

# COMMUNICATION ON PROGRESS

## Sustainability Report 2021

COMMUNICATION  
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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### Introduction

#### Statement of Continued Support

2020 affected everyone on global scale; Individuals, families, businesses, and governments found themselves facing challenges like never before. Some of these issues and challenges were completely new and unexpected, whilst others resurfaced.

Overall, it has been a very challenging year for the ISO-Gruppe, reminding us of what is most important and where improvement is needed. The ISO-Gruppe companies were forced to rethink their business operations in some areas. Some business areas were more affected than others, while others were barely impacted. Nevertheless, ensuring the health and safety for all of our employees was at the core of 2020. As a family-run business, our structures and processes established before 2020 paid off.

This coming year is not without challenge for us. We see some improvements on a global scale but we have to move forward one-step at a time, nonetheless. This is our first year as a member of the UNGC and our navigational compass is to align our business further with the values and basic principles of the UNGC. Fortunately, many of our processes in place cater to the Ten Principles, so the slight changes have come natural to us. We are proud to be a member of this global movement.

I am very pleased to reaffirm my full support to the United Nations Global Compact and the Ten Principles of the UNGC. We are committed to upholding and implementing these principles in 2021 into our strategy, culture and day-to-day operation. We will also engage in collaborative projects, which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.



Claus Bogner

CEO, ISO Software Systeme GmbH

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### About the ISO-Gruppe

The ISO-Gruppe (ISO) has been active in the IT and software market since 1979 and has since developed into a versatile, international IT service provider. Targeting specific markets has resulted in several powerful and innovative companies that make up the the ISO-Gruppe conglomerate. Besides ISO Software Systeme GmbH, the ISO-Gruppe includes ISO Travel Solutions GmbH (an IT expert for the tourism industry), ISO Professional Services GmbH (a specialist for SAP and IT infrastructure services), ISO Recruiting Consultants GmbH (a provider of IT HR services) and ISO Public Services GmbH (IT solutions for the public administration sector). All five companies are signatories of the UNGC and are committed to the Ten Principles.

The ISO-Gruppe, with respective offices in Nuremberg, Munich, Frankfurt, Berlin, Karlsruhe, Würzburg and Duisburg, was chosen as one of the “TOP 100” companies of 2016 and 2019 in Germany. This award underscores the remarkable innovative capacity and exceptional inventive success of medium-sized enterprises in Germany.

Some 620 permanent employees work at several sites throughout Germany as well as at associate companies in Austria, Poland and Canada. The ISO Software Systeme, ISO Travel Solutions, ISO Professional Services and ISO Public Services are all certified to the requirements of their quality management system in accordance with DIN EN ISO 9001:2015.



ISO headquarters in Nuremberg – a monument protected building

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The top echelon of the ISO-Gruppe consists of six company officers with statutory authority. They have all been with the company in responsible positions for at least 10 years, some for more than 25 years.

The ISO-Gruppe is self-sufficient and finances its investment completely independent of the interests of external investors. Thanks to flat hierarchies and short decision-making processes, the company is organized very well to participate in successfully shaping the ever-increasing pace of innovation in IT.

The ISO-Gruppe is united in its commitment to the principles of the UN Global Compact. All of the operative ISO-Gruppe companies have joined the world's most important initiative for responsible corporate governance in the past year. We also pledge our continued commitment to the Sustainable Development Goals (SDGs) at the heart of the 2030 Agenda for Sustainable Development.



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### Human Rights

ISO Software Systeme is fully supportive of the Universal Declaration of Human Rights and committed to the implementation of all aspects of human rights, both internally within our organization and externally. As an IT provider with an emphasis on software development and related services, we strive among others, to acquire business in the field of medical technology and automation as well as provide services to the aviation and Air Traffic Control industries.

Our company policy supports the Universal Declaration of Human Rights and we encourage our business partners and suppliers to adhere to the Human Rights principles outlined in our corporate code of conduct, which is in place for both our employees and our suppliers.

We express and outline our commitment to Human Rights to all of our new employees during the Welcome Day training as part of their onboarding process. We present and discuss our Code of Conduct and commitment to Human Rights at this training.

The ISO-Gruppe does not discriminate against people with disabilities; rather we have embraced a company culture that includes adjusting working schedules for moms and dads as well as adjusting and improving the workplace environment and equipment to meet their needs. Several workers with disabilities are part of our workforce and we have ensured that accessibility is not a problem, and that ergo-dynamic equipment was procured where needed.



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Working parents make up a good portion of our workforce. We value their employment in our company and offer flexible working hours and contracts that ensure flexibility for young families. In the course of the pandemic and the impulse from the government to promote remote working, we ensured that parents were able to balance home schooling and work with flexible working hours.

As an IT company, we are aware that we navigate in a male dominated field, and are proud that one of our female colleagues sits on our Board of Directors. We are required by law to adhere to the Equal Opportunities Act (Gleichstellungsgesetz) and any infringement can be reported to the Equal Opportunities Office. Since the founding of the company in 1979, there have never been any infringements reported.

The ISO-Gruppe promotes a partnership-based cooperation as well as diversity and tolerance among its workforce. This is why we signed the Charta of Diversity in March 2020. Employees from 30 countries around the world represent our diverse workforce. As a result, we assist our employees in overcoming language and culture barriers, by offering on premise German language courses for those employees working in Germany. Vice-versa, ISO offers English courses to our German employees to improve mutual communication and intercultural competence.

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### Labor

We, at ISO, believe that equal opportunities and equal treatment are important cornerstones for a fair and respectful interaction.

All of the ISO-Gruppe job descriptions and vacancy announcements are open to everyone regardless of their religion, ethnicity, age, or gender identity. We have also signed an agreement to discourage and distance ourselves from any discrimination, child labor or forced labor within the company and all of our suppliers.

Our company makes use of the yearly employee evaluation program to encourage open communication between employee and supervisor. The monitoring and evaluation assessment are a tool that identifies mutual paths of growth and areas of mutual improvement.

Employees can request to attend trainings or further education at any time via their supervisor. Employees can also offer employee trainings on subjects of interest via our ISO Forum. These trainings are offered on a monthly basis and are well attended.



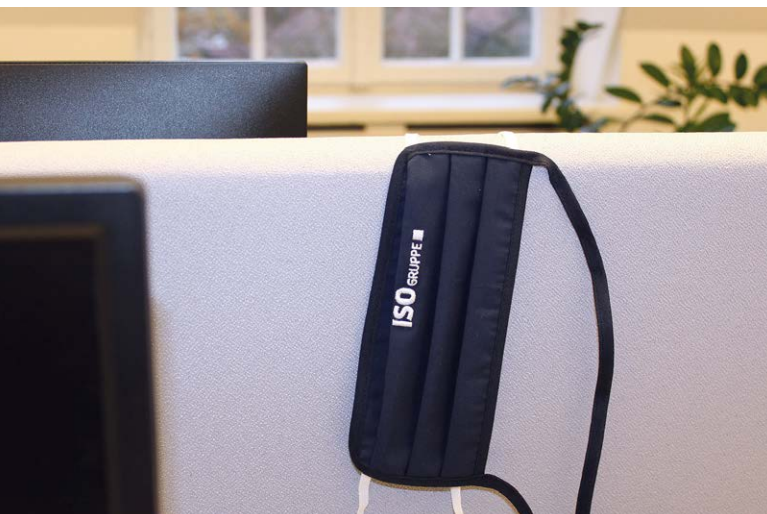
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The ISO-Gruppe's Quality Assurance office and Facility Management work diligently to ensure safe working conditions for our employees. Via a series of employee trainings, employees are informed and trained on the importance of safety and security in the workplace. There is a guideline on how to manage work-related health, safety and working conditions in place. All employees are also required to take and pass a Data Protection Training in accordance with DSGVO regulations on a yearly basis.

To ensure employees receive the correct and required ergo-dynamic equipment if needed, Facility Management is in charge of purchasing office equipment and any equipment, such as office under-desk footrests necessary to assist the correct fit and desk height. To encourage employee wellness, we provide an employee management system that offers health prevention measures like massages, health days, fruit days, complimentary drinks (including coffee, tea, juice, and water) and much more.

During the COVID-19 pandemic, ensuring a healthy workforce was key to our commitment to our employees and business partners. We set strict social distancing and hygiene measures at all of our locations and where possible encouraged employees to work from home. Employees working from home was made possible thanks to the VPN digitalization process already in place. Employees received regular updates on the company health policy and a task force was set in place for employees to reach out to in case of questions or concerns. Hand sanitizers were mounted throughout the ISO premises and company face masks and testing kits were purchased, and social distancing was encouraged while in the office.



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### Environment

The ISO-Gruppe's goal is to be as eco-friendly as possible.

We have implemented measures and processes in the last year to increase environmental awareness and steadily reduce our environmental footprint. Although most of the time was spent working from home, all employees were encouraged to follow office environmental guidelines. Working via video conferencing and digital teamwork has increased significantly, business travel was reduced considerably and further reduction is expected. Being an international company, flights to trade shows and customers is part of the business operations. Cost for air travel expenses during 2020 compared to 2019 showed a steep decrease of 75.97% due to the pandemic. Many of the ISO employees travel with the German railway system, Deutsche Bahn (DB), instead of driving to customers. DB expenses also dropped dramatically in 2020 by 99.5 %.

ISO actively participates in the reduction of CO<sub>2</sub> emissions by reducing business travel. For instance, if the need to fly arises, ISO compensates the CO<sub>2</sub> emissions for that flight via our booking system. All flights and railway use were compensated for 2019-2020.



Video conferencing has been introduced for all internal meetings, thus reducing the need to travel to the Headquarters. Every employee has access to a video conferencing system on their laptop; all conference rooms are equipped with large screens and high quality video conferencing systems. The server equipment is also mostly virtualized as well and the cooling systems for our data center are generated from alternative and renewable sources.

Approximately 75% of the electronic equipment used at ISO is certified with the highest Energy Star rating.



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ISO not only encourages but also supports the leasing and purchase of E-bikes via the company. ISO also actively participates in the reimbursement for the transport ticket costs for a portion of its employees. These policies apply to all employees across all companies.

Another manner in which ISO is actively employing sustainable methods is via our trash management system. The company recycles paper, glass and organic substances at each company location. A process to recycle printer toner and all electronic devices such as laptops, servers, mobile devices has been implemented throughout ISO. We partner with Scholz recycling, whose mission is to practice sustainable recycling to conserve resources and thus to take responsibility for the environment for the generations to come.

The food and drink offered to our employees are also purchased with sustainability in mind. The coffee is sourced from Tchibo, which is a UNGC member. Food is purchased from a local butcher (vegan and vegetarian offerings as well), fruit and vegetables offered are selected based on short distance locations and local farms. The drinks offered are purchased from a local beverage market.

We go the extra mile using cloth bags, reusable cartons, and purchase printing paper that is not wrapped in plastic.

Our servers are housed at Noris Network. Noris is DIN ISO 14001 certified for environmental management from 2017 onwards and their data centers have successfully passed the Eco Data Center Star Audit. Furthermore, all Noris Network data centers run on 100% regenerative energy. In addition, Noris Network has also received several eco-friendly awards from other organizations.

Our future aim is to introduce electric automobiles to our company car fleet.



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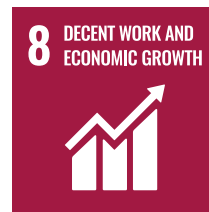
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### Anti-Corruption

At ISO, we take the topic of corruption very seriously and are committed to an anti-corruption policy. ISO has signed an internal guide that promotes engagement of fair business practices where corruption, fraud, bribery, taking personal advantages or granting personal benefits are concerned.

ISO does not and will not do business when any sign of conflict of interest, money laundering, fraud or anti-competitive practices are observed. There have not been any evidence of corruption, extortion or bribery and none has ever been reported.

An internal data protection manager has been named by ISO to guarantee sustainable conduct when using client data. There is a whistleblower policy in place at all ISO companies and we are proud to say that no case has ever been reported. We are currently revising our whistleblower reporting system and will reintroduce it to the employees in the near future.



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### Our visions and goals for 2021

Due to 2020 been a very challenging year, we have had to focus on the essentials in order to secure both jobs and business continuity sustainably. However, we look positively to 2021 and would like to continue to tackle the goals towards a more sustainable future. In addition, we would like to approach and accomplish the following goals:

- Elaborate a “new work” scenario for the post-pandemic business operations, which will accommodate the interests of ISO as well as those of our employees.
- Promote the further development of employees through easily accessible trainings.
- Integrate some essential aspects regarding sustainability in the guidelines of our ISO 9000 system.
- Extend our KPIs and the reporting in order to achieve premium results in the next EcoVadis audit.

