



2023 Environmental, Social, and Governance Report

Executing Boldly



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About This Report

Albireo Energy's 2023 Environmental, Social, and Governance Report outlines the company's priorities, strategies, and activities for the calendar year 2023, unless otherwise noted. We are committed to regular and transparent communication of our sustainability efforts. To provide feedback or ask questions about this report, please email our head of ESG at prichman@albireoenergy.com



Message From Our CEO

Dear Stakeholders,

Albireo Energy's purpose — to see buildings in a different way — anchors every decision we make. As a leading independent building controls and energy services provider, we are technology agnostic. Our independence continues to make us an objective partner to building owners and their teams as they achieve their operating and sustainability goals.

With such a significant opportunity to make buildings more efficient, responsible and resilient, the sustainability of our business has never been more important. That's why our Environmental, Social, and Governance (ESG) priorities are tied to our purpose and why we continue to focus on the ESG topics that matter most to our business and people.

In 2023, we continued to execute boldly on our ESG strategy, ensuring that the steps we take propel our business strategy and make our company stronger. Our strategy is centered on four key pillars:

- Expanding access to sustainable solutions that reduce environmental impact and that improve building performance.
- Reducing the environmental impact of our operating footprint including buildings and fleet.
- Developing and engaging a diverse and inclusive workforce of building controls experts.
- Operating with strong governance to ensure the highest standards of ethics and values.

We are pleased to share our continued progress in this report, along with these important highlights.

Expanding access to sustainable solutions: We continued to grow the Albireo Energy Sustainability Solutions portfolio, recognizing that 75% of our gross revenue can be directly attributed to helping customers address their sustainability goals.

Reducing environmental impact: While our own environmental footprint is relatively small, we completed an environmental operating baseline using our proprietary Utility Module technology for effective data collection. We also made commitments to reducing our environmental impact including converting at least 75% of our fleet — our greatest emissions contributor — to hybrid vehicles.



4 Key Focus Areas

- 01** Expanding access to sustainability technology and service solutions
- 02** Reducing environmental impact of our operating footprint
- 03** Developing and engaging a diverse and inclusive workforce
- 04** Operating with strong governance and highest standards of ethics and values

Developing and engaging our workforce: Being an exceptional employer and partner are central to our mission, we're proud to be a Certified™ by Great Place to Work® for the sixth year in a row. Plus, as part of our winning culture, over 200 employees awarded their peers with Shining Star recognitions for their exceptional customer contributions. We also received 17 master and platinum awards from our suppliers in recognition of our expertise in building automation and power management.

Operating with strong governance: As part of our commitment to operating with the highest standards of ethics, values, and compliance, we have strengthened our supplier management practices while also continuing to bolster our cybersecurity protocols and training.



**Converting at least 75% of our fleet
– our greatest emissions contributor
– to hybrid vehicles**



**Received a bronze medal from
EcoVadis for our progress and
commitment to ESG priorities**



**Received 17 master and
platinum awards from our suppliers**



**Certified™ by Great Place to Work®
for the sixth year in a row**

In 2023, we submitted our ESG performance for the first time to EcoVadis, a globally recognized assessment platform that rates businesses' sustainability. While we recognize that ESG is not a destination, but instead a journey, we were pleased to receive a Bronze medal, recognizing our progress and commitment to critical ESG priorities.

Our progress is due to the unwavering commitment of my Albireo Energy colleagues. I want to thank our team for their dedication and passion for serving customers and making our company a great place to work. We're excited and energized about the road ahead and the opportunities to create a safe, sustainable, and productive future.

Very Best,

Larry Wash



By the Numbers | As of FYE 2023



Founded in 2014



1K+ employees



\$326M in revenue



**8% growth in
service revenue**



**Sales pipeline
nearly \$1B**



**25 Fortune 100
customers**



**829 service
customers
in 2023**



**3K+ accounts
under utility
management**



**45K installations
46 states
40+ countries**



**Largest independent
provider**
*(of building controls and energy
services in the U.S.)*

Who We Are

Albireo Energy is a leading independent building controls and energy services provider recognized by customers for creating intelligent, high-performance buildings.

We help building owners and their teams make decisions about building automation that achieves operating performance, decarbonization, and sustainability goals.

Because we're technology agnostic, we see buildings in a different way. By understanding the mission of a building portfolio, our team of building performance experts designs and delivers technology and service solutions that provide maximum control of data centers, offices, hospitals, universities, manufacturing, and multi-use sites.

Our work begins with engineering, project planning, and exceptional execution, and extends through maintenance, monitoring, analytics, and energy procurement services. At Albireo Energy, our promise is to stay connected.



Our Values

Our values are at the heart of our name and serve as the foundation of our company's overall operating platform. Albireo is a brilliant double star in the Cygnus constellation – one blue and one gold – that complement one another. The double star is referred to as the "Partner Star." The Albireo Star symbolizes our promise to stay connected and partner with our customers, employees, suppliers, and investors to cultivate mutually rewarding relationships. These values include:



Safe



Accountable



**Customer-
focused**



**Highest
Integrity**



Engaged

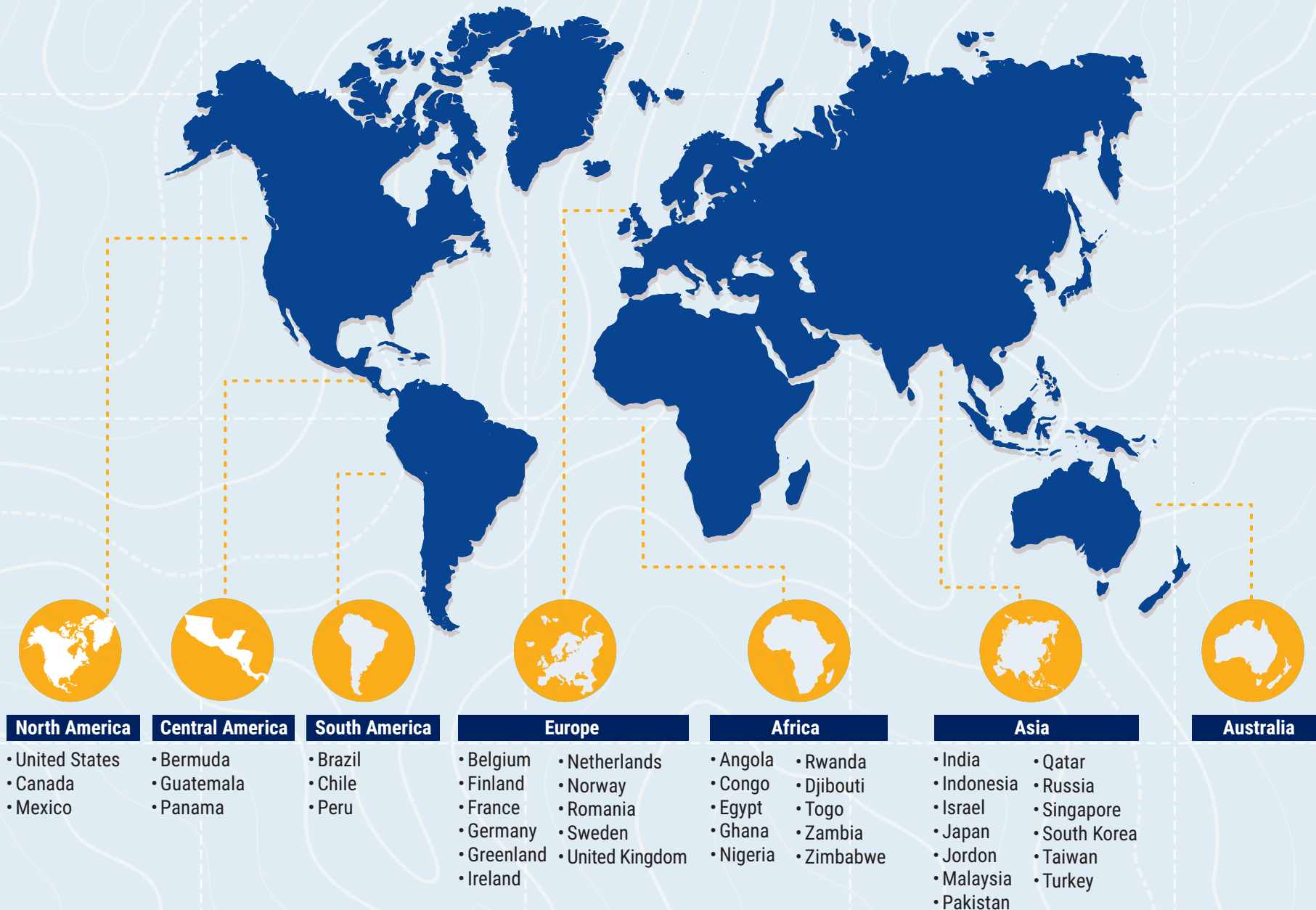
Geographic Footprint

Our customers rely upon Albireo Energy's global footprint of 35 offices worldwide: 28 in the U.S., two in Asia, and five in Europe.



Global Installations and Experience

Albireo Energy has thousands of installations worldwide in 40+ countries and 46 states in the U.S.





ESG Approach

We help customers create intelligent, high-performance buildings that are responsible to the environment and good for business. Our greatest contributions are through the services we offer, the projects we deliver, and the commitment to developing a technical and engineering workforce with the expertise required to create buildings for the future.

We continue to challenge ourselves to think differently and continuously incorporate sustainability principles into the way we operate, serve, and engage. We do this so that we can manage risk and create value for our stakeholders and ensure a long-term resilient and responsible business. This includes:

- **Preparing our employees and customers for the future** by understanding trends related to climate change, energy consumption, technology, and resources and reflecting them in our projects and services.
- **Providing expert services in sustainability, energy, climate change, and environment** to help customers improve sustainability performance, reduce costs, and manage risk within their buildings and building portfolios.
- **Actively managing and improving our own sustainability performance and disclosing our performance** in line with the issues that are most important to our stakeholders, and where possible, applying recognized frameworks.
- **Creating an inclusive business culture to attract, recruit, develop, and retain diverse talent** that is well positioned to deliver to their full potential.
- **Ensuring strong governance practices** in all areas of our business with the right controls, policies, and risk management as part of a culture of compliance.

- **Conducting our business in an ethical manner** and taking a proactive role in delivering the best solutions for all our stakeholders.

Our ESG Priority Areas

To identify our ESG focus areas, we reviewed ESG reporting standards including the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI). We also support and align our reporting to the United Nations Sustainable Development Goals (UN SDGs).

We assessed our commercial landscape and engaged our leadership team, Board of Directors, and ESG Working Committee to prioritize issues based upon pertinence to our industry, business, and stakeholders. Our list of priority topics reflects these inputs and align with our four key ESG pillars. This priority-based approach to ESG ensures that we can continue to build a meaningful ESG strategy that responds to external events, business priorities, stakeholder expectations, and our own performance results. Our priority issues are:

- Opportunities in green buildings and clean technologies
- Carbon footprint and energy use in our operations
- Employee safety
- Employee recruitment and retention
- Talent management
- Business operating systems
- Supply chain risk management
- Ethics and compliance
- Cybersecurity

Alignment with the United Nations Sustainable Development Goals (UN SDGs)

The UN SDGs represent complex global challenges, including several that intersect with our ESG priorities. We focus on addressing the SDGs where we can help make the greatest difference based upon our expertise, business strategies, and social impact efforts.

3 GOOD HEALTH AND WELL-BEING



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



An abstract graphic design on a dark blue background. It features a complex arrangement of overlapping geometric shapes, including circles, arcs, and squares, in various colors like light blue, yellow, grey, green, and red. Some shapes contain smaller patterns, such as a grid of dots or a stylized flower. A central grey square contains the number '01' in white, followed by a small grid of dots.

01

Expanding Access to Sustainable Solutions

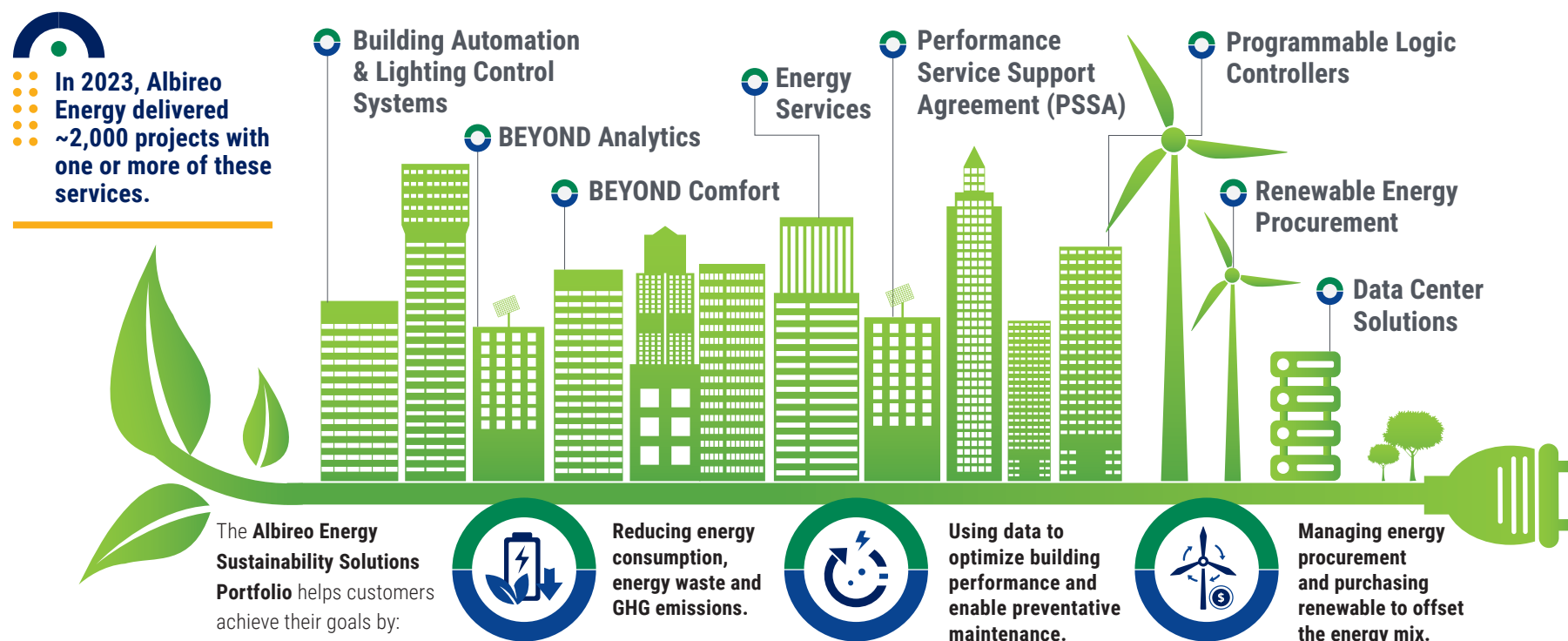
Expanding Access to Sustainable Solutions

Albireo Energy is focused on expanding access to sustainable building solutions that reduce environmental impact and improve building performance. We advise customers on multiple facets of building and energy management by designing, developing, and implementing technology and service strategies carefully tailored to industry, location, and business mission.

Albireo Energy Sustainability Solutions Portfolio

The Albireo Energy Sustainability Solutions Portfolio is central to our customer commitment. We use definitions within external reporting frameworks to define the services that meet or exceed requirements for green building offerings. For the second consecutive year, we engaged a third party to validate the scope of our portfolio as well as the business and environmental impacts of our work in 2023. The Albireo Energy Sustainability Solutions Portfolio includes products and services that directly reduce energy consumption by improving building efficiencies and energy monitoring as well as renewable energy. Those solutions include:¹

The Sustainability Solutions Portfolio represented 75% of Albireo Energy's total revenue in 2023.



While ensuring building resiliency, uptime and compliance requirements and without compromising occupant comfort, safety, health, and productivity.

¹ To identify these sustainable services, Albireo Energy leveraged the definitions and language provided by the EU Taxonomy for Sustainable Economic Activities, CDP, GRESB, ASHRAE, and the USGBC.


Building Automation and Lighting Control Systems


Building automation systems (BAS) provide building owners and their teams 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, and fire and life safety so that disparate systems operate uniformly and in unison. In addition to offering peak operational efficiency, our systems 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 part of a BAS solution or as a standalone project, Albireo Energy offers highly scalable wireless lighting controls for new and existing buildings. These can be implemented on a single floor of a building or the entire structure, offering a range of energy-saving control strategies including scheduling, occupant sensing, daylight harvesting, and high-end trim and tuning.

Albireo Energy Sustainability Solutions Portfolio

 We delivered over \$14M in energy cost-savings for customers in 2023 based on the average regional electricity and natural gas costs in 2023.¹

 Cost-savings translate to reduction of 60,000 MWh of electricity usage and 830,000 therms of natural gas consumption.¹

 Reduction in energy usage results in an estimated 25,000 MTCO_{2e} of avoided GHG emissions for Albireo Energy's clients.¹

¹ To identify these sustainable services, Albireo Energy leveraged the definitions and language provided by the EU Taxonomy for Sustainable Economic Activities, CDP, GRESB, ASHRAE, and the USGBC.

Albireo Energy At Work



Fort Lewis College

Fort Lewis College in Durango, Colorado built a new facility to significantly increase lab space for health sciences, add a state-of-the-art gym, and establish an adaptive learning center featuring a high-altitude training area. The College team aimed to attract students and faculty with a world-class learning environment while boosting energy efficiency and managing operational costs.

The College team selected a building automation system (BAS) to integrate HVAC with occupancy sensors and lighting controls. They programmed the BAS to adjust airflow and set points in unoccupied areas, reducing energy consumption during non-peak times. This increased energy efficiency, reduced costs, and created a more environmentally responsible footprint. The cutting-edge technology enhanced the college's reputation, attracting new students and faculty.

BEYOND Analytics

Fault detection and diagnostics (FDD) software helps identify and diagnose 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 Energy developed an AI-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.



Albireo Energy At Work



A Major Television Broadcast Network

A major television broadcast network with headquarters in New York City uses BEYOND Analytics for system-level insights and identifying environmental and operating improvement opportunities in multiple buildings across the country. This includes:

- Monitoring based commissioning.
- Data normalization across buildings.
- Electrical power monitoring and reporting.
- Fault detection diagnostics across mechanical systems.

Customized reports are reviewed with key stakeholders monthly with resulting preventative measures tasked.

BEYOND Comfort

BEYOND Comfort is our solution for uneven air distribution using a patented design for VAV systems. It replaces the manual balancing damper with an automated space control damper, and multiple reheat coils. Using this design, a hybrid VAV box provides individual room control without adding more VAV boxes. When adding more than one reheat coil to a VAV box, each area has autonomous control from another served from the same VAV box, typically reducing the overall VAV count by two-thirds. Using fewer, but larger VAV boxes with multiple re-heat coils supplied by a single set of balancing and isolation valves also reduces the cost of a building’s mechanical infrastructure.

With BEYOND Comfort, each room uses an individual physical or virtual thermostat which provides additional features conventional thermostats do not offer. Combined with lighting control, BEYOND Comfort provides increased savings by monitoring occupancy and isolating air flow and energy for unoccupied areas.

Data Center Solutions

Albireo Energy Data Center Solutions provide building and electrical controls and energy services to hyperscale, colocation and enterprise data center customers requiring building performance, energy management, decarbonization and sustainability strategies.

As an independent controls provider, we are trusted distributors for every major data center OEM and work across Building Automation Systems, Electric Power Monitoring Systems and Programmable Logic Controls platforms. Often, building owners standardize on controls technologies across data center locations.

Albireo Energy building controls experts design, engineer and install these critical systems. We also offer continuous commissioning, monitoring and analytics for maximum data availability as well as alarm management to keep data centers performing as promised.



In 2023, Albireo Energy worked with some of the largest Tier 4 data centers in the world, providing a full range of controls technologies and services. To date, we have completed 200+ data center projects, including 8.3 GW and 24M+ square feet of white space, with an additional 348 MW and 1.8M square feet actively under construction.

Albireo Energy At Work



Large Colocation Data Center

A global colocation data center company (colo) that serves enterprise companies and hyperscale cloud providers needs to provide tenants secure power and cooling at cost-competitive rates.



Colocation data centers, often referred to as colos, are facilities where individual companies rent space to house their servers and IT equipment. The companies benefit from shared power, cooling, security, and connectivity infrastructure.

This global colo selected and implemented a combination building automation system (BAS) and light Energy Power Management System (EPMS) application. BAS controls all mechanical systems and EPMS to monitor electrical systems, and both are viewed on a Single Pane of Glass (SPoG). The colo team now controls and monitors its buildings securely, effectively, and at a fraction of the cost of implementing a full, standard EPMS solution.

Energy Services

Benchmarking is the foundation for energy management and a key part of a building's efficiency plan. We analyze building energy use over time and compare it to past performance and to similar buildings in the same geography.

It also allows building managers to evaluate usage and savings opportunities and to analyze the return on investment conservation measures implemented. After benchmarking, we conduct an energy audit, gathering data on mechanical, electrical, and automation systems. Data is used to identify gaps in best practices and areas of inefficiency. We help prioritize potential actions to improve energy management, taking into consideration economic, legislative and operational information that impact returns on investment.



Performance Service Support Agreements (PSSA)

We stay connected with customers throughout the life of their buildings, customizing service support based upon the needs and priorities of their businesses. Our comprehensive suite of services includes operator coaching and support, system performance, protection and recovery, and intelligent services.



Programmable Logic Controllers

Albireo Energy designs, engineers, installs, commissions and services Programmable Logic Controllers (PLCs) for data centers, critical industrial and commercial offices, broadcast media centers, public utilities and transportation. PLCs are the speedier and more precise cousin to BMS, which is required in mission-critical environments where redundancy and reliability are non-negotiable.

The Albireo Energy team is experienced with SCADA/PLC for new construction and existing building retrofits and works across all PLC technologies including Allen-Bradley, Ignition, Siemens, Schneider and Wonderware. We specialize in integrating, monitoring and servicing critical building systems integrated into SCADA/PLCs, and regularly offer design assistance on key industrial processes or systems. Albireo Energy offers alarm management and remote monitoring services, ensuring that system issues avoid becoming business crisis.



Renewable Energy Procurement

Albireo Energy's energy procurement professionals help universities, data centers, manufacturers, retailers, commercial real estate portfolio managers and others make traditional and renewable energy purchasing decisions. We work across multiple technologies, financing arrangements and contract structures.

We assist 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 (VPPAs) and renewable energy certificates (RECs). We provide customers with long-term and immediate expense savings and help meet their sustainability goals, decrease their reliance on fossil fuels and produce carbon-free and carbon-neutral solutions. Plus, we manage your energy supply and demand. When we identify peaks in your energy spend, our building controls and energy services teams can provide the ROI and help you assess the viability of making cost improvements.



In 2023, Albireo Energy Procurement Services facilitated the purchase of 180,000 Green MWH of renewable energy credits, resulting in an estimated emissions reduction of nearly 70,000 MTCO₂e for our customers in their market-based greenhouse gas accounting.

About Albireo Energy's calculations

In 2023, Albireo Energy delivered nearly 2,000 projects meeting sustainability solutions criteria resulting in gross revenue of \$247.5M for the sustainable services provided. For each of these provided services, it was assumed that a portion of the gross revenue directly provided an energy savings impact to customers. For services that improve energy efficiency, Albireo Energy calculated the estimated energy cost-savings for each service provided. The cost-savings were calculated based on industry studies on return on investment for building efficiency upgrades, studies, and reports on implemented technologies, and Albireo Energy's case studies and experience as an energy services provider. Each service was estimated to provide varying cost-savings, which was calculated as a percentage of the gross revenue assumed to deliver direct impact. Gross revenue for each service was used to calculate energy savings as savings are calculated based on a return-on-investment to the customer. The methodology and actual calculations were supported and validated by third-party experts in greenhouse gas accounting and environmental impact calculations.



02



Environmentally Responsible Operations



Environmentally Responsible Operations

While our own environmental footprint is relatively small, we are committed to continuously reducing the impact of our operations. Our customer base requires solutions for building and maintaining high performance buildings, and we believe that minimizing our own impact is core to operating as a responsible company.

Our Greenhouse Gas Emissions, Energy, Waste and Water

For the full year 2023, we collected data on our energy consumption and associated greenhouse gas emissions (GHG) as well as our water usage and waste management to establish an operating baseline and help inform our environmental strategy going forward. We used the Albireo Energy Utility Module, our own proprietary online dashboard system, to collect data for this assessment including electricity, natural gas, and fuel usage from our vehicle fleet.

To assess our environmental performance, we benchmarked the actual utility usage of our facilities against national energy consumption data from the Commercial Buildings Energy Consumption Survey (CBECS). Our utility usage is in line with average energy consumption for commercial buildings. We expect that our GHG emissions are also average compared to similar companies.



Utility Module is Albireo Energy's high-value, proprietary, online dashboard system that helps customers track and control their utility use and spend, offering expense tracking, budget creation, account alerts, and downloadable reports.

Greenhouse Gas Emissions

Using our collected data, we calculated our Scope 1 and Scope 2 GHG emissions. Scope 1 emissions (direct emissions) are fuel consumed by our fleet and burned at our facilities. Scope 2 emissions (indirect emissions) are purchased electricity for our facilities.

Albireo Energy's Scope 1 and 2 GHG emissions from fleet and facilities have been calculated using the GHG Protocol's Corporate Accounting and Reporting Standard calculation methodology, and the GHG Protocol Scope 2 guidance. Where actual data was not available, we estimated using industry best practices. Per the GHG Protocol, we report Scope 2 emissions using both the location-based and market-based methods.

Location-based method reflects the average emissions intensity of the geographic area in which energy consumption occurs which generally is the grid-average emission factor data. Market-based method reflects emissions from electricity based on contractual instruments, such as supplier-specific emissions rates or the residual mix, if contractual instruments are not claimed.

Scope 1 and 2 emissions are shown in the table below. The largest source of our Scope 1 emissions is fuel consumed by our vehicle fleet, while Scope 2 emissions are primarily driven by facility electricity usage.

GHG Emissions	2023 Value (MT CO ₂ e)
Total Scope 1 Emissions	2,946
Scope 2 Location-Based Emissions	843
Scope 2 Market-Based Emissions	893
Total Scope 1 and Scope 2 Location-Based Emissions	3,789
Total Scope 1 and Scope 2 Market-Based Emissions	3,839

We are also tracking our fleet and facility emissions intensity by normalizing their respective emissions by our business activity. For fleet emissions, we normalize by vehicle count and mileage. For facility emissions, we normalize by floor space. This normalization helps us compare our performance over time as the business grows.

GHG Emissions Intensity	2023 Value
Fleet Emissions per Vehicle	5,823 (kg CO ₂ e/vehicle)
Fleet Emissions per Mile	0.28 (kg CO ₂ e/mile)
Facility Emissions (Location-Based)	4.52 (kg CO ₂ e/sqft)
Facility Emissions (Market-Based)	4.74 (kg CO ₂ e/sqft)

Energy Consumption

We have calculated our energy consumption, summarized here. Electricity and natural gas use are from our facilities whereas gasoline and diesel are from our fleet usage and make up the largest share of the energy consumption.

Energy Metric	2023 Value (MWh)
Natural Gas	964
Gasoline	11,458
Diesel	75
Electricity	2,585
Total Energy Consumption	15,083

Water Usage and Waste Management

Our largely estimated water usage and waste management indicators are summarized below. Actual data was not available for many of the facilities. In 2024, we will continue to prioritize improvement in data collection.

Metric	2023 Value
Water	2,485,064 (gallons)
Waste	1,502 (MT)

Service Fleet

As a building controls and energy services provider, our engineers and technicians travel to customer locations, installing, engineering, commissioning, and servicing systems. Our service fleet is nearly 500 vehicles and growing.

In 2023, we named a dedicated fleet manager under the direction of the company's Chief Financial Officer (CFO) to oversee the safety and efficiency of our fleet. Since being named, our fleet manager has centralized management of our fleet to the WEX system to increase oversight and transparency of vehicle age, mileage, and fuel usage. We also began the process of converting our fleet to hybrid vehicles and will continue this migration. In 2024, we committed to converting at least 75% of our fleet to hybrid vehicles by 2030, and we will explore opportunities to accelerate where it makes sense.

We also recognize that there are potential efficiency gains when we reduce idling and ensure accurate routing of technicians to installation and service jobs. In 2024, we are initiating a telematics pilot in our fleet in California to assess saved mileage and reduced idling.

Sustainable Facilities and Green Leases

Albireo Energy's office footprint is largely leased spaces in markets where we operate and serve. We regularly evaluate our facility needs in line with customer and workforce demands and apply standard guidelines when evaluating leasing opportunities. We look for buildings with high occupancy rates, excellent energy efficiency ratings, use of sustainable materials, and prime locations.



We are committed to continuously improving our data with a 30% increase in buildings with complete utility data in 2024.

Building Data

In many cases due to data availability, we estimated our electric, natural gas, and water consumption based upon industry best practices and national averages for buildings of our size and occupancy. These estimates do not consider actual



We are committed to converting at least 75% of our fleet to hybrid vehicles by 2030.

building usage patterns or partial occupancy during peak hours resulting in the potential for an overestimation of utility use. Estimations are based on use intensities derived from the US Energy Information Administration (EIA) Commercial Buildings Energy Consumption Survey (CBECS). We are committed to continuously improving our data with a 30% increase in buildings with complete utility data in 2024.

Green Leases

We are working with our national leasing agent to establish sustainability standards when selecting buildings and to incorporate provisional language into new and renewed leases about access to performance data, sub-metering, and continuous improvement. Sample language includes: *"The Landlord and the Tenant will share Environmental Performance Data they hold relating to the Premises and/or the Building. Environmental Performance Data will be shared on a regular basis not less frequently than annually, with the Managing Agent and with any third party who the Landlord and the Tenant agree needs to receive such data."* As we go forward, we are committed to achieving recognition from the U.S. Department of Energy's Green Lease Leader program for environmental excellence in lease spaces.

Employee Travel

We recently updated the Albireo Energy Travel policy, urging employees to evaluate low-impact business transportation options whenever feasible. This could include but is not limited to trains, buses, and other forms of public or shared transportation. For example, there is typically a lower environmental impact from taking a train rather than a short-distance flight.

Employees are encouraged to compare the emissions associated with different transportation options, considering factors such as distance traveled, fuel efficiency, and the carbon footprint of each mode of transportation. When this information is available, we encourage employees to opt for the transportation option with the smallest carbon footprint that still satisfies the business-related needs of travel.

Remote Services

Innovation is key to reducing our own environmental footprint and adding value to our customers. We continue to grow our remote services, offering customers in some key markets, such as New York, Delaware, and Seattle, the option to troubleshoot system issues without technicians driving to their locations. This offers a double benefit – fuel efficiency and customer efficiency.

Albireo Energy At Work



Senior Living Services

A leading provider of senior living services selected remote services for maintaining and diagnosing building systems across 22 sites in the U.S.

In 2023 alone, 484 work tickets were performed, remotely saving 1,360+ gallons of gas and avoiding 12,100 kilograms of CO₂ emissions.



PLC/SCADA Center of Excellence

Albireo Energy's PLC/SCADA Center of Excellence is based in Seattle and supports customers around the country and across the pond. The Seattle team provides a London-based global financial services company remote monitoring services and troubleshooting – fully eliminating any on-site service and avoiding unnecessary airfare, including 6.2M metric tons of greenhouse gas emissions from potential air travel.

An abstract graphic design on a yellow background. It features several thick, curved bands in blue, green, and grey. There are also smaller elements like a grid of dots, a stylized flower, and a teardrop shape. A central grey rounded square contains the number '03' in white.

03

Developing and Engaging Our Employees

Developing and Engaging Our Employees

Our Culture

At Albireo Energy, we believe in the work we do and in the safety, engagement and development of others. Our work requires building performance expertise. It also requires a work environment where people care about what they do, about each other, and the people who count on us the most. We approach employee recruitment, development, and engagement with this in mind. We listen to feedback, analyze the results, and use data to inform our improvements. This has informed our three guiding pillars:



01 Safety First

We emphasize safety with our employees whether on a job-site, on the way to a customer or in the office. Building a safety culture begins with leadership and accountability and ensuring that everyone goes home safely at the end of the day.



02 Deliberate Development

We equip our leaders with the tools and resources they need to develop our employees and engage in meaningful career development discussions. Doing so creates a climate of inclusion and better understanding of our employees' needs.



03 Ingenuity Rewarded

We know that high performance teams are innovative problem-solvers – and some of our most successful services and solutions were borne from this mindset. The more creativity and candor among our employees, the better the results.

Employee Safety

Our top priority is returning our employees home safely everyday. That is why **safety is a core value** at Albireo Energy. 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.

In building a safety culture, we established our Safety Must Win Battles. These are focus areas with greatest safety risk and where awareness, training, and engagement make the biggest difference. We regularly communicate about our Safety Must Win Battles in employee town halls, newsletters, roundtables, and other communication channels.

We also recognize the importance of championing those who champion safety. We institute a Safety Stars program to recognize individuals locally who are building a safety culture.



Safety Star: Daniel Ramer

Daniel, a Project & Safety Coordinator based in San Diego, has 15 years of electrical systems maintenance and general contracting experience and spent eight years in U.S. Coast Guard as an electrician. He is responsible for safety tracking and reporting by job, customer, or contractor; monthly Safety meetings, sharing safety metrics; Weekly Toolbox Talks and online quizzes for field; and safety training records for 80+ field employees. A peer nominated him for a Star award and said, "The safety trainings Daniel creates on a weekly basis are informative. He shows genuine care for the safety of Albireo Energy employees."



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 Energy's Safety Committee, comprised of Divisional Safety Managers and led by Vice President of Environmental, Health and Safety, meets monthly to discuss lessons learned from prior incident investigations, as well as system, program, and process improvements.

Albireo Energy's executive team reviews every recordable incident and root cause analysis to ensure that proper countermeasures are in place to avoid another incident. Overall safety governance is led by the CEO who reviews safety as part of monthly and quarterly operating reviews. A division-level safety scorecard has been instituted to further drive local accountability and culture.

Our Safety Must Win Battles



Electrical Safety
Lock Out / Tag Out



Falls From Heights
Ladder and Other Related



Defensive Driving
Vehicle Safety

Safety Training

Our field employees face the greatest health and safety risks. They drive from one customer site to the next, work on mechanical and energized systems, and climb up and down ladders.

We introduce employees to our safety culture on day one and before they start on any project work. New hires participate in 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 employees are paired with new hires for hands-on training while at the jobsite.



In 2023, we introduced the Nurse hotline, a 24/7 toll-free number available to ill or injured employees. Access to real-time support has been critical to enhancing injury management and building a safety culture.

Refresher training for existing employees and other professional development resources are provided throughout the year for all field-based employees and their managers. Albireo Energy offers web-based safety training platform, UL's PureSafety, providing employees with flexible options for completing safety training and OSHA certifications.

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.

Project Pre-Planning and Safe Work Practices

Prior to the start of any 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 many incidents are preventable, we place heavy emphasis on hazard awareness and safe practices in our day-to-day activities. When incidents, including near misses, do occur, we require our team members to report them immediately, which has strengthened our incident reporting protocols. In 2023, we refined our safety manual, automotive incident/injury processes, and incident reporting protocols all of which live in a secure environment, available to all Albireo Energy employees.

We recognize the importance of reviewing the steps and contributing factors that led to a safety 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 across the entire organization.



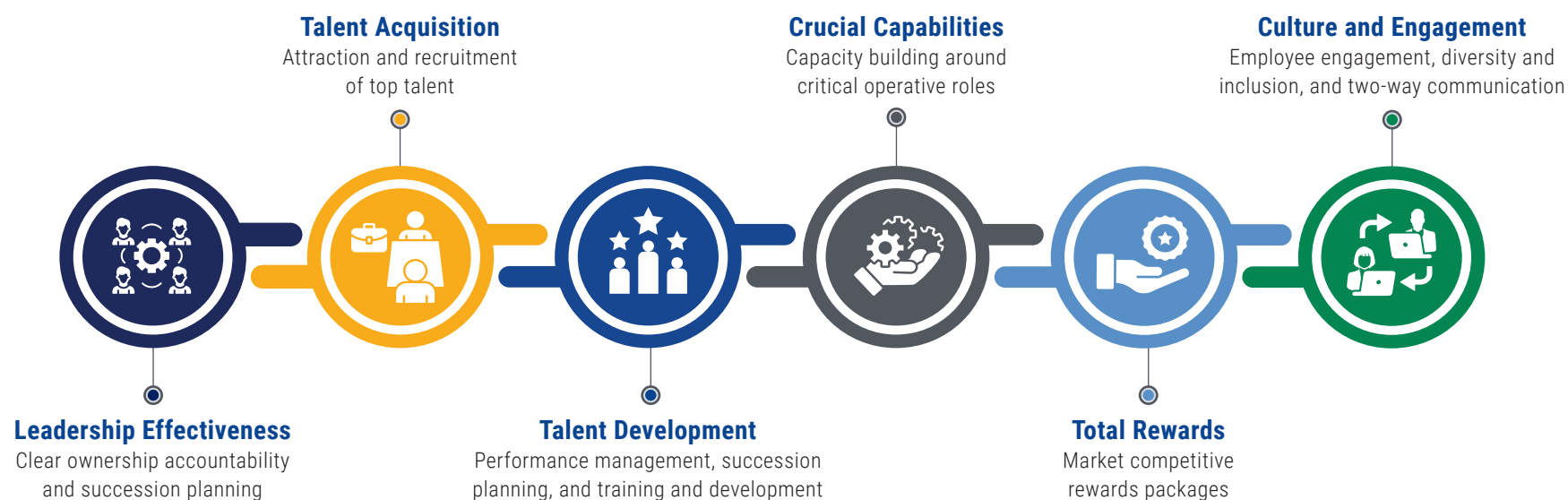
Metric	2023
Work-related fatalities (#)	0
Work-related injuries (#)	13
Days lost due to injury (#)	14
Total recordable incident rate (TRIR) ²	1.24
Experience modification rate (EMR)	0.77

² This rate is calculated based on 200,000 hours worked.



Human Capital Management

Albireo Energy's innovation, ingenuity, and customer focus can be attributed to our most important asset – our people. As a Great Place to Work, we are committed to maturing our human capital management practices for recruiting, developing, engaging, and retaining our employees. Our Human Capital Management strategy includes:



Leadership Effectiveness

A high-performance leadership team is central to achieving our vision and delivering on our strategies. We have designed and implemented a benchmarked executive, regional, and functional organizational structure – with clear accountability and leader standard work at top leadership levels.

Through a structured Succession Planning Process, we have focused on building our leadership bench strength and identifying growth and development opportunities for our leaders, emerging leaders, and talent at all levels. It's also allowed us to identify and prioritize critical capabilities and geographic talent needs in line with our current business and future growth trajectory. In line with our inclusive talent selection process, we have filled open leadership roles with ready-now internal leaders or with strategic external hires.

We have also matured our leader-led communications approach, providing enhanced levels of business transparency and creating greater accountability for driving and engaging employees in business priorities. This includes an annual in-person leadership summit at the beginning of the fiscal year to align on priorities and monthly business reviews as well as senior leadership meetings to review progress, recognize successes, and remove obstacles.



In 2023, 50% of leadership roles were filled through internal promotions, and 18% of leadership promotions were women.

Some Albireo Energy leaders promoted into new roles:**Marese Edwards | Corporate Controller, Corporate**

"Albireo Energy has provided me with an environment to grow and develop into an experienced accounting professional. I love the culture and camaraderie among the employees and appreciate how the company embraces diversity. This inclusive atmosphere makes it a truly rewarding place to work."

**Pablo Cordon | VP & GM, San Diego, San Diego**

"No matter what solutions we offer to our customers, our number one asset remains our team. Their expertise, dedication, and collaborative spirit are the foundation of our success and the key to delivering exceptional service."

**Andrea Millyan | Area Manager & VP of Operations, New England**

"Our best asset continues to be our team's unrivaled culture. Focused on employee satisfaction, our team proudly delivers solutions and service knowing that their input will always be valued."

Talent Acquisition

Our customer demands require us to continue to attract and retain exceptionally talented and service-oriented people. Most of our employees directly engage with customers by selling, designing, installing, commissioning and servicing building controls, and delivering energy, engineering, and procurement services.

The environment for skilled talent is more competitive than ever before, and our executive team and local leaders continuously evaluate our strategies for attracting and developing our workforce to meet customer demands now and in the future. In 2023, we instituted a structured and agile critical staffing review process to ensure the most essential hiring needs are resourced and prioritized.

We continue to strengthen our hiring practices, strategically sourcing talent through a variety of trade schools, colleges, and universities in key markets and career fairs focused on matching veterans and candidates from underrepresented populations.



We know that the most successful hires come from employee referrals. At the beginning of 2024, we increased our Star Finder Employee Referral Program bonus from \$2,000 to \$3,000 to further incentivize employees to refer their valued colleagues.

Albireo Energy At Work



Technician Technical Training

In 2023, we piloted an internal Technician Technical Training program which provided 25 individuals interested in installing and servicing building control systems with an alternative path. Through a structured curriculum, Albireo Energy building systems experts provided hands-on training to help develop interested individuals into qualified technicians. Supplemental training on specific building controls technologies and services was provided locally throughout the year.



Talent Development

Performance Management

At Albireo Energy, we continuously strengthen our performance review processes to equip employees with the information and expectations they need to be successful and build their own career path.

For the past 6 years, our employee retention was over 90%. In 2023, 12% of our promotions were internal employees.

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 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.

Merit increases, annual incentive plans, and professional development opportunities are determined based on the results of annual reviews and local contributions.

Training and Development

We are committed to helping our employees develop the skills, knowledge, and expertise to succeed on the job and advance in their careers. Our managers hold 1-1 quarterly meetings where training and development plans are reviewed and new opportunities identified. 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 careers.

In 2023, we formalized on-the-job training curriculum for systems specialists and technicians to keep them up to date on the latest building automation systems, customized to each employees' knowledge and experience levels. We also designed and conducted the **Albireo Energy Leadership Program**, a comprehensive training program for managers focused on strengthening leadership and people development skills. Over 50 leaders attended sessions across the U.S.



2023 Training Metrics

Average hours of training per employee: **42 hours per year per employee**

Total training hours completed: **45,000**



"Learning effective communication was extremely valuable. I appreciate how crucial communication leads to better teamwork, increased productivity, and a positive work environment. We do this by conveying expectations, providing constructive feedback, and inspiring people."
— **Suzy Preite** | Service Manager, San Diego

Crucial Capabilities

As part of our human capital processes, we continuously evaluate capabilities and roles required for continued growth and long-term customer satisfaction. Project management excellence has been a primary focus. In 2023, we established a Project Management Center of Excellence to build community, advance development, and drive standards of excellence. We call our disciplined project management approach, **The Albireo Way**. It ensures that projects are managed with an end-to-end repeatable process, executed on-time, on-budget, in-scope and 100% complete. Our approach is backed by a Project Management Development Program for employees making project management a career. It includes core and advanced competency building, career paths, and ongoing training in project and financial management, communication, and stakeholder engagement.



The Albireo Way has five steps: Goal Alignment, Project Planning, Financial Management, Training/Project Transition, and Ongoing Services.



Total Rewards

We provide our employees with market competitive total rewards packages that recognize achievement and regularly conduct compensation analysis by role and geography to ensure competitiveness.

Albireo Energy has grown dramatically since our founding through the extraordinary efforts of our team. We launched in 2018 and continue to grow our performance-based bonus programs to ensure that employees share in our success.

In 2023, all full-time employees with at least six months of service who are not already participating in a customer-based incentive plan are eligible for our bonus plan. 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 smart growth
- Advocating a safety culture
- Maintaining a positive team attitude
- Promoting our core values

Albireo Energy also offers a competitive benefits package for all U.S. employees that include medical, dental, vision, retirement, personal and dependent life insurance. In 2023, we increased our 401K match and ancillary benefit offerings based upon benchmark and feedback from our employees about benefits they value.

We also recognize the importance of health and well-being. In 2023, we increased the number of paid holidays as part of our corporate calendar, giving employees more time with their families. Our employees have full access to an Employee Assistant Program as well as financial wellness, estate planning, and tuition assistance programs. We also have hybrid work arrangements for employees across the U.S. where job scope permits, allowing for the flexibility to work partially in the office and at home.



Sales incentives are offered to all Albireo Energy salespeople. In 2023, 28 employees earned Star Club membership, reserved for those who achieve \$1.1M in gross profit and \$82,500 in cross sales revenue.



Star Club members receive a plaque and an executive gift, as well as becoming eligible to join the Platinum Club.



Platinum Club members are salespeople with the highest divisional gross profit in 2023.



This elite group were invited on the Platinum Star Club Trip to Scottsdale, Arizona with the Albireo Energy President.

Ingenuity Rewarded

The Albireo Energy Shining Star Program is a simple way for peers to recognize others who demonstrate ingenuity, innovation, and behaviors in line with our company values. Employees submit a nomination of a peer, requiring a description of how the individual went above and beyond. Leaders present recipients a custom certificate, a \$50 Amazon gift card and a Star Man stress ball. Recipients are celebrated during our quarterly All-Hands meetings and in our internal and external company news.

Our Albireo Energy Shining Stars



Neil Villwok | Project Manager, Omaha

For project turnaround, building customer trust with a high profile mission-critical buildings customer, and delivering one of the most successful projects in Omaha's history.



Mariana Doi | Business Manager, FLL

For working across divisions to achieve business results in addition to her own day-to-day business management workload.



Brian Ball | Senior Controls Technician, LA

For being a great mentor to new hires and fellow coworkers by sharing his knowledge of controls and complex systems.



In 2023, our Shining Star Program received 207 nominations across 90% of Albireo Energy locations. This is a 100% increase vs 2022.

Culture and Engagement

We are dedicated to building a customer-focused, high integrity culture where employees feel valued and respected for the work they do. 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 sixth year in a row in 2023. The award is based on what current employees say about their experience working with us.

We take feedback seriously and use it to continue to improve our practices and culture. We analyze our strengths, areas for expansion and actions needed to make improvements. In response to the 2023 survey, every Albireo Energy function and division established engagement plans addressing top areas of feedback.

As a company, Albireo Energy continued strengthening our leadership communication, building project management and execution capabilities, and bolstering our total rewards.



In 2023, ~80% of employees completed the survey and 83% said Albireo Energy is a Great Place to Work. ~90% of employees said that management is honest, ethical, approachable, and easy to talk with and are proud to work for the company.

Albireo Energy: A Great Place to Work



Katelynn Schmidt | Sales Executive, Omaha

"Albireo Energy has been a great place to work since my very first day. Everyone made me feel very welcome when I joined the team, especially my boss and mentor. The AE 101 program, continuous training that is sent out on a regular basis, wonderful culture, and all the amazing people I work with are just a few of the reasons I love working for Albireo Energy."



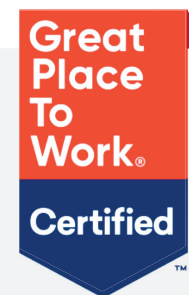
Kevin Sherman | Project Manager, AL

"Albireo Energy genuinely cares about its employees and their career growth. By providing ample opportunities for professional development, continuous learning, and personal growth, Albireo Energy creates an environment where employees can thrive and achieve their career goals."



John Scholten | Superintendent & DC Safety Council Rep, DC

"Albireo Energy's focus on the welfare of its employees is the primary reason it's a great place to work. With consistent investment and active participation from management, all employees feel the importance safety plays in our everyday operations. I look forward to moving our company safety culture forward into the future."



Two-Way, Open Communication

Effective communication ensures employees have the information they need to perform well, build a positive work environment, and eliminate inefficiencies. At Albireo Energy, we believe that effective communication accurately conveys information and improves relationships.

We encourage leader-employee discussions throughout the year and equip our leaders with the tools to effectively communicate direction and solicit and act upon feedback. Some of our communication channels with employees include:

- Monthly senior leadership team meetings discussing strategy, progress, and results with tools for them to use engage employees.
- Quarterly State of the Business meetings to provide status updates on corporate strategy and goals, human resources, and recognize successes. A Q&A session with our executive team provides an opportunity for employees to anonymously submit questions and share feedback.
- Functional roundtable meetings for sales, service, project, and operations managers to build community, share best practices, and solicit advice.
- Skip level meetings provide opportunities for employees to ask questions and share ideas for making Albireo Energy a great place to work and for customers to business.
- Consistent travel communication amongst leaders ensure that employees can engage with executives individually and in small groups while visiting local markets.
- Our weekly interactive news channel, AE News, shares business progress, customer successes, community activities, and recognition of great work.

Diversity and Inclusion

Albireo Energy is committed to fostering, cultivating, and preserving a culture of diversity and inclusion. We initiated a plan in 2021 to creating a work environment that fosters collaboration, innovation, creativity, and belonging, built on the premise that diversity and inclusion 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.



Over 90% of Albireo Energy employees said that quarterly State of the Business meetings were effective, with financials and recognition being the highest rated categories.

Several years ago, we began tracking the composition of our workforce with an understanding that we have opportunities to further embrace diversity and inclusion. We have remained committed to ensuring diverse talent slates for all leadership roles, continuing to recruit from diverse talent sources, and continuing to build local, inclusive cultures. In 2023, our workforce composition was:

Total Workforce Composition	
Women	14%
Black	5%
Hispanic	13%
Asian or Pacific Islanders	6%
Veterans	10%

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 increase corporate citizenship 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.

Veterans Day is a significant occasion for our team. Each local office holds celebrations and is provided with a toolkit with ideas on how to celebrate the brave individuals on our teams who served our country. Many of our teams participate in the "22 challenge" recognizing the tragic statistic that 22 veterans lose their lives to suicide every day. Some participate in a 22-minute walk or 22-seconds of silence during the workday. All Albireo Energy veterans are gifted with a challenge coin.



10% of Albireo Energy employees are veterans.

We're celebrating the fifth year as a company-wide financial supporter of the Gary Sinise Foundation, whose mission is to serve veterans, first responders, and their families. This company-wide giving initiative was started at the request of an Albireo Energy employee and veteran and has continued to grow in recognition of those that serve our country and in celebration of our growing workforce.



As a building controls and energy services company, we take Earth Day seriously. We engaged Evertreen, a company discovered by one of our employees, to plant one tree for every employee and every new hire in 2023. The 1,000+ trees we planted are estimated to absorb 380 tons of CO₂ over their lifetimes. Additionally, our initiative created 131 working hours and involved planting trees in five different countries, underscoring our global commitment to environmental stewardship. Trees are among the most effective tools for reducing carbon emissions.



1,050
Trees Planted



380
Tons of CO₂
Being Absorbed



131
Working Hours



5
Countries



04



Operating With the Highest Standards of Ethics and Values

Operating With the Highest Standards of Ethics and Values

Board of Directors

Our Board of Directors is composed of eight members: two are independent and provide outside influence and perspectives, two are from Albireo Energy's executive leadership team, and four are from Huron Capital Partners LLC, our controlling investor.

Huron Capital has made ESG commitments to its investors and requires its portfolio companies, as part of its Guiding Principles, to identify and support socially and environmentally responsible practices. The expectation requires year-over-year reporting with continuous improvement, and for the Board to be responsible for ESG adherence as stewards for the company.



ESG Oversight

Strong governance is foundational to our ESG efforts. Albireo Energy's full Board oversees our ESG strategy and it's reviewed once a year. Throughout the year, the Board is briefed on various ESG topics during every standard Board meeting. As part of business reviews, the CEO and Executive team discuss and address specific ESG topics, making ESG part of the way that the company is led and operated.

Our ESG work is led by our Chief Marketing and Sustainability Officer who reports directly to the CEO, and a cross-functional ESG Accountability Committee which includes leaders representing each of the company's material topic areas. Accountability Committee meetings are held quarterly with the CEO and Chief Financial Officer in attendance. For every material topic area, a project team has been formed and is accountable for proactively stewarding the issue and reporting to the Accountability Committee.

In addition, ESG issues are incorporated into the investment process in a rigorous and repeatable manner, aligned with Albireo Energy's investment policies. ESG due diligence findings are presented to the Investment Committee for consideration alongside business and financial-related findings.



Ethics and Compliance

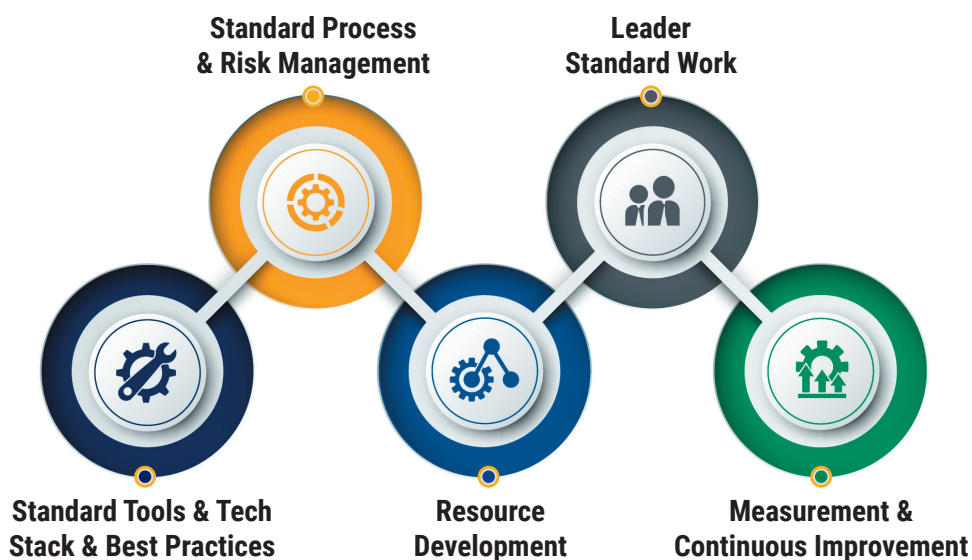
Integrity is a core value for Albireo Energy. To build a sustainable company, operating ethically and leading with integrity is essential to earning and maintaining the trust of our employees, customers, suppliers, and the communities in which we work. We ensure that our employees understand our policies, 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.

Business Operating System: One Albireo Energy

We have been building, executing, and continuously strengthening our One Albireo Energy Business Operating System (BOS).² Our BOS serves as a standard set of processes, tools and technologies that we use to manage our business operations and achieve our goals. The One Albireo Energy BOS is an ever-evolving framework that ensures alignment and consistency across all functions and our field organization – and allows us to integrate acquisitions with efficiency and ease for all.



Albireo Energy At Work



Acquisition of Control Engineering

We completed the acquisition of Control Engineering in early January 2024. Control Engineering is a leading building controls business in Arizona serving commercial, government, and mission critical building. As a result of the One Albireo Energy BOS, we were able to successfully integrate the business in two months.



Supply Chain Risk Management

Effective supply chain management is critical to upholding our commitment to customers and mitigating risk. As an independent building systems and service provider, we source controls products from a variety of leading suppliers depending upon market and customer requirements. Ensuring product availability based upon customer requirements is part of the Albireo Energy promise.

The Office of the Chief Financial Officer (CFO) has implemented a Supply Chain Risk Management policy and program. The program includes screening, diligence, and continuous monitoring program for our top 15 suppliers. We evaluate environmental, human rights, and a variety of compliance and product delivery factors, and ensure responsible business practices and appropriate market redundancy. Supply Chain Risk Management updates are presented quarterly at the ESG Accountability meetings. In 2024, a Supplier Code of Conduct will be established and implemented with the company's tier one suppliers.

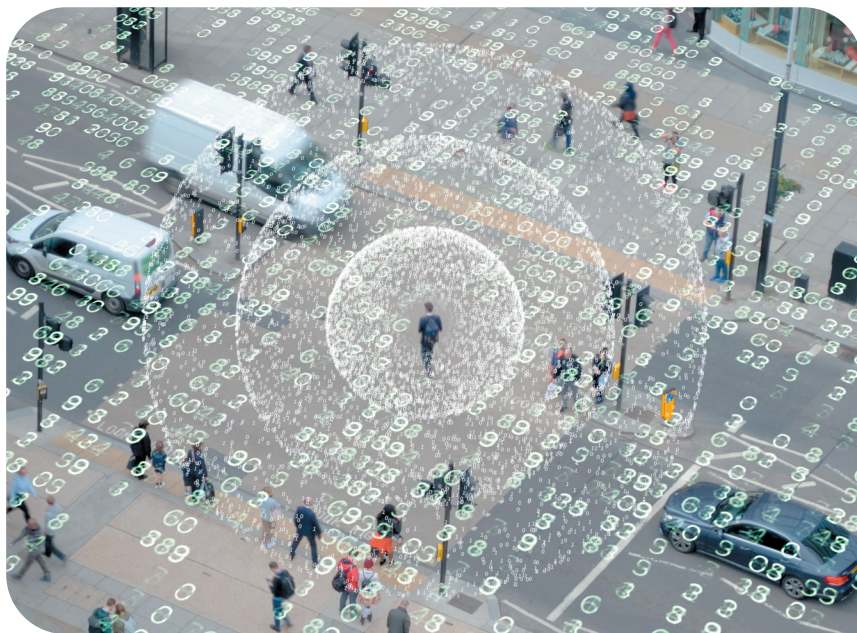
Artificial Intelligence Risks and Opportunities

Albireo Energy recognizes both the benefits and risks of emerging technologies such as artificial intelligence (AI). The Office of the CIO is leading efforts to develop management policies and controls, leveraging best practices from the National Institute of Science and Technology's (NIST) AI Risk Management Framework (AI RMF).

Albireo Energy has implemented the NIST Risk Management Framework 800-171 which is the basis for the Department of Defense's Cybersecurity Maturity Model Certification (CMMC) Program. In 2023, Albireo Energy self-assessed as compliant with CMMC Level 1 with Level 2 expected to be complete by mid-2025.

At the same time, Albireo Energy has mapped and is pursuing opportunities within the company's back-office to increase efficiency, our front-office to strengthen customer experience capabilities, as part of our innovation roadmap to bring more intelligent services to market, and within our core functional capabilities.

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, security systems, and protocols.

In 2023, Albireo Energy's IT organization established strong centralized controls over data privacy and cybersecurity. We established and implemented cybersecurity standards and strengthened security controls. Our Chief Information Officer (CIO) reports to our CEO and provides updates on security and privacy to the Board as needed.

The CIO's team includes a Security Administrator responsible for data security and IT engineers who manage day-to-day security operations across the Albireo Energy network. We conduct ongoing reviews of our internal systems, resources and employees to assess whether changes need to be made. Cyber countermeasures have been deployed on all workstations and servers. The corporate network and all computer systems are monitored 24x7 by a leading global provider of Security Operations Center (SOC) services.

Keeping employee and customer data secure and private is a top priority and our vendor selection and compliance requirements are reflective of our commitment. Albireo Energy's employee data is managed by a third party in a SOC2 Type II data center that is tested annually for compliance. Customer data is stored within a Microsoft application operating platform spanning two data centers that are both annually certified as SOC2 Type II compliant.

Albireo Energy often monitors customer operational data that our building performance experts collect and monitor. When operating exceptions are detected within a customer's building, our system provides the customer with configurable alerting services. We have migrated the monitoring of over 100 customer building management systems (BMS) to our cloud-based platform. All customer data extracted outside of customers' BMS systems is encrypted in transit and at rest, following cybersecurity industry best practices.

In 2023, Albireo Energy's IT organization deployed Enterprise Detect and Respond tools onto every server and workstation. Furthermore, mobile device management software was installed on all corporate smartphones. At the end of 2023, we initiated monthly vulnerability scanning and system patching processes. Our adoption of cybersecurity best practices have delivered the following highlights:



Zero known data breaches in 2023

100% of servers and workstations have active threat monitoring

All mobile devices (approximately 1600) have mobile device management software installed to prevent data loss and simplify installation of security patches and tools

Cybersecurity compliance with NIST 800-171/CMMC Level 1

Cybersecurity Awareness and Training



 Albireo Energy transitioned to ongoing security awareness training from KnowBe4.

Training in phishing and other data security threats is part of onboarding for every Albireo employee.

In 2023, Albireo Energy transitioned to ongoing security awareness training from KnowBe4 which focuses on the top human error-related security risks using current trending data. Training modules, covering both privacy and security, are designed to improve security culture, change behavior, and significantly lower security risk. KnowBe4 also simulates monthly phishing attacks on all employees.

By assessing employee cybersecurity skill levels, we deliver targeted training to increase these skill levels, test cyber skills via simulated phishing attacks, and provide additional training to employees who fail simulated phishing attacks. We have also implemented a Cybersecurity Stars program, recognizing employees who have been cyber vigilant, during our quarterly State of the Business presentations. Albireo Energy is minimizing enterprise risk with its continuous improvement approach to employee cybersecurity awareness and training programs.




Albireo Energy®