



Corporate Social Responsibility Policy for The CN Group Companies

The CN Group seeks to be a good corporate citizen in all aspects of its operations and activities. To this end we have brought together a series of operating principles under the broad heading of Corporate Social Responsibility (CSR) to serve as a guide to employees in all aspects of their work for the company. The principles cover all areas of the Group's operations and have been developed with reference to the relevant codes of corporate governance and best practice,

Taken together, these principles form our CSR policy. The policy can be divided into six main areas:

1. Ethical Business Conduct
2. Policies Specific to Employees
3. Policies Specific to the Group
4. Fair Employment Practices
5. Workplace Health and Safety, and
6. Environmental Policy

1. Ethical Business Conduct

A. Our Principles

We value the principles of accountability, honesty and integrity in all aspects of our business. Our policy is to conduct our business in a manner which ensures:

- fair treatment of all employees and clients
- transparency of our business policies and practices
- high standards in all matters relating to health, safety and the environment
- ethical business practices throughout our operations

We recognise that the involvement of our employees is key to the future success of the business and we have for many years adopted a policy of keeping employees fully informed on all matters affecting them. We have consistently operated a remuneration strategy that recognises both corporate and individual performance. We are also committed to best practice in employment matters, recognising the role this plays in attracting and retaining staff. To succeed in delivering the best possible service to our clients, every employee is expected to adhere to the group's core values and to uphold them in the workplace. Employees are expected at all times, to exercise the highest ethical judgement and comply with laws applicable to their duties. These principles cover all employees globally and are set out on the company's intranet.

2. Policies Specific to Employees

A. Compliance with Codes and Regulations

In addition to the Group's internal operating principles employees shall adhere to all Australian laws and regulations.

Whistle Blowing

In the event that an employee discovers a breach of company policy there is a facility for him/her to report that breach in confidence either via his line manager or via an anonymous email address sent directly to the CEO. The CEO has a duty to investigate fully the detail behind such a report and as part of the investigation will not normally make reference to the



anonymous report. Maliciously motivated reports for which there is no real basis for making a report are not welcomed and may result in disciplinary action being taken against the employee making the accusation.

B. Outside Interests

The Group requires that employees avoid at all times any situation which may involve a conflict of interest between the employee and the company. Employees are expressly prohibited from accepting other paid employment, including directorships in other companies, without the consent of the CN Board. In general, this does not apply to charitable work or relationships with non-profit organisations unless this has the potential to impact on the employee's normal duties.

C. Dealing with Customers, Stakeholder and External Parties

The Group is committed to the provision of accurate information and fairness in all its dealings with customers, stakeholders, officials and any other external party having direct business with the group.

D. Confidentiality

Every employee shall respect any information which is confidential to the Group including, but not limited to, trade secrets, confidential knowledge or any information concerning the process or invention used by the Group. Breaches of confidentiality may be cause for disciplinary action.

Data Protection

We are committed to complying with best practice data protection principles established. This commitment applies throughout the group. If the group conducts business in a jurisdiction where stricter rules apply, then it will comply with those rules as a matter of course. All employees and agents of the Group are responsible for ensuring compliance with the policy. Information collected may be accessible throughout the Group but will not be disclosed to any third party in a form which identifies the individual concerned. It will not be used for marketing purposes without the individual's consent and will not be sold to third parties. Upon request, an individual will be informed of the existence, use and disclosure of his or her personal data and will be given access to that data to confirm its accuracy or amend it as appropriate.

E. Malpractice

The Group actively works to deter malpractice in its workplace, with specific attention to activities involving bribery and corruption, fraud, money laundering and insider trading. The Group has detailed procedures for staff to follow in order to ensure observance of these principles.

F. Use of Company Information / Assets

Employees shall use the company's computer systems, internet and intranet, and email systems for business use. Any employee found to have disclosed confidential information, been abusive or malicious in using these facilities, or misusing the systems in any way may face disciplinary action. The Group strictly prohibits the use of its intranet, internet or email systems for acquiring, producing or disseminating pornography or similar material, including the use of abusive language or offensive images.

G. Disciplinary Procedure

The Company has a detailed formal disciplinary procedure, full details of which are contained on the Company's intranet.



3. Policies Specific to the Group

A. Political Contributions

It is the Group's policy not to make contributions for political purposes. However, employees are not hindered from being politically active in their own time using their own resources.

B. Corporate Governance

1. Background

The Group delivers consulting and managed technology solutions for Australian Enterprise. It aims to deliver superior and consistent performance across a diverse range of offerings. Our ultimate goal is to maximise the benefits of technology to our clients through sound business practices. Since its beginning in 2000, the Group has been committed to its core business values of integrity, transparency, honesty and accountability. These values form the basis of optimum corporate governance. The group is committed to complying with good corporate governance policies and to listening to and acting in accordance with the wishes of its shareholders.

2. Organisation

The Board of Directors currently comprises the Chairman, one Non Executive Director and two Executive Directors. The roles of the Chairman and the Chief Executive combined, clearly defined and approved by the Board. The Board considers Non-Executive Director to be independent. The board members, are as follows:

Chairman and Chief Executive: Brian E Pereira
Chief Operating Officer: Richard Gibbs
Chief Technology Officer: James Gao

Non-Executive Director:
Vacant (Independent Director)

Details of other directorships held by members of the board are captured and reported bi annually. The roles of the independent director is pivotal, representing an array of business capabilities, the director brings a valued contribution to the table when making strategic decisions for the Group.

3. Meetings of the Board of Directors

The Board of Directors is scheduled to meet eight times each year to review financial performance and strategy and has a formal schedule of matters reserved for its decision, which includes the setting of company goals, objectives, budgets and other plans. In particular, the Board regularly receives reports on the Group's corporate social responsibilities and they have identified the relevant risks to the Group's short and long term values, more on which is contained later in this document.

4. Shareholder Relations

The Group places a great deal of importance on communication with its shareholders and aims to keep shareholders informed by means of regular communication throughout the year. The Chief Executive and Finance Director make regular reports to the Board on d on



specific discussions with major shareholders. Shareholders are encouraged to ask questions of the Chairman and the Board outside its regular presentations.

5. Internal Controls

The Groups Finance Director, has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The internal controls are designed to cover all risks to achieving the Group's objectives including all business, operational, financial and compliance risks. The internal controls are designed to manage, rather than eliminate, risk of failure to meet business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The system of internal control is embedded within the day to day operations of the Group and a strong control culture is combined with clear management responsibility and accountabilities for individual controls. At least once a year the Executive presents a risk control report to the Board. In this context, the board has identified staff retention and corporate reputation as the significant risks to the company's short and long term value. Directors are keenly aware of the importance of these issues and are committed to ensuring that any risks are assessed and minimised.

6. Community Investment

The CN Group's Community investments comes under the overall direction of The CEO who reports to the Board periodically and keep staff informed of developments in the area. The Community Investment Programme has two main components, charitable giving and support for a wide variety of local and national organisations. The Group is an active sponsor of several charities and community action groups, and a supporter of business groups and chambers of commerce in several of the regions where the company operates. The Group also has a policy encouraging staff to donate their time to local causes and will accommodate reasonable requests for time away from the office to engage in community activities.

Charitable Donations

At the commencement of each fiscal year the Board will agree an amount which should be allocated to donations to charity and support for good causes. The Group will aim to grow this core amount over time and, depending on the profitability of the Company, may make specific one-off donations.

Activities in the Community

Since the Group was founded in 2000 the number of offices in the Australia has increased as the company has grown its asset base. We have also been involved with national and local charities, in most of the locations where we have offices. In addition, we sponsor a wide range of activities in the community. We encourage employees to be active in the community in their own right and to this end operate a flexible working policy which permits staff to use a certain amount of working time each year to devote to charitable activities. Members of staff are members of parent/teacher associations; others work as carers

Benefits of Community Involvement

As the Group becomes more involved in the community the company may be invited to propose or participate in new projects. Staff will be updated on these activities on a regular basis and will be given the opportunity to propose new ventures.



7. Fair Employment Practices

In formulating employment policy the Group has been guided by the relevant legislation in Australia. The Guidelines encourage companies to foster openness, sustainability, and respect for employees' rights. The development of Group policies in this area is the responsibility of our Human Resources Director, Head of Human Capital for the CN Group. The policies cover all employees in Australia. The policies are periodically reviewed and updated, when appropriate

8. Equal Opportunities Employer

The Group is committed to providing equal opportunities to all workers and job applicants. It aims to ensure that no job applicant shall receive less favourable treatment on the grounds of sex, marital status, sexual orientation, race, colour, religion or belief, nationality or ethnic or national origin. The company will not treat an employee or job applicant less than favourably for a reason relating to their disability or part time or fixed term status unless this can be justified. The Group will also take all reasonably practical steps to ensure that disabled applicants or workers are able to participate in its business activities on an equal basis with people who are not disabled. All employees are responsible for complying with this policy and for ensuring that the standards of behaviour required by the company are observed by:

- Treating others on their merits and disassociating themselves from any form of direct or indirect discrimination, victimisation or harassment.
- Bringing to the attention of their Manager any suspected working practise in breach of this policy.
- Working together to promote a harmonious working environment free from discrimination, harassment and bullying.

The Company regards direct or indirect discrimination, victimisation and harassment as a serious matter. Employees who fail to comply with this policy will be subject to the Company's disciplinary procedure. All breaches of this policy will be regarded as serious disciplinary matters and will, if there has been victimisation, intentional discrimination or deliberate harassment be regarded as potential gross misconduct leading to summary dismissal. The Company recognises that misunderstandings can arise where people of a different sex, interests and cultures work together. Any employee who believes that he or she is being treated in a way that is contrary to this policy should raise the issue with their Manager. If an employee feels that it is inappropriate to approach their Manager he or she may contact the Human Capital Department. The Human Capital Department, carries out a periodic review of the group's equal opportunity policy and monitors the effects and the application of this policy across the group.

9. Human Rights

Te CN Group supports the Universal Declaration of Human Rights in all of its spheres of influence. It upholds the freedom of association and recognises the right to collective bargaining.

10. Forced / Child Labour

The Group does not utilise or promote forced or child labour of any kind. We adhere strictly to Australian laws governing labour standards.



11. Discrimination, Sexual Harassment and Other Forms of Harassment and/or Bullying

All staff are entitled to work in an environment which respects their personal dignity and which is free from harassment, bullying or any other type of intimidation. Harassment, whether on the grounds of sex, race, colour, nationality or ethnic origin, religion or belief, or age, disability, sexual orientation, being in an inferior position in terms of power or hierarchy (leading to bullying), willingness to challenge harassment (leading to victimisation) or otherwise will not be tolerated by the Company.

12. Employee Benefits

The Group recognises the value of its employees and has identified and assessed their long term retention as key to the short and long term value of the Group. To this end, the Group aims to attract and retain skilled employees and enhance the life/work balance of each individual. The group offers its full time staff a range of benefits, including a pension scheme, life insurance, private health care, maternity and paternity leave and generous holiday allotment. Also available to employees are personal development and training programmes designed to enhance the employee's skill base. All such programmes shall relate directly to the specific role of the individual within the Group and are linked closely with his/her annual performance review.

13. Grievances

The Group has adopted a grievance procedure to provide employees who consider that they have a problem or complaint about their work with a mechanism for resolving the issue fairly and speedily. The grievance procedure encompasses the statutory grievance procedure.

14. Workplace Health & Safety

A. Health & Safety Policy

The Group aims to provide each employee with a safe place to work. All group locations are required to abide by local health and safety regulations and each must submit on a regular basis to health and safety testing for accreditation. Relevant information on occupational health and safety is provided in the Staff Handbook. Further information on health and safety topics can be discussed with the Group's Human Capital function.

B. H&S Records

The group records all accidents and/or near misses and investigates these to determine if preventative action is required to prevent further accidents.

15. Environmental Policy

A. Background

The Group understands that its activities affect the environment and the communities in which we operate. We believe that we have a responsibility to identify and manage these impacts as effectively as possible. We are committed to continually improving our environmental performance and moving towards best practices in corporate sustainability.



B. Communicating the Policy

All employees are informed of the policy and are encouraged to contribute to the achievement of its objectives. The Policy is published internally on our Intranet. A general overview is also included in the staff induction programme and employees are encouraged to provide feedback and suggestions.

C. Environmental Policy

The Group aims to:

- minimise the environmental impacts of our existing operations and ensure that the environmental impacts of new operations are fully assessed and minimised prior to their introduction;
- reduce consumption of materials in all operations, where practicable, to re-use rather than dispose of materials where possible, and promote recycling and use of recycled materials;
- seek to improve the energy efficiency of buildings and to manage energy wisely in all operations within our control;
- reduce, wherever practicable, the level of harmful emissions from our office premises where we have control;
- introduce programmes that aim to minimise waste;
- dispose of waste and effluents in a responsible manner;
- promote the ownership and control of environmental issues at business level.
- provide the necessary training and support in order to ensure that staff fulfil their requirements;
- work with our suppliers to minimise the impact of their operations on the environment through a quality purchasing policy;
- support through our community programme the promotion of environmental protection by relevant external groups and organisations;

D. Environmental Risks

As a company working in the Information technology and communications services sector, there are no major environmental risks associated with the Group. However, important issues for the Group are the use of paper, the constant demand for energy and CO₂ emissions resulting from the company's operations. Substantial quantities of paper are used in reports, including newsletters, to corporate clients, and in the recordkeeping process. Energy used for heating, lighting and cooling of offices and for office equipment is another critical element of the process while CO₂ emissions from energy and from travel by employees is also important..

E. Environmental Management System

The Group's Environmental Management System (EMS) has the following components and objectives. As additional areas for monitoring are identified, they will be integrated into the EMS.

Energy

The group aims to reduce the consumption of energy and will also strive to ensure that their office premises use energy in as efficient a manner as possible. Energy is used for office lighting, heating and cooling systems and for the operation of office equipment and kitchen appliances.



a) Lighting

CN will encourage the use of low energy lighting and where practicable, the use of segmented areas which will allow lights to be switched off when not required. Likewise we will encourage the use of manual and passive infra-red switches where practicable.

b) Heating

To make more efficient use of heating systems we will ensure that the temperature is set for a comfortable working environment and not more than 22oC. Where heating is provided as part of a leased or rented building system, we will aim to ensure that thermostats are available for use by CN employees.

c) Air conditioning

Air conditioning units are available in most of our office locations. These will only be used when required and will be switched off when the office is not in use.

d) Kitchen appliances

We will aim to ensure that our kitchen appliances are energy efficient and that they release the minimum amount of waste product.

Water

We seek to reduce the amount of water used. In shared buildings we will investigate the possibility of the installation of separate meters to monitor use and cost.

Paper

We seek to reduce the amount of paper used and to increase the amount of paper that is recycled. CN will strive to reduce the amount of paper purchased and will encourage staff to re-use or recycle paper. Where possible, client reports will be printed on recyclable and chlorine free paper. In addition, staff are encouraged to make use of electronic communications in the form of email and the scanning of documents into electronic records for storage.

Waste

General office waste is collected and removed regularly by cleaners and taken to a compactor for removal by a waste contractor, or is collected weekly by the local authorities. Toner cartridges are collected after use for donation to charity. Redundant equipment, which is not sold or given to a charity, will be collected by an approved third party company who will dispose/ recycle the hardware in a manner that is environmentally friendly and adheres to regulations.

Hazardous materials

We will accept responsibility for monitoring hazardous materials found in the office, including, for example asbestos, polychlorinated biphenyls ("PCB's") and refrigerants to ensure that they do not pose a risk to our employees. We will ensure that annual service and maintenance programmes for our air conditioning plants are carried out, as required under current guidelines.

Transport

Transport is a major source of CO2 emissions. To reduce these emissions the group encourages employees to use public transport wherever possible through the provision of interest free loans for seasonal / annual public transport tickets. Aberdeen does not operate a company car scheme for employees. Car sharing is promoted and staff are encouraged to make use of public transport for regular journeys. Conference calls and video-conference calls are used where possible to reduce the need for regular travel.

Supply Chain Management

We wish to encourage sustainability and environmentally sound sourcing and production methods in our suppliers' manufacturing and delivery processes. To this end we will inform our suppliers of our Environmental Policy and we will inform them that we will look to favour companies with established environmental policies and practices in the allocation of future contracts. We will also aim to use local suppliers and local goods and services, where practicable.



Involvement in the Community

CN has been fostering good relations with the communities in which the Group operates. Through its local offices, CN will identify any specific community areas of concern on which CN's business has an impact. If so, CN is willing to work towards mitigating these impacts.