



Corporate Social Responsibility Report FY 2020

CleNET Technologies

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Overview

As a leading global technical consulting, software engineering, and solution service provider operating in North America and Greater China over 20 years, CleNET has committed to be a good corporate citizen in both regions by fulfilling its Corporate Social Responsibility (CSR) strategy which is already embedded into our daily business culture and operations. Firmly realizing that CSR is an integral part of the company's business strategy, which is gradually disconnected from philanthropic giveaways but more significantly linked to a company's core business and core competences which can ultimately provide positive financial returns and the substantial development to itself, CleNET makes and initiates its CSR strategy in a top-down way with active engagement of top management to ensure it is always aligned with our mission, vision, and core values.

CleNET treats and manages CSR strategy as equally important as our strategies of marketing, research & development, capital expenditures and talent management. Now, our conception of environment-centric and people-centric operation has deeply rooted in our culture, governance, supply-chain management, performance system and the heart of our people. This year, we continue to emphasize the effective communication of our CSR spirit to our staff, clients and stakeholders through team building, CEO open day, vendor selection procedures and various communicating ways. With a Do-It-With-Us approach, we believe we shall influence more and benefit more from our CSR practice and eco-friendly mindset. Our commitment is demonstrated through our activities in the following areas:

Green Office

As a technical consulting and outsourcing service provider with the majority business in software engineering, CleNET is naturally conducting an eco-friendly and low energy consumption business. To go one extra mile and become a truly responsible company to the society for not only our generation but also next and future generations, CleNET actively works towards a green future. “Reduce, Reuse and Recycle” is the theme of our green office practices. With the firm belief that every bit of effort helps, all employees are encouraged to protect the environment, no matter how small the deed might be.

CleNET encourages paperless daily work through the introduction of our self-developed CNBI system and other cross-departmental communication tools, the company also sets up strict office rules in recycling and reduction of paper, toner cartridges, plastics, aluminum, electronic parts as well as the reduction of electricity and water consumption in the workplace.

As the concern for global warming and climate change increases, we are also looking for ways to become more sustainable. For our Shanghai, Beijing, Chengdu and Nanjing offices, we adopted an eco-friendly interior design and energy saving practices, using eco-friendly office furniture, energy-saving light bulbs and the maximum A/C temperature of 26 degrees in all the seasons. (Reference: CNT-MGT-POLICY-HSEMS-Manual, 2020/7/8)

Green Management

CleNET continues to promote a “green office” environment and strives for improvement in reducing consumption of energy and paper. The measures include the removal of non-essential lighting in offices, preparing for the implementation of paperless office, and using electricity wisely.

We will further promote Plant Adoption Program and encourage employees to take care of office plants. Not only can plants enhance the overall appearance in the office, but they can also reduce stress and eliminate air pollutants.

Supporting Social Service & Donation

CleNET believes that community involvement and community development are both integral parts of sustainable development for a company. CleNET strives to promote learning opportunities for vulnerable groups. Since 2003, CleNET kicked off its own Hope Project, the name of which is used for charity programs specifically towards poor K12 students in China. Till 2020, CleNET has already donated RMB 1 million and helped some 1,346 students through its own Hope Project, most of whom are primary students in Huai Lai County in the suburb of Beijing, where CleNET's Asia Headquarters is located. In addition to those financial aids, CleNET employees and managers pay regular visits to the low income students every year, and gradually those visits have become the company's most important and popular events.

CleNET also supported primary schools in Huai Lai County to set up computer labs so that students can enjoy the same study facilities as those in developed downtown regions do. CleNET thus received many thank-you letters from those school students, which were great assets of the company.

Corporate Governance

Event not a listed company in any stock market, CleNET also understands the equally important significance of good corporate governance in maximizing the company and its stakeholders' values as well as achieving sustainable growth and development. Therefore, CleNET sets high standards for a transparent and balancing corporate governance with a strong emphasis on internal control, risk forecast & assessment plus strict quality & security management.

We believe that a high standard of corporate governance is the key to sustainable development of a business. We strive to comply with all relevant rules, regulations, and laws. CleNET has an independent internal corporate audit and quality department, ensuring continuous quality, information security, data protection, and business operation management. (Reference: CNT-MGT-RPT-InternalAuditReport.pptx)

Promoting Equal Opportunities

IT outsourcing is a labor intensive industry, where manpower is the prime source of productivity and profits. CleNET values its staff and strictly complies with the principles stipulated in the ISO 26000. For employment relationship, CleNET advocates equal opportunity in employment and recruitment regardless of gender, age, religion and race. CleNET proactively helps idle on-site staff released from customers to search new opportunities company-wide. Our proprietary man-hour calculation platform CNBI also helped enhance the transparency of the staff's workload to avoid exploitative or abusive labor practice at both our customers and subcontractors' sides.

As for conditions of work and social protection, CleNET has a safe and eco-friendly workplace with dedicated breast feeding rooms to facilitate new mothers breeding during work. In order to promote the transparent communication between top management and grassroots staff, every quarter CleNET has an open luncheon held by one the top management to listen to and solve problems from staff, through which the sense of belonging and integrity of staff is further enhanced.

CleNET is an active and certified member of National Minority Supplier Development Council (NMSDC), Chicago Minority Supplier Development Council (CMSDC), Michigan Minority Supplier Development Council (MMSDC), Canadian Aboriginal and Minority Supplier Council (CAMSC) in the US. And Canada. There are 3,500 corporate members throughout the network representing over \$105 billion dollars of annual purchases from minority business enterprises. As a certified member of these minority organizations, CleNET actively promotes awareness of issues in minority owned businesses, such as equal employment opportunities for minority origin, national and regional relevant regulatory policies, and creates opportunities with partners to other minorities and women owned businesses to win outsourcing contracts, the size of which is normally beyond the reach of those businesses without the Council's help.

CleNET also participated in a number of council sponsored events including Chicago Business Opportunities Fair, National Business Opportunity Fair, and has traveled as a part of the U.S. Department of Commerce delegation to visit and conduct business exchanges in a number of Chinese cities including Beijing, Shanghai, Shenyang, Hong Kong, Hangzhou, Chengdu, and Chongqing.

Staff Development

CleNET believes that the long-term success of an organization depends on its people and is committed to providing them with a safe and healthy working environment, professional training, and equal opportunities.

CleNET has launched a comprehensive trainee programs for new graduates to develop young professionals into skilled engineers with professional qualifications and capabilities to play a key role in engineering and project management, such as Android Development Training Program for new graduates. CleNET provides its staff with a variety of training programs to enhance their technical knowledge, language and management skills.

This year we have provided many opportunities for project management related colleagues to attend certified trainings from external professional training institutes. There are CMMI and SCAMPI courses authorized by SEI (Software Engineering Institute), CSM (Certified Scrum Master) and CSPO (Certified Scrum Product Owner) courses authorized by Scrum Alliance, and PMP course authorized by PMI (Project Management Institute).

For soft skill training, we provide HR policy trainings, including C&B policy, probationary period management, performance appraisal management, and employee relationship management courses. Also, there are 7 Habits course, communication skills, internet financial management course, and food and health course, etc.

For English language skill training, we design courses like email writing skills, Meeting & Conference Call English, business English, and more.

Fair Operating Practices



CleNET conducts its business activities with a high sense of ethics. The Company adheres strictly to its compliance policies, works to implement fair business practices, and promotes and enhances information security through trust-based partnerships with its customers.

CleNET strives to ensure the trust of its stakeholders through information security and compliance initiatives, including encouraging fair and impartial business activities and disclosing necessary information appropriately. CleNET uses Information Security Management System (ISMS) to define the corporate level information security policy, which is regarded as the minimum requirement to safeguard the information assets of CleNET and its customers.

Company Information

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