

2018 Annual Benefits Report

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 2018, its third year of operations. 2050 Partners recently completed the B Impact Assessment provided by B-Lab. We are pleased to report that our score improved this year to 108.4 (improved from 95.3 in 2017). 2050 Partners' responses to the extensive assessment questionnaire were compared with those of 1,212 ordinary businesses with less than ten employees. The median ordinary business score for B Impact Assessment is 50.6. The minimum passing score is 80.

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 14.8. 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' score significantly improved from 16.3 (in 2017) to 24.1. During our third year of operations, 2050 Partners grew by one (1) full-time employee and one (1) part-time employee. We scored best on questions regarding financial security for our employees. We continue to offer benefits, including medical, dental and vision coverage and life insurance, for all full-time employees. We also fund a safe harbor 401K retirement savings plan for all employees. In addition, we offer unlimited Paid Time Off for all employees.

2050 Partners' score for Community is 14.9 (slightly down from our score of 15.1 in 2017). 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 economic impact: 5.3. As a professional services company, we have fewer opportunities to use goods produced locally in our business, but we do partner with local, like-minded professionals to provide the best services for our clients.

Ironically, our lowest score this year is in the Environment category. We received a score of 3.6 for 2018. While our core business is providing consulting services to help our clients meet greenhouse gas reduction goals, we do not currently have systems in place to monitor our immediate impact on the environment. As discussed further below, our core business of energy efficiency consulting positively impacts the environment and our employees are personally committed to improving the environment. Our B Impact Assessment score does not reflect the impact we are committed to provide for the environment.

We are proud to report a marked improvement of over twenty-five points in our score for the impact our services provide to our Customers to a 50.8 in 2018. The B Impact Report recognizes that 2050 Partners' professional services "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 2018, we continued our significant relationship with the largest public utility in Northern California, a relationship from which all residents of California benefit. As a leader in environmental protection, the California legislature has adopted aggressive long-range goals to reduce greenhouse gases, increase energy efficiency, and construct new buildings using only zero net energy by the year 2030. 2050 Partners has taken a leading role in preparing the state to reach its 2030 goals. As the manager for the "Code Readiness" project, 2050 Partners is testing key technologies regarding performance and cost effectiveness to determine whether they are feasible alternatives for achieving 2030 goals. For products that are determined to be viable for reaching goals, 2050 Partners will work with its utility client to advocate the California legislature to adopt codes and standards that require their use. In an effort to ease adoption of these new technologies, 2050 Partners will also assist implementers in becoming familiar with them.

One of 2050 Partners' key projects under the Code Readiness program is modeling measure packages for various building types. With its subcontractors, 2050 Partners is working to determine which combinations of building energy systems will work best for certain buildings (looking at factors such as size of building, function of business, HVAC systems, insulation, etc.) to meet goals. 2050 Partners also oversees the development of impact models which calculate the savings for all code activities managed by its utility client. The results of the measure package and impact modeling helps the California utilities prioritize products for development, codes and standards advocacy, and ultimately implementation.

2050 Partners is also supporting the efforts of its utility client in advocating for more efficient building codes and appliance standards set by the California Energy Commission and the Federal Department of Energy. Key products that 2050 Partners managed in 2018, with the assistance of its subcontractors, were commercial tumble dryers, residential dryers, battery chargers, residential furnaces, dedicated outdoor air systems, and variable refrigerant flow units. In addition, 2050 Partners oversaw the development of several white papers focused on

various aspects of improving energy efficiency and reducing greenhouse gas emission through improved codes and standards.

In 2018, 2050 Partners continued in its role as Energy Efficiency Manager for the Hawaii Public Utilities Commission. In this job, 2050 Partners manages the program administrator for Hawaii's energy efficiency portfolio, oversees the program evaluator, and provides program and portfolio design guidance to the HPUC and the administrator to help Hawaii meet its energy efficiency portfolio standards (EEPS) goal of 4,300 gigawatt savings goal by 2030. This work materially supports Hawaii's goal of 100% renewable by 2045. As part of this work, 2050 Partners is leading the evaluation of Hawaii's EEPS first performance period (2009-2015). 2050 Partners organizes and manages meetings of both the Hawai'i Energy Technical Advisory Group (TAG) and the EEPS Technical Working Group (TWG) which assist in evaluating progress towards the EEPS goal.

2050 Partners is a small start-up consulting business run out of the home office of its principals Ted and Whitney Pope. Our employees work remotely from their homes. We are personally and professionally committed to preserving the environment. To that end, we use recycled and recyclable products whenever possible, compost our waste when allowed, and consciously restrict our water use in the office and homes. The main office is equipped with 24 photovoltaic solar panels, a solar water heater, a heat pump water heater, and a dual zone, two stage high efficiency heat pump. We use phone and video conferencing services to avoid unnecessary travel to meetings and take public transportation when practical.

2050 Partners is also committed to giving back to our community. In 2018, we asked our employees to help us choose the recipients for our more substantial monetary donations. With the input from all employees, we donated to Rising Sun Energy Center (a leading green training, employment and residential efficiency organization serving low income residents in Northern California), Big City Mountaineers (instills critical life skills in under-resourced youth through transformative wilderness mentoring experiences), California Fire Federation (providing emotional and financial assistance to communities affected by wildfire), and American Council for an Energy Efficient Economy (national organization dedicated to advancing energy efficiency policies, programs, technologies, investments, and behaviors).

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' is proud of its success in achieving general and specific public benefits in 2018. As 2050 Partners continues to grow, it expects 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 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 includes 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 follows 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 108.4 on its B Impact Assessment. 2050 Partners' assessment questionnaire responses were compared with 1,212 ordinary businesses that have less than ten employees. A passing score is 80.

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

Current shareholders are Whitney Pope (55%), Edward (Ted) Pope (10%) and Alex Chase (35%).

Whitney Pope continued to serve as President of 2050 Partners in 2018. Ted Pope served as Chief Financial Officer. Alex Chase served as Secretary. No shareholder receives 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 2018.