

2016 Annual Benefits Report for 2050 Partners, Inc.

2050 Partners successfully pursued general public benefit [California Corporations Code section 14630(a)(1)(B)]

2050 Partners was established in October 2015 as a majority women-owned California Benefits Corporation. Taken as a whole, 2050 Partners successfully provided a material, positive impact on society and the environment during its first year of operations. 2050 Partners recently completed the B Impact Assessment provided by B-Lab and received a passing score of 88. 2050 Partners' responses to the extensive assessment questionnaire were compared with those of 433 ordinary businesses with less than ten employees. The minimum passing score is 80. The median ordinary business score for B Impact Assessment is 51.3.

The B Impact Assessment covers the impact of a business on five categories of stakeholders: governance, workers, community, environment, and customers.

With regard to Governance, 2050 Partners scored 14.4, well above the median ordinary business score of 4.6. 2050 Partners scored particularly well (10 points) for its Mission Statement:

We provide responsive, distributed energy resources consulting services to position our clients to meet 2050 greenhouse gas reduction goals. We provide an empowering workplace for our employees. We will be a supportive corporate citizen in our local community.

With regard to Workers, 2050 Partners scored 12.9, slightly below the median ordinary business score of 18.1 for this category. During its first year of operations, 2050 Partners was operated solely by its founders, Whitney and Ted Pope. Although we intend to treat our employees well, we were unable to document this for 2016 because we did not have any employees. This score should improve in 2017 with the hiring of employees and our acquisition of corresponding benefits.

2050 Partners' score for Community is 18.8. The median score for like businesses is 16.2. Factors in this category include job creation, diversity and inclusion, civic engagement and giving, local involvement, and suppliers and distributors. We score best with regard to civic engagement and giving: 6.3, where the median score is 2.7. We need to improve in our local involvement (i.e., using resources located within our local community).

We also scored well in the Environment category, earning 16.9 compared with the median score of 6.0 for ordinary businesses. This is not surprising for us because we are an environmentally-focused company. Our core business is providing consulting services to help

our clients meet greenhouse gas reduction goals. We are also committed to engaging in good environmental practices, personally.

Finally, we received a strong score of 25 points for the impact our services provide to our customers which “drive positive changes in organizations to improve their social and environmental impact.”

2050 Partners pursued specific public benefits [California Corporations Code section 14630(a)(1)(C)]

In February 2016, 2050 Partners entered its first consulting services contract with San Diego Gas & Electric Company (on behalf of the four California investor-owned utilities) to “temporarily” facilitate a recently adopted procedure by the California Public Utilities Commission referred to as the California Energy Efficiency Coordinating Committee or CAEECC. This public forum, the first of its kind in California, was designed to use stakeholder input to shape development and implementation of energy efficiency programs in California for the next ten years. Although this contract was originally set to expire in April 2016, it was extended several times, ultimately through April 2017.

2050 Partners accomplished several specific public benefits through its work on the CAEECC project in 2016. Ted Pope worked with representatives of the California Public Utilities Commission, California Program Administrators, and interested stakeholders representing a wide array of issues to clarify, and sometimes resolve, issues between these groups. As facilitators of the process, 2050 Partners helped manage CAEECC’s 2016 10-year energy efficiency business planning process which generated scores of program administrator presentations and thousands of pages of draft portfolio planning documents. Ted developed a publicly-facing “Issue Tracking” database that distilled down and presented 1,500+ records of stakeholder recommendations and comments submitted during the four stages of public input in 2016. Whitney developed and maintains the organization’s website (www.CAEECC.org), which, to a large extent, serves as a document repository aimed at providing transparency to the public. Ultimately, the public input was considered by the Program Administrators when they drafted their Energy Efficiency Business Plans that were filed in early 2017.

Ted Pope also led the Policy Committee for the California Energy Efficiency Industry Council in 2016. In this role, he participated in numerous stakeholder discussions and CPUC workshops around various energy efficiency policies designed to increase energy efficiency impacts in California, including “existing conditions baselines” for efficiency measures. California’s Assembly Bill 802, enacted in October 2015, allows the use of existing conditions baseline in California in an expanded set of energy efficiency retrofit circumstances. Through the CEEIC, Ted advocated for a simplified measurement process to use existing-conditions baselines.

2050 Partners is a small start-up running out of the home office of its principals Ted and Whitney Pope. The Popes are committed to preserving the environment. To that end, the

principals of 2050 Partners use recycled and recyclable products whenever possible, compost their waste when allowed, and consciously restrict their water use in the office and home. The home office is equipped with 24 photovoltaic solar panels, a solar water heater, a heat pump water heater, and a dual zone, two stage heatpump. We reduced our electrical grid usage by approximately 6,423kwh with the solar panels, and saved approximately 20,000kwh with our other efficiency measures. The Popes also use phone and video conferencing services to avoid unnecessary travel to meetings and take public transportation when practical. The Popes drove an electric car for the first nine months of 2016. In addition, the Popes bundle up in extra sweaters during the winter months to avoid turning the thermostat higher.

2050 Partners is also committed to giving back to its community. In 2016, 2050 Partners made financial donations supporting the California Energy Efficiency Industry Council, the American Council for an Energy Efficient Economy's Linda Latham Memorial Scholarship Fund, and Rising Sun Energy Center, a leading green training, employment and residential efficiency organization serving low income residents in Northern California.

2050 Partners has not been hindered by significant circumstances in creating its general and specific public benefits [California Corporations Code section 14630(a)(1)(D)]

2050 Partners' success in achieving general and specific public benefits in 2016 was constrained by its small size and the newness of the company. As 2050 Partners grows in size, it intends to take on more significant contracts with its clients which will lead to greater positive impact on the environment, thereby benefiting society at large. 2050 Partners is also looking forward to retaining its first employees in 2017 and procuring corresponding employee benefits.

2050 Partners Selected B Impact Assessment as its Third-Party Standard [California Corporations Code section 14630(a)(1)(A)]

2050 Partners chose the B Impact Assessment because it provides an objective, comprehensive rating of a company's current impact. The B Impact Assessment is also easy to use, adaptable to a small start-up company, educational and transparent.

The B Impact Assessment meets California requirements for a third-party standard as set forth in California Corporations Code section 14601(g). The B Impact Assessment provides a comprehensive assessment of the impact of 2050 Partners and its operations on interested stakeholders, including its employees, suppliers, community, and the environment. The Assessment also captures best practices regarding mission, measurement, and governance. The last, heavily-weighted section of the Assessment identifies a company's specific "Impact Business Models," which include the targeted, formal focus on benefiting a particular stakeholder through products and services or internal practices.

The B Impact Assessment is overseen by B-Lab's Standards Advisory Council, an independent committee of 18-22 industry leaders from sustainable enterprise, impact investing, government and academia. The B Impact Assessment standard by B-Lab following international best practices and guidelines for standards development. A new version of the assessment is developed every two years. Prior to release of each new assessment, B-Lab puts the draft standard through a private beta period as well as a 30-day public comments period to ensure public input on the proposed standards.

In choosing a third-party standard, 2050 Partners ruled out those that seemed to focus on industries not relevant to the work performed by 2050 Partners. For example, Food Alliance Certified, Agriplace, and Sustainable Farm Certification provide standards for sustainability for food and agriculture. Good Guide Company Ratings, Green America, Green America Business Network, and Green Seal Business Certification provide standards for companies that produce tangible consumer products.

2050 Partners also considered cost in choosing B Impact Assessment as its third-party standard. The B Impact Assessment is a free, public service provided by B-Lab, a non-profit organization. Many of the companies that provide benefits assessments charge fees or require an organization membership to obtain an assessment.

Assessment of overall social and environmental performance against the third-party standard [California Corporations Code section 14630(a)(2)]

As discussed above, 2050 Partners earned an Overall B Impact Score of 88 on its B Impact Assessment. 2050 Partners' assessment questionnaire responses were compared with 433 ordinary businesses that have less than ten employees. A passing score is 80.

Majority Shareholders [California Corporations Code section 14630(a)(3)]

Shareholders in 2050 Partners in 2016 were Whitney Pope and Edward Pope. Whitney Pope owned 55% of shares in the company. Ted owned 45%. Whitney and Ted are married. Whitney and Ted intend to bring in another shareholding partner in 2017.

Whitney Pope served as President and Secretary of 2050 Partners in 2016. Ted Pope served as Chief Financial Officer. Neither Ted nor Whitney received additional compensation for their duties as Officers and Directors of the company.

No Conflict Between B-Lab and 2050 Partners [California Corporations Code section 14630(a)(5)]

No conflict between B-Lab and 2050 Partners is known to exist.

California Corporations Code section 14621 Statement [California Corporations Code section 146309(a)(4)]

It is the opinion of the Board of Directors for 2050 Partners that the company succeeded in pursuing its general public benefit purpose during 2016.