

SUSTAINABILITY 2024 REPORT 30 Years of Impact



30 YEARS **FRANKLIN ENERGY™**

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Introduction

A NOTE FROM THE CEO

Happy 30th anniversary, Franklin Energy! In January of 1994, Franklin Energy was founded with just two employees. It's fair to say we've come a long way since then. Every one of our experts—past and present—is a part of our legacy which has impacted millions of lives across the country.

And in many ways, we are just getting started. Over the past 30 years, we've delivered energy solutions to hundreds of clients and millions of customers. We've built a reputation as the team that goes above and beyond to deliver results for our clients. While we are always innovating and anticipating what's next, we must remember the foundation on which we were built. For three decades, our organization has supported homeowners, businesses, and communities as we have demonstrated our leadership in the clean energy transition.

As you read through this report, you'll notice that we spent last year taking large strides toward achieving our goals across all departments. We've implemented new trainings, optimized our processes, and most notably, acquired Evolve Technologies and Snugg Home, which transform our capabilities and cultivate additional resources that can be fully leveraged by the entire ecosystem of energy solution providers.



Beyond our program design and implementation, customer engagement, product manufacturing, supply chain services, and so much more, there is truly one thing that sets us apart in the industry: the passion of our experts. Because Franklin Energy was founded with the goal of helping all people preserve our world's precious resources, we have established a legacy as being more than a place to work. Franklin Energy is an organization where experts from all walks of life can come together to truly make a difference in the world, and we couldn't be prouder.

We've seen a lot of change in our 30 years, but we've stood firm in our ability to support local communities in obtaining clean, equitable energy. Our mission is to boldly change our energy future, and by building on 30 years of expertise while keeping an innovative mindset, we plan to continue doing just that.

2024 is sure to be a year to remember. I can't wait to see what's in store for our organization, and I'm thankful for each of our experts' dedication to leading the clean energy transition.

“We've seen a lot of change in our 30 years, but we've stood firm in our ability to support local communities in obtaining clean, equitable energy.”

Terry Sobolewski

Introduction

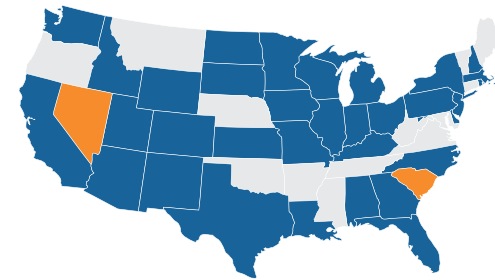
30 Years of Leading the Clean Energy Transition

Since Franklin Energy's founding in 1994, we have built a legacy delivering energy solutions to hundreds of clients and millions of customers. Headquartered in Port Washington, WI, with offices across the United States, we deliver innovative energy management resources to utilities, municipalities, businesses, and customers throughout the nation.

The way we use energy is changing, and Franklin Energy is at the forefront of this monumental transition. From electric vehicles and building decarbonization to the advent of smart, grid-interactive homes, to an accelerating focus on sustainable energy affordability and equitable access, we are witnessing the most significant energy transformation in generations.

Powered by our scalable technology platform, we lay a foundation that sets the stage for tailored solutions to help our clients and partners achieve their goals. Whether in program design, implementation, product manufacturing, supply chain management, or more, we are passionate about boldly changing our energy future.

Our wide array of services is flexible and scalable to support homeowners, businesses, and the entire ecosystem of energy solution providers. United by our values of innovation, inclusion,



and inspiration, our experts are committed to delivering the highest quality possible at every step of the way.

By making a difference in local communities, we're able to build a brighter future for the entire clean energy landscape. As you explore this year's sustainability report, join us in celebrating the past 30 years of accomplishments and looking forward to the unlimited opportunities ahead.

Over the lifetime of the measures we installed, savings equal:



171,633,666 metric tons of CO₂



177,819,434,277 kWh



11,098,379,459 therms

OUR PURPOSE:

To boldly change our energy future

OUR VALUES:

We inspire.

We empower every customer with smart, affordable, carbon-reducing energy solutions.

We innovate.

We introduce new ideas to build strong communities and local economies free from the effects of climate change.

We are inclusive.

We work in a safe, diverse, and collaborative culture to solve the complexity of long-term energy management and equity.



150+
clients



500+
programs



33
offices across the US



2
product distribution centers



1.67 Million
kits produced in 2023



1,000+
employees

Introduction

30th Anniversary

Since our founding in 1994, we've been working to boldly change our energy future. With a combination of longstanding tried-and-true programs and new innovations backed by data-driven technology, we've helped a wide variety of clients meet their unique goals.

The component that has always set us apart from our competitors is our people. Over the course of 30 years, we've employed thousands of energy experts who have served their communities with passion and ambition. All our energy experts—both past and present—have played a role in shaping the future of clean energy, and we are thankful for their contributions.



“Franklin Energy has been a great place for me to grow. I love that I get to do something to help others besides just ‘selling a product.’”

Mindy Guilfoyle

Senior Manager of Engineering (25 years of employment)



“Throughout my 8 years, I’ve gained so many great, lasting relationships with team members who I trust and know will have my back. I have been given opportunities to lead strong teams, assist and support company initiatives, and network with industry leaders—all while being able to provide stability for my family, which I am grateful for.”

Mylan Stevens

Regional Director (8 years of employment)



“Looking back over the last 30 years, it’s been amazing to see not only the growth of the company, but the jobs created, lives changed, and impact made across the country.”

Paul Schueller

Founder



1994

Mission Statement:

Provide utility clients with unbiased and objective energy efficiency program services.

Vision Statement:

Be a positive, job-creating influence on the fight against climate change.



Business Highlights

Community Impact

In 2023:



WE DISTRIBUTED MORE THAN
\$163 MILLION

in energy efficiency
incentives to customers



WE DISTRIBUTED
\$54.5 MILLION

in incentives to
low-income customers



WE CREATED MORE THAN
4,000 NEW JOBS
from our work



OUR 1,200
EXPERTS SERVED OVER
**3.2 MILLION
CUSTOMERS**



ACROSS THE US, OUR
PROGRAMS IN LOCAL
COMMUNITIES CREATED
ECONOMIC ACTIVITY WORTH
\$750 MILLION

Over the lifetime of the water- and
energy-efficient measures we installed in 2023,
our clients and utility customers will save:



21.8 BILLION kWh
equivalent to powering
175,000 homes each year



2.3 BILLION therms
carbon equivalent to taking
324,000 cars off the road for a year



52.7 BILLION gallons of water
equivalent to 80,000 Olympic-sized swimming pools



Our work through our client utilities resulted in the reduction of
23.5 MILLION
metric tons of carbon dioxide

Business Highlights



Solutions in Action: The Pathway to Net Zero: Scaling Decarbonization Initiatives

This year, we launched an innovative Inclusive Utility Investment (IUI) program for both single-family and multifamily dwellings to decarbonize at scale. This program is the culmination of our expertise in whole-home retrofits, trade ally networks, customer engagement, and product sourcing and manufacturing. While we manage the installation of residential decarbonization equipment, residential customers receive large-scale upgrades that help them save on their bills even while they pay to participate in the program. The success of this model has demonstrated tremendous potential to electrify at scale while overcoming the classic tenant-landlord split-incentive issue and attracting external capital without undue burden on taxpayers or utility customers.



Solutions in Action: Revolutionizing the Grid to Prevent Wildfires

Wildfires have devastated a large span of western US states in recent years, contributing to grid instability and increased financial liabilities for the utilities that serve these areas. In 2023, we joined a cross-functional team of experts to develop a solution that entailed decarbonizing all end uses for a commercial customer in California and installing battery and solar systems to create a completely renewable remote grid. In addition to grid improvements, we also engaged in detailed energy modeling and installation of subsequent energy-efficient measures to reduce the possibility of outages during periods of low solar generation and alert the remote grid system. Replacing fire-prone electric distribution lines with a remote grid is a groundbreaking way to cost-effectively meet energy needs and reduce fire ignition risk, while the efficiency improvements contribute to utility customers' increased comfort and reduced energy.



Solutions in Action: Transforming Home Efficiency Through Comprehensive Solutions

When a northeastern utility asked us to craft and execute a diverse range of cost-effective residential strategies to benefit both income-qualified and market-rate customers throughout the state of Delaware, our team rose to the challenge. We rolled out two impactful programs that included a comprehensive mix of community education, efficiency improvements, and reduced consumption. These programs helped the utility win multiple Energy Star awards, and they have paid out \$9,705,788 in incentives and achieved 10,730 MWh of energy savings to date.



Solutions in Action: Driving EV Adoption with Charger Rentals

Electric vehicle sales boomed in 2023 due in no small part to exciting new models and lucrative incentives. But this surge in adoption led to concerns regarding the lack of widespread EV charging infrastructure, where the costs, time, and hassle associated with installation are out of reach for many homeowners and businesses. To solve this issue for one utility, we provided an EV charger rental program that delivers inexpensive, consistent charging to utility customers without the capital investment; in exchange, the utility benefits from increased revenue and the ability to influence charging behaviors in the future. This program is slated to extend to other states in 2024, and our experts are paving the way to establish additional charger rental programs for multifamily housing and disadvantage communities to continue driving nationwide equitable transportation electrification.



Solution Development: Marketplace Redefines Growth with Scalability at its Core

Utility marketplaces have become a fundamental resource for achieving energy savings, introducing clean energy measures into homes and businesses, and engaging utility customers in innovative program offerings. Because the marketplace platform offers such a wide array of benefits, we committed to making further improvements to our existing offering. As a result, our newest features remove purchase and installation barriers to increase energy savings, and they help achieve demand reduction and electrification goals. Our marketplace is able to meet utilities' quick-launch needs today with the option to dynamically scale and deliver more robust features, products, and program additions in the future.



Solution Development: Empowering Sustainability for the Regulatory Landscape

In the wake of the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA), state energy offices and utilities across the country have been exploring innovative solutions to leverage these opportunities for accelerating home energy savings and emission reductions. Our whole-home approach has been intentionally designed for state- and utility-based programs to capture available funding via sophisticated energy auditing and a streamlined experience for both contractor and customer. By ensuring our offerings are easily accessible to all communities, we are doing our part to enable a customer-focused transition.

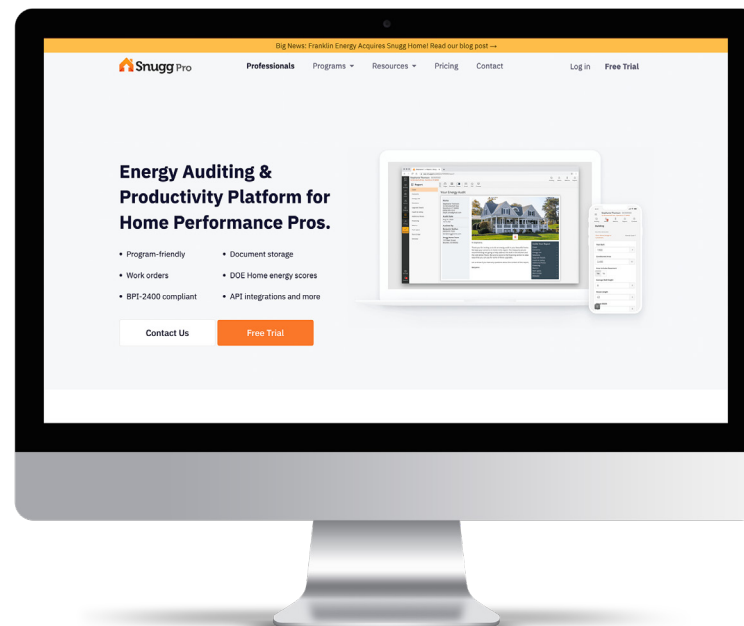
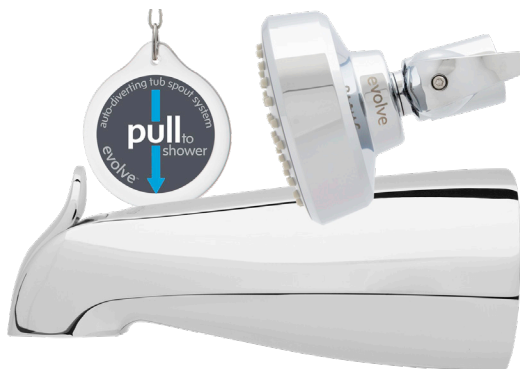
Business Highlights

Acquisitions



The acquisition of Evolve Technologies, a leading provider of innovative patented technologies and products for water and energy conservation, has added innovative solutions to our portfolio of products. In a time of accelerated electrification and innovation in saving energy and water, this addition to the AM Conservation portfolio allows us to amplify and scale our impact, benefiting clients and customers alike.

“Throughout our longstanding partnership with the Evolve team, we have always been impressed with the energy and water savings delivered by their patented products,” says John Bailes, AM Conservation President. “Now, we are thrilled to impact greater change by aligning these products within the diverse network of channels and clients we serve.”



This year, we acquired Snugg Home, the leading software-as-a-service energy efficiency adoption company best known for their **Snugg Pro** energy audit tool. The BPI-2400-compliant Snugg Pro is actively used by over 2,000 companies in all 50 states and will continue to help utilities, contractors, and third-party program implementers as the energy ecosystem continues to evolve from simple energy-saving measures to more modern electrification and decarbonization technologies.

“As demand for Snugg Pro is expected to grow due to federal funding, we’re excited to meet the needs of utilities and state energy offices alongside Franklin Energy,” says Snugg Home CEO Adam Steffenagel.

Key Features:

- * User-friendly interface for collecting all the home characteristics needed for a comprehensive home energy assessment
- * Rapid calculation of a complex, utility bill-calibrated, home energy savings model and household retrofit project proposal
- * Intuitive integration for utility data acquisition, Inflation Reduction Act-utility rebate stacking, and the US Department of Energy’s API for rebate reservations

Our Priorities: Investing in Our People

Training and Education

A core focus of our organization is investing in our people. By reinvigorating our training and education program, we've seen a significant increase in employee participation and satisfaction. Our courses allow employees to grow both personally and professionally while gaining knowledge in their area of expertise, and cross-training in other areas.

Our courses include:



Owning Your Career and Development



Residential Auditing



Selling Grid Optimization



Field Expert Development



Program and Core Education (PACE)



“The training programs offered by Franklin Energy are part of our culture of collaboration. Trainings like PACE happen as a group with breakouts and discussions, encouraging the type of internal networking and problem-solving that supports personal success for years to come.”

Matt Bowgren
Operations Project Manager

GOAL

Increase employee retention to 85% by 2024

STATUS



In progress.

Achieve 85% of employees establishing or updating an individual development plan



This is a new goal for 2024. We will report our progress in the following year.

DEPARTMENTAL GOAL

Launch Field Expert Development training series to help our field employees develop professionally

STATUS



Achieved. We not only launched live courses but added them to our learning platform for on-demand availability to all staff.

Add custom courses in our training platform to provide additional learning opportunities



Achieved. We added 21 new courses to our training platform this year.



NUMBER OF INTERNAL TRAINING HOURS IN 2023

176 HOURS



TOTAL TRAINING ENROLLMENTS IN 2023

3,476

Our Priorities: Investing in Our People

Employee Safety

Employee safety is a key component of our culture. From starting every meeting with a safety moment to including safety messages in our monthly newsletter, we consistently live safety-conscious behavior throughout the organization.

All employees—both program and support staff—operate under a voluntary occupational health and safety management system that adheres to OSHA, state, and local laws. To ensure compliance, our program staff are required to complete ten safety trainings each year and support staff must complete five.

Safety training topics include:



Ladder Safety



Slips, Trips, and Falls Prevention



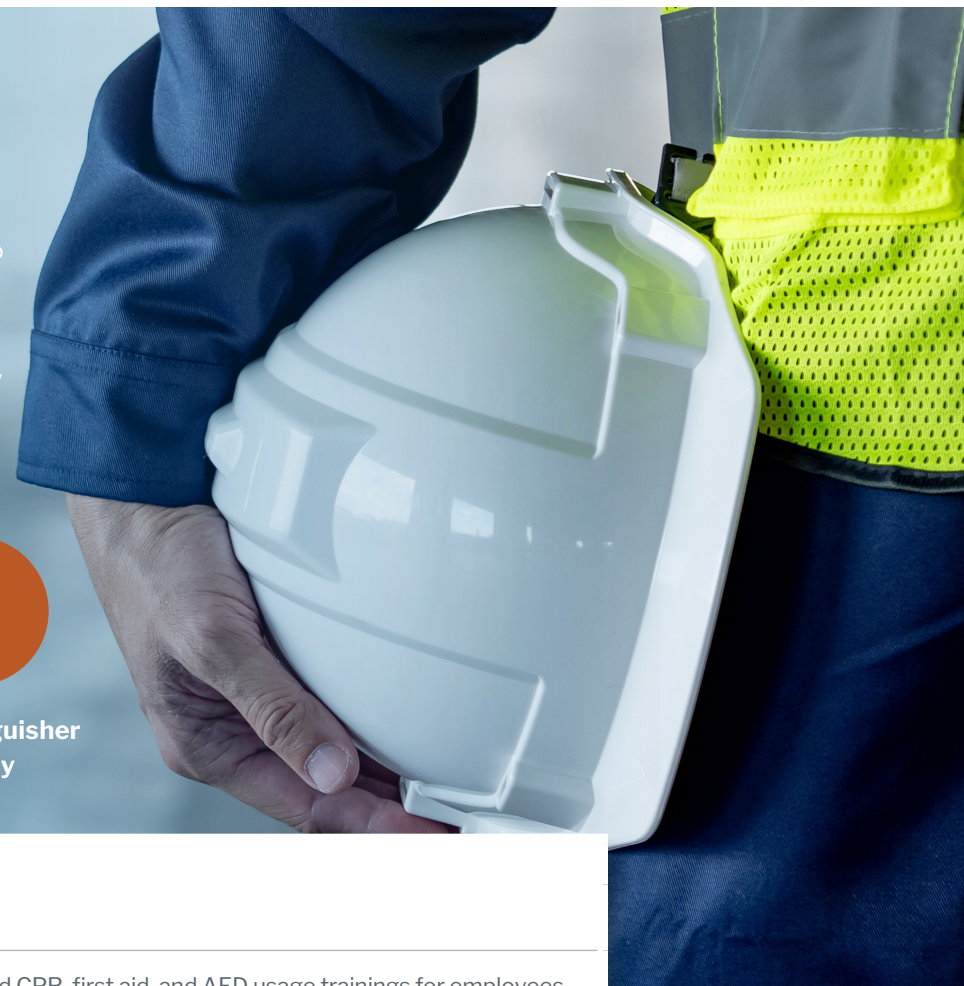
Heat Exposure & Related Illness



Safe Driving Protocols



Fire Extinguisher Safety



GOAL

Meet or exceed 95% participation for safety training sessions

STATUS

✓ **Achieved.**

Offer first aid and CPR training at no cost to employees

✓ **Achieved.** Held CPR, first aid, and AED usage trainings for employees.



“This year, we updated our safety slogan to “We Live Safely with Care.” This reflects not only the attitude of care we expect of our employees, but the genuine care we feel for each of them. Building and educating on our safety policies is one of the greatest ways we care for our staff, who are making a real difference in local communities every day.”

Tim Kaddatz
Safety Manager



“For me, attending a CPR training was important because I learned how to save someone’s life. I can help someone who is choking, drowning, or suffering a heart attack, and knowing the right techniques can make a huge difference.”

Gissela Culqui
Operations Analyst

Our Priorities: Investing in Our People

Diversity, Equity, Inclusion, And Belonging

Diversity, equity, inclusion, and belonging (DEI&B) are woven into every aspect of what we do. From our hiring practices to our monthly cultural celebrations hosted by the DEI&B roundtable, we intentionally reinforce our culture of inclusivity every day. And while celebrating the differences of our experts is integral to our atmosphere of belonging, we don't stop there; we also work with and provide support for a variety of diverse external partners. When we lift each other up, we all rise together.

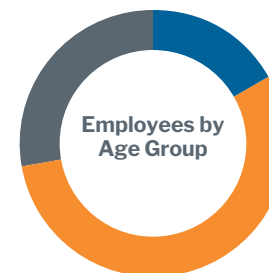
Gender Representation of Global Employees



- 43% Female
- 57% Male
- 0% N/A*



- 35% Female
- 65% Male
- 1% N/A*



- 17% Under 30
- 56% 30 - 50 Years
- 28% Over 50

Racial/Ethnic Group Representation of U.S. Employees (%)



- 7% Asian
- 0% Black or African American
- 7% Hispanic or Latino
- 83% White
- 0% Other/Not Listed*
- 3% Undisclosed**



- 3% Asian
- 11% Black or African American
- 12% Hispanic or Latino
- 62% White
- 4% Other/Not Listed*
- 8% Undisclosed**

Number of employees



Number of permanent employees



Number of full-time employees



Number of part-time employees




Number of temporary employees



GOAL

Achieve 50% diversity for new hires

STATUS

 **Not achieved.** We achieved 44% diversity for new hires this year and look forward to reaching 50% and beyond in the coming year.

Maintain or increase number of veterans in our employee base over the previous year

 **Achieved.**

Our Priorities: Climate Change

Climate Change

After 30 years, our impact is still growing. In 2023 alone, the work that Franklin Energy completed will result in total lifetime savings of 21.8 billion kWh of electricity and 2.3 billion therms of natural gas. That adds up to a reduction of more than 1.7 million metric tons of carbon saved in just one year. But taken over the course of our 30 years of doing business, our impact is a whopping 171.6 million metric tons of carbon saved!

We are not only focused on helping our clients and customers reduce their energy usage; we are also determined to reduce the carbon footprint created by the operation of our business. This goal led us to commit to achieving net-zero carbon emissions across Scope 1 and Scope 2 by 2025.

Our Scope 1 emissions are created by our fleet vehicles that have internal combustion engines and the natural gas

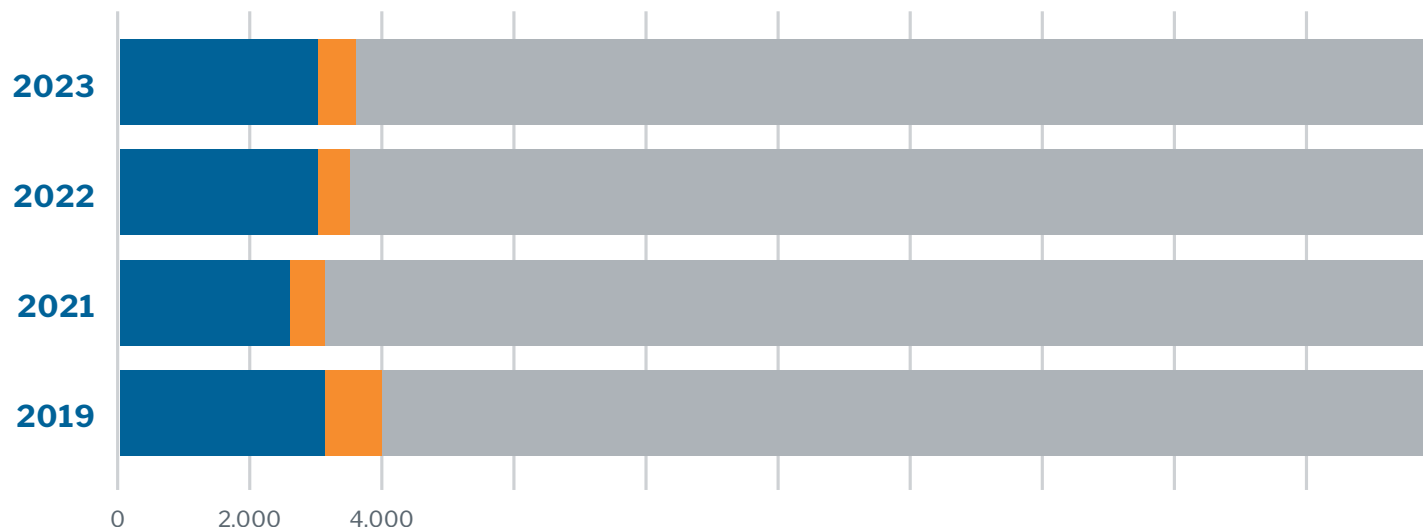
used by our facilities for heating. In 2023, our total natural gas usage was approximately 70,000 therms. The larger portion of Scope 1 was the gasoline used by our fleet, but we are happy to say that we are actively addressing this and moving toward the electrification of our vehicles.

This past year, we formed a task force to identify and solve for the barriers to fleet electrification. As a result, we developed a strategic plan which addresses vehicle

selection (to ensure electric vehicles are chosen in every possible circumstance), shrinks the size of our vehicles (to ensure the most efficient vehicle possible is always used), and builds out charging infrastructure throughout the organization.

We are excited to set the goal of electrifying 8% of our total fleet by the end of 2024, with additional electric vehicles added each year as we continue to grow our fleet and replace older vehicles.

EMISSIONS BY SCOPE



	2019	2021	2022	2023
● Scope 1:	3,039.99	2,613.14	3,032.54	3,058.98
● Scope 2:	1,046.99	545.61	693.34	549.23
● Scope 3:	2,305,753.02	1,364,186.50	2,153,945.33	1,817,264.43
Grand Total	2,309,840.00	1,367,345.25	2,157,671.21	1,820,872.64

*Previously reported numbers have been updated to align with a new calculator being utilized.

SCOPES 1 AND 2 EMISSIONS PER FULL TIME EMPLOYEE:

2019
3.9 metric tons CO₂e

2023
2.8 metric tons CO₂e

27%
Reduction Per Employee

Our Priorities: Climate Change

We have plans to install electric vehicle chargers at a minimum of five additional facilities in 2024, with all facilities that house fleet vehicles being equipped with chargers within the next three years. This will further enable us to quickly pivot to electric vehicles, ultimately resulting in a much smaller carbon footprint created by our fleet.

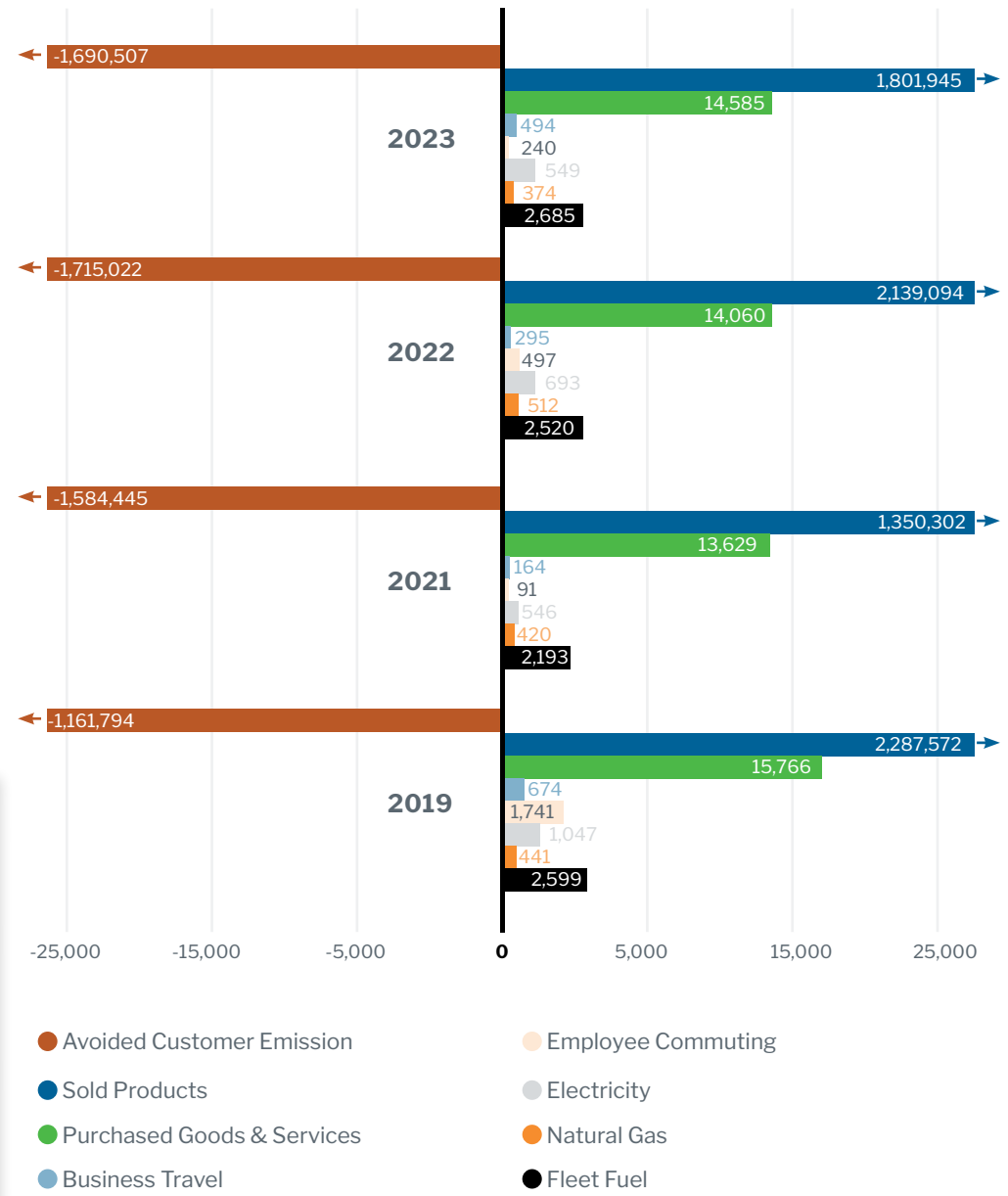
Scope 2 is the impact from the electricity consumption at our facilities, which was 1.56 million kWh in 2023. Most of this was grid electricity, but 6% resulted from renewable energy purchased from our electric utilities. Incredibly, this is a 46% reduction from our 2019 baseline electricity consumption. To date, the total reduction of our combined Scope 1 and Scope 2 is over 12% from our baseline year of 2019, which puts us well on the path to our net-zero goal. This year, we expect to see this number grow considerably. As we greatly expand our purchases of clean electricity from our utility suppliers and focus on fleet electrification, net zero is firmly within our reach.

As is typical with any organization, the largest portion of our carbon emissions falls within Scope 3, indirect emissions. Of our Scope 3 emissions, the high-efficiency products we sell through AM Conservation generate the most significant portion. When calculating this figure, we include the entire lifecycle of all products sold, right down to the packaging used for our energy-saving kits, which allows us to identify opportunities for improvement.

At the end of the day, making changes to our processes and behaviors is a team effort. From our corporate support teams to our field staff, achieving carbon emission reductions comes from cooperation at every level. Because our experts all share the same passion in our mission to boldly change our energy future, we're happy to do it every day—for both our clients and our own organization.

GOAL	2023 PROGRESS
Calculate our Scope 1, 2, and 3 footprints in accordance with an internationally recognized methodology	<div><div></div><div>Achieved. See table above.</div></div>
Achieve net-zero emissions across Scopes 1 and 2 by 2025	<div><div></div><div>In progress. Franklin Energy is carbon-negative, inclusive of avoided customer emissions. We also commit to be net zero across scopes 1 and 2 by 2025.</div></div>
Increase number of electric vehicles in fleet to at least 8% of total fleet	<div><div></div><div>In progress. This is a new goal to be achieved in 2024.</div></div>
Launch fleet idling reporting initiative, resulting in an overall reduction in idling hours over previous year	<div><div></div><div>In progress. This is a new goal to be achieved in 2024.</div></div>

EMISSIONS BY SOURCE



Numbers have been updated from previously reported figures.

Our Priorities: Customer and Community

Customer Safety and Security

When it comes to data security and privacy, we take extensive measures to ensure the safe processing and storage of utility and customer data. We do not share any of the data we manage for our partners without clear consent, and we uphold our contracted partners to high security standards. We utilize a defense-in-depth strategy when managing data, which is based on a set of safeguards in compliance with federal laws, state laws, and industry best practices. We ensure the highest level of security by maintaining SOC 1 and SOC 2 Type II certifications in alignment with the NIST Cybersecurity and CIS SCS-18 Frameworks.

Because we are entrusted with sensitive customer data, we utilize a variety of people, processes, and technology to create the appropriate security layers. These include:



Security Controls: We implement policies and procedures specific to identity/access/role management, data encryption, multi-factor authentication, patching, and device encryption and lock screens.



Threat Detection and Management: We utilize stateful firewalls; IDS/IPS; a SIEM tool; user behavior analytics; review of logs, virus and malware prevention; and content monitoring/filtering on all endpoints and network gateways.



Penetration and Vulnerability Management: We host ongoing third-party testing of applications and infrastructure; all findings are remediated as needed.



App Security in the Software Development Lifecycle: Security is integrated into the software development lifecycle as part of system design and via static and dynamic code analysis prior to releases. Secure coding training is completed by all software developers.



Security Education and Awareness: All employees and contractors are subject to background checks and ongoing information security training, including acceptable use, data handling, phishing, confidentiality, and privacy.



Cyber Resiliency: Our systems are designed not only for performance and scalability but with high availability, redundancy, and recovery in the event of an outage or failure. We have business continuity and disaster recovery plans in place, both of which are tested at least annually.

GOAL	UPDATE
Achieve SOC I and SOC II certification on an annual basis	Achieved.
Require all employees to complete annual data security training	Achieved.

THIS YEAR, WE COMPLETED OUR UPDATED SUPPLIER CODE OF CONDUCT.
 IT IS CURRENTLY BEING ROLLED OUT WITH AMENDED AND NEW CONTRACTS AND WILL BE EXTENDED TO EXISTING VENDORS IN 2024.



Our Priorities: Customer and Community

Economic Impact

We're inspired every day by the communities in which we live and work. From small towns to large cities, we take pride in making an impact at a local level. Whether we're providing food to those in need or providing much-needed energy incentives, we are honored to make our communities a better place to live.

Through our utility client work in 2023, we paid over **\$54.6 million in low-income incentives** to benefit historically underserved communities. These incentives gave community members the tools to achieve meaningful upgrades and resulted in savings on their utility bills, which are often disproportionately high.

We also created **4,058 local jobs** throughout the United States. Creating new jobs in the sustainable energy industry is a great way to boost communities, create clean energy awareness, and stimulate local economies.



“Through our diverse partner development efforts we provided direct support to enable homeowners to understand how to convert to all-electric homes. Our virtual site visits enabled us to explain and educate customers on what is needed to be comfortable, use less energy, and convert to an all-electric home. We provided personal, specific, and useful recommendations are designed around how the homeowner can create a road map over time.”

Mark Sebree

Director of Diverse Sourcing and Inclusion

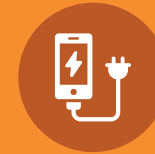
Before the year began, we set a goal of providing support to three new diverse partners throughout the year. After identifying three organizations, Building Efficiency, Revalue.io, and Enso Building Solutions, we invested in their success by providing a number of services, including training on:



Enabling homeowners' understanding of how to convert to all-electric homes



Working load calculations to size equipment correctly during energy modeling



Providing an effective virtual site visit to educate homeowners on keeping their homes comfortable while using less energy



Utilizing low-income site assessment tools to provide easier and faster scopes of work for contractors and homeowners

Our Priorities: Customer and Community

Community Involvement



CPS Energy

In February of 2023, our CPS Energy team attended the second annual S.E.E. (Smart Energy Education) Your Future Career Day in San Antonio. They displayed and distributed STEAM projects, and they showcased the science behind solar power. Both kids and adults

enjoyed interacting with the booth, and the team had fun engaging with the community. Outreach Manager Amanda Conlin said, "It was a great opportunity for our team to interact with the community in a different way than our usual outreach."

Black Hills Energy

This summer, our Black Hills Energy team participated in the Strawberry Days Festival in Glenwood Springs, Colo. The team made ring toss strawberries from recycled gas meters, and prizes were hula hoops constructed from recycled PE gas pipe. All the items were destined for a landfill, but instead they will live on providing exercise and entertainment.

"It was a lot of fun to get out and interact with the community," said Outreach Specialist Ed Holland. "Both kids and adults had a fun time trying their hand at the ring toss, and it provided the perfect opportunity to talk about reusing and recycling even unlikely materials as well as promoting energy efficiency within the community."

GOAL

Support our local communities by promoting employee volunteerism, resulting in an increase in the total paid employee volunteer hours over the previous year

Support our local communities by achieving a 70% participation rate in employee volunteerism

Grow our supplier and partner development program's reach by offering support to no less than three new partners per year

STATUS

✓ **Achieved.**

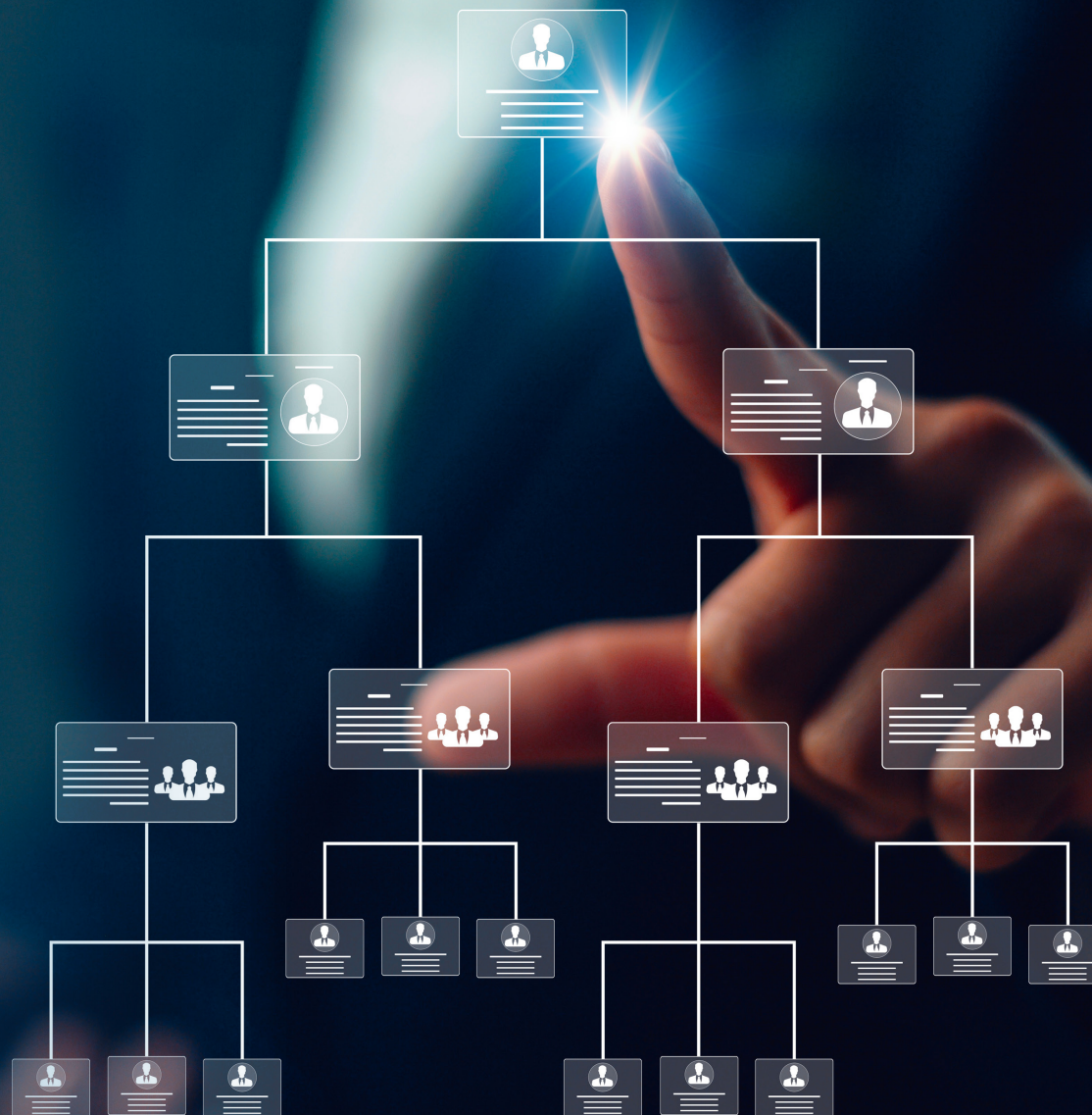
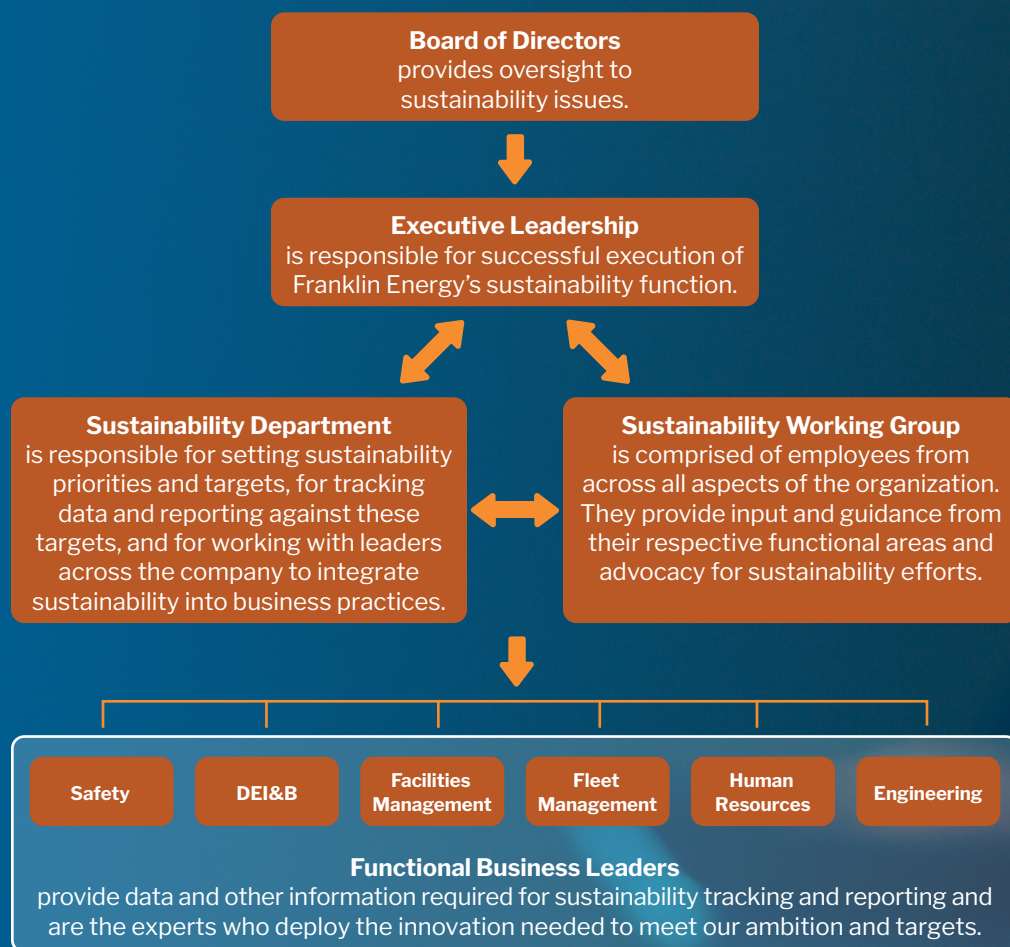
⋯ New goal for 2024. We will report our progress in the following year.

✓ **Achieved.**

Our Approach

Sustainability Governance

We have structured our sustainability governance to include all levels of the company, and every employee and function. In this manner, sustainability is embedded in all our practices and the decisions that we make.



SUSTAINABILITY REPORTING

With sustainability fully integrated across our business functions, we have created auditable processes and controls to track and report results in accordance with internationally recognized standards.

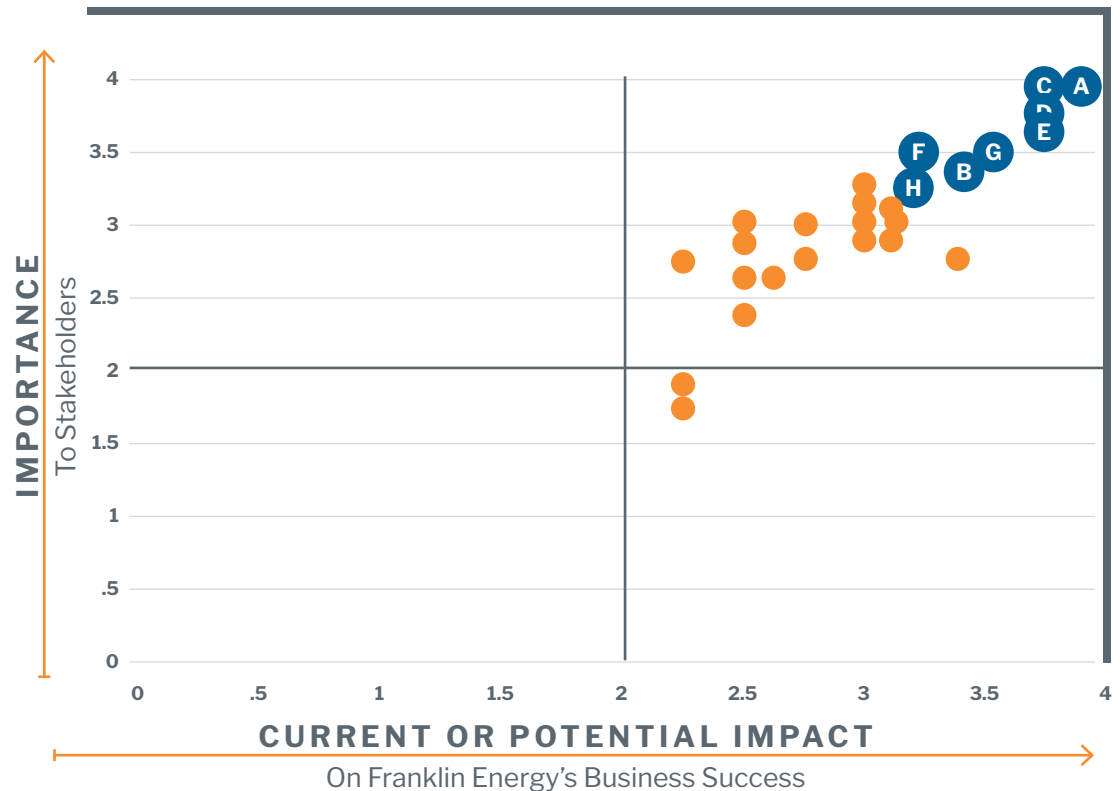
Our Approach

Materiality Assessment Results

By performing a full assessment of our material issues, we are able to identify and manage key environmental, social, and governance issues. This practice is critical to driving our long-term sustainability strategy and setting meaningful goals to ensure continued improvement.

Our process includes a comprehensive review of our material issues using the Global Reporting Initiative's ("GRI") Standards, in which stakeholders from across the company individually provided input on current and emerging issues. This was followed by a robust workshop during which the results were prioritized and finalized.

The risks and opportunities that were identified are grouped into eight categories: occupational health and safety; diversity and equal opportunity; training and education; emissions, effluents, and waste; energy; customer privacy; customer health and safety; and economic performance. With these eight categories serving as our guidelines, we reviewed and adjusted our overarching priorities to ensure we stay focused on what matters most.



MATERIALITY ISSUE		REPORT PRIORITY
A	Occupational health and safety	Investing in Our People
B	Diversity and Equal Opportunity	
F	Training and education	
D	Emissions, effluents and waste	Climate Change
E	Energy	
C	Customer Privacy	Customer and Community
G	Customer Health and Safety	
H	Economic performance	

● Additional Issues Considered

About this Report

This Report

Franklin Energy's 2024 Sustainability Report includes consolidated data within operational control of both Franklin Energy Services, LLC, and AM Conservation Group for the calendar year 2023.

This report has been prepared with reference to the GRI Standards: Core Option and by aligning with standards set forth by the Sustainability Accounting Standards Board. Framework-specific disclosure tables can be found in the appendices of this report.

The information in this report may contain forward-looking statements, estimates, or projections. These forward-looking statements relate to, among other matters, plans, goals, and strategies with respect to sustainability. These statements, estimates, and projections are subject to certain risks and uncertainties that could cause actual results to differ materially.

For questions about this report or any information contained within it, please contact Franklin Energy's Sustainability team at sustainability@franklinenergy.com.





Letter From

THE DIRECTOR OF SUSTAINABILITY

30 years of impact. That phrase has been bouncing around in my head since we began working on this report several months ago. It seemed an impossible task to express how big an impact this organization has made. I was daunted by the task of portraying the ways our experts—past and present—have improved the lives of our clients, customers, and the environment.

Here at Franklin Energy and AM Conservation, we are immensely proud of the work we do. We understand its importance and are united around the common goal of boldly changing our energy future. We embrace discussion around not only the positive impact we create, but the footprint that we leave while working and how we're trying to improve that, too. I am regularly challenged by my peers to make sure I am putting forth all the facts, not just the parts that make us look the best. What you see within this report is the whole, transparent story.

Although I've only been with the organization for about seven years, there are people here who have been around from the start. Our founder is still involved and can be seen stopping by our headquarters in Port Washington, Wis.; the engineer most involved in the calculations presented in these pages has been here for over 25 years; and there are many more in the company who have also invested decades into this organization. When I talk about all that we've accomplished over the course of 30 years, I am telling their story. They've committed their careers to building a brighter future, and I admire their passion.

When I reflect on our achievements over 30 years, I am inspired. 23.5 million metric tons of carbon did not enter the atmosphere because of the work we did in 2023. And a whopping 171.2 million metric tons of carbon have been avoided over the course of 30 years! These numbers signify major progress—both within our organization and within society as they embraced the fight against climate change—and to say that I am proud of the small contribution I have made to these numbers is an understatement.

What's even better, though, is that I can clearly see that this is only the beginning. Our purpose of boldly changing our energy future hasn't run its course yet. Not even close! We are in the golden age of energy transformation and have fully embraced our role in it. From humble beginnings to industry leaders, we are passionate about both the work we have done and the work that lies ahead of us. So, if you think the last 30 years were impressive, hold on tight. We are just getting started!

“

We are in the golden age of energy transformation and have fully embraced our role in it.

”

Bridgid Lutz

Appendices

Key Actions And Goals

		2023		
	Timeline	Not Achieved	In Progress	Achieved
Investing in Our People				
Achieve 50% diversity for new hires	Annually	✓		
Maintain or increase number of veterans in our employee base over the previous year	Annually			✓
Increase employee retention to 85% by 2024	2024		✓	
Achieve 85% of employees establishing or updating an individual development plan	2024		✓	
Meet or exceed 95% participation for safety training sessions	Annually			✓
Offer first aid and CPR training at no cost to employees	2023			✓
Require all employees to complete annual data security training	Annually			✓
Climate Change				
Calculate our Scopes 1, 2, and 3 footprint in accordance with an internationally recognized methodology	Annually			✓
Achieve net zero emissions across Scopes 1 and 2 by 2025	2025		✓	
Increase number of electric vehicles in fleet to at least 8% of total fleet	2024		✓	
Launch fleet idling reporting initiative, resulting in an overall reduction in idling hours over previous year	2024		✓	
Customer and Community				
Support our local communities by promoting employee volunteerism, resulting in an increase in the total paid employee volunteer hours over the previous year	2023			✓
Support our local communities by achieving a 70% participation rate in employee volunteerism	2024		✓	
Achieve SOC I and SOC II certification on an annual basis	Annually			✓
Require all employees to complete annual data security training	Annually			✓
Grow our supplier and partner development program's reach by offering support to no less than three new partners per year	Annually			✓

Appendices

GRI Content Index

GRI STANDARD	DISCLOSURE	REPORT LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	About Franklin Energy
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	Climate Change
	2-7 Employees	Investing in Our People
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment Results
	3-2 List of material topics	Materiality Assessment Results
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Customer and Community
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Climate Change
	302-4 Reduction of energy consumption	Climate Change
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change
	305-5 Reduction of GHG emissions	Climate Change
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Investing in Our People
	403-5 Worker training on occupational health and safety	Investing in Our People
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Investing in Our People

Franklin Energy has reported the information cited in this GRI content index for the period January 1, 2023 to December 31, 2023 with reference to the GRI Standards. GRI 1: Foundation 2021

Appendices

Sustainability Accounting Standards Board Reference Table

Below is a table referencing Franklin Energy’s public disclosures to the Sustainability Accounting Standards Board’s (“SASB”) Professional & Commercial Services Industry standards. The far-right column represents where you can find more information on each of these topics.

Topic	Accounting Metric	Code	Response
SASB: Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1 CG-EC-230a.1	Customer and Community
	Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	Customer and Community
SASB: Workforce Diversity & Engagement	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	SV-PS-330a.1 CG-EC-330a.3	Investing in Our People
Hardware Infrastructure Energy & Water Management	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-EC-130a.1	Climate Change

Activity Metric	Code	Response
Number of employees by (1) full-time and part-time, (2) temporary, and (3) contract	SV-PS-000.A	Investing in Our People