



ESG BRIEF 2025

CQV Systems Ltd

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Message from the Director

At CQV Systems, we continue to build our company with a strong focus on quality, responsibility, and long-term trust. Operating in highly regulated industries, we recognize the importance of maintaining high professional and ethical standards – both in the services we provide and in the way we manage our business.

During 2025, we continued strengthening our internal practices related to governance, employee well-being, operational transparency, and responsible business conduct. While sustainability reporting is not currently a regulatory obligation for CQV Systems, we recognize the growing importance of environmental, social, and governance (ESG) topics for our clients, employees, and business partners.

This ESG Brief provides an overview of the principles, policies, and activities that currently shape our approach to sustainability-related topics. Our intention is to communicate transparently and realistically about our current position, while continuing to improve step by step in line with the development of our company and the expectations of our stakeholders. We remain committed to responsible growth, professional excellence, and maintaining a working environment built on integrity, collaboration, and respect.

Tomislav Burazović
Director

Who We Are

CQV Systems is a specialized company founded in 2023, providing validation, qualification, calibration, and commissioning services for highly regulated industries. Since its establishment, the company has experienced steady growth and today brings together a team of more than 65 highly educated professionals with expertise across pharmaceutical, biotechnology, healthcare, and industrial projects.

CQV Systems supports clients in maintaining quality standards, operational reliability, and regulatory compliance throughout various project phases and technical environments. The company operates both in Croatia and internationally, with the majority of projects delivered across EU and global markets, reflecting its strong international orientation and growing presence in export markets.

The company continues to strengthen its technical capabilities, internal processes, and professional expertise in line with the evolving needs of clients and regulated industries.



BASIS FOR PREPARATION



About us

Full name	CQV Systems Ltd.
Legal form	Private limited liability company
Category of undertaking	Small
NACE sector classification code	33.20.0 Installation of industrial machinery and equipment (C – Manufacturing)
Dr. Franje Tuđmana 14 b, 10431 Brezje (Sveta Nedelja), Croatia	Dr. Franje Tuđmana 14 b, 10431 Brezje (Sveta Nedelja), Croatia
Web	https://cqvsystems.com/

Countries where we operate

Albania, Austria, Belgium, Bosnia-Herzegovina, Bulgaria, Denmark, Estonia, France, Georgia, Hungary, Iceland, Ireland, Italy, Kosovo, Netherlands, Norway, Portugal, Republic of Macedonia, Romania, Serbia, Slovakia, Slovenia, Switzerland, United Arab Emirates, Croatia, Germany, Russia

Financial and workforce overview

Balance sheet	3,297,581 EUR
Turnover	10,511,100 EUR
Employee headcount (year-end)	67
Full-time equivalents (FTE)	67
Ratio women/men	13,43 % / 86,57 %

This sustainability report covers the calendar year 2025 and is prepared in accordance with the Basic Module of the Voluntary Sustainability Reporting Standard for SMEs (VSME), published by EFRAG. This report is prepared on an individual basis.



Commitment to Sustainability and Quality



ISO 9001 – Quality Management System

CQV Systems holds ISO 9001:2015 certification, demonstrating its commitment to consistent quality and continuous improvement.



ISO 17025 – Testing and Calibration Laboratories

CQV Systems operates in alignment with ISO 17025 requirements, ensuring competence in testing and calibration activities, a key part of its project delivery standards.



EcoVadis Bronze Medal Sustainability Recognition

CQV Systems was awarded a Bronze Medal by EcoVadis, placing it among the top 35% of over 130,000 companies globally assessed in 2025.

People-Centred Workplace

CQV Systems aims to provide a professional, respectful, and supportive working environment where employees are valued based on their knowledge, skills, and contribution. Recruitment, development, and career opportunities are guided by competence, experience, and business needs, while maintaining fair and respectful treatment of all employees.



Contribution

- participating in technically demanding and internationally relevant projects



Integrity

- encouraging responsible, transparent, and ethical behavior



Work-Life Balance

- fostering employee well-being through flexibility and mutual respect

Development

- supporting continuous learning and professional growth



Employee Benefits at CQV Systems



Work-Life Balance & Family Support

- Flexible working time & remote work options
- Team-building events
- 4-hour workday during the first month after returning from maternity leave (with full salary)
- Newborn financial support



Health & Development

- Additional health insurance
- Workplace Accident Insurance
- Education & upskilling opportunities
- Multisport



Financial & Recognition

- Paid commuting costs
- Hot meal allowance
- Holiday bonuses (Christmas, Easter, Summer)
- Long-service awards (jubilee)
- Option to contribute to 3rd pension pillar

PRACTICES, POLICIES AND INITIATIVES PRACTICES, POLICIES AND INITIATIVES

CQV Systems continues to strengthen and develop its internal procedures, policies, and initiatives aimed at supporting responsible business practices and long-term operational sustainability.

The company's approach is focused on maintaining high professional standards, supporting employee well-being and workplace safety, and ensuring transparent, ethical, and responsible business conduct across daily operations. Additionally:

- regular employee training is conducted,
- occupational health and safety is ensured at all times,
- no complaints, discrimination, IT security breaches or violations of ethical standards were reported during 2025.



Sustainability and Business Recognition



CQV Systems completed the EcoVadis sustainability assessment process as part of its efforts to align with the evolving expectations and sustainability requirements of clients and business partners.

Following the assessment, CQV Systems was awarded the EcoVadis Bronze Medal, placing the company among the top 35% of more than 130,000 companies assessed globally. During the same year, CQV Systems received the Gold Plaque awarded by the Croatian Chamber of Economy -Zagreb Chamber for outstanding business results achieved in 2024. The recognition was awarded to CQV Systems as the most successful medium-sized company in the Zagreb and Zagreb County area. T.

The company views this recognition as an encouragement for further responsible growth and continued commitment to quality, professionalism, and long-term value creation.



ESG TARGETS

CQV Systems continues to develop its ESG approach gradually, in line with the size, operational complexity, and maturity of the company. At this stage, formal long-term ESG targets have not yet been established. The company currently focuses on strengthening internal data collection, monitoring practices, and governance procedures as a basis for future ESG activities.



METRICS



During 2025, CQV Systems continued monitoring selected ESG-related indicators, including:

- greenhouse gas (GHG) emissions (Scopes 1, 2, and selected Scope 3 categories)
- energy and water consumption
- waste generation and waste management activities
- employee training and development hours
- workforce structure and occupational health & safety indicators

ACTIONS

CQV Systems continued implementing practical initiatives and internal improvements related to environmental, social, and governance topics, including:

- continued use of hybrid vehicles under operational leasing,
- use of electricity covered by Guarantees of Origin (GOs) in office operations,
- continued development of internal governance and compliance documentation,
- preparation of procedures related to prevention of discrimination, harassment, and workplace misconduct,
- preparation of internal whistleblowing and irregularity reporting procedures in line with Croatian legal requirements,
- employee communication regarding IT security incident reporting and information security awareness



POLICIES / Formal CQV Guidelines

Code of Conduct

The policy establishes a business culture based on integrity, honesty, and responsibility, while promoting principles related to:

- non-discrimination and equal treatment,
- protection of personal data and confidentiality,
- occupational health and safety,
- employee rights and professional development,
- environmental responsibility,
- freedom of association,
- ethical business conduct,
- anti-bribery and anti-corruption principles,
- conflict of interest prevention, and
- prohibition of child and forced labour.



Supplier Code of Conduct

The Supplier Code of Conduct defines ethical, environmental, and responsible business standards expected from suppliers and business partners.

The Code promotes principles related to:

- legal compliance,
- human rights and labour standards,
- occupational health and safety,
- environmental responsibility,
- business integrity and ethical conduct,
- non-discrimination,
- prohibition of child and forced labour,
- freedom of association,
- anti-corruption principles, and
- protection of confidential information



IT Security Guidelines

The IT Security Guidelines promote the safe, responsible, and ethical use of CQV Systems' IT resources and digital systems. The guidelines define principles related to:

- data protection and cybersecurity,
- confidentiality and secure communication,
- password management and access protection,
- responsible use of AI tools,
- appropriate social media conduct,
- employee responsibilities related to information security, and
- incident reporting procedures.



Governance Framework Development

During 2025, CQV Systems continued developing additional internal governance procedures related to:

- prevention of discrimination, harassment, and workplace misconduct,
- protection of employee dignity and equal treatment,
- internal reporting of irregularities and whistleblower protection.

The related procedures were further formalized and officially adopted during 2026.



ENVIRONMENT METRICS

Energy

CQV Systems operates from leased office premises located in Brezje, Croatia. The company occupies approximately 40% of the total office building under a long-term lease arrangement. The office facilities are supplied with electricity covered by Guarantees of Origin (GOs), certifying that 100% of the consumed electricity is generated from renewable energy sources (in accordance with national energy market regulations).



Greenhouse Gas (GHG) Emissions – Equity base approach

Emission Category	Emissions (tCO ₂ e)	Description
Scope 1	39.9	Emissions from motor vehicles owned or under financial lease.
Scope 2	0	CQV operates from leased premises.
Scope 3 (vehicles under operational lease)	56	Estimated emissions related to motor vehicles under operational lease and natural gas used in leased office premises, based on available fuel and utility consumption data. The electricity supplied to the facility is covered by green energy certificates (Guarantees of Origin), resulting in zero GHG emissions. Only a very small amount of natural gas was used for heating, accounting for 1 tCO ₂ e in total. [1]
TOTAL	95.9	Total emissions

[1] Due to leased office arrangements, electricity and natural gas used for heating are currently reported under Scope 3 emissions. Energy and utility management within the leased office space is controlled by the landlord, while related costs are allocated proportionally based on occupied floor area.

Energy

Energy Consumption Overview

Indicator	Renewable energy	Non-renewable energy
Electricity	70.436 kWh	--
Fuels (vehicle)	--	34.697 L / 333.438,17 kWh

GHG Intensity

Indicator	Value
Total GHG emissions	95,9 tCO ₂ e
Turnover (in Euro)	10.511.100 EUR
GHG intensity	0.000009124 (tCO ₂ e/€)

Water

CQV Systems uses water exclusively for sanitary and domestic purposes and does not engage in production or technical processes requiring significant water consumption.

All water is supplied through the public water distribution system. The company does not generate process-related wastewater or industrial effluents, apart from standard municipal wastewater associated with office operations.

Based on the company's location and nature of operations, CQV Systems does not currently operate in areas identified as exposed to high water stress.

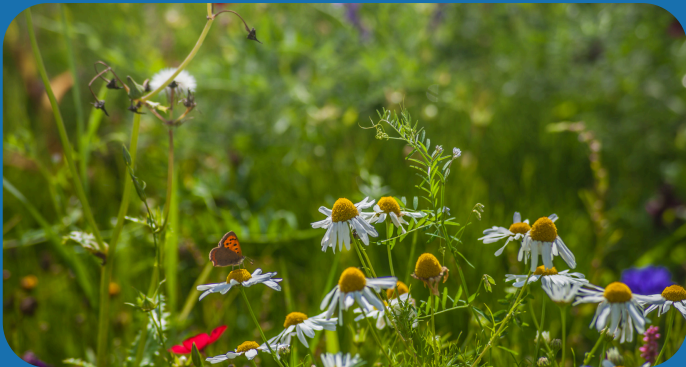


Pollution of Air, Water and Soil

CQV Systems is not subject to regulatory obligations related to reporting pollutant emissions to competent authorities. Given the service-based nature of the company's activities, CQV Systems does not operate production processes or activities that would result in significant direct emissions to air, water, or soil.

Accordingly, pollution-related impacts are currently considered limited and not material to the company's operations.

Biodiversity



CQV Systems operates from leased office premises located in Sveta Nedelja and does not conduct activities in or near biodiversity-sensitive, protected, or ecologically significant areas. The company does not own or manage operational sites located within protected or biodiversity-sensitive areas.

Considering the nature of the company's service-based operations, no material impacts on biodiversity, ecosystems, or protected habitats have been identified.

Resource Use, Circular Economy and Waste Management

As a service-based company, CQV Systems has a relatively limited direct environmental impact related to material consumption and waste generation compared to manufacturing industries. Nevertheless, the company seeks to support responsible resource use and environmentally conscious operational practices through everyday business activities and internal awareness initiatives.

Current activities are primarily focused on reducing unnecessary resource consumption, promoting digital workflows and documentation, and encouraging responsible use of office materials and utilities. Waste generated through office operations is separated where possible, particularly recyclable materials such as paper and plastic, while employees are encouraged to contribute to responsible environmental practices in daily operations.



Waste Management Office Waste



Waste collection and disposal services for the leased office premises are managed as part of the company's long-term lease arrangement.

The landlord is responsible for organizing waste management services, while CQV Systems ensures proper waste segregation and temporary storage in accordance with applicable Croatian regulations.

Project-related Waste

Approximately half of the total waste reported in 2025, including part of hazardous waste, arises from project-related activities such as replacement of filters and similar components.

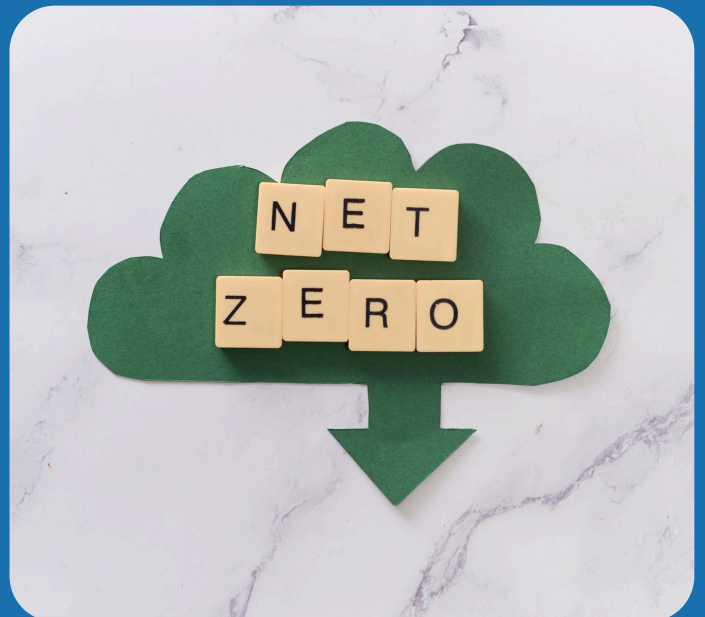
CQV Systems manages and disposes of this waste on behalf of clients in compliance with legal, safety, and environmental requirements.



Waste Type	Description	Weight (kg)	Disposal process
Non-hazardous	Paper and plastic waste from daily office	484.4	Recycling/recovery
Hazardous	Waste packaging; absorbents, wipes, filter materials, and protective clothing (mixed types)	26	Incineration

Material Flow

Not applicable -CQV does not operate in a sector that involves significant material flows.



SOCIAL METRICS

Workforce – General Characteristics



Type of Employment Contract

Country of Employment

All employment contracts at CQV Systems were concluded in Croatia.
Some employees may be temporarily assigned to fieldwork within or outside the country depending on project requirements.



Workforce Overview	2025
Number of employees (headcount)	67
Number of women	9
Number of men	58
% of women	13.43%
Number of Full Time Equivalent	67
% of employees working part-time	0%
Number covered by healthcare	100%
Employee turnover rate	19.58%

Health and Safety

Health and Safety	Value
Number of workable hours in 2025	146.116
Number of work-related accidents	1
Accident rate	0.68%
Number of fatalities due to work-related injuries or ill health	0
Number of cases of work-related ill health	0



Remuneration, Collective Bargaining and Training

Minimum Wage Compliance

All employees at CQV Systems receive pay above the applicable national minimum wage.

Gender Pay Gap

Not disclosed due to company size and lack of administrative capacity for detailed calculation.

Equal pay for equal work is embedded in HR practices.

Collective Bargaining Coverage

CQV Systems does not operate under a collective bargaining agreement.

The company supports the right of employees to freely associate and join trade unions.

Training and Development

During 2025, CQV Systems continued to support employee learning and professional development through external education and training activities.

A total of 408 documented training hours were recorded during the reporting year, representing an average of 6.09 training hours per employee. Based on available records:

- 304 hours related to male employees
- 104 hours related to female employees

Internal training activities are currently not formally tracked and are therefore not included in the disclosed data.



GOVERNANCE METRICS

CQV Systems recognizes that integrity, accountability, and long-term business sustainability are built on the trust of employees, clients, suppliers, and other business partners. The company promotes ethical business conduct and responsible decision-making across all areas of its operations. The main documents governing this area include the Employee Code of Conduct, Supplier Code of Conduct, and IT Security Guidelines.



Whistleblowing and Reporting of Irregularities – Concern line



CQV Systems maintains an open and confidential ethics reporting channel (Concern Line), accessible to both employees and external stakeholders: <https://cqvsystems.com/contact/>.

Through this channel, misconduct, unethical behaviour, or suspected irregularities may be reported openly or anonymously. The company strictly prohibits retaliation against individuals reporting concerns in good faith.

As part of ongoing governance and compliance development activities, work on the internal rulebook related to whistleblower protection and reporting of irregularities continued throughout 2025, with the aim of officially adopting the procedure in 2026.

Human Rights

CQV Systems is committed to providing an inclusive and respectful working environment in which all employees and candidates are treated equally, regardless of gender, age, nationality, religion, disability, sexual orientation, or any other personal characteristic. Employment, development, and career opportunities are based exclusively on professional competencies, qualifications, experience, and individual contribution.

The company promotes equal treatment, mutual respect, and professional integrity not only through internal workplace practices, but also in relationships with clients, suppliers, partners, and the wider business community. This approach is reflected in both daily operations and external communication, including recruitment and employment practices.

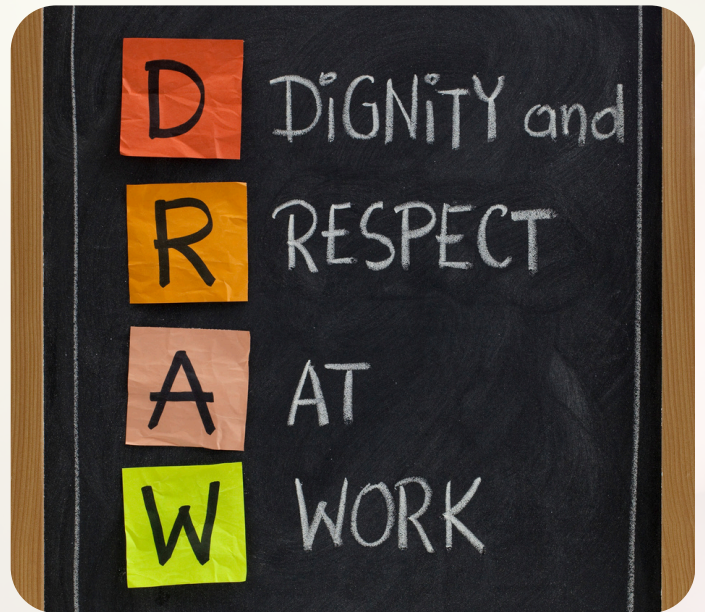
CQV Systems has no confirmed incidents related to:

- child labor,
- forced labor,
- human trafficking,
- discrimination,
- severe human rights violations.



Protection of Dignity

CQV Systems promotes a workplace culture based on mutual respect, equal treatment, and protection of employee dignity. Discrimination, harassment, mobbing, and other forms of inappropriate workplace behaviour are not tolerated. Designated employee representatives remain available for handling dignity-related concerns in accordance with applicable labour legislation and internal company procedures. Further development of the internal rulebook related to prevention of discrimination, harassment, and workplace misconduct continued throughout 2025.



Monitoring and Results



- In 2025:
- no internal or external complaints related to discrimination, corruption, or misconduct were received,
- no corruption or bribery convictions occurred,
- no fines related to anti-corruption or anti-bribery laws were incurred.

CQV Systems does not offer donations, favours, or support to political parties or politicians and remains strictly non-partisan.

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