and Human Rights Policy in 2022, mandating employees and on-site workers to uphold the Group's internal code of conduct, adhere to relevant laws, and promote labour and human rights based on international standards. They must extend this commitment to all business interactions with suppliers and partners.

At Polaris, fostering continuous self-improvement is paramount. We ensure equal access to training and development opportunities for all employees, recognising learning as a lifelong journey essential for meeting evolving business demands. We offer diverse training avenues like workshops, seminars, in-house sessions, and on-the-job learning. Additionally, new hires undergo an onboarding program aimed at cultural integration. The Group values our inclusive workforce's diverse perspectives and contributions, recognising it as a core strength driving our competitive edge. Our commitment to diversity promotes innovative thinking, enhances risk awareness, and boosts responsiveness to change, fostering a dynamic team environment. We uphold equal opportunities in recruitment, career progression, and compensation, regardless of gender, age, race, ethnicity, or culture, fostering fairness and transparency in our practices. The breakdown of the diversity of employee categories as of 31 December 2023, underscores our dedication to inclusivity and openness, with overseas operation data excluded from this report.

## **Discussion of Employee Safety and Health Risk**

Ensuring the well-being of our employees remains a top priority for us. We are dedicated to maintaining a safe and healthy workplace environment, continuously enhancing our standards to meet evolving needs. Committed to compliance with Singapore's Workplace Safety and Health Act 2006, we have developed comprehensive safety protocols tailored to our premises. These internal guidelines aim to minimise the risk of workplace incidents and hazards. Oversight of health and safety matters lies within our HR department, which is entrusted with conducting regular risk assessments to identify and mitigate potential risks across our business operations.

Our safety and risk management protocols undergo periodic reviews to ensure their efficacy and alignment with industry best practices. In the

event of workplace accidents, our employees promptly report incidents, triggering thorough investigations by our HR team. Recommendations for corrective actions are then diligently implemented to prevent the recurrence of such incidents. Moreover, our open feedback channels empower employees to communicate directly with their supervisors, highlighting any concerns regarding potential safety hazards or health risks in the workplace. Through this collaborative approach, we strive to foster a culture of safety awareness and proactive risk management, promoting the well-being and security of our workforce. In FY2023, the Group recorded zero accidents and fatalities.

	Number	Rate per employee	Rate per working day
Fatalities as a result of work-related injury	0	0	0
High-consequence work-related injuries	0	0	0
Recordable work-related injuries	0	0	0
Fatalities as a result of work-related ill health	0	0	0
Recordable work-related health	0	0	0
Total Employee (Include Full-time and contract)	33	0%	0%

## Discussion of Customer Safety and Health Risk

The Group's commitment to delivering quality and safe products to our customers is integral to our core values and long-term business sustainability. We prioritise stringent quality control measures to ensure that the products we distribute meet the highest safety and reliability standards. As part of our quality assurance process, we evaluate our suppliers to verify compliance with regulatory standards across various product manufacturing, safety, and labelling aspects. Our supplier evaluation process involves assessments of their manufacturing practices, safety protocol adherence, and product labelling accuracy. We place paramount importance on selecting suppliers who demonstrate a commitment to quality and uphold the same stringent standards that we hold ourselves to. By partnering with suppliers prioritising quality and safety, we can confidently deliver products that meet or exceed our customers' expectations while maintaining our reputation for excellence in product quality and safety standards. This commitment underscores our dedication to consumer trust and satisfaction while ensuring the sustainability of our business practices in the long run.



# Governance Scoreboard

## Governance Data and Analysis

In our corporate ethos, we firmly believe that the governance aspect ('G') within Environmental, Social, and Governance (ESG) principles is fundamental to fostering thriving environments and social frameworks. While environmental and social considerations have garnered significant attention, the governance pillar remains equally crucial for sustained corporate success. Our organisation prioritises governance across all levels, from our Board of Directors to operational processes.

Our Board and its Committees, including the Audit, Nominating, and Remuneration Committees, are spearheaded by Independent Non-Executive Directors, ensuring impartial oversight. This structure facilitates balanced decision-making, enhances accountability, and fortifies the Board's capability for autonomous judgments. The segregation of roles between the Chairman of the Board and the CEO further underscores our commitment to robust governance practices, preventing any concentration of power and fostering transparency.

To ensure a diverse and inclusive governance framework, we maintain a Board independence ratio of 60%, signifying a significant proportion of independent directors contributing to strategic deliberations. Furthermore, our Board gender diversity stands at an impressive 40%, reflecting our dedication to fostering gender equality and diversity at the highest echelons of corporate leadership. These initiatives underscore our commitment to upholding the principles of good governance, which we consider indispensable for driving sustainable business growth and stakeholder value creation.

Board Diversity	Number	%
Independent Non-Executive Directors	3	60
Executive Directors	2	40
Non-Independent Non-Executive Directors	0	0
Independent Non-Executive Director (Foreign)	2	40
Independent Non-Executive Directors (Singaporean or Permanent Resident)	1	20
Executive Directors (Foreign)	1	20
Executive Directors (Singaporean or Permanent Resident)	1	20
Foreign Non-Independent Non-Executive Directors	0	0
<30 years old	0	0
30-50 years old	1	20
>50 years old	4	80

Male	3	60
Female	2	40
PhD	0	0
Master	1	20
Degree	4	80
Other	0	0

\* Data as of 31 December 2023

## Discussion on Whistle-Blowing Policy

In alignment with governance best practices, the Group has established a comprehensive whistle-blowing process under the guidance of the Audit and Risk Management Committee. This initiative ensures transparency and accountability across the organisation. The Whistle-Blowing Policy, formulated to address potential misconduct or irregularities, is a testament to our commitment to ethical conduct and regulatory compliance. For detailed insights into our whistle-blowing mechanism's implementation and functioning, stakeholders are encouraged to review the dedicated section on the Whistle-Blowing Policy within the Corporate Governance Report, available in the Annual Report.

## Discussion on Anti-bribery Policy

The Group maintains a robust stance against corruption, enacting a zero-tolerance policy towards fraud and unethical behaviour, including bribery. Comprehensive policies and procedures are in place to detect, prevent, and address fraud, corruption, or bribery involving stakeholders. Employees must disclose potential conflicts of interest and refrain from accepting improper benefits. A confidential whistle-blowing process allows for reporting such concerns, ensuring impartial investigations. The Group emphasises education on anti-corruption matters and disseminating policies to all stakeholders. Notably, no corruption incidents or legal cases were reported against Polaris or its employees during the reporting period, underscoring the efficacy of its anti-corruption measures.

To maintain a fair trading environment, we prioritise combating corruption across various forms, such as bribery, unfair competition, and conflicts of interest. Senior management sets a zero-tolerance culture towards corruption, while HR oversees anti-corruption policies, ensuring compliance with relevant laws and regulations. New employees are briefed on these policies through appointment letters.

## SGX's 27 Core ESG Metrics Index

PILLAR	TOPIC	METRIC	UNIT	FRAMEWORK ALIGNMENT	LOCATION
Environment	Greenhouse Gas Emissions ("GHG")	Absolute emissions by (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	kgCO2e	GRI 305-1, GRI 305-2, GRI 305-3, TCFD, SASB 110, WEF core metrics	22 - 23
		Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	kgCO2e / organisation-specific metrics	GRI 305-4, TCFD, SASB 110	22 - 23
	Energy Consumption	Total energy consumption	kWhs or GJ	GRI 302-1, TCFD, SASB 130	23 - 24
		Energy consumption intensity	kWhs or GJ/organisation-specific metrics	GRI 302-3, TCFD	23 - 24
	Water Consumption	Total water consumption	ML or m <sup>3</sup>	GRI 303-5, SASB 140, TCFD, WEF core metrics	24
		Water consumption intensity	ML or m <sup>3</sup> /organization specific metrics	TCFD, SASB IF-RE-140a.1	24
	Waste Generation	Total waste generated	kg	GRI 306-3, SASB 150, TCFD, WEF expanded metrics	24 - 25
	Social	Gender Diversity	Current employees by gender	Percentage (%)	GRI 405-1, SASB 330, WEF core metrics
New hires and turnover by gender			Percentage (%)	GRI 401-1, WEF core metrics	27
Age-Based Diversity		Current employees by age Groups	Percentage (%)	GRI 405-1, WEF core metrics	27
		New hires and turnover by age Groups	Percentage (%)	GRI 401-1, WEF core metrics	27
Employment		Total turnover	Number and Percentage (%)	GRI 401-1, SASB 310, WEF core metrics	27
		Total number of employees	Number	GRI 2-7	26
Development & Training		Average training hours per employee	Hours/No. of employees	GRI 404-1, WEF core metrics	26 - 27
		Average training hours per employee by gender metrics	Hours/No. of employees	GRI 404-1, WEF core metrics	26 - 27
Occupational Health & Safety		Fatalities (Singapore), SASB 320	Number of cases	GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320	29

PILLAR	TOPIC	METRIC	UNIT	FRAMEWORK ALIGNMENT	LOCATION
		High-consequence injuries	Number of cases	GRI 403-9, WEF core metrics, MOM (Singapore)	29
		Recordable injuries	Number of cases	GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320	29
		Recordable work-related ill health cases	Number of cases	GRI 403-10, WEF expanded metrics, MOM (Singapore)	29
Governance	Board Composition	Board independence	Percentage (%)	GRI 2-9, WEF core metrics	30 - 31
		Women on the Board	Percentage (%)	GRI 2-9, GRI 405- 1, WEF core metrics	30 - 31
	Management Diversity	Women in the management team	Percentage (%)	GRI 2-9, GRI 405- 1, WEF core metrics, SASB 330	30 - 31
	Ethical Behavior	Anti-corruption disclosures	Discussion and number of standards	GRI 205-1, GRI 205-2 and GRI 205-3	31
		Anti-corruption training for employees	Number and Percentage (%)	GRI 205-2, WEF core metrics	>90%
	Certifications	List of relevant certifications	List	Commonly reported metric by SGX issuers	ISO9001
	Alignment with Frameworks	Alignment with frameworks and disclosure practices	GRI/ TCFD/ SASB/ SDGs/ others	SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	GRI
	Assurance	Assurance of sustainability report	Internal/External/None	GRI 2-5, SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	Internal



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