

UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS 2020

November 21, 2020

To Our Stakeholders:

Chain IQ Group AG became a signatory to the United Nations Global Compact Principles in 2016.

We are pleased to confirm that Chain IQ Group AG reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labor, environment and anti-corruption.

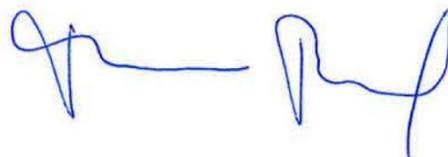
In this annual Communication on Progress, which covers the period October 2019 – October 2020, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations, and how we support selected Sustainable Development Goals.

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Marcel Stalder
Group Chief Executive Officer



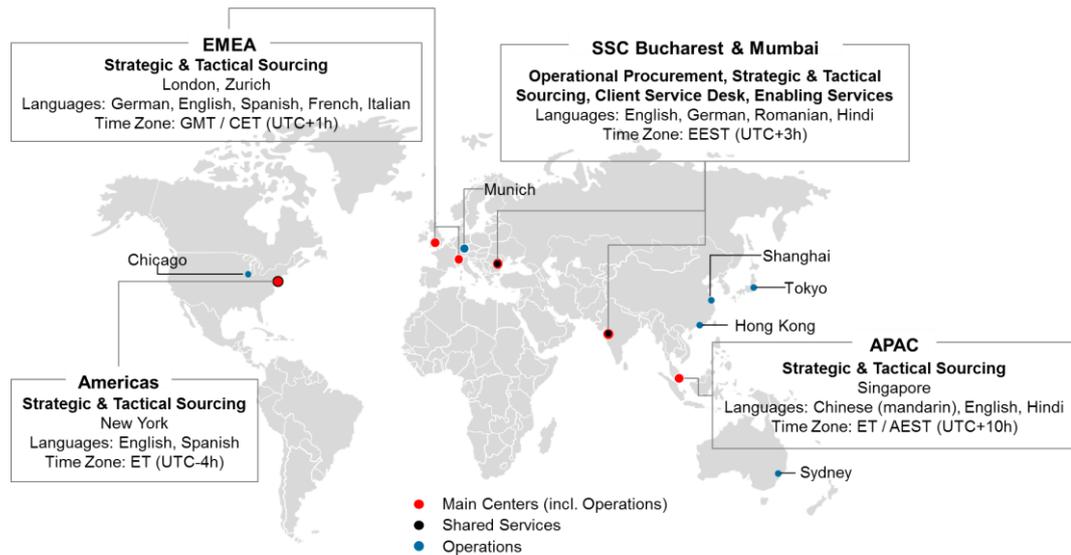
Thomas Burst
Group CFO & Head Corporate Center

1. About Chain IQ Group AG

Chain IQ is an independent global service provider delivering tailored end-to-end procurement solutions to its international clients. The Group operates from its 6 main centers in Zurich (headquarters), New York, London, Munich, Singapore, Mumbai and Bucharest and from 12 offices worldwide. Founded in 2013, Chain IQ is recognized as one of the world's leading procurement companies, servicing more than 50 major corporations and blue-chip firms across a myriad of industries in over 20 countries.

Chain IQ unlocks significant client value by substantially reducing indirect spend and increasing the productivity of the indirect procurement function through leveraging the latest technology and process reengineering, the collective purchasing power of its clients as well as the leading market insights and category expert knowledge, while focusing on clients' business and strategy, risk management, sustainability and social responsibility practices.

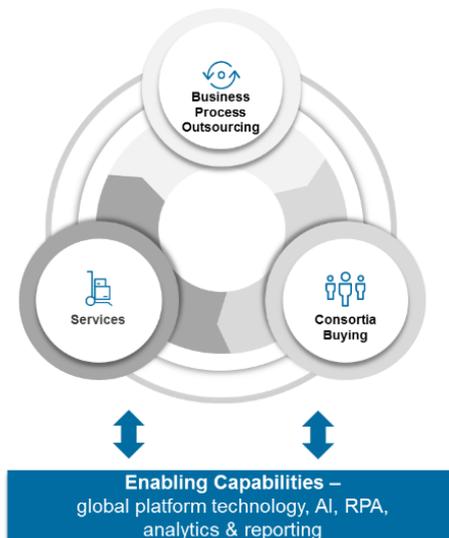
Chain IQ has been continuously investing in digitization to ensure efficient best-in-class services to its clients. The own Innovation & Digitalization Lab leverages advanced solutions from the market (sustain innovation) as well as drives proprietary development of revolutionary solutions (disruptive innovation). Multiple digital projects support the strategy to further automate processes and provide advanced data analytics capabilities.



- Business Process Outsourcing**
- Full Outsourcing from Source-to-Pay
 - Partial Outsourcing of Categories or Processes

- Services**
- Consulting
 - Procurement strategy
 - Procurement insights incl. spend analytics
 - Procurement as a Service
 - Category strategy
 - Strategic and tactical sourcing
 - Tail end management
 - Spot buy
 - Third party risk
 - Value recovery
 - Supporting Services
 - PR/PO processing
 - Catalogue management
 - Service desk
 - Supplier performance management

- Consortia Buying**
- Smart Joint Sourcing
 - Alliances
 - Marketplace



2. 10 Principles of the United Nations Global Compact and Chain IQ Group AG's commitment

10 Principles

Human Rights

Principle 1
Support and respect the protection of internationally proclaimed human rights

Principle 2
Make sure that they are not complicit in human rights abuses

Labor

Principle 3
Uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4
Uphold elimination of all forms of forced and compulsory labor

Principle 5
Uphold the effective abolition of child labor

Principle 6
The elimination of discrimination in respect of employment and occupation

Environment

Principle 7
Support a precautionary approach to environmental challenges

Principle 8
Undertake initiatives to promote greater environmental responsibility

Principle 9
Encourage the development and diffusion of environmentally friendly technologies occupation

Anti-corruption

Principle 10
Work against corruption in all its forms, including extortion and bribery

Policies and Commitments

Chain IQ is committed to strong business ethics and to working collaboratively with its employees, clients, suppliers and other stakeholders. All Chain IQ employees, Executive Committee and Board Members are required to adhere to the Chain IQ [Code of Conduct](#). The Code applies in all circumstances and defines the way Chain IQ does business. Violations of the standards in this Code may result in disciplinary proceedings, up to and including dismissal, and, if necessary, declaration to the appropriate authorities. All employees are encouraged to promptly report any concerns, possible ethical breaches or misconduct by other employees, consultants, clients or third-party service providers to their manager or regional head.

The Chain IQ [Environmental and Social Responsibility Policy](#) sets out environmental commitments for environmental protection, prevention of pollution and prudent management of natural resources and to reduce the environmental impact of products and services in line with or above environmental legislation that relates to Chain IQ. The social commitments support the Universal Declaration on Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization.

The Chain IQ [Supplier Code of Conduct](#) to which Chain IQ's direct suppliers are bound by contract, defines expectations towards suppliers and their subcontractors regarding legal compliance, environmental protection, avoidance of child and forced labor, non-discrimination, remuneration, hours of work, freedom of association, humane treatment, health and safety and anti-corruption issues.

3. Chain IQ's Implementation and measurement of outcomes and support of selected Sustainable Development Goals (SDGs)

Sustainable Development Goals






In 2020 Chain IQ reviewed its values, beliefs and the impact on our people and clients. In the area of human resources and talent management we defined how we do things:

- We attract, develop and inspire the best talents and are a fair trusted partner
- We reward individual performance and corporate success

SDG 8: Chain IQ empowers all employees to grow within their roles and take on new challenges, provides training and support when needed. All employees are offered competitive benefits and a working environment that protects health, safety and wellbeing. To monitor and ensure this, we engage with our employees through mandatory onboarding and refresh trainings, personal meetings, feedback sessions and regular employee surveys which are giving us important input for the agenda of the following business year.

SDG 3: In 2020 Chain IQ joined for the first time the Swiss wide health promotion campaign called "bike to work". Through bike to work, about 2400 companies strengthen their staff's team spirit and fitness, while supporting sustainable mobility practice. We could engage 26 % of the local staff in Switzerland to participate in the campaign which took place in September and October.

Chain IQ health and safety program includes an evacuation checklist and a first aid procedures for which several first responders are trained and receive refresher courses every 1-2 years.

SDG 4: Chain IQ is supporting charity-initiatives in various regions around the globe. The most recent initiative, "adopt a class room" in New Jersey, US, was funding school materials for children in underprivileged areas.

SDG 12: In order to support environmental protection, prevention of pollution and prudent management of natural resources and reduce the environmental impact of products and services, we

- minimize waste by evaluating operations and ensuring they are as efficient as possible, also by actively promoting recycling. For our daily business operations in regard to waste management Chain IQ engages with an external recycling specialist who provides a comprehensive recycling solution.
- source and promote a product range to minimize the environmental impact of both production and distribution

Sustainable Development Goals

- use latest information technology for communication purpose to reduce travel activities combined with an accredited program to offset the greenhouse gas emissions generated by the remaining air travel. All our air travel activities are calculated and offset annually by certified projects. In 2020 Chain IQ chose a carbon offset project in Romania which promotes the recycling of used PET bottles and other plastic waste. The PET flakes and granulate obtained from the recycling process are reused, for example, in the packaging industry or for insulation in the construction sector. As a result, resources are saved and the burden on the climate is reduced.

The carbon offset project in Romania is certified by Gold Standard and contributes to the following 6 Sustainable Development Goals:

SDG 4: More than 50,000 school pupils have taken part in the awareness campaigns to date. “Circular economy partnerships” are being established with cities and communities.

SDG 5: The project partner GreenTech in Romania places particular importance on equality. Many female employees work in management positions right up to the CEO leadership level.

SDG 8: GreenTech and its sister company GreenFiber employ 1,142 staff members. They are the biggest employers in the city of Buzău/Romania and offer many people from disadvantaged backgrounds training and employment.

SDG 11: Nearly 100,000 tones of used plastic, primarily PET bottles, are entered into the recycling process and kept away from landfill or incineration each year.

SDG 12: Each year GreenTech produces 65,000 PET flakes, which are used to manufacture new products.

SDG 13: Through its activities, the company prevents nearly 60,000 tones