

UNITED NATIONS GLOBAL COMPACT

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Our Commitment – Letter From The CEO

We are delighted to present our latest Communication on Progress report as a proud member of the UN Global Compact.

At ethiXbase our mission is to accelerate the world's progress towards sustainability, by crafting the most compelling solutions, that help our clients build and maintain sustainable supply chains that benefit the world.

To achieve this mission, we are proud to join the UN Global Compact, the world's largest corporate sustainability initiative, and align our business strategies and operations with its 10 Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. The principles have been embedded in our day-to-day operations and product developments and becoming part of our corporate culture.

We are committed to driving positive change by assisting corporates and their third parties to create and maintain a sustainable supply chain, underpinned by robust technology, data and services. This has given us a chance to collaborate with many organisations to accelerate positive changes towards the circular economy.

In this new communication, I am pleased to express continued support to the UN Global Compact and its 10 principles. We will continue to work with stakeholders and communities to implement those principles and improve our practices to directly and indirectly contribute to all Sustainable Development Goals (SDGs).

The journey to achieve complete sustainability across the world is still long, I look forward to advancing our work with the UN Global Compact and its members, and further demonstrating our commitment to assisting businesses to create and maintain sustainable practices.

Yours sincerely,



Leas Bachatene
Chief Executive Officer

2021 Highlights

- **Entering Final Judging of the Singapore Apex Corporate Sustainability Award**

We are honoured to have been selected for the final judging of the Singapore Apex Corporate Sustainability Awards 2021 - Sustainable Business Category, by the UN Global Compact Singapore Chapter. This award represents the most prestigious form of recognition for companies in Singapore on corporate sustainability, and the Sustainable Business Category recognises businesses that excel in implementing sustainable practices within their core operations.

We applied for the award in June 2021, successfully passing the preliminary assessment and site visit to progress to the final judging phase. ethiXbase is one of the 8 companies shortlisted for the final judging. This has demonstrated our commitment and excellence in embodying the UN Global Compact's 10 Principles in the areas of Human Rights, Labour, Environment, and Anti-Corruption into our own business operations.

This follows our winning of the Sustainable Solutions Category in 2020, which recognises our outstanding solutions and services to help other organisations elevate sustainability in their value chain.

- **Receiving Investment Funding from CGE Partners**

ethiXbase receives investment funding from CGE Partners to revolutionise the sustainability risk management market and take solutions to a global audience.

CGE Partners is a European mid-market private equity fund that targets purposeful businesses with a differentiated position and real ambition to grow. CGE Partners has received Certification of B Corporation, the certification recognises businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.

Having released a series of innovative ESG and sustainability-specific risk management solutions over the last 12 months, the investment enables ethiXbase to build on business momentum and accelerate the next phase of the company's growth to become the leading global provider of sustainable supply chain and third-party risk assessment software solutions.

- **Partnering with CDP to Promote Climate and Environmental Disclosure in Supply Chain**

ethiXbase has entered into a collaborative agreement with CDP Global, an international non-profit organisation that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

As the cost of climate change and environmental damage becomes more significant than ever, businesses must act quickly to mitigate and manage environmental risk and resilience within their supply chain to halt the climate crisis and to protect our people and our planet in the long term.

ethiXbase aims to play a role in encouraging its clients and the million plus suppliers they work with to join the CDP membership programme, where they can gain a better understanding of company actions according to their environmental risk, opportunity and impact of businesses from a climate change, water security and deforestation perspective.

- **Joining the SME Climate Business Hub and Making Strides Towards Carbon Neutrality**

ethiXbase has joined the SME Climate Business Hub, an initiative of the We Mean Business Coalition, the Exponential Roadmap Initiative, the United Nations Race to Zero campaign and the International Chamber of Commerce. This partnership is an exercise in radical collaboration that opens the doors for SMEs to join the United Nations Race to Zero campaign – an international campaign that brings together an unprecedented coalition of real economy actors and 120 governments committed to achieve net-zero emissions by no later than 2050.

In collaboration with the Net Zero team at Oxford University, the SME Climate Hub provides tools and resources to enable SMEs to make a climate commitment, act and measure their progress. It is our belief that climate action is everyone's business.

This is in line with our aims to further the goals set out in SDG 13: Take urgent action to combat climate change and its impacts.

ethiXbase GreenLITE – New ESG Risk Management Solution

Built upon our cutting-edge research and robust technology platform, we have launched the ethiXbase GreenLITE suite, a new supply chain risk management solution that allows businesses to boost their sustainability, ensure resilience and deliver impact within their value chain.

ethiXbase GreenLITE is designed to align with the 10 principles of the UN Global Compact and enable companies to elevate the UN's 17 Sustainable Development Goals (SDGs). It gives our clients the tools and insights they need to positively impact their business operations and achieve a more sustainable and resilient future.



Hundreds of clients use our supply chain sustainability solutions to assess and manage their supply chain risk, with over 1 million suppliers being monitored on our platform, an increase of over 200,000 in the past year.

Through incorporating sustainability into our own business operations and the innovative products we offer to clients, we are making a great impact in promoting human and labour rights, environmental protection, and anti-corruption compliance among our employees, suppliers, customers, investors, and the communities in which we operate.

Human Rights

We respect and support human rights across our business operations and supply chain. This is written in our [Code of Conduct](#) and briefed into our employees when they join the company, and communicated to suppliers, business partners and other stakeholders.

- **Equality and Non-Discrimination**

We require that employees may not discriminate against any worker based on race, colour, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union partnership, national origin, or marital status in hiring and employment practices.

Our employees are constantly reminded on acceptable behaviour towards colleagues and external stakeholders in areas of human rights such as gender, ethnicity, and religion.

We have a gender policy where we suggest our employees to put gender pronouns on their email signature.

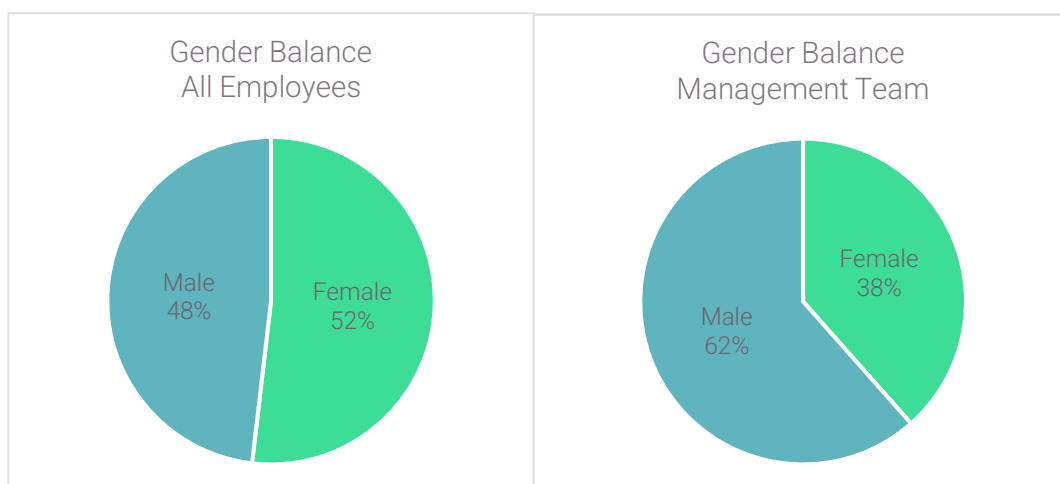
We have a transparent and fair documented process to address human rights grievances and any acts of discrimination or harassment in the workplace. Senior managers have an "open door" policy to allow employees to voice out grievances through one-to-one meetings. Incidences reported and follow-up actions are documented.

- **Diversity and Inclusion**

Diversity and Inclusion is one of our core values. We have a publicly available [Statement on Diversity & Inclusion](#) published on our website.

We regularly host company-wide meetings to emphasize on values and behaviours towards internal and external stakeholders regarding human rights and diversity issues.

Our company's current gender balance is as follows:



These metrics are actively monitored and reported to the CEO and Board on a quarterly basis. Our target for 2025 is to increase female's percentage in the management team to 50%.

With 52% of female employees in current workforce, we are proud to contribute to the SDG 5: Achieve gender equality and empower all women and girls.

- **Respecting human rights in our supply chain**

We require our suppliers to comply with our Code of Conduct and monitor them on our supply chain risk management platform daily. Our suppliers sign an undertaking that they comply with human rights protection included in our Code of Conduct.

We conduct due diligence on 100% of our suppliers covering 54 risk factors which include all areas of concern under the 10 principles of the UN Global Compact. We also conduct ongoing monitoring and due diligence on all suppliers every 12 months including beneficial ownership checks.

If risk alerts of human rights violations are found, we will investigate the incidents and take actions against the supplier. There are no incidents of violations of human rights by suppliers and other partners that we are aware of.

- **Supporting our clients on their human rights initiatives**

In addition to this, we understand that our product offerings actively help other organisations to identify and assess risks of human rights violations among their suppliers. Over 1 million clients' suppliers are being monitored on our platform daily for human rights violations. ethiXbase has partnered with Norton Rose Fulbright, one of the world's leading law firms to develop a [Modern Slavery Questionnaire and Human Rights Module](#) to assist companies manage modern slavery risk within their supply chain. This exclusive license and collaboration agreement was officially launched in November 2020 and is being used by dozens of multinational corporates to comply with global Modern Slavery laws and fulfil their regulatory reporting obligations. Tens of thousands of suppliers have been engaged by the Modern Slavery Questionnaire on human rights violations, and labour rights abuses.

When human rights issues have been identified in our reports for clients, we are aware that many clients use their leverage to trigger change in that supplier.

By supporting our clients' human rights protection, we are able to play a bigger role in reducing inequality within and among countries, in alignment with the SDG 10.

Labour

We respect and uphold workers' rights in various areas including equal employment opportunities, fair wage and benefits, non-discrimination in workplace, health and safety, freedom of association, among others. Workers' rights protection is written in our [Code of Conduct](#) and implemented throughout our business operations and promoted in our supply chain.

- **Wage and benefits**

ethiXbase pays its workers according to salary benchmarks. In 2021 we conducted a global salary review process to guarantee that all our employees are paid fair salaries according to the market. We also provide all legally mandated benefits such as medical insurance for our staff, statutory leave (annual, parental, maternity etc). In addition to their compensation for regular hours of work, employees are also compensated for overtime hours at the premium rate required by applicable laws and regulations.

Through paying our workers fair wage and benefits, we contribute to the SDG 1: End poverty in all its forms everywhere.

- **Non-discrimination in employment and occupation**

ethiXbase and its' employees do not discriminate against any worker based on race, colour, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union partnership, national origin, or marital status in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, termination, and retirement. Our employees may not discriminate against pregnant workers or require a pregnancy test except where required by applicable laws or regulations. In addition, our employees may not require workers or potential workers to undergo medical tests that could be used in a discriminatory way except where required by applicable law or regulation or prudent for workplace safety.

Grievance procedures are available to address complaints and handle appeals for employees.

We regularly remind our employees on non-discriminative values and practices, during our company wide Global Townhall hosted once every 2 months.

We also have employee surveys on whether they agree that our company has demonstrated values such as Diversity and Inclusion, Open & Honest Communications, Positive, Friendly & Supportive Working Environment etc, their responses enable us to know our performance and identify gaps for improvement.

Through these initiatives, we contribute to the SDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

We also believe that this is important with regards to SDG 5: Achieve gender equality and empower all women and girls.

- **Prohibiting forced labour and child labour**

Forced labour and child labour are strictly prohibited in ethiXbase. We comply with all applicable child labour laws, including the minimum age for employment in all countries where it does business, or the age for completing compulsory education in such countries, whichever is higher. We use adequate and verifiable mechanisms to verify age in recruitment procedures.

We are drafting a Modern Slavery Policy for our business operations. It will be made available on our website and communicated to all our employees, suppliers, business

partners, investors, and other stakeholders.

We also require our subcontractors, suppliers, and business partners to comply with applicable laws and regulations relating to labour practices.

- **Employee health and safety**

ethiXbase provides safe and healthy work environment for all employees, especially during the covid-19 pandemic, all our business entities and employees are required to comply with relevant rules in their respective country to curb spreading of the virus. For instance, following government requirement and recommendation, we make working from home a default option for all employees, maintain at least 1-meter social distance in office, employees' overseas travels must seek management approval, employees must scan QR code when entering office for contact tracing, among other measures.

We believe that our practices are aligned on this matter with SDG 3: Ensure healthy lives and promote well-being for all at all ages.

- **Employee retention, training and development**

We keep up-to-date records on recruitment, training, and promotion to have a transparent view of opportunities for employees and their progression within the organisation.

As part of our retention programme, employees who have been with the company for 5 years will receive an award in gratitude of their loyalty.

The HR department monitors the turn-over rate of our employees, our staff turn-over pro-rate was 1.98% in financial year 2020, and 1.89% in financial year 2021. We aim to further reduce the rate and increase staff retention rate.

We provide training opportunities for staff at all levels to re-skill or up-skill the workforce. Under our current training policy, department heads regularly review the training needs among their team members and encourage them to sign up training courses to up-skill. There are also many on-job training opportunities.

- **Addressing labour issues in supply chain**

We require all suppliers and partners to comply with labour laws and regulations and monitor their practices through our online platform. Management will review and assess if suppliers have abusive labour practices and will take actions to address it. However, there are no incidents of violations on existing labour policies and relevant laws and regulations noted from our major suppliers and other partners that the Company is aware of.

ethiXbase collaborated with Norton Rose Fulbright to launch the Modern Slavery Questionnaire via our technology platform as part of our Human Rights Module. This will extend our clients' policy and commitment to eradicating modern day slavery to hundreds of thousands of their suppliers worldwide. This technology solution will effectively identify unfair, exploitative, or abusive labour practices and modern slavery risks in our clients' supply chain.

In past 12 months we have produced detailed risk reports on hundreds of thousands of suppliers for our clients. 1.9% of the suppliers were identified to have labour rights risk. The areas of risk would have initiated follow-ups by our clients with their suppliers to understand and mitigate the risk identified, or in extreme cases terminate the relationship.

Our initiatives and technology solutions have enabled us to support SDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all.

- **Establishing partnership with NGOs**

We actively work with non-government organisations and academics to establish and promote dialogues in human rights protection. Our recent initiatives include presentation in the Asia Region Anti-Trafficking Conference hosted by the Chab Dai Coalition, Be Slavery Free, and The Freedom Story, collaboration with the Mekong Club to host “Webinar: How can we all play a part in eradicating Modern Slavery?”, and joint webinar with DICO – Deutsches Institut für Compliance (German Institute for Compliance) on the new Human Rights Due Diligence Act in Germany (Lieferkettengesetz).

Our collaborations with NGOs and other international organisations demonstrated our commitment and support to SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

- **Communication to wider audience**

Over the past 12 months, ethiXbase has produced a series of thought leadership contents and events to increase public awareness in fighting modern slavery and promoting fair labour practices, some of them include:

- Video: How to write a Modern Slavery statement
- Whitepaper: Modern Slavery Global Legislation
- Whitepaper: Tackling modern slavery in the retail industry
- Panel Discussion: Practical steps to identify, mitigate and remediate Modern Slavery Risk
- Webinar: How can we all play a part in eradicating Modern Slavery?
- Presentation in the Asia Region Anti-Trafficking Conference hosted by the Chab Dai Coalition, Be Slavery Free, and The Freedom Story
- Panel Discussion: Where to from here? Australian Modern Slavery Act
- Free weekly and monthly newsletter sent to 30,000 legal, risk, compliance, and sustainability professionals, delivering news and insights on human rights, anti-slavery, ESG and sustainability to their inbox

These contents and events have generated widespread interest, for example the Whitepaper: Modern Slavery Global Legislation was downloaded by 550 ethics, risk, compliance professionals and academics. ethiXbase thought leadership pieces have given our stakeholders and the public a deep understanding of the modern slavery issue and practical steps to eradicate modern slavery in business operations and supply chain.

Environment

Our Board of Directors have demonstrated accountability to an Environmental Management System through directly overseeing our Sustainability Policy and operational controls. The Board meets regularly on ESG issues to set goals, budgets, and monitor implementation.

- **Policy, statement, system, and culture**

We regularly update our Sustainability Policy to incorporate our new initiatives, practices, and requirements in the areas of Human Rights, Labour, Environment and Anti-corruption. In the area of Environment, the policy outlines our latest goals, commitment, and efforts towards natural resources and environmental protection, such as energy efficiency, carbon emissions reduction, climate change, water saving and waste management, among other fields.

The new ethiXbase Sustainability Policy 2022 will be made available on our website.

In addition to the policy, we are pleased to share our [ESG Statement](#) which shows our commitment to environmental protection within our operations as well as assisting our clients to build and maintain sustainable supply chain.

To ensure the policy is communicated and implemented across the company, we constantly conduct company-wide events and employee awareness training to embed the sustainability culture into their day-to-day practice. Some of these initiatives include:

- Online SDGs quiz
- Employee Sustainability Story-Sharing
- Sustainable Gift Packages for event attendees
- Sustainability tips for working at home and office
- Ongoing mentioning of our sustainability efforts during company-wide Townhall

- **Environmental impact assessment**

We continuously assess the environmental impact of our operations, products, and services, set objectives to improve our performance and regularly review targets.

Our product is technology platform which reduces paper and water waste, and our platform is cloud-based so it's energy efficient. We have migrated all of our cloud computing to AWS. In addition to addressing environmental risks, we also incorporate sustainability considerations into our data centre design. AWS has a long-term commitment to use 100% renewable energy. When companies move to the AWS Cloud from on-premises infrastructure, they typically reduce carbon emissions by 88% because our data centres can offer environmental economies of scale. Organisations generally use 77% fewer servers, 84% less power, and tap into a 28% cleaner mix of solar and wind power in the AWS Cloud versus their own data centres.

One of our targets is to be Carbon Negative by 2023. We have short listed the company Natural Capital Partners to assist us in becoming carbon neutral before end of 2022.

To further demonstrate our commitment to carbon neutrality, we have joined the SME Climate Hub, a pioneering global initiative where members commit to halve greenhouse gas emissions before 2030, and race to net-zero emissions before 2050.

Our other targets include, but not limited to, reducing water and electricity usage, reducing paper usage by digitising our operations, further reducing everyone's carbon footprints by encouraging walking, cycling to work, minimising unnecessary travels, and replacing face-to-face meetings with online meetings.

We believe our technology developments will contribute to the SDG 9 of “build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.”

- **Engaging wider community**

To raise public awareness and support research on related issues, we have launched an [ESG survey](#) inviting sustainability professionals to share insights on their businesses' positioning in the ESG and sustainability landscape. The insights generated are used to improve and create new products to meet our clients' growing ESG needs. Partnered with [onetreeplanted.org](#), we will plant a tree for every person who completes the survey. Each tree planted will contribute towards creating a healthier climate, protecting biodiversity, and helping reforestation efforts around the world.

- **Helping clients build sustainable supply chain**

In 2021, ethiXbase made a strategic decision to launch the [GreenLITE](#) – a new ESG and sustainability risk management solution that automatically audits 100% of organisation's supply chain.

ethiXbase GreenLITE is a supply chain risk management platform that allows businesses to enable sustainability, ensure resilience and deliver impact within their network of partners, suppliers and third parties, who are vital to their operations. Our GreenLITE ESG risk management solution employs cutting-edge research and analysis to identify gaps in sustainability, involvement in past controversies and ESG risks that may be hidden in disparate and multi-tiered supply chains. It provides businesses with the data, analysis and tools they need to drive holistic and quantifiable improvements in ESG supply chain resiliency.

It's designed to align with the 10 principles of the UN Global Compact and enable companies to elevate the UN's 17 SDGs. It gives our clients the tools and insights they need to positively impact their business operations and achieve a more sustainable and resilient future. Many large multinationals are in active conversations with us to apply GreenLITE to their supply chain.

ethiXbase has entered a partnership with CDP, an international non-profit organisation that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. We aim to play a role in encouraging our clients and the million plus suppliers they work with who are already engaged on sustainability issues to join the CDP membership programme, where they can gain a better understanding of company actions according to their environmental risk, opportunity and impact of businesses from a climate change, water security and deforestation perspective.

Through partnerships with many local and international organisations, we can make a

greater impact to accelerate the world's progress towards complete sustainability, **fulfilling the SDG 17 to "strengthen the means of implementation and revitalize the global partnership for sustainable development."**

Our target in 2022 is to work with more clients, business partners, NGOs and academics to help more organisations move towards the circular economy.

Anti-Corruption

ethiXbase understands, that corruption creates inequality, hinders justice, and negatively impacts states and societies. Through our anti-corruption actions, we actively promote peace, justice, good governance, transparency, and accountability in both public and private sector institutions. As such, our Anti-Corruption policy is detailed within our [Code of Conduct](#).

- **Zero tolerance to corruption and bribery**

We require all employees to commit to ethical conduct in all business dealings. Corruption, bribery, extortion, or embezzlement, in any form, is strictly prohibited in ethiXbase. Our employees worldwide must conduct their activities in full compliance with local and international the anti-corruption laws such as the Foreign Corrupt Practices Act (FCPA) and United Kingdom Bribery Act (UKBA). We make sure all employees are aware of such requirements when they join the company and conduct ongoing briefing in their day-to-day operations.

We also have an anonymous whistle-blowing channel for employees and external stakeholders to report on corrupt practices.

In 2022, we aim to get all employees pass the [Ethical Alliance Certification Exam](#) to enhance their awareness and knowledge in anti-bribery and anti-corruption laws.

- **Ethical supply chain**

We require all suppliers to have an equivalent Code of Conduct and a signed commitment to comply with both local and international anti-bribery legislation. In addition to this, we continue to have 100% compliance from suppliers and a policy not to engage any future supplier without this documentation in place.

We use our supply chain risk assessment tool to assess corruption and other types of risks among suppliers. We run Instant Due Diligence Plus screening for our new suppliers and subcontractors and basic EDD reports for our consultants. Moreover, our suppliers are being monitored on our platform on an ongoing basis, which continually alerts us on vendor risks and non-compliance issues.

If any supplier is found to have violated our code of conduct, anti-corruption policy or sustainability policy, we will terminate our work with them – zero tolerance. According to our monitoring and due diligence reports, there are no incidents of attempted, suspected or actual corrupt practices and unethical behaviour by our suppliers and other partners.

80% of people employed by a company are indirectly employed within the supply chain. ethiXbase products and services are designed to make their lives better by improving

sustainability of all these companies' supply chains. This includes but not limited to combating corruption and bribery, which often creates inequality, vulnerable society, organised crimes, and damages the rule of law.

ethiXbase currently assists 24 UN Global Compact members, and several hundred other companies in assessing corruption risk, monitoring, and then reporting the progress made by their suppliers. We have actively conducted due diligence on and monitor more than 1 million clients' suppliers for anti-corruption compliance.

As we are fortunate enough to see new best practices emerging from clients, we actively share these with all other clients, ensuring early adoption of innovative strategies to address corruption and bribery.

The effective management of our own suppliers, along with the implementation of our solutions on clients' supply chain, helps to reduce corruption risk, enhance integrity, transparency and accountability across a widened business network, which consequently provides access to justice for all and build accountable institutions at all levels, in alignment with SDG 16.

- Online presence

Considering the pandemic, we have been actively promoting online events, webinars, whitepaper, newsletters, and digital content to keep our clients updated on anti-corruption compliance. Some of the digital content we produced in 2021 include:

- [Webinar: Business Integrity in Small and Medium Enterprises](#)
- [Blog: Brexit: Bribery at the British Border](#)

Our platform already has an eLearning module covering anti-bribery and anti-corruption topic, and we have conducted online training for our clients' employees, suppliers and third parties.

These initiatives help us to further SDG 4: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all."

SDGs We Contribute To

Throughout this document, we have highlighted several areas which we are targeting to further the aims of the SDGs. These specific SDGs have included:



About ethiXbase:

ethiXbase is a leading provider of automated supply chain onboarding and due diligence solutions, offering a leading SaaS-based platform for third-party risk and compliance management. The platform provides coverage of the entire Legal and Compliance sustainability sector, including Corporate Social Responsibility (CSR), Environmental, Social, and Corporate Governance (ESG), and Sustainability teams.

The company has aligned its technology and system with the 10 principles of the United Nations Global Compact, the world's leading corporate sustainability framework. ethiXbase's mission is to support organisations worldwide to adopt sustainable and socially responsible policies with a goal to help create a business environment in which organisations are committed to doing business with integrity and transparency.

Learn more at www.ethixbase.com.

Thank You
ethiXbase.com