WOMEN OWNED®

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nqa.
ISO 27001
INFORMATION SECURITY MANAGEMENT

ANAB
ANSI National Accreditation Board
ACCREDITED
ISO/IEC 17021-1
MANAGEMENT SYSTEMS CERTIFICATION BODY

SILVER
2023
ecovadis
Sustainability Rating

Service Desk
TECH
RAIL
UTILITY
TRANSPORTATION
FINANCIAL SERVICES
MDDI
POWER GENERATION
RETAIL
HEALTHCARE
PHARM
Security
MANUFACTURING
Staffing
EDUCATION
TELECOM

pcn

PCN
(PC Network Inc.)

2024
Environmental,
Social, and
Governance (ESG)
Report

# INDEX

# Doing The Next Right Thing

PCN was founded in 1988 with the philosophy of "Do the next right thing."

Thirty-five years later, doing the right thing is still integral to how we do business and motivates our Environmental, Social, and Governance (ESG) program.

## VISION

Every organization benefits from easy to consume, flexible, tech-enabled solutions, sustainably designed and delivered by true partners in change.

## VALUES

- All about the customer
- Innovative by nature
- Relentless pursuit of excellence
- Inherently sustainable
- We're better together

## MISSION

We enable our customers' competitive advantage by simplifying, streamlining, and securing their IT infrastructures with tech-enabled services.

# PCN At-a-Glance

PCN is a woman-owned information technology (IT) company dedicated to helping organizations streamline their technology services to maximize ROI.

We deliver tech-enabled IT services globally to customers in a broad spectrum of industries. Our DNS, DHCP, and IPAM (DDI) managed services are world-class , security consulting, project management, service desk, and staff augmentation.

PCN's Information Security Management Program is ISO 27001 certified, and we follow an ISO 9001 compliant quality management system.

Service Desk

MDDI

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# Message From the CEO

PCN's purpose is to be a "True Partner in Change." Our purpose guides our business practices and strategies. In serving the fast-changing, mission critical technology infrastructure needs of our customers, we are committed to operating transparently and responsibility. We strive to contribute to a better society and the golden rule guides us in every aspect of our daily operations. Together, with our customers, partners, employees and communities, we focus on innovating to help create a smarter, safer, and more sustainable, world.

This report outlines our Environmental, Social, and Governance (ESG) priorities which focus on the ESG issues that matter to our company and industry segment.

We believe that by making meaningful commitments for positive change and acting on them, we will create a better future for all. Thank you for your interest in our ESG strategy and progress.

Katrin Hillner

My signature above affirms PCN's commitment to advancing the principles of the United Nations Global Compact and United Nations Sustainable Development Goals.
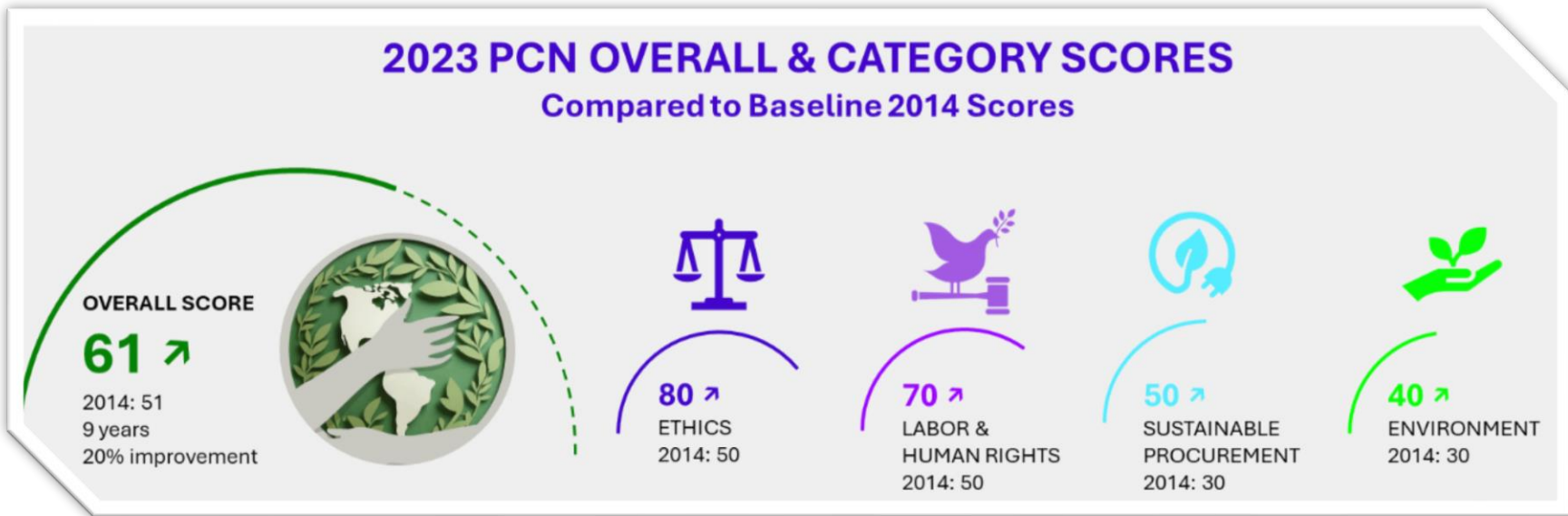
# EcoVadis Silver Medal

In 2023, EcoVadis awarded PCN a Silver Medal for being in the top 20% of sustainability ratings for companies in our industry.

EcoVadis is a globally trusted third-party sustainability ratings provider. Our customers use EcoVadis to assess and manage sustainability practices within their supply chain. As the global standards for ESG excellence continue to shift, our goal is to continue improving each ratings category towards a Gold Medal rating.

EcoVadis provides overall score and four category scores. Since 2014, PCN's overall score has increased by 20 points and with increases in all four categories:

✓ Ethics (+ 30)
✓ Labor & Human Rights (+ 20)
✓ Sustainable Procurement (+20)
✓ Environment (+10).



**2023 PCN OVERALL & CATEGORY SCORES**
Compared to Baseline 2014 Scores

OVERALL SCORE
**61** ↗
2014: 51
9 years
20% improvement

**80** ↗
ETHICS
2014: 50

**70** ↗
LABOR & HUMAN RIGHTS
2014: 50

**50** ↗
SUSTAINABLE PROCUREMENT
2014: 30

**40** ↗
ENVIRONMENT
2014: 30

# EcoVadis Silver Medal

PCN has used EcoVadis since 2014 to track ESG metrics to meet internal sustainability goals and support the sustainability performance ratings of our customers.

PCN uses this holistic view of our sustainability performance to assess our current performance, and what we need to do to improve.

For the rating evaluation, PCN follows structured processes to collect, evaluate, and validate our ESG practices against EcoVadis' twenty-one Sustainability Criteria. These encompass Environmental, Social (Labor & Human Rights, Sustainable Procurement), and Governance (Ethics).

## 21 Sustainability Criteria

### Environment 🍃

**Operations**
- Energy Consumption & GHGs
- Water
- Biodiversity
- Air Pollution
- Materials, Chemicals & Waste

**Products**
- Product Use
- Product End-of-Life
- Customer Health & Safety
- Environmental Services & Advocacy

### Labor & Human Rights

**Human Resources**
- Employee Health & Safety
- Working Conditions
- Social Dialogue
- Career Management & Training

**Human Rights**
- Child Labor, Forced Labor & Human Trafficking
- Diversity, Equity & Inclusion
- External Stakeholder Human Rights

### Ethics ⚖️
- Corruption
- Anticompetitive Practices
- Responsible Information Management

### Sustainable Procurement 🔗
- Supplier Environmental Practices
- Supplier Social Practices

# PCN Approach to ESG

**ENVIRONMENT**

**SOCIAL**

**GOVERNANCE**

PCN is publishing this report because we believe that a principles-based approach to doing business is an inextricable part of corporate sustainability.

Tracking Environmental, Social, and Governance (ESG) data is essential to our long-term sustainability. Understanding the social and environmental impacts of our business allows us to assess the risks and opportunities we face. Proactively addressing these risks means we are not only being good corporate citizens, but also are setting the stage for our long-term success.

In developing this report, we referenced our EcoVadis and ISO 27001 certification standards. We also examined other guidelines and measurement frameworks to inform the scope of our reporting, including the UN Global Compact (UN GC), UN Sustainable Development Goals (SDGs), and Science Based Targets initiative (SBTi).

For our EcoVadis reporting and ISO 27001 certification, PCN follows consistent formalized processes to record and analyze ESG data. Other data presented in this report is collected using various methodologies, which in some instances are based on assumptions and estimates in which there are inherent uncertainties and limitations.

# ESG Materiality Matrix

**Materiality to Business**

| | Medium | High | Very High |
|---|---|---|---|
| **Very High** | | ▪ **Enabling Customer Sustainability** ▪ **Sustainable Procurement** ▪ **Supplier Diversity** | ▪ **Data Privacy** ▪ **Cyber Security** ▪ **Ethics & Integrity** ▪ **Responsible Innovation** ▪ **Diversity, Equity, Inclusion** |
| **High** | ▪ Climate Change & Carbon Emissions | ▪ Human Rights ▪ Advocacy & Social Impact | ▪ **Employee Wellbeing** ▪ **Talent Attraction, Retention & Development** ▪ **Working Conditions** |
| **Medium** | ▪ Waste, e-Waste ▪ Community Giving | | |

**Importance to Stakeholders**

PCN's ESG Materiality Matrix lists the ESG goals with the greatest materiality to PCN's business.

They are then cross-referenced with prioritization by internal stakeholders (owners, sales managers, employees) and external stakeholders (customers, partners, and industry peers).

This establishes a consistent framework to articulate our ESG priorities and discuss them with our stakeholders.

# ESG Materiality Matrix

In developing our ESG Materiality Matrix, PCN conducted internal and external stakeholder reviews and considered external guidelines and frameworks, including the UN SDGs.

We analyzed the guidelines and measurement frameworks used in the ESG, Corporate Responsibility, and Sustainability Reports of our customers, partners, and industry peers to inform the scope of our materiality matrix and identify the topics most important and material for us to report.

As part of our stakeholder analysis, we further assessed these reports, conducted stakeholder interviews, and reviewed public statements and actions by our customers, partners, and peers to identify and understand their ESG prioritization.

Internally, we engaged with client-facing and internal business leaders to prioritize our material ESG issues, understand current ESG practices, define ESG goals, identify actions to advance us towards those goals, and set up an annual reporting cadence.

Identify Issues, Business Drivers, Stakeholders

Prioritize Issues

Align with Business

Develop Strategy

Collect Data

Report Progress

# UN Global Compact and SDGs

Fundamental global change cannot happen without the support of private enterprise. The UNGC lists 10 universal principles in human rights, labor, environment, and anti-corruption and the 17 UN SDGs create a framework to coordinate private enterprise action to effect global change.

PCN integrates these principles and SDGs into our business strategy, corporate culture, and daily operations. However, no one can effectively focus on 17 SDGs. PCN used our ESG Materiality Matrix to identify the most relevant SDGs based on two key criteria:

➢ Which SDGs have the most potential for negative impact from our company's operations?

➢ Which SDGs can our company achieve through our operations, services, and investments?

This analysis shows that the SDGs in which we can have the greatest impact are 3, 4, 5, 8, 10, 12, 13, and 16.

# Environment

Environmental sustainability is a fundamental principle that should guide all aspects of our business. To reduce our own environmental impact and promote sustainability throughout our operations, we have taken these actions:

Future steps:
- Monitor and reduce GHG emissions from travel, data centers, and office space
- Evaluate participation in Science Based Targets initiative (SBTi)

Prioritize suppliers committed to sustainable practices

Promote use of public transportation, trains, e-vehicles, and carpools

Move internal and customer digital operations to eco-friendly infrastructure

Reduce commuting and office greenhouse gas emissions with remote work model

Reduce carbon footprint and utilities with shared office space

# Environment Focus: GHG Emissions

Greenhouse gas (GHG) emissions from office buildings and businesses is one of the biggest factors contributing towards climate change. Office buildings are responsible for over 40% of the world's energy usage and a third of GHG emissions.

PCN has already reduced our GHG emissions by moving our headquarters to a more environmentally efficient location with shared facilities. This reduces our carbon footprint, electric bills, heating, cooling, land use. This has enabled us to reduce our annual energy usage by 101,910 kilowatt-hours (kWh) of electricity and 258,172 cubic feet of natural gas per square foot (estimated using figures on https://ouc.bizenergyadvisor.com/).

Additionally, we recognize that employee commuting, business travel, and waste management are material contributions to GHG emissions. By moving to a remote work model, PCN reduced commuting-related GHG emissions by an average annual 1.92 metric tons of $CO_2e$ – from 2.39 to .47 – for a total reduction of  11.52  metric tons of $CO_2e$ over the six years from when we adopted this model in 2018 (estimated using https://www.carbonfootprint.com/calculator.aspx).

# Social

PCN actively works to eliminate employment discrimination, promote gender equality, and reduce social inequity in our workforce and in the world.

Future steps:
- Join the CEO Action for Diversity
- Join the Women's Empowerment Principles (WEPs) established by UN Women and UN Global Compact

Ensure we are not complicit in human rights abuses, child labor, or forced labor

Create and maintain an inclusive and equitable workplace

Actively promote gender equity in education and employment

Fund professional training and a quarterly scholarship for employees

Enable work/life balance and promote employee health and well-being

# Social Focus: Diversity Action

PCN is proud to support the equality and empowerment of women and minorities in the workplace, marketplace, and our community. We are actively engaged in the Women's Business Enterprise National Council (WBENC). Katrin Hillner, PCN's President & CEO, serves on the Program Committee and as an Envoy for Women's Business Enterprise Center East, to help drive the growth and success of other WBEs. We support WBENC's Amplify and WEConnect International's Building Brighter Futures and WBENC's Collegiate Accelerator – an entrepreneurial program focused on the advancement of collegiate female founders.

To help create a more equitable and inclusive future for all, PCN's CEO served for seven years on the Executive Committee of the Pennsylvania Governor's Council for Diversity Inclusion and Small Business Opportunity. With the goal of enabling diversity spend to be accurately counted, reported, and managed, the Committee conducted a five-year study of contracts awarded by the Pennsylvania Department of General Services (DGS). The study found a disparity index of 20 across all minorities and women owned businesses – meaning only $0.20 for every DGS dollar awarded was spent with SDBs during the study period.



Katrin Hillner with her mentee, Alondra Castillio, Founder of WiseWheel

# Social Focus: Employee Wellbeing

PCN is deeply committed to creating and maintaining a workplace that is inclusive and equitable for all. We believe all people should enjoy a life of health and wellbeing and put these beliefs into practice through our benefits. All employees are covered by company-funded medical, dental, long-term disability, short-term disability, and life insurance. We have implemented a quarterly employee scholarship to provide financial assistance to employees pursuing education, certifications, and training that can benefit both themselves and the company. Our unique company culture is at the heart of our success.

PCNers have diverse interests and passions, and we encourage them to support causes that are important to them by reimbursing charity event entry fees, providing paid time off for volunteer activities, and sponsoring company events with charitable donations. We empower employees to support causes that align with their values to create a more engaged and socially responsible workforce.

# Governance

PCN is committed to always doing the next right thing. This means we are not only aware of our legal and ethical obligations, we actively work to eliminate corruption and conduct business with integrity.

Future steps:
- Investigate supply chain data privacy, compliance, and security programs

Abide by codes of conduct in interpersonal behavior, fair competition, and anti-corruption

Protect the non-public information of customers, partners, and employees

Guard customer systems with ISO27001 Information Security Mgmt System (ISMS)

Employee integrity training: CPNI, Code of Conduct, Anti-Discrimination, backed by anonymous reporting options.

Annually validate compliance with training, ISMS, supplier and customer requirements