PROCURRI



SUSTAINABILITY REPORT **2017**

CONTENTS

INTRODUCTION

ESG IN THE CONTEXT OF BUSINESS	01

BOARD STATEMENT 02

MATERIAL ESG FACTORS & REPORTING FRAMEWORK 03

ENVIRONMENTAL IMPACTS

OPERATIONAL FOOTPRINT	06
REUSE & RECYCLING OF IT EQUIPMENT	09

SOCIAL IMPACTS

EMPLOYEE DIVERSITY & INCLUSION	10
HEALTH & SAFETY	11
SOCIAL ENGAGEMENT	12

GOVERNANCE

BOARD DIVERSITY	13
DATA & SECURITY	13
ANTI-BRIBERY & CORRUPTION POLICY	14

TARGETS & POLICIES 15

APPENDIX 16

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INTRODUCTION
ESG IN THE CONTEXT OF BUSINESS

> *Globally, IT and software firms can have significant environmental and social impacts. By understanding these potential issues, Procurri can capitalise on the services it provides.*

Headquartered and listed in Singapore, Procurri Corporation Limited is a leading global independent provider of IT lifecycle services and data centre equipment. It offers Lifecycle Services, which includes Hardware-as-a-Service, Independent Maintenance Services and IT Asset Disposition, alongside IT Distribution, which includes Hardware Resale and Supply Chain Management. Procurri employs more than 400 employees across its 14 offices worldwide, with an extensive operations and services coverage spanning over 100 countries.

Procurri works to keep its environmental, social and governance (ESG) performance positive by being a responsible, diverse and equal opportunities employer, extending product life where possible to reduce society's carbon and waste footprint.

ESG IN THE CONTEXT OF BUSINESS

Technology is rapidly evolving and changing our lives in ways that were unimaginable just a mere decade ago. All modern economies rely on technology and information services to develop and grow. The combined use of software and hardware systems helps in the development of economically important products by increasing efficiencies and providing new services. With the sudden overhaul of existing systems or technologies that is taking place due to innovation in Information Technology and Communications, new challenges for sustainability are becoming material. New technology brings with it new social and environmental externalities that need to be addressed in order to protect stakeholders.

Being proactive in material sustainability issues provides companies with the opportunity to increase their value, both in business and financial terms. Focusing on these key materiality issues will allow companies to positively impact their growth both in terms of profit and customers, while failure to address externalities can cause harm to the company's reputation and profits.

Understanding the environmental and social impacts from software and IT firms will allow Procurri to capitalise on the services it provides. Our sector has tremendous potential to not just fuel growth but to also help economies progress in a sustainable manner.

BOARD STATEMENT

> *The ethos of our business is deeply entrenched in the three Ps of the Triple Bottom Line – People, Planet and Profit. Our businesses encourage the reuse and recycle of enterprise hardware equipment, resulting in a net benefit carbon footprint for the products.*

As a leading global player in the enterprise IT services and hardware industry, Procurri is aware of the importance of good corporate citizenship.

The ethos of our business is deeply entrenched in the three Ps of the Triple Bottom Line – People, Planet and Profit – coined by John Elkington, a world authority on corporate responsibility and sustainable development. Our Hardware Resale encourages the use of pre-owned or refurbished equipment and our Independent Maintenance Services enable companies to prolong the lifespan of their enterprise hardware, while our IT Asset Disposition empowers companies to dispose e-waste responsibly.

In compliance with the Singapore Exchange's sustainability reporting framework, we are excited to be publishing our inaugural Sustainability Report 2017. This complements our ongoing green effort with the electronic dissemination of our Annual Report 2017 and accompanying Appendix to shareholders via our corporate website. This report evidences the ESG key performance indicators (KPIs) that are material to the practices of Procurri, identified using established materiality assessment of the Sustainability Accounting Standards Board (SASB) and refined for purpose by Trucost, part of S&P Dow Jones Indices and world-leading independent ESG analysts.

Procurri recognises the importance of good governance for continued growth and investors' confidence. Furthermore, it has set targets for the short, medium and long term to strive to improve its performance. Analysis has identified the most significant cause of GHG emissions in Procurri operations is associated with electricity consumption. In contrast to many companies in the IT sector, embedded energy of equipment is not the most significant impact, as Procurri sources equipment from pre-used sources, resulting in a net benefit carbon footprint for the products.

The Board recognises and values the importance of the ESG performance of Procurri and ultimately oversees all ESG factors and policies.

MATERIAL ESG FACTORS & REPORTING FRAMEWORK

Identifying the impacts that are material to investors and other stakeholders is crucial for IT companies in order to streamline available resources. At present, many companies do not have an active approach to ESG issues. While ESG issues may be on their agenda, they are not prioritised as significantly as they should be.

Procurri recognises the importance of identifying issues important to the financial operation of its business, as well as stakeholders, such as investors, society and customers. This report focuses on the four regional head offices of Procurri in Singapore; Atlanta, the United States of America ("USA"); and Cirencester and Warrington in the United Kingdom ("UK"). These are the most important sites and cover 61% of the total employees of Procurri's global operations. The remaining 39% are widely spread across numerous geographical bases. The one exception to be included in future years of reporting is Rockland Congruity LLC, a 51%-owned company set up in January 2017 with its office in Boston.

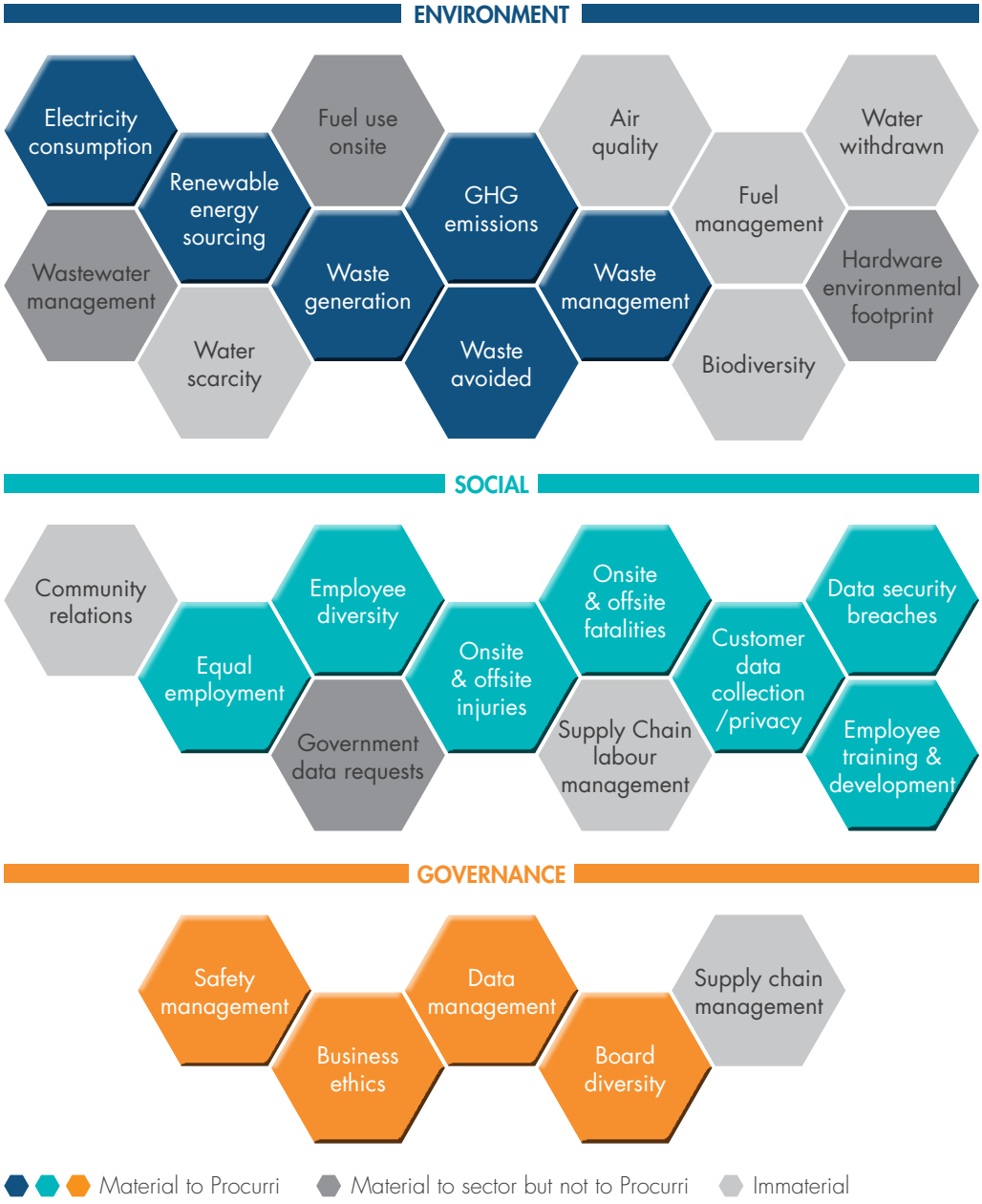
When considering materiality, Procurri conducted a two-phase assessment. It initially considered all sector-level materiality to identify all issues relevant to companies operating in the sector. These themes were identified using the SASB Hardware, Software and IT standards, investor trend review and a wider literature review.

Sector-level materiality was identified and refined based on specific practices of the company. Many of these issues are not applicable to Procurri due to its specific operations. To give an example, one of the most significant causes of environmental impact in the sector is the production of the hardware itself – including sourcing of raw materials, such as rare metals. However, as Procurri sources its equipment from recovered units, and is essentially replacing the need for additional original equipment manufacturing, few virgin raw materials are required. As such, the environmental footprint of equipment is not relevant to Procurri.

Exhibit 1 highlights the material ESG issues identified for Procurri. Sector material issues that are not relevant to Procurri, but were considered, are represented with dark grey shading, while issues that are immaterial for the sector and operations are coloured light grey.

MATERIAL ESG FACTORS & REPORTING FRAMEWORK

EXHIBIT 1: MATERIAL ESG ISSUES FOR PROCURRI OPERATIONS



Source: Trucost analysis with input from SASB materiality review

Procurri does come into contact with data through the disposal of assets, and this is therefore reported as relevant within the Governance section of the report. However, Procurri does not collect personal customer data, such as home telephone numbers or home addresses, as part of its business operations or for use in its business operations.

Exhibit 2 displays how and where these themes are reported within this report.

MATERIAL ESG FACTORS & REPORTING FRAMEWORK

EXHIBIT 2: ESG METRICS AND RELEVANCE TO COMPANY REPORT

TOPIC	ACCOUNTING METRIC	STATUS
Environmental Footprint of Site	Total energy consumption, percentage of grid electricity and renewable energy	Included, Exhibit 3, page 7
	Water withdrawn, percentage recycled, percentage from regions with High or Extremely High Baseline Water Stress	Partially included, Exhibit 3, page 7. Water scarcity and recycling not relevant for Procurri operations due to small volumes and limited stress regions
	Waste generated by type and management processes	Included, Exhibit 3, page 7
	GHG emissions, by scope	Included, Exhibits 3 & 4, pages 7 & 8
Lifecycle Management of Equipment	Weight of products and e-waste recovered through take-back programs, percentage of recovered materials that are recycled	Included, page 9
Data Privacy and Data Security	Discussion of policies and practices related to collection, usage and retention	Included, page 13
	Amount of legal fines and settlements paid associated with customer privacy	Included, Exhibit 11, page 13
	Number of data security breaches and percentage involving customers' personally identifiable information	Included, Exhibit 11, page 13
	Discussion of firm's approach to identifying and handling data security and related risks	Included, page 13
Recruiting and Managing a Global, Diversified Workforce	Percentage of employees that are foreign nationals and those that are located in another country	Not applicable; Procurri operates across the globe and has national and international representation
	Employee training	Included, Exhibits 8 and 9, page 11
	Percentage of gender and racial/ethnic group representation for executive roles and other employees	Partially included, Exhibit 7, page 10

ENVIRONMENTAL IMPACTS
OPERATIONAL FOOTPRINT

Procurri extends the life of equipment wherever possible and in 2017, conducted almost 1,780 service and maintenance jobs. Over 388,000 items were made available for reuse in 2017.

Procurri considers environmental responsibility to be crucial to the successful operation of its business and operates both its UK and Singapore sites to the environmental management system standard ISO 14001, and quality management standard ISO 9001. It has set a target to achieve these standards across US operations within the next five years.

Procurri's operational environmental footprint was calculated by independent ESG experts Trucost, part of S&P Dow Jones Indices. Analysis is based on onsite energy use, water use, vehicle fuel and business travel.

For the purposes of this report, Greenhouse Gas (GHG) emissions to air are reported in line with the Greenhouse Gas Protocol, an international corporate accounting and reporting framework developed by the World Resources Institute and the World Business Council for Sustainable Development. The Greenhouse Gas Protocol differentiates between direct and indirect emissions using a classification system across 3 different scopes:

SCOPE 1

includes direct emissions from sources which a company owns or controls. This includes direct emissions from fuel combustion and industrial processes.

SCOPE 2

covers indirect emissions relating solely to the generation of purchased electricity that is consumed by the owned or controlled equipment or operations of the company.

SCOPE 3

covers other indirect emissions including third-party provided business travel.

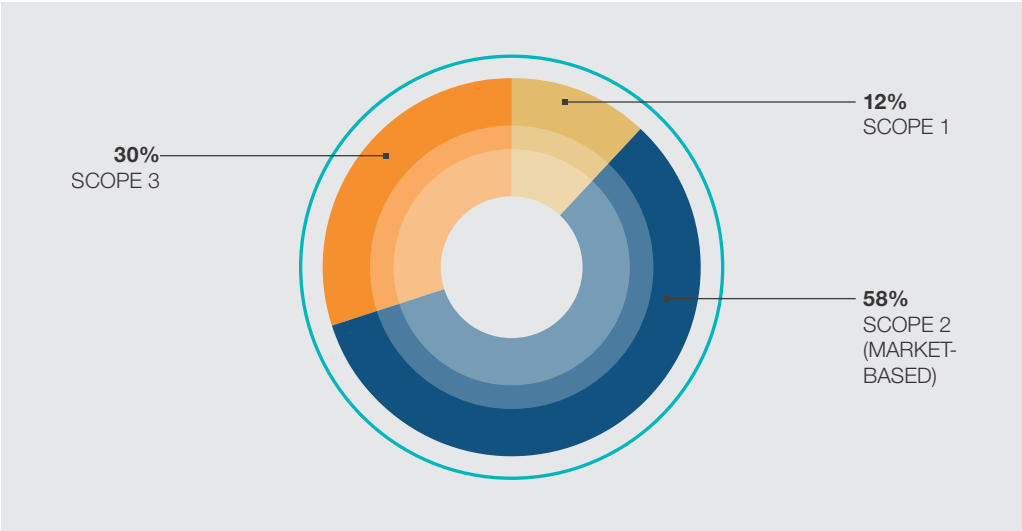
ENVIRONMENTAL IMPACTS
OPERATIONAL FOOTPRINT

EXHIBIT 3: GROUP ENVIRONMENTAL IMPACTS

ITEM	UNITS	QUANTITY
ENERGY USE		
Purchased electricity	kWh	1,418,671
Natural gas consumption	kWh	468,483
BUSINESS TRAVEL		
Air – international	km	1,842,837
Air – domestic	km	1,307,362
Private vehicle	km	302,819
Company vehicle	km	316,635
Rail	km	15,076
GREENHOUSE GASES		
Scope 1	tCO_2e	144
Scope 2 (location-based)	tCO_2e	571
Scope 2 (market-based)	tCO_2e	720
Scope 3	tCO_2e	374
WATER CONSUMPTION		
Operational	m^3	1,213
WASTE ARISINGS		
Waste sent to landfill	kg	31,041
Waste recycled	kg	205,076

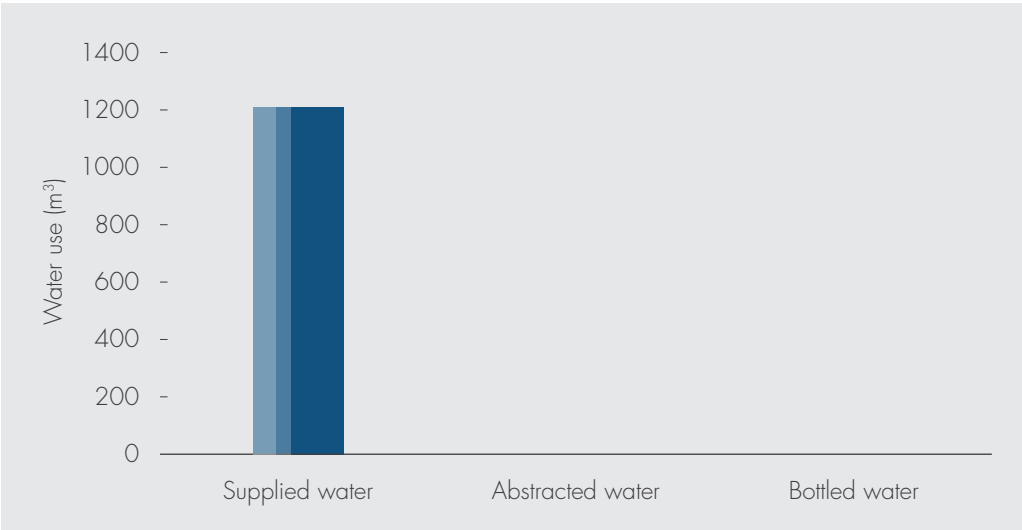
ENVIRONMENTAL IMPACTS
OPERATIONAL FOOTPRINT

EXHIBIT 4: GHG EMISSIONS BY SCOPE



The majority (58%) of the captured GHG emissions were associated with purchased electricity across the sites, though it should be noted that business travel is the only Scope 3 category included in this assessment. If wider Scope 3 categories such as purchased goods and services, and use of products, were included, emissions are likely to increase significantly.

EXHIBIT 5: WATER CONSUMPTION BY SOURCE



Procurri used only supplied water across all of its sites globally, and the majority of use was associated with domestic requirements, such as toilets and hand basins. As such, water use was relatively low.

ENVIRONMENTAL IMPACTS
REUSE & RECYCLING OF IT EQUIPMENT

In addition to Procurri's own operational footprint, consideration of the environmental impact of company activities was given. Refurbishment and reuse of equipment prolong its useful life with minimal additional environmental cost and are the preferred approach for a sustainable solution. Procurri extends the life of equipment wherever possible and in 2017, conducted almost 1,780 service and maintenance jobs.

EXHIBIT 6: WASTE HIERARCHY AT PROCURRI



Over the financial year 2017, over 388,000 items were made available for reuse. This included a wide range of equipment and component pieces.

Though details of each individual piece are not recorded, a newly manufactured single laptop or desktop computer would typically emit approximately 160 and 210 tonnes of carbon dioxide (tCO_2e), respectively, before being used (EcoInvent, 2016)[1]. Although data was not collected for all sites, based on UK activity alone, if only 5% of equipment recovered was a laptop or computer, GHG emissions avoided would be greater than those associated with onsite fuel use and electricity use at all four offices.

When products reach a stage where this is no longer economically viable, Procurri provides a service that ensures environmentally sound recycling into raw materials for reuse, both diverting material from landfill and preventing detrimental impact through landfill management, and preserving resources by avoiding virgin material extraction for new products.

[1] Based on basic models with no advanced components. Additional components would increase the carbon footprint of the unit.

SOCIAL IMPACTS
EMPLOYEE DIVERSITY & INCLUSION

Procurri aims to create an environment that encourages and values diversity within its workforce and builds on the differences individuals bring. It aims to draw upon the widest possible range of views and experiences in order to meet the changing needs of employees, clients and partners.

EMPLOYEE DIVERSITY AND INCLUSION

Procurri believes diversity and inclusion:

- Are imperative to its business;
- Drive its business results, enhance its reputation, and help attract, recruit, engage and retain a diversified team of business talent;
- Mean recognising that individuals differ in all ways – nationality, religion, race, culture, gender, education, experience, belief and ideas. These are what make all of us unique individuals; and
- Enable it to leverage and value employees' differences, believing that this will lead to greater innovation and creativity, leading to superior business results.

As such, business activities, such as hiring, training, compensation, career progressions opportunities, terminations and recreational events, are conducted without discrimination, based on merits and unhampered by artificial barriers, prejudices or preferences.

EXHIBIT 7: GROUP DIVERSITY AND EMPLOYEE REPRESENTATION

ITEM	NUMBER OF EMPLOYEES	PERCENTAGE
GENDER OF EMPLOYEES		
Male	178	69%
Female	79	31%
AGE DIVERSITY		
Under 30	76	29%
30-50	146	57%
Over 50	35	14%

Employee development is important and Procurri recognises that regular performance reviews and training help keep staff motivated and the company successful.

SOCIAL IMPACTS
EMPLOYEE DIVERSITY & INCLUSION
HEALTH & SAFETY

EXHIBIT 8: EMPLOYEE DEVELOPMENT

ITEM	NUMBER OF EMPLOYEES	PERCENTAGE
EMPLOYEE DEVELOPMENT		
Percentage of employees receiving regular performance and career development reviews	257	100%
Employee groups not receiving reviews	0	0%

Procurri offers a Training and Development programme to employees, including on-the-job training, as well as training conducted by accredited institutions or organisations, where appropriate.

EXHIBIT 9: EMPLOYEE TRAINING[2]

EMPLOYEE TRAINING	
Hours of training given	1,369
Hours of training received per employee	10.5

HEALTH AND SAFETY

Procurri takes the health and safety of its employees as priority. All four headquarters are governed by workplace health and safety policies, including publishing Health and Safety Policy Statements signed by a director, plus inclusion of health and safety monitoring within internal audits. The Singapore headquarters is bizSAFE Level 3.

The company also carries out health and safety training at induction and annually thereafter.

EXHIBIT 10: GROUP HEALTH AND SAFETY

ITEM	NUMBER OF EMPLOYEES	PER 100 STAFF
Recorded injuries	6	1.7
Exposure to hazardous substances	0	0
Recorded injuries off company premises	0	0
Exposure to hazardous substances off company premises	0	0

[2] Currently not all sites collect data on number of training hours per employee; therefore only the UK data is included.

SOCIAL IMPACTS
SOCIAL ENGAGEMENT

SOCIAL ENGAGEMENT

Procurri participates in a range of community engagement and charitable activities. Activities in 2017 included a "Build a Bike" Challenge teambuilding activity, where Procurri Singapore employees had to build a bicycle from scratch by assembling bicycle parts within two hours. The completed bicycles were then donated to Hougang Sheng Hong Family Service Centre, a neighbourhood welfare services centre.

In the UK, Procurri sponsored employee attendance at an event for the Jumbulance Trust, a charity that makes travel possible for adults and children with disabilities or chronic illnesses.

The US office participated in the Smart Kid Program. This is run by Action Ministries and the Smart Lunch to bring free and nutritious meals to children in need. The US team participated through cash donations, as well as assisting with buying the ingredients, assembling the lunches and delivering them to over 60 children in the local community weekly.



Procurri Singapore - Build a Bike Challenge



Procurri UK - Jumbulance Trust event



Procurri LLC - Smart Kid Program

GOVERNANCE
BOARD DIVERSITY
DATA & SECURITY

Procurri operates with company policies of Equal Opportunities, Code of Conduct, Employee Diversity and Inclusion, Anti-Bribery and Anti-Corruption, Grievance Process and Disciplinary Policy, all reflecting a commitment to respect workers in both its own business and its supply chain worldwide. The following section considers some of the key governance structures in place.

BOARD DIVERSITY

The Board currently comprises five directors, three of whom are independent non-executive directors. As independent non-executive directors make up half of the Board, the Board is able to exercise objective judgment independently from management and no individual or small group of individuals dominate the decisions of the Board. Currently, the Board consists of five males, with combined expertise across a range of specialties, including finance, accounting, legal, business and industry knowledge. Procurri provides detail of its Corporate Governance in an annual report which can be found here.

DATA AND SECURITY

Procurri does not collect personal client data as part of its business operations or for use in its business operations. Procurri comes into contact with client data as part of its IT Asset Disposition offering, when clients entrust their end-of-life IT equipment to Procurri for testing and verification, data erasure and/or disposal. Procurri handles these electronic equipment with utmost security and ensures data security is maintained at all times. Telephone numbers, customer identification numbers, address details and other personal information is destroyed as part of the IT Asset Disposition process and not stored for ongoing use.

Each region operates to local requirements and best practices, though key processes are the same. Asset testing and verification premises are in a caged and secure location and only accessible by authorised personnel. All storage equipment that is erased has certificates generated citing the type of erasure standard requested. For data erasure, Singapore operations use Blancco certification, an ISO 27001—compliant third party data erasure provider. The UK uses the ADISA ICT Asset Recovery Standard, for which it is externally audited.

For asset disposal, the three regions use third-party vendors detailed below:

- Singapore: National Environment Agency-approved vendor.
- USA: R2-certified recycler audited annually.
- UK: UK Environment Agency licensed and authorised recycler.

Specifically, and for the purposes of transparency, data security details are given below.

EXHIBIT 11: DATA AND SECURITY

ITEM	NUMBER
Number of confirmed or suspected data security breaches that occurred in the past financial year?	Nil
Number of breaches that concerned the potential for personal identification material being compromised?	Nil
Number of breaches that led to the company incurring fines or other penalties and what was the value of these penalties?	Nil

GOVERNANCE
ANTI-BRIBERY & CORRUPTION POLICY

ANTI-BRIBERY AND CORRUPTION POLICY

The Company is committed to acting lawfully, ethically and with integrity in every aspect of its business. This policy applies to all Procurri employees, including its employees of global subsidiaries and contract and temporary workers. Procurri operates a zero-tolerance policy towards bribery and corruption in any situation or form.

TARGETS & POLICIES

> *Procurri considers responsible management of ESG issues to be critical to successful business practice.*

Procurri is excited to be releasing its inaugural Sustainability Report for the financial year 2017. As a business focused on providing sustainable solutions to the global waste challenge, Procurri has relatively low ESG impact for onsite operations, but continues to target optimisation to further reduce negative impacts and promote positive impacts.

Procurri considers responsible management of ESG issues to be critical to successful business practice. It strives to continuously improve its ESG performance and, as such, has set a series of public targets to achieve in the short, medium and long term.

- Formalise an Investor Relations policy by 2018.
- Expand social data coverage to include employee training hours for all four regional headquarters by 2020.
- Expand ISO 14001 & 9001 certification to the US office, in line with its Singapore and UK regional headquarters, by 2022.

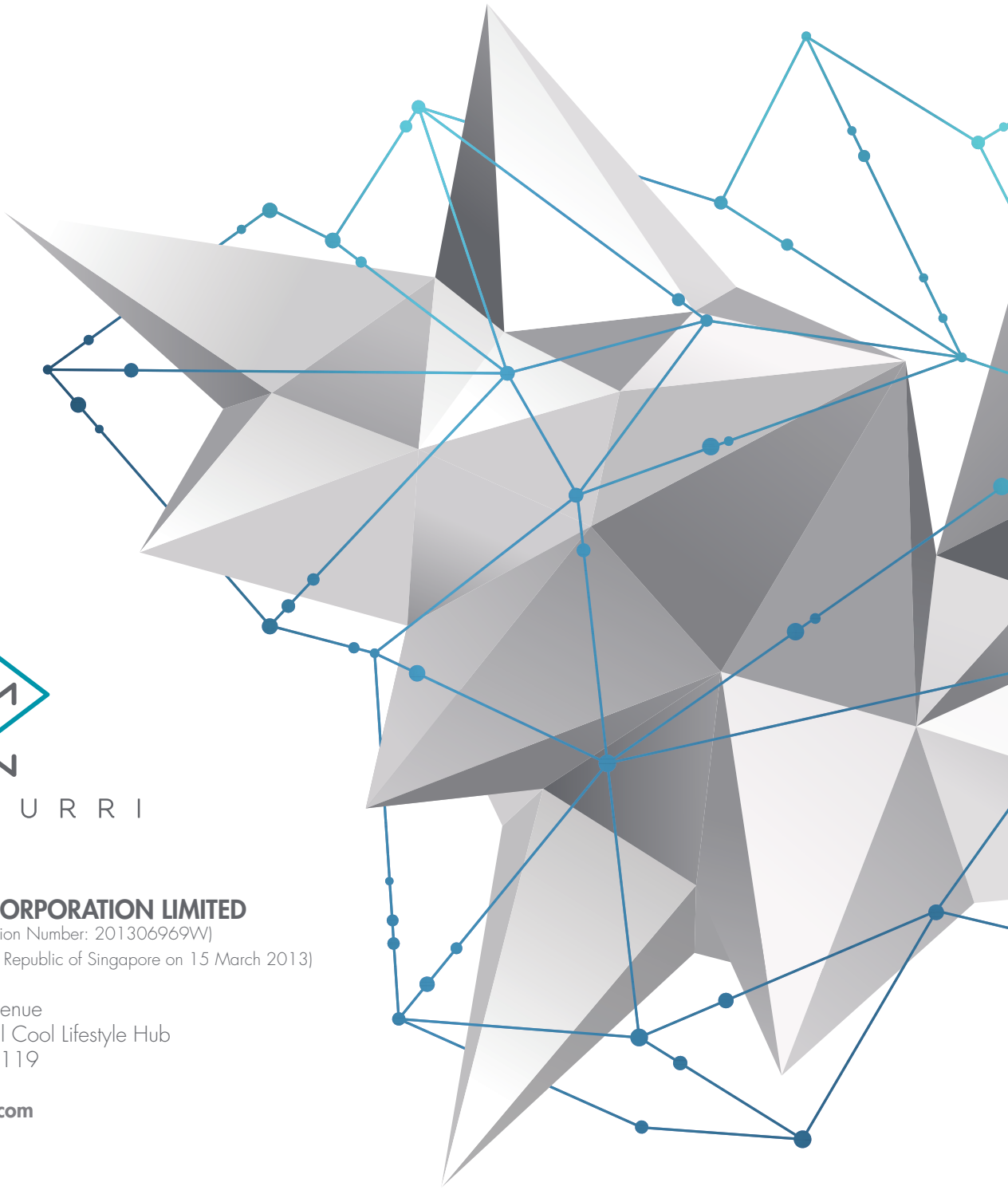
APPENDIX

CALCULATING GREENHOUSE GAS EMISSIONS

Different GHGs have different Global Warming Potentials (GWP)[3] or abilities to contribute to rising temperatures. Data is standardised by converting the different greenhouse gases into their carbon dioxide equivalent according to the GWP index published by the Intergovernmental Panel on Climate Change (IPCC)[4]. The index identifies the radiative effects of different GHGs in the atmosphere relative to an equal mass of CO_2 over a 100-year timeframe. GWP enables all the GHGs to be expressed in terms of CO_2 equivalents, or CO_2e. Quantities of GHG emissions are derived from data on operational and vehicle fuel consumption, electricity use and business travel.

[3] Global Warming Potential (GWP) is the ratio of the warming of the atmosphere caused by one substance to that caused by a similar mass of carbon dioxide, which is assigned a reference value of 1.

[4] The Intergovernmental Panel on Climate Change (IPCC) is a scientific intergovernmental body set up by the World Meteorological Organisation (WMO) and by the United Nations Environment Programme (UNEP) with a mandate to provide an objective source of information about climate change.



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