



# Corporate Social Responsibility Report FY 2024

*CleNET*

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## 1. Overview

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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.

The development of CleNET is closely related to the progress and harmony of society. CleNET guarantees legal labor rights, rejects discrimination, provides equal employment opportunities, and creates a fair and good working environment. In addition, it also guarantees the personal safety and life stability of employees at work and provides labor safety and related insurance. The company will always pay attention to the cultivation of excellent talents, enhance the value of human resources, and improve the quality of products and services. At the same time, employees are required to expunge any improper and monopolistic behavior in order to maintain the normal economic order of the whole society. We call on employees and companies to abide by social ethics and business ethics, be honest and trustworthy, and jointly assume the responsibility of eliminating environmental pollution and protecting the environment. CleNET promotes actively participating in social welfare activities and assuming one's social responsibilities.

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.

This report has been prepared with reference to the Global Reporting Initiative's (GRI) Standards core "conformance" program.

## **1.1 Corporate Governance**

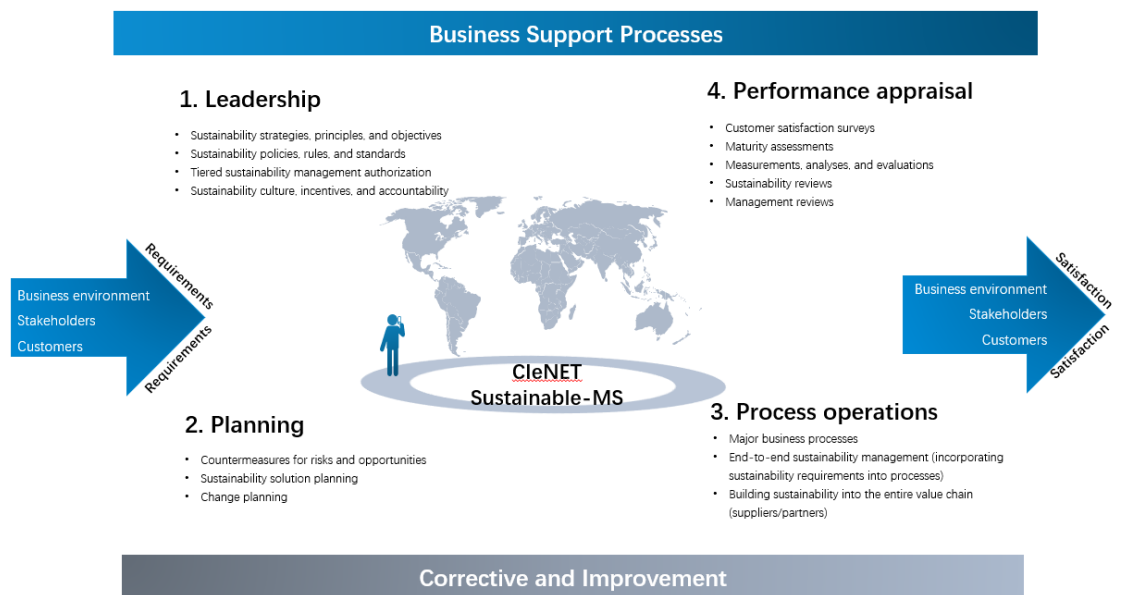
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Event not a listed company in any stock market, CleNET also understands the equally important significance of good corporate governance in maximizing the company and its stakeholders' values as well as achieving sustainable growth and development. 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 & environment, health, safety 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)

## 1.2 Sustainability Management System

To work towards our strategic sustainability goals, we have, based on international standards and guidelines such as ISO 26000/SA 8000, determined the scope of our sustainability management system and we have created the system using the PDCA (Plan, Do, Check, Act) cycle. This process took into account factors in CleNET's internal and external environment, local laws and regulations, and the requirements of stakeholders like governments, customers, and employees.



Framework of CleNET's Sustainability Management System

We have created a Corporate Sustainable Development (CSD) Committee for the CleNET Group, which is responsible for helping business units set and work toward sustainability goals in accordance with our sustainability strategies. The Committee consists of more than 10 senior executives from various departments, including human resources (HR), administration, procurement, and research and development (R&D).

The Committee meets yearly and may convene special meetings as necessary to discuss and take decisions on sustainability issues. The CSD Committee has established a working group responsible for coordinating and completing everyday sustainability work.

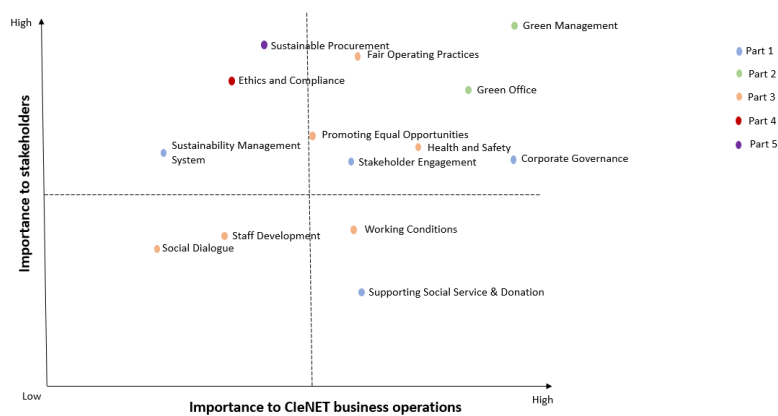
## 1.3 Stakeholder Engagement

CleNET takes its stakeholders' concerns and requirements seriously. We have developed effective mechanisms for identifying and engaging with stakeholders so that we can hear, understand, and promptly respond to their needs. CleNET's major stakeholders include customers and consumers, employees, suppliers and partners, governments, non-governmental organizations (NGOs), industry organizations, specialist agencies, the media, and local communities.

CleNET organizes or participates in sustainability programs worldwide. We engage in depth with key stakeholders to discuss how to address some of our shared concerns (e.g. climate change). Through these events, we hope to encourage innovation and collaboration on a broader scale, as part of the effort towards the UN Sustainable Development Goals.

A clear understanding of which issues are material for us is key to improving our sustainability. Materiality allows us to focus on the major issues that concern our stakeholders and that affect our business operations most.

In 2023, after a comprehensive analysis and re-prioritization of our material issues, we adjusted the materiality matrix to include more issues that our stakeholders are concerned about, such as "respecting human rights" and "diversity and inclusion". In addition, the new matrix made "climate change/carbon emission reduction" and "circular economy" a higher priority.



## **1.4 Supporting Social Service & Donation**

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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 2023, 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.



## 2. Green Management

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CleNET is committed to protecting the environment and fighting global warming. From employee transfers to internal IT solutions, and from resource management to the implementation of new locations, businesses must take concrete actions every day to respect the environment. Examples of actions include planning biodiversity and climate change initiatives, such as tree-planting festivals.

CleNET's environmental policies, commitments and objectives are formalized through the following documents: Sustainability Guide, EHS Manual, EHS Policy, Reference Document, Ethics and Compliance Policy. By setting science-based carbon targets, SBTi helps companies identify the necessary emissions reductions our businesses need to achieve our own carbon targets in line with the Paris Agreement's goal of limiting global warming to 1.5 degrees Celsius. An environmental management system, including improvement areas, progress plan and specific awareness-raising actions, as well as targets and indicators for guidance and monitoring, has been developed and communicated internally and externally.

As part of its environmental policy, CleNET's actions meet the criteria of GRI. CleNET is committed to these three areas:

- Reducing CO2 emissions associated with commuting and official vehicles;
- Raising staff awareness of climate issues;
- Defining its climate trajectory.

CleNET aims to define its climate trajectory using methods developed based on science. Based on the target (SBTi), CleNET is currently developing short-, medium- and long-term CO2 reduction targets.

A roadmap to 2025 has been developed to monitor and achieve short-term goals. Between 2022 and 2025, CleNET will focus on the following areas:

- Supporting the transition to softer, more sustainable modes of mobility (electric and hybrid vehicles, charging stations)

- Using 100% renewable energy;
- Assessing the carbon emissions of suppliers and service providers;
- Offsetting carbon emissions;
- Supporting and improving carbon footprint awareness of international subsidiaries.

In 2023, CleNET conducted a carbon assessment of the annual activities of all its entities. CleNET is committed to go beyond regulatory requirements to include international entities in the carbon footprint and measure their emissions within the three GHG emission ranges defined by the GHG Policy. As of December 31, 2023, all CleNET enterprises have adopted similar measures at all locations. 100% of sites are covered by selective classification. CleNET businesses are continuously pushing for renewable energy.

To reduce the impact of employee travel on the environment, CleNET has been providing e-learning on the basics of eco-driving for all employees since 2021. Also, the engineering team is encouraged to work from home at least one day a week for reducing the GHG emissions from commuting. At the same time, strict travel policies have been implemented (green taxis, train options, etc.). Finally, with its international deployment in mind, CleNET has deployed audio and web conferencing solutions that allow remote conferencing with employees from multiple countries or locations without the need to travel. In addition, since 2020, CleNET has adopted the Alibaba team to facilitate remote staff meetings. CleNET optimized procurement management to reduce its environmental impact, such as using more environmentally friendly office supplies, prioritizing green taxi orders, etc. With the expertise of its staff and R&D department, CleNET is committed to providing its customers with energy efficient, innovative, and sustainable solutions.

CleNET presents many awards each year to support talented engineers, especially for innovation in environmental areas. CleNET encourages eco-friendly behaviors and good practices adopted by employees at work and in their daily lives.

As part of its information system modernization, CleNET meets the security and performance requirements of its partners by evolving its server infrastructure into a “data center private cloud” solution. CleNET’s information infrastructure has been moved to ISO 27001, ISO9001, ISO14001 and ISO45001 certified data centers. In addition, computer

room updates have been optimized to replace older, more power-hungry computers with more efficient machines. Labels that reflect the environmental benefits of consumables and equipment, such as Energy Star, are considered essential. Finally, CleNET promises to extract and archive outdated data from its disks to reduce its storage, thereby reducing energy consumption and associated emissions. The techniques used to perform deduplication are varied. As part of its greenhouse gas emissions and energy policy, CleNET's actions meet the criteria of GRI. CleNET has implemented a method of reducing and recycling waste. 100% of the site surfaces and surrounding areas are equipped with a garbage sorting system, complete with sorting instructions and posters.

A complete procedure detailing the method of recycling office computer equipment, mainly electronic equipment such as fixed or portable computers, fixed or mobile telephones, and printer cartridges/toners. In addition, a process to reevaluate all employees' end-of-life computers has regularly been in place since 2017. These previously discarded machines are now centralized and recaptured.

As of January 1, 2021, coffee makers and water coolers will no longer use single-use plastic cups as part of the "Zero Cups target" program. By January 1, 2021, the "Zero Goal" aims to reduce the number of plastic cups used per employee per year. In addition, all coffee machines have been replaced since 2020. The coffee is roasted in Yunnan, China, and its origin is fair trade. In 2023, CleNET also launched a campaign to collect used and expired drugs from employees so they could be recycled at approved pharmacies.

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. As part of its waste management policy, CleNET's actions meet the standards of GRI.

The quality and performance department conducts an internal audit of the subsidiary's management system every year. Externally, CleNET regularly reviews its methods,

management systems, and reference documents for quantitative and qualitative information and regulatory reviews. CleNET has been voluntarily certifying its environmental management system (EMS) since 2022. CleNET was certified to ISO 14001 and ISO 45001 in 2022.

## 2.1 Green IT

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Accenture analysis show migration to the public cloud can achieve a significant carbon reduction from a 5.9% decrease in total IT emissions or nearly 60 million tons of CO<sub>2</sub> globally per year. We've gradually migrated our applications from self-hosted servers to AliCloud. The usage of cloud services in 2023 has increased by 20% compared to that of 2022.

Our main production tools are computers and network devices. We select computers with more energy-saving technologies and more renewable materials. We select network devices which meet the IEEE 802.3az standard. New models of products usually have higher energy efficiency than older ones. Aging and oxidation of components can cause poor conductivity. Dust affects heat dissipation. Aged computers will consume more power. Considering the above reasons, we adjusted computer obsolescence cycle from 5 years to 3 years to reduce power consumption. Moreover, desktops usually consume 2.5 times more power than laptop. We lowered the proportion of desktops purchased and replaced aged computers to reduce power consumption on computers.

Many materials used in computer hardware can be recycled for use in future production. Computer components contain many toxic substances. We selected a qualified recycler with a Qualification Certificate for Disposal of Waste Electrical and Electronic Products to disassemble our disposed equipment to recycle materials to avoid wasting of resources and environmental pollution. We've used DELL's hardware recycling service for four years. CleNET is investigating more qualified hardware recycling service vendor. Dell's recycling process complies with the regulations of EPA and WEEE. We consolidate servers to reduce the number of physical servers. We use virtualization technology, data optimization technology, data deduplication technology, software scheduling and management technology to improve utilization efficiency of IT equipment. We use power supply units with high power conversion efficiency. Lastly, we use servers, network equipment and air conditioners with high energy efficiency ratios.

## 2.2 Green Office

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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 all of our offices, we have 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 throughout the year. (Reference: CNT-EHS-POLICY-EHSMS-Manual)

### 3. Health and Safety

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CleNET's commitment to health and safety - improving working conditions, promoting social dialogue, eradicating child labor and forced labor, eliminating discrimination and promoting basic human rights are described in the following documents and are open to employees: Health and Safety Policy; CleNET Code of Conduct Policy; Ethics and Compliance Policy and Employee Handbook; Guidelines for sustainable development; Quality, safety and sustainable development policy and commitment. CleNET promotes transparency and communication of these commitments. As a result, all employees can access these documents through the company's Intranet platform, CNBI.

CleNET takes a robust approach to preventing risks, particularly those related to employee health and safety. The task of the Health and Safety committee is to deploy the enterprise's health, safety and environment (EHS) strategy based on customer requirements, regulations and internally set high requirements. This strategy is based on risk prevention, training, employee awareness, installation of specialized equipment, especially in the areas of personal protection, supervision and regulatory monitoring. As part of its advantage policy and continuous improvement approach, CleNET provides a supervisory reporting mechanism that encourages employees to report any failures or anomalies discovered by the company. Please note that CleNET is ISO 45001 certified. As part of its employee health and safety policy, 100% of CleNET sites have employee health and safety risk assessments or hazard identification and risk assessments.

According to the requirements of the company's integrity supervision committee, we regularly conduct publicity and education for employees, educate employees on child labor and forced labor, specify the various types of corruption, human rights reviews and impact analyses, so as to ensure all employees shall follow the relevant policies and code of ethics. In 2023, there were 0 alerts on child labor and forced labor; 0 alerts on discrimination and harassment; 0 alerts regarding the human rights of the parties concerned. If employees encounter any unfair treatment, discrimination, harassment in the process of cooperating with CleNET, employees can report it through the following channel: [supervision@cienet.com](mailto:supervision@cienet.com).

The current health environment associated with the spread of the coronavirus requires the adjustment of risk management protocols in line with the general precautionary principles established by the government. CleNET puts business continuity planning (BCP) at the heart of its health and safety prevention approach. Measures taken therefore include risk assessment, activity mapping and adaptation to the workplace, as well as the development of preventive measures and collective and individual protection measures.



## 3.1 Working Conditions

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100% of CleNET's business sites have conducted employee hazards identification and risk assessments or environment aspects identification and risk assessments, and equipment inspection and safety maintenance, including all fire extinguishers, central air-conditioning, electrical products have been implemented for all sites.

CleNET is committed to deploying concrete actions among its employees to promote talent stability, quality of work life and well-being at work. In order to improve the living conditions of employees while respecting the needs of the company, a variable working hours system has been established in the employee handbook: late or early leave within half an hour will not be investigated by the staff to make up for 8 hours of working time. CleNET has established an employee feedback mechanism for employees to share their ideas or suggest improvements, whether on benefits, business, processes, tools, animation or any other topic. 100% of the ideas are processed. Through its in-house skills training program, CleNET has for many years encouraged employees to undertake a variety of activities outside of professional activities, be it passion or personal initiative, be it sports, humanitarian, scientific or cultural. CleNET promotes this to maintain a balance between the personal and professional lives of employees.

As a leading global technical consulting, software engineering, and solution service provider, CleNET has set up a reasonable career development plan for all employees: a Dual Career Ladder for technical employees to choose between, management and consultant, also a Dual Career Ladder for supporting staff to choose between, management and individual professional.

Since 2020, despite the health crisis, CleNET has maintained and enriched its WFH operations, where CleNET provides emergency rescue courses, multilingual learning or online coffee appreciation for all employees.

CleNET collected information about all employees' satisfaction with enterprise management in various aspects in the form of questionnaire survey last year, and then truly reflected the current situation of the company's operation and management through follow-up professional and scientific data statistics and analysis, providing objective reference for enterprise managers to make decisions. The employee satisfaction survey

also helps to cultivate employees' sense of identity and belonging to the enterprise, and continuously enhance employees' centripetal force and cohesion to the enterprise. The employee satisfaction survey activities make employees establish the collective consciousness of taking enterprise as the center on the basis of democratic management, so as to subconsciously produce a strong centripetal force to the organization.

## 3.2 Social Dialogue

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CleNET engages in an open and transparent social dialogue with employees and representative bodies. CleNET introduces the responsibilities of EHS representatives in the form of announcements to let employees know about the freedom to participate in this matter. In addition, employees have the right to elect EHS representatives through this method to reflect their opinions. Generally, each department or a project team with more than 10 people will be elected an representative.

CleNET workers are represented by these representative bodies: information safety representatives, health and safety committees and community union representatives. The EHS manual details the roles of these different representative teams and responsibilities for bridging the relationship between grassroots employees and top management, like checking for occupational health and environment, participating in management review, supervising the compliance of wage, working hours and leave, etc. The list of representatives is available on the Intranet CNBI.

In addition, 100% of CleNET employees are covered by collective agreements, as part of its labor relations policy.

### **3.3 Promoting Equal Opportunities**

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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. 8% of CleNET's employees are over 40, and there is no age limit for part of the business activities. Engineering is also becoming more feminized; HR delivers the median salary of each job tier to management members quarterly as guidance for monitoring equal pay, and a salary data analysis report is provided bi-yearly as one of the measures to promote wage equality. 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.

## 3.4 Staff Development

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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.

For every newcomer, they attend CleNET's mandatory New Employee Orientation (NEO) training program, including the information security, occupational health and safety, environmental protection courses. In 2023, over 2,800 hours were dedicated to Environmental, Health, and Safety (EHS) and risk management courses (including e-learning).

CleNET has launched a comprehensive trainee program 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.

## 3.5 Fair Operating Practices

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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.

## 4. Ethics and Compliance

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CleNET has a "zero tolerance" policy for any form of corruption. It is working to disseminate this message to all stakeholders. It also acts in accordance with the national and international standards it adheres to in detecting and preventing corruption. CleNET defines and implements its anti-corruption policy in accordance with the eight pillars of Sapin II. It was formalized in the form of a set of reference documents, guidelines and policies that reviewed the Commitments and guiding principles of the Working Group on corruption. The practice of framing gifts and invitations given or received is recognized by CleNET that sometimes invitations and gifts offered or received contribute to good business relationships. However, these practices can sometimes be interpreted as means of influencing decision-making, constituting corrupt practices or creating conflicts of interest. To ensure oversight, CleNET has developed a gift and invitation rule in the Ethics Policy that Outlines guidelines and criteria for granting/accepting. It advises employees on how to deal with potentially risky situations. CleNET's ethics policy (Code of Conduct for Compliance with Anti-corruption) and our oversight system for monitoring reporting are provided on the CleNET website, with direct access open to CleNET internal and external stakeholders (<https://cienet.com/code-of-conduct/anti-corruption>).

Prevention and management of conflicts of interest: Every CleNET employee must act objectively in the performance of his or her duties. The Working Group therefore encouraged a transparent approach to any situation that might give rise to a potential or proven conflict of interest. CleNET has developed guidelines for practical rules on conflicts of interest to raise employee awareness and provides several channels of information/communication to report potential or actual conflicts of interest. CleNET's policy on conflicts of interest is also set out in the Anti-corruption Code of Conduct and Ethics and Compliance Policy. Managing Lobbying and interest Representation: CleNET is committed to conducting lobbying activities in accordance with applicable national and international laws, conventions and compliance policies. The Anti-corruption Code of Conduct Outlines lobbying rules: CleNET ensures that lobbying is clear and transparent, and that information is not obtained in a dishonest way. It also ensures that the information provided is up to date, complete and accurate. To do this, lobbying always requires the approval of headquarters. CleNET has so far done no lobbying and is therefore not on any register. CleNET is committed to complying with all these obligations if such practices



develop. CleNET carries out its activities in strict accordance with international sanctions. CleNET's compliance policy includes risk prevention in relation to violations of international sanctions. This is stated in the Ethics and Compliance Policy distributed to all ethics oversight and Regulatory committees.

Respecting competition law, CleNET and its employees comply with Chinese, French, European and international competition law and the laws of each region in which it operates. CleNET and its partners shall not, directly or indirectly, distort free competition in all commercial transactions. They also avoid unfair behavior toward competitors and engage in illegal agreements. In order to achieve this, the company conducts special training to raise the awareness of all employees to abide by the rules of competition. CleNET's principles are also reaffirmed in the Ethics and Compliance Policy. CleNET provides several information/communication channels for employees to report non-compliance.

Protection of personal data CleNET takes all necessary precautions to ensure that personal data is handled safely and in accordance with regulations. CleNET has a dedicated organization and governance and has created CleNET supervisory and management functions. The Oversight and Management Committee is affiliated with CleNET's Ethics and Compliance organization and is concerned with all issues relating to the processing of personal data. The Supervisory and Regulatory Committee has all the means necessary to carry out its mandate and has the authority to conduct processing operations. Do not accept instructions from the company when performing tasks and report directly to the top management of the company. Coordinate and deploy policies and procedures on personal data protection through the Data Information Specialist. Accordingly, CleNET has developed a personal data protection policy to ensure the homogeneity of procedures and procedures relating to personal data protection within CleNET. Advantages, also mobilize substantial resources to cultivate and raise awareness among all staff and interested parties, as well as data security and privacy protection of personal data protection, whether through e-learning training, face-to-face or through information dissemination.

Information security, information security and combating cyber-attacks is one of our strategic concerns. CleNET integrates ISO 27001 certified Information Security Management System (ISMS) in all of its processes. Customer satisfaction and risk management are of Paramount importance to CleNET. The growth of the consulting industry, the international growth of activities, the importance of information and the increase in cyber-attacks led to the company initiating the ISO 27001 certification process in 2010 and achieving its first certification in 2011. Headquarters in the implementation of information security governance, the formation of information security committee, responsible for the quality and performance of information security ISMS, information specialists and management, to ensure the realization of the identified objectives, to resolve identified risks and develop disposal plans. Through information Systems security policy has been defined and applies to all entities of CleNET. The objective of this policy is to achieve homogeneity in the operation of information security within CleNET. Based on good practice, the IS027000 benchmark defines a framework to protect and protect property information, risk control, prevent attacks, and meet the expectations and requirements of our customers.

## 5. Sustainable Procurement

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Sustainable procurement, based on the CleNET sustainable management system, the supplier Code of Conduct referred to sets out the commitments and obligations of all suppliers. It builds on the UN World Compact, the UN Universal Declaration of Human Rights, the CORE Conventions of the International Labor Organization and the OECD Guiding Principles for Multinational enterprises. The procurement team incorporates sustainable procurement requirements into telephone consultations, documented bids and contracts. It therefore ensures that its suppliers commit to these principles and pass them on to its own suppliers. To date, all target suppliers and subcontractors have verified the requirements contained in the supplier Code of Conduct policy within the framework of the tender.

Developing supplier CSR risk analysis, the procurement department develops and maintains an up-to-date profile of human rights, health, safety, environment and corruption risks associated with the supplier's activity sectors. Therefore, the CSR risk level is assigned to each supplier based on the procurement category to which the supplier belongs. CSR assessment and monitoring obligation of suppliers. The CSR performance of all new suppliers will be assessed during the bidding process. Supplier industry-specific CSR issues can also be discussed in the annual supplier review. According to CleNET risk analysis, suppliers with a high level of CSR risk must demonstrate their mastery of business and value chain issues by completing a CSR questionnaire. CleNET has evaluated 100% key suppliers in 2023. CleNET supports suppliers with low or medium performance evaluations if necessary. Responses to the questionnaire will lead to formal and follow-up action plans and even the organization of on-site audits in the event of unsatisfactory documentation submitted by suppliers. If the action plan is not implemented, cooperation with suppliers may be affected. CleNET considers and adjusts its assessment based on the structure and size of partner companies, suppliers and subcontractors in its supply chain. Suppliers who receive satisfactory assessments are encouraged to maintain or develop their CSR approach as part of continuous improvement and to assess their performance through certification and controls by independent third parties. CleNET will prioritize business relationships with efficient suppliers.

One of the key points of CleNET's corporate social responsibility strategy is to be a responsible partner. In this way, CleNET encourages and promotes the practice of ethical and social responsibility within companies, partners and their supply chains. These commitments translate into a strict responsible procurement policy and the intention of TNCS to respect the ten main principles of the UN Global Compact, the Universal Declaration of Human Rights, the Conventions of the UN, the International Labor Organization and the guiding principles of the OECD formalized in the Code of Conduct. The company promotes dialogue with stakeholders on CSR topics, evaluates its suppliers, and monitors them based on the level of risk found. CleNET also encourages development, for example, by encouraging suppliers to evaluate themselves through certification and auditing. Advantages prioritize business relationships with efficient suppliers. Responsible procurement includes, in addition to price, social, economic and environmental indicators in the selection of products or services. A preventive oversight plan is being implemented to prevent the risk of vendor non-compliance on CSR topics. Employees can also make suggestions based on responsible suppliers' values in the purchasing department. Procurement management pilots this process in tenders and contracts by ensuring that policies are incorporated into tendering specifications. It is also responsible for mapping suppliers' CSR risk, listing the level of risk associated with each supplier's liability, thus allowing tracking and support. A questionnaire was also sent to all vendors regarding their CSR approach.

In 2023, CleNET's procurement strategy has been improved under the guidance of the procurement management in the period 2022-2025. It is built around five axes:

1. Business axis, which aims to share and support formal, applied and monitored processes and good procurement practices of internal stakeholders;
2. Economic axis to ensure the company's procurement performance;
3. Quality and performance axis to measure and pilot the performance of suppliers, partners and subcontractors;
4. Business relationship axis, dedicated to the integrity and sustainability of supplier relationships, while encouraging innovation and competition;

5. Risk axis, involving any type of risk control: financial, social, SSI, privacy, corporate social responsibility, legal, corporate image, regulatory and certification.

As part of its responsible procurement policy, CleNET's actions comply with GRI.

Examples of responsible purchasing:

- In 2021, CleNET's commercial vehicles were replaced by electric vehicles.
- In 2023, the tender for coffee machines included sustainability standards. Coffee is roasted in France, fair trade origin.

Examples of new tenders incorporating social and environmental requirements:

- Since 2021, CleNET has required its service providers to have environmental skills in order to provide on-site cleaning services (ISO 14001 certified, Environmentally friendly home products).
- As stated in the corporate tourism policy, green taxis are preferred.
- Moving server rooms to external data center environments and societies with these standards in mind (ISO 14001; ISO 45001; ISO 27001).
- Office supplies are being phased out.

The operation of enterprises cannot be separated from the support of upstream suppliers. Establishing and maintaining a good cooperative relationship with suppliers is one of the key points of supply chain management. Maintaining a long-term and stable cooperative relationship can bring a lot of potential direct benefits and avoid a lot of potential problems.

We conduct an annual supplier sustainability performance evaluation based on the supplier's sustainability performance, reevaluation or on-site audit (if necessary) results and rectification, as part of the supplier's overall performance. For suppliers with good CSR performance, we will increase the purchase share under the same conditions and give priority to providing business cooperation opportunities; For suppliers with poor CSR performance, especially those who violate the CSR red line requirements, we require a deadline for rectification, while reducing the purchase share or limiting business cooperation opportunities until the cooperation relationship is cancelled.

In addition, through the Supplier Code of Conduct, level-1 suppliers are required to pass on CSR requirements to level-2 suppliers step by step as part of the CSR performance management of level-1 suppliers.

## Appendix I: GRI Standards

<b>Statement of use</b>	CleNET Technologies (Beijing) Co., Ltd. has reported the information cited in this GRI content index for the period 01/01/2023~12/31/2023 with reference to the GRI Standards.	
<b>GRI 1 used</b>	GRI 1: Foundation 2021	
General		
<b>Disclosure</b>	<b>Indicators</b>	<b>Page</b>
2-1	Organizational details	1-2
2-2	Entities included in the organization's sustainability reporting	29
2-3	Reporting period, frequency and contact point	1-2
2-4	Restatements of information	1-2
2-5	External assurance	/
2-6	Activities, value chain and other business relationships	13-16, 22, 25-27, 35
2-7	Employees	13-20
2-8	Workers who are not employees	13-17
2-9	Governance structure and composition	3
2-10	Nomination and selection of the highest governance body	3
2-11	Chair of the highest governance body	3
2-12	Role of the highest governance body in overseeing the management of impacts	3
2-13	Delegation of responsibility for managing impacts	3
2-14	Role of the highest governance body in sustainability reporting	3
2-15	Conflicts of interest	22-24
2-16	Communication of critical concerns	13-19, 22-24
2-17	Collective knowledge of the highest governance body	3
2-18	Evaluation of the performance of the highest governance body	30
2-19	Remuneration policies	15-16
2-20	Process to determine remuneration	15-16
2-21	Annual total compensation ratio	/
2-22	Statement on sustainable development strategy	4
2-23	Policy commitments	7-10
2-24	Embedding policy commitments	22-27, 35
2-25	Processes to remediate negative impacts	22-24
2-26	Mechanisms for seeking advice and raising concerns	4, 22-24
2-27	Compliance with laws and regulations	22-24
2-28	Membership associations	1-3
2-29	Approach to stakeholder engagement	5

2-30	Collective bargaining agreements	4
<b>Material Topics</b>		
3-1	Process to determine material topics	4
3-2	List of material topics	4
3-3	Management of material topics	4
<b>Economic Performance</b>		
201-1	Direct economic value generated and distributed	1-2
201-2	Financial implications and other risks and opportunities due to climate change	7-12
201-3	Defined benefit plan obligations and other retirement plans	1-2
201-4	Financial assistance received from government	/
<b>Market Presence</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	/
202-2	Proportion of senior management hired from the local community	18-19
<b>Indirect Economic Impacts</b>		
203-1	Infrastructure investments and services supported	7-10
203-2	Significant indirect economic impacts	5
<b>Procurement Practices</b>		
204-1	Proportion of spending on local suppliers	25-27, 35
<b>Anti-corruption</b>		
205-1	Operations assessed for risks related to corruption	22-24
205-2	Communication and training about anti-corruption policies and procedures	22-24
205-3	Confirmed incidents of corruption and actions taken	22-24
<b>Anti-competitive Behavior</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	22-24
<b>Tax</b>		
207-1	Approach to tax	/
207-2	Tax governance, control, and risk management	/
207-3	Stakeholder engagement and management of concerns related to tax	/
207-4	Country-by-country reporting	/
<b>Materials</b>		
301-1	Materials used by weight or volume	7-12
301-2	Recycled input materials used	7-12
301-3	Reclaimed products and their packaging materials	7-12
<b>Energy</b>		
302-1	Energy consumption within the organization	7-12



302-2	Energy consumption outside of the organization	7-12
302-3	Energy intensity	7-12
302-4	Reduction of energy consumption	7-12
302-5	Reductions in energy requirements of products and services	7-12
<b>Water and Effluents</b>		
303-1	Interactions with water as a shared resource	7-10, 12
303-2	Management of water discharge-related impacts	7-10, 12
303-3	Water withdrawal	7-10, 12
303-4	Water discharge	7-10, 12
303-5	Water consumption	7-10, 12
<b>Biodiversity</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	/
304-2	Significant impacts of activities, products and services on biodiversity	7
304-3	Habitats protected or restored	/
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	/
<b>Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	7-10
305-2	Energy indirect (Scope 2) GHG emissions	7-10
305-3	Other indirect (Scope 3) GHG emissions	7-10
305-4	GHG emissions intensity	7-10
305-5	Reduction of GHG emissions	7-10
305-6	Emissions of ozone-depleting substances (ODS)	/
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	/
<b>Waste</b>		
306-1	Waste generation and significant waste-related impacts	/
306-2	Management of significant waste-related impacts	7-12
306-3	Waste generated	7-12
306-4	Waste diverted from disposal	7-12
306-5	Waste directed to disposal	7-12
<b>Supplier Environmental Assessment</b>		
308-1	New suppliers that were screened using environmental criteria	25-27, 35
308-2	Negative environmental impacts in the supply chain and actions taken	25-27, 35
<b>Employment</b>		
401-1	New employee hires and employee turnover	15-16

401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	15-16
401-3	Parental leave	15-16
Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	/
Occupational Health and Safety		
403-1	Occupational health and safety management system	13-16
403-2	Hazard identification, risk assessment, and incident investigation	13-16
403-3	Occupational health services	13-16
403-4	Worker participation, consultation, and communication on occupational health and safety	13-16
403-5	Worker training on occupational health and safety	13-16
403-6	Promotion of worker health	13-16
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	13-16
403-8	Workers covered by an occupational health and safety management system	13-16
403-9	Work-related injuries	13-16
403-10	Work-related ill health	13-16
Training and Education		
404-1	Average hours of training per year per employee	20-21
404-2	Programs for upgrading employee skills and transition assistance programs	20-21
404-3	Percentage of employees receiving regular performance and career development reviews	100%
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	18-20
405-2	Ratio of basic salary and remuneration of women to men	18-20
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	13-14
Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	17
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	/
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	/
Security Practices		
410-1	Security personnel trained in human rights policies or procedures	100%
Rights of Indigenous Peoples		

411-1	Incidents of violations involving rights of indigenous peoples	/
<b>Local Communities</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	4
413-2	Operations with significant actual and potential negative impacts on local communities	/
<b>Supplier Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	25-27, 35
414-2	Negative social impacts in the supply chain and actions taken	25-27, 35
<b>Public Policy</b>		
415-1	Political contributions	/
<b>Customer Health and Safety</b>		
416-1	Assessment of the health and safety impacts of product and service categories	13-14
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	/
<b>Marketing and Labeling</b>		
417-1	Requirements for product and service information and labeling	22-24
417-2	Incidents of non-compliance concerning product and service information and labeling	/
417-3	Incidents of non-compliance concerning marketing communications	/
<b>Customer Privacy</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	/

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