UN GLOBAL COMPACT ANNUAL REPORT

For the period from
April 2019 to May 2020

Contents

1. Statement of Continued Support by the Chief Executive Officer

December 2020

To our stakeholders:

I am pleased to confirm that CSS 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, 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,

Doug Morgan
CEO

Formed in 2017, Compliance Solution Strategies (CSS) is a global Governance, Risk Management, and Compliance (GRC) platform which provides a comprehensive set of software solutions and services utilized by financial services companies in meeting their regulatory compliance obligations.

GRC has long been a part of corporate consciousness and responsibility. The term has gained greater prominence due to economic scandals resulting from poor governance and stakeholder management. The resulting climate has seen a dramatic increase in regulations including, for example, the Market Abuse Regulation which was enacted in 2016 and introduced strict guidelines for European capital markets. Many GRC initiatives can be viewed as responses to the effects of globalization. Financial markets and institutions have become increasingly intertwined, requiring a transparency of information and data flows. This more stringent regulatory environment has also resulted in stronger sanctions and penalties imposed by regulators, which has further reinforced the importance of GRC initiatives.

Central to CSS's strategy is providing its clients with technology and related services to support their efforts to respond to and manage an array of global regulatory requirements with efficiency, transparency and control. By maintaining this strategic focus, CSS helps companies minimize their risk exposure and promotes achievement of their corporate goals.

Today, CSS serves over 600 financial services firms with clients principally including hedge funds, private equity firms, traditional asset managers, and fund administrators. The Company was honored to be included in the RegTech 100 for 2020, a list recognizing the world's most innovative RegTech companies compiled by RegTech Analyst, a specialist research firm. The success of CSS in delivering mission-critical solutions to its clients is enabled by the Company's global team of dedicated and talented individuals who bring unique, diverse, and impactful skillsets to the Company.

CSS's core values shape our corporate culture and guide not only how team members should treat one another but how, as colleagues, we should treat our clients and our wider stakeholder community with respect, consideration and appreciation.

2. CSS Background and Values

The values of CSS are the catalyst for the Company joining the UN Global Compact (UNGC) as a signatory participant and affirming our commitment to ensuring the world is a more equal and fair place for all people.

Collaboration
We develop the best ideas through collective endeavors

Consideration
We adopt a measured and constructive approach in our work with colleagues and customers

CSS
Compliance Solutions Strategies

Creativity
We deliver innovative solutions by nurturing diverse talents and perspectives

Character
We always act with honor, integrity, and respect

Client Focused
We are committed to providing a quality experience for the customer

3. Description of Actions

a. Human Rights

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

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

CSS is fully committed to ensuring human rights are not abused in our workplace and throughout our supply chain ecosystem.

Implementation

CSS places the highest importance on ensuring all staff are provided safe, hygienic and suitable work facilities at all times.

In 2019, CSS relocated its teams in New York, London and Amsterdam to larger premises with enhanced space and natural light. Also in the past year, the CSS's Dublin and Stockholm offices were renovated and refreshed, and our two Connecticut offices were consolidated to one central office to aid communication and collaboration. Plans to move CSS's team in Valencia to larger premises during 2020 are currently on hold due to the COVID-19 pandemic.

CSS offices are cleaned daily to provide staff with sanitary workstations and facilities. All locations have passcodes and staff key cards to secure our offices, Company property and the personal belongings of staff. New CSS offices are painted with VOC-free or low-VOC paints. We have installed plants in our facilities to help purify the air, reduce stress and noise levels. Each office meets local fire and safety codes and all office furniture complies with local fire regulations. At all CSS locations, we have the required fire safety equipment and first aid supplies in place and a local fire safety officer conducts regular fire drills to ensure staff are aware of the correct procedures.

Health and Wellbeing

Reflecting our core values of Character and Consideration, employee health and wellbeing are of the utmost importance to CSS. All CSS offices have kitchens, recreational rooms and/or a designated area for employees to take time away from their work throughout the day to recharge. CSS makes fresh fruit and healthy snacks available to colleagues as well.

Taking care of physical and mental health has been key to keeping well as we navigate the COVID-19 pandemic. CSS instituted yoga and meditation sessions as part of the CSS Workplace Wellbeing program to promote mindfulness and help employees relieve stress.

Taking care of physical and mental health has been key to keeping well as we navigate the COVID-19 pandemic. CSS instituted yoga and meditation sessions as part of the CSS Workplace Wellbeing program to promote mindfulness and help employees relieve stress.

All staff chairs are ergonomic and standing desks are provided, if requested. CSS ensures that everyone's needs are considered and addressed to the fullest extent possible. If a staff member requests specific software, office furniture or equipment to support them in their work, the Company will do its best to ensure it is supplied.

Our offices in Stockholm, London, Dublin have shower facilities so that staff can run or cycle to work or exercise during the day. CSS places a great emphasis on the benefits of exercise and its positive effect on mental and physical health. CSS sponsors employees who wish to participate in charitable events, including local charity walks, "fun runs" and running competitions.

CSS recognizes that employees may, from time to time, experience issues or concerns requiring additional support and assistance, especially during these unprecedented times related to COVID-19 pandemic. Staff located in the UK and Ireland can access the Employee Assistance Programme (EAP) provided through Spectrum Life. CSS is currently evaluating similar programs which can be made available to colleagues based in other locations. The EAP is a free and confidential service that supports a wide range of needs such as:

- Stress/mental health support (including counseling sessions - currently via video technology)
- Stress and anxiety support related to COVID-19
- Financial information
- Health information
- Consumer information

As well as individual counsellng if required (via Teams / Zoom during the COVID-19 pandemic), CSS staff have access to a selection of wellbeing content created and curated by leading industry experts on topics such as ergonomics at home, sleep, finance, general health, mental health, fitness, virology, remote working and more.

In response to the COVID-19 pandemic, the CSS Executive Committee implemented a number of company-wide policies for all staff. It is important to note that all policies and procedures enacted by the Executive Committee were based on directives and guidance issued by local government authorities, the World Health Organization, and The Centers for Disease Control and Prevention in the US. The measures implemented to address COVID-19 were intended to protect the health and welfare of all CSS staff without discrimination of any kind, including race, color, age, gender, sexual orientation, gender identity, national or social origin or any other status.

In the Company's communications related to COVID-19, all team members were instructed to follow the issued public health guidelines as per below:

- Do not shake hands to limit any further spreading of the virus

- Wash your hands thoroughly when you arrive at work and regularly throughout the day, especially after coughing, sneezing, and using tissues. Soap and water is a very effective means of cleaning hands although microbicidal hand sanitizers, particularly alcohol-based, can be used as an alternative. Hand sanitizers are available in all CSS offices

- Use a tissue to cover your nose and mouth when coughing and/or sneezing, dispose of the tissue promptly (domestic waste is fine – they do not require any special treatment) and wash your hands

- Do not use cloth handkerchiefs or reuse tissues as this carries a risk of contaminating pockets or handbags which may then re-contaminate your hands

- Minimize touching your mouth, eyes and/or nose, unless you have recently washed your hands

- Clean surfaces frequently touched by hands using household detergent

- Wash your hands as soon as you arrive home

In response to the COVID-19 pandemic, the CSS Executive Team implemented a global work-from-home policy and closed all offices to protect staff members and their families. We also encouraged managers to allow staff to work flexible hours due to this new working environment and its associated demands particularly related to family and childcare commitments.

Since the onset of the pandemic, regular conference calls have been conducted to provide staff with transparent and updated communication. Team members have been encouraged to attend to their mental and physical wellbeing and to utilize the support available, if required.

Measurement of Outcomes

CSS uses ViaPeople, a third-party HR software tool, to support the Company's performance management process and to administer its incentive and compensation review programs.

Principles 3-6

CSS abides by all local and international employee/labor laws to ensure the Company does not participate in any form of forced or bonded labor.

b. Labor

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

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor; and

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

Implementation

CSS complies with minimum wage standards and offers staff spot bonus awards for "going the extra mile."

To ensure employment-related decisions are based on relevant and objective criteria, CSS also uses ViaPeople to provide best-of-breed performance management, communicate real-time feedback, and identify high potential employees for succession planning and 360-degree peer feedback. This process empowers our staff and managers to independently manage the performance review process based on relevant and objective criteria.

Integrating the use of an HR tool into the performance management process enables the Company to:

- **Build a culture of transparency and trust.** Transparency allows employees to feel connected to the organization in a meaningful way. A transparent culture creates an environment where people can provide honest and helpful feedback and know that it will be used in positive way.

- **Improve employee performance** by helping managers address and document performance issues in real time so that employees can quickly course correct. Performance issues will no longer surface as surprises during formal performance reviews.

- **Increase motivation by offering recognition and encouragement.** Creating a feedback loop allows employees to be called out for their strengths and accomplishments, reinforcing strong performance and positive contributions.

- **On-board new employees more quickly and efficiently.** Real-time feedback will allow new employees to become fully productive more quickly by allowing them to learn and adapt to their role.

- **Increase the quality and accuracy of performance data.** Reduce the potential impact of bias on performance data through on-going conversations, supporting fair and accurate talent decision making by providing a clear picture of performance and improvement over time.

- **Build the capabilities of managers.** Through continuous upward feedback and peer coaching, managers gain insight into their managerial style and skills. Real-time feedback offers managers the ability to become better leaders.

- **Encourage peer coaching and knowledge sharing.** Knowledge sharing and brainstorming gives employees the opportunity to help each other develop and learn new skills. Teams will work more effectively and achieve success together.

Any form of harassment or bullying is not tolerated in any capacity by CSS. In 2019, CSS partnered with Kantola, an online HR compliance firm, to launch mandatory harassment training for members of the Executive Team. This training will be rolled out to all CSS team members in 2020.

We are committed to a harassment and discrimination-free workplace and believe that education on the subject is a necessary component of that commitment.

CSS is committed to making positive contributions in the communities in which it is based and will be implementing volunteer days so our team members can devote time to supporting the work of local service and charitable organizations.

As part of our global conferences and events, CSS participates in strategic, transformational activities that affect positive change, offer a team-building element, and provide meaningful, face-to-face interactions with members of the local community. At our CSS Compliance Conference in Scottsdale, Arizona in 2019, we partnered with a local food bank to provide meals to members of the community in need.

Measurement of Outcomes

CSS utilizes ViaPeople to assess employee satisfaction in their roles and identify gaps in performance. Management also analyzes anonymous feedback from third-party website Glassdoor to take the pulse on CSS and understand sentiment and perceptions of CSS from previous and current employees.

c. Environment

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

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Protecting the environment is a high priority for CSS.

Implementation

As a global company, and prior to COVID-19, CSS had already implemented a "tech over travel" policy to reduce CO_2 emissions through controls on air travel. The policy ensures that travel to offsite locations is only approved where absolutely required. CSS implemented Zoom video conference technology companywide in January 2020 to host all internal and client meetings and support a more eco-friendly way of collaboration.

CSS is also on a mission to go paperless. Our recent 2020 Regulatory Compliance Forum on March 5th in London, was paper-free, and all marketing collateral and content was digital. CSS is now looking to commit to being paper-free for all future events and client meetings.

All of offices are supplied with recycling and compost bins and recycling is actively encouraged over waste.

Measurement of Outcomes

International company travel has been reduced since February 2020 by 90%. Since the introduction of compost bins, compost recycling has increased by 90%, and company-wide recycling has increased by 60% with general waste reduced to 10%.

d. Anti-Corruption

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

In 2020, CSS updated its Anti-Bribery, Corruption and Conflict of Interest policy to provide clear guidance for all CSS employees dealing with government officials, vetting and validating third-party service providers before formal engagement and setting standards that comply with the U.S. Foreign Corrupt Practices Act and similar laws of other countries. All contracts signed with partners and clients are thoroughly assessed prior to execution to ensure the Company is not entering into a relationship with a firm we deem to be in conflict with our values or in abuse of any of the principles of the UNGC.

Implementation

CSS updated its Anti-Bribery, Corruption and Conflict of Interest policy in April 2020.

Measurement of Outcomes

Compliance with CSS's policy will be managed and measured through company-wide cooperation involving all departments. As the Company expands into new markets, segments and geographies, CSS will maintain its policy to ensure all activities are compliant with international and local policies and applicable laws.