October 22, 2019

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 2018 – October 2019, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Urs Dogwiler
Group Chief Executive Officer

Nicole Patsch
Head Chairman’s Office & Company Secretary, Group Counsel
1. About Chain IQ Group AG

Chain IQ is an independent Swiss service company, operating around the globe from 6 main centers – Zurich (headquarters), New York, London, Singapore, Mumbai and Bucharest – currently servicing more than 20 countries (including China, Hong Kong, Japan and Australia).

Chain IQ offers comprehensive strategic, tactical and operational procurement services along the entire end-to-end procurement value chain (Source to Contract, Source to Order, Source to Pay) on a global basis. A highly competent team of more than 300 sourcing and procurement specialists provides the over 50 international blue-chip clients with tailor-made solutions.

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.

The large-scale procurement services offered by Chain IQ perfectly accommodate the trends in the procurement sector.
2. Ten Principles of the United Nations Global Compact and Chain IQ Group AG’s commitment

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<th>Human Rights</th>
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| **Principle 1**  
Support and respect the protection of internationally proclaimed human rights | 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 CEO. |
| **Principle 2**  
Make sure that they are not complicit in human rights abuse |  |
| **Labor** | 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. |
| **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 | 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. |
| **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 |  |
| **Anti-corruption** |  |
| **Principle 10**  
Work against corruption in all its forms, including extortion and bribery |  |
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Implementation and measurement of outcomes

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.

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.

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 promotes a product range to minimize the environmental impact of both production and distribution
- use latest information technology for communication purpose in order to reduce travel activities combined with an accredited program to offset the greenhouse gas emissions generated by the remaining air travel. Our air travel activities are calculated and offset annually by certified projects in renewable energies in Switzerland and other regions.

In 2019 Chain IQ has established an Integrity Hotline, hosted by a third party provider, where all employees can place an anonymous report as compliance with applicable laws and external as well as internal regulations is of utmost importance to us.