



**SUSTAINABILITY
REPORT 2021**

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May 25, 2022

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 sustainability report, which covers the period January – December 2021, 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,



A handwritten signature in blue ink, appearing to read 'M. Stalder'.

Marcel Stalder

Group CEO - Member of Group Executive Board



A handwritten signature in blue ink, appearing to read 'L. Schärer'.

Lukas Schärer

Group COO - Member of Group Executive Board

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 13 offices worldwide. Founded in 2013, Chain IQ is recognized as one of the world's leading procurement companies, servicing more than 60 major corporations and blue-chip firms across a myriad of industries in over 49 countries. Our team consists of over 600 procurement experts supporting a total of 9 languages.



Headquartered in Switzerland, with 6 main centers and **13 offices worldwide**



Servicing **> 60 clients** in **49 countries** supporting a total of **9 languages**

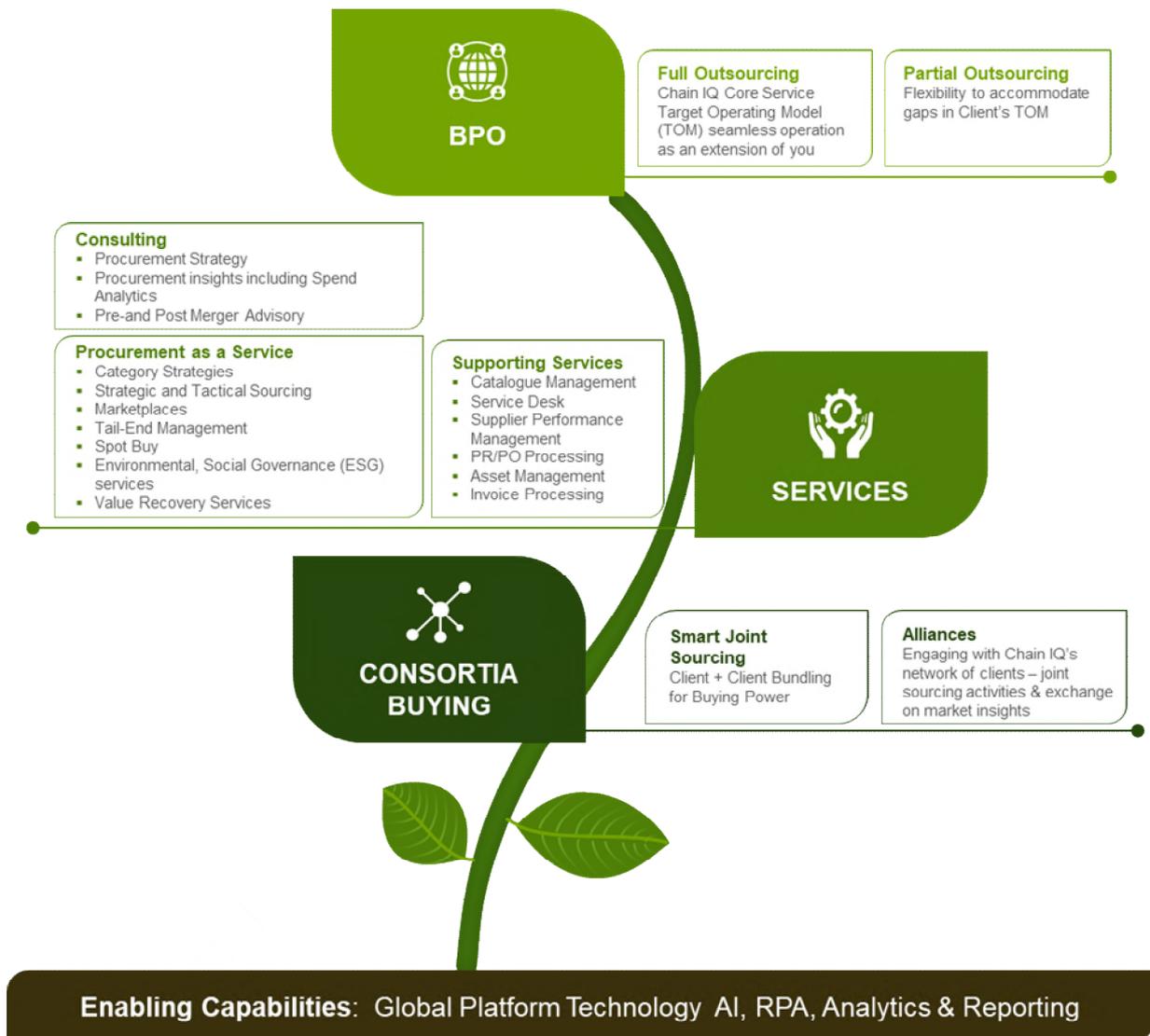


Strong global team with **> 600 procurement specialists** – leveraging market insights



Chain IQ unlocks significant client value by substantially reducing indirect spend by increasing the productivity of the indirect procurement function. We leverage latest technology and process reengineering to create collective purchasing power for our clients. Our team of experts provide leading market insights and category expert knowledge. We focus on our clients' business and their strategy whilst applying the latest risk management, sustainability, and social responsibility practices.

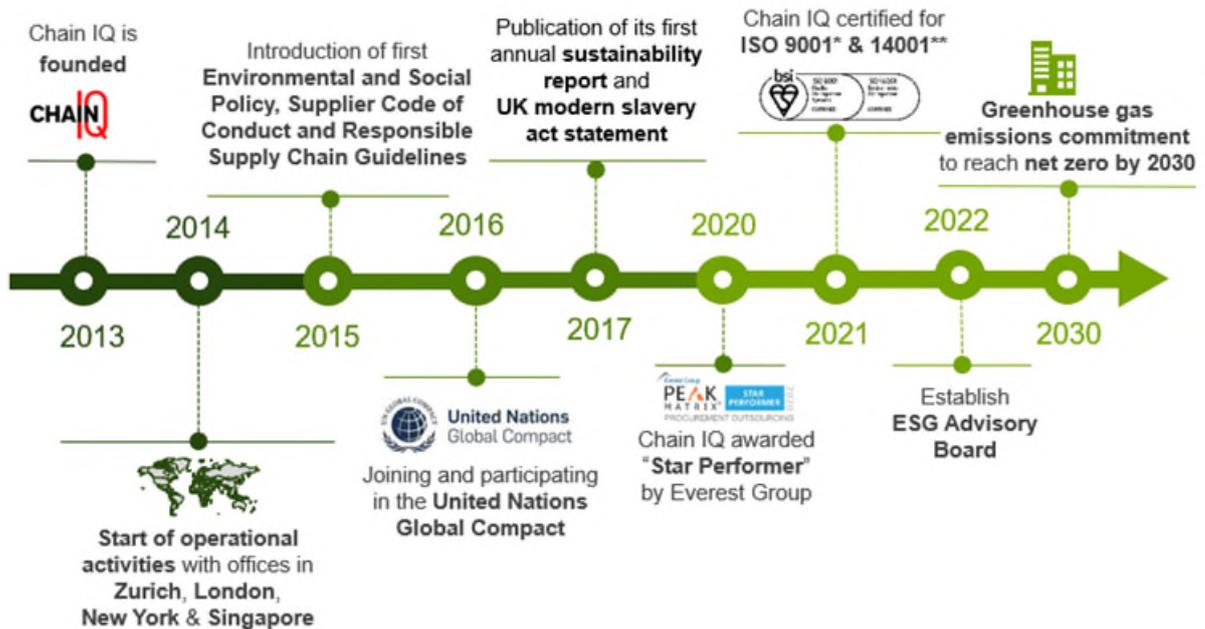
Chain IQ is continuously investing in digitization to ensure efficient best-in-class services to its clients. Our Innovation & Digitalization Lab leverages advanced solutions from the market (sustain innovation) including proprietary revolutionary solutions (disruptive innovation). Multiple digital projects support the strategy to further automate processes and provide advanced data analytics capabilities.



2 Our Policies and Commitments

Chain IQ is strongly committed to ensure ethical operations and business practices and to contribute to decarbonization and minimizing negative environmental impact along the life cycle of procurement.

Chain IQ's History and Sustainability Track Record



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.

Our **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. In 2021, we reviewed the policy and tightened the environmental commitments for example by purchasing electricity from renewable sources in the locations where



this is feasible. Since 2014 we offset the Co2 emissions of all our air travel activities with verified projects in Switzerland, Romania, Madagascar and China and we continue to do so. In addition, we will transition in the coming years to reach net zero greenhouse gas emissions across all its own operations.

In 2021, Chain IQ has officially received accreditation for **ISO 9001 and 14001** which proves our capability to build and maintain solid management systems for quality and environment. Our environmental management system covers the entire scope of Chain IQ's ESG services and in-house operations that may give rise to an environmental impact.

Our social commitments support the Universal Declaration on Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization.

Since 2016, Chain IQ have been committed to the 10 Principles of the United Nations Global Compact (UNGC), supporting its efforts to advance sustainability, equality and human rights.



HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Businesses should make sure that they are not complicit in human rights abuses



LABOR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor

Principle 5: Businesses should uphold the abolition of child labor

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation



ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies



ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

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.

Chain IQ has defined areas of service excellence, whereas one area is "de-risking, sustainability and social responsibility" with focus on risk and regulatory framework, ethical business standards, and sustainable climate and environmental practices. Based on this service excellence, Chain IQ offers Environment, Social and Governance (ESG) services to clients. For more details, see section 3.1.



3 How Chain IQ accomplishes its commitments and supports selected Sustainable Development Goals (SDGs)

3.1 ESG Services (Environmental, Social and Governance)

With our ESG services we aim to reduce negative environmental and social effects along the life cycle of the goods and services our clients purchase and we engage with vendors to promote responsible practices and to create positive change. For this, we embed environmental and social standards into our sourcing and procurement activities.

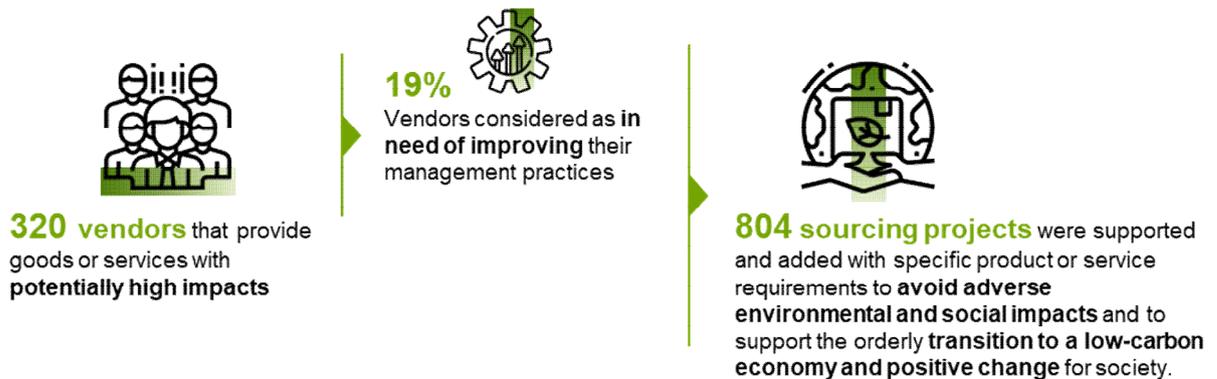
Our ESG framework is based on identifying, assessing and monitoring vendor practices in the areas of human and labor rights, the environment, health and safety and anticorruption.





In 2021, 320 vendors were classified as vendors that provide goods or services with potentially high impacts. This included both newly sourced as well as ongoing engagements, which are regularly re-assessed. 19% of these vendors were considered as in need of improving their management practices. Specific remediation actions were agreed upon with all of them and the implementation progress has been closely monitored.

In 2021, 804 sourcing projects were supported and added with specific product or service requirements to avoid adverse environmental and social impacts and to support the orderly transition to a low-carbon economy and positive change for society.



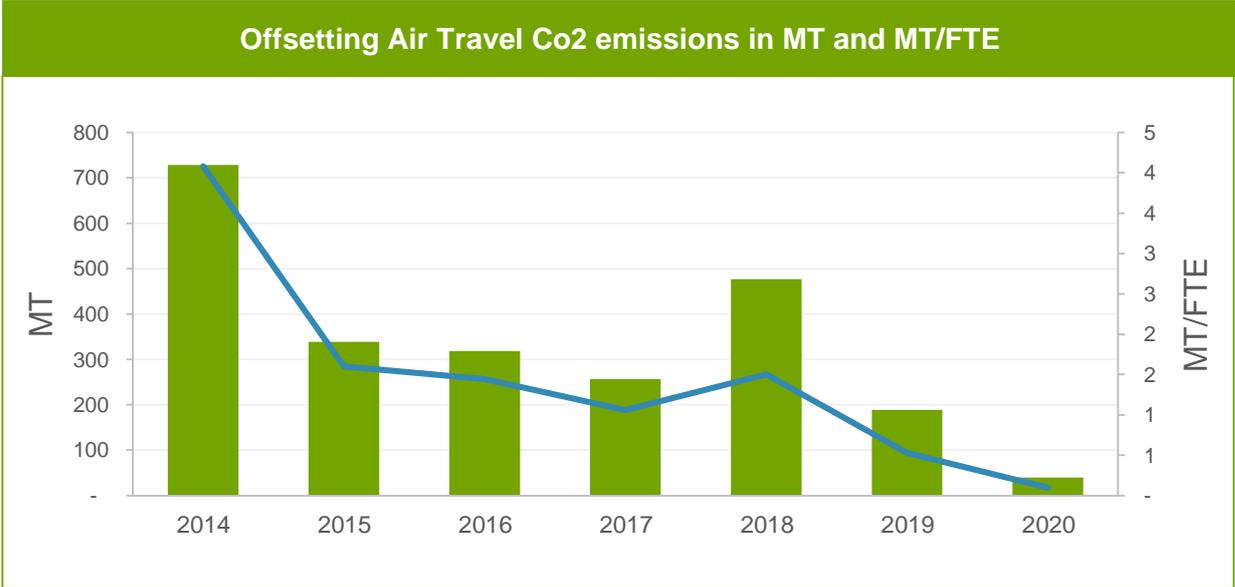
3.2 In-house Operations

The transition to a low-carbon economy starts at our firm’s own doorstep. And our clients and other stakeholders want to understand what we as a company are doing about our own environmental impact. In 2021, we successfully passed the ISO 14001:2015 certification audit of our global environmental management system for which our in-house operations and ESG services are in scope.



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

- Source electricity from renewable sources in all locations where this is feasible
- Minimize waste by evaluating operations and ensuring they are as efficient as possible, also by actively promoting recycling. For our daily business operations regarding waste management, Chain IQ engages with external recycling specialists who provides comprehensive recycling solutions.
- 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 2021 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:



4 QUALITY EDUCATION
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.



11 SUSTAINABLE CITIES AND COMMUNITIES
Nearly 100,000 tonnes of used plastic, primarily PET bottles are entered into the recycling process and kept away from landfill or incineration each year.



5 GENDER EQUALITY
GreenTech places particular importance on equality. Many female employees work in management positions right up to the CEO leadership level.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Each year GreenTech produces 65,000 PET flakes, which are used to manufacture new products.



8 DECENT WORK AND ECONOMIC GROWTH
GreenTech and GreenFiber employ 1,142 staff members. They are the biggest employers in the city of Buzău and offer many people from disadvantaged backgrounds training and employment.



13 CLIMATE ACTION
Through its activities, the company prevents nearly 60,000 tonnes of CO2 emissions each year.

Chain IQ fully complies with local laws and minimum standards regarding environmental protection in the locations where we operate. Chain IQ has never been subject to any investigations, legal cases, ruling, fines, or any other events related to environmental laws violations.

3.3 Human Resources



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.

Chain IQ fully complies with local laws and minimum standards regarding human rights in the locations where we operate. Chain IQ has never been subject to any investigations, legal cases, ruling, fines, or any other events related to human rights violations.



3.4 Charitable Contribution



Chain IQ supports the organization “Buy Food with Plastic” which initiates events around the world that bring people together and provide solutions to pressing local issues such as pollution, hunger, lack of education and poverty.

At "Buy Food with Plastic" events in Nicaragua, Ghana & India, organized by a team of local staff, local people can buy a hot meal with 10 plastic bottles. The collected bottles are processed into various products such as household utensils or ecobricks for buildings. The population is sensitized for a more conscious use of plastic. In this way, they dedicate themselves primarily to the sustainable development goals 2, 4, 8, 12 and 13 of the United Nations.

In addition, they have created a unique concept for plastic recycling with Zurich University professors, engineers and other volunteers from different business sectors for 3rd world countries. In some of the countries they work in, there is already an intact recycling infrastructure, so the bottles only need to be transported there. But in some countries this is not the case therefore they want to build a recycling factory on the technology of the valuable plastics, where the waste is sorted, washed and processed into new products. Thus they create valuable jobs locally, and with the profit these Up-Cycling products can close the circle and refinance new events.

