



Cleaner Living Services Environmental Stewardship and Sustainability Policy

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Approved by: Susan Popovic, Vice President

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1. Corporate Sustainability Commitment

Cleaner Living Services ("CLS") is committed to operating responsibly, ethically, and sustainably while delivering exceptional commercial cleaning services that protect human health, indoor environmental quality, and the natural environment.

Our sustainability strategy recognizes that environmental stewardship, responsible business practices, employee well-being, and strong supplier relationships are essential to long-term business success. We strive to reduce our environmental footprint while creating healthier workplaces for our employees, customers, and the communities we serve.

CLS integrates Environmental, Social, and Governance (ESG) principles into our business decisions and supports internationally recognized human rights, ethical labor practices, environmental protection, and responsible corporate governance.

Our sustainability commitments align with applicable federal, state, and local regulations and support customer sustainability initiatives, including expectations established by automotive manufacturers, commercial building owners, and organizations pursuing sustainable building certifications such as LEED and the WELL Building Standard.



CLS is committed to continual improvement by establishing measurable sustainability objectives, monitoring our performance, and encouraging innovation throughout our operations and supply chain.

CLS is also committed to transparency. We plan to publish a Corporate Social Responsibility (CSR)/Sustainability Report every year, have it independently assured, and openly disclose our human rights and environmental risks, what we are doing about them, and how well those measures are working (see Section 11).

2. Purpose

The purpose of this Environmental Stewardship and Sustainability Policy is to establish CLS's commitment to responsible environmental, social, and ethical business practices.

This policy establishes the Company's expectations regarding:

- Human rights and fair labor practices
- Employee health and safety
- Ethical business conduct
- Environmental protection
- Sustainable cleaning practices
- Indoor environmental quality
- Responsible procurement
- Supplier sustainability
- Identification and management of human rights and environmental risks
- Public, independently assured sustainability reporting
- Continuous improvement

This policy serves as the foundation for CLS's sustainability management system and supports customer, regulatory, and stakeholder expectations. It should be read together with the CLS Code of Conduct, Business Ethics, Human Rights, and Workplace Standards Policy.

3. Scope

This policy applies to all CLS operations, including:

- Corporate management
- Office personnel
- Field supervisors
- Custodial employees
- Temporary employees
- Contractors
- Subcontractors
- Suppliers
- Vendors
- Business partners acting on behalf of CLS



Where appropriate, suppliers are expected to adopt similar sustainability principles throughout their own organizations and supply chains.

4. Governance and Responsibility

Executive management is responsible for implementing, maintaining, and periodically reviewing this policy.

Management responsibilities include:

- Establishing sustainability objectives.
- Ensuring compliance with applicable laws and regulations.
- Providing adequate employee training.
- Monitoring environmental and social performance.
- Supporting responsible procurement practices.
- Reviewing supplier sustainability performance.
- Overseeing the identification of human rights and environmental risks and reviewing the effectiveness of the measures taken to address them.
- Approving the annual CSR/Sustainability Report before it is published and arranging its independent assurance.
- Overseeing compliance with statutory due diligence obligations and the annual report on their fulfilment.
- Identifying opportunities for continual improvement.
- Allocating appropriate resources to achieve sustainability goals.

The Vice President is accountable for this policy. Susan Popovic serves as Sustainability Reporting Lead and is responsible for collecting data, coordinating risk assessments, preparing the annual report, and managing the assurance process. Executive management reviews sustainability performance and risks at least annually, including progress on greenhouse gas reduction targets and on certification of the environmental and energy management systems.

Employees are responsible for:

- Following this policy.
- Working safely.
- Conserving natural resources.
- Reporting concerns.
- Respecting fellow employees.
- Supporting CLS's sustainability initiatives.
- Participating in required sustainability and safety training.

Suppliers are expected to support CLS's sustainability objectives and maintain policies consistent with the principles contained in this document.



Sustainability Principles

CLS is guided by the following principles:

- Conduct business with honesty and integrity.
- Respect internationally recognized human rights.
- Protect employee health and safety.
- Reduce environmental impacts.
- Promote diversity, equity, and inclusion.
- Improve indoor environmental quality.
- Support sustainable purchasing.
- Reduce greenhouse gas emissions.
- Improve energy efficiency.
- Encourage renewable energy where practical.
- Minimize waste through reduction, reuse, and recycling.
- Protect natural resources.
- Be transparent about our risks, our progress, and our results.
- Promote continual improvement throughout our operations and supply chain.

These principles guide all sustainability-related decisions made by CLS and establish the expectations communicated to our employees, suppliers, and business partners.

5. Human Rights and Labor Standards

5.1 Commitment to Human Rights

CLS is committed to respecting and protecting internationally recognized human rights throughout our operations and supply chain. We conduct business in accordance with applicable labor laws and support the principles contained in the United Nations Universal Declaration of Human Rights, the International Labour Organization (ILO) Core Conventions, and the United Nations Guiding Principles on Business and Human Rights.

We are committed to maintaining a workplace where every employee is treated with dignity, fairness, and respect. Human rights considerations are integrated into our employment practices, supplier relationships, and business decisions.

CLS expects employees, contractors, suppliers, subcontractors, and business partners to uphold these same principles.

5.2 Child Labor and Young Workers

CLS strictly prohibits the use of child labor.

We will not knowingly employ anyone below the minimum legal working age established by applicable laws and regulations. CLS's minimum age of new hires is 18 years old.

Suppliers are expected to maintain similar policies throughout their operations.



5.3 Wages and Benefits

CLS is committed to fair compensation practices.

Employees shall receive wages, overtime compensation, and legally required benefits that meet or exceed applicable federal, state, and local labor laws.

The Company will:

- Pay employees accurately and on time.
- Maintain transparent payroll practices.
- Provide legally required benefits.
- Comply with overtime regulations.
- Maintain accurate payroll records.
- Ensure employees understand their compensation.

Unauthorized deductions from wages are prohibited.

5.4 Working Hours

CLS complies with all applicable laws governing working hours. The Company is committed to providing employees with:

- Appropriate meal periods.
- Required rest breaks.
- Legally required days of rest; 40hour work week Monday – Friday. Additional hours are considered overtime.
- Overtime compensation where applicable.

CLS rarely has overtime requirements, and when we do, Overtime is always voluntary and shall never be used in a manner that compromises employee health or safety.

5.5 Modern Slavery, Forced Labor, and Human Trafficking

CLS maintains a zero-tolerance policy toward:

- Forced labor
- Bonded labor
- Debt servitude
- Prison labor
- Human trafficking
- Modern slavery
- Involuntary labor
- Physical or psychological coercion

Employees are free to leave employment after providing reasonable notice. CLS will never:

- Retain employee passports or identification documents.
- Require deposits as a condition of employment.
- Restrict lawful freedom of movement.
- Use intimidation or coercion.



Suppliers are expected to prohibit these practices throughout their own organizations and supply chains.

5.6 Ethical Recruiting

CLS recruits employees fairly, ethically, and transparently. Recruitment practices include:

- Honest job advertisements.
- Clearly communicated employment terms.
- Equal employment opportunities.
- Compliance with employment laws.
- No recruitment fees charged to workers.
- Respect for applicant privacy.

Employees shall receive employment information in a language they understand whenever practical.

5.7 Freedom of Association and Collective Bargaining

CLS respects employees' legal rights to:

- Freely associate.
- Join labor organizations.
- Form employee organizations.
- Engage in collective bargaining where permitted by law.
- Choose not to participate in such organizations.

Employees shall not experience discrimination, intimidation, harassment, or retaliation for exercising these rights.

5.8 Equal Employment Opportunity

CLS is an Equal Opportunity Employer. Employment decisions are based solely upon qualifications, skills, experience, performance, and business needs. The Company prohibits discrimination based upon any legally protected characteristic.

5.9 Non-Discrimination, Harassment, and Respectful Workplace

CLS is committed to maintaining a respectful workplace free from harassment, bullying, intimidation, retaliation, abuse, threats, and violence.

Discrimination is prohibited based upon race, color, religion, national origin, sex, pregnancy, gender identity, sexual orientation, age, disability, veteran status, marital status, genetic information, or any other protected characteristic under applicable law.

Every employee deserves to work in an environment characterized by professionalism, dignity, and mutual respect.

5.10 Women's Rights

CLS supports equal opportunity and advancement for women at all levels of the organization. The Company prohibits discrimination related to pregnancy, childbirth, maternity leave, family



responsibilities, and gender. Gender-based harassment, discrimination, intimidation, or violence will not be tolerated.

5.11 Diversity, Equity, and Inclusion

CLS recognizes that a diverse workforce strengthens innovation, service quality, and organizational performance. We are committed to:

- Equal employment opportunities.
- Inclusive hiring practices.
- Fair promotion opportunities.
- Respect for diverse backgrounds and experiences.
- A workplace where every individual feels valued and respected.

5.12 Rights of Minorities and Indigenous Peoples

CLS respects the cultures, traditions, identities, and legal rights of minority groups and Indigenous peoples. The Company will not knowingly engage in discriminatory practices affecting these communities and supports equal treatment and equal opportunity for all individuals.

5.13 Land, Forest, and Water Rights

CLS recognizes the importance of responsible land and natural resource stewardship. The Company does not knowingly participate in activities involving:

- Illegal land acquisition.
- Forced eviction.
- Destruction of protected forests.
- Violations of community water rights.
- Violations of Indigenous land rights.

Suppliers are encouraged to demonstrate similar respect for lawful land ownership and environmental stewardship.

5.14 Responsible Use of Security Personnel

Where security services are utilized, CLS expects security personnel to operate in accordance with applicable laws and internationally recognized human rights principles. Security personnel shall:

- Treat individuals with dignity and respect.
- Avoid excessive force.
- Refrain from intimidation or harassment.
- Protect employees, visitors, and company property lawfully.
- Respect civil and human rights.

5.15 Employee Responsibilities

Every employee is responsible for supporting CLS's commitment to human rights by:

- Treating others respectfully.
- Reporting suspected violations.



- Following Company policies.
- Completing required training.
- Promoting an inclusive workplace.
- Cooperating during investigations.
- Supporting ethical business practices.

5.16 Supplier Expectations

CLS expects suppliers, subcontractors, and service providers to adopt standards consistent with this Human Rights and Labor Standards section. Suppliers should:

- Prohibit child labor and forced labor.
- Provide fair wages and working conditions.
- Respect freedom of association.
- Prevent discrimination and harassment.
- Support diversity, equity, and inclusion.
- Respect human rights throughout their operations.
- Communicate these expectations to their Tier-1 suppliers.
- Monitor compliance throughout their supply chains and implement corrective actions when necessary.

Failure to uphold these principles may affect supplier approval, continued business relationships, and future sourcing decisions.

5.17 Human Rights Risk Identification and Due Diligence

CLS carries out human rights due diligence consistent with the United Nations Guiding Principles on Business and Human Rights. At least once a year, CLS will:

- **Identify and assess** actual and potential human rights risks in its own operations and supply chain, prioritizing them by severity and likelihood, and consulting employees and, where possible, their representatives.
- **Take measures** to prevent, reduce, and remedy the risks identified.
- **Review the effectiveness** of those measures using indicators such as grievance data, audit and inspection results, training completion, wage-and-hour compliance checks, and employee feedback.
- **Plan future measures** for risks that are not yet adequately managed, with an owner and a target date for each.

The initial areas that CLS will assess, and confirm or rule out through its own risk assessment, are:

- Wage-and-hour compliance for hourly and night-shift employees.
- Use of staffing agencies, contractors, and subcontractors.
- Recruitment practices, including fees and the clarity of employment terms.
- Harassment or violence affecting employees who work alone or at night.
- Discrimination in hiring, scheduling, and advancement.
- Employee exposure to hazardous chemicals and physically demanding work.
- Freedom of association and fear of retaliation.



- Forced labor and other abuses in the supply chains of purchased products, such as paper products, textiles, and chemicals.

Results are recorded in a Human Rights Risk Register maintained by the Sustainability Reporting Lead and disclosed in the annual report as described in Section 11.

6. Health, Safety, and Employee Well-Being

6.1 Commitment

CLS believes that every workplace injury and occupational illness is preventable. Protecting the health, safety, and well-being of our employees, customers, contractors, and visitors is a core value and an essential component of our business operations.

We are committed to providing a safe, healthy, and productive work environment by complying with all applicable federal, state, and local occupational health and safety regulations, including Occupational Safety and Health Administration (OSHA) requirements, while continually improving our safety management practices.

Safety is a shared responsibility. Every employee, supervisor, manager, contractor, and supplier is expected to actively participate in maintaining a safe workplace.

6.2 Safety Management System

CLS maintains health and safety procedures designed to:

- Prevent workplace injuries and illnesses.
- Identify and reduce workplace hazards.
- Promote employee participation in safety initiatives.
- Maintain regulatory compliance.
- Support continual improvement in safety performance.

Management is responsible for ensuring adequate resources, training, supervision, and equipment are available to support safe work practices.

6.3 Regulatory Compliance

CLS complies with all applicable health and safety laws, regulations, customer requirements, and industry best practices. This includes compliance with, where applicable:

- OSHA regulations
- Hazard Communication Standard (HazCom)
- Globally Harmonized System (GHS)
- EPA chemical requirements
- State occupational safety regulations
- Customer-specific safety requirements
- Applicable fire and life safety codes



6.4 Hazard Identification and Risk Assessment

CLS continually evaluates workplace hazards to reduce employee exposure to injury and illness. Hazard assessments may include:

- Chemical hazards
- Slip, trip, and fall hazards
- Ergonomic risks
- Electrical hazards
- Equipment safety
- Indoor air quality concerns
- Biological contaminants
- Bloodborne pathogen exposure
- Noise exposure
- Heat or cold stress
- Manual material handling

Identified hazards shall be corrected promptly using engineering controls, administrative controls, safe work practices, or personal protective equipment.

6.5 Personal Protective Equipment (PPE)

CLS provides appropriate personal protective equipment based on job responsibilities and hazard assessments. Employees shall:

- Wear required PPE.
- Maintain PPE in good condition.
- Report damaged equipment.
- Follow all PPE procedures.
- Participate in PPE training.

Examples include gloves, safety glasses, respiratory protection where required, slip-resistant footwear, high-visibility apparel where appropriate, and hearing protection when necessary.

6.6 Chemical Safety

CLS is committed to responsible chemical management that protects employees, building occupants, and the environment. The Company shall:

- Purchase environmentally preferable cleaning products whenever practical.
- Maintain current Safety Data Sheets (SDS).
- Properly label all chemical containers.
- Store chemicals safely in designated areas.
- Utilize dilution-control systems where feasible.
- Prevent incompatible chemical storage.
- Train employees regarding chemical hazards.
- Follow manufacturer instructions for safe use.



Chemical safety procedures cover GHS labeling, secondary labels, required PPE, OSHA spill procedures, bodily fluid cleanup, and the Hazard Communication Standard. Employees shall never mix chemicals unless specifically instructed by approved procedures.

6.7 Emergency Preparedness

CLS maintains procedures designed to prepare employees for workplace emergencies. Emergency planning may include fire response, medical emergencies, severe weather, chemical spills, utility failures, building evacuations, workplace violence response, and natural disasters. Employees shall receive appropriate emergency response training for their assigned responsibilities.

6.8 Incident Reporting and Investigation

All workplace incidents, injuries, illnesses, property damage, and near misses shall be reported promptly. CLS investigates incidents to:

- Identify root causes.
- Implement corrective actions.
- Prevent recurrence.
- Improve workplace safety.

Incident investigations are intended to improve workplace safety rather than assign blame.

6.9 Ergonomics

Because commercial cleaning involves repetitive motion and material handling, CLS promotes ergonomic work practices designed to reduce musculoskeletal injuries. Where practical, CLS will:

- Utilize ergonomically designed equipment.
- Encourage proper lifting techniques.
- Reduce repetitive strain.
- Rotate physically demanding tasks where appropriate.
- Provide training on body mechanics.

6.10 Green Cleaning and Indoor Environmental Quality

CLS recognizes that cleaning practices directly influence indoor environmental quality. The Company is committed to:

- Improving indoor air quality.
- Reducing airborne particulates.
- Using low-emitting cleaning products whenever practical.
- Supporting healthier indoor environments.
- Maintaining equipment that captures dust and allergens effectively.
- Protecting sensitive building occupants during cleaning operations.

These practices support customer sustainability initiatives and healthy building objectives. See also Sections 7.7 through 7.9.



6.11 Sustainable Cleaning Equipment

CLS seeks to utilize cleaning equipment that supports employee safety and environmental responsibility. Where practical, equipment should operate efficiently, reduce energy consumption, minimize noise emissions, improve particulate capture, reduce operator fatigue, and support indoor air quality. Equipment shall be maintained according to manufacturer recommendations to ensure safe operation. See also Section 7.10.

6.12 Employee Training

Employees receive training appropriate to their assigned responsibilities. Training may include:

- Workplace safety
- Hazard communication
- Chemical handling
- PPE
- Bloodborne pathogens
- Emergency response
- Equipment operation
- Ergonomics
- Slip and fall prevention
- Sustainable cleaning practices
- Indoor air quality awareness
- Customer-specific safety requirements

Refresher training is conducted periodically as needed.

6.13 Employee Wellness

CLS believes employee well-being contributes to safer workplaces. The Company encourages:

- Healthy work practices.
- Adequate rest.
- Hydration during physically demanding work.
- Respectful communication.
- Work-life balance where operationally feasible.
- Early reporting of injuries and illnesses.

6.14 Supplier and Contractor Safety

Suppliers, subcontractors, and contractors performing work on behalf of CLS are expected to maintain health and safety practices consistent with this policy. They shall:

- Comply with applicable safety regulations.
- Provide required employee training.
- Maintain appropriate insurance where applicable.
- Use required PPE.
- Report safety incidents.
- Cooperate during safety investigations.



6.15 Continuous Improvement

CLS is committed to continually improving health and safety performance through:

- Regular policy reviews.
- Employee feedback.
- Safety inspections.
- Incident trend analysis.
- Corrective and preventive actions.
- Employee training.
- Equipment improvements.
- Customer feedback.
- Sustainability initiatives that improve workplace health.

Management will periodically evaluate safety objectives and implement improvements that protect employees while supporting CLS's commitment to environmental stewardship and operational excellence.

7. Environmental Stewardship

7.1 Environmental Commitment

CLS is committed to protecting the environment through responsible business practices, sustainable cleaning operations, and continual environmental improvement. We recognize that environmental stewardship is essential to protecting natural resources, improving indoor environmental quality, supporting healthier workplaces, and creating long-term value for our customers, employees, suppliers, and communities.

Environmental sustainability is integrated into our daily operations, purchasing decisions, employee training, and supplier relationships. We strive to minimize our environmental footprint while delivering exceptional cleaning services that support healthier buildings and sustainable business practices.

CLS complies with all applicable environmental laws and regulations and continually evaluates opportunities to improve environmental performance.

7.2 Environmental Objectives

CLS is committed to:

- Reducing greenhouse gas (GHG) emissions.
- Improving energy efficiency.
- Supporting renewable energy where practical.
- Reducing our carbon footprint.
- Conserving water resources.
- Protecting indoor and outdoor air quality.
- Managing cleaning chemicals responsibly.
- Reducing waste generation.
- Promoting reuse and recycling.



- Conserving natural resources.
- Protecting biodiversity.
- Preventing pollution.
- Supporting healthier indoor environments.
- Continuously improving environmental performance.

These objectives guide our operational decisions and sustainability initiatives. CLS will set measurable targets for them as described in Section 13.

7.3 Greenhouse Gas Emissions and Decarbonization

CLS recognizes the importance of reducing greenhouse gas emissions associated with our operations. We strive to:

- Improve operational efficiency.
- Reduce unnecessary fuel consumption.
- Optimize employee travel routes where practical.
- Select energy-efficient equipment.
- Reduce unnecessary electricity consumption.
- Encourage electronic communication to reduce paper usage.
- Support customer initiatives that reduce carbon emissions.

CLS periodically evaluates opportunities to reduce our carbon footprint through improved technology, operational efficiencies, and sustainable purchasing practices.

GHG emissions policy. CLS commits to measuring, reducing, and plans to openly report the greenhouse gas emissions of its operations and its supply chain. This commitment covers direct emissions (Scope 1), emissions from purchased energy (Scope 2), and upstream supply chain emissions (Scope 3). CLS will set reduction targets, seek Science Based Targets initiative (SBTi) approval for them, and report progress every year, as set out in Section 7.22. Executive management is accountable for achieving the targets.

7.4 Energy Efficiency

CLS promotes responsible energy management throughout our operations. Where practical, we will:

- Purchase energy-efficient cleaning equipment.
- Utilize battery-powered equipment with improved energy performance.
- Turn off lights in unoccupied work areas when appropriate.
- Reduce unnecessary equipment operation.
- Maintain equipment to maximize efficiency.
- Encourage employees to conserve electricity during cleaning operations.

Energy efficiency is a determining factor during equipment replacement and purchasing decisions.

7.5 Renewable Energy

CLS supports the transition toward renewable energy. Where economically and operationally feasible, we encourage:

- Renewable electricity procurement.
- Renewable energy programs offered by utility providers.



- Suppliers utilizing renewable energy.
- Equipment that supports lower-carbon operations.

While recognizing the operational realities of a commercial cleaning business, CLS remains committed to evaluating renewable energy opportunities as technology and infrastructure continue to evolve.

7.6 Water Stewardship

Water is a valuable natural resource. CLS promotes responsible water management by:

- Minimizing unnecessary water consumption.
- Using microfiber cleaning systems that reduce water usage.
- Utilizing dilution-control systems to reduce waste.
- Promptly reporting water leaks observed during customer service visits.
- Following manufacturer dilution recommendations.
- Encouraging employees to use only the amount of water necessary to perform assigned cleaning tasks effectively.

7.7 Indoor and Outdoor Air Quality

CLS recognizes that commercial cleaning directly affects indoor environmental quality. Our cleaning practices are designed to support healthier indoor environments by:

- Using low-emitting cleaning products whenever practical.
- Utilizing HEPA-filtered vacuum cleaners where appropriate.
- Reducing airborne dust and allergens.
- Selecting equipment designed to minimize particulate emissions.
- Following proper cleaning sequences that reduce contaminant distribution.
- Supporting customer indoor air quality initiatives.
- Reducing odors associated with cleaning operations.

These practices help protect building occupants, visitors, and cleaning personnel.

7.8 Responsible Chemical Management

CLS is committed to selecting, storing, using, and disposing of cleaning chemicals responsibly. Whenever practical, cleaning products should:

- Meet recognized environmental certifications such as Green Seal or UL ECOLOGO.
- Contain reduced volatile organic compounds (VOCs).
- Support healthier indoor environments.
- Minimize environmental impacts.
- Reduce employee chemical exposure.

The Company shall:

- Maintain Safety Data Sheets (SDS).
- Properly label containers.
- Store chemicals safely.
- Prevent incompatible chemical storage.
- Train employees on proper handling procedures.



- Utilize dilution-control systems whenever practical.
- Follow all applicable OSHA and EPA requirements.

7.9 Sustainable Cleaning Products

CLS purchases sustainable cleaning products that meet the following requirements, where applicable:

- Approved third-party certifications.
- Low-VOC requirements.
- Disposable paper standards.
- FSC-certified products.
- Recycled-content products.
- Rapidly renewable resources.
- Trash liner requirements.

Environmentally preferable cleaning products should be certified by recognized third parties, support low-emission indoor environments, reduce hazardous ingredients, use recyclable packaging, use concentrated formulations that reduce transportation impacts, and improve worker safety. Products are selected against the following standards and programs, as applicable:

- Green Seal GS-37, GS-40, GS-41, and GS-42
- UL ECOLOGO 2792, 2759, 2798, 2791, 2796, 2777, and 175
- EPA Comprehensive Procurement Guidelines (CPG)
- Forest Stewardship Council (FSC)
- California VOC Regulations
- WELL Building Standard
- LEED v4.1 O+M
- Carpet & Rug Institute Green Label
- Carpet & Rug Institute Seal of Approval

Suppliers are encouraged to continually improve product sustainability.

7.10 Sustainable Cleaning Equipment

CLS promotes the use of equipment that supports sustainability, employee safety, and indoor environmental quality. Preferred equipment includes:

- Equipment rated below 70 dBA and other low-noise equipment that reduces noise emissions.
- Automatic scrubbers.
- Battery-powered equipment that minimizes energy consumption.
- Equipment that captures fine particulates effectively, such as CRI Green Label vacuums and CRI Seal of Approval extractors.
- Ergonomic equipment that improves ergonomic performance.

CLS also extends equipment life through preventative maintenance and reduces unnecessary waste through refurbishment and repair whenever feasible.

7.11 Sustainable Resource Management

CLS promotes responsible use of natural resources throughout our operations. We seek to:



- Reduce material consumption.
- Purchase durable products.
- Extend equipment life.
- Reduce unnecessary packaging.
- Support suppliers with sustainable manufacturing practices.
- Encourage digital documentation to reduce paper consumption.

7.12 Waste Reduction

CLS follows the waste management hierarchy:

1. Reduce
2. Reuse
3. Recycle
4. Recover
5. Dispose responsibly

Operational practices include:

- Purchasing concentrated chemicals.
- Reducing disposable materials.
- Minimizing packaging waste.
- Extending equipment life through preventative maintenance.
- Reducing unnecessary paper use.

7.13 Reuse and Recycling

CLS supports recycling programs whenever available. Employees are encouraged to recycle paper, cardboard, plastics, aluminum, steel, electronics, batteries, and packaging materials. Whenever practical, equipment and components should be refurbished or repaired before replacement.

7.14 Biodiversity, Land Use, and Deforestation

CLS supports responsible sourcing practices that minimize impacts on biodiversity and natural ecosystems. Where applicable, we encourage suppliers to:

- Protect forests.
- Reduce deforestation.
- Preserve wildlife habitats.
- Minimize ecosystem disturbance.
- Source products responsibly.

7.15 Animal Welfare

Where products contain animal-derived materials, CLS supports humane treatment of animals and encourages suppliers to comply with recognized animal welfare standards.

7.16 Soil Quality and Pollution Prevention

CLS seeks to prevent pollution that could adversely affect soil quality by:

- Properly storing chemicals.



- Preventing spills.
- Following spill response procedures.
- Properly disposing of waste.
- Complying with environmental regulations.

7.17 Noise Emissions

CLS recognizes that excessive noise may affect employees and building occupants. Where practical, we seek to:

- Purchase lower-noise cleaning equipment.
- Maintain equipment properly.
- Schedule noisy operations during appropriate hours.
- Minimize disruption to building occupants.

7.18 Sustainable Procurement

Environmental performance is considered during purchasing decisions. CLS encourages suppliers to:

- Reduce greenhouse gas emissions.
- Improve energy efficiency.
- Utilize renewable energy where practical.
- Reduce waste.
- Improve product sustainability.
- Reduce packaging.
- Protect human rights.
- Maintain ethical business practices.

Preference may be given to suppliers demonstrating strong environmental stewardship and ESG performance. See also Sections 9 and 10.

7.19 Environmental Performance Measurement

CLS periodically reviews environmental performance where practical, including:

- Energy conservation initiatives.
- Waste reduction efforts.
- Recycling participation.
- Sustainable product purchases.
- Employee training completion.
- Supplier sustainability participation.
- Customer environmental requirements.

Performance information is used to identify opportunities for continual improvement and is reported as described in Sections 11 and 13.

7.20 Continual Improvement

CLS is committed to continually improving environmental performance through:

- Employee engagement.
- Sustainability training.



- Innovation.
- Responsible purchasing.
- Supplier collaboration.
- Customer feedback.
- Periodic policy reviews.
- Environmental objective setting.
- Operational improvements.

Management will review this Environmental Stewardship section annually to ensure alignment with evolving regulations, customer expectations, industry best practices, and CLS's sustainability objectives.

Environmental stewardship is a shared responsibility, and every employee, supplier, and business partner plays an important role in helping CLS protect people, improve indoor environments, and preserve natural resources for future generations.

7.21 Environmental Risk Identification and Management

At least once a year, CLS will:

- **Identify and assess** actual and potential environmental risks in its own operations and supply chain, prioritizing them by severity and likelihood.
- **Take measures** to prevent, reduce, and remedy the risks identified.
- **Review the effectiveness** of those measures using the indicators in Sections 7.19 and 13, inspection and incident records, and building owners/customer and employee feedback.
- **Plan future measures** for risks that are not yet adequately managed, with an owner and a target date for each.

The initial areas that CLS will assess, and confirm or rule out through its own risk assessment, are:

- Chemical use, storage, spills, and disposal.
- Effects of cleaning products and practices on indoor air quality.
- Water consumption during cleaning operations.
- Waste generation and packaging, including disposables.
- Energy and fuel use from equipment and employee and vehicle travel, and the related greenhouse gas emissions.
- Deforestation and unsustainable sourcing in supply chains for paper and fiber products.
- Climate-related and severe-weather disruption to operations and customer sites.

Results are recorded in an Environmental Risk Register maintained by the Sustainability Reporting Lead and disclosed in the annual report as described in Section 11.

7.22 Greenhouse Gas Emissions Inventory and Reduction Targets

CLS will set greenhouse gas (GHG) reduction targets and report its progress every year. CLS will:

- **Measure emissions:** build a GHG inventory using the GHG Protocol Corporate Accounting and Reporting Standard. It will cover Scope 1 (fuel used in company vehicles and equipment), Scope 2 (purchased electricity), and the most significant Scope 3 categories for a cleaning business, such as purchased goods and services (chemicals, paper products, equipment), upstream transportation, waste generated in operations, business travel, and employee commuting.



- **Set reduction targets:** we will determine reduction targets after reviewing with an ESG consultant.
- **Seek SBTi approval:** align the targets with the criteria of the Science Based Targets initiative (SBTi) and submit them for validation by [date], using the route that fits CLS's size [confirm eligibility].
- **Set Scope 3 targets:** set emission reduction targets for upstream supply chain emissions (Scope 3) by 2027, starting with purchased goods and services, and work with key suppliers to meet them, for example by asking them to report their emissions and set their own targets.
- **Act and review:** assign an owner to each reduction action, review progress at least once a year, and update the targets when the science, calculation methods, or the business change.
- **Report:** publish the inventory, targets, and progress in the annual report (Section 11), and include them in the scope of independent assurance where practical.

Until targets are approved, CLS plans to record its reduction actions and show interim progress in the annual report.

7.23 Environmental Management System

CLS manages environmental issues through a documented environmental management system (EMS) made up of the policies, procedures, training, and records described in this policy and in the Employee and Manager's Training Manual on Company Standards and Policies. The EMS was developed internally and will be certified. CLS will:

- Assign responsibility for the EMS to Susan Popovi, WELL, AP.
- Maintain documented procedures for environmental risks, objectives, operational controls, emergency response, monitoring, internal audits, corrective actions, and management review.
- Carry out a gap assessment against ISO 14001:2015 by 2028
- Close the gaps found, run internal audits, and complete a management review.
- Engage an accredited certification body and obtain ISO 14001:2015 certification by [2028], covering [sites and scope].
- Keep the certification current through surveillance audits and recertification.

7.24 Energy Management System

CLS manages energy use through the practices in Sections 7.3 through 7.5. This energy management system was developed internally and we plan to certify. CLS will:

- Assign responsibility for energy management to Susan Popovic, WELL, AP
- Establish an energy baseline, identify significant energy uses such as equipment, vehicles, and facilities, and set energy performance indicators and targets.
- Carry out a gap assessment against ISO 50001:2018 by 2028
- Close the gaps found, run internal audits, and complete a management review.
- Engage an accredited certification body and obtain ISO 50001:2018 certification by 2029, covering [sites and scope].
- Keep the certification current through surveillance audits and recertification, and, where practical, combine these audits with those for the EMS.



7.25 Environmental Training

CLS trains employees on this policy when they are hired or engaged and at least once a year after that. Training is matched to the role and covers topics such as chemical handling and dilution control, waste reduction and recycling, water and energy conservation, and how to report environmental concerns. Managers receive additional training on their responsibilities under the EMS and the GHG targets. CLS keeps records of attendance and content, and reports training completion under Section 13.

8. Business Ethics and Corporate Integrity

CLS conducts business honestly, fairly, and transparently. The standards that apply to every employee, contractor, and business partner are set out in the CLS Code of Conduct, Business Ethics, Human Rights, and Workplace Standards Policy, which covers:

- Anti-corruption and anti-bribery, with zero tolerance for bribes, kickbacks, and improper payments.
- Anti-money laundering.
- Accurate financial, payroll, and operational records.
- Truthful disclosure of information to customers, partners, and regulators.
- Fair competition and compliance with antitrust laws.
- Conflicts of interest, gifts, and hospitality.
- Data protection and data security.
- Intellectual property.
- Counterfeit products.
- Export controls and economic sanctions.

The information CLS publishes about its sustainability performance must be accurate, complete, and supported by records. No employee may overstate, misstate, or selectively omit sustainability information.

9. Sustainable Procurement and Supplier Management

CLS considers ethical, human rights, and environmental performance alongside price, quality, and service when selecting suppliers. CLS will:

- Share this policy and the CLS Code of Conduct with suppliers and subcontractors at onboarding.
- Give preference to suppliers that demonstrate strong environmental stewardship and ESG performance.
- Give preference to products that carry recognized third-party certifications (see Section 7.9).
- Ask suppliers to confirm in writing that they will meet the expectations in this policy.
- Prioritize suppliers for closer review based on risk, such as the country of origin of products, the nature of the materials, and the supplier's labor practices.
- Encourage suppliers to pass these expectations on to their own suppliers.



10. Supplier Monitoring and Continuous Improvement

CLS monitors supplier performance and works with suppliers to improve it. CLS will:

- Ask higher-risk suppliers to complete a sustainability self-assessment and provide supporting evidence, such as certifications, policies, and audit reports.
- Review supplier sustainability performance at least annually.
- Investigate credible concerns about a supplier's labor, human rights, safety, or environmental practices.
- Agree on a corrective action plan with a timeline when a supplier falls short, and follow up to confirm that the actions were completed.
- Consider suspending or ending the relationship where a serious violation occurs or a supplier repeatedly fails to improve.
- Make the CLS reporting channels in Section 12 available to supplier employees.
- Report on supplier assessments and corrective actions in the annual report (see Section 11).

11. Sustainability Reporting and Disclosure

11.1 Commitment to Publish an Annual Report

CLS plans to publish a Corporate Social Responsibility (CSR)/Sustainability Report every year. The first report will cover [2027] and will be published by [2028]. Each later report will be published by [January] following the end of the reporting year.

The report will be:

- Prepared with reference to a recognized sustainability reporting framework, such as the Global Reporting Initiative (GRI) Standards.
- Approved by the Vice President before publication.
- Published on the CLS website, free to read, and shared with customers and other stakeholders on request.
- Based on records that CLS keeps, so every figure and statement in it can be traced to evidence.

11.2 Content of the Report

The report will describe:

- CLS's business, governance, and sustainability policies, including this policy and the Code of Conduct.
- Identified human rights risks and how CLS manages them (Section 11.3).
- Identified environmental risks and how CLS manages them (Section 11.4).
- Performance against the objectives and indicators in Sections 7.19 and 13, with prior-year comparisons once available.
- Health and safety performance, including injury and incident rates.
- Training completion for the Code of Conduct, safety, and sustainability.
- The number and type of concerns raised through the grievance mechanism and how they were resolved, without identifying anyone.



- Supplier assessments and corrective actions (Section 10).
- The statement on statutory due diligence obligations (Section 11.6).
- Targets and plans for the coming year.
- The independent assurance statement (Section 11.5).

The report will also present CLS's greenhouse gas emissions inventory (Scopes 1, 2, and 3), its reduction targets and progress against them, whether the targets are SBTi-approved, and the certification status of its environmental and energy management systems.

11.3 Disclosure of Human Rights Risks

For human rights, the report will disclose:

1. **Identified risks:** the human rights risks that CLS has identified in its own operations and supply chain through the process in Section 5.17, and how they were prioritized.
2. **Existing measures and their effectiveness:** the measures CLS has already taken to address each risk, such as policies, training, grievance procedures, wage-and-hour controls, and supplier requirements, together with a review of how effective those measures have been, based on indicators and evidence, including where they have fallen short.
3. **Future measures:** the further measures CLS plans to take to manage each risk, with owners and target dates.

11.4 Disclosure of Environmental Risks

For the environment, the report will disclose:

1. **Identified risks:** the environmental risks that CLS has identified in its own operations and supply chain through the process in Section 7.21, and how they were prioritized.
2. **Existing measures and their effectiveness:** the measures CLS has already taken to address each risk, such as green cleaning products and certifications, dilution-control systems, equipment choices, waste reduction and recycling, and spill procedures, together with a review of how effective those measures have been, based on indicators and evidence, including where they have fallen short.
3. **Future measures:** the further measures CLS plans to take to manage each risk, with owners and target dates.

11.5 Independent Third-Party Assurance

CLS will have each CSR/Sustainability Report assured by an independent third party. CLS will:

- Engage a qualified assurance provider that has no role in preparing the report and no conflict of interest, such as Green Seal.
- Agree the scope of assurance in advance, covering at a minimum [selected indicators and the risk disclosures in Sections 11.3 and 11.4], and widen the scope over time as reporting matures.
- Use a recognized assurance standard, such as ISAE 3000 (Revised) or the AA1000 Assurance Standard [confirm with provider].
- Publish the assurance statement with the report, including its scope, standard, level of assurance, and conclusions.



- Track any findings or recommendations from the assurance provider and correct them before the next report.

11.6 Annual Report on Statutory Due Diligence Obligations

CLS will identify the statutory due diligence obligations that apply to it, to the extent they do. These may include federal and state laws on forced labor, supply chain transparency, and responsible sourcing, and requirements that customers pass on to CLS under laws that apply to them. Legal counsel will confirm which laws apply and will review this list at least annually.

Each year CLS will report on how it has fulfilled these obligations. The statement will cover:

- The obligations that apply to CLS and how they were identified.
- The steps taken to meet them, such as policy statements, risk analysis, preventive and corrective measures, supplier controls, a grievance mechanism, and record-keeping.
- The results, including any breaches or gaps found and the corrective actions and deadlines set.
- Any reports filed with authorities or provided to customers.

The statement will be included in the CSR/Sustainability Report and approved by the Vice President. CLS will keep the supporting records for the period required by law and its record-retention policy.

11.7 Reporting Calendar and Responsibilities

Activity	Owner	Timing
Review and update the Human Rights and Environmental Risk Registers	Sustainability Reporting Lead	[Quarter / month]
Collect performance data and evidence	Sustainability Reporting Lead with department heads	[Quarter / month]
Confirm applicable statutory due diligence obligations	Legal counsel	[Quarter / month]
Draft the report	Sustainability Reporting Lead	[Quarter / month]
Independent assurance	Assurance provider	[Quarter / month]
Executive review and approval	Vice President	[Quarter / month]
Publication on the CLS website	Sustainability Reporting Lead	[Date]

11.8 Steps Before the First Report

CLS has not yet published a CSR/Sustainability Report. Before the first report is published, CLS will:

- Make this policy publicly available on the CLS website.
- Name the Sustainability Reporting Lead and set the reporting framework and timeline.
- Complete the first human rights and environmental risk assessments and create the risk registers.



- Collect baseline data for the indicators in Section 13.
- Select and engage the assurance provider.
- Complete the first statutory due diligence review.

12. Reporting Concerns and Whistleblower Protection

CLS encourages employees, workers, suppliers, and other stakeholders to report concerns about ethics violations, fraud, corruption, harassment, discrimination, safety hazards, human rights issues, environmental issues, legal violations, or violations of company policy. The full grievance mechanism and complaints procedure is set out in Section 12 of the CLS Code of Conduct.

The mechanism:

- Is handled by a person who is impartial and independent and not bound by instructions on how to decide a case.
- Has written rules that are publicly available in the languages relevant to our workforce.
- Keeps the identity of the person raising a concern confidential.
- Prohibits retaliation against anyone who raises a concern or takes part in an investigation in good faith.
- Allows concerns to be reported anonymously.
- Consults the person who raised the concern, or their representative, during remediation and resolution.

Grievance data are reviewed when CLS assesses human rights and environmental risks and are summarized in the annual report.

13. Performance Measurement

CLS sets measurable objectives and targets for its sustainability priorities and tracks them at least annually. Indicators include, where practical:

- Energy use and fuel use, and estimated greenhouse gas emissions.
- Water use.
- Waste generated and the share recycled or diverted.
- Share of cleaning products and paper products that carry recognized certifications.
- Employee injury and incident rates, near-miss reports, and corrective actions closed.
- Training completion for the Code of Conduct, safety, chemical handling, and sustainability.
- Concerns raised through the grievance mechanism, time to resolution, and outcomes.
- Share of higher-risk suppliers assessed, and corrective actions agreed and completed.
- Progress on the future measures listed in the human rights and environmental risk registers.
- Customer environmental and sustainability requirements met.



14. Policy Review

The Policy Owner reviews this policy at least once a year, and sooner if laws, customer requirements, or recognized sustainability standards change, if risk assessments or assurance findings show a gap, or if a significant incident occurs. Reviews are done with input from Legal, Compliance, Human Resources, Purchasing, Operations, Health and Safety, Risk Management, and Communications. Approved updates are version-numbered, communicated to employees and suppliers, and followed by training where needed.

Version	Date	Summary of change	Approved by
1.0	July 30, 2026	Original Environmental Stewardship and Sustainability Policy	Susan Popovic, Vice President
2.0	[insert date]	Added annual CSR/Sustainability Report, third-party assurance, human rights and environmental risk disclosure, annual statutory due diligence reporting, and supporting governance, procurement, and supplier monitoring sections; added the greenhouse gas emissions policy and targets, commitments to certify the environmental and energy management systems, and environmental training	[Susan Popovic]

15. Approval

This policy has been reviewed and approved by executive management.

Approved by: Susan Popovic

Title: Vice President

Signature: _____

Effective Date: October 15, 2026

Review Date: Annually

