

Sustainability Management Plan

THE SPIRIT OF SUSTAINABILITY



SPIRIT
ENVIRONMENTAL CONSULTANTS

Message from CEO	1
Overview	2
Performance Tracking Process	3
Sustainability Roadmap	4
<ul style="list-style-type: none"> • Corporate Leadership 	6
<ul style="list-style-type: none"> • Environmental Stewardship 	10
<ul style="list-style-type: none"> • Community Sustainability 	21
Path Forward	25

Message from the CEO

Spirit Environmental (“Spirit”) opened our doors in 2005 solving traditional environmental challenges for our customers with an initial emphasis on regulatory and permitting services. Beyond our outward understanding of the needs of our customers, we have always recognized the importance of looking inward regarding our own actions and their impacts on our world and our communities. Spirit’s Sustainability Management Plan (“SMP”) is our commitment to taking responsible stewardship of our internal resources.

The recent emphasis on Environmental, Social and Governance (“ESG”) reflects the broader view of sustainability we have embraced to include the environmental activities core to our business as well as a holistic approach to corporate governance and social responsibility. We continue to assist our clients in complying with environmental regulations and are providing increasingly more comprehensive services across the ESG spectrum to help strategically improve their performance.

In alignment with our team-driven desires, corporate beliefs, and our ever-expanding services in support of our customers, we formally added a Sustainability/ESG Program in 2019. As part of that program, we formalized our assessment of our own actions and subsequently identified new goals to make Spirit a more sustainable company and fully demonstrate our commitment to the services we offer. We made the decision to be a carbon-neutral company, and we can proudly say Spirit has been carbon neutral since 2019.

This SMP represents the means by which we as a company will continue to strive towards a greater understanding and implementation of what sustainability can and should look like as part of a successful business model.

With this SMP and subsequent iterations of the system over time, we will strike the balance of Spirit having meaningful positive impacts by leveraging our time, talents, and financial resources while maintaining a successful growing company. The remainder of this SMP details specifics surrounding our internal assessment of our actions and the associated impacts. Spirit is approaching this effort with commitment, responsibility, and certitude. This is another step on Spirit’s own ambitiously practical sustainability journey and it will set the foundation for years to come.

Sincerely,



Brad Herrin, CEO



Overview

Spirit is utilizing science-based approaches to help our clients realize their environmental goals. As such, we are looking inward to determine and improve our own environmental footprint, as we assist our clients in improving theirs. In addition to environmental considerations, Spirit is examining our social impacts and taking a leadership role organizationally to identify opportunities and implement positive change. This approach invites collaboration with stakeholders including the public, other private firms, government entities, and other organizations interested in a more responsible and sustainable future. Our internal sustainability efforts are overseen by a dedicated program manager, team members, our sustainability committees in each office, and a leadership oversight team to ensure organizational accountability.

“At Spirit Environmental, we are committed to an ambitiously practical approach to internal and client-serving sustainability whereby we embrace collaboration, action, and accountability to deliver positive changes that meet the needs of the moment and the future.”

Our passion for improving the sustainability of our operations has led to improved performance over recent years, and this plan highlights the strong foundations upon which we have and will continue to build our program. This plan is our formal commitment to a more measured approach moving forward, with clearly defined outcomes and paths to achieve them. Many of the initial efforts have been and will continue to be in the measurement and quantification of various impacts. Concurrently, we are striving to implement positive change where we see opportunity and take advantage of our team’s passion and professional skillsets to hone the services that we deliver to our clients.

The Corporate Leadership section chronicles our continuous evolution as we work through various protocols and implement more structured policies. As we move forward, we will continue to foster a more regenerative business model that also supports our communities beyond our immediate control. In the Environmental Stewardship section, we recognize and address that our environmental footprint is largely based on our commute patterns, our consumption of energy for office operations, the waste we generate, and the materials and products we purchase. In the Community Sustainability section, our social impacts are highlighted by the work of our Spirit committees, which continue providing support to the various communities in which we live and work.



Performance Tracking Process

As a company, we are measuring our total sustainability impact, setting targets to align with science, and implementing policies that can move us toward being truly responsible. For Spirit, being truly responsible means better stewardship of the natural environment along with positive impacts in our communities and the continued improvement of a supportive and industry-leading governance model. We are determining where we can have the greatest reductions of negative impacts and magnifications of positive impacts and focusing our efforts accordingly. The purpose of this inaugural SMP is tri-fold:

- Quantifying (and celebrating) our baseline conditions,
- Establishing a framework and references to go by, and
- Establishing goals and strategies to track performance.

This SMP will be revisited regularly and progress reported on, embodying the continuous improvement principle that is one of Spirit's core values. The Spirit sustainability toolkit consists of this plan, a separate goals and strategies document, miscellaneous data sets and reference documents, and a goal workbook with tracking and prioritization capabilities. Future iterations of this kit of parts will transition the effort into a Sustainability Management System ("SMS").

Spirit tracks impacts for our offices in Houston, Denver, and Austin. In all cases, the spaces that we work in are leased, not Spirit-owned, which provides an inherent constraint on our ability to impact operational resource consumption. We choose to recognize this as a positive constraint that we can work within to better define which changes we can make and work beyond to have positive impacts outside our offices. In all cases, Spirit is engaging with building owners and property managers to illustrate the benefits of reducing their building's environmental footprint.

Our metrics are being tracked by a combination of office administrative staff, Spirit committee chairs and co-chairs, and sustainability program staff. As we continue to collect data, our team is diligently working to develop more robust data sets and we expect to see more data-based improvements. We will note changes year over year and reset our goals through our annual update and reporting process. This occurs in Q1/Q2 annually, and is at the core of our path to achieving our overall sustainability goals.



Sustainability Roadmap

Our sustainability roadmap explores each of our three pillars of Corporate Leadership, Environmental Stewardship, and Community Sustainability with specific topics that each contain a baseline, initial conclusions, and celebrations. This compendium of efforts identifies what we see currently as the major topics of sustainable practice and what we are doing as an organization to address them. Future iterations will integrate more holistically into other policies and procedures, but this roadmap is intended to jumpstart the effort and demonstrate our commitments in a single document. Our goals and strategies are contained in a parallel document that is intended to be updated annually, while this document is intended to serve as an overarching guide for our company's sustainability program.

Baseline Assessment

From October 2019 – March 2020, a systematic assessment was completed to identify the baseline conditions for operations at the three primary Spirit offices in Houston (Headquarters), Denver, and Austin. The baseline year for this plan is 2019, owing to both data availability and being a reasonable proxy for a typical (non-COVID-19 impacted) year of operations. Following the principles of focusing on areas of greatest impact along with collecting available data, initial efforts set up a strong tracking infrastructure and enabled quantification of our carbon footprint. The following data was collected in three areas:

1 Corporate Leadership

- OPERATIONS Basic operations data surrounding employees and office space
- GOVERNANCE Corporate governance practices, policies, and procedures
- COMMITMENT Implementation processes and regenerative activities

2 Environmental Stewardship

- CARBON Carbon emissions associated with business
- ENERGY Electricity and gas consumption data for the buildings that Spirit operates in
- TRANSPORTATION Commuter transportation data from a company-wide survey
- WASTE Waste data collected from initial waste audits in each office
- WATER Water and waste water use
- AIR Air quality measurements from installed continuous air quality monitors

3 Community Sustainability

- COMMUNITY Spirit Committee activity summaries
- CULTURE Occupant satisfaction data from a company-wide survey



1

Corporate Leadership

Corporate management has a great deal of impact on the sustainability of our business model. From fair hiring and compensation to providing a safe and welcoming workplace, the structures we have in place at Spirit can help support our people and demonstrate a commitment to holistic sustainability. In the past, given our relatively small size and effective communication across teams and offices, many of our policies have not needed to be formalized. As we grow, we are providing more structure around how we do business; identifying best practice in sustainability is one means of doing so. One principle that is emphasized at Spirit is the concept of servant leadership. This philosophical approach to leadership starts with leaders providing support to all levels of the organization and acting to ensure that all team members are supported. Combined with core values of people, excellence, integrity, and continuous improvement, this leadership style sets the stage for a supportive and inclusive model of growth.



■ Operations (Offices and Employees)

Spirit operations are the heart of how the company runs. As such, our operations team bears an out-sized role in the success of the SMP. We present top level organizational structure data with the recognition that the logistics and processes in operations are much more complex and critical. At the end of 2019, this plan accounted for the following offices and employees (i.e., team members):

Office	Square Footage	Office-based Employees
Houston	8,915	31
Denver	3,588	19
Austin	1,561	4
Total	14,064	54*

*60 employees total including remote workers.

■ Governance (Aligning with Best Practices)

Overview

As an inaugural effort, this SMP lays the foundation for future practice, and as such seeks to align with and learn from current best practices in corporate leadership. From the B Impact Assessment to the Green Business Network (Colorado), ARC building performance and local green building programs, there are a myriad of options to sort through that have redundancies and relations. Spirit recognizes the global reach of the United Nations Sustainable Development Goals (“SDGs”), and is closely monitoring market adoption to make an informed decision on aligning our efforts with the SDGs in future years. In the meantime, focusing on more established, specific, and focused programs will lay a solid foundation to build our best practices on. Aligning with best practices at the corporate level includes more than recognition frameworks, and Spirit is striving to embody and emulate the best practices of leading companies regardless of certification status.

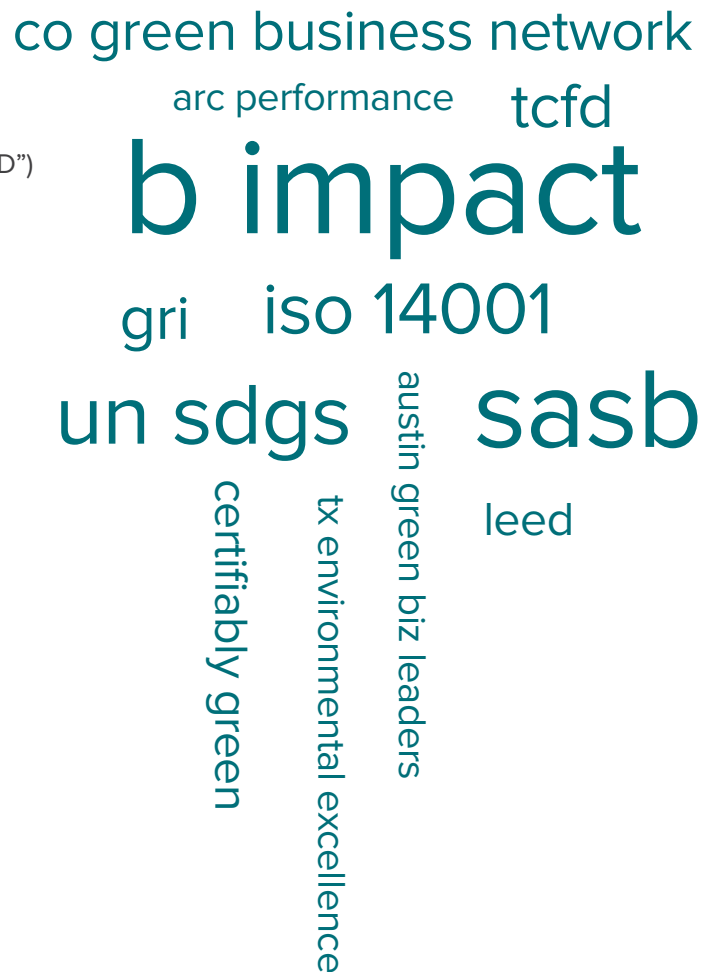
Baseline

Spirit team members completed the Best for Colorado abridged B Impact Assessment in 2019 consisting of 54 questions in the topic areas of Workers, Community, Environment, Governance, and Impact Business Models. The more comprehensive assessment was completed in 2020. We scored highest in the Workers category, giving us room for improvement in subsequent years. No other frameworks were formally adhered to in 2019, though the following programs are included in our regions and are under our consideration.



List of supported recognition frameworks:

- ARC Performance Scoring
- Energy Star tenant space recognition
- Leadership in Energy and Environmental Design (“LEED”) for Existing Buildings: Operation & Maintenance
- Certifiably Green Denver
- Austin Green Business Leaders Program
- Green Business Network (Colorado)
- Texas Environmental Excellence Award
- ISO 14001 Environmental Management
- UN Sustainable Development Goals (“SDG”)
- B Impact Assessment
- Global Reporting Initiative (“GRI”)
- Sustainability Accounting Standards Board (“SASB”): Professional and Commercial Services



Conclusions

Given the range of recognition frameworks we provide for our clients as well as their diversity, it is important that we are strategic about which frameworks we apply to our company. As an office-based consulting firm, our opportunities to create direct environmental impacts are limited, but our business model and practices have an ample amount of room to align more directly with best practices. We will identify appropriate fit(s) on an ongoing basis.

Celebrations

- Completing the Best for Colorado subset of the B Impact Assessment in 2019 was an excellent first step in applying the B Corp model to our company.
- Recent progress has included the build out of a formal safety program in 2020 and a Diversity and Inclusion Advisory program in 2021.
- The baseline period saw Spirit gather data to complete the ARC performance scoring, an intentional move designed to start educating staff and clients on one of the most current and direct ways of measuring office environmental performance.
- The positive impacts of our committee structure, employee care, and work environment all validated that the culture created at Spirit is in line with many already well regarded sustainability assessment programs.
- The Denver office was awarded the Silver level certification in the Environmental Leadership Program in 2020 (renamed the Green Business Network in 2022), highlighting our internal sustainability efforts and a commitment to a company-wide Environmental Management System (“EMS”).

Commitment

Overview

As we encourage our clients to take steps to demonstrate comprehensive ESG progress, it is important that we do the same. As we incorporate best practices into our organization, it is important that we begin to mitigate our impact by reaching beyond our organization and striving to implement practices that go beyond “do no harm” to reach “make things better”. We strive to do this by ensuring processes are in place to continue the implementation of this plan into a system, developing critical policies for all staff to align with, and looking to expand our reach beyond our company’s impact.

Baseline

In 2019, Spirit performed regenerative community sustainability work primarily with our volunteer committees that give back to the communities we operate in. In addition, Spirit’s Denver office piloted compost collection of office-wide paper hand towels, beyond what we generated in our shared space.

Conclusions

Regenerative practice is typically imagined as a next step beyond sustainability. In our case, we are seeking to build regenerative practice into our operations as fundamental. This will, however, take some time and will be tracked as a longer-term goal.

Celebrations

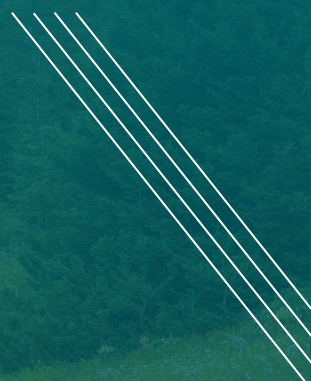
- Our humanitarian committees regularly give back to the communities where we live and work, and our sustainability committees seek to increase positive impacts of Spirit general operations and events while enhancing the sustainability of our personal lifestyles.
- Our policies and procedures have continued to evolve, including the development of a robust safety program and Diversity Equity and Inclusion program noted in the Culture section of this plan.



2 Environmental Stewardship

As an environmental consulting company, Spirit considers environmental stewardship (also referred to as environmental sustainability) essential to our business model. By reviewing our impacts and optimizing our activities (aspects in ISO 14001 terminology), we seek to excel in turning first to minimize our negative impacts and then to magnify our positive impacts. We strive towards a regenerative model where we can claim responsibility for our corporate actions that make the world a better place.

Our focus is on the areas of greatest impact to the global environment that we have direct control over, and as such we are primarily focused on the carbon emissions associated with travel and energy use working in the office environment. This combined metric of impact is relatively straightforward, allows for ongoing benchmarking, and provides the ability to measure absolute and intensity-based progress. In addition, we look at the indoor working environment and health factors to ensure team productivity and physical health and examine the waste we generate to limit both the upstream and downstream negative impacts.





■ Carbon (Greenhouse Gas Emissions)

Overview

Greenhouse gas (“GHG”) emissions are the most common measure of climate impact due to their contribution towards global warming. The atmospheric concentration of these gases trap heat and affect planetary cycles, and the balance between global sources and sinks is currently imbalanced towards sources. While carbon dioxide (“CO₂”) is the most common GHG gas, there are a number of other gases such as methane, nitrous oxide, and hydrofluorocarbons (“HFCs”) that contribute to global warming. Emissions from operations at Spirit primarily come from employee commuting (Scope 3 emissions) and building electricity use (Scope 2 emissions) along with a significant amount generated from business-related travel (Scope 3 emissions). The supply chain carbon (Scope 3 emissions) impacts are likely significant as well, but these impacts have not yet been quantified.

Baseline

In 2019, Spirit completed an initial GHG emissions inventory for Scope 1, 2, and (limited) 3 emissions. Scope 1 emissions include direct emissions emitted and are considered negligible for an office-based consulting company, though Spirit did capture the emissions from our single fleet vehicle and natural gas consumption for heat. Scope 2 emissions cover the emissions associated with the various power sources that provide the offices with energy. Measured Scope 3 emissions consisted of commuting emissions from employees as well as business travel (airline travel, reimbursed travel, and rental car use).

As seen below, 2019 emissions for Spirit were broken down by whether they were directly tied to business activities and therefore paid for by Spirit, or emissions and costs borne by employees commuting to work. The question of responsibility is central to deciding how to mitigate these emissions, with business-related emissions tied to company decisions and commuting emissions being more closely tied to employee decisions. However, for commuting there is some responsibility borne by Spirit in deciding on office location, and by encouraging and in some cases subsidizing alternative transit and/or parking.

The total measured 2019 Spirit **business-related** emissions were estimated at 200 metric tons of carbon dioxide equivalent (“CO₂e”); an average of roughly 3.4 metric tons of CO₂e per year per employee. For the entire company that is the equivalent amount of emissions emitted by the energy consumption of 24 average homes in the United States over the course of the year or about 463 barrels of oil. 2019 commuting emissions accounted for 207 metric tons of CO₂e, just more than the combined total of office energy use and business travel. In per capita terms, the average Spirit team member emitted approximately 7.5 metric tons of CO₂e between business-related emissions and commuting to work.

2019 Business Related Emissions

Office	Total Building Energy CO ₂ e (mTPY)	Total Business Travel CO ₂ e (mTPY)	Total Business-Related CO ₂ e (mTPY)	Commuting CO ₂ e (mTPY)*
Austin	19.1	5.4	24.5	6.3
Denver	9.4	19.0	28.4	36.5
Houston	110.0	33.4	143.4	164.1
Total	138.5	61.0	199.5	206.9

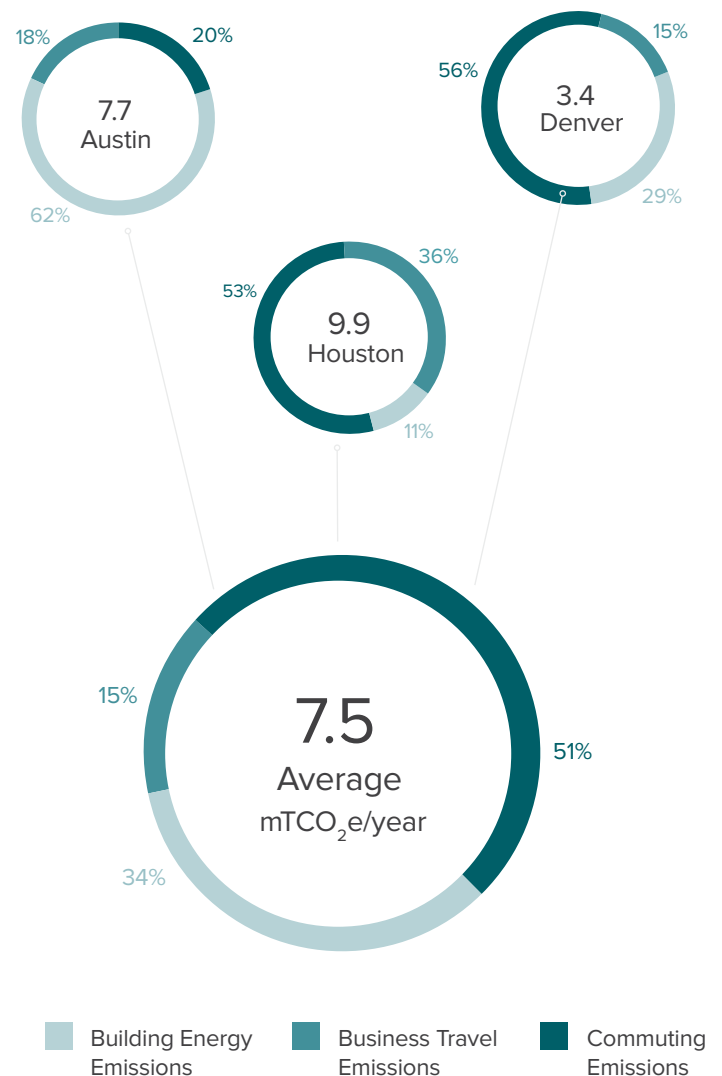
Orange indicates 2018/2019 Year Over Year increase in emissions, Green indicates 2018/2019 Year Over Year decrease in emissions.

*Commuting emissions calculated for Single Occupancy Vehicle ("SOV") and carpool trips.

Conclusions

- Commuting emissions are roughly equivalent to business-related emissions, indicating an opportunity company-wide for employees to have a significant impact on emissions.
- Total emissions in the Houston and Austin offices are higher than those in Denver; there are likely some climate-related explanations with a more cooling-dominated and humid climate as well as fewer options for public transit overall that could contribute to higher emissions.
- Absolute building emissions in Austin were significantly higher than Denver, with nearly double the emissions but about 1/5 the staff. Austin is an outlier that may indicate a high potential for reducing emissions or other corrective actions.
- Emissions are higher for transportation than building use in Denver, higher for building use than transportation in Austin, and equal in Houston, indicating the need to focus on different aspects in different locations.
- 2019 per capita total emissions varied, but knowing the breakdowns give Spirit team members insight in where we can each have the greatest impact.

2019 Per Capita Total Emissions (mTCO₂e/Year)



Celebrations

- Congratulations to the Denver office for overall low carbon emissions. 3.4 tons CO₂e/capita is best-in-class!
- 2020 and COVID-19 telecommuting led to a reduction of roughly 150 tons of CO₂e company-wide, a significant emissions saving!

■ Energy Consumption

Overview

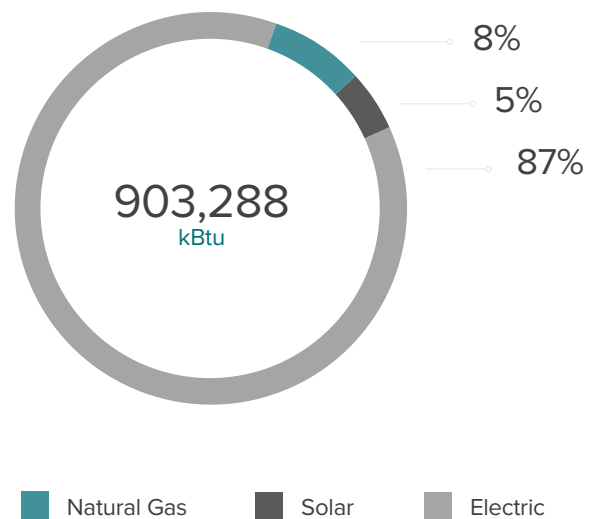
Commercial buildings account for at least 19% of total annual energy consumption in the U.S. and likely more. Energy consumption in our offices is an area of impact that Spirit team members have some level of immediate control over. Though we do not own any of our office spaces or pay the energy bills directly, how we operate matters. Turning off lights, participating in lighting retrofits, being conscientious about temperature control and appliance selection/use, and looking at plug-loads (computers, desk lamps, space heaters, etc.) can all reduce our energy consumption.

Baseline

Total building energy for electricity and natural gas use was collected for all three office locations. Spirit used shared data from building management via Portfolio Manager software for both 2018 and 2019 in the initial data gathering period.

In Houston and Austin, there was no natural gas use and Spirit data was extrapolated by a simple square footage calculation due to the relatively homogenous nature of uses in each building (dedicated office buildings). In Denver, where building uses include first floor retail, second floor offices, and third floor warehouse space, a combination of end-use analysis and square footage calculations were used. Also in Denver, the data for a rooftop mounted solar electric array was mischaracterized in Portfolio Manager and manually manipulated to provide more accurate net energy calculations. For all buildings, interviews with occupants and building management have provided additional information on building systems.

2019 Total Energy Office Consumption in kBtu



Spirit employee offices accounted for approximately 765 MMBTUs of onsite energy consumption across our offices in 2019. Energy use was normalized per square footage (also known as Energy Use Intensity [“EUI”]) as well as per employee, and does not currently account for source-based energy. Breakdowns are as follows:

Office	kBTU/yr (Site)	EUI (kBTU/yr/sf)	kBTU/yr/Employee	
Austin	110,509	70.8	27,627	<p>Orange indicates 2018/2019 Year Over Year increase in EUI. Green indicates 2018/2019 Year Over Year decrease in EUI.</p>
Denver	35,829	31.2	5,900	
Houston	637,330	71.5	20,559	
Totals/Averages	783,668	61.1	14,332	

Conclusions

- An average Site EUI of 61.1 kBTU/SF is above the national mean of 52.9 kBTU/SF, indicating that on average Spirit offices performed somewhat worse than average office building stock.
- The Denver office building energy trend is fairly consistent and in line with what we know about the building; the boiler gets turned off for the summer and re-started in the fall, the thermal mass of the brick building allows for relatively minimal air conditioning that only serves the 2nd floor offices with the rest of the building cooled by evaporative cooling, and the solar array offsets a relatively significant portion of the building’s energy use.
- The Houston office’s portfolio high EUI of 71.5 kBTU/SF indicates an opportunity but also a recognition that cooling and dehumidification take significant amounts of energy. The irregularity in energy trendlines also represent additional opportunities for building management to implement better energy solutions to mitigate demand charges and lower overall cost.
- The Austin office employee energy intensity is highest due to fewer employees relative to the occupied square footage, and the energy trends indicate consumption peaks in winter presumably for electric heat as well as summertime for air conditioning. The historical troughs indicate the potential to achieve greater levels of efficiency overall.

Celebrations

- The Denver office may pay the price in terms of variable temperature conditions, but the historic building we operate in takes full advantage of its thermal mass and relatively mild and dry climate to achieve outstanding energy performance. The solar array on the roof provides additional electricity offsets, and the Denver office team is particularly cognizant about turning off lights and appliances. In addition, when the already efficient 54-Watt fluorescent linear lights burn out, the Denver office is replacing them with 21 Watt retrofit LED lamps.
- The Houston office decreased their year over year energy consumption in 2019.

■ Transportation

Overview

Transportation is the single largest area for individual team members to impact environmental sustainability relative to their workdays, and generally can be responsible for about half of each day's carbon emissions. On the corporate level, airline travel can comprise the largest source of transportation emissions that are paid for directly. Transportation emissions are generally influenced by length of commute, individual vehicle types, alternative transportation options, and land use patterns in a given area. Typically, alternative transportation options are incentivized by ease of use, subsidizing of transit, and availability of options, making it convenient and affordable for users. On the other hand, driving alone can be dis-incentivized by parking charges and hassles associated with driving, such as traffic congestion and bad weather.

Baseline

Spirit issued a transportation survey combined with an office conditions assessment survey that followed the methodology used for the LEED for Existing Buildings Performance Path. The survey response rate was 77% across offices and includes remote team members in Louisiana and Colorado. For those respondents with multiple modes, mileage was broken out and carbon emissions were calculated for any portion of the journey taken in a SOV. Data was extrapolated for each office in its entirety based on the normalized metrics from the survey.

Spirit employees had an average commute distance of 11 miles each way and were generally fairly dispersed geographically, providing challenges for carpooling. The following table illustrates modes of transportation by office from survey respondents.

The Denver office has access to a parking garage with electric vehicle parking spots that are free of charge, while neither Houston nor Austin have electric vehicle charging stations available at their respective parking areas, which are both free to use.

Office	SOV	Bike	Walking	Telecommute	Light Rail	Multiple Modes of Commuting
Austin	2	0	0	0	0	0
Denver	4	2	1	1	2	11
Houston	23	0	0	2	0	0
Total	29	2	1	3	2	11
%	63%	4%	2%	7%	4%	24%

Conclusions

- Denver's high use of alternative transit and multiple modes of transportation is likely affected by incentives, such as the provision of Eco-passes to employees and ease of use, and disincentives, such as the high cost of parking downtown, as well as the weather (which allows for nearly year round bicycle commuting), and dedication of employees.
- Houston alternative transportation options are extremely limited, with only one bus line getting relatively near to the office, free garage parking, and a climate that is often not conducive to commuting outside.
- Austin has more alternative transit options than Houston, but with the exception of garage parking, the other conditions apply, albeit with a slightly milder climate. The shorter commute distances to work still result in the lowest overall emissions of any office.

Celebrations

Denver employees excel at utilizing alternative transportation! Eco-passes are seeing heavy use, and the sheer variety of transportation modes indicates creative efforts to not drive SOVs to the office!

■ Waste (Waste and Materials)

Overview

"Waste and materials" is one of the more relatively impactful areas for an office-based company, and we are taking stock in order to improve our practices. Spirit is looking at waste both in terms of what we generate (downstream) and what we procure (upstream). Recycling is standard at all of our offices, and commercial composting has recently been installed in our Denver office as well as collection of "hard-to-recycle" items for drop-off off at a proximate collection station. The common waste challenges of contamination and mis-characterization are evident in our company waste disposal practices, and as the markets for different recyclables continues to evolve we will need to ensure proper education and information is being shared.

Baseline

In 2019, we performed initial audits of our waste generation in our three main offices and identified our current procurement practices. The waste audits focused on classifying waste stream components, identifying items that could be diverted to the recycling or compost (where applicable) streams, identifying mis-characterized items, and raising questions regarding the appropriate diversion techniques for individual items.

Over the course of November – December 2019, team members performed audits and catalogued total amounts and quantities of individual items. Initial results indicated that in 2019, Spirit's offices generated the following landfilled amounts*:

- Houston office: approximately 11 lbs daily, or about 2,900 lbs annually.
- Denver office: approximately 2 lbs daily, or about 500 lbs annually.
- Austin office: approximately 1 lbs daily, or about 250 lbs annually.

In total, Spirit's offices generated approximately 14 lbs of landfilled waste daily, or about 3,650 lbs annually across all offices.

Spirit's offices generated the following recycled amounts as well:

- Houston office: approximately 36 lbs daily, or about 9,400 lbs annually.
- Denver office: approximately 6 lbs daily, or about 1,600 lbs annually.
- Austin office: approximately 2 lbs daily, or about 500 lbs annually.

In total, Spirit's offices generated approximately 44 lbs of recycled waste daily, or about 11,500 lbs annually across all offices. The 2019 company-wide diversion rate was 76%, and if the mischaracterized waste had been recycled properly the potential diversion rate was 80%. These results are likely to change with a more rigorous auditing program in place but provide clear conclusions at a high level.

Procurement practices for a company of our size are currently somewhat informal and tend to rely on employee feedback/requests, repeat business for vendors that have worked with us in the past, cost, and an eye towards more environmentally-friendly options. Spirit's Sustainability Committees are working with the procurement team to provide insight on better, more sustainable procurement.

* Annual lbs calculated using the total number of working days in 2019, which was 261 days.



Waste Audit Highlights

Across the offices, there was confusion regarding correct placement of to-go coffee cups and associated sleeves, plastic straws, and wooden stir sticks.

Houston

In Houston, we identified 138 incorrectly placed items (50 of which were paper shreds) or 5.3 pieces for each team member in the office that day.

- This added up to approximately 9 lbs of mischaracterized waste in the landfill waste stream.
- Biggest issues were recycling of napkins and tissues as opposed to putting in landfill trash, throwing away uncontaminated aluminum foil instead of recycling, and throwing away food wrappers which could go in a “hard-to-recycle” bin.

Denver

In Denver, we identified 62 incorrectly placed items or 4 items per employee present.

- This added up to approximately 1 lb of mischaracterized waste in the landfill waste stream.
- Biggest issues were tissues/napkins and paper towels in the trash instead of compost and throwing away food wrappers and plastic film which could go in a “hard-to-recycle” bin.

Austin

In Austin, we identified 7 incorrectly placed items or 2 per employee present.

- This added up to approximately 0.5 lbs of mischaracterized waste in the landfill waste stream.
- Biggest issues were Styrofoam containers in recycling instead of landfill and throwing away food wrappers which could go in a “hard-to-recycle” bin.

Conclusions

- While the overall recycling habits appear strong across offices, there is still some education needed to encourage proper separation of recycling streams in particular.
- Initial results indicate that commercial composting is being successfully utilized at the Denver office.
- “Hard-to-recycle” bins would be beneficial to install in both the Houston and Austin offices, based on a mostly successful diversion of this waste stream in the Denver office.
- The large volume of recycled paper in Houston represents an opportunity for upstream reduction and will need to be validated as a potential outlier.

Celebrations

- 2019 marked our first internal waste audits, and we completed them with aplomb, depth, and within the time we had allotted.
- The Denver office instituted a compost program managed by team members that has been successful beyond expectations and has diverted not only food scraps, but unrecyclable, compostable food service containers, paper towels from hand-drying from our shared bathrooms, and items such as colored paper that are more environmentally friendly to compost.

■ Water

Overview

As primarily office-based employees that do not own any irrigated space, Spirit's water footprint as a company is minimal. At this time, we have determined that the effort to collect the data and develop specific goals and strategies is significantly less impactful than working with our clients to reduce their water consumption and measure impacts. Therefore, we will not be reporting on any specific water reduction metrics at this time, though we will highlight any activities undertaken that do contribute to lower water footprints for employees.

Baseline

No baseline data was collected for this topic area.

Conclusions

Given the importance of water conservation in overall resource sustainability, we will continue to identify ways to reduce water consumption across our operations.

■ Air (Indoor Working Environment)

Overview

The daily working conditions for team members can have a profound impact on their overall job satisfaction, productivity, and health. A sustainable workplace recognizes that the human experience is a vital part of building performance, and that though a building may run efficiently, unless it does so while creating positive experiences it cannot be considered sustainable. Some degree of flex is needed when considering overall impact; for example, it may be appropriate to wear light sweaters or short sleeved shirts in the name of energy conservation within a reasonable temperature band, especially during times of extreme weather when resources may be strained. Likewise, depending on capabilities of building systems some spaces may have less than ideal conditions part of the time and no real practical means to address them. On the whole, Spirit seeks to identify and maintain optimal working conditions while working with building management to strike a balance between resource conservation and team comfort.

Baseline

Spirit installed indoor environmental monitors on a pilot basis in each of our three main offices in late 2019, using the open office area as a first step to gauge general office conditions. The model selected was the Awair Omni; a relatively inexpensive monitor that provides a solid coverage of environmental variables, over the air updates, integration potential, and an intuitive software and reporting package. Environmental variables monitored currently include:

- Air Temperature
- Humidity
- VOC levels
- Light levels
- Sound levels
- CO₂ levels
- Particulate ("PM 2.5") levels

In addition, the monitors provide a composite score known as the Awair score and use an indicator LED light display to provide at-a-glance assessments of ambient conditions that can be further explored using a phone app, the unit itself, or the desktop web-based dashboard. Customizable alerts are available as well. Spirit assigned “managers” for these monitors in each of the three offices who have the ability to perform basic calibration and can initiate alerts for moderately high readings. Once each office had over a month’s worth of data, data was collected to determine averages and observe outliers. The inaugural data pull was from the period 12/21/2019 – 01/21/2020.

In addition to the Awair monitors, the survey issued company-wide asked team members to rate their satisfaction with their working conditions on a scale from 1-7 and identify any issues that they were dissatisfied with. Results are summarized below:

Office	Average Satisfaction Score
Austin	5.5
Denver	4.4
Houston	5.5
Baton Rouge (Remote)	7.0
Total	5.15 (Satisfied)

Major comfort issues identified included temperature, lighting, and noise in both the Denver and Houston office, with both offices indicating the temperatures are too cold rather than too hot.

Conclusions

- All three offices have relatively good ambient conditions in the open office areas, with Denver having the greatest room for improvement and Houston performing the best.
- The consistently lower AWAIR score in Denver appears to be due to a combination of lower temperatures and low humidity.
- The high average CO₂ levels in Austin and the daily maximums are worth further investigation.
- Noise level appears to be relatively consistent across offices and within normal parameters.
- The consistency of the too cold comments across offices provides a clear direction to take with building management.

Celebrations

- Installing Indoor Air Quality monitors in each office in 2019 was a significant win and allows us much better data-based insight into actual office conditions as well as the ability to continue to investigate problem areas and provide data when dealing with building management.
- Our Houston office has consistent high scores across indoor condition measures, indicating a highly functional and productive office. Well, that explains it!



3 Community Sustainability

Community sustainability recognizes that the way we interact on issues relating to the wider society are a critical and necessary part of living sustainable lifestyles. Lifting people out of poverty, ensuring equitable opportunities for all segments of society, and taking care of mental and physical health needs are all ways we can help move the needle in a positive direction. Spirit Environmental team members participate in numerous activities to enhance the social sustainability of both office culture and the communities in which we operate. The primary way we do so is through our dedicated volunteer committees.





■ Community (Spirit Committees)

Overview

The establishment of Spirit internal committees starting in 2013 and concluding in 2015 marked a milestone in our commitment to community and social sustainability. These committees represent not only an internal “green team” in the form of the Sustainability Committee, but a commitment to community service in our Humanitarian Committee and a commitment to employee physical and mental health in our Health and Wellness Committee. These internal committees provide a conduit for team members to go above and beyond our daily and even our formal corporate commitments to take direct action and build a culture in keeping with our servant leadership model to have a widespread and explicit positive influence.

Baseline

With the designation of dedicated time, budget, and protocols for Spirit committees, we have set a clear intention to assist all team members in finding the opportunity to serve their communities better. Each committee chair or co-chair receives an individual stipend, and each committee is allocated a budget of \$2,000 for the year. Team members are able to count time at events during working hours towards utilization targets, and free lunch is provided for monthly meetings. There are committees in each of the two regions (Rocky Mountain Region [“RMR”] consisting of the Denver office and remote locations in Colorado and Washington State and the Gulf Coast Region [“GCR”] consisting of our two Texas offices in Houston and Austin and our remote Louisiana location).

- Humanitarian Committee: The Humanitarian Committee’s goal is to enrich the community surrounding the respective offices by being involved in outreach in those communities. We focus our outreach in our local areas to help make a difference for the communities that we live and work in. The Humanitarian Committee offers opportunities to volunteer locally, donate to local charities, and engage with our partner organizations (e.g., Reach Unlimited in Houston) throughout the year.
- Sustainability Committee: The Sustainability Committee’s goal is to help Spirit continue to learn how to operate in a more sustainable way and help the Spirit Family be more sustainable in their personal lives. The committee sponsors education opportunities for Spirit team members, as well as identifies sustainable solutions and actions for everyday activities around the office or at home.
- Wellness Committee: The Wellness Committee’s goal is to promote mental and physical wellness in team members’ personal and professional lives. The committee promotes wellness through education opportunities, fun events to encourage being active, as well as potlucks and healthy recipe promotion. Mental and physical well-being of all those who work at Spirit is key to running a successful company.

2019 Spirit Committee Activity Summaries

Each committee's 2019 activities are summarized below as a representative baseline:

Committee	Q1	Q2	Q3	Q4
RMR Humanitarian	<ul style="list-style-type: none"> Dolores Project dinner 	<ul style="list-style-type: none"> Dress for Success and Denver Works clothing drive 	<ul style="list-style-type: none"> Denver Public Schools supply drive Dolores Project dinner 	<ul style="list-style-type: none"> Food donation drive and “can-struction” event Delores Project donation
GCR Humanitarian		<ul style="list-style-type: none"> Reach Unlimited Donation TOTS Donation Drive 	<ul style="list-style-type: none"> Painted canvasses for Texas Children’s Hospital 	<ul style="list-style-type: none"> Houston Food Bank donation Reach Unlimited Christmas Party Food bank “can-struction” event
RMR Wellness	<ul style="list-style-type: none"> Snowshoeing Ski Day 	<ul style="list-style-type: none"> Bike to Work Day 	<ul style="list-style-type: none"> Hiking day Healthy cooking challenge Camping trip Rock Climbing 	<ul style="list-style-type: none"> Gratitude Challenge
GCR Wellness	<ul style="list-style-type: none"> St. Patrick’s Day potluck 	<ul style="list-style-type: none"> Spring volleyball session 	<ul style="list-style-type: none"> Summer kickball session Two Stepbet challenges 4th of July potluck 	<ul style="list-style-type: none"> Thanksgiving potluck Outdoor day
RMR Sustainability	<ul style="list-style-type: none"> Joulebug competition Newsletter 	<ul style="list-style-type: none"> Hard-to-Recycle Drive 	<ul style="list-style-type: none"> Committee collaboration Trash pick-up 	<ul style="list-style-type: none"> Company-wide brownbag Office composting
GCR Sustainability	<ul style="list-style-type: none"> Joulebug competition 	<ul style="list-style-type: none"> Booth at Earth Day Houston 2019 Hassler Elementary Science Fair Trash Bash 	<ul style="list-style-type: none"> Harry Potter Sustainability Challenge 	

Conclusions

- The existing committee structure provides exemplar support for team members to actively make a difference in affecting company culture and the wider community.
- Each committee has varying degrees and types of metrics currently being tracked.

Celebrations

- Spirit committees continue to embody the best our culture has to offer. From creativity to compassion, service and wellness, our committees have demonstrated continuous engagement and activity that sets us apart from most other companies. Wow!
- We worked with Reach Unlimited (<https://www.reachunlimited.org/>) in Houston for over five years supporting a variety of events that positively enhance their clients' experiences.

■ Culture (Safety, Diversity, and Empowerment)

Overview

At Spirit, our people are our greatest asset; protecting them from harm and encouraging a diverse and empowered workforce will help ensure our culture remains strong and sustainable as we move into the future. Our workplaces strive to embody these values, and our work in these areas will remain ongoing and open-minded. We value safety: mentally, physically, and emotionally. We value diversity of thought, humanity, and ideas. We value each individual and strive to provide means for all team members to share their wisdom and inform company culture, business strategy, and strategic direction. Essentially, these initiatives are striving to formalize and encapsulate values that may have been implicit and/or under-developed but are now striving to be explicit and full.

Baseline

As of 2019, Spirit had no formal safety policy or formal Diversity and Inclusive efforts. Our servant leadership ethos was included in onboarding and embodied unevenly across the company.

Conclusions

Having best intentions but a lack of policy and explicit action provided the perfect opportunity for making strides in these areas.

Celebrations

2020 saw the formal release of our company-wide Safety policy and the initiation of a Diversity and Inclusion Advisory Committee. These efforts took a considerable amount of work and should be recognized for the significant milestones they are.

Path Forward

It is a cliché to state that the objective is the journey as opposed to the destination. In this case, both are important. Spirit is a well-established, high-functioning consulting firm that has a successful business model.

The need to embark on a more sustainable path is not driven by economics, regulations, or any client pressures. The need to become a more sustainable company is arising from the collective ethos of the team.

It is not universal, it is not fully understood, and it is not easy. But, it is in line with our values, it is a natural move for an environmental consulting firm to make, and it is happening. The trick will be making it stick. The goals and strategies document and associated workbook will track progress over time, and that progress will indicate the degree to which these efforts are embraced and the degree to which they are able to have a positive impact.

The consulting model is predicated at a fundamental level on being compensated for time spent and knowledge shared; any time that is not billed is not compensated. The effort to create this initial SMP has an opportunity cost of not completing other billable work, and as such, represents a significant commitment and contribution of resources to a more sustainable future for our company. The work to come will also represent non-billable time, time committed to building long-term value, and training team members on the skills needed to deliver these services to clients to help them achieve similar value. This effort is imperfect, but it is not rushed. There will be revisions, clarifications, and fundamental adjustments made over time as more team members contribute their thoughts and knowledge, and as goals and strategies are tested and refined.

This start represents the fulfillment of the initial promise to bring sustainability in a meaningful way not only to our clients but to ourselves. It offers a fresh perspective on our operations while proposing a more fundamental evaluation of our culture. Time will tell whether our journey is a successful one, but we are stepping with purpose into that future.



