2022 Sustainability Report

We change the way people use energy.™
Letter from the CEO

CLEAResult is celebrating 20 years of making an impact, and 2022 was no exception. We made significant progress toward reaching net zero by reducing our carbon footprint nearly 70%.

We simplified our strategy into three core practices—Energy Efficiency, Energy Transition, and Decarbonization—and expanded our relationships through acquisitions and partnerships that will accelerate our growth for years to come.

It’s exciting to watch our teams set goals and knock them out of the park day after day. That’s what happened in 2022, and the real-world impact of reaching those goals is huge.

Every time we deliver on our mission, people and the planet benefit.

Our clients and communities rely on us to make energy more equitable and environmentally sustainable, and we’re committed to making progress toward those outcomes every day.

We’re so grateful to show the world that addressing climate change is possible. Every step counts, and we’re thrilled to report that we’re on track to do our part.

**Rich McBee**
President and CEO
Leading the charge in energy efficiency expertise

We’re the largest provider of energy efficiency, energy transition and decarbonization solutions in North America. Our experts show businesses, governments, utilities and residential customers how to make smart energy choices that have the biggest environmental impact.

Our growing impact is thanks in large part to our commitment to put people and the planet first. We strongly believe in the power of diverse perspectives to push the boundaries of innovation. In 2022, we nearly doubled our diverse business partner network, bringing more voices to the table for an even greater impact.

Our principles in practice
Expanding access to cleaner energy choices requires a comprehensive suite of solutions that reduce consumption, maintain reliability and reshape peoples’ relationship with the grid.

Energy Efficiency
Our data-driven technology solutions and diverse network of on-the-ground experts put cost-effective climate solutions to work every day by reducing energy use.

Energy Transition
We accelerate the transition to clean energy alternatives through community-based strategies and comprehensive roadmaps.

Decarbonization
We use best practices in carbon consulting, carbon accounting and carbon engineering to reduce an organization’s carbon footprint.

20 years of results—and counting.
Our programs have averted 127 million metric tons of CO₂ since 2003. Now, we’re excited to see what the next twenty years brings, and we’re positioned to change the way people use energy like never before.
Environmental stewardship
Our 2022 environmental impact

Forging new relationships is expanding our presence faster and farther across North America. We’re excited to use our tools and resources to accelerate energy savings for everyone. Here’s a snapshot of our collective impact last year:

20.9 Million metric tons of CO₂ emissions averted

2022 lifetime impact

Equivalent to 24.8 Million acres of forest sequestering carbon

1.8 Million metric tons of CO₂ emissions averted

In-year impact

2.2 Million acres of forest sequestering carbon

The lifetime impact is calculated with the full measure life included. The in-year impact is calculated with 2022 data only.

Environmental impact & growth highlights

CLEAResult acquires ChooseEV

CLEAResult and Virtual Peaker announce partnership

CLEAResult acquires Ecofitt

NY fleet manager program speeds up plans for 285 EVs

30+ fleet customers participated in electrification planning cohorts in 2022

2022 Sustainability Report
The results are in

We’re well on our way to becoming net zero by 2025. Last year, we invested in systems to measure and manage our scope 3 emissions and implemented organizational efficiencies across the board. Here are some of the ways we pushed for progress:

- **Carbon neutral in scope 1 & 2 emissions by 2023**
- **Improve data collection for scope 3 emissions**
- **Reduce office footprint by embracing remote-first**
- **100% light-duty zero emissions vehicle (ZEV) purchases by 2025**
- **Rapidly increase total ZEV percentage in fleet**
- **Offer qualifying fleet driver stipends for EV charging infrastructure**

**2023 focus**

- Measure the footprint of our acquisitions
- Complete a thorough materiality assessment that includes the impact of electric and hybrid fleet vehicles, purchased goods and more
- Review and address barriers to fleet electrification
- Reduce emissions from electricity and natural gas use at offices
- Continue to improve data collection and expand energy conservation efforts

Global supply chain and charging infrastructure challenges slowed our transition to ZEVs in 2022. This year, we will review our goals and make plans to accelerate our progress.

*Where charging infrastructure access allows*
Reducing our footprint

Our total greenhouse gas emissions from all three scopes for 2022 were 59,060 tons of CO$_2$e—a 67.6% reduction from our 2019 baseline.*

We achieved this success by making deliberate operational efficiencies. The most notable reductions were in electricity and gas emissions, which dropped from 6,727 tons of CO$_2$e in 2021 to 2,171 tons of CO$_2$e in 2022.

**Scope 1**

- **5,147** metric tons CO$_2$e in 2022
- **9,797** metric tons CO$_2$e in 2019

**Scope 2**

- **959** metric tons CO$_2$e in 2022
- **3,107** metric tons CO$_2$e in 2019

**Scope 2**

- **52.7%** reduction from our 2019 baseline

*Impact is measured against our 2019 baseline due to the irregular conditions created by the pandemic in 2020 and 2021.
Reducing our footprint

Last year, we embraced a remote-first approach and saw a **99% decrease** in employee commuting and significant reductions in our carbon footprint. In fact, we achieved a **68.7% reduction in scope 3 emissions from our 2019 baseline.**

**Measurements do not include our mid-year acquisitions**

*Impact is measured against our 2019 baseline due to the irregular conditions created by the pandemic in 2020 and 2021.
Our 2022 social impact

Improving the lives of our community members is a privilege. 9.6% of the programs in our portfolio are dedicated to helping income-eligible households. We’re focused on ensuring equitable program design is easy to implement and recognized as integral to our shared success.

$9.6 Billion
savings to customers on energy bills

$210 Million
savings to income-eligible customers on energy bills

$758 Million
savings to customers on energy bills

$16.3 Million
savings to income-eligible customers on energy bills

Equity impact story highlights and learnings

- Multifamily EV charging project granted $2 million
- Healthier Homes Program: Energy and healthcare sectors unite
- Launch of income-verification tool: CLEAResult ATLAS™ Qualify
- Tennessee Home Uplift Program: Prioritizing LMI households

The lifetime impact is calculated with the full measure life included. The in-year impact is calculated with 2022 data only.
Equity in action spotlights

"It's exciting to see how they transformed my house into such a cozy place so quickly."

Carlos
Home Uplift participant

Tennessee Home Uplift Program
Customers who qualify for the Home Uplift program received valuable energy efficiency and weatherization upgrades. Participants were extremely pleased with the monthly savings and felt a large impact on their lives.

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<th>1361</th>
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<th>4,472 kWh</th>
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<tbody>
<tr>
<td>net promoter score</td>
<td>homes improved</td>
<td>total energy savings</td>
<td>average savings per home</td>
</tr>
</tbody>
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Healthier Homes in Michigan
Our award-winning Healthier Homes program pairs energy efficiency with home health improvements that aim to reduce environmental triggers and maintain better air quality indoors for customers with qualifying respiratory issues.

In 2022, we lowered the total program cost per home by 20%. This enables us to scale at an even faster pace.

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<th>2,014,954 MCF</th>
<th>158,440 MWh</th>
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</thead>
<tbody>
<tr>
<td>lifetime natural gas savings</td>
<td>lifetime electricity savings</td>
</tr>
</tbody>
</table>

3,400+
Assessments of income-qualified residents annually

“I can’t begin to thank the Healthier Homes Program enough. They have been so helpful at improving the air quality in homes of asthmatics and have significantly reduced patients’ visits to urgent care. Thank you so much!”

W. Paling
RRT/AE-C, Asthma Disease Management
Equity in action spotlights

**Multifamily EV Charging Project**

The California Energy Commission awarded us a $2 million grant to help speed up affordable access to electric vehicle charging infrastructure. We’re working directly with community partners, residents and property managers to educate all stakeholders on the full value that charging ports bring to their community.

This project will deploy at least 100 Level 2 EV charging ports to serve 300 multifamily households. We estimate that 70% of the housing units receiving access to charging through this project will be affordable housing, exceeding the grant’s goal of 50%.

**CLEAResult ATLAS™ Qualify launch**

We brought automation to income-verification so administrators can run their energy efficiency programs more effectively. It’s currently in several markets with multiple clients focused on increasing moderate-income program participation.

**How we measure success:**
- Reductions in time to serve customers
- Achieving participation goals
- Number of automatically validated customers

“The new ATLAS™ Qualify tool provides an ideal experience to customers, including the opportunity to choose a primary language for all their interactions, such as English, Spanish or Portuguese.”

Julia Dineen
Program Manager
Diverse partners program

Our Diverse Partners Program helps our strategic partners with everything from finding office space and managing inventory to meeting insurance requirements and receiving favorable payment terms.

We invested in the right partners—and it shows.
In 2022, we increased our spend by over $34 million and nearly doubled our diverse business partner network.

“Building a more equitable world means investing in the communities we serve. We’re dedicated to creating a diverse network where everyone has a seat at the table.”

Sylvester Johnson
Director of Partnership
Supplier Diversity

2022 Sustainability Report
People, culture
and values
LETTER FROM THE CEO

Increase investments in employee development and training
Launch Program Manager Excellence Program
Launch People Manager development program
Launch specialized safety training library
100% completion of annual objective setting
100% trained on code of conduct
100% completion of safety training
100% trained on information privacy and cyber security threats

100% employees complete compliance and safety trainings

Zero accident workplace

Increase use of paid employee volunteer time
Educate all employees on how to improve inclusion and belonging
Continue to build pay transparency and internal talent mobility
Expand annual internship programs
Create new paths to connect with passionate climate innovators
Track progress toward employee diversity goals with 2022 as our baseline
Expand diverse recruiting networks
Support further growth and development of four Diversity in Action employee resource groups

Grow our employee population to reflect community diversity

Sustainability Report 2022

Increase investments in employee development and training
Increase use of paid employee volunteer time
Grow our employee population to reflect community diversity

Zero accident workplace
Pay transparency and internal talent mobility
Employee diversity, inclusion and belonging
Diversity in Action (DNA) group impact and member participation
Core values: Respect, Accountability and Transparency

ACHIEVED
IN PROGRESS
IN PROGRESS
IN PROGRESS

2023 focus

2022 Sustainability Report
Inclusion meets innovation

We’re growing our teams in a way that reflects the diversity of the communities we serve. Last year, we had a 27% increase in overall hires year-over-year, and significant hiring increases in women (59%), veteran (133%), and black, indigenous, and people of color (84%).

What’s more, there was a 5% increase in ethnic diversity and a 2% increase in women among our total workforce. Plus, we’re proud to report we had a 2% increase in women and a 1% increase in ethnic diversity among our leadership.
Putting people first

Employee satisfaction is at the core of our company's success. We’re proud to provide perks that put people and the planet first.

Perks of being a pioneer

12 weeks of paid parental leave for all employees to allow for time to care for and bond with their newborn, adopted or placed child.

We offer valuable resources for living through our Employee Assistance Program:

- Work/life assistance (i.e., childcare, school research, etc.)
- Legal services
- Emotional wellbeing support
- Financial services
- Online resources

New 2022 employee benefits

Launch of BeWell @CLEAResult: Wellness incentive program that provided up to $90 for eligible employees who completed a Health Risk Assessment, Preventative Care Screening and Annual Wellness/Physician checkup visit.

In 2022, employees participating in BeWell collectively earned $36,340

Our remote-first approach offers employee flexibility and further supports our sustainability efforts. Employees who do commute via bicycle, walking or public transit are eligible to earn additional sustainable commuting benefits.
Employee-led resource groups

We’re committed to creating a consistently safe, respectful, inclusive, and equitable employee experience where diversity thrives, and all feel proud to belong.

Our Diversity in Action (DNA) groups were established by employees to foster closer connections and career growth. These groups play an essential role in ensuring everyone is represented and respected as their authentic selves. Each group publishes annual goals and hosts heritage and awareness months to educate team members companywide.

TESTIMONIALS

“The ‘aha moment’ where the conversation changes and we’re all now inspired to make equitable change for ourselves and others, those moments are both my what, and my why.”
Amber R., ID(EA) Leader

“The feeling of community and belonging has been the most rewarding part of being a DNA group member.”
Susan C., Pride Leader

“The DNA community provides opportunities for belonging, advocacy, and sharing in safe spaces where every member’s voice is heard and where all members can be their authentic selves.”
KerriAnn L., CREW Leader

“We now have a platform to share our stories and experiences, as well as a place to provide support and encouragement while we learn from one another.”
Andrenika W., Black@Work Leader
More helping hands

We offer our full- and part-time employees paid time off to volunteer with a US 501(c)(3) nonprofit or a registered Canadian charity or nonprofit.

Our employees spent over 2,000 hours volunteering in 2022, resulting in a 31.4% year-over-year increase. This significant jump in participation reflects our commitment to promoting a culture of volunteerism.

Volunteer categories were identified voluntarily and are not all-inclusive.
A culture of safety

We provide a robust safety training program to all employees and curate it for their specific roles and responsibilities.

Safety-first updates:
- Expanded our safety training by adding “SafetySkills” content
- Held a company-wide safety motto contest, and the winner was “We put our energy into safety”
- Updated safety mission and safety committee membership structure

Safety-first initiatives:
- Monthly safety bulletins to highlight known hazards
- Incident reporting improvements that make reporting near-misses easier, helping us learn about the hazards field staff encounter and protect their safety in the future
- Launched fleet compliance task force to ensure all our drivers meet necessary compliance criteria

“We’re committed to a zero-accident workplace. We’re going above and beyond to make sure employees understand they can and should walk away from any unsafe situation.”

Rich McBee
CEO
Accountable by design

We pioneer measurable, positive social and environmental impact alongside competitive financial returns.

EXECUTIVE LEADERSHIP TEAM
Our executive team determines our company strategy and sets priorities. They are accountable for our financial and talent management plans as well as improving sustainability in our operations.

BOARD OF DIRECTORS
Our board of directors is comprised of members of Texas Pacific Group (TPG), their middle market and growth equity investment platform TPG Growth, and its multi-sector global impact investing strategy, The Rise Fund. The Rise Fund invests in companies driving measurable social and environmental impact alongside business performance and strong returns.

BUSINESS ETHICS COMMITTEE
This committee establishes standards of ethical behavior throughout CLEAResult and ensures compliance to the Code of Conduct. This committee is responsible for communicating the Code of Conduct to employees and for providing oversight of investigations and their outcomes. In the event of noncompliance, CLEAResult is committed to holding the responsible person(s) accountable, applying the appropriate disciplinary process, and reporting violations to proper authorities, as appropriate. The CLEAResult Business Ethics Committee members are the Chief Executive Officer, Chief Financial Officer, Chief People Officer and Chief Legal Officer.

DATA PROTECTION AND PRIVACY
We are committed to ensuring the security of all our confidential business information and that of our clients and contractors. We train all employees annually on our IT Security Awareness and Privacy approach, plus host our Privacy Policy online that describes how we collect, use, and share personal information from or about the users of our websites. This is a collaborative document that is drafted and updated by our Legal, IT and Marketing teams as needed. We also have internal IT policies dedicated to information security, acceptable use, asset management, record retention, physical access, remote work and more to ensure security across the board.

TRAINING AND COMPLIANCE
We are committed to acting with integrity, accountability and safety in everything we do. Our conduct reflects our mission, purpose and core values. We encourage employees to report ethical concerns and provide a service by which they can anonymously report any business behavior or activity they consider questionable. All employees are required to complete an annual training and review of our Business Ethics and Anti-corruption policies.

ACCOUNTABILITY AND REFERENCES
This document represents our impact and sustainability results for the fiscal year beginning January 1, 2022, through December 31, 2022. We followed the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard to identify, gather and assess our data.