



CLEAResult®

FY16 CORPORATE SOCIAL RESPONSIBILITY REPORT

July 2017

Table of Contents

- 1 Letter From Our CEO
- 2 About Us
- 3 Spheres of Corporate Social Responsibility
 - 4 Our Goals
 - 5 Our People
 - 7 Our Planet
 - 10 Our Performance
- 11 Governance and Values
- 12 Ethics and Ideals
- 14 Reporting Process and Methodology



Letter From Our CEO

At CLEAResult, our mission statement is short, but it's a tall order: We change the way people use energy.™ That's what our 2,500+ employees in the United States and Canada are doing every day, making positive improvements to this planet by saving energy and using our resources more efficiently. We're a mission-driven company and our people's passion shows through action.

As a leading provider of energy efficiency services in North America, it's important that our business provides an appropriate level of transparency, and that we hold ourselves accountable for continually improving what we do and how we do it. The more we innovate and improve in the area of energy efficiency, the better job we can do for our clients, our people, our planet and the communities in which we operate.

That's why, in 2016, we formalized our commitment to sustainable business practices and are pleased to introduce CLEAResult's first Corporate Social Responsibility report.

This report highlights the three spheres of our corporate responsibility platform: our people, our planet and our performance. We're proud of the transparency we've achieved with this report, and the information we're able to provide for our key stakeholders. We see this as a starting point, and a place from which we can challenge ourselves for continuous improvement.

Thank you for taking the time to read this report. I'm looking forward to seeing what we at CLEAResult can achieve for our collective future.

Kind regards,



Aziz Virani

Chief Executive Officer and President, CLEAResult



About Us

We change the way people use energy.™

At CLEAResult, we make energy efficiency smarter, faster and more accessible for everyone. Founded in Austin, Texas in 2003, CLEAResult started with a simple idea: that a results-oriented company could have a positive impact by helping people make smart energy decisions. In the years since, we've grown to become the single largest provider of energy efficiency solutions in North America. With offices in over 60 cities in the U.S. and Canada, we're able to tailor our efforts to fit our clients' specific needs, while positively impacting the energy landscape on a global scale.

OUR SERVICES

In the 14 years we've been in business, we've helped thousands of utilities, businesses and individuals turn energy challenges into energy solutions.

Our energy experts design and maintain energy optimization services for utility companies as well as commercial, industrial, institutional and government organizations. Our clients also rely on us for our expertise in marketing energy solutions across these sectors. We deliver solutions that help better manage load requirements for utilities, reduce energy bills for customers and minimize environmental burdens on communities.

SHAPING THE FUTURE

Supporting and working with energy associations and organizations to help shape the future is important to us. We believe that by working together, we can ensure the energy industry continues to evolve and innovate in a way that helps people and preserves our planet. That's why we are active in more than 35 national, state and local energy bodies across North America.

“

By helping our clients incorporate new programs and technologies into their energy efficiency plans, we're building a bright future for utilities, their customers and the environment as a whole.

”



Aziz Virani
CEO and President



Spheres of Corporate Social Responsibility

Because of the mission-driven nature of our business, we focus our corporate responsibility efforts where we can make the greatest impact: on our people, our planet and our performance. If we approach each of these areas deliberately and conscientiously, it will help us make a real difference.

OUR PEOPLE

As a consulting business, our people are our greatest asset. It's crucial that we create and maintain an environment that encourages our people to thrive, while at the same time attracting new talent to come on board.

OUR PLANET

By helping our clients be more energy efficient, we are already positively affecting the environment. But it's also important that we examine how our own business decisions affect our planet. We're focused on our own operations and finding opportunities to reduce and improve CLEAResult's environmental impact.

OUR PERFORMANCE

Our success stems from our clients' success. The work we do for them is at the heart of our mission. We leverage our people, insights and technology to create impactful energy efficiency programs for utilities and businesses throughout the U.S. and Canada. And we hold ourselves accountable for delivering real results.

OUR GOALS: JUST GETTING STARTED

In formalizing our corporate responsibility efforts in 2016, we defined three key goals for ourselves:

- Maintain a work environment that encourages our people to thrive.
- Establish a baseline understanding of our corporate environmental impact.
- Establish a baseline understanding of client impact.



OUR GOALS

What we achieved in 2016		Assessment	Looking ahead to 2017
People: Maintain a work environment that encourages our people to thrive.			
618	New employees hired	●	
3,338	Hours of employee training completed	●	
99	In-person training sessions conducted	●	
56	New virtual training courses offered for employees	●	
5	New training tracks developed for employee career-pathing	●	
1	Employee engagement survey issued and baseline satisfaction score determined	●	Develop and implement action plans to raise employee satisfaction scores from 67 to 70.
2	Cross-company employee engagement programs launched	●	
—	N/A	—	Establish employee volunteerism baseline.
—	N/A	—	Increase women in leadership to 32%.
Planet: Establish a baseline understanding of our corporate environmental impact.			
7,665,307	Miles traveled by car on field assignments	—	
5,001,682	Miles of air travel	—	Continue air travel only when necessary and when a virtual meeting solution is not feasible.
1,354	Metric tons of CO ₂ from air travel	—	Continue air travel only when necessary and when a virtual meeting solution is not feasible.
72,463	Virtual meetings initiated to offset business travel	●	Increase virtual meetings by 10%.
35%	Employees participated in Green Team and behavior change initiatives	●	Two new Green Teams established, 40% of employees participate in sustainability initiatives.
—	N/A	—	Understand impacts of employee commute habits.
Performance: Establish a baseline understanding of client impact.			
700+	Energy efficiency programs activated	●	Continue to positively impact our clients by meeting or exceeding savings goals.
4,500+	Gigawatt hours saved	●	
54M+	Therms saved	●	
490K+	Rebates processed for our clients' customers	●	
10M+	Customer service calls handled for our clients	●	
20	New virtual training courses offered for trade allies and clients	●	
—	N/A	—	Average 4.5 of 5 on client satisfaction scores.
—	N/A	—	Establish executive corporate responsibility advisory group.



OUR PEOPLE

Our business is built by our people. By encouraging the development of new skills, and fostering collaboration among peers, we've created an environment where our people can thrive professionally and take on new challenges as they come.

Listening so we can improve

We want our employees to have a voice and be able to provide feedback so we can all improve. In 2016, we introduced the first all-employee satisfaction survey at CLEAResult to establish a baseline satisfaction score. We also obtained insights across several dimensions including career and growth, culture, leadership, training, benefits and more. We are already using the feedback from our employees to inform some of the improvements we will make across the organization in 2017.

Giving back and creating bonds

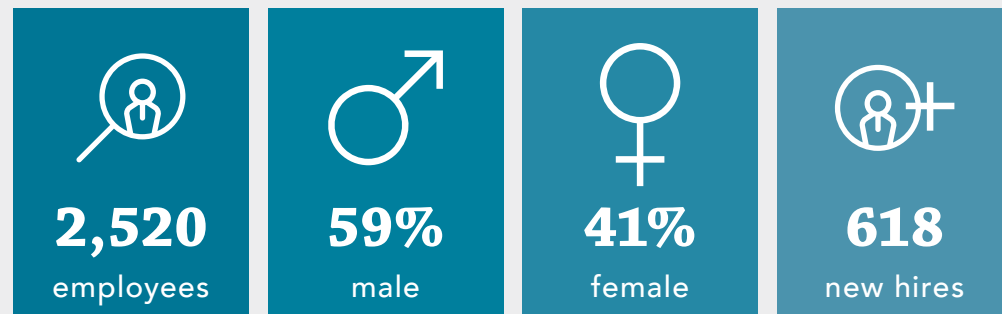
By volunteering and giving back, our employees have an opportunity to build relationships with each other and to positively impact their local communities. We're widely dispersed in over 60 offices across North America, which makes connecting on a local level even more important to the growth and satisfaction of our team members.

This year, we saw our employees achieve some outstanding accomplishments:

- Our team in Michigan rolled up their sleeves to help the city of Flint address its ongoing water crisis. Sixty-two of our team members helped distribute nearly 7,000 gallons of water to 650 homes.
- In CLEAResult's hometown of Austin, Texas, teams took time out to help beautify the Community First! Village, a 27-acre master planned community that provides affordable, permanent housing and a supportive community for the disabled, chronically homeless in Central Texas.
- Austin employees also lent a hand at Austin Sunshine Camps, an organization that helps high-potential, low-income Central Texas students succeed.
- In Boulder, Colorado, our team members celebrated Earth Day by launching our first annual community clean up. The team recruited other nearby companies, and together we removed waste from areas surrounding the offices and in local parks and pathways.
- In the western U.S., we organized a week of volunteer activities at multiple organizations with missions ranging from food security and environmental restoration to children's art projects. In total, 198 employees across Oregon, Washington, Utah, California and British Columbia completed nearly 600 hours of volunteer work.

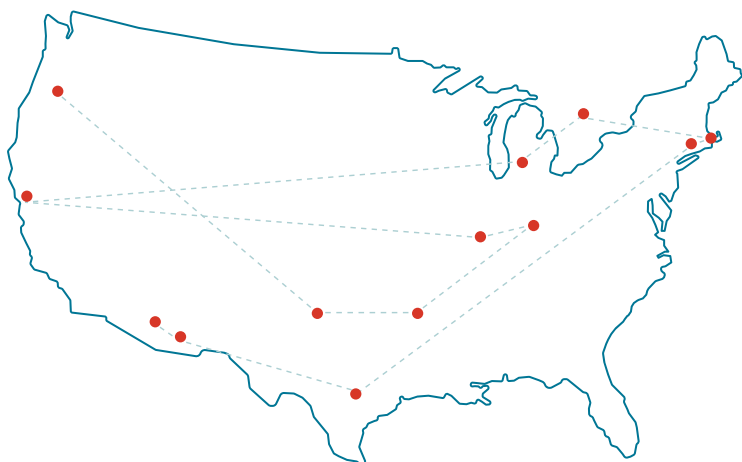
OUR PEOPLE, CONT.

Who we are | 2016 snapshot



Key locations

Austin 172	Oklahoma City 46
Columbus 48	Phoenix 113
East Lansing 122	Portland 267
Illinois (Remote) 53	San Bruno 62
Little Rock 57	Tempe 62
Massachusetts (Remote) 125	Toronto 101
Michigan (Remote) 45	Westborough 177



EXPANDING OUR SKILLS WITH TRAINING

99 *live courses
delivered*

56 *new virtual courses
offered for employees*

3,338 *new virtual courses offered
for clients and trade allies*

20 *virtual training
courses completed*

OUR PLANET

Throughout 2016, we looked inward to make certain that we, as a business, were taking steps toward improving the environment. This year, we set a goal to assess CLEAResult’s environmental impact to ensure we have a solid foundation to build on going forward.

Business emissions fall into three categories (Scopes 1, 2 and 3). Scope 1 emissions are direct emissions that come from a source controlled by the business, such as a power plant. CLEAResult has no such emissions. Scope 2 emissions are indirect emissions generated by purchase of electricity and steam for heating and cooling. Scope 3 emissions are other indirect emissions outside the organization. For us, this is where our biggest impact and opportunity for environmental and cost savings exists, namely business travel. We focused on travel as a key area of impact for 2016.

In the day-to-day effort of our business, we identified business travel as a significant impact that we could track. Last year, we traveled 7,665,307 miles in the field and 5,001,682 miles by air for business purposes. Together this accounts for a total of 3,150 metric tons of CO₂ from ground travel and 1,354 metric tons of CO₂ from air travel.



Our business travel is equivalent to:



863 passenger vehicles being driven for one year



The energy used by **431** homes in one year



The carbon sequestered by **3,868** acres of U.S. forest in one year

As a service organization, roughly 30 percent of our staff work in the field, where their key charge is to deliver on-the-ground energy savings. This requires transportation to various locations. To mitigate negative environmental effects of air travel, we rely heavily on audio and video conferencing technology to keep travel low.

We avoided travel with:



72,463 virtual meetings

“

Thank you for signing CLEAResult up for the EcoChallenge. I thought that it was so much fun to get everyone involved throughout the company. It led to a lot of discussion here in the Columbus office, and I even got to connect with others across the company who were participating. Overall, a really great experience!

”



Kevin Zacharyasz
Associate Program Manager

OUR PLANET, CONT.

In addition to quantifying our impact, we set out to engage passionate employees, which we accomplished through two campaigns: Energy Showdown and EcoChallenge.

Energy Showdown

As an energy efficiency company, we're mindful of our energy usage. One way to increase energy efficiency is through behavior change programs. For three weeks during the spring of 2016, our offices divided into five regional teams, competing to reduce energy use for a good cause. Employees voted on regional causes and nonprofit organizations, and CLEAResult donated to the winning team's organization, the Community Energy Project in Oregon. Over 600 employees committed to changes like:

- Turning off the lights
- Turning down the brightness of monitors
- Removing personal appliances from offices and desks
- Closing the shades to prevent heat loss at night
- Opening the blinds during the day for more natural light
- Powering off computers at night
- Unplugging phone and other device chargers

EcoChallenge

In the fall of 2016, CLEAResult participated in the Northwest Earth Institute's annual EcoChallenge. For two weeks, participants from around the world took personal action to reduce individual environmental impact. Our team came in third place out of 450 teams and 8,300 individual participants. An employee from our Columbus office was the top overall participant. In just two short weeks, we:

- Replaced 168 light bulbs
- Spent 17,335 minutes outdoors
- Carpooled 590 miles
- Saved 14,346 gallons of water
- Volunteered 84 hours
- Consumed 190 zero waste meals



OUR PLANET, CONT.

Going green

Green Teams are key drivers of our environmental efforts. They're instrumental in creating positive environmental change across CLEAResult. This year we saw an expansion of Green Teams in our largest offices and made tools and resources available to local teams so that they can set up Green Teams of their own. Green Teams are encouraged to personalize and localize their programs, while setting specific plans with measurable goals in the area of waste, water and energy savings within CLEAResult and in the community.

Environmental honors

We recognize the impact our workspaces have on the environment and we're pleased to have achieved two noteworthy awards for our largest offices.

In Austin, our corporate headquarters received the Austin Green Business Leaders Platinum certification, the highest level of certification a local business can attain. Businesses are awarded this distinction for incorporating sustainability best practices including energy efficiency measures, waste reduction, water management, employee health, transportation, community stewardship and employee engagement.

In Portland, we earned the city's Sustainability at Work Gold certification for the second time. This is the highest level of certification for local businesses and requires companies to integrate a variety of sustainability best practices, from energy savings measures and recycling systems to employee education and engagement.





4,500+ *gigawatt hours saved*

54M+ *therms saved*

700+ *energy efficiency programs active*

490K+ *rebates processed*

10M+ *calls handled*

OUR PERFORMANCE

The work that we do for our clients is our greatest source of pride. Together we are truly changing the way people use energy. By listening to our clients, we drive their success with creative strategies and tactical execution to achieve their goals and maximize customer satisfaction.

The numbers tell an effective story about the impact we have for our clients. But we don't just save energy and money. A closer look reveals evidence of our work benefitting the environment in profound ways.

For example, our engineers helped dairy farmers in drought-stricken California implement programs that not only realize energy savings, but also substantially reduce groundwater usage. Our innovative refrigeration programs have saved California's dairy industry over 500 million gallons per year in claimable groundwater.

Educate to innovate

In 2016, we stepped up our educational efforts by bringing more than 100 of our clients together at our annual Energy Forum to attend sessions, workshops and keynotes examining the energy industry and preparing for its future. The insights from this event were later compiled into our Innovation Outlook report and made available to our clients, our partners and those in the energy industry, and to the public at large.



Governance and Values

CLEAResult's commitment to corporate social responsibility is rooted in our business management as well as the common cultural ideals we embrace.

GOVERNANCE STRUCTURE

CLEAResult is a portfolio company of General Atlantic, a private equity firm that not only supports us strategically, but holds us accountable for operating ethically. We're also guided by governing bodies and a formal code of ethics by which we hold ourselves responsible.

Executive committee

Our executive committee is the decision-making team responsible for delivering and executing our business and financial plan as well as our company strategy. This team is also responsible for developing and carrying out our talent management plan. Members of the executive committee include:

Aziz Virani | chief executive officer and president

Terry Moore | chief operating officer

David Mehok | chief financial officer

Greg Sarich | chief information officer

Colleen Langevin | chief marketing officer

Sid Ferrales | chief human resources officer

Joe Mattoon | chief legal officer

Holly Benz | senior vice president, commercial & industrial service line

Robert King | senior vice president, residential service line

Richard G  n  c   | senior vice president, west operating unit lead

Victor Pisani | senior vice president, east operating unit lead

Bob Eckel | senior vice president

Michele Negley | senior vice president

Jonathan Seltzer | vice president, corporate development



Board of directors

Our board of directors is comprised of policymakers, entrepreneurs and strategic thinkers, all of whom tirelessly advocate for our company. They're instrumental in our efforts to advance technologies, stimulate conversation and positively impact the energy experience, both locally and globally. CLEAResult's board members include:

Eric Spiegel | chair, former president and CEO, Siemens USA

Mark Dzialga | managing director at General Atlantic

Aziz Virani | chief executive officer and president, CLEAResult

Jim Stimmel | co-founder, CLEAResult

Michael Chesser | senior fellow, Brookings Institute

Dan Crippen | former executive director, National Governors Association

Peter Munzig | director, General Atlantic

Terry Moore | chief operating officer, CLEAResult

Ethics and Ideals

The values and principles we stand behind are central to who we are as a company. We abide by a Culture Code and a Business Ethics Policy that guides each and every one of our decisions.

BUSINESS ETHICS

We are committed to acting with integrity and accountability toward coworkers, clients, suppliers, business partners, governments and communities. Our conduct reflects our mission, vision and cultural ideals. The Business Ethics Policy is the cornerstone of our commitment to acting ethically and complying with the law in all business practices in all states and provinces where we do business. It is our guide for ethical decision-making. We encourage employees to report any ethical concerns they may have, either to a manager or to human resources, and we provide a service by which employees can anonymously report any business behavior or activity they consider questionable. Employees and leadership are expected to complete an annual review of our Business Ethics Policy and complete training in ethics procedures.

CULTURE CODE

Our Culture Code is not a set of rules or a mandate from above. It's the heart of our organization and the foundation of the mission, vision and ideals by which we work. At its core, our Culture Code depicts the nine ideals we embody at CLEAResult every day.





We're ambitious.

The best we've ever done is just the start.

We're fast.

Because conventional thinking is slow.

We're transparent.

And we expect transparency from each other.

We take smart risks.

And we learn from our mistakes.

We build trust.

Authenticity is our foundation.

We thrive on each other's talent.

Individually we're strong. Together we're unstoppable.

We engage.

There are no sidelines. Everyone plays a part in shaping our culture.

We're more than just employees.

Our talents and ambitions stretch far beyond our jobs.

We have the courage to change.

Reporting Process and Methodology



WHO HELPED MAKE THIS POSSIBLE

This report and its contents were developed as a collaborative process with stakeholders across the organization. We selected stakeholders with ownership of and interest in the data contained within the report; and employees who are interested in the outcomes of sustainability and corporate social responsibility. We consulted internal stakeholders from Human Resources, Legal, Marketing and Finance. Members of the Green Team and of the Executive Committee also provided feedback in the prioritization process as well as guidance about the desired outcomes. CLEARResult would like to thank all of these stakeholders for their contributions.

HOW THEY PARTICIPATED

We engaged primary stakeholders regularly throughout the process of developing this report. From vetting data points for materiality and relevance, to deciding what information we have access to and finally collecting the information we would share, our stakeholders were critical. Leadership engaged at various checkpoints throughout the process in order to vet key decisions and to ensure that the report was aligned with our company strategy and goals. Green Team members, as a part of the employee stakeholder group, helped determine materiality and contributed to research and authorship of the report.



WHAT WE LEARNED

CLEARResult is a large organization, but also a young one. Throughout the process of collecting information for this report, our stakeholders collectively identified that we have great practices and systems in place, and that we have an opportunity to identify more measurable and concrete goals to streamline the data collection and analysis process.

ACCOUNTABILITY AND REFERENCES

This document represents CLEARResult's first Corporate Social Responsibility report, for the fiscal year beginning Jan. 1, 2016 through Dec. 31, 2016. We anticipate this becoming an annual, iterative process. We referenced the Global Reporting Initiative's G4 Core standards in identifying, gathering and assessing our data, but sought no third-party assurance.



QUESTIONS?

We'd love to hear from you! Reach out to **sustainability@clearesult.com**. Learn how CLEAResult can help you change the way you use energy. Visit **clearesult.com**.

©2017 CLEAResult Consulting Inc.

All rights reserved.

You may not modify, copy or reproduce any part of this copyrighted material without written permission from CLEAResult.

CLEAResult[®]