

2021
**Environmental,
Social and
Governance
Report**

Sustainability in Motion



CONTENTS



CEO and President Letter	3	Delivering Sustainability and Business Results	11	Data Privacy and Security	27
		Smart Buildings	12	Security Awareness and Training	28
Albireo Energy At-A-Glance	4	Energy Services	14		
By the Numbers	4	Our People	17	Corporate Governance	29
Who We Are	5	Engaging Our Employees	18	ESG Oversight	29
Target Markets	6	Developing Our Employees	20	Ethics and Compliance	30
Smart Building Solutions	6	Rewarding Our Employees	22		
Global Footprint	7			Giving Back to Our Communities	31
Global Installation and Experience	8	Diversity and Inclusion	23		
Our History	9				
ESG Approach	10	Our Health and Safety	24		
UN SDG Alignment	10	Responsibilities and Oversight	24		
		Safety Awareness, Education and Training	24		
		Project Pre-planning and Safe Work Practices	26		
		Incident Reporting and Investigation	26		
		COVID-19 Response	26		

CEO and President Letter

Dear Stakeholders,

Fiscal 2021 will be a year to remember: the global COVID-19 pandemic continued to disrupt and upend the lives of billions of people worldwide, leading to an unprecedented crisis to which governments, people, and businesses have had to adapt.

This also applied to Albireo Energy, where we persevered and emerged through a period of uncertainty, ensuring that the business was running consistently while keeping our employees safe. We would like to express our gratitude to everyone at Albireo Energy who not only contributed to our continued success in these difficult times, but has made us a stronger and more resilient company than ever before.

Since our inception, Albireo Energy has built sustainability into every aspect of our smart building solutions and services, and our commitment to environmental, social, and governance (ESG) responsibility and accountability is inherent to how we grow profitably and create value for our stakeholders. This said, we recognize a need to be more explicit about our efforts in creating long-term value responsibly and sustainably. As such, we are pleased to be updating you on our ESG progress by sharing with you our inaugural ESG report to feature how we embed ESG considerations into our operations to closely align our interests with all our stakeholders.



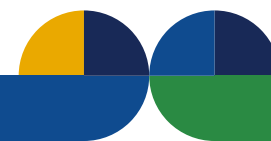
Some of the highlights from this report:

- Formed a Sustainability Governance Committee to coordinate the formalization of our ESG initiative, at the direction of our Board and management
- Expanded our renewable energy expertise and capabilities and hired several industry veterans in renewables
- Established a Diversity and Inclusion (D&I) Committee to develop priorities and objectives for our D&I program
- Certified™ by Great Place to Work® for the fourth year in a row
- Exceeded our annual 93% retention rate goal for the third year in a row
- Hired 203 new employees, separate from those who joined through acquisitions
- Certified by Schneider Electric as a Master-level EcoXpert™ by Schneider Electric®, the highest certification the company awards for building automation and energy services partners
- Launched a partnership with the Government of Washington D.C. to aggregate local businesses into an

energy buying group, following Albireo's cost saving model demonstrated in Boston and Philadelphia

- Made significant progress on implementing our two-year Information Security Roadmap to align our information security technology and management systems with ISO-27001 standards and other best practices that will help protect against increasing cyber threats.

Our 2021 results highlighted in our inaugural report have set us up to do even greater things in 2022 and onward. As Albireo Energy continues to grow, we recognize our ability to make a real impact and will continue to improve on our ESG progress to protect and enhance the interests of our stakeholders and the environment. It is not only a business imperative but a privilege to make a difference in the world. We would like to thank all of you for your continuous support and trust in Albireo Energy, as we continue to lead with purpose, sustainability, and responsibility.



By The Numbers *(As of FYE 2021)*



Founded in 2014



39 offices worldwide

32 (USA), 2 (Asia), 5 (Europe)



Largest independent provider

(smart building solutions in the U.S.)



1K+ employees



5,000 service customers



40 clients from Fortune 100



30K+ accounts under utility management



35K installations

**44 states
40+ countries**



4 acquisitions & first international acquisition

Stellar (New England), Chartwell (UK), Parallel (Omaha) and Commercial Control Services (Ohio)



22% growth in service revenue



Nearly \$1B sales pipeline



\$300M in revenue

Who We Are

Albireo Energy is a global provider of smart building solutions that enhance efficiency, reduce operational expenses and improve safety, all while advancing tenant comfort, health and productivity. We focus on innovative, product-agnostic, information technology/operational technology (IT/OT) integrations that are viewed through a single operator interface, and create high-performing, sustainable and intelligent buildings.

As an energy integrator, we offer a range of solutions and services that include building automation, master systems integration, energy benchmarking and auditing, renewable energy, remote onsite service and support, among other solutions to help our commercial and institutional customers achieve their business and sustainability goals.

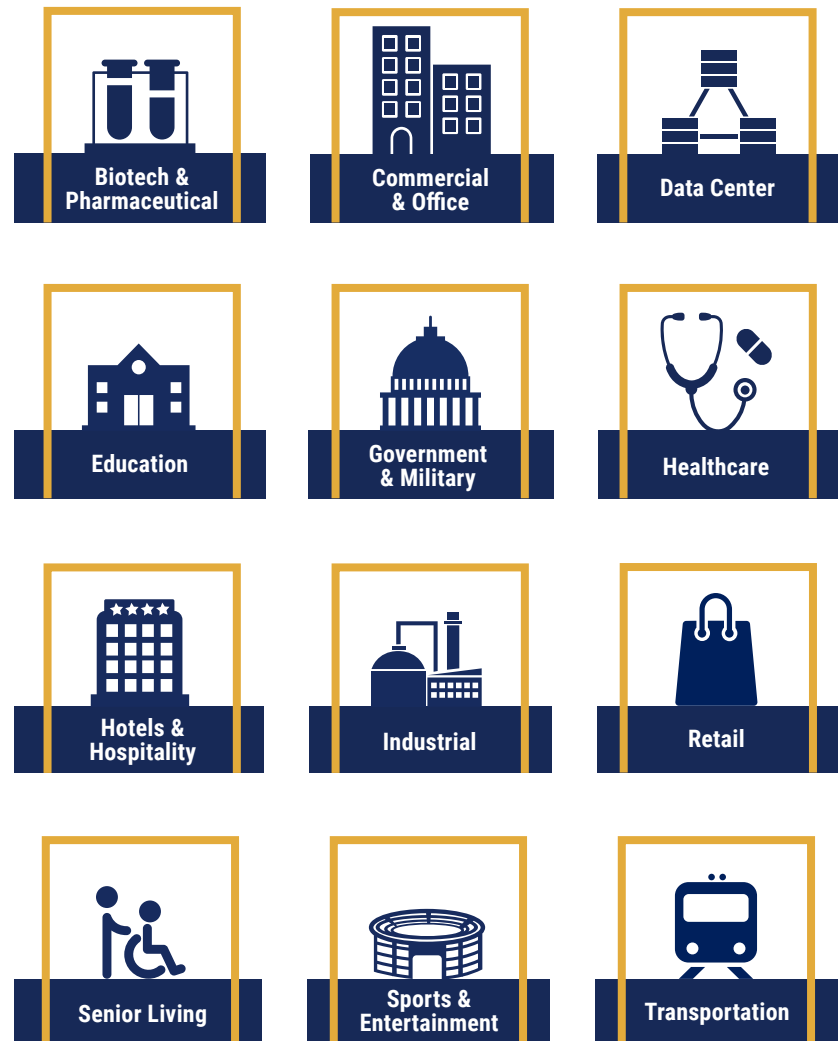
Albireo Energy's unmatched success in meeting our customers' needs has been sustained through investing in advanced technology, partnering with industry-leading manufacturers, and developing a world class team of energy experts across horizontal and vertical markets. As a result, we quadrupled our revenue and grew from 200 to 1,000 employees in the last three years.



The Albireo Star is a brilliant double star in the Cygnus constellation—one blue and one gold— that complement one another. The double star is often referred to as the “Partner Star.” The Albireo Star symbolizes the values of Albireo Energy as we aspire to partner with our customers, employees, vendors, and investors to cultivate mutually-rewarding relationships.



Target Markets



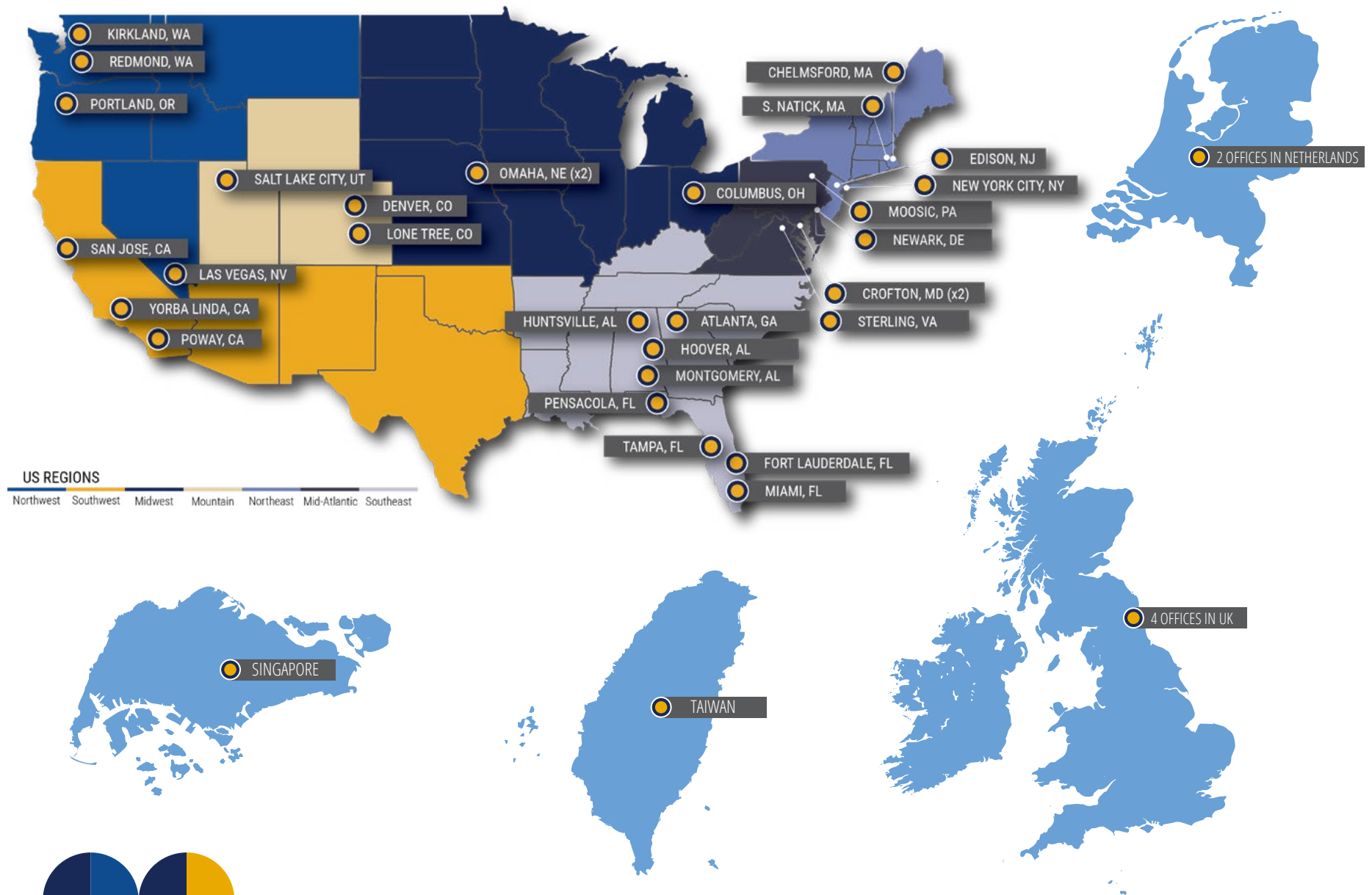
Smart Building Solutions



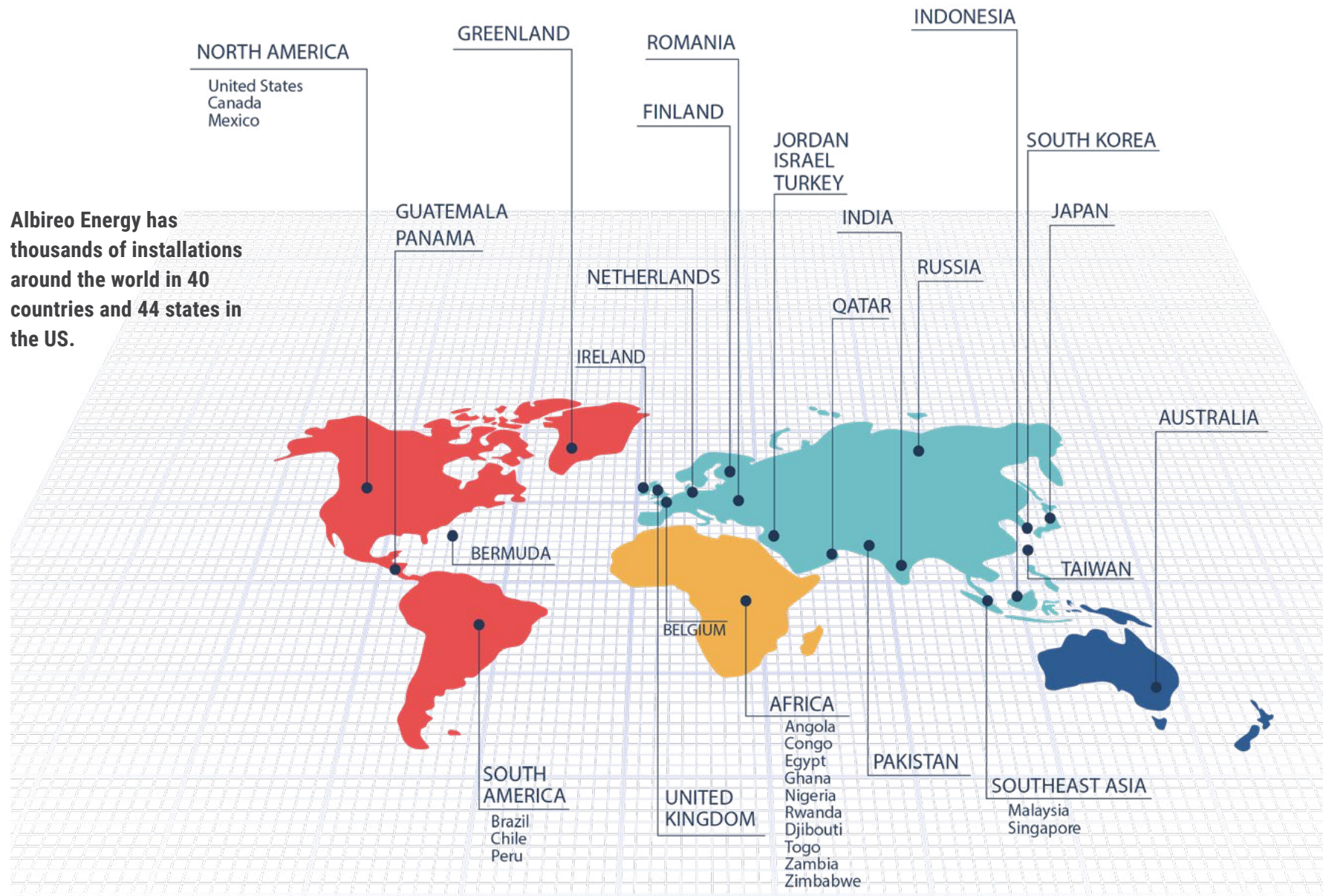
- BEYOND Analytics
- BEYOND Comfort
- Building Automation Systems
- Cyber Security
- Energy Procurement
- Energy Services
- Electrical Power Monitoring System
- Facility Engineering
- Fire & Life Safety
- GMP/GLP Monitoring
- HVAC Equipment & Controls
- Lighting Controls
- Master Systems Integration
- Programmable Logic Controls
- Renewable Energy
- Security and Access Systems

Global Footprint

As the largest independent provider of smart building solutions, our clients rely on Albireo Energy's global footprint through our international partners on six continents.



Global Installation and Experience



Our History

1975

Started providing building automation solutions to customers

Revolutionized how buildings are controlled with digitalization

Pneumatic and electro mechanical control products to today's highly sophisticated digital control and powerful analytic platforms

2018

Committed and invested in Smart Building Solutions

Expanded our Energy Services and Procurement offerings

2014

Founded Albireo Energy with first acquisition

2021

Expanded our renewables offering

Acquired a leading energy services company in the UK, expanding international footprint

ESG Approach

From reducing energy consumption in a client's building to supporting our local neighborhoods, we at Albireo Energy believe that we can make a difference in the world where we live and work. Our mission to deliver mutually beneficial outcomes to each of our key stakeholders – employees, customers, vendors, and investors – is strengthened by our commitment to environmental, social, and governance (ESG) responsibility and accountability.

In 2021, we kicked off a process to formalize our ESG efforts, starting with the creation of a cross-divisional Sustainability Governance Committee. The committee was tasked with spearheading the coordination of our ESG strategy, initiatives and disclosures, and reporting regularly to our President and CEO and quarterly to our Board.

We are intent on furthering the integration of environmental sustainability and social responsibility into our business strategy and processes to enhance our long-term success. This inaugural report documents the first step of our journey. Going forward, we are committed to:

- Assess our business activities and promote practices that enhance positive ESG outcomes;

- Track metrics, benchmark data, and establish key performance indicators that will allow us to monitor and evaluate our performance; and
- Report our progress at least annually to our stakeholders.

UN SDG Alignment

In 2015, United Nations (UN) member states developed and adopted 17 Sustainable Development Goals (SDGs) to serve as a blueprint for countries, corporations and organizations to address global environmental, social, and economic challenges that require urgent action. We have a role in substantially contributing to the aims of these goals through the solutions we provide to our customers and the way we operate our business.

We identified seven SDGs to which Albireo Energy can most contribute. As a company dedicated to advancing building solutions that create more sustainable buildings (SDG 11) through improving energy and operational efficiency (SDG 12), our business is naturally aligned with the UN's goal of combatting climate change (SDG 13). This alignment was strengthened in 2021 with the expansion of our renewable energy offerings (SDG 7).

We also contribute to the UN goals by rewarding, nurturing and protecting our talented employees (UN SDG 3 and UN SDG 8); striving to achieve diverse representation across all levels of the organization (SDG 10); and giving back to the communities where we live and work (SDG 10).





Sustainable Solutions

The physical impacts of extreme weather events and dire warnings from scientists are putting the spotlight on the urgency of combatting climate change. Buildings are a major contributor to GHG emissions – decarbonizing buildings is therefore a central component of reaching net zero by 2050.¹ This has led to a groundswell of energy- and emissions-related government regulations for commercial buildings along with incentives and rebates that make clean energy and energy efficiency

more affordable. Employees, investors, supply chain partners and other stakeholders are increasing pressure on all companies to accelerate the transition to a low carbon economy.

Albireo Energy's business is built on sustainable solutions grounded in climate preservation. We were founded to bring energy efficient buildings in reach for a wider group of building owners by making it easier and more

cost effective to install and maintain high performance building systems.

We partner with our customers to address multiple facets of energy management by designing, developing and implementing solutions carefully tailored to their industry, location and needs. Our smart building solutions and energy services help our customers achieve their sustainability and business goals by:



Albireo Energy was founded to bring energy efficient buildings in reach for a wider group of building owners by making it easier and more cost effective to install and maintain.



¹ IEA, "Net Zero by 2050 A Roadmap for the Global Energy Sector"



Smart Buildings

Buildings are dynamic – constantly changing use and configuration. As they change, they lose operational efficiency. The original design becomes obsolete, systems degrade and building occupants and operators make adjustments to compensate for the inefficiencies.

Building automation and control systems are designed to monitor and regulate various building systems, especially those related to heating, cooling, ventilation, lighting, access and security. Building automation alone is not enough to optimize building systems. According to a study commissioned by the DOE, even buildings with sophisticated building automation systems do not typically use the full capabilities of the system, leading to operational issues that cause significant energy waste.²

Out of the box, each control system operates and needs to be monitored independently. This leads to scenarios where one system is functioning as instructed, but others that enable that system are not. For example,

Through our subsidiary, Chartwell, which operates in the UK and EU, our BAS enabled global business media leader, Financial Times, to cut energy bills by more than £100,000 within two years and dramatically improve energy efficiency, waste management, and occupant comfort and productivity.



building controls may maintain a desired temperature, but at the same time, mechanical equipment and control sequences that work to maintain that temperature may be running inefficiently. With rising energy costs and climate change concerns, identifying the root cause of these anomalies is critical to improving operational, financial and environmental performance.

Our building automation systems (BAS) solution provides our customers with centralized control of all building systems, and easy-to-understand,

actionable information at their fingertips. Albireo Energy designs, engineers, installs, commissions, and integrates HVAC, lighting controls, building access controls, security, fire and life safety, network infrastructure, and other low voltage systems using a Master Systems Integrator approach that allows disparate systems to operate uniformly and in unison. In addition to offering peak operational efficiency, our systems create enhance the productivity, health and safety of building occupants.

There are five foundational elements of our BAS: 1) data analytics, 2) cybersecurity, 3) operational technology network infrastructure, 4) system integration infrastructure, and 5) a unified user interface. Combined, these tools provide visualization and reporting, fault detection and diagnostics, predictive maintenance and continuous improvement, and optimization, addressing different aspects of operational inefficiencies holistically to maximize energy savings.

As a Schneider Electric EcoXpert™ partner, Albireo Energy received Master Level certification in Critical Power in 2015 and recertified each year since. Those who achieve Master-level status represent the top 5% of companies worldwide that are trained and certified by Schneider.



According to a study commissioned by the Department of Energy, even buildings that have sophisticated building automation systems have significant wasted energy due to not using the full capabilities of the system to correct operational problems.³ Building controls are predominately designed to meet short-term temperature and ventilation loads and are rule-based and reactive, rather than adaptive and autonomous, in nature.⁴

Data analytics software providing fault detection and diagnostics (FDD) identifies and diagnoses anomalies, a hidden source of building inefficiencies, and is central to reaping the benefits of the immense amount of data produced by building systems. Albireo developed an artificial intelligence-powered software platform, BEYOND Analytics, to address limitations of traditional rule-based FDD. It offers intelligent programming and employs machine learning algorithms to continually “learn” a building’s operational and usage patterns.

By using historic and real time data, predictive analytics help find energy inefficiencies and waste in the way a building is operating that is reliable and accurate. It creates an early warning system that enables facility engineers to be proactive in preventative maintenance,

staying ahead of equipment malfunctions, eliminating uneven heating and cooling patterns, and controlling energy otherwise lost through exhaust. If a machine is running just two degrees warmer than necessary, for example, BEYOND Analytics will provide alerts for intervention. Continuous “learning” means that over time, the BAS will better understand and can respond to how and when different systems are used, automatically optimizing operations.

BEYOND Analytics helps building owners realize energy and operational efficiencies, prolong the equipment lifecycle, reduce costs and minimize facility downtime. Since launching in 2019, the platform has been deployed in over 60 client sites and has identified an estimated 4,500,000 kWh in energy savings.

Energy Efficiency on the Path to Net Zero

To meet the Paris Agreement goals of limiting global warming to well below 2, preferably 1.5 degrees Celsius, countries need to reach the global peak of greenhouse gas emissions (GHG) as soon as possible to achieve a climate neutral (net zero) world by 2050 or sooner. Energy efficiency represents more than 40% of the emissions reductions needed by 2040.⁵

In the U.S., commercial buildings account for 35% of electricity consumed, generating 16% of all U.S. carbon dioxide emissions.⁶ While up to 30% of this energy is wasted, it is estimated that commercial buildings can become 29% more energy efficient through better use of sensors and controls and the elimination of building system faults, indicating that improvements to building controls are strategically important to reducing national energy consumption.⁷

Launched 2019
60+ Client Sites

BEYOND
ANALYTICS

Moving beyond operating to optimizing



4,500,000 kWh
energy reduction

^{2,3,7} “Impacts of Commercial Building Controls on Energy Savings and Peak Load Reduction,” PNNL-25985. Prepared for the US Department of Energy, May 2017

⁴ “Innovations in Sensors and Controls for Building Energy Management: Research and Development Opportunities Report for Emerging Technologies,” U.S. Department of Energy Office of Energy Efficiency and Renewable Energy, February 2020

⁵ “How Energy Efficiency Will Power Net Zero Climate Goals,” IEA, March 2021

⁶ “About the Commercial Buildings Integration Program,” U.S. Department of Energy Office of Energy Efficiency and Renewable Energy



Energy Services

Albireo Energy's Energy Services help our customers reduce energy consumption, utility expenses and carbon emissions by analyzing usage, establishing goals, and implementing energy conservation measures through:



Below are just some of the ways our solutions benefit our customers and the environment.

Utility Management

Our proprietary utility management software, UtilityModule, digitizes and analyzes water, sewer, steam, natural gas, electricity and waste utility invoices to help customers better understand expenses and provide insights into hidden inefficiencies. The data dashboard provides visualization tools and alarms so customers can stay informed about negative trends and problems as they arise.

Energy Benchmarking and Audits

Benchmarking is the foundation for energy management and a key part of a building's efficiency plan. Albireo Energy analyzes building energy usage over time and compares it to past performance and to similar buildings in the same geographic area. Benchmarking is useful to building managers to evaluate usage and savings opportunities and to analyze the cost effectiveness of conservation measures implemented. Research shows that the practice of benchmarking buildings increases awareness and focus on energy efficiency and building owners who monitor benchmarking data have consistently reduced the building energy usage by an average of 2.4% per year.

After benchmarking, Albireo Energy will conduct an energy audit, which begins with data gathering on mechanical, electrical, and automation systems. The data is used to identify gaps in best practices and areas of inefficiency.

Albireo Energy helps prioritize potential actions to improve energy management, taking into consideration economic, legislative and operational information that impact returns on investment. We work with our customers to define goals and create detailed plans of energy efficiency opportunities, costs and savings, and requirements for meeting legislative mandates when needed. Implementation of the plans is also provided to customers through design engineering, equipment



Reduced 2.4%
average energy usage/year



5-30%
cost savings

Albireo Energy has worked with some of the largest Tier 3 and Tier 4 data centers around the globe, providing BAS, EPMS and other energy services. We have completed over 100 projects ranging from 2MW to 240MW, totalling 8.3 GW and over 23.5 million square feet of whitespace.

procurement and construction management, leveraging capabilities from across Albireo Energy.

EPMS

An Electric Power Monitoring System (EPMS) is both a tool for managing energy usage and expenses and ensuring power quality. Power quality can be degraded by surges, sags, outages and other disturbances, which can cause issues such as heat and runaway energy utilization affecting a facility's reliability and safety.

Our EPMS division focuses on critical infrastructure management. It serves customers with mission-critical systems, such as hospitals, pharmaceuticals, industrial facilities and data centers, which require an EPMS to protect against product or equipment damage and other failures resulting from poor energy quality, enabling continuous operations.

The components that make up our critical infrastructure management system include smart electrical and

mechanical equipment and intelligent software to record and track that equipment. The analytics software records electrical system data to alert facility managers to anomalies. Simultaneously, the software is monitoring power and electrical system quality. Combined with an Albireo-installed and -commissioned power management system, buildings systems can operate reliably and efficiently.

Albireo Energy installs smart meters at a customer's facility to identify power quality issues and determine their cause, whether its from the utility provider or equipment within the building. We recommend system upgrades based on the type of power quality issues detected, geographic location and activities within the facility.

Many of our EPMS customers leverage a range of solutions to further optimize performance, reduce energy expenses and emissions, and extend the lifecycle of equipment.

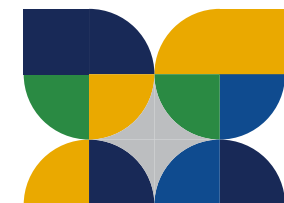
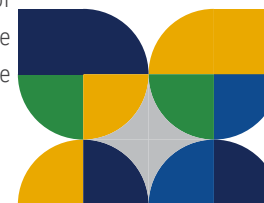
Energy Procurement

Albireo Energy has successfully helped thousands of small businesses across the country procure both traditional and renewable energy more affordably. We enroll and aggregate hundreds of businesses into optimal buying groups, auction their energy needs, execute the best deal, and then repeat for years after.

We have partnered with the City of Boston since 2008 and Philadelphia since 2010, where customers have seen cost savings of between 5-30%.

Albireo Energy's Procurement Division was selected in 2020 to form District Buying Power for businesses in Washington D.C. As part of the program, enrollees receive our UtilityModule to track and control energy use and spend to meet the new energy reporting requirements of the District. Enrollees receive monthly Energy Scorecards to visualize key metrics on utility accounts and energy benchmarking to evaluate usage and savings opportunities.

With support from the Department of Energy and Efficiency and the Mayor's office, thousands of businesses can take advantage of this service to meet reporting mandates and participate in our electricity procurement aggregation program to help reduce costs.



Renewable Energy

Renewable energy is a relatively small, but growing part of our business. To meet current and future demand for transitioning to renewable energy solutions, we brought on additional expertise in 2021, expanding our renewables capabilities and services.

Albireo Energy's experts help our customers, including universities, data centers, and manufacturers, to renewable energy solutions across multiple technologies, financing arrangements and contract structures. Our renewable energy division assists with low carbon solutions by adding on-site renewable generation, enrolling in community solar projects, and acquiring power purchase agreements (PPAs), virtual power purchase agreement (VPAs) and renewable energy certificates (RECs). We aim not only to provide customers with long-term and immediate expense savings, but also to meet their sustainability goals, decrease their reliance on fossil fuels and produce carbon-free and carbon-neutral solutions.

The building sector is increasingly engaged in the discussion around climate change challenges. Albireo's smart building solutions and energy services are assisting building owners, developers, and operators align corporate goals with local, regional and global net zero goals.

In 2021, Albireo Energy procured 150,000 MWh of deals for commercial real estate customers and data center operators that involved green power projects and renewable energy credits.

Community Solar Projects

Kearsarge Energy, a renewable energy developer and operator, completed two community solar projects in 2021 as part of Massachusetts SMART solar incentives program. Discounted energy credits were available for low- and moderate-income housing in the surrounding communities as part of the program.

One of the challenges of the program has been finding eligible customers to purchase the credits. Albireo Energy identified several affordable housing property owners and facilitated off-taker agreements with Kearsarge, resulting in 9 million kWh in discounted energy credits that benefited 13 affordable housing properties.



“ There is a thing that sometimes happens in rowing that is hard to achieve and hard to define. Many crews, even winning crews, never really find it. Others find it, but can’t sustain it. It’s called “swing.” It only happens when all eight oarsmen are rowing in such perfect unison that no single action by any one is out of sync with those of all the others.”



– Daniel James Brown, *The Boys in the Boat: Nine Americans and Their Epic Quest for Gold at the 1936 Berlin Olympics*



Our People

“Swing” takes harmony, balance, and rhythm. It also requires a team that is held together by complete trust, mutual respect, and humility. This is the goal we set for Albireo Energy; to create synergy across all divisions of the Company. We call this synergy “Albireo Swing.” Swing does not just happen by having the right people in place. It requires hard work, trust in your teammates, and an aspiration for greatness. This is what each region, division, and team aspire to achieve at Albireo Energy.

Albireo Energy’s success relies on our full-time workforce of 1,065 highly-qualified and dedicated

people – over 75% of our employees are highly trained engineers, programmers, integrators, technicians and project managers. Through our employee-centered culture, we strive to instill a sense of pride in Albireo Energy and help employees grow through their experience with us.

Our Human Resources strategy and programs are overseen by an eight-person team, led by our Director of Human resources, who reports to our President. The Director provides quarterly updates to the full board on key HR topics, such as:



Engaging Our Employees

Our engagement strategy relies on creating multiple avenues for ongoing, honest two-way communication to ensure that our employees feel valued and heard. We are dedicated to building a strong and respectful culture where employees are engaged in creating a company that people love, and know the key role they play in helping to achieve our corporate goals. This requires us to create a sense of teamwork and shared purpose, proactively understand what is important to employees, and provide a range of opportunities to help them grow personally and professionally.

Since 2018, Albireo Energy has participated in the Great Place to Work® (GPTW) Institute's Trust Index Survey, and was Certified™ as a Great Place to Work® for the fourth year in a row in 2021. The award is based on what current employees say about their experience working with us. This year, 86% of employees said it is a great place to work – 27 points higher than the average U.S. company.

In previous years, we averaged a 55% response rate to the survey. We adjusted our communications in 2021 to drive additional participation. Our approach proved successful – our participation rate increased to 74% in 2021, which included an increase of 65% for employees who identify as Black, Hispanic and Asian, and 80% for employees who identify as LGBTQ.

While our engagement scores have been consistently high, we take the feedback we receive seriously, using it to continue to improve our practices and culture. Senior management analyzes our strengths, areas for expansion and actions needed to make improvements.






 PARTICIPATION RATE:
 ↑ **200%**

We rolled out a Spanish language version of our engagement survey in 2021. As a result, participation increased by more than 200% in Tampa where half of our team members are Spanish speaking and identify English as a second language.



In response to the 2021 survey, we are strengthening employee training and benefits, and increasing communication as we continue to grow.

Beyond our annual surveys, we encourage employees to provide feedback throughout the year and want them to feel comfortable approaching management team members about any topic. Through our Open-Door Policy, we make known that our CEO, Human Resources Director and all other members of our management team are available and interested in hearing employees' questions and concerns, as well as suggestions for

creating a better place to work and enhancing our solutions and service offerings to our customers.

Our biannual All Hand Meetings provide employees with status updates on our corporate strategy and goals, human resources, and community engagement activities, and include segments that feature leaders and staff discussing solutions and projects that most excite them. A Q&A session with our executive team provides an opportunity for employees to anonymously submit questions and share feedback.



Developing Our Employees

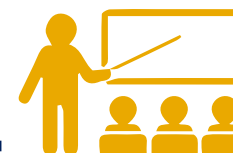
Training and Professional Development

As part of Ambition 2023, we strengthened our commitment to help our employees develop the skills, knowledge and expertise to succeed on the job and advance in their careers. This included expanding training offerings in response to feedback from our engagement surveys, such as:

- Systems Specialist Bootcamp on building automation systems, customized according to each employee's knowledge and experience levels
- Technician Bootcamp on new methods, services, and applications for field use
- Project Management training on financial acumen to ensure projects are completed in a timely and profitable manner
- Sales Management training on proven methods for sourcing and closing project opportunities

As a complement to our performance management process, on a quarterly basis, our managers hold meetings with their employees to discuss training needs and career paths, including the amount of time needed to attain desired positions. Managers are responsible for developing training plans and identifying internal and external resources, as well as providing coaching and feedback for professional growth and development. Eligible employees may receive tuition reimbursements of up to \$4,000 a year for three years for education that is job-related and advances their career.

We recognize that our continuing growth demands we attract exceptionally talented and service-oriented people. We seek to cultivate and attract the next generation of leaders by providing internship opportunities to rising college sophomores and juniors in technical programs focused on mechanical or electrical engineering, programming, and skilled trades, such as HVAC systems.



2021 Training Metrics

28

Hours/year per employee
(Average training hours)

30K+

Total training hours
(Completed)

Performance Management

We continuously reevaluate our training and performance review processes to equip employees with the information and expectations they need to be successful and build their own career path. Our Performance Management Process (PMP) is designed to build a high-performance culture and provide every employee an understanding of the direct impact he/she has on meeting our corporate goals. Our PMP defines performance requirements, provides for regular feedback, and assists employees in career development and advancement.

The process begins with setting clearly defined targets, which is critically important to employee productivity, job satisfaction, team coordination, and morale.

Employees and their managers develop targets in two categories, Financial and Management by Objectives, with the latter referring to targets that are important for personal, departmental, and organizational success.

Feedback and coaching take place throughout the year, with defined measurements to allow objective performance tracking by both managers and employees. Annual reviews provide employees an opportunity for self-appraisal and managers an opportunity to formally evaluate their team members' performance on achievement of annual targets and leadership characteristics, such as personal attitude, work quality, dependability and initiative.

Prior to finalizing reviews, manager roundtables are held in which managers present employee reviews to the management team with the objective to:

- Share individual experiences and observations
- Ensure consistency of reviews, and therefore compensation and professional development, between managers
- Provide managers with the confidence that reviews are fair and accurate after gaining consensus among management team members

Reviews are finalized at the end of each roundtable before sharing and discussing with employees. Merit increases, profit sharing and professional development opportunities are determined based on the results of annual reviews.

- ✓ **Share individual experiences and observations**
- ✓ **Ensure consistency of reviews**
- ✓ **Provide managers with confidence that reviews are fair & accurate**



Rewarding Our Employees

Taking great care of our customers starts with making sure we take great care of our employees. Our strategic objective to attract, retain and develop a high-performing and diverse workforce motivates the development of our employee-centric programs. We take pride in providing our employees with market competitive total rewards packages that recognize employee achievements.

Albireo Energy has grown dramatically since our founding through the extraordinary efforts of our team. To align incentives and share in our success, we launched a performance-based profit-sharing program in 2018 in concert with the kickoff of our three-year

growth strategy, Ambition 2020. Our employees helped us achieve our Ambition 2020 vision of becoming the largest independent provider of smart building solutions and services in the US, and their continued determination will help us achieve our new Ambition 2023 vision of becoming the number one independent provider in the world. Rewarding them for their contributions along the way is an integral component of our strategy.

All full-time employees with at least six months of service who are not already participating in a client-based incentive plan are eligible for profit sharing. Rewards are based on individual, divisional and overall company

performance. Designed to distinguish individuals who made a sizeable contribution to successful business results, the program places emphasis on:

- delivering excellent customer service
- demonstrating technical excellence
- focusing on organizational profitability
- advocating a safety culture
- maintaining a positive team attitude
- promoting our core values

Over the last eight years, field employees have received up to four weeks of additional annual pay through our various bonus opportunities.



Sales incentives are offered to all Salespeople within the organization. In 2021, 31 employees became members in the Star Club, reserved for those who reach \$1M in Gross Profit. Star Club members received a plaque, \$500 gift card and Executive gift, as well as becoming eligible to join the Platinum Club. The Platinum Club Members, exclusive to the Salesperson with the Highest Divisional Gross Profit, were invited on the 3-day Platinum Star Club Trip to Palm Desert, California with Albireo Energy's CEO and President.

Retaining Our Employees

Employee retention is one of our key annual goals. We strive for an annual retention rate of 93% and have exceeded this goal for the last three years.



Diversity and Inclusion

Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but also our reputation and our ability to succeed.

Albireo Energy is committed to fostering, cultivating and preserving a culture of diversity and inclusion. We kicked off our Diversity & Inclusion (D&I) Initiative in 2021 with the goal of creating a work environment that fosters collaboration, innovation, creativity and belonging, built on the premise of diversity and inclusion that encourages and enforces:

- Respectful communication and cooperation between all employees, regardless of background
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives
- Work/life balance through work schedules that accommodate employees' varying needs
- Employer and employee contributions to the communities we serve to promote a greater understanding and respect for diversity

We formed a nine-member cross-departmental D&I committee that is responsible for defining priorities and launching initiatives that ensure our practices are fair and equitable, and our organization is embracing of diversity and inclusion. They also provide subject matter for inclusion in monthly email communication to



Albireo Energy staff. The committee is focused on the development of practices and policies related to:

- Recruitment and selection
- Compensation and benefits
- Professional development and training
- Promotions, transfers, layoffs, and terminations
- Employee resource groups
- Social and recreational programs

Our Talent Acquisition team continued to participate in targeted recruiting events in 2021, such as with Society of Women's Engineers, Women in Construction, Women in Technology, National Society of Black Engineers, Society of Asian Scientists and Engineers, Hiring our Heroes and other veteran placement organizations.





Our Health and Safety

Our commitment to safety is aligned with our core values of Accountability, Leadership, Best Customer Value, Integrity, Respect, Empowering, and Open-Minded.

At Albireo Energy, we take safety seriously and our number one goal is to ensure our employees return safely to their home and family each day. That is why safety is a core competency at Albireo, and we expect each of our employees to embrace a zero-accident mindset as the basis for our safety culture. No operation is considered so important or a scheduling deadline so critical that safety is compromised. We are dedicated to providing an integrated, adaptable and consistent company-wide safety program.

Our safety program employs multiple engineering and administrative controls to keep our team members safe. To cultivate a strong safety culture, we focus on positive messaging, rewards, recognition, and soliciting interaction from employees at all levels.

Responsibilities and Oversight

Protecting the safety of employees, customers, and building occupants requires the right oversight and a dedicated team charged with curating a responsible, effective, and solutions-based health and safety program. Albireo's Safety Committee, governed by Divisional Safety Managers, and led by an Executive Sponsor, meets quarterly to discuss system, program and process improvements that reduce incidents. Management

oversight is provided by Albireo's President, who receives quarterly updates from the Executive Sponsor.

Safety Awareness, Education and Training

Our team members working at client sites face the highest health and safety risks, which include frequent driving, working from ladders and at heights, and working on energized systems and mechanical equipment during installation of building automation controllers.

Onboarding for those who work in the field begins with initiation into our safety culture prior to beginning on any projects. Newly hired employees undergo a week-long safety orientation that includes provision of OSHA 10 or OSHA 30 certification in general safety, personal protective equipment relevant to their job function and in accordance with OSHA regulations, and our safety manual with procedures for safely performing their work. Once initial requirements are met, more experienced technicians are paired with new hires for hands-on training while at the jobsite.

Refresher trainings and other ongoing professional development resources are provided throughout the year for all field-based employees. Albireo Energy uses a web-based safety training platform, UL's PureSafety, to offer our employees with more flexible options to receive safety training and OSHA certifications.



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SAFETY TRAINING PROGRAM CURRICULUM

Mandatory Training

- ✓ **New Hire Orientation Week**
Safety Program overview, PPE provisioning, safety manual review and acknowledgement
- ✓ **Safety Certifications**
OSHA, first aid, and CPR/AED certifications
- ✓ **Site-Specific Safety Orientation**
Albireo-led job site safety orientation prior to commencing work for all workers, including subcontractors
- ✓ **Competent Persons Training**
Hazard identification and mitigation for those designated as a Competent person, required at each job site
- ✓ **Refresher Training**
Quarterly and annual safety refreshment

Employee- and Job-Specific Training

- ✓ **Retraining**
Following injuries, incidents, or near misses, or when a Manager observes employee using unsafe practices
- ✓ **On-going Professional Development**
Project-related or case-by-case basis at the discretion of each employee and their supervisor

To complement training and keep safety front-of-mind, the Safety Manager introduces Toolbox topics each week to all safety-sensitive employees that emphasize the importance of:

- staying focused on safe work practices
- performing all tasks in accordance with safety policies and procedures
- avoiding shortcuts
- being aware of hazards in our routine work
- looking out for the safety of others

Managers may discuss Toolbox training topics in a team setting, and employees must also read and sign off after completing the training topic each week. All Toolbox topics are available on Albireo Energy's safety intranet page for employees to review at any time.

Project Pre-planning and Safe Work Practices

Prior to the start of a given project, the scope of work is reviewed for associated risks and a site-specific injury and illness prevention plan is developed.

Each project has a designated Competent Person (CP) who is trained to recognize hazards, properly use safety tools and equipment, and understand the dangers of work performed unsafely. Importantly, CPs have the authority to stop work should an unsafe situation arise. At the beginning of the day, the CP reviews the job site for any safety issues and plans how to safely accomplish the daily scope. The plan and related topics are discussed in a daily team safety meeting before work commences.

Incident Reporting and Investigation

Because the vast majority of incidents are preventable, we place heavy emphasis on hazard awareness and safe practices in our day-to-day. When incidents, including near misses, do occur, we require our team members to report them as soon as feasible – it is important to review the steps and contributing factors that led to the incident while memories are fresh. Once the root cause is identified, we eliminate the hazard to prevent a recurrence through improvements in engineering controls, administrative controls, training, and communication.

Albireo Energy monitors and tracks several metrics to manage our safety performance. On a quarterly

basis, this data is compiled from each of our regional divisions, allowing us to spot company-wide trends and make modifications accordingly. Quarterly performance and safety updates are also provided to our executive leadership and the Board.

COVID-19 Response

Albireo Energy was considered an “Essential Business” in the early days of the pandemic, allowing us to maintain operations with minimal disruption. Our Safety Committee remained highly active and supportive throughout 2020 and 2021, becoming an information resource operating in partnership to supplement, add clarity, and act on the corporate leadership communications. We adapted our working environment wherever possible to limit the spread of COVID-19, including:

- Transitioning corporate staff to work from home
- Leveraging remote monitoring technology and virtual communication to limit visits to customer sites
- Providing additional personal protective equipment (“PPE”) and following federal, state and local guidance
- Adapting to customer requirements, including mandating vaccinations to comply with our governmental customers.

Our number one priority is the health and safety of our team members, customers and communities, and this continues to guide our response to the pandemic.



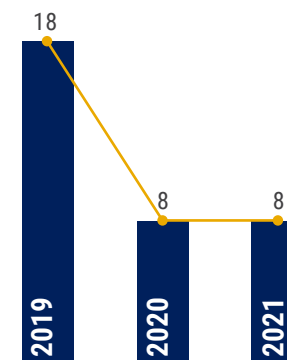
445

Average Number of Days Across 15 Divisions

Days without recordable incidents is tracked by regional division. In 2021, days without recordable incidents ranged from 74 to 727 days.

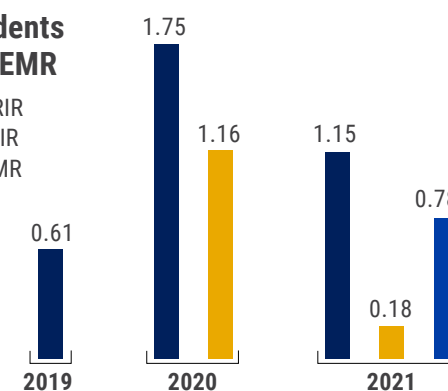


Number of Auto Accidents/Year



Incidents and EMR

■ TRIR
■ LTIR
■ EMR



Data Privacy and Security

Our customers, vendors, and other business partners entrust us with sensitive and important information that we safeguard and protect through our data privacy and security systems and protocols.

Albireo Energy's IT organization provides central oversight with decentralized implementation at the local level. Our Director of IT reports to the CFO, who provides updates on security and privacy to the Board as needed. The Director's eight-member team includes a Security Administrator responsible for data security and IT engineers who manage day-to-day security operations at local divisional offices. We conduct ongoing reviews of our internal systems, resources and personnel to assess whether changes need to be made to our organizational structure.

Albireo Energy stores customer information in a secure file system with share permissions and user access controls. Our Human Resources organization stores employees' personal Identifiable Information (PII) within an enterprise resource planning (ERP) system that includes extra safeguards and permission sets that restrict data access. A cloud-based firewall is deployed to block potential threats to the network.

Customers store their operational data that our building solutions collect and monitor either with a third-party or onsite. We are provided access to the data when needed as part of our services, which sometimes requires storing of customer data.



Recognizing the need to evolve our practices as we grow and to effectively respond to increasing global security threats, we developed a two-year roadmap in 2020 to transform our security organization. Roadmap elements that have been completed so far include:

- Hired a security consultant who completed a gap analysis against ISO-27001
- Migrated to Software Defined Wide Area Network (SD-WAN) and centralized cloud-based network security, which allows us monitor and configure our firewall from a single pane of glass and restrict network access to a single-entry point for all connected offices.
- Supplemented spam filtering with an artificial intelligence-based system that will automatically remove malicious emails directly from user mailboxes before they become threats.
- Rolled out a network intrusion detection system (NIDS) to monitor and provide alerts for network anomalies, and identify any breaches if they occur
- Began rolling out a vulnerability scanner to actively monitor and report any potential vulnerabilities
- Began deploying a backend Security Information and Event Management (SIEM) complemented by a Security Orchestration, Automation and Response (SOAR) system to serve as a central repository of security information and events. The system's ability to analyze and report on audit logs from all connected devices in real time will allow our IT team to respond faster to potential threats and neutralize malicious activity before it becomes a breach.

Security Awareness and Training

Training on phishing and other data security threats is part of onboarding for every Albireo employee. Ongoing security awareness training from a third-party vendor, Mimecast, focuses on the top human error-related security risks. The training modules, covering both privacy and security, are designed to improve security culture, change behavior and lower security risk.

Mimecast's learning behavior training is incorporated into the email of every Albireo user. Users are occasionally tested to see whether malicious links are clicked. After several occasions of clicking malicious links, the user will be quizzed more often, with the frequency increasing or decreasing according to their behavior.

We will be launching monthly phishing campaigns and quarterly awareness assessments in 2022 to further embed security into Albireo's culture. Periodic campaigns will also test users that have historically scored low on quizzes.



Mimecast's learning behavior training is incorporated into the email of every Albireo Energy user.



Corporate Governance

ESG Oversight

Our board of directors is composed of seven members: two are independent and provide outside influence and perspectives, three are from Albireo's executive leadership team, and two are from Huron Capital, our controlling investor. Huron has made ESG commitments to its investors, and requires portfolio companies to make consistent ESG improvements each year, and boards to be responsible for ESG adherence as stewards for the company.

ESG and compliance is the first topic at every Albireo board meeting with updates provided by the Sustainability Governance Committee. Supporting slides highlight achievements, opportunities and challenges to generate conversation and solicit recommendations. This follows our belief that if you give a topic air time and a moment for reflection, issues are more likely to surface, be discussed and managed in a timely and effective manner.

We frequently acquire companies to expand our capabilities, solution offerings and geographic reach. ESG issues are incorporated into the investment process in a rigorous and repeatable manner, aligned with Huron's investment policies. ESG due diligence findings are presented to the Investment Committee for consideration alongside business and financial-related findings.



Ethics and Compliance

The "I" in Albireo represents our most important value, Integrity. To build a company that will last a lifetime, operating ethically and leading with integrity is essential to earning and maintaining the trust of our employees, customers, suppliers, and the communities in which we work. We ensure that our employees understand our policies, rules and regulations that apply to their job.

We maintain multiple reporting channels for employees who may have witnessed or experienced harassment, discrimination, or other misconduct. As outlined in our Non-Discrimination and Non-Harassment policy, employees have a duty to report incidents and promptly report concerns, without fear of reprisal, to their manager and Human Resources. Confidential reporting is available 24/7, 365 days a year in multiple languages through an ethics and compliance hotline operated by a third-party, Lighthouse Services. Lighthouse provides

Albireo Energy with immediate updates and monthly summaries for employee claims. Once a report is made, we immediately investigate and, where appropriate, take prompt remedial action, keeping the investigation as confidential as is practicable under the circumstances. Violations of our policies result in disciplinary action ranging from a warning to immediate termination. We similarly take remedial action against any contractor, customer, or vendor who violates our policies.





Giving Back to Our Communities

Our Albireo Cares Together Community Outreach program was born from engagement survey feedback we received in 2018. Employees wanted a way to gain purpose through being a good neighbor and corporate citizen by supporting nonprofits in their communities. Donations and volunteer activities are determined by the interests of local teams, and include food bank and school supply drives, participation with Salvation Army Angel Tree, beach cleanups, and others.

A company-wide giving initiative was started at the request of a veteran member of Albireo. For the last three years, in addition to companywide recognition of our veterans, we have raised money for the Gary Sinise Foundation, whose mission is to serve veterans, first responders and their families.



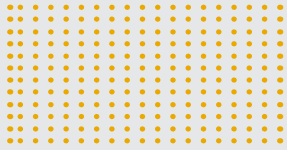
Albireo Cares Together



Donations and volunteer activities
for food banks, school supply drives,
Salvation Army, beach cleanups etc.

Serving veterans through Gary
Sinise Foundation for the last
three years





Albireo Energy is a worldwide provider of building technology solutions optimizing performance, reducing cost, increasing reliability and decreasing energy usage. We design, engineer, install, commission and maintain building systems that are integrated to all facility assets through a single operator user interface.

We are your partner for building solutions.

