

October 23, 2017

UN Global Compact: **Communication on Progress**

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, labour, environment and anti-corruption.

In this annual Communication on Progress, 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 CEO



Werner Schaerer
Group CFO/COO

1. About Chain IQ Group AG

Chain IQ Group AG is an independent, global service company providing strategic, tactical and operational procurement for its clients. Chain IQ operates from five main centers – Zurich (headquarters), New York, London, Singapore and Mumbai – and is currently servicing 14 countries (including China, Hong Kong, Japan and Australia).

Chain IQ is committed to strong business ethics and to working collaboratively with its employees, clients, suppliers and other stakeholders. We aim to deliver procurement services in a social responsible way, at the same time minimizing negative environmental impacts. Chain IQ expects all employees to observe and respect the laws of the legal system applicable in each jurisdiction as well as complying with all internal policies.

The following principles are based on Chain IQ's Code of Conduct, Environmental and Social Responsible Policy and other directives and guidelines.

2. Human and Labour Rights Principles and Implementation

Based on the Universal Declaration on Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization, Chain IQ supports

- Freely Chosen Employment – we do not use any form of forced, imprisoned, indentured, bonded or involuntary labor
- Child Labor Avoidance – we do not employ children under the age as defined by the International Labor Organization conventions or by national law whichever is highest
- Non-Discrimination – we provide equal opportunity and advancement opportunities for all employees regardless of ethnicity, gender, national origin, age, disability, sexual orientation or religion
- Compensation and Benefits – we provide wages and benefits that comply with any applicable law and which match prevailing local practices
- Hours of Work – we ensure that our employees are not required to work more than the local legal limits on regular and overtime hours
- Freedom of Association – we recognize and respect the right of our employees to freely associate and collectively bargain within the boundaries of the applicable law
- Humane Treatment – we treat our employees with respect and dignity and provide a work environment free of harassment, intimidation and bullying
- Health and Safety – we have a responsibility to provide a healthy and safe working environment for our employees

2.1 Measurement of Outcomes

To date Chain IQ has never been the subject of investigations, legal cases, ruling, fines or other events related to human and labour rights violations.

We also look to empower all employees to grow within their roles and take on new challenges, providing 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 personal meetings, feedback sessions and regular employee surveys.

3. Environmental Principles and Implementation

Chain IQ supports environmental protection, prevention of pollution and prudent management of natural resources and reduce the environmental impact of products and services in line with or above environmental legislation that relates to Chain IQ. To accomplish this, we

- Minimize waste by evaluating operations and ensuring they are as efficient as possible, also by actively promoting recycling
- Source and promote 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.

3.1 Measurement of Outcomes

To date Chain IQ has never been the subject of investigations, legal cases, ruling, fines or other events related to environmental issues.

Our air travel activities are calculated and offset annually by certified projects in renewable energies in Switzerland and other regions. For our daily business operations in regard to waste management Chain IQ engages with an external recycling specialist who provides a comprehensive recycling solution.

Furthermore, our Chairman supported a community in Yunnan, China. The community of Hongpotou village expressed the interest to be able to invest in living water cisterns.

4. Anti-Corruption Principles and Implementation

The Chain IQ Code of Conduct outlines that all employees shall deal fairly, honestly and in good faith with clients, business partners, community, our competitors and others. In particular, contact with competitors which is aimed preventing, restricting or distorting competition, or which results in such, is strictly forbidden. Employees contacted by competitors, business partners or third parties for such purposes must inform the regional CEO immediately. Decisions are not influenced by gifts, invitations or based on a private personal relationship. Work with business partners should be based solely on objectives as well as on clear and comprehensible criteria such as price, quality or sustainability. Employees are not permitted to operate, directly or indirectly, via a related party - a company or business which competes with Chain IQ.

Chain IQ expects all employees to observe and respect the laws of the legal system applicable in each jurisdiction as well as complying with all internal policies, directives and guidelines. Every member of staff must be aware that a violation can lead sanctions under penal or liability law and disciplinary consequences through to dismissal. Therefore, it is important all employees know the laws and the internal directives relevant for their sphere of work. In case of doubt, employees can consult their superiors, legal department or the local management team. Above all, managers have an important role model function and must set an example through their personal conduct. They are responsible for avoiding any violation of laws in their areas of responsibility that could have been prevented by proper information and supervision.

4.1 Measurement of Outcomes

To date there have been no reported instances of corrupt practices related to Chain IQ's operations and business.