

UN GLOBAL COMPACT ANNUAL REPORT

For the period from May 2020 to December 2021



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1. Statement of Continued Support by the Chief Executive Officer



December 2021

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 our second annual Communication on Progress as active participant, we describe our continuing actions to 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

A handwritten signature in black ink, appearing to read 'Doug Morgan', with a long horizontal flourish extending to the right.

2. CSS Background and Values

Governance, risk and compliance (GRC) continues to be a part of corporate consciousness and responsibility. Financial markets and institutions have become increasingly intertwined, requiring a transparency into information and data flows. Compliance Solutions Strategies (CSS) is a trusted global RegTech partner that uniquely brings together innovative technology-driven solutions to support financial services firms in navigating a clear and strategic path through the complex and fragmented global regulatory space. Our solutions and services help firms meet regulatory deadlines while optimizing compliance data, operations and technology. CSS covers a full range of global compliance disciplines spanning fund reporting, transaction reporting, investment monitoring, compliance management, compliance services and managed services with a complementary, centralized approach to the strategic management of regulatory data called RBOR (Regulatory Book of Record). The Company currently serves over 650 clients in the financial services vertical comprising hedge funds, traditional asset managers and fund administrators, including Tier 1 buy-side and sell-side institutions. CSS maintains a global footprint across both North America and Europe with principal offices in New York, London, Dublin, Paris, Amsterdam and Stockholm.

The Company is honored to have been included in the RegTech 100 since 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 a 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.

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

Values



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. Since the start of the COVID-19 pandemic, CSS has worked diligently to provide the best work-from-home accommodations for employees, including supplying additional technical equipment or ergonomic furniture to help transition employees to a fully remote environment.

These improvements have helped nurture and maintain connections throughout the organization. CSS will continue to provide these accommodations even as the organization pivots to a future hybrid working model.

Measurement of Outcomes

CSS continues to evaluate its response to work-from-home challenges during the COVID-19 pandemic, including reassessing requests for necessary technology and equipment, risk assessments where required and improved communication devices. CSS has appointed the Managing Director, Operations and VP of HR to oversee the company's crisis management and return to office plan during the pandemic, and has been closely monitoring the vaccination rollout in the US and Europe and the government guidelines which apply in our office locations. While the rollout of vaccinations has been encouraging, the rise of variants has led us to postpone our decision to reopen our offices under a hybrid work model until it is deemed safe to do so.

CSS offices are currently open on a voluntary basis, where local government guidelines allow, and subject to appropriate access limitations. For those employees who wish to go into the CSS offices, offices are cleaned daily to provide sanitary workstations and facilities. All locations have passcodes and staff key cards to secure our offices, company property and the personal belongings. Each office continues to meet 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 emergency procedures.

3. Description of Actions

Human Rights

Health and Wellbeing

Physical and mental health are important contributors to a positive work culture and foster individuality and self-expression. Employee health and wellbeing remain of the utmost importance to CSS and the Company has sought to sustain wellness levels by providing tools to navigate the COVID-19 pandemic. An emphasis on employee health and wellness initiatives has contributed to beneficial work practices that nurture employees' sense of belonging and trust. Incentives and morale boosters are continuously reevaluated to ensure employees' physical and mental wellness needs are met.

Implementation

Implementation of unlimited sick leave and the rollover of unused paid time-off in 2020 were positive changes to the Company's wellness policy.

CSS has facilitated company-wide opportunities to maintain a quality work-life balance. Spending 8+ hours per day sitting at a desk, especially in a home environment with limited space, can be detrimental to individual health. CSS scheduled Chair Yoga events allowing employees to take a break from work, refresh and refocus, boost energy, and beat the mid-day slump with no equipment necessary.

In addition, monthly scheduled Quiet Days provided focus time for strategic work with the absence of meeting interruptions. Quiet Days give CSS employees the opportunity to progress their work on critical deliverables and support achievement of results-oriented departmental goals. This program was also supplemented with early Friday release in the summer months (Summer Fridays) which also contributed to a more productive work week by giving employees the time to recharge and prioritize their family and personal wellbeing.

CSS continues to recognize that employees may, from time to time, experience issues or concerns requiring additional support and assistance, especially during the unprecedented times related to the 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

In addition to being able to obtain individual counselling from the EAP 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. Throughout the COVID-19 pandemic, the CSS Executive Committee has continued to implement 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.

Measurement of Outcomes

CSS has maintained a global work-from-home policy since the outset of the pandemic to protect staff members and their families. We also encouraged managers to allow staff to work flexible hours to meet at-home 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.

Workplace Culture

Implementation

The CSS workplace culture continues to evolve. We ensure that standards of respect, positive engagement, diversity of input, and consideration are foundational elements of the Company's organizational culture. CSS's core values of collaboration, consideration, character, creativity, and client focus have continued to drive action within the organization and are reflected in the behaviors of the leadership team.

Measurement of Outcomes

The COVID-19 pandemic has helped CSS further develop our culture through direct feedback from employees. Internal surveys have been an important tool to assist the Company's leadership in gauging employee satisfaction and identifying areas for improvement. Virtual Happy Hours fostered employee engagement and served as informal opportunities to maintain virtual communications and comradery among staff.

Diversity and Inclusion

Implementation

CSS acknowledges the importance of providing a work culture that fosters creativity, individuality, and diversity inclusive of all people regardless of race, color, national origin, religion, sex, age, disability, or genetic information. It is of great importance that all our initiatives supporting diversity also extend to talent acquisition and vendor relations.

Measurement of Outcomes

CSS has actively participated in conversations that encourage education on diversity and inclusion. CSS has hosted virtual learning sessions including a special series for International Women's Day (IWD) that celebrated the different journeys and stories of three of CSS's female leaders. CSS also extended participation in IWD by asking female colleagues to share stories of women who influenced them both personally and professionally on social media.

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.

Implementation

CSS complies with minimum wage standards and offers staff spot bonus awards for “going the extra mile.” This award celebrates the contribution of an individual or team which has shown extraordinary commitment to our shared aims and has gone beyond the call of duty for clients and internal stakeholders. Any employee can nominate a colleague or team, and the Executive Team continually solicits feedback about those who have distinguished themselves through their extraordinary contributions or achievements.

Any form of harassment or bullying is not tolerated in any capacity by CSS. In 2021, CSS partnered again with Kantola, an online HR compliance firm, to continue mandatory harassment awareness training for all US team members and members of the Executive Team. We are committed to maintaining a harassment and discrimination-free workplace and believe that education on the subject is a necessary component to achieving that objective.

Reflecting the Company's commitment to making positive contributions in the communities in which it is based, CSS will be implementing volunteer days in 2022 so team members can devote time to supporting the work of local service and charitable organizations.

Measurement of Outcomes

In 2021, 100% of the CSS Executive Team completed the mandatory harassment training.



Labor

Charitable Contributions

Implementation

CSS takes pride in its support of global charitable organizations. On behalf of our clients and employees, we donated to four global charities during the 2020 holiday season, including Expect Miracles, Choose Love, basis.point and the Swedish Childhood Cancer Fund.

Measurement of Outcomes

CSS was also a participant in the Expect Miracles Social Distance Challenge initiative that included fundraising for the charitable foundation and wellness activities of biking and running/walking that encouraged team participation and collaboration across CSS.

CSS competed against several other companies in the investment management space in May 2021. Expect Miracles funds cancer research at the Dana-Farber Cancer Institute and Memorial Sloan Kettering Cancer Center and the organization's Samfund programs support young adult cancer survivors through direct financial assistance, advocacy, and financial education.

Our organization has also provided a platform to spotlight employees for making a difference within their community, including a CSS first-time author who used the COVID-19 pandemic to complete a novel with all resulting proceeds going to two local charities.



Employee development and growth is an important CSS priority, and we continue to invest in ways to mentor our teams and provide learning and development opportunities, such as through industry and leadership trainings.

Implementation

This past year, financial education and literacy courses have been offered company-wide in the U.S. CSS continues to implement learning tools beneficial to support employee personal and professional growth.

Measurement of Outcomes

CSS has rolled out a pilot program to 40% of employees across our global organization to participate in self-directed educational and development courses from LinkedIn Learning. This online platform offers self-paced courses with industry-leading content taught by expert instructors.

CSS has redesigned talent acquisition and recruitment initiatives. This has proven beneficial in organization repositioning. We have utilized strategic tools to aid in the evaluation of our culture, values, mission, and productivity.

Implementation

Our recruitment initiatives include expanded sourcing for hires utilizing niche online boards and partnering with organizations such as Black Girls Who Code which have aided in sourcing qualified prospective hires and attracting more candidate diversity. Partnerships with university internship programs have provided opportunities for promising students and graduates to gain exposure to the financial services industry. These efforts are aligned with our mission to support diversity and inclusivity in the workplace.

Measurement of Outcomes

CSS continually assesses the satisfaction of employees in their roles and identifies 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.

In 2021, we instituted a university internship program, promoting opportunities for promising students to be exposed to the financial services industry. From this effort, the Marketing department hired an intern who later transitioned to part-time employment.

Learning & Development

Talent Acquisition and Recruitment

CSS is proud to support global Environmental, Social and Governance (ESG) initiatives both internally and externally and continues its mission to go paperless and achieve a zero-carbon footprint. We plan to commit to paper-free initiatives moving forward for all future events and client meetings.

Environment

Implementation

CSS has significantly decreased daily waste and consumption with the elimination of printed marketing materials and other notifications. Payroll has virtually eliminated the use of hard copy payments. We have also transitioned to digital processes throughout the organization, including digital contract signage and an automated RFP workflow tool.

In recognition of Earth Day, the Company sponsored a virtual family-friendly event, "The Mentalist Show," bringing employees and families together to generate further awareness of environmental efforts.

In 2021, CSS donated to the earthday.org Canopy Project, an organization alongside global partners that contributes to reforesting areas in need of rehabilitation. These areas include some of the world's communities most at-risk from climate change and environmental degradation. Promotion of daily CSS Earth Day Challenges on social media sites contributed to employee, client, and partner engagement and increased awareness of CSS's environmental activities.

As a core part of our business, the Company has also engaged with clients in the development and implementation of solutions which enable compliance with global ESG regulations and standards that apply to investment management.

Measurement of Outcomes

International company travel has been reduced since February 2020 by almost 100%. Post-COVID, we plan to issue an updated travel policy which will strengthen travel oversight and, as a result, we expect lower levels of travel going forward.

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 below 10%.



Anti-Corruption

Policies related to Anti-Bribery, Corruption and Conflict of Interest are revised to provide clear guidance for vetting and validating third-party service providers prior to engaging them and for maintaining compliance with the U.S. Foreign Corrupt Practices Act and similar laws of other countries.

Contracts are thoroughly assessed to ensure alignment with CSS's vendor management policy prior to execution. A Due Diligence or a Data Protection Impact Assessment (DPIA) must be performed before choosing to host CSS or CSS Client information in any software solution or with a third-party provider. Data Processing Agreements and Non-Disclosure Agreements are in place, as appropriate, with vendors. Contract owners must regularly check and monitor the level of service and fulfilment of security clauses by critical suppliers or partners, review reports and records created by the supplier/partner, as well as audit the supplier or partner at least once a year. These policies ensure that CSS is not entering into a relationship which conflicts with our values or UNGC principles.

Implementation

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 business activities are compliant with international and local policies and applicable laws.

Measurement of Outcomes

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