Investor Relations WebCast

Vorstellung des neuen Produkts zum Lieferkettengesetz

(Supply Chain Compliance und ESG)

28. September 2022

- Ihre Mikrofone sind stumm geschaltet während der Präsentation

- Bitte reichen Sie uns Ihre Fragen über die Chat-Funktion ein

- Weitere Fragen gerne an investor.relations@shs-viveon.com

Agenda

Supply Chain Compliance (SSC) Business Requirements

SHS Viveon SSC Product Solution

Product Demo

Competitive Differentiation

Go-to-Market

Questions and Answers

Die Präsentation wird auf Deutsch gehalten, mit englischsprachigen Folien

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SHS Viveon
Supply Chain Compliance

Smart compliance management for your suppliers - all in one place

SHS Viveon, September 2022

Supply Chain Act

From 2023, the due diligence audit will come into force through the Supply Chain Act.
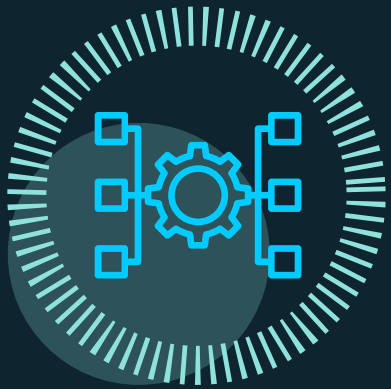
Which companies are affected?

- Large German companies with **more than 3,000 employees**: *January 2023*
- Companies with **more 1000 employees**: *January 2024*
- EU draft: Companies with **more than 250 employees and sales of more than 40 million euros** if they generate more than half of their sales in an "at-risk" sector

Supply Chain Act II

From 2023, the due diligence audit will come into force through the Supply Chain Act.

Which industries are affected?

- **All industries** need to comply with the Supply Chain Act, the already regulated ones like banks and insurances, as well as all other industries like retail, wholesale, manufacturers, consulting

Which suppliers of a company are affected?

- **All suppliers** of a company are affected, from the product supplier, to the maintenance and consulting service supplier

 04/10/22

Supply Chain Act III

What are the consequences of non-compliance?

- Fines of up to 800,000 euros or 2% of annual sales for companies with sales of more than 400 million euros
- Exclusion from public tenders for up to three years

What are the obligations under the Supply Chain Act?

- Risk management system and analysis
- Policy statement on human rights
- Establishment of a compliant procedure
- Documentation of the fulfillment of due diligence + annual transparent reporting
- Introduction of preventive measures
- Taking corrective action

Supply Chain Act IV

The German Supply Chain Act refers to some extent to the ESG regulation, mainly the Social part and few aspects of Environmental and Governance.

Environmental

Natural resources:
- Energy Management
- Water Management
- Material Sourcing & Management
- Waster & Hazards Management
- Land Use and Biodiversity
- Pollution Prevention & Management

GHG Emissions & Climate:
- GHG Emissions
- Climate Risk

Environmental Risk:
- Environmental Compliance

Environmental Opportunities
- Environmental Opportunities
- Environmental Certifications

Social

Human Capital:
- Labor Relations
- Health & Safety
- Training & Education
- Diversity & Inclusion
- Human Trafficking

Product & Service
- Cyber Risk
- Product Management

Customer Engagement
- Products & Services
- Data Privacy

Community Engagement
- Corporate Philanthropy
- Community Engagement

Supplier Engagement Certifications
- Social Related Certifications

Governance

Corporate Governance
- Business Ethics
- Board Accountability
- Shareholder Rights
- Business Transparency

Corporate Behaviors
- Corporate Compliance Behaviors
- Government Related Certifications
- Management of Legal & Regulatory Requirements

Business Stability
- Business Stability & Resilience

What are the main challenges for a company in the implementation of the supply chain act

increased bureaucratic effort

Increased costs

Posture risks/legal uncertainty

Intransparency supply chain

Competitive disadvantage

Examine engagement in specific countries/regions

New suppliers/supplier exchange

other

+ **Increasing pressure from capital markets**

Source: German Chamber of Industry and Commerce, Study

SHS Viveon Product: Supply Chain Compliance
Process flow end-to-end

SHS viveon.

1 Supplier master data

- Supplier master data coming from the customer system
- Master data verification with external data sources

2 Sanction list checks

- Check whether the supplier and/or involved individuals are on a sanction list

3 ESG* Questionnaire

- Questionnaire with ESG questions to supplier for self assessment
- Suppliers can upload relevant certificates

4 Supplier risk assessment

- Assess the risk level of each supplier
- Exclude suppliers without any active business relationship with the customer

5 ESG* Checks

- Check against various data sources whether the supplier and/or involved individuals are compliant with ESG criteria
- Combination of different data sources according to customer needs

6 Reporting

- Audit-proof documentation of all checks and decisions along the process
- Automatically generated report for the required annual reporting

Case Management

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SHS Viveon Product: Supply Chain Compliance
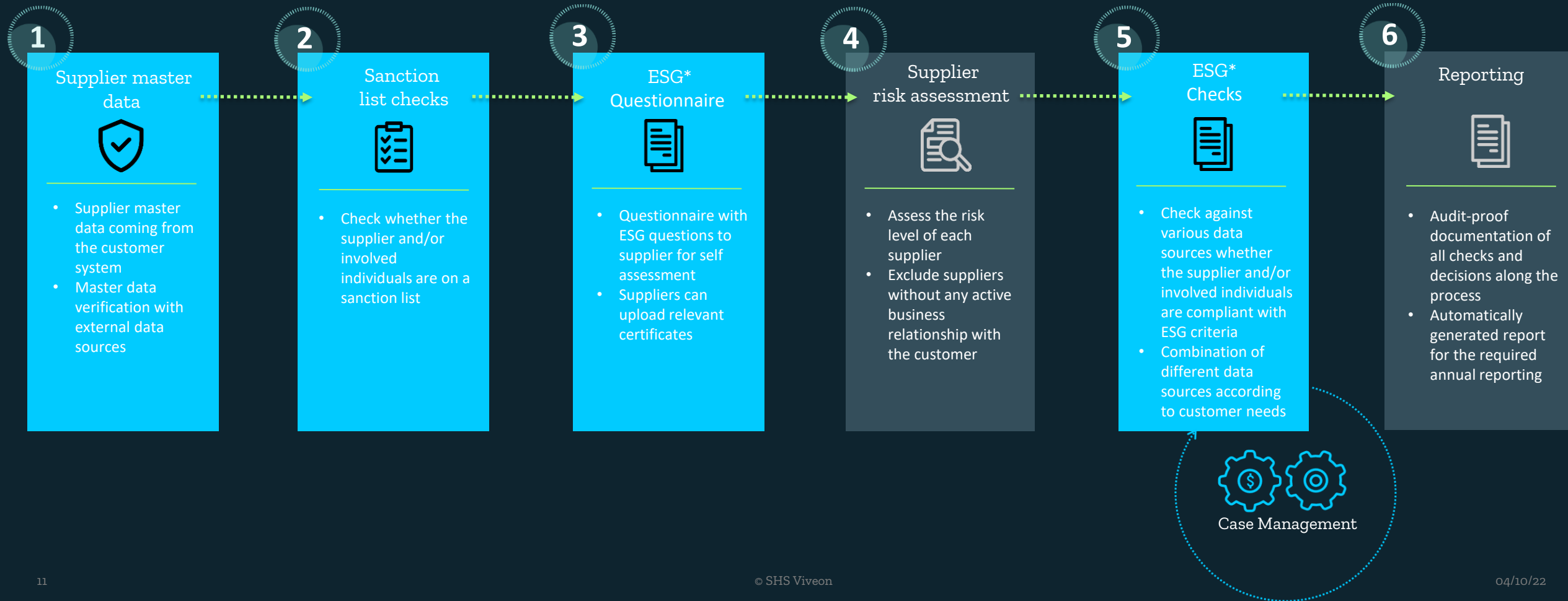## Process flow focusing on the German supply chain act (Lieferkettengesetz)
Launched September 2022

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Case Management

Supply Chain Compliance

Dun and Bradstreet – the data provider to start with

Dun and Bradstreet is currently the data provider for sanctions list and provides an ESG score that is based on millions of data gathered by Dun and Bradstreet. The score goes from 1 – very good to 5 – poor ESG level.
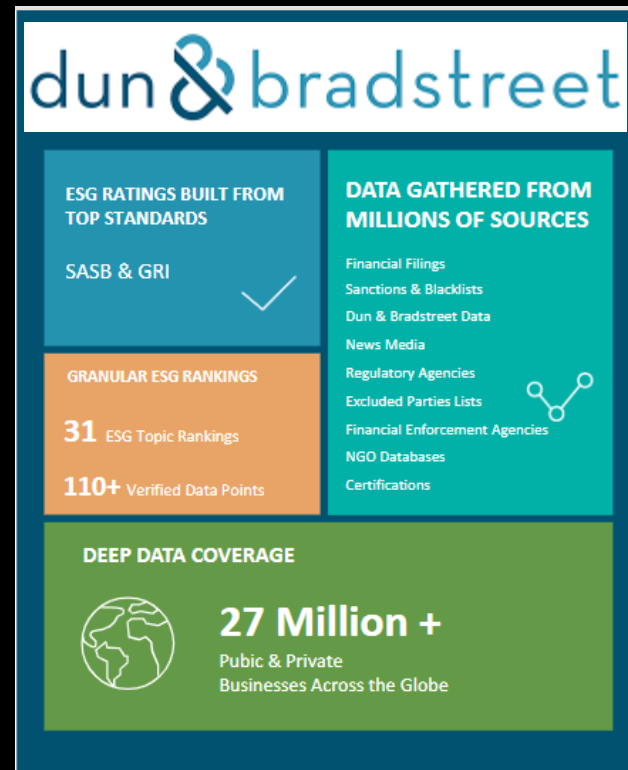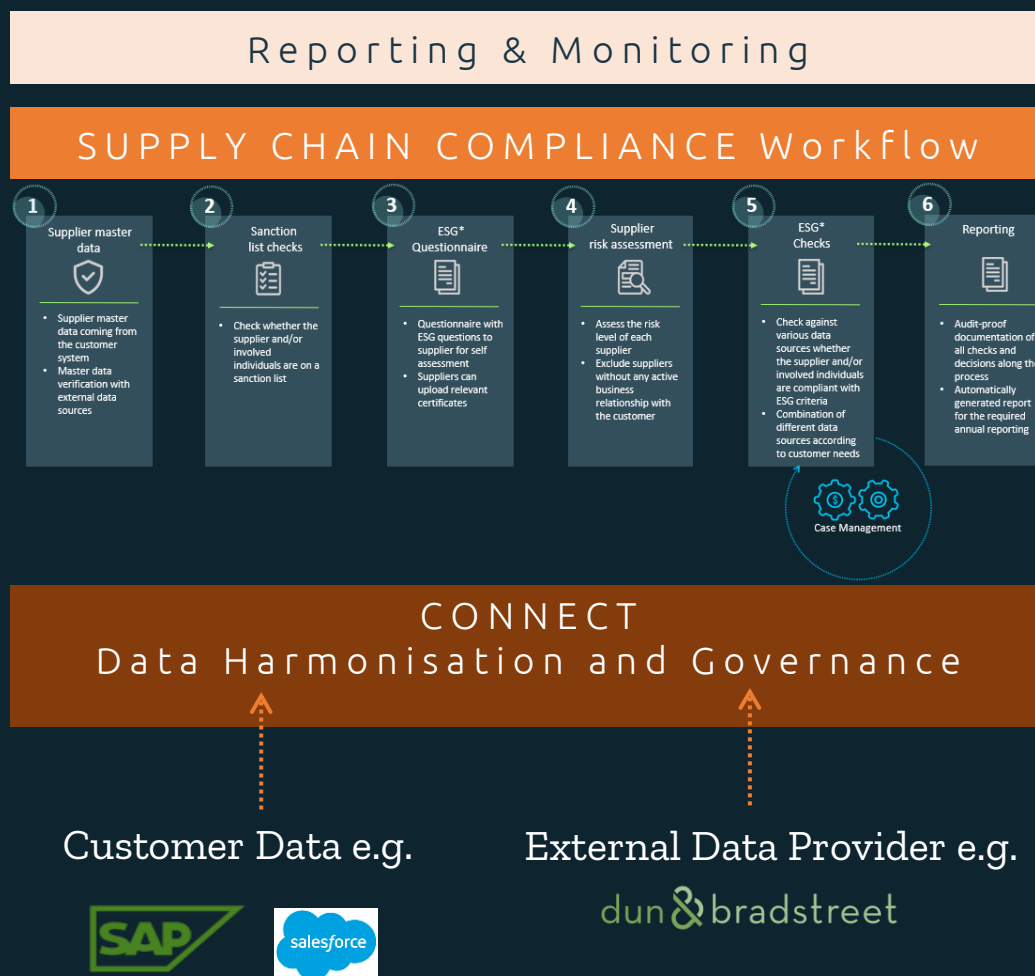

ESG*
Checks

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- Combination of different data sources according to customer needs

DEMO

SCC Solution Architecture at a Glance

Based on new Tibco-enabled low-code / no-code SHS Viveon Platform

Reporting & Monitoring

SUPPLY CHAIN COMPLIANCE Workflow

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Case Management

CONNECT
Data Harmonisation and Governance

Customer Data e.g.

SAP   salesforce

External Data Provider e.g.

dun & bradstreet

- Native Cloud / fully SaaS

- Based on new Tibco-enabled SHS Platform:

  - Supply Chain Compliance
  - Connect 2.0

Roadmap Priorities (indicative outlook *)
Process flow end-to-end

Functional Enrichment
- Additional (industry-specific) questionnaire providers
- Partner with AI based questionnaire analysis solution
- Case Management
- Enrich towards additional ESG and BPC compliance processes

Connectivity / Data Ecosystem
- Connect further commercial data providers
- Connect more public data sources
- Connectors for ERP, CRM, SRM 3rd party systems

Analytics
- Reporting for all SCC modules
- Supplier Risk Analysis and Monitoring

Platform
- Customer self provisioning service for all modules
- Integration of third-party services (including competitor offers)
- SHS Market place integration

* Dependent on market feedback, needs and available budget

Go-to-Market

Named Anchor Accounts

Existing Customer Base

Lead Generation

- Focus on larger mid-market and enterprise customer segments

- Focus on industries in a first step with extended supply chain e.g. Food, Technologie, Retail, Pharma

- Transactional Pricing Model

Why SHS Viveon Compliance?

Our open platform allows seamless integration of supply chain compliance in existing customer infrastructure and process ecosystem

- **End to End Process**
  Fully automated process and checks based (on API with customer ERP/CRM - manual input only for potentially critical cases)

- **Data Agnostic Management**
  Multiple data sources - SCC checks are using multiple data sources depending on customer needs (data source agnostic)

- **Audit-proof**
  Every activity in the product is logged and fully transparent and traceable based on blockchain technology

- **Low Entry Hurdle**
  Cost efficient - customer can select exactly only the services needed and expand as needed (volume, functionality) Modules/services can be extended as required

- **Transaction based Pricing**
  Maximum flexibility by customer. Cost will arise when services is used, "pay-as-you-go"

- **Modular Platform approach**
  Various stand-alone modules can be combined based on the customer needs

- **Investment Protection and customer self provisioning**
  Business and technology approach by SHS allows easy adoptions and expansions for customer (T2M, TCO)

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Questions and Answers