

Communication on 2021 Progress of EQS Group SAS

UN Global Compact

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1	Statement of Continued Support	3
2	Company Description	4
3	The Ten Principles and our Actions.....	5
3.1	Human Rights	6
3.2	Labor	7
3.3	Environment	8
3.4	Anti-Corruption.....	9
4	Outlook.....	11

1 Statement of Continued Support

I am pleased to confirm that EQS Group SAS 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 first Communication on Progress, we describe our actions to continuously improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We have made these principles an integral part of our internal Code of Conduct as well as our Business Partner Code of Conduct. Naturally, the implementation and also the application of the ten principles vary in depth in the day-to-day business activities of our company.

We are pleased to contribute to a values-based culture and business culture by enabling companies and organizations to become aware of and take action against corruption and white-collar crime as well as violations of human rights such as sexual harassment, child abuse, labor standards, data protection and environmental protection with the help of our whistleblower system, EQS Integrity Line.

Sincerely yours,



Viviane Joynes
Managing Director of EQS Group SAS

2 Company Description

EQS Group SAS based in Paris, France, is a subsidiary of EQS Group AG with its headquarters in Germany. The company is a leading international provider of regulatory technology (RegTech) in the fields of corporate compliance and investor relations. In working with EQS Group, thousands of companies worldwide inspire trust by fulfilling complex national and international disclosure obligations, minimizing risks, and communicating transparently with stakeholders.

EQS Group's products are pooled in the cloud-based software EQS COCKPIT. They ensure the professional control of compliance workflows in the fields of whistleblower protection and case management, policy management, insider list management and disclosure obligations. In addition, listed companies benefit from a global newswire, investor targeting and contact management, IR websites, digital reports, and webcasts for efficient and secure investor communications.

One of our products, EQS Integrity Line, is a secure, anonymous whistleblowing hotline that allows employees to raise wrongdoing such as corruption, abuses of authority, discrimination, and harassment internally before contacting the authorities or the media. Additional topics, which are relevant to the ten principles of the UN Global Compact, are human rights violations, health and safety violations at the workplace and environmental violations. An encrypted channel guarantees the highest possible protection for whistleblowers.

EQS Group AG was founded in 2000 in Munich, Germany. Today the group employs more than 550 professionals and has offices in the world's key financial markets. The EQS Group subsidiary in France employs 17 experts servicing more than 230 customers. Our customers include companies of all sizes in all industries as well as public institutions such as regulatory and investigative authorities and various other organizations from different fields, for example NGOs, health care, etc.

3 The Ten Principles and our Actions

EQS Group SAS supports the principles of the UN Global Compact relating to human rights, labor standards, environmental protection, and anticorruption initiatives by making them an integral part of our internal Code of Conduct as well as our Business Partner Code of Conduct. Both are designed to provide a shared understanding of EQS Group's values and the standards that govern our business. It also serves as a compass for successfully navigating ethical challenges. In addition, our whistleblowing policy states that we do not tolerate any violations of these principles. Employees are encouraged to report misconduct involving EQS Group SAS and its business partners and any issues that affect the well-being of employees through our own whistleblowing system.

One major project this year, which addresses the ten principles of the UN Global compact, was the publishing of the Whistleblowing Report 2021. This study was conducted as part of an applied research and development project of the University of Applied Sciences Graubünden (FHGR) in cooperation with our parent company EQS Group AG. The report examines how large and small companies use whistleblowing channels to prevent and identify misconduct as well as the financial damage that can be avoided by using these channels. 338 companies (small and medium-sized as well as large companies) from France took part in the survey.

The largest share (27 percent) of reports received by participating companies in France referred to HR-related issues or diversity and respect in the workplace. This included, for example, discrimination, harassment or bullying in addition to general HR issues. Almost as frequent were reports relating to accounting, auditing, and financial reporting (e.g., financial misconduct, falsification of financial documents) or business integrity. Reports with a focus on human rights, occupational health and safety issues made up 10 percent and around 5 percent of the received reports focused on environmental issues. The Whistleblowing Report 2021 also provides best practice tips for companies. Thus, it actively contributes to actions companies can undertake to support the ten principles.

In addition, EQS Group organized the European Compliance and Ethics Conference (ECEC) in October 2021, which brought together around 5,500 compliance and ethics professionals digitally from all over the world to share and discuss best practice as well as challenges in the ethics and compliance world. This event also aimed at informing and educating the compliance community on updates, trends, and regulations. Speakers included representatives from leading companies and organizations such as Transparency International, KPMG, Fresenius Medical Care, Korian and Le Cercle de la Compliance. Michel Sapin, former French Minister of Finance, talked about the anti-

corruption law SAPIN II, which has required French companies, among other requirements, to set up an internal whistleblowing system since June 2017. In so-called country break-out sessions, the results of the Whistleblowing Report 2021 were discussed. One such session provided the possibility for French participants to talk about the results of the study and the compliance challenges French companies face.

3.1 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.

For EQS Group SAS, a sustainable commitment to internationally proclaimed human rights means that we, as a company, assume responsibility for the protection of human rights within our sphere of influence and contribute to upholding these rights. Therefore, the protection of human rights is part of our values and working principles as stated in our Code of Conduct for all employees.

We also expect our business partners to uphold and respect human rights. To ensure compliance, all business partners are required to agree with our binding Business Partner Code of Conduct.

However, as most of our EQS Group SAS business activities are located in France, we consider the risk of human rights violations through our economic activities to be very low.

One of our key compliance products is EQS Integrity Line, a secure and anonymous whistleblowing software which enables employees or stakeholders of our customers to report misconduct. It is used to identify misconduct at an early stage and to help prevent misconduct in the long term. Companies can also implement the ability to report on human rights violations. Our global and pan-European customers with worldwide operations and an international value chain in particular are increasingly opting to use EQS Integrity Line in order to channel and process reports on human rights. With a worldwide roll-out of the system in globally active organizations, people in developing and emerging countries can also use the direct and secure communication channel to protect themselves from possible retaliation. By providing this possibility, we are helping to strengthen civil society, improve working conditions and prevent the illegal exploitation of state resources, particularly in these countries.

3.2 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.

At EQS Group SAS, ensuring fair working conditions is an integral part of our corporate culture and our Code of Conduct. Our corporate culture is based on shared values and common working principles. We believe that these are the key to both success and a great work environment for all employees. Our Code of Conduct clearly stipulates our workplace commitments regarding equal opportunity and a non-discriminatory working environment. From our business partners we also expect that they ensure fair working conditions through our binding Business Partner Code of Conduct.

Our internal whistleblowing system provides the possibility to report on issues relating to fair working conditions such as harassment, bullying, discrimination, violence, violation of policies on the handling of drugs and alcohol, poor treatment of employees, threats and other violations of applicable laws or guidelines at the EQS workplace.

At EQS Group SAS, we support diversity. The proportion of female employees is 47 percent (8 women and 9 men). Currently we employ 17 people with French nationality, but with various origins from almost all continents around the world (Africa, Asia, Europe as well as North- and South America).

To support work-life balance, our employees have flexible working hours. We have also provided employees with work equipment so that they can take advantage of remote work. Although most of our employees work full-time, we offer the possibility to reduce working hours.

During this time, which is – due the COVID19-pandemic – dominated by remote work, we have decided to have regular on-site meetings where possible, helping to enhance our team spirit. If possible, we have team events throughout the year, such as the Christmas party.

The continuous training and development of our employees is crucial to our company. This is promoted through regular, individual training, such as attending conferences and with the help of an online training platform.

It is also important to us to provide young people with valuable work experience, relevant expertise, and practical skills. This is why we offer internships and have working student positions on an ongoing basis. In 2021 we enabled three students to put their theoretical knowledge into practice and to gain professional experience alongside their studies. Currently there is one student working part-time with us in the customer success team.

Just recently, we took part in the DUOday, an initiative which takes place every year on November 18th. On this day, companies and public institutions open their doors to people with disabilities to promote equal employment opportunities. An employee and a disabled person work together as a duo and fulfill the usual tasks of the employee. We applied to participate and spent the day with a visually impaired woman. This experience brought awareness of the daily challenges disabled individuals are faced with. We plan to take part again next year.

In addition to the measures our company takes in our day-to-day business relating to labor standards, our customers' whistleblowing systems can also be used to report violations in this area. We recommend that our customers with international footprints also use EQS Integrity Line in developing and emerging countries so that local employees and business partners have access to a direct communication channel to company headquarters. Issues such as sexual harassment, discrimination and bullying are now present in many of our customer systems, placing labor issues among the 10 most frequently used categories. Many companies have also included categories on occupational health and safety. This ensures that violations of labor standards receive the appropriate level of attention.

3.3 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.

Due to the digital nature of our business model, the company's environmental impact is relatively low in comparison to manufacturing companies for example. Nevertheless, we strive to further reduce our environmental impact step by step.

Our sales and customer success employees' daily work involves communicating with business contacts at customers and prospects – mostly within France and neighboring Belgium. For sustainability reasons, we carefully weigh up the costs and benefits of long business trips and use our resources sensitively and thoughtfully. Whenever possible, we try to avoid traveling by airplane and instead travel by train. If possible, we have digital meetings with prospects and customers to avoid traveling. Working remotely from home also has the positive effect of reducing environmental impact through fewer commutes.

Our office in Paris was chosen due to its central and easy to reach location. Our employees and business partners can easily use public transport to come to our office.

Furthermore, we strive to work in a paper-saving manner by preferring to work with digital documents wherever possible and by avoiding unnecessary printouts. Throughout the office, attention is also paid to the separation of recyclable and non-recyclable waste, and appropriate containers are used for recyclables, paper and household waste.

Up until recently, we used bottled water dispensers in our office to provide drinking water. This summer we decided to install a filter on the water pipe to be able to drink fresh water from the tap instead. This reduces the amount of plastic waste in the form of bottles. We also use reusable tableware in our office.

The parent company of EQS Group SAS France, EQS Group AG, is currently working with an external professional partner to calculate the carbon footprint for the entire group. Based on the results, the company will set concrete targets for reducing its emissions in the coming years.

More and more of our whistleblowing system customers choose our offer to implement the additional reporting category of environmental protection. This enables companies to systematically record and consistently track reports of violations of environmental protection and nature conservation. We are observing an upward trend here, which we welcome and support.

3.4 Anti-Corruption

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

The core topic of our customers' whistleblowing systems is the fight against corruption and white-collar crime. Through the system, whistleblowers can report corrupt acts to

the compliance department of a company, administration or organization. Around 200 customers including small, medium and large companies and organizations use this risk management, prevention and anti-corruption option in France. Multinational companies, health insurance companies, law enforcement agencies, non-profit as well as sports organizations are among our customers.

For the core anti-corruption business, it is difficult to make statements about the outcome since it is hard to measure the financial damage caused by corruption and the revenue generated by preventing corruption for a company and the national economy as a whole. Evidence from our customers is that significant losses due to corruption and fraud are prevented due to the whistleblowing channel. As the provider of the whistleblowing system, we do not have access to our customer's encrypted data and therefore rely on their evidence.

To make an active contribution to the fight against corruption beyond the scope of our services, we participate in various associations. EQS Group SAS supports the work of Le Cercle de la Compliance as a member. The aim of this community is to strengthen the importance of compliance in France and to contribute to the development of market practice for French and international compliance issues. The issues discussed range from anti-corruption, anti-competitive practices, and international trade sanctions to export controls.

In addition, we are a member of other associations such as the Institut du Risk & Compliance (IRC), an association which brings together law firms, corporate lawyers, and compliance experts with strong field experience in France and internationally. We also sponsor some of their conferences and expert workshops. Another association we are a member of is the Business & Legal Forum, which supports business leaders, representatives of public authorities and councils wishing to reflect, identify and benchmark their professional practices to strive for better ethics and performance.

Our experts also participated as speakers at various conferences across France in the areas of compliance, business ethics and anti-corruption this year, thus, we play an active role in the public debate. We participated in round table discussions, for example on internal whistleblowing and whistleblower protection.

As the European market leader in compliance, this topic is naturally deeply anchored in our company. A sound compliance management system is therefore at our core. Our binding Code of Conduct forms the basis for our values and behavior. Preventing wrongdoing and addressing misconduct at an early stage are part of our corporate culture. A central and secure whistleblowing system was introduced by our parent

company, which can also be used by our employees in France to confidentially report grievances such as bribery and corruption.

4 Outlook

At EQS Group SAS based in Paris, France, we are strongly committed to the ten principles of the UN Global Compact. Principle ten, the fight against corruption, is part of our core business model which shall continue into the future. This year, the EQS Integrity Line platform was again introduced in numerous companies and organizations in France and in their subsidiaries worldwide. Thus, we are dedicated to continuously contributing to anti-corruption and sustainability efforts in businesses, organizations, administrations, and civil society.

We will continue our contribution to increased awareness of sustainability in the future. To achieve this goal, our parent company, EQS Group AG based in Munich, Germany, is intensifying the group's sustainability engagement and is gradually improving its sustainability strategy. This includes preparing a comprehensive sustainability report based on the Global Reporting Initiative (GRI) standards, while also considering our actions for the Sustainable Development Goals (SDGs) of the United Nations and the ten principles of the UN Global Compact.