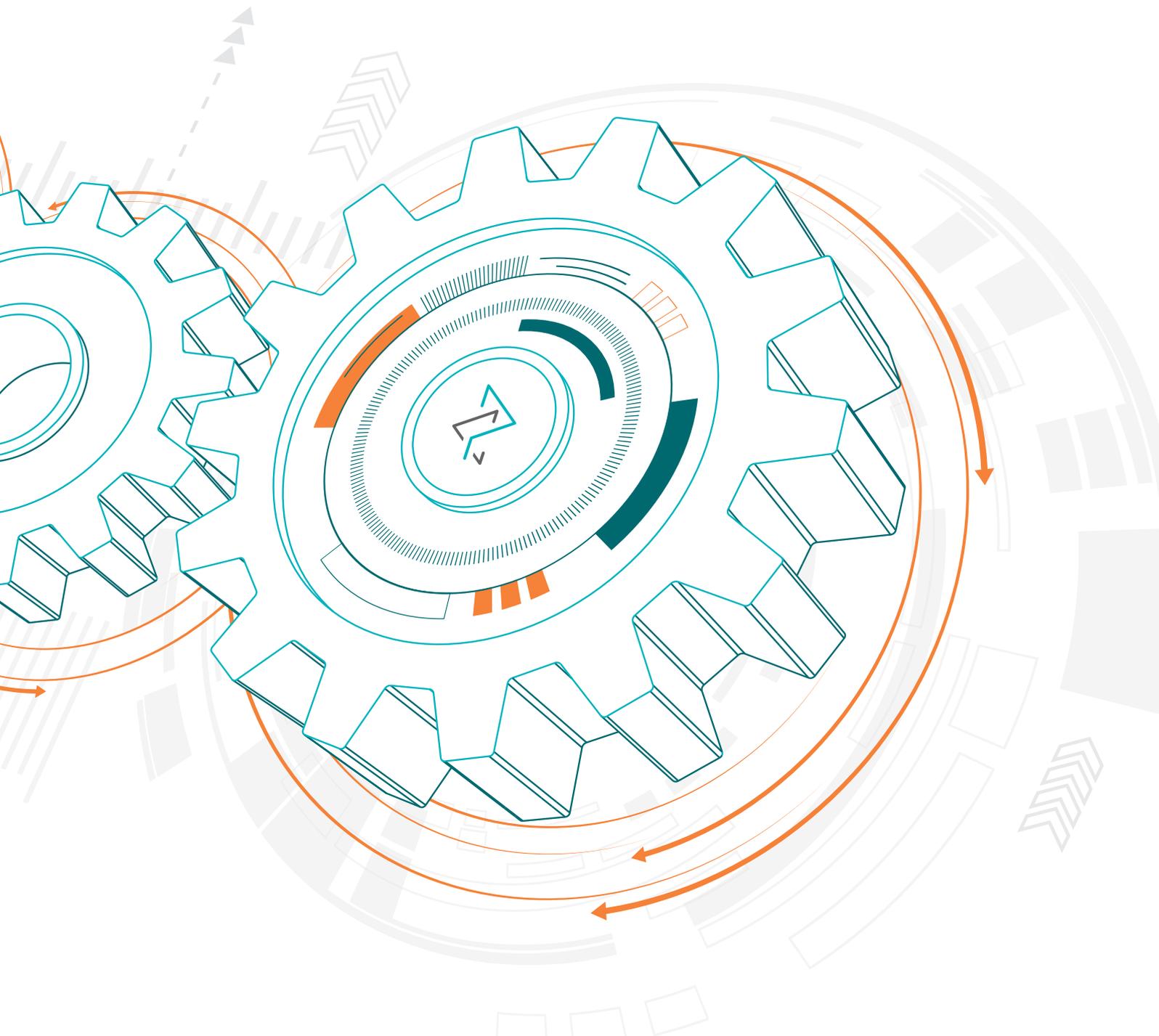




P R O C U R R I

GEARED FOR **GROWTH**

Sustainability Report 2018



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For more enquiries, please contact Procurri's Investor Relations at +65 6486 1300 or Ir@procurri.com

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 in Singapore, Procurri is a leading global independent provider of Lifecycle Services and data centre equipment. We aim to be the global aggregator of IT services and enterprise hardware to our channels, offering a converged network and sharing platform that combines the technology, finance and logistics domains that change the way the world buys technology. 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 off e-waste responsibly.

In compliance with the Singapore Exchange’s sustainability reporting framework, we are proud to be publishing our second Sustainability Report 2018. This complements our ongoing green effort with the electronic dissemination of our Annual Report 2018 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 an independent consultant.

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.

Having considered sustainability issues as part of its strategic formulation, the Board has approved the material ESG factors identified, and ultimately oversees the management and monitoring of all ESG factors.

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.

Procurri recognises the importance of identifying issues that are significant to the financial operation of the business, as well as stakeholders, such as investors, society and customers. This report focuses on the regional head offices of Procurri in Singapore; Atlanta, in the United States of America (“USA”); and Cirencester and Warrington in the United Kingdom (“UK”). Where available, data from Rockland Congruity LLC, a joint venture set up in January 2017 with its office in Massachusetts (which is now a wholly owned subsidiary as of 1 April 2019), has also been included in our 2018 sustainability performance data. These sites represent our key locations and cover 90% of the total employees of Procurri’s global operations. The remaining 10% of employees are widely spread across numerous geographical bases.

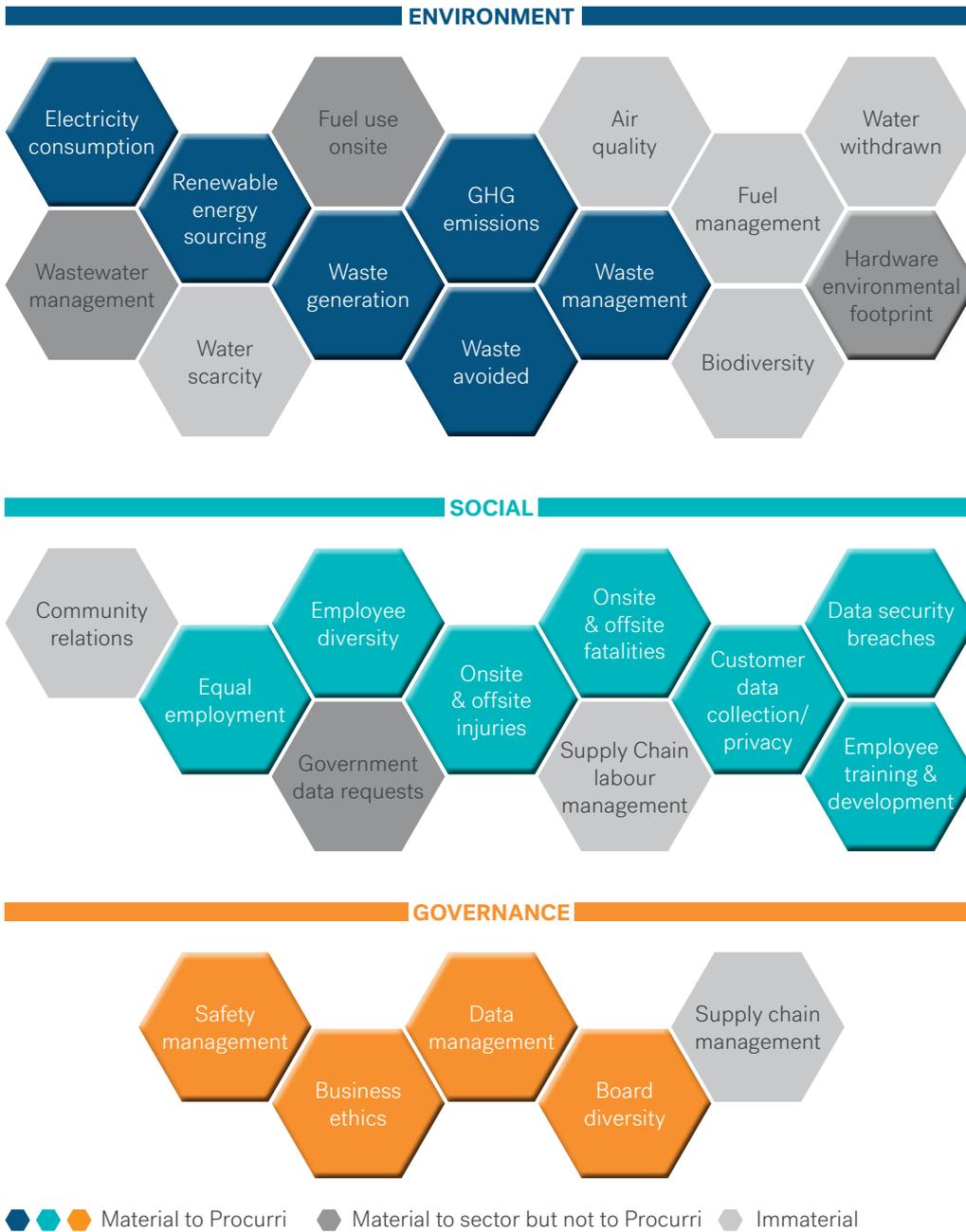
When considering materiality, Procurri conducted a two-phase assessment in 2017. It initially considered all sector-level materiality to identify all issues relevant to companies operating in the sector. These themes were identified using the SASB Hardware, Software and IT standards, investor trend review and a wider literature review.

Sector-level materiality was identified and refined based on specific practices of the company, through an internal stakeholder engagement process with Procurri staff and the Board in 2017, and also on-site data collection. 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: An analysis by independent consultant with input from SASB materiality review

Material ESG Factors & Reporting Framework

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.

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 4, page 8
	Water withdrawn, percentage recycled, percentage from regions with High or Extremely High Baseline Water Stress	Partially included, Exhibit 4 & 6, pages 8 & 9. 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 4, page 8
	GHG emissions, by scope	Included, Exhibits 4 & 5, pages 8 & 9
Lifecycle Management of Equipment	Weight of products and e-waste recovered through take-back programs, percentage of recovered materials that are recycled	Included, page 6
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 14
	Number of data security breaches and percentage involving customers' personally identifiable information	Included, Exhibit 11, page 14
	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

REUSE & RECYCLING OF IT EQUIPMENT

Procurri's IT distribution and Lifecycle services serve to optimise the performance and lifespan of IT assets, thereby empowering partners and clients to retain the value of their IT assets as much as possible, and contributing to a circular economy.

Refurbishment and reuse of equipment prolong its useful life with minimal environmental cost, and are the preferred approach for a sustainable waste management solution.

EXHIBIT 3: WASTE HIERARCHY AT PROCURRI



In 2018, Procurri conducted almost 13,760 service and maintenance jobs, resulting in over 400,000 equipment and component pieces to be made available for reuse.

When products reach a stage where it 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 incineration, and preserving resources by avoiding virgin material extraction for new products.

Environmental Impacts

OPERATIONAL FOOTPRINT

“Procurri extends the life of equipment wherever possible and in 2018, conducted almost 13,760 service and maintenance jobs. More than 400,000 items were made available for reuse in 2018.”

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 by 2022.

Procurri’s operational environmental footprint was analysed 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	SCOPE 2	SCOPE 3
includes direct emissions from sources which a company owns or controls. This includes direct emissions from fuel combustion and industrial processes.	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.	covers other indirect emissions including third-party provided business travel.

Environmental Impacts

EXHIBIT 4: GROUP ENVIRONMENTAL IMPACTS

ITEM	UNITS	2017	2018
ENERGY USE			
Purchased electricity	kWh	1,418,671	1,548,619 ¹
Natural gas consumption	kWh	468,483	599,921
BUSINESS TRAVEL			
Air - international	km	1,842,837	642,726
Air - domestic	km	1,307,362	548,021
Private vehicle	km	302,819	489,267
Company vehicle	km	316,635	233,449
Rail	km	15,076	24,533
GREENHOUSE GASES			
Scope 1	tCO ₂ e	144	111
Scope 2 (location-based)	tCO ₂ e	571	528 ²
Scope 2 (market-based)	tCO ₂ e	720	348
Scope 3	tCO ₂ e	374	277
WATER WITHDRAWAL			
Operational	m ³	1,213	3,534 ³
WASTE ARISING⁴			
Waste sent to landfill	kg	31,041	11,912
Waste recycled	kg	205,076	178,158

¹ The increase in purchased electricity is due to the acquisition of Rockland Congruity LLC. 2018 purchased electricity excluding Rockland Congruity LLC, i.e. on same basis as 2017 data, would be reduced to 1,288,318kWh. Data for Rockland Congruity LLC has been estimated by headcount based on figures of the Atlanta office.

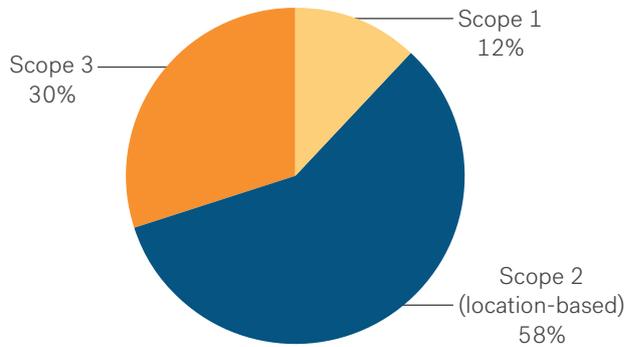
² 2018 Scope 2 (location-based) greenhouse gas emissions excluding Rockland Congruity LLC, i.e. on the same basis as 2017 data, would be reduced to 461 tonnes of carbon dioxide equivalent.

³ The increase in water withdrawal is partially due to the acquisition of Rockland Congruity LLC. 2018 water withdrawal excluding Rockland Congruity LLC, i.e. on same basis as 2017 data, would be increased to 2,537 cubic metres. Data for Rockland Congruity LLC has been estimated by headcount based on figures of the Atlanta office.

⁴ Waste arising figures exclude Rockland Congruity LLC, due to lack of available data.

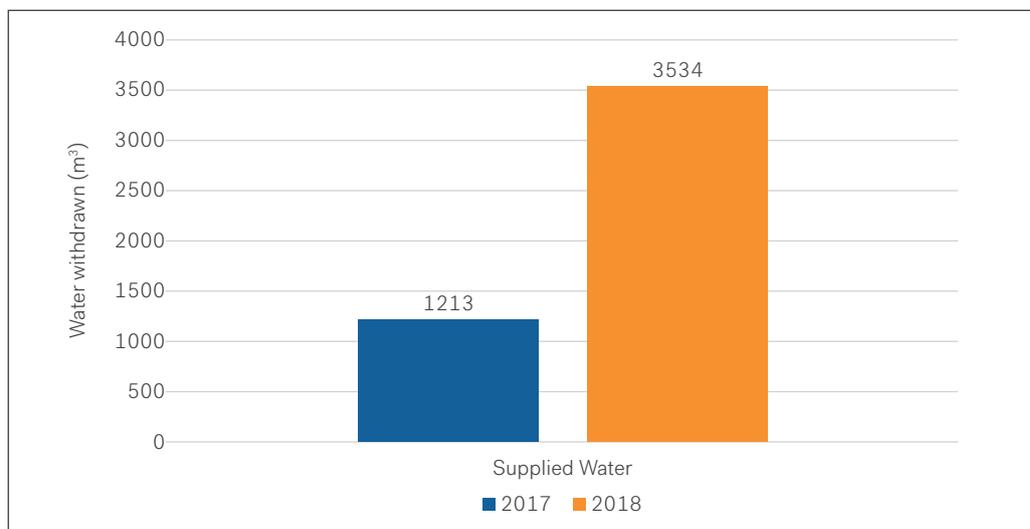
Environmental Impacts

EXHIBIT 5: GHG EMISSIONS BY SCOPE



The majority (58%) of the captured GHG emissions were associated with purchased electricity across the sites. Business travel was included in our assessment as Scope 3 emissions.

EXHIBIT 6: WATER WITHDRAWAL 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. The increase in water withdrawal in 2018 from 2017 was partially due to the acquisition of Rockland Congruity LLC. We will look to reduce that volume in 2019 and 2020.

Social Impacts

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 & 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	2017		2018	
	NUMBER OF EMPLOYEES	PERCENTAGE	NUMBER OF EMPLOYEES	PERCENTAGE
GENDER OF EMPLOYEES				
Male	178	69%	294	74%
Female	79	31%	107	26%
AGE DIVERSITY				
Under 30	76	29%	114	28%
30 – 50	146	57%	216	54%
Over 50	35	14%	71	18%

Employee development is important and Procurri recognises that regular performance reviews and training help keep staff motivated and the company successful. To this end annual appraisals are conducted, coupled with monthly sales meetings. The Europe office holds the Investors in People accreditation, which is a standard in leadership development and performance evaluation.

Social Impacts

EXHIBIT 8: EMPLOYEE DEVELOPMENT

ITEM	2017		2018	
	NUMBER OF EMPLOYEES	PERCENTAGE	NUMBER OF EMPLOYEES	PERCENTAGE
EMPLOYEE DEVELOPMENT				
Percentage of employees receiving regular performance and career development reviews	257	100%	349	87%
Employee groups not receiving reviews	0	0%	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 TRAINING⁴

EMPLOYEE DEVELOPMENT	2017	2018
Hours of training given	1369	1661
Hours of training received per employee	10.5	10.2

HEALTH & 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.

⁴ Currently not all sites collect data on number of training hours per employee; therefore only the UK data is included

EXHIBIT 10: GROUP HEALTH AND SAFETY

ITEM	2017		2018	
	NUMBER OF EMPLOYEES	PER 100 STAFF	NUMBER OF EMPLOYEES	PER 100 STAFF
Recorded injuries	6	1.7	4	1.0
Exposure to hazardous substances	0	0	0	0
Recorded injuries off company premises	0	0	0	0
Exposure to hazardous substances off company premises	0	0	0	0

Social Impacts

SOCIAL ENGAGEMENT

In the year 2018, Procurri organised various activities for community participation and social engagement.

The US team has been involved in a new charity campaign to provide housing to underprivileged families in El Salvador. The team led by Daniel Kedme reached out around the world to Procurri’s network of employees, customers, partners and friends, and raised US\$8,835 which would provide two 3D-printed homes. The US team has also contributed to community empowerment through donations to the Boy Scouts of America and in the form of a Procurri scholarship worth US\$5,000 for the Gwinnett Technical School.

The Europe office has once again contributed to the Jumbulance Trust which is a charity that provides convenient travel opportunities to adults and children with disabilities or chronic illnesses. Led by Emily Stratford, the Jumbulance vehicle which is fully equipped with medical facilities took the group to enjoy several places in Amsterdam including the Dolphinarium at Harderwijk, the seaside by Egmond aan Zee, the Alkmaar Cheese Market and the town of Beemster. The Europe office has also sponsored a ‘buggy run’ organised by Gary Jones. As part of this initiative, funds are raised to provide buggies for families with children of special needs. Through a challenge to run an additional mile each day throughout August, over 200 miles were covered and £10,000 were raised which, along with Procurri’s donation of £250, provided new buggies for seven families with funds for more.



(left) Procurri US – 3D printed homes will be provided for underprivileged families in El Salvador with funds raised; (right) Procurri Europe – Gary Jones (centre, in blue cap) with supporters for his buggy run



Procurri Singapore – Shoes collected for Soles4Souls during a donation drive, which were distributed to the needy

The Asia Pacific office based in Singapore was involved in organising a shoes donation drive. This involved team participation which resulted in successfully collecting more than 50 pairs of shoes. These shoes were then sent to a non-profit organisation called Soles4souls which works internationally to distribute shoes to the needy.

Governance

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 & SECURITY

Procurri is bound by privacy regulations around the world. To ensure Group-wide compliance, the Data Protection Policy was formalised during the financial year 2018. 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 both ISO 27001 and 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.

Governance

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

EXHIBIT 11: DATA AND SECURITY

ITEM	2017	2018
Number of confirmed or suspected data security breaches that occurred in the past financial year?	Nil	Nil
Number of breaches that concerned the potential for personal identification material being compromised?	Nil	Nil
Number of breaches that led to the company incurring fines or other penalties and what was the value of these penalties?	Nil	Nil

ANTI-BRIBERY & 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 proud to be releasing its second Sustainability Report for the financial year 2018. As a business focused on providing sustainable solutions to the global waste challenge, Procurri has relatively low ESG impacts 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 in 2017 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.

In 2018, Procurri's Investor Relations Policy was formalised. It sets out the ethos of Procurri's communication with its shareholders and the key principles built on the virtues of good corporate governance, adequate corporate transparency and fair disclosures.

Procurri is on track to meet the rest of the targets.

Appendix

CALCULATING GREENHOUSE GAS EMISSIONS

Different GHGs have different Global Warming Potentials (GWP)⁵ 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)⁶. The index identifies the radiative effects of different GHGs in the atmosphere relative to an equal mass of CO₂ over a 100-year timeframe. GWP enables all the GHGs to be expressed in terms of CO₂ equivalents, or CO₂e. Quantities of GHG emissions are derived from data on operational and vehicle fuel consumption, electricity use and business travel. Emission factors are from Singapore's Energy Market Authority, United States Environment Protection Agency and Procurri's electricity suppliers in the UK.

⁵ 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.

⁶ 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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