

Sustainable Finance Disclosure Regulation

Overview of the main adverse sustainability impacts of EQS Group AG - 2022

Sustainable Finance Disclosure Regulation - Principal Adverse Impacts			Reference EQS Sustainability Report 2022
Adverse sustainability indicator		Metric	
Climate and other environment-related indicators			
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	The Scope 1 greenhouse gas emissions for the year 2022 amounted to 143.949 tonnes of CO ₂ e. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 83.</i>
		Scope 2 GHG emissions	The Scope 2 greenhouse gas emissions for the year 2022 amounted to 276.804 tonnes of CO ₂ e. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 83.</i>
		Scope 3 GHG emissions	The Scope 3 greenhouse gas emissions for the year 2022 amounted to 292.735 tonnes of CO ₂ e. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 83.</i>
		Total GHG emissions	The total GHG emissions for the year 2022 amounted to 713.488 tonnes of CO ₂ e. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 83.</i>
	2. Carbon footprint	Carbon footprint	Not applicable
	3. GHG intensity of investee companies	GHG intensity of investee companies	The GHG emissions intensity per employee as of December 31st for the year 2022 was 1.23 tonnes of CO ₂ e. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 83.</i>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	The sustainability indicator for adverse impacts is not applicable as it does not have any reference to the EQS business model as a SaaS provider.

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	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	A breakdown of the individual non-renewable energy sources at all EQS sites worldwide is partly not possible due to missing data. The use of 50% renewable electricity at EQS sites is planned for the year 2023. <i>Further information can be found in the EQS Group Sustainability Report 2022 in the chapter Responsible Corporate Governance on page 33.</i>
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	The energy consumption within the organization for 2022 amounted to 5,061.36 GJ. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 82.</i>
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	Not applicable, as not related to the business model as a SaaS provider. There are no known suppliers or other business partners operating sites/operations in or near areas with biodiversity in need of protection, insofar as the activities of these companies have a negative impact on these areas.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	When collecting water data, EQS differentiates between direct and indirect water consumption. Direct water consumption is understood to refer to the water consumed by employees or required for the operation of the buildings. No emissions are known or quantified that can be associated with direct or indirect water consumption. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 84.</i>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	The sustainability indicator for adverse impacts is not applicable as it does not relate to the EQS business model as a SaaS provider. There are no known suppliers or other business partners that are related to hazardous and radioactive waste. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 85.</i>

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Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters			
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	For 2022 as well as the previous year, EQS Group AG is not aware of any violations of laws or regulations. No fines or non-monetary sanctions were imposed. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Ethics and Integrity, page 41.</i>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	EQS respects the values and guidelines of various organisations, such as the UN Global Compact, the core labour standards of the International Labour Organization (ILO) or the OECD Guidelines for Multinational Enterprises and strives to apply them in its daily business. These values are also reflected in the Codes of Conduct and the EQS Core Values and Principles and they form the basis for our work and determine our daily actions and dealings with each other. One of the tasks of the Corporate Sustainability Board is to review compliance with the principles of the UN Global Compact.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	The average unadjusted gender pay gap for 2022 is not available.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	Since May 2022, the proportion of women on the Supervisory Board has been 40 percent. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Corporate Culture and Employees, page 77.</i>
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	The sustainability indicator for adverse impacts is not applicable as it does not relate to the EQS business model as a SaaS provider. There are no known suppliers or other business partners involved in the manufacture or sale of controversial weapons.

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Climate and other environment-related indicators			
Emissions	1. Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested expressed as a weighted average	The sustainability indicator for adverse impacts is not applicable because emissions of inorganic substances such as boron, copper or zinc do not occur directly due to the EQS business model as a SaaS provider. <i>Further information on the sustainability indicator for adverse impacts can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 78.</i>
	2. Emissions of air pollutants	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average	The sustainability indicator for adverse impacts is not applicable as emissions of air pollutants such as sulphur dioxide or particulate matter do not occur directly through EQS's business model as a SaaS provider. <i>Further information on the sustainability indicator for adverse impacts can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 78.</i>
	3. Emissions of ozone-depleting substances	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average	Fugitive emissions are considered in the emissions calculation and reported in Scope 1 emissions. <i>Further information on the sustainability indicator for adverse impacts can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 83.</i>
	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	EQS has set itself the goal of keeping its carbon footprint at the lowest possible level and being carbon neutral in its operational emissions by 2025. <i>Further information can be found in the EQS Group Sustainability Report 2022 in the chapter Responsible Corporate Governance on page 33.</i>
Energy performance	5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source	A breakdown of the individual non-renewable energy sources at all EQS sites worldwide is partly not possible due to missing data. The use of 50% renewable electricity at EQS sites is planned for the year 2023. <i>Further information can be found in the EQS Group Sustainability Report 2022 in the chapter Responsible Corporate Governance on page 33.</i>
Water, waste and material emissions	6. Water usage and recycling	<ol style="list-style-type: none"> 1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies 2. Weighted average percentage of water recycled and reused by investee companies 	When collecting water data, EQS differentiates between direct and indirect water consumption. Direct water consumption is understood to refer to the water consumed by employees or required for the operation of the buildings. As an example, the water consumption of our main site in Munich is mentioned below. Measured by the number of employees, Munich is the largest location, and water consumption data for several years is also available there. Water consumption at the Munich site in 2021 was 350.29m ³ . The water consumption for 2022 was not yet available at the time of publication of the EQS Sustainability Report 2022 due to the usual market delay in ancillary cost billing. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 84.</i>

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	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies	The sustainability indicator for adverse impacts is not applicable as it does not relate to the EQS business model as a SaaS provider.
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy	In the reporting year, it was verified whether there are EQS sites with high water stress according to the World Resources Institute and Kochi, Moscow and Madrid were identified as those with water shortages. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 84.</i>
	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006	The sustainability indicator for adverse impacts is not applicable as it does not relate to the EQS business model as a SaaS provider.
	10. Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing	The sustainability indicator for adverse impacts is not applicable as it does not relate to the EQS business model as a SaaS provider.
	11. Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies	The sustainability indicator for adverse impacts is not applicable as it does not relate to the EQS business model as a SaaS provider.
	12. Investments in companies without sustainable oceans/seas practices	Share of investments in investee companies without sustainable oceans/seas practices or policies	The sustainability indicator for adverse impacts is not applicable as it does not relate to the EQS business model as a SaaS provider.
	13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	Detailed waste data is not collected so far, but it is planned to collect and evaluate more accurate data for EQS sites and to develop measures for gradual waste reduction. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Environmental Protection, page 85.</i>

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	14. Natural species and protected areas	1.Share of investments in investee companies whose operations affect threatened species 2.Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas Share of investments in companies without a policy to address deforestation	The sustainability indicator for adverse impacts is not applicable as it does not relate to the EQS business model as a SaaS provider.
	15. Deforestation	Share of investments in companies without a policy to address deforestation	The sustainability indicator for adverse impacts is not applicable as it does not relate to the EQS business model as a SaaS provider.
Green securities	16. Share of securities not issued under Union legislation on environmentally sustainable bonds	Share of securities in investments not issued under Union legislation on environmentally sustainable bonds	The sustainability indicator for adverse impacts is not applicable as it does not relate to the EQS business model as a SaaS provider.
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters			
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	With individual guidelines and measures tailored to the industry and local conditions, EQS ensures that all employees carry out their work in a safe and secure environment and can benefit from extensive preventive support from EQS. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Corporate Culture and Employees, page 72.</i>
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	EQS does not publish detailed information on the number of days lost due to injuries, accidents, deaths or illness. The average number of sick days per employee is significantly below the average in Germany. Furthermore, there were no fatalities. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Corporate Culture and Employees, page 72.</i>

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3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	EQS does not publish detailed information on the number of days lost due to injuries, accidents, deaths or illness. The average number of sick days per employee is significantly below the average in Germany. Furthermore, there were no fatalities. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Corporate Culture and Employees, page 72.</i>
4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	The EQS Business Partner Code of Conduct describes, among other things, the social standards that we expect our business partners to comply with. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Supply Chain, page 96.</i>
5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters	EQS maintains the EQS Ethics Line, an online whistleblowing system through which employees, suppliers, customers and other third parties can address violations of ethical principles and business practices around the clock and if desired anonymously. Available languages are German and English. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Ethics and Integrity, page 40.</i>
6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers	EQS maintains the EQS Ethics Line, an online whistleblowing system through which employees, suppliers, customers and other third parties can address violations of ethical principles and business practices around the clock and if desired anonymously. Available languages are German and English. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Ethics and Integrity, page 40.</i>
7. Incidents of discrimination	1. Number of incidents of discrimination reported in investee companies expressed as a weighted average 2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average	In 2022, one incident of discrimination was reported, which was immediately investigated and countermeasures were taken accordingly. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Corporate Culture and Employees, page 76.</i>

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	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	The average ratio between the annual total remuneration of the highest paid employee and the median annual total remuneration of all employees (excluding the highest paid employee) for 2022 is not available.
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	<p>The commitment to respect human rights and all related values is an integral part of the EQS Code of Conduct. EQS expressly distances itself from child, forced or compulsory labour and also requires this of suppliers and other business partners. Exploitative labour practices are incompatible with EQS business ethics. This includes deception about working conditions, recruitment fees and confiscation or otherwise denying access to identification documents such as passports. EQS rejects these practices without exception and expects an equally clear stance on this from suppliers, consultants and other contractors. All employees have been actively trained on human rights and the Code of Conducts.</p> <p><i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Ethics and Integrity, page 42.</i></p>
	10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts	<p>The commitment to respect human rights and all related values is an integral part of the EQS Code of Conduct. EQS expressly distances itself from child, forced or compulsory labour and also requires this of suppliers and other business partners. Exploitative labour practices are incompatible with EQS business ethics. This includes deception about working conditions, recruitment fees and confiscation or otherwise denying access to identification documents such as passports. EQS rejects these practices without exception and expects an equally clear stance on this from suppliers, consultants and other contractors. All employees have been actively trained on human rights and the Code of Conducts.</p> <p><i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Ethics and Integrity, page 42.</i></p>
	11. Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings	<p>The commitment to respect human rights and all related values is an integral part of the EQS Code of Conduct. EQS expressly distances itself from child, forced or compulsory labour and also requires this of suppliers and other business partners. Exploitative labour practices are incompatible with EQS business ethics. This includes deception about working conditions, recruitment fees and confiscation or otherwise denying access to identification documents such as passports. EQS rejects these practices without exception and expects an equally clear stance on this from suppliers, consultants and other contractors. All employees have been actively trained on human rights and the Code of Conducts.</p> <p><i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Ethics and Integrity, page 42.</i></p>

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12. Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation	<p>EQS is not aware of any sites or suppliers where there was a risk of child or forced labour during the reporting period. The commitment to respect human rights and all related values is an integral part of the EQS Code of Conduct. EQS expressly distances itself from child labour, forced labour or compulsory labour and also requires this of suppliers and other business partners. Exploitative labour practices are incompatible with EQS business ethics. This includes deception about working conditions, recruitment fees and confiscation or otherwise denying access to identification documents such as passports. EQS rejects these practices without exception and expects an equally clear stance on this from suppliers, consultants and other contractors. All employees have been actively trained on human rights and the Code of Conducts.</p> <p><i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Ethics and Integrity, page 42.</i></p>
13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation	<p>The commitment to respect human rights and all related values is an integral part of the EQS Code of Conduct. EQS expressly distances itself from child, forced or compulsory labour and also requires this of suppliers and other business partners. Exploitative labour practices are incompatible with EQS business ethics. This includes deception about working conditions, recruitment fees and confiscation or otherwise denying access to identification documents such as passports. EQS rejects these practices without exception and expects an equally clear stance on this from suppliers, consultants and other contractors. All employees have been actively trained on human rights and the Code of Conducts.</p> <p><i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Ethics and Integrity, page 42.</i></p>
14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	<p>EQS is not aware of any cases of human rights violations and other related incidents.</p> <p><i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Ethics and Integrity, page 42.</i></p>

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Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	The EQS anti-corruption guidelines are explained in detail in our Code of Conduct and are the subject of regular employee training. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Ethics and Integrity, page 42.</i>
	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery	We do not tolerate corruption or other criminal acts. For the reporting period, we are not aware of any cases related to corruption. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Ethics and Integrity, page 42.</i>
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies	We do not tolerate corruption or other criminal acts. For the reporting period, we are not aware of any cases related to corruption. <i>Further information on the sustainability indicator for adverse impacts and its implementation can be found in the EQS Group Sustainability Report 2022, chapter Ethics and Integrity, page 42.</i>