



Communication On Progress

January 2022

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Statement by the CEO

To our stakeholders:

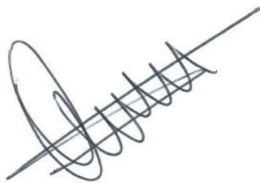
On behalf of **SMART GLOBAL GOVERNANCE**, I am pleased to confirm that we reaffirm our support and our firm commitment to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Although we are aware, that there is still potential to improvement in various areas, we are satisfied, that we managed to accomplish the goals, which we determined in the COP of last year. Our specialised teams address each area in order to continually improve the integration of the UN Global Compact and its principles into our business strategy and mission, culture and daily operations. In this annual Communication on Progress, we describe our actions taken and our future plans.

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Olivier Guillo – CEO / Founder



SMART GLOBAL GOVERNANCE: Our Vision

Specialising in compliance management by using our knowledge of new technologies, SMART GLOBAL GOVERNANCE, lays great importance into the respect and promotion of the 10 Principles of the UN Global Compact.

Through our software we do not just internally ensure compliance with international and national regulations and standards, but we also externally facilitate the compliance for our clients. Our vision naturally aligns with the 10 Principles of the UN Global Compact.

We have a global vision for better governance through the sustainable reinforcement of compliance behaviors and more efficient and continuously evolving compliance mechanisms.

SMART GLOBAL GOVERNANCE encourages companies to continuously ensure compliance and consequently secure the respect of human rights, labour laws, environmental regulations and anti-corruption laws and standards.

I. Human Rights

The Right to Privacy

The SMART GLOBAL GOVERNANCE software facilitates the compliance with national and international regulations, especially in the field of data protection regulations (GDPR). We encourage companies and organizations to use our software in order to comply with all data protection regulations and standards. With the protection of personal data being of our personal concern, it may be regarded as our specialized field.

The personal information of an individual is one of the major objects of protection of the fundamental right to privacy, which is an internationally proclaimed human right, established in Article 12 UDHR, as well as in Article 17 ICCPR and numerous regional human rights instruments and national constitutions of the majority of states around the world.

In a globally connected world, in which data has become the target of many big data sourcing, data mining and data hacking agencies, we cannot emphasize enough, that the protection of our personal data is vital to safeguard the respect of our privacy in present and in the future.

In fact, we believe that, with the fast pace of advancements in technology, the protection of our privacy including our personal data has become more important than it has ever been.

Human Rights Policies:

In 2021, SMART GLOBAL GOVERNANCE established an explicit Human Rights Policy and Code of Conduct, as well as an explicit UN Global Compact Policy and Code of Conduct.

In addition to that, SMART GLOBAL GOVERNANCE has a number of internal policies which indirectly cover the protection and respect of the most fundamental human rights, which are established in the Universal Declaration of Human Rights and by all national Constitutions of the member states within EU, including France and Spain, where our headquarters and other offices are located.

Hereby, we would like to emphasize that we are fully committed to not just respect but also promote and support international human rights. Hence, we're working on full and effective implementation of an explicit Code of Conduct for the 10 Principles of the UN Global Compact.

Our internal policies and procedures ensure the respect of Human Rights, including Data Protection. Moreover, we ensure that our employees understand all these policies through internal training sessions at the start of employment or enforcement of new policies.

Measures taken in 2021:

- The constant observation of all laws and regulations protecting human rights
- Developing Human Rights and Supplier Due Diligence through our Environmental Social Governance (ESG) and Vendor Risk Management (VRM) modules
- The establishment of an explicit Human Rights Policy and Code of Conduct
- The establishment of an explicit UN Global Compact Policy and Code of Conduct
- Employee Training covering the UN Global Compact, Human Rights, Labour, Environment and Anti-Corruption
- The support of organisations by giving free access to our software-solution to the European Law Student's Association and IE Club

Planned measures for 2022:

- Upholding the effective implementation of the Human Rights Policy and UN Global Compact Policy
- Periodic employee training and seminars to prevent any possible direct or indirect human rights abuses and adverse human rights impacts

II. Labour

As a small company SMART GLOBAL GOVERNANCE is able to keep a familiar, solidary and team-spirit-orientated work environment, in which every employee of ours is very valued. We want to emphasize at this point, that it has always been one of our priorities to maintain a safe, positive, respectful work environment.

Given a regular working week of only 35 hours in France, families are given the chance to spend more time together. Additionally, our company provides for family friendly part time jobs and child day care, to facilitate for a healthy work-life-balance. We also try to give our employees the opportunity to grow within the company through professional development strategies.

We have established an explicit Labour Standards Policy covering Anti-Discrimination, the Freedom of Association and Collective Bargaining.

We comply with all national and international labour laws:

- The elimination of all forms of forced and compulsory labour
- The effective abolition of child labour
- The elimination of discrimination of any form in respect of employment and occupation
- The condemnation of unfair treatment based upon race, color, religion, sex (including pregnancy), national origin, age, disability or genetic information

- The respect and facilitation to exercise the freedom of association and the right to collective bargaining
- Provision of healthy and safe work conditions, including workplace accommodations that are needed due to religious beliefs or disability
- The free access to health care
- The affirmation of minimum wage and paid holidays

III. Anti-Corruption

SMART GLOBAL GOVERNANCE respects Principle 10 of the UN Global Compact by working against corruption in all its forms, including extortion and bribery.

We are aware that, corruption is an undeniable issue around the world. Millions of people are deprived of the basic necessities of life as their incomes and donor assistance are diverted elsewhere through corruption. Over time, corruption nurtures and deepens social inequalities, eroding trust in the state and confidence in institutions and governments. Ultimately, in extreme cases, corruption can be a threat to democracy itself.

SMART GLOBAL GOVERNANCE wants to actively address this issue:

Our teams are developing an explicit anti-corruption compliance system following the launch of anti-corruption campaigns to help and support companies preventing corruption. Moreover, we designed a software-solution called Smart Whistleblower, which enables employees to report concerns anonymously.

We, at SMART GLOBAL GOVERNANCE believe that such compliance systems can actually contribute to a positive change: Preventing corruption can not only protect the company's reputation and the interests of stakeholders, but also ensure business growth. Ultimately, this leads to economical growth and greater equality in society and consequently helps to break the vicious circle, in which poor people become poorer and rich people become richer through the abuse of their power.

Measures taken in 2021:

We maintain a strict zero-tolerance Policy and Code of Conduct concerning corruption including ethics in all our business transactions. We reject all questionable advances and promptly report incidents of impropriety. We do not engage in corrupt activity and sanction corrupt activity by any business associates or outside partners.

We ensure that our employees are aware of the risks through practical-oriented guidelines explaining the Code of Conduct and training sessions.

Our anti-corruption compliance system consists of various instruments:

- Risk assessments
- Internal and external accounting control procedures
- An alert system that enables the collection of reports, securing the integrity of the employee (Smart Whistleblower)
- An Anti-Corruption Policy and Code of Conduct defining the different types of prohibited behavior

IV. Environment

The protection of the environment is one of our guiding principles and a key component of sound business performance. We take a precautionary approach to environmental challenges and therefore, we focus on prevention of environmental degradation rather than remediation.

SMART GLOBAL GOVERNANCE complies with all national and international environmental regulations and standards. In our offices, we recycle and use recycled products wherever possible and raise awareness within our staff and consultants to encourage sustainable behaviours. We consider environmental issues and energy performance in the acquisition, refurbishment management and use of equipment and buildings.

Measures taken in 2021:

- The establishment of a Policy and Code of Conduct to care for the environment

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- The development of company guidelines on the consistent application of the approach throughout the company

Planned measures for 2022:

- Upholding the effective implementation of the Policy and Code of Conduct to care for the environment
- Refocusing research and development towards “design for sustainability”
- Encourage employees, clients and partners to minimize printing documents and include a notion of this in our email signatures
- The introduction of “reminders” throughout our office spaces to remind employees to recycle and minimize the use of water, electricity and paper

V. Future initiatives

SMART GLOBAL GOVERNANCE is a proud member of the UN Global Compact and we believe that this initiative can cause a positive change in the world.

This COP has helped us locate gaps and weaknesses within our business, concerning the 10 Principles of the UN Global Compact. We are aware that there are various areas with room for additional improvement and we are fully committed to filling in the gaps and finding positive solutions.

