



**EQS** GROUP

# Sustainability Report

## 2021

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## How to use this report

This Sustainability Report is published as a navigable PDF, which makes all the information contained in the report quickly and easily available. Further information can be found online, for example, on the EQS website, and can be accessed via links in this PDF. The following symbols will help you navigate:

 [Link to an external page, for example. \*\*www.eqs.com\*\*](#)

 [Reference to a page in the report](#)

Page references within tables are also linked.

The content of the Sustainability Report follows the standards of the Global Reporting Initiative (GRI) in accordance with the option “Core”. The GRI disclosures are indicated and structured according to the thematic categorization in the report. In some cases, information on several GRI disclosures are summarized in one paragraph. Also, some of the Management approaches also refer to several GRI standards. We list the topics of this Sustainability Report with references to the GRI standards as well as to the UN Global Compact principles in a table.

 [GRI-Overview. p. 73](#)

Further details on the reporting procedures can be found in the report profile.

 [Report profile, p. 71](#)

EQS Group AG has participated in the UN Global Compact initiative since 2021 and is committed to the ten principles in the areas of human rights, labour, the environment and anti-corruption. GRI standards that refer to the principles of the UN Global Compact are indicated in the report.

You can find a tabular overview of the principles at the end of this report.

 [UN Global Compact, p. 74](#)

# Foreword (GRI 102-14)

Dear readers, dear EQS fans,

We are pleased to present our first sustainability report to you today. Last year, we on the Executive Board and Supervisory Board decided to prepare this on a voluntary basis so as to fulfill our corporate, social and environmental responsibilities.

As a founder-led company with roots established in governance, we want to be a role model for sustainability. We don't just consider our actions as a market participant, but we think about the impact our software products have on the environment: We support the transformation towards a CO<sub>2</sub>-neutral economy.

We want to bring our sustainability concept to life. That is why we will integrate environmental and social factors even more effectively into our business processes in the future. To ensure that this is followed by concrete action, I have set up a task force which I am heading up together with my Executive Board colleague André Marques, our CFO. We are in regular contact with the Chairman of the Supervisory Board, Robert Wirth, and the Chairwoman of the Audit Committee, Prof. Dr. Kerstin Lopatta, on progress made and also any obstacles and possible delays the company faces.

In order to give our sustainability strategy a solid foundation, we as EQS Group signed the UN Global Compact last year. This means that we are deeply committed to its principles and the United Nations' Sustainable Development Goals (SDGs). This step was easy for us, as there is a high degree of overlap with our lived values and principles. It was also good to see that we hardly had to adapt the Codes of Conduct we had drawn up several years ago.

When preparing the sustainability report, we first analyzed what contribution EQS is already making today in terms of sustainable business. The necessary raw data was often not readily available. The internal collection, preparation and calculation of the company-wide key figures was a very time-consuming exercise and showed that we need to take more effective action in this regard.

In the meantime, however, we are able to balance the reciprocal effects and influences of our business activities on the environment and society and for the first time demonstrate where EQS Group currently stands with regard to ESG issues. We are providing our stakeholders with a clear picture of what areas of action we are concerned with, what weaknesses we have, what measures we are taking and what goals we are setting ourselves.

In line with our motto "Transparency creates Trust", we will further develop the content of the report in the coming years and integrate it into the annual report. We cordially invite you to accompany us on this journey and very much look forward to your feedback.

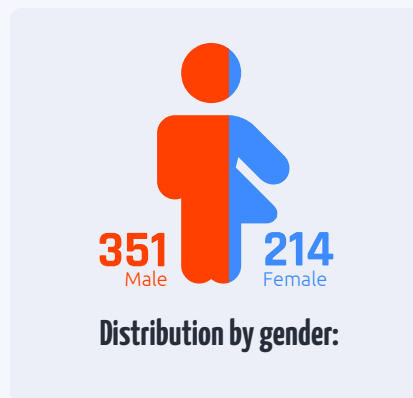
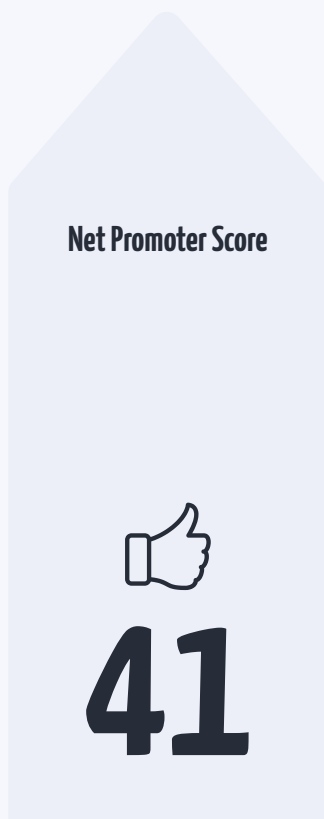
Kind regards,



**Achim Weick**



# KPIs 2021



# EQS Group AG

## Organization profile

### **GRI 102-1:** Name of the organization

EQS Group AG

### **GRI 102-2:** Activities, brands, products and services

The EQS Group is an international provider of regulatory technologies (RegTech) for corporate compliance and investor relations (IR). Our cloud solutions support businesses and organizations in meeting their regulatory obligations.

In the corporate compliance segment, we offer software applications for whistleblowing and case management, approval processes and policy management as well as insider list management. This portfolio includes products that support the submission of publications in electronic data or report formats and the management of a legal entity identifier (LEI).

The IR products and services include a global newswire, mandatory reporting service, investor targeting and contact management. These are bundled in the EQS IR COCKPIT cloud-based platform to optimise investor relations, communications and compliance officers' work processes. The offer for the investor relations segment is rounded off by websites, digital reports and webcasts for investor communication.

In the compliance segment, we distinguish between software as a service (SaaS) customers and so-called filing customers who use our services for publications, for example in the Federal Gazette in accordance with the EHUG (German Act on Electronic Commercial and Co-operative Registers and the Company Register). The financial and corporate communication products are bundled in the investor relations segment and are primarily aimed at listed companies.

[EQS Group AG products and services, p. 10](#)

### **GRI 102-3:** Location of headquarters

Munich, Germany

#### GRI 102-4: Location of operations

The EQS Group has branches at 19 locations worldwide, serving customers in 109 countries. We operate directly through national sales offices, in doing so, we distinguish the geographic division into the following areas:

- DACH: Germany, Austria and Switzerland,
- Europe without the DACH region: France, Great Britain, Denmark, Spain and Italy
- International: Hong Kong, USA and Russia

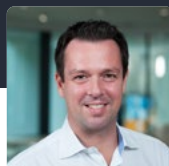
In addition to the headquarter in Munich, further technology sites with a focus on software development are located in Berlin, Kochi (India) and Belgrade (Serbia). In Kochi and Belgrade there are no active sales via the respective offices.

#### International locations of EQS Group



“With new international locations, company acquisitions and new products, we have grown strongly in recent years - first in the **investor relations segment and now in compliance with a focus on whistleblowing** EQS products and services help our customers to meet their governance requirements and implement ethically correct behaviour. In doing so, we promote the social and governance components of ESG.”

Marcus Sultzer, Chief Revenue Officer



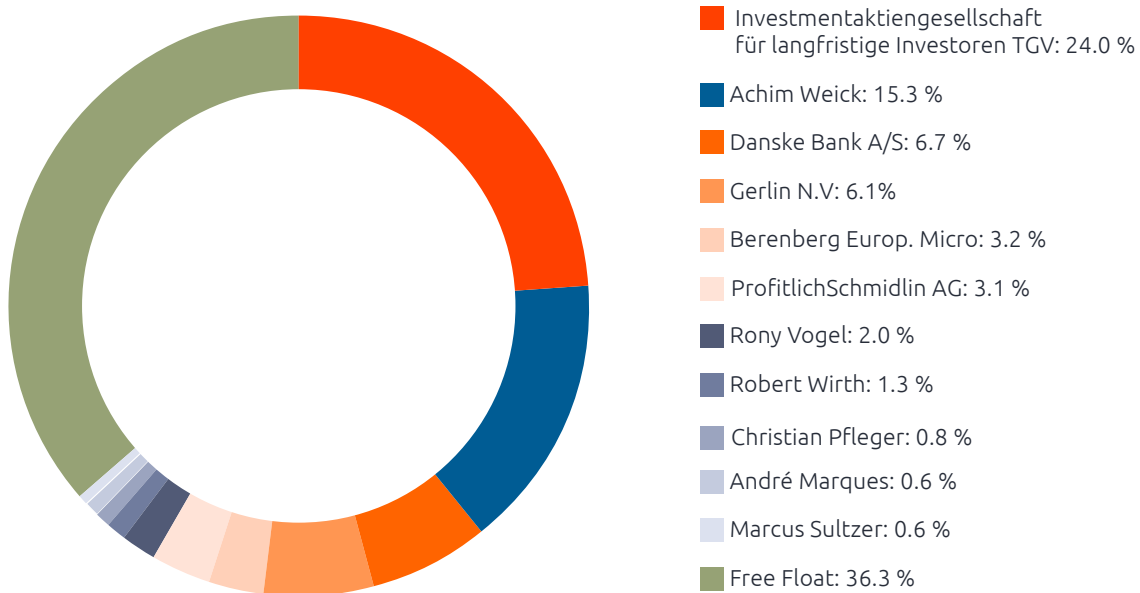
## GRI 102-5: Ownership and legal form

The Group is managed in the legal form of a public limited company.

[📄 More details on shares](#)

### Shareholder structure

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*Blue-Gray: Management and Board of Directors*

*Orange: Institutional Investors*

*Green: Free float*

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Reported: Shareholdings > 3% as well as members of the Management and Board of Directors, as of 01.05.2022

## GRI 102-6: Markets served

To meet our customers' regionally diverse needs in the best way possible, we strive to be close to them. In the segment of investor relations especially, we achieve this with our branches in all major financial centres.

We also sell our products on other European and international markets where we do not have our own EQS branches. These include, for example, Benelux, Australia, Sweden, Norway, Finland, Ireland, Poland and Portugal.

We supply companies of all industries in various markets which means that we are not dependent on specific sectors or customers.

We developed services such as submissions in the electronic data and reporting XML and ESEF formats for German and European companies so that they can publish their annual reports within national registers, in Germany the Federal Gazette ("Bundesanzeiger"). We enable the management of an internationally standardised identifier for financial market participants with the EQS LEI (Legal Entity Identifier) Manager. These services are allocated to the compliance portfolio.



Due to the EU Whistleblowing Directive that came into force on 16 December 2019, we expect strong growth in our corporate compliance segment: in the first stage, approximately 50,000 companies in Europe with more than 250 employees will have to set up a secure reporting channel. In the second stage also small businesses with 50 or more employees are also covered by this requirement. In consequence we anticipate a potential 300.000 new European customers from 2023 onwards.

#### **GRI 102-7:** Scale of the organization

In the financial year 2021, 565 employees (2020: 414) worked for EQS Group AG at 19 locations worldwide. The total number of customers increased to 4,240. The most important indicator for us in 2021 was the number of new customers, which more than tripled to 1,017 SaaS customers (2020: 301). In the compliance segment the customer base doubled in the first nine months in consequence of two acquisitions in the area of compliance cloud products, thus, the amount of SaaS customers increased by 1,551 to a total of 2,905.

[📄 Corporate Structure EQS Group AG, Annual Report 2021, p. 29](#)

#### **Net sales and total capitalization**

	<i>2021</i>	<i>2020</i>
Net sales	<b>€ 50.22 million</b>	€ 37.64 million
Total capitalization (sum of equity and debt)	<b>€ 186.84 million</b>	€ 56.09 million
Equity	<b>€ 70.24 million</b>	€ 32.94 million
Debt	<b>€ 116.60 million</b>	€ 23.15 million

In recent years, we have continuously expanded our range of services and consolidated our position as the market leader in digital investor relations in the German-speaking region (DACH). Currently, all DAX 40 companies use the EQS IR COCKPIT. We are also the market leader in Russia and Switzerland.

[Product structure of EQS Group , p. 06](#)

Our offer includes the following four product areas:

## Compliance Products

### EQS Compliance COCKPIT

- EQS Integrity Line: anonymous and legally compliant whistleblowing system
- EQS Policy Manager and EQS Rulebook: managing and communicating policies
- EQS Approval Manager: managing gifts, approvals, hospitality and conflicts of interest
- EQS Insider Manager: insider list management



## Investor Relations Products

### EQS IR COCKPIT

- Disclosure: fulfilment of legal publication obligations
- Newswire: dissemination of corporate and press releases
- Investors: identification of potential investors
- Mailing: distribution of mailings, newsletters and event invitations
- CRM: management of investor relations contacts
- Roadshow Manager: organization of investor communication



## Compliance Services

- Legal Entity Identifier (LEI): issuing of internationally standardised financial identifier
- ESEF and XML submission: fulfilment of publication obligations
- K3/K4 reporting: conversion and transmission to the German Federal Bank



## Investor Relations Services

- Webcasts: communication with existing and potential investors
- IR websites and business reports: presentation of Equity Story
- Stock Tools: representation of the stock price development

## GRI 201: Economic performance

All the information on the EQS Group AG's performance in the past financial year, consisting of the balance sheet, income statement, notes and management report, is published in the Annual Report.

The Supervisory Board is responsible for overseeing the accounting process for the preparation of the consolidated financial statements and the group management report.

[📄 EQS Group AG Annual Report 2021](#)

## GRI 201-1: Direct economic value generated and distributed

The revenues increased in 2021 by 33 percent to EUR 50.22 million (2020: EUR 37.64 million).

## Geographic market

	<i>Domestic</i>	<i>Compared to 2020</i>	<i>International</i>	<i>Compared to 2020</i>
Revenue	<b>€35.92 million</b>	+33%	<b>€14.31 million</b>	+34%
EBITDA	<b>€0.16 million</b>	-96%	<b>€1.58 million</b>	+77%
SaaS customers	<b>1,947</b>	<b>+56%</b>	<b>2,293</b>	<b>+73%</b>

## Consolidated revenues

	<i>Compliance</i>		<i>Investor Relations</i>	
<i>in EUR '000</i>	<b>2021</b>	2020	<b>2021</b>	2020
<b>Main geographical markets</b>				
Domestic	<b>23,248</b>	15,816	<b>12,670</b>	11,361
International	<b>7,459</b>	4,154	<b>6,846</b>	6,306
<b>Total</b>	<b>30,707</b>	19,969	<b>19,516</b>	17,667
<b>Important product and service lines</b>				
Cloud products	<b>19,826</b>	10,696	<b>9,504</b>	7,849
Cloud service	<b>10,881</b>	9,273	<b>10,012</b>	9,818
<b>Total</b>	<b>30,707</b>	19,969	<b>19,516</b>	17,667
<b>Timing of revenue recognition</b>				
Services provided at a time	<b>16,344</b>	14,638 *	<b>7,382</b>	7,823 *
Services provided over a period	<b>14,363</b>	5,331 *	<b>12,134</b>	9,844 *
<b>Total</b>	<b>30,707</b>	19,969	<b>19,516</b>	17,667

\* Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications in the EQS Annual Report 2021, p. 116.

In Germany, the EQS Group's home market, we achieved 72 percent of the total sales revenue in the reporting year. The European markets, without Germany, and the rest of the world contributed to 28 percent of our total revenue.

[📄 Other key financial performance indicators](#)

[📄 Development of net assets and financial position, Annual Report 2021, p. 42](#)

[📄 Financial Statements, Annual Report 2021, p. 54 ff.](#)

### **GRI 201-3:** Defined benefit plan obligations and other retirement plans

In the case of defined contribution plans, the Company pays contributions to public or private pension insurance institutions on the basis of statutory or contractual provisions or on a voluntary basis. After payment of the contributions, no further payment obligations arise for the Group.

In addition, defined benefit pension plans exist in various foreign companies, such as Switzerland, India, France, Italy and Serbia, depending on the legal basis on-site.

[📄 Employee benefits, Annual Report 2021, p. 86 ff and p. 132 ff](#)

### **GRI 201-4:** Financial assistance received from government

In the reporting year, a governmental development loan of EUR 137,000 was waived for the EQS Group Inc. in the USA. In Italy, EQS Group S.R.L also received EUR 4,000 due to the COVID-19 pandemic. In France, the EQS Group SAS received grants to train employees, which amounted to approx. EUR 5,000 until September 30th, 2021. In the calendar year 2021, Business Keeper GmbH received EUR 27,992 as part of the program “Improvement of the regional economic structure” from the Investitionsbank Berlin, the business development bank of the Federal State of Berlin. This grant was awarded in the form of a wage cost-related subsidy.

The public sector is not represented in the EQS Group’s shareholding structure.

### **GRI 207:** Tax

#### **GRI 207-1:** Approach to tax

We fully comply with our tax obligations in every country where we do business. There are no tax-driven models detached from the operating business with the sole aim of saving on tax.

As part of financial reporting in accordance with the International Financial Reporting Standards (IFRS), EQS Group AG discloses all current and deferred tax items in the Annual Report, among other things. The current tax expense is determined based on the taxable annual income for the year and the Group’s liability is determined based on the applicable tax rates. Deferred taxes are recognized as part of the calculation of taxable income and, if possible, on tax losses carried forward.

[📄 Tax information of EQS Group AG, Annual Report 2021, p. 83](#)

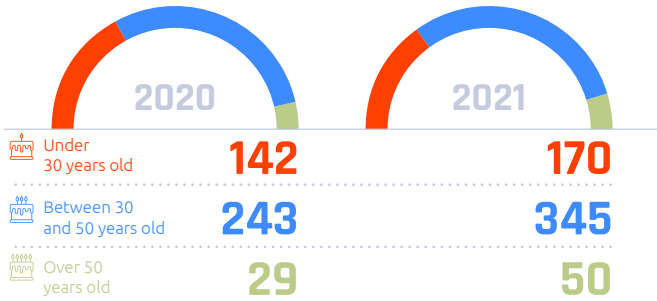
We pursue a risk-averse tax strategy and ensure the Group’s assets are protected in the operating business. We also foster transparent communication with the tax authorities.

#### **GRI 207-2:** Tax governance, control, and risk management

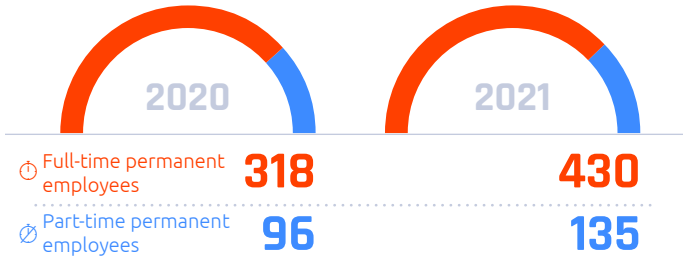
The Chief Financial Officer is responsible for fulfilling the tax obligations and therefore regularly reviews the tax strategy that has been in place for several years. Reviews are conducted within the framework of risk management and through audits by the financial authority. Each branch also commissions locally based tax advisors to ensure compliance with the respective requirements in force on site. To further improve this procedure, a transfer pricing specialist was hired.

**GRI 102-8:** Information on employees and other workers

**Employee age structure**

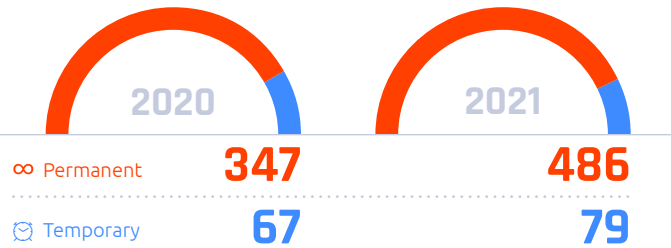


**Distribution by employment contract**

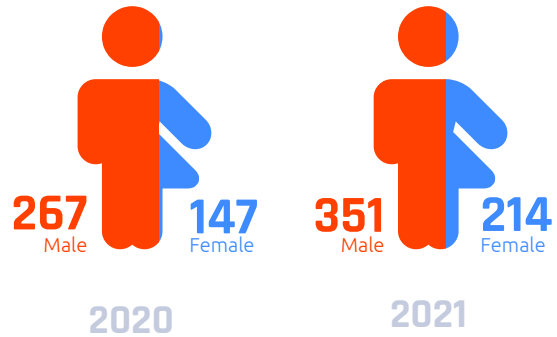


EQS Group AG did not employ any temporary staff during the reporting period. Occasionally, we work with employees or freelancers from agencies to buffer high workloads or to bring in specific expertise.

**Distribution by type of employment**

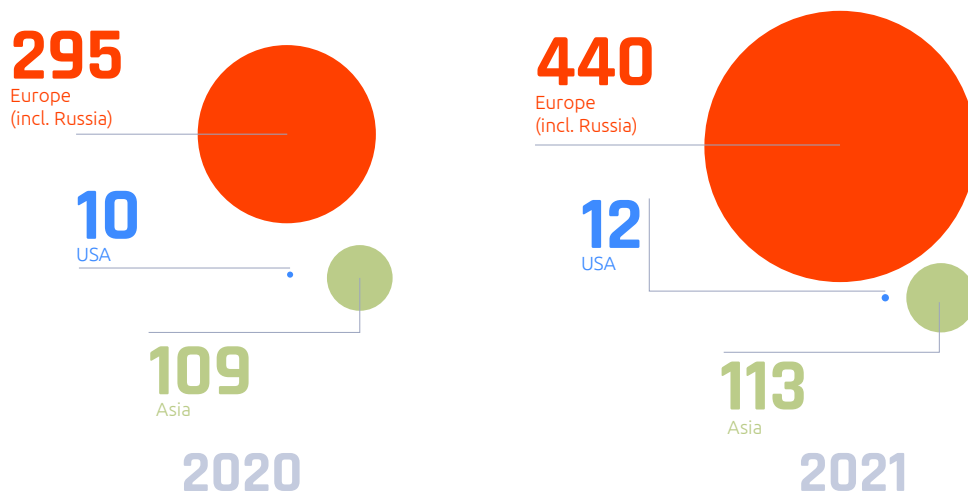


**Distribution by gender**



The data collected comes from the human resource systems of both EQS Group AG and Business Keeper GmbH. The two systems are still to be merged, so the data was consolidated and subsequently evaluated.

## Regional distribution of employees



### GRI 102-9: Supply chain

In the spirit of sustainability, we strive for a partnership-based and long-term business relationship with our suppliers and service providers. The supply chain is part of the EQS sustainability strategy. Therefore, we want to add environmental and social criteria as deciding factors for commissioning in addition to quality and price.

The purchasing department is part of the Chief Financial Officer's remit. The branches and regions can also act on their own responsibility to obtain the best possible conditions for EQS. The plan is to centralize purchasing. Our suppliers mainly come from the areas of computing and software development as well as information technology. In addition, we also commission external consulting services from time to time.

We use a multi-stage process to select new suppliers. Exactly how this process looks depends on the product or service. It is mandatory for all suppliers and service providers to accept the Business Partner Code of Conduct or commit themselves to equivalent conditions.

[📄 EQS Business Partner Code of Conduct](#)

We plan to introduce a web-based, electronic procurement system in 2022 in order to take ecological, economic and social standards into account. This will optimise all processes from the purchase requisition to ordering and approval as well as the booking and payment of products and services. In the future, communication with suppliers and order processing will primarily take place within this online system or by email.

[📄 Management approach to observance of and respect for human rights, p. 45](#)

### GRI 102-10: Significant changes to the organization and its supply chain

During the reporting period, EQS Group AG acquired all shares in the SaaS provider C2S2 GmbH in Bonn and in Business Keeper GmbH, based in Berlin. The Business Keeper location in Madrid thus became part of the EQS Group. The Business Keeper office in France was integrated into EQS Group SAS.

The Copenhagen, Holstebro and Bückeburg branches were already added in 2020 with the acquisition of the Danish whistleblowing system specialist Got Ethics A/S.

Additional new locations are Vienna, Milan and Barcelona, which focus on sales and customer service. Furthermore, a location specializing in technology was also opened in Belgrade.

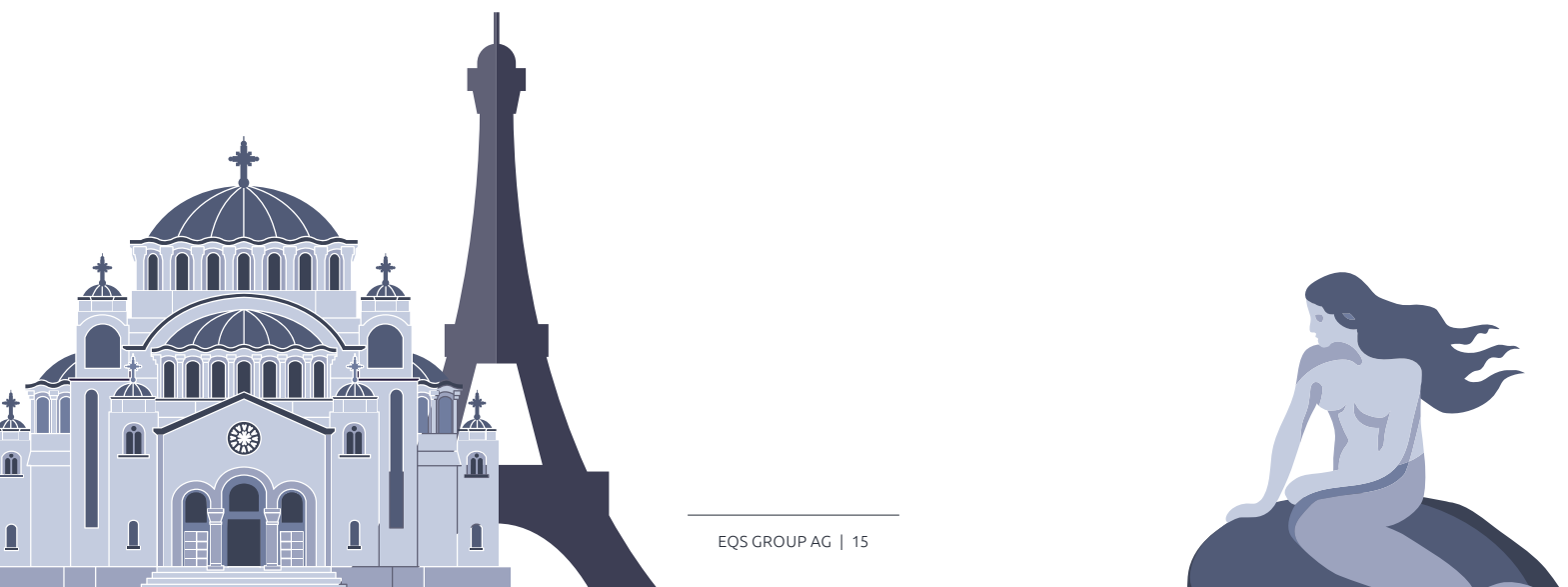
EQS Group AG carried out capital increases in February, June and December 2021 as well as in March 2022.

[📄 Development of the Net Assets and Financial Position, Annual Report 2021, p. 42](#)

[📄 Course of Business – Summary, Annual Report 2021, p. 45](#)

In the reporting year, two changes occurred in the Supervisory Board: the election of the existing Supervisory Board member Robert Wirth as Chairman and the election of Prof. Dr. Kerstin Lopatta as successor to Peter Konzatti.

There were no significant changes in the supply chain during the reporting period. The suppliers added as a result of the acquisitions are still in the process of being integrated.



# Risk management

**GRI 102-11:** Precautionary Principle or approach

**UN Global Compact:** Principles 1, 7

Our risk policy is an integral part of our corporate policy. Our goal of continuously increasing the Group's value while maintaining adequate returns over the long term is directly linked to potential risks. A certain willingness to take risks is also necessary when it comes to seizing new opportunities. Nevertheless, we deal with these risks responsibly, conduct systematic risk management to identify and assess risks at an early stage and develop or apply measures to reduce risks. These are the tasks of the Management Board and the management in each division. As part of risk management, inside-out and outside-in perspectives are taken regarding the sustainability of business activities. If these considerations indicate that measures are necessary, actions will be taken without delay.

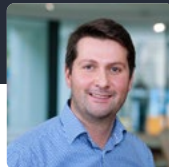
The overall risk for EQS is assessed based on the risk management system. Thanks to the combination of the planning, management and control systems used and the quantification of risk in the form of allocated risk capital and the analysis of risk correlations, a realistic statement can be made about our overall risk situation and its development.

We provide information on specific risks relating to our business performance in the forecast, opportunities, and risk report in the Annual Report.

[📄 Risk report, Annual Report 2021, p. 48 ff.](#)

“Sustainability issues have been an integral part of our risk management for years, particularly **regarding IT security, customer satisfaction and employment**. In the future, we also want to focus more on environmental risks. Above all, we want to examine how we contribute to climate change, but also what impact climate change has on EQS's business activities.”

André Silverio Marques, Chief Financial Officer





## GRI 102-15: Key impacts, risks, and opportunities

Sustainability issues are already part of our risk assessment. We will systemize this process in 2022 and extend it to further topics.

In the following, we list the identified risks that hold a high and very high probability of loss. All other sustainability risks considered hold a lower risk level and are therefore not listed in the following table.

### Risk assessment of sustainability issues

Risk	Measures	Reference to topic/chapter
Destruction/theft of files and programs through hacker attacks	Securing the operating systems through multi-level firewall architecture (MFSa), demilitarized zone (DMZ)	IT security
Personnel shortage due to lack of recruitment success, employee turnover, sickness	Increased internal recruiting, personnel development plans, talks with employees, attractive workplace design, employee participation programme (MyEQS Shareplan), delegation of responsibility	Employment
Poor information and communication management jeopardizes work processes and the fulfilment of set/regulatory information and non-disclosure obligations	Efficient organizational structure for workflows and core processes, compliance policies, clear work instructions	Governance, ethics and compliance
Reduced IT readiness and reliability due to system failures	High investments in IT infrastructure, management by external specialist companies, emergency concepts for system failures, transfer of risks to providers, back-up systems	IT security
Delay in product development due to late identification of trends or late customer delivery	Active monitoring of statutory and regulatory changes. Resource planning by project managers and corresponding software	Product (development)
Unprofitability of products due to excessive development costs	Use of project management software adapted to the EQS Group	Product (development)

*Probability of damage: very high = dark orange, high = orange*

In recent years, the COVID-19 pandemic has increased the risks with regard to economic performance. At the same time though, it triggered a boost for digitization and therefore higher demand for EQS Group AG products.

In the area of legal framework conditions, additional business opportunities result from the continuous expansion of reporting and compliance obligations. As a result the potential customer base has also expanded to include non-listed companies, organizations and public institutions and has expanded our portfolio.

A consistently high-risk level has emerged during the period under review around information technology. As a technology company, we attach great importance to a secure, stable and performant IT infrastructure. We underpin this with ISO 27001 certification, for which monitoring or recertification audits are conducted annually. In addition, extensive measures have been

undertaken to protect the company from damages caused by internal or external cyberattacks. However, as the number of attacks on IT infrastructures is continuously rising, the risk is very high, especially in the area of data security and data protection. For this reason, we are constantly working on the implementation of new and the improvement of existing security measures.

[🔗 Service and data security, p. 49](#)

[🔗 Product safety, p. 53](#)

We divide the Group's opportunities arising from the business strategy into the three categories:

- opportunities from new framework conditions,
- corporate strategy opportunities,
- performance opportunities.

The European Whistleblowing Directive belongs to opportunities arising from new framework conditions. We expect the national implementation of the directive by individual EU countries to lead to significant increases in sales in the coming years.

Corporate strategy opportunities arise from the implementation of overarching Group strategies. For example, the expansion of our EQS Compliance COCKPIT platform to include further applications offers additional sales potential in the short to medium term. As a result of the acquisition of new customers and acquisitions of new companies, sales in the compliance segment increased by +54% to € 30.71 million (2020: € 19.97 million).

Performance opportunities include, for example, the introduction of purchasing software to optimize processes and conditions by bundling orders. In addition, we are planning to expand the controlling software for the evaluation of all available data on business development. This will enable detailed analyses and thus support corporate management and decision making. The linking of Enterprise Resource Planning systems (ERP) of different departments was continued in 2021. Especially, the dovetailing of sales and financial accounting led to efficiency gains and also further improved the availability of daily updated data.

[🔗 Risk report, Annual Report 2021, p. 48 ff.](#)

# Corporate Governance

## **GRI 102-18:** Governance structure

Responsible and sustainable corporate governance is indispensable to inspire confidence and trust among our investors, business partners, customers and employees. We follow the principles of the German Corporate Governance Code. We welcome and expressly support any further development of the German Corporate Governance Code that contributes to greater transparency and more investor confidence.

The Executive Board and Supervisory Board work together closely and transparently in the spirit of responsible corporate governance. As a result, we can ensure the successful management and effective control of our Group.

The EQS Group AG Executive Board and the Supervisory Board each consist of four members. Robert Wirth took over as Chairman of the Supervisory Board in the year under review. In May 2021, Prof. Dr. Kerstin Lopatta was elected to the Supervisory Board of EQS Group AG, its first female member. As a result, the proportion of women now amounts to 25 percent.

In the 2021 financial year, the Supervisory Board held a total of five ordinary meetings, at which the Executive Board provided the Supervisory Board with information about the economic situation and business development. In addition, the Supervisory Board met in several sessions (mostly in video conferences due to the COVID-19 pandemic) to discuss significant topics. These included corporate goals, the associated planned business strategy, corporate planning, investment plans including M&A transactions, the development of current business, profitability, financial situation of the company, and the Group. Both an Audit Committee and a Remuneration Committee have been formed and are each composed of two members of the Supervisory Board.

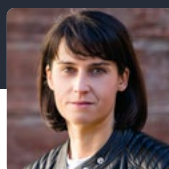
By resolution of the last Annual General Meeting, the remuneration for each member of the Supervisory Board is EUR 35,000 plus any value-added tax payable on this amount. The Chairman of the Supervisory Board receives twice this amount. The curricula vitae of the members of the Supervisory Board can be viewed on the EQS website.

[📄 Compensation of members of the Supervisory Board, Annual Report 2021, p. 91](#)

[📄 Curricula vitae of the members of the Supervisory Board](#)

“For the implementation of sustainability, its quantification is essential!  
**Clearly defined targets, measures and controls** provide the link between **financial success and sustainability performance.**”

Prof. Dr. Kerstin Lopatta, Member of the Supervisory Board



All sustainability issues, the associated strategy and management are the responsibility of the Chief Executive Officer (CEO). The CSR Manager is responsible for the operational implementation of the issues. The departments and international locations are actively involved in gathering information. In doing so, we want to get as comprehensive a view as possible for decision-making. Starting in 2022, we will involve the international locations more actively and to a greater extent in selecting and implementing measures.

To emphasize the importance of ESG criteria (Environmental, Social, Governance) for the Group, an ESG steering committee was set up in 2021, consisting of the CEO, the Chief Financial Officer (CFO) and the CSR Manager. The committee meets on a weekly basis to discuss measures and topics as well as their implementation.

The responsibilities of the committee include:

- the further development of the sustainability strategy,
- the incorporation of sustainability aspects into the general corporate strategy,
- the internal monitoring of the achievement of the sustainability targets,
- reviewing compliance with the principles of the UN Global Compact.

In the reporting year, the committee was involved in reviewing new as well as revising existing corporate policies. It also actively promoted the introduction of a social day.

In 2022, the committee will expand the requirements for sustainability reporting. Sustainability aspects such as resource conservation are also to be more firmly anchored in the corporate culture to create reporting and accountability structures for sustainability issues within the Group.

[📄 Sustainability strategy and targets, p. 32](#)

# Responsible corporate governance

EQS Group AG was founded as a start-up more than twenty years ago in Munich. Today, it is a successful listed company with international locations and demonstrates high growth rates. We aim to become the European market leader for cloud-based software products in the compliance and investor relations segments. This rapid growth is always a balancing act for those responsible. On the one hand, financial framework conditions must be right and market demands met. On the other hand, it is also important to preserve our own DNA, the values that guide us, as well as the cohesion within the company. The past twenty years have shown how crucial these factors are for our success.

Our core values and principles have emerged from these experiences. Values such as openness, transparency and working together in a spirit of trust are the guiding principles that the employees and executives follow at all times. They are an essential part of our daily cooperation, both internally and in our dealings with customers, business partners and investors. The chemistry within the company must be just right for this. It has been shown, for example, that it is not only professional competence that is important when selecting employees, as this can be developed through training. Applicants' soft skills are more crucial to ensure that they integrate into the EQS community and live according to our values out of their intrinsic conviction.

[📄 Employment and corporate culture, p. 57](#)

From the very beginning, our goal was for our products to help our customers with their daily challenges. Since then our technical solutions have been designed to make our users' work processes legally watertight, convenient and economically efficient. As a start-up, it was vital for us to listen to our customers' needs, while simultaneously undertake the next essential step to understand how we can support them to achieve their goals. This ability to address our customers' needs and to find the best solution for them is still an integral part of our self-conception and is practised daily by all employees. This enables us to recognise vital information and developments at an early stage and use these to further develop our products and for strategic decision-making.

[📄 Service and data security, p. 49](#)

[📄 Innovation, p. 52](#)

In addition to personally dealing with customers, partners, investors, suppliers or associations, we also use various events to promote dialogue at all levels. These include the Annual General Meeting and our European Compliance and Ethics Conference (ECEC).

[📄 Approach to stakeholder engagement, p. 24](#)

In recent years, important topics at these events and in general in dialogue with stakeholders have been, among others: regulatory topics such as the Corporate Due Diligence in Supply Chains legislation, whistleblower protection, recently also ESG topics, sustainability as well as the associated EU taxonomy. Our various stakeholders' requirements are also relevant catalysts for our business activities. We actively use the collected information from the exchange with stakeholders for product development and corporate strategy. Currently, applications for supplier management (third party due diligence), risk management and the area of e-learning for compliance are under development. Furthermore, we have added sustainability and compliance aspects to the corporate strategy.

The EQS Group is committed to responsible corporate governance. We therefore support any further development of the German Corporate Governance Code that contributes to greater transparency and more investor confidence. We comply with the Government Commission's recommendations on the German Corporate Governance Code in accordance with the version of the Code published in the Federal Gazette ("Bundesanzeiger") in March 2020, with the exception of the deviations listed and justified in the Declaration of Conformity.

[📄 Declaration of Conformity](#)

## Sustainable growth

In addition to the successful development of future-proof products, responsible growth is fundamental to the EQS DNA. Despite some challenges, we have gradually expanded our market presence with sound judgement and our feet firmly on the ground. We deliberately avoided rapid growth and focused on expanding our business activities purposefully instead. One milestone in 2005 was the acquisition of DGAP (Deutsche Gesellschaft für Ad-hoc Publizität). This was pursued by consistent and targeted growth with mostly organic international expansion as well as by broadening business segments.

We made strategic acquisitions in 2020 and 2021 in the compliance segment to respond to the introduction of the EU Whistleblowing Directive. With the acquisition of GotEthics (Denmark) and Business Keeper (Germany), we became the European market leader for web-based whistleblowing systems. This far-reaching decision was made with a clear focus: our vision is to position ourselves as the leading European cloud provider for global investor relations and corporate compliance solutions by 2025. With this goal in mind, we also acquired C2S2 GmbH in 2021 in order to add another innovative approach to the existing policy management application. With more regulatory requirements planned for corporations and SMEs in the areas of compliance and governance by 2025, there will be a lot of potential to implement innovative products and continue to grow sustainably. Our goals are always ambitious, the pace is fast – and therefore the Executive Board, Supervisory Board and investors pull together with our employees, constantly ensuring that growth is in line with our values and principles.

## Support for sustainability initiatives

### **GRI 102-12:** External initiatives

EQS Group AG is committed to the ten principles of the UN Global Compact. EQS Group AG in Germany also formalized this commitment during the reporting year. The application for participation was submitted in November 2021 and officially confirmed at the end of December 2021. Business Keeper, which was acquired in 2021, has been a participant in the world's largest initiative for sustainable and responsible corporate governance since 2005. EQS Group SAS has also been a participant in France since April 2019.

[ESG committee, p. 20](#)

When formulating the Business Partner Code of Conduct and the Code of Conduct for Employees, we drew on the UN Global Compact principles regarding human rights, labour standards, environmental protection and anti-corruption. Our Codes of Conduct are also based on the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Principles and Rights at Work, the Rio Declaration on Environment and Development as well as the United Nations Convention against Corruption.

# Stakeholders

**GRI 102-40:** List of stakeholder groups

**GRI 102-42:** Identifying and selecting stakeholders

**GRI 102-43:** Approach to stakeholder engagement

**GRI 102-44:** Key topics and concerns raised

We are in constant exchange with external and internal stakeholders along the entire value chain. We look to learn their different views and expectations and take these into account in our business activities. For us, this process is an essential part of our strategic orientation, as it enables us to align our point of view with those of our environment and society.

We pursue a systematic and strategic approach in identifying our stakeholders and their requirements. In doing so, we aim to act in a uniform manner on the global stage while taking into account local specifics. To this end, we document, among other things, the relationship of the respective stakeholder group to our company and how frequently and in what form we communicate with each other.

In the reporting year, expert panels consisting of Executive Board members, management and specialist representatives identified and categorized the most important stakeholder groups for the organization as a whole and for individual business units. We will review this selection annually and amend it, if necessary.

	<i>Relationship with the organization (Distant, Medium, Close)</i>	<i>Levels of engagement (Low, Medium, High)</i>	<i>Communication (None, Occasional, Diverse)</i>	<i>Type of relationship (Short-term, Medium-term, Long-term)</i>	<i>Means of communication</i>
Customers and users of EQS products	Close	High	Diverse	Long-term	Personal conversations, emails, phone calls, website with product information, customer roadshows
Employees of the EQS Group	Close	High	Diverse	Long-term	Personal conversations, emails, phone calls, intranet, BarCamps, events
Non-governmental organizations	Distant	Low	Occasional	Short-term	Personal conversations, emails, phone calls
Rating agencies	Distant	Low	Occasional	Short-term	Personal conversations, emails, phone calls
Trade associations in the most important financial markets	Medium	High	Occasional	Long-term	Events, information materials, lectures
Media and media networks	Medium	Medium	Diverse	Long-term	Personal conversations, emails, phone calls
Global investor network	Medium	High	Occasional	Long-term	Personal conversations, emails, phone calls, WebCasts, investor conferences
Universities and research institutions	Distant	Low	Occasional	Medium-term	Personal conversations, emails, phone calls, project based cooperation
Ministries, authorities, legislative bodies	Distant	Low	Occasional	Long-term	Personal conversations, emails, phone calls, letters, official notifications
Shareholders of the EQS Group AG	Medium	High	Diverse	Long-term	Personal conversations, emails, phone calls, WebCasts, investor conferences, annual general meeting
National and international financial institutions	Medium	Medium	Occasional	Long-term	Personal conversations, emails, phone calls
Key suppliers and business partners	Medium	Medium	Occasional	Medium-term	Personal conversations, emails, phone calls, procurement software



We addressed a wide range of issues in 2021. Some were brought to our attention by stakeholders, while we actively sought dialogue with our stakeholders regarding others. The issues included the general importance of sustainability, the status of sustainability management, and the implementation of related measures. Our stakeholders also had their own concerns. For example, the most important issues for our employees were fair compensation, certified training opportunities and diversity. For our customers, it was the high quality of EQS products and services and related IT security. These issues have been at the forefront for many years. Across all stakeholder groups, topics such as observance of and respect for human rights as well as environmental and climate protection are currently growing in importance.

A more detailed analysis based on stakeholder surveys is planned for 2022. We also intend to establish an Advisory Panel consisting of selected representatives of our most important stakeholder groups. In cooperation with the Executive Board and the ESG committee, it will have several touchpoints with the company, including:

- regular meetings with the Executive Board and Supervisory Board for consultation and discussion of current sustainability issues
- issue-specific exchange at the invitation of the EQS ESG Committee with EQS Steering Committees and employees to raise awareness and provide further training on sustainability and sustainability-relevant concerns from product development to governance, including the involvement of external experts

Communication and exchange with our stakeholders is very individual. With regard to external stakeholders, we use for example trade shows, conferences, presentations, and business contacts. Digital channels and formats are becoming increasingly important.

We have many different ways of communicating internally with our employees. Internal communication plays an increasingly important role for the EQS Group in the context of its current and planned long-term growth. Therefore, we will create a new position with the remit to receive and manage information flows internally. Global Performance Summits are held three to four times a year with senior executives from the international branches, at which Group head office and the Executive Board communicate current topics, set targets and proactively shape business and product development. Afterwards, there is always a BarCamp to involve all employees and receive their feedback on the topics presented. Annual employee surveys and annual staff appraisals also allow us to incorporate the employees' feedback. The Executive Board and managers are accessible to all employees at all times through internal communication channels.

[📄 Management approach to employment and corporate culture, p. 57](#)

Our Annual General Meeting was held exclusively online in 2020 and 2021 due to COVID-19 in accordance with the regulations in force at that time. For direct communication with investors, we used a live chat function at both AGMs, which until then was almost unique in communication with shareholders in Germany.

[📄 Annual General Meeting 2021](#)

In 2020 and 2021, we organised Europe's largest conference on compliance and ethics issues – the European Compliance and Ethics Conference (ECEC). In 2021, around 5,500 compliance officers from 96 countries registered for the conference to take part in lectures, panel discussions, workshops and expert talks by renowned compliance professionals from business, academia and politics. One of the main topics was the EU Whistleblowing Directive and the related question of best practice in implementing internal reporting channels. Country-specific topics were also

discussed in breakout sessions. Virtual lounge tables also offered the opportunity to network with other participants. The next conference is planned for 2022.

[🔗 All the 2021 ECEC presentations](#)

The ECEC Award is presented during the conference. This award recognises exceptional projects that are an inspiration to the global compliance community. A jury of experienced compliance, ethics and integrity experts nominates the top 3 from all applications received. ECEC participants then vote for the winner through live voting during the conference. The 2020 ECEC Award went to La Poste Group from France. A French start-up was awarded in 2021.

[🔗 ECEC Award 2021](#)



Every year since 2018, EQS Group AG has published the Whistleblowing Report, a comprehensive study on whistleblowing systems in European companies, since 2018 together with the University of Applied Sciences of the Grisons (FHGR). In 2021, a total of 1,239 European companies were surveyed in Germany, France, the UK and Switzerland for the third edition. The study examined, among other things, the extent to which companies are affected by whistleblowing, how hotlines can contribute as a tool to prevent and uncover wrongdoing, and how well the companies surveyed are prepared for the EU Whistleblowing Directive. The results of this survey are placed in a practical context and provide best practice tips for companies on this basis. The insights from the study provide valuable ideas for the EQS areas of product development, business ethics and integrity. The collaboration with the FHGR is to be continued in 2022 as part of a further research project.

[🔗 Download the 2021 Whistleblowing Report](#)

**“For us, social responsibility also means helping to create and compile knowledge in the areas of governance and business integrity.** To this end, we work closely with research institutions and experts. In cooperation with the University of Applied Sciences of Grisons, for example, we regularly publish the Whistleblowing Report.”

Helene Blumer, Senior Product Manager Corporate Compliance



The Benchmarking Report published at the beginning of 2022 offers a detailed look at how our customers use whistleblowing systems. This Report is based on an existing anonymous customer survey.

[📄 Download the 2021 Benchmarking Report](#)

In the investor relations segment, we were involved as a collaboration partner with the Berlin School of Economics and Law (HWR) in the publication of a study on “The influence of investors on diversity on German supervisory boards and executive boards” in 2021.

[📄 Download Diversity study, \(German\)](#)

The virtual whistleblowing roadshow also took place in 2021. This four-part online event took a closer look at legal whistleblower protection in different European regions, amongst others, in the DACH area and Southern Europe. Participants shared practical tips on using whistleblowing systems. The event was complemented by presentations from our compliance partner network.

[📄 Whistleblowing Roadshow 2021](#)

We do not lobby, on rare occasions in the past, we have taken a position on individual legislative initiatives at European or German level.

Since 2017, a Business Keeper representative has been a member of the DIN committee which advises on the new ISO standard for whistleblowing management systems (DIN ISO 37002) and other compliance standards. This standardisation committee consists of 15 members, mainly company representatives who meet several times a year at regular intervals. Once a year, delegates from this committee participate in a worldwide meeting for international voting.

Our business decisions also influence our environment. As an employer and customer, we want to have a positive impact on the economic and social development at our locations. We support our employees' social commitment and promote various social projects and institutions. The publication of a Corporate Volunteering Guideline is planned for 2022 to expand and better coordinate our activities in this area.

[📄 Corporate Culture, p. 64](#)

**GRI 415-1:** Political contributions

In line with our principles on anti-corruption, EQS Group AG does not engage in political lobbying and is not involved in party politics. We do not make donations to political parties.

## GRI 102-13: Membership of associations

### Overview of our most important memberships

Name	Webseite	Gesellschaft	Mitglied seit
Asociación Española de Compliance	<a href="https://www.asociacioncompliance.com/">https://www.asociacioncompliance.com/</a>	EQS Group RegTech S.L.U.	2021
Berufsverband der Compliance Manager e.V.	<a href="https://www.bvdc.com.de/">https://www.bvdc.com.de/</a>	EQS Group AG Business Keeper GmbH	2018 2020
Cercle Investor Relations Austria	<a href="https://cira.at/">https://cira.at/</a>	EQS Group GmbH	2011
Deutsches Institut für Compliance e.V.	<a href="https://www.dico-ev.de/">https://www.dico-ev.de/</a>	Business Keeper GmbH EQS Group AG	2012 2018
Deutsches Institut für Interne Revision e.V.	<a href="https://www.diir.de/">https://www.diir.de/</a>	Business Keeper GmbH	2012
Deutsches Netzwerk Wirtschaftsethik – EBEN Deutschland e.V.	<a href="https://www.dnwe.de/">https://www.dnwe.de/</a>	Business Keeper GmbH	2000
Ethics & Compliance Switzerland	<a href="https://www.ethics-compliance.ch/">https://www.ethics-compliance.ch/</a>	Business Keeper GmbH EQS Group AG (CH)	2015 2018
Gesellschaft für Datenschutz und Datensicherheit e.V.	<a href="https://www.gdd.de/">https://www.gdd.de/</a>	Business Keeper GmbH	2010
Internal Audit Association	<a href="https://www.iaia.org/">https://www.iaia.org/</a>	EQS Group S.R.L.	2019
Investor-Relations-Verband	<a href="https://www.dirk.org/">https://www.dirk.org/</a>	EQS Group AG	2006
Le Cercle de la Compliance	<a href="https://www.lecercledelacompliance.com/">https://www.lecercledelacompliance.com/</a>	EQS Group SAS Business Keeper GmbH	2018 2018
Member of the Fördervereins der Stiftung der Deutschen Wirtschaft gGmbH	<a href="https://www.sdw.org/">https://www.sdw.org/</a>	Business Keeper GmbH	2018
Sicherheitsnetzwerk München e.V.	<a href="https://it-security-munich.net/">https://it-security-munich.net/</a>	EQS Group AG	2020
Corporate member of Transparency International Deutschland e.V.	<a href="https://www.transparency.de/">https://www.transparency.de/</a>	Business Keeper GmbH	2002
Transparency Schweiz	<a href="https://transparency.ch/">https://transparency.ch/</a>	EQS Group AG (CH)	2021
Verein Investora	<a href="https://www.investora.ch/">https://www.investora.ch/</a>	EQS Group AG (CH)	2013

[📄 The complete list of our memberships](#)

# Material topics

**GRI 102-46:** Defining report content and topic Boundaries

**GRI 102-47:** List of material topics

We have been engaged with the issue of sustainability and, above all, with the impact of our business activities on society and the environment for quite some time. But conversely, social, economic and political developments also influence the activities of our company.

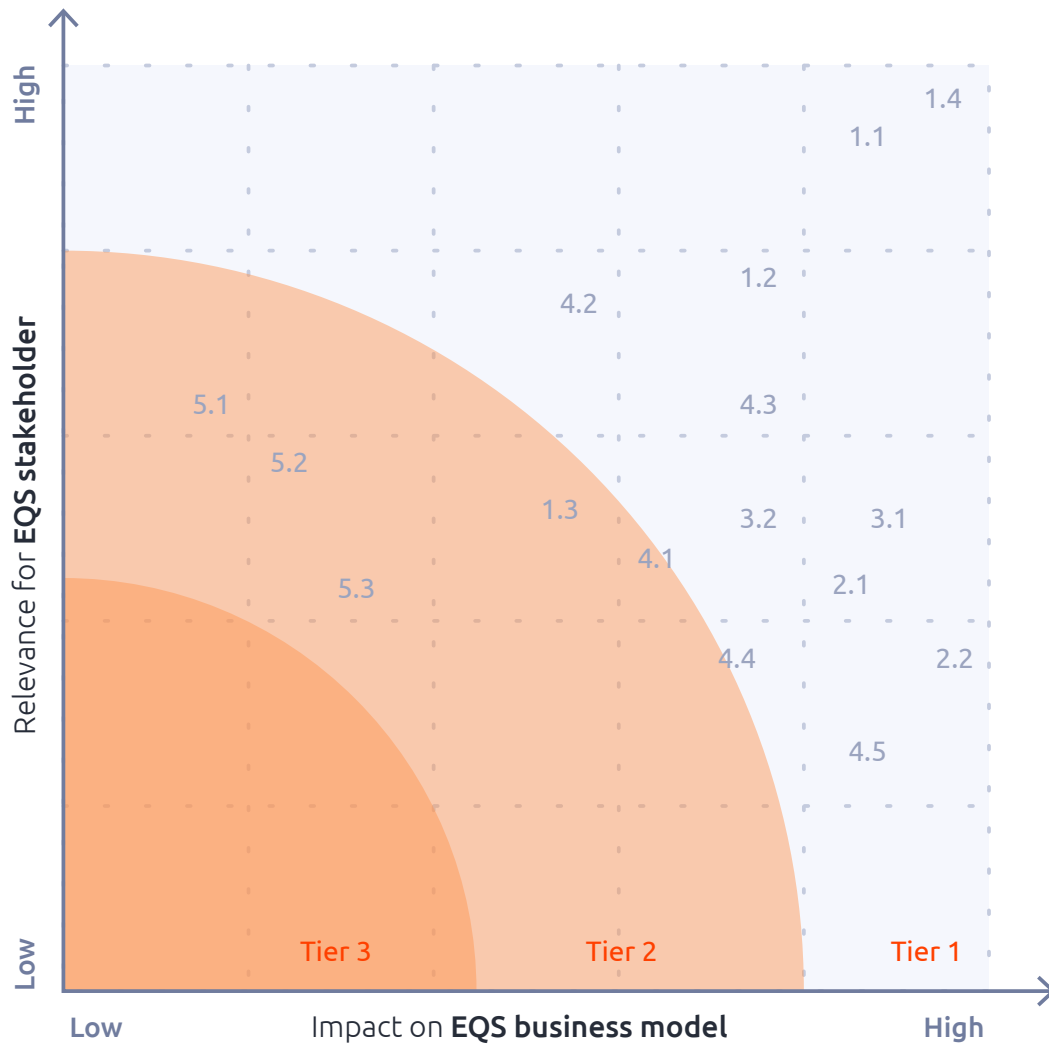
In order to determine the material topics for EQS Group and this report, we analyzed the various influences, opportunities and risks for the company in the area of sustainability in 2021 and, to this end, evaluated and documented all the information and findings obtained in the stakeholder exchange. The goal was to capture the internal and external trends as accurately as possible together with our stakeholders. The main focus of this was a comprehensive document analysis. In addition to inquiries and information from contacts in our wide-ranging network, we also drew on social trends from the media, social media, and the like.

On this basis, the ESG Committee, in cooperation with selected stakeholders, pre-selected the issues and agreed them with the Executive Board. Following an internal analysis, we aligned the topics with the United Nations Sustainable Development Goals (SDGs) relevant to EQS Group.

To compare the material issues with the expectations of our stakeholders, we created a questionnaire and sent it to previously defined representatives from the most relevant stakeholder groups. EQS internal and external stakeholders were asked to assign points on a scale of 1 to 5 to each material issue so as to map the importance of the respective issue in a materiality matrix. The importance of the topic for the stakeholders was evaluated as well as the anticipated impact on the EQS business model.

The Executive Board discussed, slightly adjusted and approved the first materiality matrix developed on this basis.

## EQS Materiality matrix



1.1 Combating corruption and bribery	4.1 Human resources management
1.2 Ethical business conduct	4.2 Fair pay
1.3 Observe of and respect for human rights	4.3 Staff training and development
1.4 Data protection and data security	4.4 Diversity and individuality
2.1 Customer service	4.5 Employee satisfaction
2.2 Customer satisfaction	5.1 Climate change and air quality
3.1 Product safety	5.2 Environmental standards and guidelines
3.2 Quality	5.3 Environmental protection in the supply chain

It also served as the basis for deriving the areas for action and for the structure of our report.

## Area of action and SDGs

Area of action	Material topics	Related SDGs
1. Ethics and integrity	1.1 Combating corruption and bribery	16: Peace, justice and strong institutions
	1.2 Ethical business conduct	
	1.3 Observe of and respect for human rights	
	1.4 Data protection and data security	
2. Customers	2.1 Customer service	12: Responsible consumption and production
	2.2 Customer satisfaction	
3. Product responsibility	3.1 Product safety	12: Responsible consumption and production
	3.2 Quality	
4. Employment and corporate culture	4.1 Human resources management	8: Decent work and economic growth
	4.2 Fair pay	5: Gender equality
	4.3 Staff training and development	8: Decent work and economic growth
	4.4 Diversity and individuality	
	4.5 Employee satisfaction	
5. Business resource conservation	5.1 Climate change and air quality	13: Climate action
	5.2 Environmental standards and guidelines	12: Responsible consumption and production
	5.3 Environmental protection in the supply chain	

We want to maintain this approach and thus both ensure the quality of the current and future process and track development over a longer period of time.

Further, we aim to use the work on the Sustainability Report 2022 and enhance this process as well as align the areas of action and topics even more closely with the SDGs. Therefore, we will investigate where EQS Group can strengthen the positive impact of its corporate actions and how negative impacts can be mitigated. In addition, we are planning more intensive stakeholder engagement.

## Sustainability strategy and targets

Our first sustainability report presents the status quo of EQS with regards ESG issues and sets short- and long-term goals, upon which we derive and establish measures. Our five EQS Core Values - Trust, Transparency, Team Spirit, Ownership and Passion - are important guidelines for us. In the following we describe in detail, divided into the areas E, S and G, which EQS Values we will take as a starting point, what impact our business activities have and which goals and measures we have set ourselves.

[EQS Core Values, p. 38](#)



## 1. Responsible corporate management (Governance):

**EQS values:** Transparency creates Trust – an open corporate culture creates trust among all stakeholders and is the basis for sustainable business.

**Impact of our business:** Our DNA is governance. As one of the pioneers of digital investor relations in Europe, we support more than 2,000 listed companies to comply with laws and regulations securely and efficiently and inform all stakeholders simultaneously and comprehensively about important matters in the company. Our clients place a great deal of trust in us, as we process and publish their highly sensitive information. It is therefore vital that we work in accordance with the highest IT security standards.

### **Measures and targets: Linking management compensation to ESG criteria.**

To meet the requirements of the Corporate Governance Code, we will introduce a medium- and a long-term component for Executive Board compensation in 2022. We also aim to link these to important ESG criteria. This is intended to ensure that the company's successful performance to date will continue in the long term.

[📄 Corporate Governance, p. 19](#)

## 2. Social issues, employment, social responsibility (Social):

**EQS values:** Trust, Transparency and Team Spirit support the shift towards a fairer working world, where trust, openness and togetherness are paramount.

**Impact of our business:** As Europe's leading provider of whistleblowing systems, we support the EU Commission, but also many countries, cities and municipalities, numerous NGOs, universities, clinics, associations, churches as well as global corporations and also hundreds of smaller companies. Their goal is to use our solutions to develop a just world by exposing and addressing wrongdoing - think corruption, sexual harassment in the workplace, or unequal treatment of any kind.

### **Measures and targets: Gender diversity and equality by 2025.**

Like many IT companies, we would like to employ more women at EQS Group. Although our overall female quota of 38 percent is significantly higher than the industry average, we are not and will never be satisfied with this. We currently have the greatest momentum in filling the numerous vacancies we have created as part of our growth. Here, we take care to invite a balanced number of male and female applicants to interview for roles.

We want to provide targeted support for women and offer all employees an attractive working environment, including a good work-life balance. This includes providing scholarships for women to train as IT professionals, among other things. In 2021, we provided financial support for two students at the Technical University of Munich.

We are also aware that we employ too few women in management positions and have not yet made sufficient efforts to change this. In the reporting year, we welcomed Prof. Dr. Kerstin Lopatta as the first female member of the Supervisory Board,

In 2022, we will propose another woman for election to the Supervisory Board at the Annual General Meeting. This would make the Supervisory Board 40 percent female. We have also set ourselves the goal of recruiting the first woman to our Management Board by 2023 at the latest.

We addressed the gender pay gap internally in 2021 and undertook an analysis. In 2022, we will also commission an external consultant to expand and validate this analysis. If unequal treatment exists, we will take immediate action to remedy this.

[Diversity and individuality, p. 62](#)

### **3. Environmental protection, resource conservation (Environmental):**

**EQS values:** Ownership - we think like entrepreneurs and act in the interests of our customers, our environment and society.

**Impact of our business:** Our digital products such as video and audio webcasts and virtual general meetings reduce travel for both our customers and their stakeholders and thus make an important contribution to reducing CO<sub>2</sub> emissions. With our financial reporting products such as online annual reports and digital submission of financial statements, we help to significantly minimize our customers' paper consumption. However, we also produce emissions in the process, which is why we want to become CO<sub>2</sub> neutral.

EQS supports environmental projects, particularly in the areas of species protection and disaster prevention, both financially and through corporate volunteering undertaken by our employees. For this all employees receive an annual time quota of 8 hours. We thus actively support the uptake of environmental and social projects by our employees.

#### **Measures and targets: Operational emissions climate-neutral by 2025.**

To achieve this, we need a climate-neutral EQS infrastructure in which IT hosting plays a crucial role. We are in close exchange with our providers such as Amazon Web Services and Microsoft Azure to switch to 100 percent green power, if this has not already been done. We have received the concepts and implementation plans from some partners, while others have yet to follow suit. If our partners do not offer convincing solutions for a climate-neutral data center operation, we will consider alternative options. We intend to present initial progress in this area and an ambitious target in the Sustainability Report 2022.

A further key way to reduce our CO<sub>2</sub> emissions is through our office buildings and their technical infrastructure. Where we procure our own electricity in Germany, we have already switched to renewable energy. We are currently negotiating possible adjustments with all other landlords and property managers. Here, too, we are considering alternatives if we do not see consistent progress. When leasing new offices, a key factor will be the climate neutrality of the buildings and sustainability in daily operations.

Compared with other tech companies, we had a low carbon footprint of one tonne per employee per year in 2021. Minimal business travel was one of the main reasons for this low figure. During the normal course of business, however, we attach great importance to the personal interaction between our almost 600 employees, as this builds trust and promotes creativity. For this reason, it would be unrealistic to aim for a further reduction in CO<sub>2</sub> emissions in the coming year. If we remain at the 2021 level after COVID-19, we would consider this a great success.

It is therefore our policy to limit business travel to only what is necessary. We also encourage the use of company bicycles and have not used company cars since the company was founded. We do not travel by air within Germany and we fully offset any international flights. We are aware, however, that carbon offsetting is not a permanent solution. For this reason, we are already

discussing in the Executive Board and the Supervisory Board how we can generate or support negative emissions through innovative concepts.

[📄 Climate change and air quality, p. 67](#)

## Our sustainability goals

Sustainability	Target	Measures	SDG reference
General	We link management compensation to ESG criteria (and meet the requirements of the Corporate Governance Code).	<ul style="list-style-type: none"> <li>• Introduction of a long-term component in the Executive Board compensation in 2022</li> </ul>	SDG 5, SDG 8, SDG 12, SDG 13, SDG 16
	We optimize processes for collecting and processing ESG data, also in relation to sustainability reporting.	<ul style="list-style-type: none"> <li>• Improve CO<sub>2</sub>e calculation in data centres</li> <li>• Further expand Scope 3 subcategories of the GHP Protocol</li> </ul>	SDG 12, SDG 13
	We establish the issue of resource conservation even more firmly in the corporate culture.	<ul style="list-style-type: none"> <li>• Conduct risk analysis on the impact of climate change on EQS Group AG and our business model</li> <li>• Establish training courses on the topics of resource conservation</li> </ul>	
Ethics and integrity	We are always up-to-date on compliance and integrity issues and promptly incorporate legal frameworks into our internal regulations.	<ul style="list-style-type: none"> <li>• Expand and establish training courses on the topics of compliance and the Code of Conduct</li> <li>• Introduce risk management for human rights</li> </ul>	SDG 16
	We expand our supplier management processes.	<ul style="list-style-type: none"> <li>• Conduct supplier analyses and supplier audits</li> <li>• Introduce risk management for human rights at suppliers/business partners</li> </ul>	SDG 8
Customers	We keep our values in the Net Promoter Score at the same level.	<ul style="list-style-type: none"> <li>• Improve service quality by optimizing and automating processes</li> </ul>	SDG 12
Product responsibility	Our products always meet the current legal requirements.	<ul style="list-style-type: none"> <li>• Continuous monitoring and implementation of legal and regulatory developments</li> </ul>	SDG 12
	We consistently increase product quality and create long-term added value for our customers.	<ul style="list-style-type: none"> <li>• Improve quality</li> <li>• assurance measures</li> </ul>	
	Product safety is our top priority.	<ul style="list-style-type: none"> <li>• Ensure product safety through external certification</li> <li>• Carry out external penetration testing</li> <li>• Expand and establish training courses on the topics of data protection and information security</li> </ul>	

Sustainability	Target aspect	Measures	SDG reference
Employment and corporate culture	We want to establish equal pay at all levels.	<ul style="list-style-type: none"> <li>• 2022 Analysis by external consultant</li> <li>• If the latter identifies inequalities countermeasures are taken immediately taken</li> </ul>	SDG 5, SDG 8
	We are significantly increasing the proportion of women.	<ul style="list-style-type: none"> <li>• Increasing in 2022, the proportion of women on the Supervisory Board to 40 percent and no later than 2023 at the latest, the proportion of Management Board to 20 percent</li> </ul>	
Business resource conservation	We want to keep our carbon footprint at the lowest possible level and to be climate-neutral in our corporate emissions until 2025.	<ul style="list-style-type: none"> <li>• Reducing the emissions from data centres</li> <li>• Climate-neutral business travel by 2023 through reduction, compensation or digital solutions</li> <li>• Updating the travel policy to take account of sustainability aspects</li> <li>• Continue to renounce company vehicles</li> <li>• Reduce emissions from data centres</li> </ul>	SDG 12, SDG 13
	We will supply our sites with energy with zero emissions (or offset it if necessary) by 2023.	<ul style="list-style-type: none"> <li>• Analysis and appropriate adaptation of existing agreements</li> </ul>	

The targets and our progress in achieving them should be communicated in a similarly transparent and open manner we do our the financial targets. Sustainability is already an integral part of our governance. In the medium term, we aim to integrate these topics into the financial reporting. The Executive Board will manage and monitor the progress on targets in cooperation with the Supervisory Board. Therein, the shareholders and other stakeholders' opinions will be considered accordingly. We involve our employees as early and extensively as possible. They should have insight into the goals and measures and be able to actively contribute to them.

# Ethics and integrity

**GRI 102-16:** Values, Principles, standards, and norms of behavior

**UN Global Compact:** Principles 1 to 10

We at EQS believe that **Integrity** and **Transparency** create the most important corporate capital:

# TRUST

Integrity and transparency are the foundations of our business. This includes compliance with applicable laws, regulations and external standards as well as adherence to internal company policies.

We respect the values and guidelines of the following guiding principles and strive to comply with them:

- UN Global Compact
- The International Labour Organization (ILO) core labour standards
- UN Universal Declaration of Human Rights (UDHR)
- OECD Guidelines for Multinational Enterprises
- German Corporate Governance Code
- United Nations Sustainable Development Goals (SDGs)

This is expressed in our Codes of Conduct and the EQS values and principles. Our internally defined values determine our actions and our dealings with each other, because respectful and trusting teamwork is the essential foundation for business success and a positive corporate culture.

As part of our compliance management, the Chief Compliance Officer is responsible for planning, managing and controlling measures aligned with compliance, as well as for adhering to and updating the related principles. This is currently the remit of the head of the legal department.



## TEAM SPIRIT

We have empathy and support/respect each other



## PASSION

We love what we do and are driven to achieve



## TRANSPARENCY

We are open-minded and actively share information



## TRUST

We are honest, trust each other and value a flat hierarchy



## OWNERSHIP

We think like owners and act sustainably towards our planet and society



The EQS Values and Principles are an essential part of the compulsory event for new employees and the regular BarCamps for all employees. All the values and principles are mapped in detail on the intranet. Animations on the EQS website, LinkedIn and on Instagram provide additional information on corporate ethics topics.

## EQS Work Principles



**Put the client first  
(company, result)**



**Be ambitious and  
humble**



**Challenge decisions,  
but once they're  
made, commit wholly  
to them**



**Have integrity and  
demand it from others**



**Confront brutal facts,  
yet never lose faith**



**Take responsibility for  
poor results  
("look in the mirror")**



**Give praise for good  
results ("look out of the  
window")**



**Make mistakes, but learn  
from them ("fail well")**



**Support and develop your  
team members**



**Lead by example**

Our corporate values are described in detail in both the EQS Group Code of Conduct and our Business Partner Code of Conduct.

The EQS Group Code of Conduct sets out in detail what we expect from our employees. Making the appropriate decision in everyday business can be difficult when different perspectives clash. On the one hand, the diversity of experiences and opinions is a great advantage for a company, while on the other hand, it can also lead to contradictory interpretations and decisions. Therefore, EQS Groups' Code of Conduct aims to support our employees in acting with integrity and transparency in every situation. In the event of questions and uncertainties, contacts such as the Chief Compliance Officer or colleagues from the legal department, whose contact details are listed on the intranet, are also helpful.

Our Business Partner Code of Conduct is part of all agreements between the EQS Group and our business partners. It obliges our business partners to comply with the applicable laws, regulations and external standards. This includes all applicable trade-related laws, such as trade compliance, applicable import and export laws, as well as laws and regulations relating to secondary boycotts.

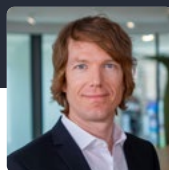
Both Codes of Conduct are reviewed on an ongoing basis with regard to the current legal framework and continuously adapted to changing legislation or other developments.

[📄 EQS Group Code of Conduct](#)

[📄 EQS Business Partner Code of Conduct](#)

**“Our Code of Conduct creates a common understanding of the values and standards that guide our daily actions.** It also serves as a compass to successfully navigate through ethical challenges. We rely on all employees worldwide not only to adhere to it, but also to report violations without fear of retaliation.”

Christoph Alberts, Chief Legal Officer



Other internal policies are:

- Personal Data Retention Policy and Data Privacy Policy
- Information Security Policy Manual

All our policies are written in the corporate language, English, and are accessible to all employees on the intranet. New employees are made aware of the existing policies during their induction, and in some cases are obliged to adhere to them. Onboarding sessions are held once a quarter in which the new employees are informed about the contents of the guidelines. Additionally, the prohibition of insider trading and non-disclosure regulation are part of the employment contracts.

[📄 More on the onboarding sessions, p. 44](#)



With EQS Ethics Line, we run an online reporting system through which employees, suppliers, customers and other third parties can report violations of ethical principles and business practices around the clock, also anonymously if they wish to. The whistleblowing system is available in German and English. The exact procedure for making a report as well as examples of reportable acts are available to all employees on the intranet and on the EQS Ethics Line website. Here further information can be found, for example, about the confidential treatment of reports, the non-retaliation policy and possible sanctions. There is also an explanatory video on the intranet that explains the reporting system procedure to our employees.

[🔗 Whistleblowing Policy](#)

[🔗 The EQS Ethics Line reporting system](#)

The whistleblowing system's internet address and further options to report a violation are provided in the EQS Group Code of Conduct as well as in the Business Partner Code of Conduct. Anyone interested can also access the reporting system through a link in the footer on our corporate website as well as the Integrity Line website.

The aforementioned topics are also part of other EQS activities and business operations. These include, for example, the European Whistleblowing Report, which we have been publishing since 2018 in collaboration with the University of Applied Sciences of the Grisons (Switzerland). This examines current compliance issues and highlights the impact of wrongdoings. It furthermore examines measures and tools to prevent and uncover it. The study provides best practice recommendations for companies based on an online survey.

[🔗 More on the Whistleblowing Report, p. 26](#)

We have hosted the European Compliance and Ethics Conference (ECEC), the largest virtual compliance and ethics conference in Europe, since 2020.

[🔗 More on the European Compliance and Ethics Conference, p. 25](#)

# Ethical business conduct

**GRI 103:** Management approach to ethical business conduct  
(including GRI 103-1, GRI 103-2, GRI 103-3)

**GRI 206:** Anti-competitive behaviour

**GRI 419:** Socioeconomic compliance

**UN Global Compact:** Principle 10

For us, ethical business conduct means that anti-competitive practices are not tolerated under any circumstances. Simply selling better products or working more efficiently should be legitimate tools for gaining market shares. So, while we naturally strive to win customers, we are always mindful of fair competition, applicable antitrust and competition laws.

We act honestly, transparently and trustfully in our dealings with competitors, customers or suppliers. For example, we do not share confidential or competition-relevant information or make agreements regarding prices or products.

The legal department provides the framework for business agreements and monitors compliance with all policies and laws. The legal department is involved when contracts are concluded above a certain size. The same applies if the contracts deviate from the general EQS standard.

If there is any indication that an employee has violated any applicable laws, our Codes of Conduct or other company policies, we will investigate. Actions will be determined and taken based on the results of the investigation. Accounting, accounting control and auditing violations are investigated by the Supervisory Board. All other investigations on violations are overseen by the head of the legal department. A violation may result in disciplinary action up to and including dismissal. Civil or criminal violations will also be prosecuted.

We also require business partners and suppliers to comply with applicable antitrust and competition laws and to respect intellectual property. Violations may, at the sole discretion of EQS Group, result in the immediate termination of the business relationship.

All principles, policies and information in this regard are described in the EQS Group Code of Conduct and the Business Partner Code of Conduct.

We are constantly reviewing our rules and regulations to ensure that they reflect the current legal framework. We also intend to further expand and establish our training courses on the topics of compliance, data protection and codes of conduct, as well as to introduce a risk management system to identify challenges and adhere to human rights. As a result, compliance will be established even more firmly in the DNA of EQS.

[🔗 Observance of and respect for human rights, p. 45](#)

[🔗 Service and data security, p. 49](#)

[🔗 Sustainability strategy and targets, p. 32](#)

**GRI 206-1:** Legal actions for anti-competitive behaviour, antitrust, and monopoly practices.

During the reporting period, there were no legal actions within EQS Group or in any of our business relationships due to anti-competitive behaviour and monopoly practices.

**GRI 419-1:** Non-compliance with laws and regulations in the social and economic area

No fines or non-monetary sanctions were imposed on EQS Group AG for non-compliance with laws and regulations in the social and economic area in 2021.

## Combating corruption and bribery

**GRI 103:** Management approach to combating corruption and bribery  
(including GRI 103-1, GRI 103-2, GRI 103-3)

**GRI 205:** Anti-corruption

**UN Global Compact:** Principle 10

Our policies on corruption and bribery are also part of our Code of Conduct. Among other things, it explains which activities may cause a conflict of interest and how to deal with them correctly. If employees have any questions, they can contact their manager, the legal department or the Chief Compliance Officer at any time.

Improper payments in the course of our business, such as bribes, are unacceptable. This also includes gifts, favors and hospitality if they are intended to oblige the customer to make a certain decision. EQS Group business partners and suppliers also may not accept bribes within the scope of business transactions or instruct third parties to do so on their behalf.

**GRI 205-2:** Communication and training about anti-corruption policies and procedures

All new employees undergo onboarding training, which includes briefing on the Group's anti-corruption policies. These introduction events take place both in-person and online. The videos are also available on the intranet after the training is completed.

EQS anti-corruption policies are also explained in detail in our Code of Conduct and are the subject of regular employee trainings.

Our business partners have not yet received any special training on anti-corruption. Here we refer to the Business Partner Code of Conduct, which all business partners undertake to comply with. Procedures for communication and trainings are being prepared.

**GRI 205-3:** Confirmed incidents of corruption and actions taken

We do not tolerate corruption or other criminal acts. We are not aware of any cases related to corruption during the reporting period.

## Observance of and respect for human rights

**GRI 103:** Management approach to observance of and respect for human rights  
(including GRI 103-1, GRI 103-2, GRI 103-3)

**GRI 408:** Child labour

**GRI 409:** Forced or compulsory labour

**GRI 411:** Rights of indigenous peoples

**GRI 412:** Human rights assessment

**GRI 414:** Supplier social assessment

**UN Global Compact:** Principles 1,2,4,5,6

We were not able to identify any potential risk to or from our products and services or to or from our business activities in relation to human rights issues as part of the risk analysis. Nevertheless, we have consciously anchored human rights issues in our Codes of Conduct and explicitly disassociate ourselves from child, forced or compulsory labour. Such exploitative labour practices are incompatible with our business ethics. We also include deception about working conditions, recruitment fees and confiscating or otherwise denying access to identity documents such as passports. We reject these practices without exception and expect an equally clear stance on this from our suppliers, consultants and other contractors. Our commitment to the 10 principles of the UN Global Compact reinforces this attitude.

Our Business Partner Code of Conduct also contains specific principles relating to the observance of human rights. For example, we expect all business partners to treat suppliers, vendors and other third parties fairly and transparently at all times and in accordance with applicable laws. In addition, our business partners are committed to the principles of equal opportunities in employment and integration. This includes employment only being based on the Group's needs, the work requirements and individual qualifications. We also expect equal opportunities when employing immigrants and non-citizens. Through our internal compensation policy, we ensure that salaries are paid in line with the market at all levels, always above the applicable national legal requirements.

[Diversity and individuality, p. 62](#)

We also require our business partners to respect the personal dignity, privacy and rights of every individual and to prohibit any behavior that is sexual, coercive, threatening, abusive or exploitative. In addition, our business partners recognise the right of workers to freedom of association and membership of workers' organizations or trade unions. In our Business Partner Code of Conduct, we explicitly state that workers under the age of 15 may not be employed. In countries covered by the developing country exemption in ILO Convention 138, this applies to workers under 14 years of age.

To improve supplier management processes with regard to human rights issues, we will conduct more supplier analyses and audits in the future and in addition introduce a supply chain-related risk management system for human rights.

[📄 Sustainability strategy and targets, p. 32](#)

With regard to raw materials, we expect our business partners to closely monitor supply chains and avoid using raw materials that are directly or indirectly linked to a human rights violation.

**GRI 408-1:** Operations and suppliers at significant risk for incidents of child labour

**GRI 409-1:** Operations and suppliers at significant risk for incidents of forced or compulsory labour

We reject child and forced labour and also demand this from our suppliers and other business partners. There are no known locations or suppliers where there was a risk of child or forced labour during the reporting period.

**GRI 411-1:** Incidents of violations involving rights of indigenous peoples

Our business activities do not affect the rights of indigenous people.

**GRI 412-1:** Operations that have been subject to human rights reviews or impact assessments

Our Codes of Conduct fully inform our employees and business partners about our commitment to respect human rights. Special audits of our operations are not carried out, but we are aware of the specific situation at our locations in India and Hong Kong. In future, we will introduce regular risk analyses for our locations and specify further actions based on these analyses.

**GRI 412-2:** Employee training on human rights policies or procedures

All new employees are informed about the human rights topics in our Code of Conduct during the induction events.

**GRI 412-3:** Significant investment agreements and contracts that include human rights clauses or that were subject to human rights assessment

We require all business partners to comply with our Business Partner Code of Conduct and thus to the observance of human rights.

**GRI 414-1:** New suppliers that were assessed using social criteria

**GRI 414-2:** Negative social impacts in the supply chain and actions taken

Depending on the order volume and the products or services purchased, we carry out an assessment before working with a new supplier. The assessment also includes a review of whether the EQS Business Code of Conduct or equivalent obligations have been countersigned by the supplier.

We expect our business partners to comply with social standards, which are described in detail in the Business Partner Code of Conduct. Topics include equal opportunities and a non-discriminatory working environment, the health and safety of business partners' employees and the strict rejection of child, forced or compulsory labour and other practices that violate human rights. In the future, we will place more extensive obligation on larger suppliers and audit them specifically regarding compliance to social standards.

[☞ Management approach to observance of and respect for human rights, p. 45](#)

# Customers

## Customer portfolio

EQS Group is a global leader in investor relations and compliance software. More than 8,000 customers from different sized companies and industries use our products and services. Our client portfolio encompasses only B2B customers.

We are already the market leader in digital investor relations in German-speaking countries (DACH) and Russia. Currently, all DAX 40 companies use our EQS IR COCKPIT cloud platform. Our Investor Targeting products, IR websites, digital reports and webcasts support these companies in fulfilling reporting obligations and in communicating efficiently and securely with investors.

[📄 Activities, brands, products and services, p. 04](#)

EQS Integrity Line is the most widely used whistleblowing system in Europe. Here we have a total of 27 of the DAX 40 companies among our customers, including PUMA, Deutsche Post and Continental.

[📄 Integrity Line reference list](#)

To understand and meet the needs of our customers, we rely on on-site support from local teams. We have branches in numerous European capitals as well as in other financial centers in North America and Asia. This means that we are also very familiar with the local challenges and regulations on the respective markets and can always respond flexibly to changing requirements.

[📄 Locations, p. 05](#)

“In two years of the Corona pandemic, the work environment and the way of working has changed. **Even without business travel, we can serve our customers very well virtually. Nevertheless, we also want to be geographically close to our customers.** We have a new location in Barcelona and from here we can support European EQS locations. We are pleased to say that here we have been able to compensate for the shortage of specialists in other European countries.”

Christian Pflieger, Chief Operating Officer





## Service and data security

**GRI 103:** Management approach to service and data security  
(including GRI 103-1, GRI 103-2, GRI 103-3)

**GRI 416:** Customer health and safety

**GRI 418:** Customer privacy

Data protection and the confidentiality of information are of major importance to our business activities. Information about competitors, suppliers and customers is processed ethically and lawfully. We receive this data either from public sources or we are provided with it directly by our suppliers and customers. Data provided to us by others on a confidential basis is subject to the procedures described in the non-disclosure agreements. These non-disclosure agreements are concluded as part of our employment, supplier or customer contracts and govern, among other things, the handling of confidential or personal data.

Personal data is collected, processed and used by EQS Group exclusively in accordance with the applicable data protection regulations. This includes financial data from customers or business partners, details of their business operations and their employees' names and contact information. We protect this information in the same way that we protect all our employees' personal information.

The EQS Group also processes information on behalf of its customers. We process information in accordance with applicable laws, rules, regulations and standards for the protection of personal information and cyber security, including the European Data Protection Regulation (EU GDPR). This also applies to data protection requests under Chapter 3 of the EU GDPR, which are processed according to the Data Subject Rights Request process.

The product EQS Integrity Line (whistleblowing system) has been audited according to ISAE 3000 Type I and II by independent experts. It therefore complies with the European requirements for data protection (GDPR-compliant) and the EU Whistleblowing Directive.

The business locations and data centers that process confidential data are also certified according to ISO/IEC 27001. The overarching security principles, binding processes and responsibilities are described in our internal Information Security Management System (ISMS) policy.

Our global operations require us to understand and comply with a variety of local, regional, national and international laws and restrictions relating to data protection and data sharing. This includes, for example, securities laws. In many countries, insider trading is against the law. The EQS Group provides the EQS Insider Manager tool to manage insider lists and fulfil the obligations arising from the EU Market Abuse Regulation and further requirements. Generally, it is also unlawful to disclose material non-public information about a company including EQS to others who then trade in the shares based on that information.

The topic of data protection is established in the areas of information security and law. Monitoring and compliance with related laws and regulations is the responsibility of the head of the legal department and the Chief Information Security Officer (CISO). In addition, EQS Group employs an external data protection officer works.

We have Group policies which provide the framework for how to behave in a security-compliant manner in everyday work, such as the Clean Desk and Clear Screen Policy and policies regarding the correct use of email and the Internet.

[📄 Values, principles, standards, and norms of behaviour, p. 37](#)

As part of our onboarding sessions, online training on information security and agreement to the information security policy are mandatory for all new employees. In addition, online trainings on this topic are offered to the entire staff. All employees must regularly participate in data protection training, and there is an additional e-learning course here too. Regular emails and intranet articles also keep our employees informed about currently relevant topics relating to data protection and information security. Information security and data protection are also regular topics at our BarCamps.

[📄 Staff training and development, p. 61](#)

[📄 Product safety, p. 53](#)

**GRI 416-1:** Assessment of the health and safety impacts of product and service categories

**GRI 416-2:** Incidents of non-compliance concerning the health and safety impacts of products and services

All EQS products meet the applicable external as well as our internal safety requirements.

[📄 Product safety, p. 53](#)

In 2021, there were no incidents of non-compliance related to the impacts of our products and service on the safety of our customers.

**GRI 418-1:** Substantiated complaints concerning breaches of customer privacy and losses of customer data

Fewer than ten requests from data subjects in connection with Chapter 3 of the EU GDPR were made and then processed during the reporting year. Subsequently, there were no further complaints.

# Customer satisfaction

**GRI 103:** Management approach to customer satisfaction  
(including GRI 103-1, GRI 103-2, GRI 103-3)

The customer experience is a key factor in our business success. With our secure and high-quality products and services, we always want to be as close as possible to our customers and their needs. Since the company was founded, it has been important for us to listen and get a feel for customers requirements. To this day, we see ourselves as responding to our customers and finding the appropriate solution for them.

One very important factor in this context is the Net Promoter Score (NPS), which we use to measure customer loyalty. The NPS is visible for each business unit on the daily updated management dashboard. Its' value is monitored at group level on an aggregated basis across all business units.

To determine the NPS, we ask our customers in online surveys to state whether they would tend to advise against or recommend our products. This difference results in the NPS score. We also ask our customers for their general feedback. All the answers and results are automatically evaluated and cumulated in the Customer Relationship Management system (CRM). If necessary, further action is taken, such as a personal conversation with the customer, or internal processes are triggered that may result in the development of new product features.

The customer surveys always take place after the completion of a project or also as part of webinars. We send a survey to all active customers during the final quarter of the year.

For 2021, the evaluations of the company wide NPS in relation to customer loyalty showed a score of 41 (in a range from -100 to +100). In the previous year, this value was 40. We aim to maintain this score at the same high level in the future too.

[☞ Sustainability strategy and targets, p. 32](#)

In the reporting year, we created a new position in the IR segment for customer loyalty measures and processes. This position is responsible for implementing, among other things, the lighthouse customer concept. For us, lighthouse customers are IR managers who we have a close and long-term business relationship with. We ask them to report on their experiences with the EQS IR COCKPIT. This way we obtain valuable information and suggestions for improvement for EQS product development.

Other tasks and action planned or being implemented are:

- Setting up an EQS Support Center with FAQs, documentation, contact forms.
- Communication about the introduction of new products or new features for an existing product (release communication),
- Preparing and implementing surveys and feedback forms, and
- Improving internal communication through clearly defined procedures (for extraordinary events such as emergencies) and internal feedback.

# Product responsibility

## Innovation

We have been supporting our customers to build trust through our products and services for more than twenty years. Customers all over the world meet complex compliance and IR requirements, seek to minimize risks and communicate transparently with their stakeholders. To this end, we want to provide our customers with the best digital solutions.

A new EQS product is developed based on the following factors:

- New market requirements such as regulations, laws, trends, or ideas,
- New technological possibilities,
- New combinations or mergers of existing products, data or features.

Our product managers are always in close contact with customers, directly or through the sales department, and are constantly well informed about challenges customers face. This proximity to our customers, combined with an understanding of the market, is crucial for our ability to reflect new requirements or legal amendments in our products. Through rapid and practical implementation, we help our customers to meet their obligations efficiently.

The product manager's key responsibility is to provide innovative solutions that precisely fit customer needs. To achieve this, the (IT) developers and product managers are guided by the state of the art as well as current findings on usability and user experience (UX). This also creates new perspectives for innovative products.

During the reporting period, our main focus was on the expansion of our central cloud-based platform EQS COCKPIT. This includes the applications Approval Manager for reviewing and managing business-related gifts and hospitality as well as the Policy Manager for managing policies. With this, we have significantly expanded our range of compliance products and are improving these as well as all other applications.

# Product safety

**GRI 103:** Management approach to product safety  
(including GRI 103-1, GRI 103-2, GRI 103-3)

**GRI 417:** Marketing and labelling

We aim to offer our customers maximum data security. Our products undergo regular security checks in internal and external penetration tests.

In the case of the Business Keeper BKMS® System product, for example, we thoroughly examine the web application using both manual and automated procedures. Therein we take the following aspects into account:

- Threat analysis according to the Open Web Application Security Project® (OWASP®)
- Test of cryptography, architecture and system design,
- Review of session and identity management and
- Analysis of the authorization concepts.

With our EQS Integrity Line whistleblowing system, we apply the requirements of the Security Trust & Assurance Registry (STAR) programme from the Cloud Security Alliance (CSA) for more security in cloud computing.

[Cloud Security Alliance](#)

All other certifications that the EQS Integrity Line has received for successful penetration tests and external security audits are linked on the product websites.



[More on security and the certificates](#)

Regular backups provide additional security for our products. The backups are tested regularly to ensure that no data is lost even in an emergency.

The topic of product safety also includes data protection and information security measures, which are of major importance for our business activities. To ensure that our products always meet the legal framework conditions, we will continue to keep abreast of current developments and incorporate these findings into our products.

[Sustainability strategy and targets, p. 32](#)

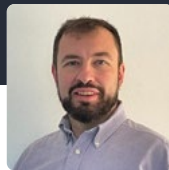
We have described the overarching security principles, binding processes and responsibilities in the internal Information Security Management System (ISMS) policy in accordance with the requirements of the ISO 27001 standard and the Code of Practice for Information Security Controls (ISO 27002) guidelines. This is also associated with a defined test and release process, including a dual control principle within the scope of product development.

[📄 Service and data security, p. 49](#)

Our IT staff are constantly informed about security-relevant patches, updates and other instructions for remedying security vulnerabilities. The employees in these departments receive regular training on IT security and IT infrastructure in accordance with ISO 27001 and participate in specialized conferences. As a result, we ensure that security-critical roles and positions are filled exclusively by employees with the necessary qualifications and expertise.

**“For us as a SaaS IT service provider, information security and data protection are our top priority.** We deploy an extensive Information Security program which encompasses, amongst others, secure software development, state-of-the-art encryption, ransomware protection, and continuous external monitoring from the internet and on the Dark Web. Our long-term customer relationships prove that our investments in external and internal security audits, certificates, audit reports, and internal as well as independent penetration tests are justified.”

Marco Ermini, Chief Information Security Officer



In addition, we complete Tabletop exercises where we practice realistic responses to common threat scenarios with all relevant stakeholders. The insights are then evaluated and implemented as part of the continuous improvement processes.

**GRI 417-1:** Requirements for product and service information and labelling

One aspect of our global marketing is to provide relevant content for our target groups. We mainly use the following channels for this purpose:

Online:

- Corporate Website
- Email marketing
- Marketing tools from Google, such as Google AdWords and Google Display Marketing
- Social media, such as LinkedIn, Instagram, Facebook and Twitter
- Websites on events such as the European Compliance and Ethics Conference (ECEC)

Offline:

- Trade fairs, seminars and other events
- Advertisements in (trade) journals
- Flyers, brochures, magazines and reports

Additional security or data protection certificates such as ISO certificates, the European Privacy Seal or the WCAG certificate to prove accessibility are usually listed in the product information and are accessible on the respective website.

**GRI 417-2:** Incidents of non-compliance concerning product and service information and labelling

During the reporting period, there were no incidents of non-compliance concerning product and service information and the labelling of our products.

## Product quality

**GRI 103:** Management approach to product quality  
(including GRI 103-1, GRI 103-2, GRI 103-3)

We want to consistently improve the quality of our products, thus creating long-term added value for our customers. To this end, we are constantly expanding our quality assurance measures, among others, including external certifications and external penetration tests.

[📄 Sustainability strategy and targets, p. 32](#)

Our internal information security management system in accordance with ISO 27001 ensures the security and quality of our products, the accompanying quality process is an integral part of the product development process. Quality Assurance (QA) engineers are equal members of every development team. Together with the developers, they are responsible for achieving the highest possible stability and quality for the end product. To do this, test strategies are used that start with testing small units of code and are then integrated into other systems in the next stage. Finally, the last and most important stage is test automation.

Through test automation we strive for the highest possible coverage with the QA engineers contributing every single day to the achievement of this goal.



# Employment and corporate culture

**GRI 103:** Management approach to employment and corporate culture  
(including GRI 103-1, GRI 103-2, GRI 103-3)

Trust is a company's most important asset. In our opinion, this can only be built through full transparency. It takes high performing teams to achieve ambitious business goals in this highly competitive and fast-paced market. We want to provide an appreciative environment in which our employees can develop. After all, a positive corporate culture is essential for both employee satisfaction and EQS Group AG's success.

We respect the values and guidelines of various organizations such as the International Labour Organization (ILO) and the Organization for Economic Co-operation and Development (OECD) and implement them within the scope of our possibilities.

[📄 Values, principles, standards, and norms of behaviour, p. 37](#)

Our corporate culture is also based on internally defined values and principles, which we have summarized, among others, in the EQS Group Code of Conduct.

[📄 EQS Group Code of Conduct](#)

The Human Resources department is subordinated to the Executive Board and reports directly to the CEO.

In the reporting year, one focus of the human resources policy was on the topic of professional development. We created the Learning & Development Team and this team is responsible for organising training tools and processes. Its remit is to ensure the best possible development of all employees based on their needs.

One of the Learning & Development Team's tasks is onboarding training for new employees. During these induction events, we familiarize new employees with the EQS Group's values, principles, strategy, and products. The internal Learn & Grow @EQS training programme was also developed, which is aimed at all employees and includes for example unlimited access to an online learning platform.

[📄 Staff training and development, p. 61](#)

We promote transparent and constructive dialogue within the company in various formats. This includes regular BarCamps for all employees, which deal specifically with internal issues. BarCamps are always held after important events such as Global Performance Summits, strategic decisions or acquisitions to inform our employees directly and give them the opportunity to discuss the issues. In 2021, there were a total of 12 virtual BarCamps. Topics included the acquisition of Business Keeper and the "EQS Values and Principles", but also information security and data protection. The events are recorded in each case and are available on the intranet.

We foster an open, transparent corporate culture. This means that the Executive Board and managers are accessible to all employees through internal communication channels at all times. All employees receive regular feedback in meetings and performance reviews.

In return, we also ask employees for their opinion. We have an annual employee survey in which employees offer feedback on EQS as an employer. In 2021, this score was 4.02 (out of a possible 5 points; 2020: 4,21 points). Of 537 employees, 355 (2020: 367 of 267) took part in the survey.

[📄 Employee satisfaction, p. 61](#)

We aim to facilitate a work-life balance for our employees and as such have been working on measures to achieve this for several years. We offer various programmes that are tailored to the respective situation, such as part-time models, flexible working hours, sabbaticals or even mobile working. We recently revised our internal Hybrid Work Policy with regard to flexible and individualized mobile working solutions, incorporating the experience gained as a result of COVID-19. In principle, we allow every employee to work flexibly, but we also make sure that the bond with the employees as well as their solidarity with each other is fostered and encouraged. In addition to the policy, there is always the possibility of defining individual alternatives directly with the line manager.

We support our employees' health with various measures; for example, we try to prevent mental health problems such as burnout. A mental health coach, licensed doctor and psychosomatic health development counsellor offers online talks on topics such as building up strength, resilience, stress awareness and relaxation, every fortnight. Personal appointments can also be made with the licensed doctor and psychosomatic health development counsellor for individual support.

In connection with COVID-19, EQS Group has complied with all legal requirements at its European sites and in some cases even exceeded them. For example, COVID-19 self-tests were procured and made available to all employees in advance to the legal requirements. For our subsidiaries in Kochi, Barcelona, and Madrid, we could utilize established procurement procedures in Germany and were thus able to compensate for local supply bottlenecks and provide self-tests available to all our employees. The conduct in the shared office spaces, such as the handling of self-tests, and masking requirements were clearly and proactively communicated and implemented right from the start.

Company first-aider and fire safety assistant training courses are also held on a regular basis for employees.

EQS Group AG is committed to the principles of diversity and equal opportunities. We do not tolerate discrimination against employees or people from the company environment on the basis of origin, skin colour, religion, gender identity, sexual orientation or disability under any circumstances. We also place great value on diversity and are proud of our multinational teams. For 2022, we are planning a study on the topic of "Diversity & Inclusion" to derive steps for further action.

[📄 Careers at EQS Group AG](#)

At EQS Group, we have confidence that our employees are intrinsically motivated and think and act for the long term. That is why we decided years ago to abolish the short-term bonus option for most positions and to increase the basic salary.

In order to align employees with the long-term goals of the company, we have introduced various employee participation models, some of which have an exceptionally high participation rate of over 50 percent. The special element here is that employees invest their own money, and after holding periods of varying lengths, the number of shares purchased is doubled.

# Human resources management

**GRI 401:** Employment

**GRI 407:** Freedom of association and collective bargaining

**UN Global Compact:** Principle 3

[📄 GRI 103: Management approach to employment and corporate culture, p. 57](#)

**GRI 401-1:** New employee hires and employee turnover

In 2021, EQS Group AG employed a total of 93 interns and working students (2020: 82). The proportion of women in this group is more than 50 percent, while the proportion of men clearly dominates across other employment groups. With a proportion of women totalling 38 percent worldwide across all employment categories, EQS is above the industry standard. (By comparison: for Germany, the Federal Employment Agency shows a proportion of women in the IT sector of 17 percent in the period Q3/2020 to Q2/2021)

We intend to further increase the proportion of women in the Group and therefore consciously promote women in STEM professions and management positions. When selecting interview candidates, we already ensure a balanced number of female and male applicants.

The employee turnover at EQS increased globally in 2021 compared to 2020. The turnover rate was 23 percent (2020: 15 percent). An analysis of this development has shown that, in the context of the acquisitions made by EQS, some employees left the acquired companies and significant salary increases in India led to a job move. In addition, a catch-up effect was observed in job changes that did not take place due to COVID-19. We are aiming for a lower rate again in the years ahead.

**GRI 401-2:** Benefits provided to full-time employees that are not provided to temporary or part-time employees

As part of our further training offer, all full-time as well as part-time employees have unlimited access to an online learning platform.

[📄 Staff training and development, p. 61](#)

Company benefits such as pension schemes, deferred compensation and share ownership are offered to all employees depending on their location. A large number of employees made use of the company benefits during the reporting year.

### GRI 401-3: Parental leave

In 2021, 257 female employees (2020: 164) and 408 male employees (2020: 314) were entitled to parental leave. A total of 21 employees (2020: 14) took parental leave in the reporting year, 17 employees returned to work from parental leave (2020: 10).

#### Employees on parental leave

	2021	2020
Female	11	7
Male	10	7
<b>Sum</b>	<b>21</b>	<b>14</b>

#### Returners from parental leave

	2021	2020
Female	9	3
Male	8	7
<b>Sum</b>	<b>17</b>	<b>10</b>

**GRI 407-1:** Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

No cases of violations or threats to freedom of association or collective bargaining were reported at any of our branches or suppliers in 2021.

### GRI 102-41: Collective bargaining agreements

Remuneration as well as fringe benefits for employees are based on the labour market. Of all employees world-wide, 15 percent (2020: 22 percent) were subject to collective bargaining agreements during the reporting period. The decrease compared with the previous year was caused by our acquisitions.

## Employee satisfaction

### **GRI 402:** Labor management relations

📄 [GRI 103: Management approach to employment and corporate culture, p. 57](#)

### **GRI 402-1:** Minimum notice periods regarding operational changes

We involve our employees in decision-making processes as early as possible so that they are informed about operational changes in good time. Internal communication takes place through a wide variety of channels: Employees receive information via email and on the intranet, moreover, questions can directly be addressed to those responsible, for example at the BarCamps. Employees can also address all colleagues across hierarchical or departmental boundaries at any time. We mainly use video calls for fast and uncomplicated contact, between locations too.

📄 [BarCamps, p. 57](#)

## Staff training and development

### **GRI 404:** Training and education

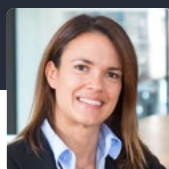
📄 [GRI 103: Management approach to employment and corporate culture, p. 57](#)

### **GRI 404-1:** Average hours of training per year per employee

In 2021, the total average for education and training was 7 hours per employee (2020: 9 hours). A breakdown by gender has only been provided since the reporting year with an average of 6 hours for female employees and 11 hours for male employees. We strive to achieve the fairest possible distribution between our female and male employees on the topic of education and training. Targeted measures in this area as well as more extensive reporting are in preparation for 2022. The breakdown of training hours by hierarchy level should then also be published; so far, we have not been able to determine these figures for technical reasons.

“Creating a sustainable business starts from the people we hire. At EQS we don’t only ensure that our employees have the necessary skills, but we carefully look into values, behaviors and potential. **The power of EQS is to spot this potential and offer career opportunities.**”

Laura Santeusanio, Managing Director Italy



**GRI 404-2:** Programmes for upgrading employee skills and transition assistance programmes

In 2021, our human resources policy focused on further training. We recognize that expanding this area provides employees with the best support in performing their duties, and leads to successful employee retention. It also strengthens our employer brand. Based on these considerations, we established the Learning & Development team to organise and structure further training tools and processes. Its remit is to ensure the development of all employees based on their needs.

The Learning & Development Team is also responsible for onboarding trainings for new employees. These induction events take place once a quarter and focus on our values, principles as well as the EQS Group strategy and products. Lectures and workshops are held online as well as in-person, and some of them are also made available on the intranet.

We have developed the internal Learn & Grow @ EQS training programme for all employees. It includes different modules both for the development of technical skills (Professional Training) and for the training of general skills and knowledge (Core Training), which we want to impart as an employer. Part of the programme is an online platform that our full- and part-time employees have unlimited access to and where they can select the appropriate learning content.

**GRI 404-3:** Percentage of employees receiving regular performance and career development reviews

We foster an open and transparent corporate culture. This includes feedback sessions and performance reviews, which are conducted with all employees (100 percent) at the beginning of each second quarter. In return, employees can give their manager anonymous feedback in advance using an evaluation platform. For the 2021 performance review, 79% of the employees have made use of this possibility. 89% of managers have also carried out a self-assessment at this opportunity.

## Diversity and individuality

**GRI 405:** Diversity and equal opportunities

**UN Global Compact:** Principles 1, 2, 6

[📄 GRI 103: Management approach to employment and corporate culture, p. 57](#)

**GRI 405-1:** Diversity of governance bodies and employees

The proportion of women on the Supervisory Board has been 25 percent since May 2021. Overall, the proportion of women among EQS employees was 38 percent in the reporting period (2021: 214 women, 351 men; 2020: 147 women, 267 men).

Diversity is not only firmly anchored in our Code of Conduct, but also plays an important role in our daily working life. We see the different cultures, perspectives, work attitudes, personal experiences and social skills as a particular advantage, because this results in creative and productive teams that inspire each other. EQS Group focuses on the following aspects: internationality, gender diversity and professional diversity.

We created the “International & Inclusion” team in Human Resources in 2021 to establish the topic of diversity more firmly within EQS Group. This team draws up global measures to promote diversity. We also aim to incorporate the experiences of employees in the subsidiaries to a greater extent.

**“ Valuing the contribution and ideas of every team member and encouraging diversity in all its forms are key to creating the best environment for continued innovation and ultimately the best customer experience.”**

Viviane Joynes, Managing Director France and UK



In 2021 the team started working on a Diversity & Inclusion Policy which will be completed in 2022. In addition, an internal survey on diversity and inclusion is planned for 2022. It will serve as a basis for further steps as well as the definition of possible targets.

Our subsidiary EQS Group SAS in France participated for the first time in DUOday 2021, an initiative that 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 person with disabilities work together as a duo and carry out the employee’s tasks together. The team in Paris applied to participate and spent the day with a woman whose vision is severely impaired. This experience raised awareness of the daily challenges faced by people with visual impairments. The team would like to participate again in 2022.

[📄 DUOday \(French\)](#)

#### **GRI 405-2:** Ratio of basic salary and remuneration of women to men

In 2021, before acquiring Business Keeper, we looked at internal global salary structures . In general, there were no significant differences for EQS Group; deviations were only found at senior management level. We intend to carry out this study again in 2022. In addition, an external consultant should analyze and validate the results. In addition, we will compare the calculated salary ranges using external reference values. This may generally uncover unusual classifications regardless of salary differences between female and male employees. In all measures and actions, we reject any differences in salary structures between female and male employees within EQS Group.

#### **GRI 406-1:** Incidents of discrimination and corrective actions taken

No incidents of discrimination were reported at any EQS Group AG branch in 2020 and 2021.

## Corporate Culture

We support the social commitment of our employees, for example in rescue organizations, the fire department, or the German Federal Agency for Technical Relief (THW), and thus of course, we actively release employees in Germany for missions. In this context, for example, several employees were on site following the flood disaster in western Germany.

For the first time, we are providing financial and moral support to three talented students at the Technical University of Munich through the scholarship program Deutschlandstipendium. The focus of this support is on courses of study in computer sciences.

[!\[\]\(3d8c13c92b853674f749aac6fa869926\_img.jpg\) TUM – Promoting young talents](#)



# Business resource conservation

**GRI 103:** Management approach to business resource conservation  
(including GRI 103-1, GRI 103-2, GRI 103-3)

Climate protection and the systematic minimization of energy and resource consumption are important components of our understanding of sustainability for EQS Group and all our employees. As part of our sustainability strategy, we have classified the topics “Environmental standards and policy”, “Climate change and air quality” and “Environmental protection in the supply chain” as material for EQS.

Operational responsibility for environmental issues, related measures and their implementation in the EQS Group lies with the CSR Manager, who is in continuous consultation with the Executive Board.

To get a comprehensive picture and to be able to improve our activities purposefully in future, we are taking stock of our sustainability activities for the first time in this report and providing an overview of our values and targets. As a software as a service provider, our business model already means that we produce fewer emissions and waste and use less energy and water than companies in other industries. Nevertheless, we explicitly acknowledge our responsibility towards the environment and society and have deliberately set priorities in our sustainability approach that have the greatest possible positive impact. Our top priority is to calculate emissions and energy consumption. Water consumption and waste generation are far less important for us. However, regardless of this, we advocate a holistic approach and intend to further emphasize this through our actions in the years ahead.

In ongoing improvement processes, we are working on a more detailed calculation of our environmental data, broken down by location. We want to improve the quality as well as the collection of data and intend to present further figures in the Sustainability Report 2022. The base year for the collection of all key figures is the 2020 financial year, even though it cannot be considered representative due to COVID-19.

To make a positive contribution to environmental protection, we will introduce resource-saving and sustainable processes at our locations or systematically improve existing measures. We are already taking care to use as little water as possible. When it comes to waste, we focus on recycling and consistently try to avoid plastic waste. In future, we will focus even more on waste avoidance planning a comprehensive waste concept for our locations.

At our main location in Munich, we already provide our employees with reusable containers for food and drinks to reduce packaging material. Furthermore, we are also making sure that we use sustainable office materials such as recycled paper at our locations and expanding their use where this is not yet the case.

We intend to systematically consolidate the local and decentralized measures so as to develop best practice together with our employees. It is important for us to raise our employees’ awareness of this issue. They will actively participate and help shape the measures. This is how we will get better together step by step and create added value for the environment, society and, last but not least, for our Group.

Another focus of our environmental protection measures is on minimizing our carbon footprint. Benefiting from minimized travel, our emissions were at a rather low level with about one ton of CO<sub>2</sub> per employee in 2021. Since the foundation, we have deliberately avoided using company vehicles and flights within Germany. International flights are fully compensated. In 2021, we initiated a discussion at management level on how we can generate or support negative emissions through innovative concepts. We primarily use the train or public transport for business travel and only the plane or car in exceptional cases. We hold global meetings virtually whenever possible. This is something we emphasized even before the global outbreak of COVID-19 and now, with the experience gained during the pandemic, we would like to focus on this even more.

Our employees in Berlin have the opportunity to lease a job bike through EQS Group. This way we support our employees in protecting the environment on their daily commute to work. This concept is to be extended to other locations. We also strongly encourage the use of public transport for the daily commute to the office and offer our staff in Munich and Berlin, for example, the opportunity to buy a “Jobticket” through EQS Group.

To further reduce our Group’s ecological footprint, we have set ourselves the goal of becoming climate neutral in our operating emissions by 2025. To this end, we intend to achieve climate neutrality for business travel by 2023, partly through online meetings and partly through carbon offsetting. A revised policy for business travel will provide a transparent and comprehensible framework for this. In addition, we intend to supply all sites with zero-emission energy by 2023 or offset the emissions if this is not possible. We already mainly use renewable electricity at our German locations. We will analyze the structural or systematic problems associated with expanding the use of renewable electricity in the buildings we use around the world and use the knowledge gained to develop solutions. This also applies to the data centers in which we run products for our customers. We will intensify cooperation with their operators and concentrate even more on environmental aspects.

[📄 Sustainability strategy and targets, p 32](#)

For the financial years 2020 (base year) and 2021, the EQS Group prepared a voluntary report on greenhouse gas emissions (GHG report, Scope 1, 2 and 3). The GHG report covers all our branches; with some locations based on projections. The audit was conducted by TÜV Rheinland Energy GmbH and is based on the Greenhouse Gas (GHG) Protocol from 2004 and DIN EN ISO 14064:2019. In future, we will inform our stakeholders about our GHG emissions on an annual basis.

[📄 TÜV certificate: calculation of CO<sub>2</sub>e emissions \(German\)](#)

We will further develop our climate targets in 2022 based on the knowledge gained and forge ahead with implementing them. We are also looking into expanding our emissions and climate reporting in accordance with CDP (formerly Carbon Disclosure Project) and the Science Based Target Initiative (SBTi).

If we want to improve our performance in terms of climate and environmental protection, we also need to focus more on the potential ecological impacts of our business activities and minimize them. We therefore take sustainability factors into account when making significant investments or acquisitions.

We also require our suppliers and business partners to comply with applicable laws and international standards to protect the environment. In the Business Partner Code of Conduct we specifically require minimization of environmental impact, continuous improvement of environmental protection and the application of an appropriate environmental management system. As part of

the planned improvements in supplier management, we will further expand our specifications on topics such as environmental protection and occupational safety.

[Values, principles, standards, and norms of behaviour, p. 37](#)

## Environmental standards and policies

**UN Global Compact:** Principles 7, 8, 9

**GRI 307:** Environmental compliance

[GRI 103: Management approach to business resource conservation, p. 65](#)

**GRI 307-1:** Non-compliance with environmental laws and regulations

There were no fines or non-monetary sanctions against EQS Group for non-compliance with environmental laws and regulations during the reporting period.

## Climate change and air quality

**GRI 302:** Energy

**GRI 305:** Emissions

**UN Global Compact:** Principles 7, 8, 9

[GRI 103: Management approach to business resource conservation, p. 65](#)

**GRI 302-1:** Energy consumption within the organization

### Energy consumption

<i>in Gigajoules (GJ)</i>	<b>2021</b>	<i>2020 (base year)</i>
<b>Scope 1 Fuel consumption*</b>	<b>1,488.10</b>	<b>1,330.85</b>
<b>Scope 2 total</b>	<b>2,686.82</b>	<b>2,306.28</b>
therefrom electricity	<b>1,151.49</b>	1,001.40
therefrom heating	<b>469.54</b>	343.37
therefrom cooling	<b>1,065.79</b>	961.45
therefrom steam	<b>0.00</b>	0.00
<b>Energy consumption in total</b>	<b>4,174.92</b>	<b>3,637.12</b>

\* Fuels have so far been procured exclusively from non-renewable sources.

**GRI 302-3:** Energy intensity

Energy intensity includes location-related energy consumption from the energy types electricity, heating and cooling and non-renewable sources. Due to the increased number of employees, the total energy consumption has increased, but the energy consumption per employee could be reduced.

## Energy intensity

	2021	2020 (base year)
<b>Energy consumption (total) in Gigajoules</b>	<b>4,174.92</b>	3,637.12
Number of employees	<b>565</b>	414
Energy consumption within the organization per employee in Gigajoules	<b>7.39</b>	8.79

### GRI 302-4: Reduction of energy consumption

This is the first EQS Group AG Sustainability Report. We cannot report any relevant changes yet, but consider comprehensive and transparent reporting of all related data to be very important. We are working on making further environmental data available in order to present more comprehensive figures in the next Sustainability Report. As there is a direct link between reducing energy consumption and reducing GHG emissions, these areas go hand in hand for us. For this reason, we want to launch targeted measures in 2022 to use less energy.

### GRI 305-1: Direct (Scope 1) GHG emissions

### GRI 305-2: Energy indirect (Scope 2) GHG emissions

### GRI 305-3: Other indirect (Scope 3) GHG emissions

The EQS Group's greenhouse gas balance is reported in accordance with ISO 14064-1:2019 and the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard.

EQS Group AG's emissions are calculated as CO<sub>2</sub> equivalents (CO<sub>2</sub>e). The following Greenhouse gases were taken into account in accordance with the Kyoto Protocol and ISO 14064-1:2019: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs) and perfluorocarbons (PCFs)

We report on CO<sub>2</sub>e emissions according to GHG Scope 1, 2 and 3. The GHG Protocol divides these into various subcategories that occur in connection with the Group's business activities. We report on the Scope 3 emission categories that are relevant for the EQS Group or have been classified with the highest relevance according to the materiality analysis.

## CO<sub>2</sub>e emissions

<i>in t</i>	2021	2020 (base year)	Change compared to previous year
Scope 1 (stationary combustion, mobile combustion and fugitive emissions)	<b>143.307</b>	143.466	-0.159
Scope 2 (purchased electricity, heating/cooling)	<b>260.860</b>	244.549	+16.311
Scope 3 (business trips, employee commuting, purchased services (data centres and capital goods))	<b>158.634</b>	172.327	-13.693
<b>Total</b>	<b>562.801</b>	<b>560.342</b>	<b>+2.459</b>

For Scope 1, 2 and 3, CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O were included in each case; in Scope 1, PFCs and HFCs were also considered. The data collection of direct and indirect GHG emissions follows the principle of operational control.

Sources of emission factors:

Scope 1: DEFRA (UK Government),

Scope 2: International Energy Agency,

Scope 3: DEFRA (UK Government), International Energy Agency

#### **GRI 305-4:** GHG emissions intensity

The intensity rate was calculated on the basis of CO<sub>2</sub>e emissions per employee (as of 31.12.2021). The emissions per employee were 1.00 t in 2021 (2020: 1.35 t).

The total and types of underlying emissions are given in the table under GRI 305-1, GRI 305-2 and GRI 305-3.

“The first calculation of our company’s carbon footprint was a real challenge. Collecting and processing data from various divisions, sites and our service providers turned out to be a very complex and time-consuming task. **Now we know our status quo and can define clear measures and targets for the future.**”

Stephanie Gouze, CSR Manager



## Efficient use of resources

**GRI 303:** Water and effluents

**GRI 306:** Waste

**UN Global Compact:** Principles 7, 8, 9

[📄 GRI 103: Management approach to business resource conservation, p. 65](#)

**GRI 303-3:** Water withdrawal

**GRI 303-5:** Water consumption

In the course of developing our sustainability structures, we also surveyed water consumption for several branches for the first time in 2021 and intend to expand this further in the years ahead.

The following is an example of the water consumption at our main location in Munich. In terms of the number of employees, Munich is the largest of our locations, and the exact data on water consumption over past years is also available there. Due to the usual delay in service charge billing, the water consumption for 2021 was not yet available at the time of editorial deadline for this report. The significant decrease in water consumption from 2019 to 2020 can be explained by the fact that our employees increasingly worked from home due to COVID-19.

## Water consumption

<i>in m<sup>3</sup></i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
Consumption Karlstraße 47, Munich	560.24	597.77	744.31	742.61	311.39

### **GRI 306-3:** Waste generated

The waste generated at our branches is separated and disposed of in accordance with the applicable regulations.

Detailed waste data has not been collected so far, but we plan to collect and evaluate more accurate data for our international locations and develop measures to gradually reduce waste. Among other things, we will develop a concept for waste separation and adapt it to the location's respective framework conditions.

To avoid waste, we use reusable toner cartridges for the laser printers at our main location in Munich. We give the empty toner cartridges to the Diakonie, which refills and resells them. Our employees can acquire discarded hardware in return for a donation to non-profit organizations. As a result, we are making an active contribution to the circular economy.

## Environmental protection in the supply chain

### **UN Global Compact:** Principles 7, 8, 9

As part of its ongoing growth, EQS Group AG is also planning improvements in supplier management, which will include compliance with specifications relating to environmental protection. We already require all business partners and suppliers to comply with the Business Partner Code of Conduct or equivalent terms and thus to the protection of the environment and full compliance with all applicable laws and standards.

[📄 GRI 103: Management approach to business resource conservation, p. 65](#)

# Report profile

With this report, EQS Group AG provides an overview of its sustainability activities for the first time including its values and targets.

The Sustainability Report content follows the Global Reporting Initiative (GRI) Standards in accordance with the “Core” option. This is how we will inform our stakeholders transparently about material areas of action, measures, targets and key figures.

## Reporting procedure

**GRI 102-45:** Entities included in the consolidated financial statements

The consolidated financial statements include EQS Group AG and its subsidiaries.

[Annual Report 2021](#)

[Size of the organization, p. 09](#)

**GRI 102-46:** Defining report content and topic boundaries

**GRI 102-47:** List of material topics

EQS Group is committed to the principles of UN Global Compact. The application to participate was officially confirmed at the end of December 2021. Our internal policies are also based on these principles. We have also aligned the areas of action and topics included in this Sustainability Report with the United Nations Sustainable Development Goals (SDGs).

[External initiatives, p. 23](#)

The procedure for defining material areas of action and all other processes for preparing this Sustainability Report are described in detail in the Responsible Corporate Governance chapter. We also provide a list of our material topics related to the SDGs with GRI 102-47.

[Material topics, p. 30](#)

**GRI 102-48:** Restatements of information

**GRI 102-49:** Changes in reporting

This is the first EQS Group AG Sustainability Report.

**GRI 102-50:** Reporting period

01.01.2021 to 31.12.2021

**GRI 102-51:** Date of most recent report

This is the first EQS Group AG Sustainability Report.

**GRI 102-52:** Reporting cycle

The Sustainability Report will be published annually.

**GRI 102-53:** Contact point for questions regarding the report

Stephanie Gouze

CSR Manager

[sustainability@eqs.com](mailto:sustainability@eqs.com)

**GRI 102-54:** Claims of reporting in accordance with the GRI Standards

The topics and key figures presented in this report have been prepared in accordance with the Global Reporting Initiative (GRI) Standards in the “Core” option.

The GRI Standards listed were published in 2016. In 2018, the GRI Standard 303: Water and effluents was revised, followed by GRI Standard 207: Tax in 2019 and GRI Standard 306: Waste in 2020.

**GRI 102-55:** GRI Content Index

We list the topics in this Sustainability Report with reference to the GRI Standards and the UN Global Compact principles in a table.

**GRI 102-56:** External assurance

The calculation of EQS Group AG’s climate-relevant direct and indirect CO<sub>2</sub> emissions for 2020 and 2021 were audited and certified by TÜV Rheinland.

[📄 TÜV certificate: calculation of CO<sub>2</sub>e emissions \(German\)](#)



# GRI-Overview

## GRI 102-55: GRI content index

Chapter in sustainability report	GRI	UN GC	Pages
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Organization profile	102-1 to 102-10 201-1, 201-3, 201-4 207-1, 207-2		06 - 15
Risk management	102-11, 102-15		16 - 18
Corporate Governance	102-18		19 - 20
<b>Responsible corporate governance</b>			<b>21 - 22</b>
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<b>Report profile</b>			<b>71</b>
Reporting procedure	102-45 to 102-56		71 - 72

# UN Global Compact

Principles	Commitment and measures	Page	
Principle 1	Support and respect the protection of human rights	Human rights issues are an integral part of the EQS Group Code of Conduct and the Business Partner Code of Conduct. We respect the values and guidelines of various organizations such as the International Labour Organization (ILO) or the Organization for Economic Cooperation and Development (OECD)	23, 45, 37, 57
Principle 2	Avoid complicity in human rights violations		37, 45, 57
Principle 3	Uphold the freedom of association		57, 60
Principle 4	The elimination of all forms of forced labour	We expressly distance ourselves from child, forced or compulsory labour and expect this from our business partners as well.	45
Principle 5	The abolition of child labour		
Principle 6	The elimination of discrimination	Die EQS Group verpflichtet sich den Grundsätzen der Vielfalt und der Chancengleichheit. Die Diskriminierung von Menschen aufgrund von Herkunft, Hautfarbe, Religion, Geschlechtsidentität, sexueller Orientierung oder Behinderung tolerieren wir keinesfalls.	45, 57, 64
Principle 7	Preventative environmental protection	We want to make a positive contribution to environmental protection, introduce resource-saving and sustainable processes at our sites and systematically improve existing measures. Environmental aspects relating to our business activities are described in the Code of Conduct.	36, 65
Principle 8	Initiatives for a greater sense of responsibility for the environment		36, 65, 67, 68, 70
Principle 9	Development and distribution of environmentally friendly technologies		
Principle 10	Measures against corruption	With our products and services, we already help to fight abuses such as corruption. The EQS Group Code of Conduct is based, among other things, on the United Nations Convention against Corruption. Our internal anti-corruption guidelines are subject in regular employee trainings.	23, 44

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