

October 17, 2018

To Our Stakeholders:

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, which covers the period October 2017 – October 2018, 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, global service company providing strategic, tactical and operational procurement for its clients. As an international company it offers comprehensive end-to-end procurement solutions for national and international companies. Founded in 2013 Chain IQ operates from its main centers – Zurich (headquarters), New York, London, Singapore, Mumbai and Bucharest – and is currently servicing more than 20 countries (including China, Hong Kong, Japan and Australia). More information: www.chainiq.com

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.

In Q2 2018 the CSR team established a proposal for a CSR plan to identify and prioritize CSR topics and to move Chain IQ's CSR policy landscape to a comprehensive CSR management and reporting. The proposal of the CSR plan will be presented to Chain IQ's Global Executive Board in Q4 2018.

2. Human and Labour Rights Principles and Implementation

Chain IQ's supports and respects the protection of internationally proclaimed human rights. Our Environmental and Social Responsible Policy is based on the Universal Declaration on Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization, and supports the following issues:

- 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.

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

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.

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.

In Q4 2018 Chain IQ's Integrity Hotline will go live which will grant communication channels and follow-up mechanisms for reporting concerns or seeking advice. An external independent company reporting directly to Chain IQ's board of directors will provide the hotline.

4.1 Measurement of Outcomes

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