

BECOMING CLARKE

A
SUSTAINABLE
EVOLUTION



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Dear Friends,

Clarke's sustainability story is one of incremental change and growth. It is one of evolution, not revolution, and it can be seen every day as we ask ourselves, "What if...?" or "Let's try...". Ours is a journey of learning over time and the pursuit of becoming all those things we aspire to be as an organization—it's about *Becoming Clarke*, an organization that helps make communities more livable, safe and comfortable.

We believe businesses in the 21st century have a responsibility to proactively address social and environmental impacts in a way that supports economic vitality. For Clarke, we define sustainability as striving to do business in a way that benefits communities, supports our employees and better serves our Earth.

Our business is fundamentally sustainable in that we seek to help communities thrive by eliminating threats to public health. We do this while remaining conscientious environmental stewards. In fact, part of the fun for us is finding new and innovative ways to move toward the most environmentally responsible mosquito control and aquatic services we can possibly provide (we can't help it—we're scientists). But, that isn't the whole story. Beyond the exciting challenges sustainability presents for our organization,

it also forces us to take a look at our impacts in environmental, social and economic terms and redefine who we want to be as an organization.

As we work to become more sustainable at Clarke, we remain committed to our vision—to touch 660 million lives—and I continue to be amazed by the things we accomplish. I thank you for taking the time to learn about our story, and I invite you to ask us questions or share your feedback. A sustainability journey cannot be taken alone.

Together, we remain committed to our vision. Together, we are learning, growing and evolving. Together, we are *Becoming Clarke*.

Sincerely,

J. LYELL CLARKE, III
PRESIDENT & CEO



"Together, we remain committed
to our vision. Together, we are
learning, growing and evolving.
Together, we are *Becoming Clarke*."

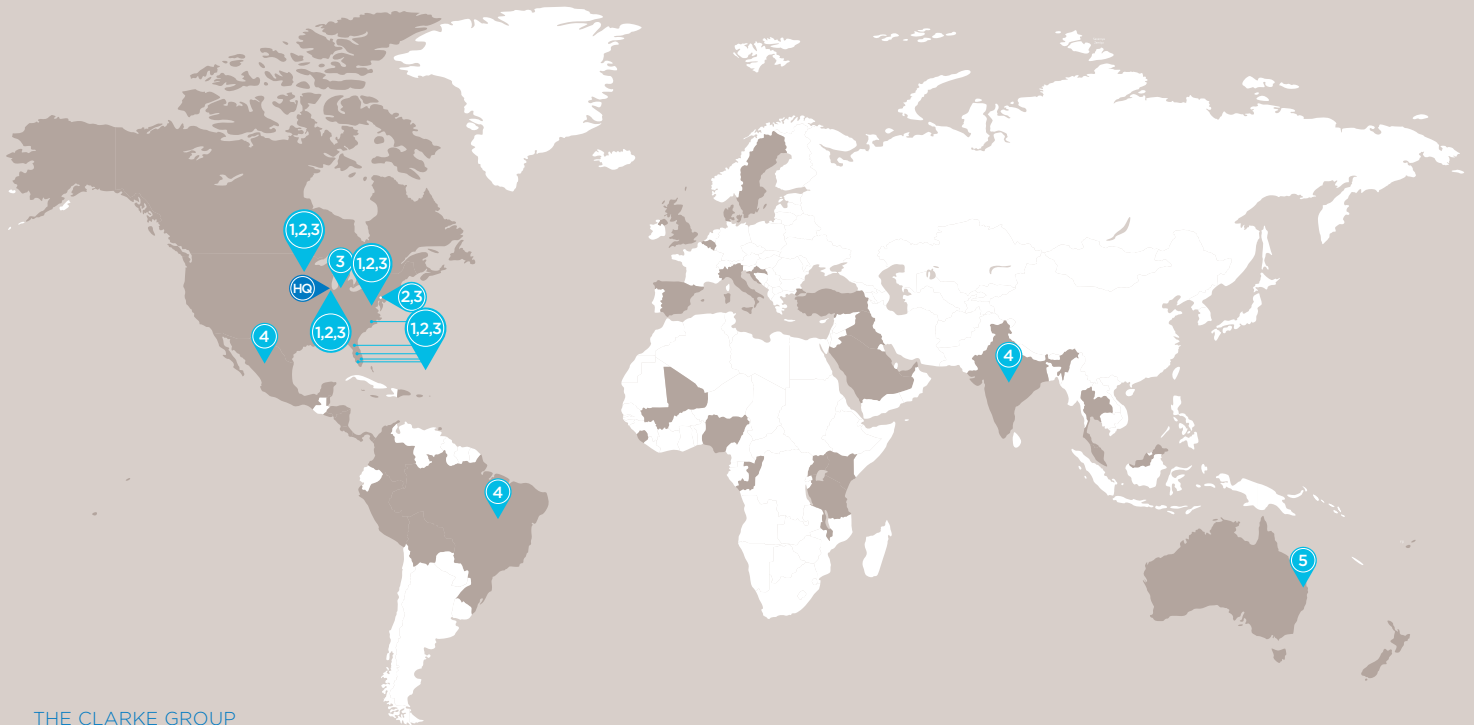
— J. LYELL CLARKE, III, PRESIDENT & CEO

Who We Are & What We Do

Who we are today at Clarke is a reflection of where we've been as an organization and where we want to go.

Strengthened by our history and energized by our future, Clarke strives to pioneer and deliver the most advanced environmentally responsible mosquito control offerings and aquatic services to achieve our mission of making communities around the world more livable, safe and comfortable. The customers we serve include governments, municipalities, commercial and residential groups, and international institutions such as UNICEF and U.S. AID.

Growing and evolving from a small family business in 1946 to a family owned global solutions provider, The Clarke Group, Inc. and its core business units serve the spectrum of market needs from mosquito control products and services, to aquatic services, to application equipment and technology.



THE CLARKE GROUP

CORPORATE HEADQUARTERS

1 Clarke Mosquito Control Products, Inc.

Chemical and equipment manufacturing and distribution, headquartered in Roselle, IL with sales offices throughout the United States.

2 Clarke Environmental Mosquito Management, Inc.

Provides mosquito control services to government, commercial and private entities with 11 U.S. locations.

3 Clarke Aquatic Services, Inc.

Provides professional aquatic services and aeration programs.

4 Clarke International, LLC

Chemical, equipment and long-lasting insecticidal bed net manufacturing and distribution with offices in Mexico, India, and Brazil.

5 Pacific Biologics, Pty., LTD

Distributes mosquito control and agricultural products in Australia, New Zealand and Pacific Islands.

■ Clarke's global presence

GOVERNANCE

Clarke is governed by a two person Board of Directors comprised of Clarke family members. Our executive leadership team is guided by an external Advisory Board of independent business leaders. Advisory Board members are selected based on an internal review process and act in accordance with the policies that guide the Clarke organization.

In addition to our Board of Directors and Advisory Board, Clarke has established a Corporate Compliance Committee, made up of key members of the management team, to provide oversight and direction pertaining to regulatory, environmental and workplace compliance in all Clarke operations and activities. The Corporate Compliance Committee also provides guidance on Clarke's Code of Conduct and ethics policies. We have established an Ethics Hotline as a confidential resource for employees to access should they have an issue they would like to report. We monitor feedback submitted through the hotline and follow-up immediately on any reported issues.

MISSION

Together, we help make communities around the world more livable, safe and comfortable.

We are doing this by:

- » Pioneering, using and championing the most eco-responsible and advanced products, services and business practices possible
- » Providing support to as many communities as we can through the Clarke Cares Foundation
- » Living our mission through our words and actions
- » Supporting our customers, partners and each other in this endeavor and inspiring others to join us

VALUES

Clarke's core values guide us in all that we do:

- » Caring for the planet
- » Caring for people
- » Being passionate about what we do
- » Doing the right thing, even when it's hard

VISION

Create an organization with the reach to help make the lives of over 660 million people around the world more livable, safe and comfortable every year.



Strategy & Analysis


Clarke's current sustainability strategy helps us to find opportunity in global risks associated with fossil fuels, climate change, public health, and more.

We currently rely on fossil fuels, which we know to be finite, for our business—from those powering the vehicles that deliver Clarke service to the raw materials in many of our products. By adopting a proactive approach to our energy consumption today, we are taking the incremental steps we need to evolve into a more competitive company tomorrow.

We are also focused on the ways in which shifting temperatures may affect mosquito-borne diseases. We know that changes in temperature impact ecosystems in a variety of ways—from water quality to food availability to social dislocation or conflict—and that climatic conditions such as rainfall patterns and humidity affect mosquito populations. What we don't know yet is what climate change will mean in terms of current methods of mosquito control, but Clarke is working to figure it out. As climate change may result in increasing populations of key mosquito species and mosquitoes that travel further and live longer in more northern environments, we must be prepared with effective mosquito control products and services, and Clarke is well positioned to help in this global challenge.

Beyond climate change, we know that water presents an increasingly serious threat to the sustainability of global ecosystems. So much of what we do at Clarke is tied to water ecology—whether that's enhancing healthy water environments through our aquatic services or sharing expertise related to water and mosquito habitats. In the future, we plan to make "water wellness" a part of our innovation efforts and a new element to our internal programs dedicated to improving Clarke's environmental footprint.

While we see these environmental issues as important areas of focus for Clarke, we also know that our ability to effectively leverage our expertise depends upon a strong organization. With our people as our priority, we make safety and wellness key attributes of our overall sustainability strategy. Because social responsibility extends beyond our own workforce initiatives, we also seek opportunities to engage with external stakeholders and play a role in supporting the communities in which we work and live.



"I understand now that I can
make a difference. Regardless
of how big or small, easy or
difficult, the fact of the matter is
that I am committed to doing it."

— JOE HAUFLE, MIDWEST OPERATIONS

Engaging with Stakeholders

ABOUT THIS REPORT

Clarke's 2010-2011 Sustainability Report, our second annual sustainability report, details Clarke's environmental, social and economic performance across 17 global offices, facilities and work projects from October 2010 to September 2011. Unless otherwise stated, the data in this report is from the 2010 calendar year. This report covers Clarke's global operations, including subsidiaries. We followed the Global Reporting Initiative (GRI) G3.1 guidelines in developing this report, and it has been verified by the GRI as meeting the criteria for the GRI Application Level B. Clarke adheres to the GRI principles for reporting to ensure the quality of this report.

Click here to review the official Application Level B Check Statement from GRI.

Click here to review GRI's Application Level Chart.

We have no restatements of information from Clarke's previous 2009-2010 report nor have we experienced any significant organizational changes in ownership or scope. We see great value in engaging stakeholders through the process of story-telling, and this report is the primary tool we use to share our sustainability story. The report is available in downloadable PDF format at www.clarke.com while a printed summary brochure may be requested by contacting greaterpurpose@clarke.com.

AWARDS & RECOGNITION

In June 2010, Clarke was honored to receive the 2010 Presidential Green Chemistry Challenge Award from the Environmental Protection Agency (EPA) for our Natular™ larvicide. This special award recognizes outstanding chemical technologies that incorporate the principles of green chemistry into chemical design, manufacturing and use, and also those that have been or can be utilized by industry in achieving their pollution prevention goals. Clarke now joins an elite group of only 77 award recipients in the past 15 years.

What makes Natular so unique is its active ingredient, spinosad, which is derived from a naturally occurring bacterium. Natular is effective at use rates two to ten times lower than traditional synthetic chemistries and is 15 times less toxic than the organophosphate alternative. In fact, Natular is not persistent in the environment or toxic to wildlife. Further, Natular is comprised of compounds approved for use by the USDA in production of certified organic products.

The EPA award recognizes the hard work of Clarke's research and development group, who was given the formidable task of building a more sustainable larvicide from the ground up. With Natular, our team developed an innovative solution that we see as a catalyst for change across our industry.

Clarke Memberships & Associations

- » American Mosquito Control Association (AMCA)
- » American Society for Quality
- » American Society for Testing and Materials
- » Aquatic Ecosystem Restoration Foundation (AERF)
- » Entomological Society of America (ESA)
- » European Mosquito Control Association (EMCA)
- » Global Collaboration for the Development of Public Health Pesticides (a working group of the World Health Organization)
- » Mosquito Control Association of Australia (MCCA)
- » Responsible Industry for a Sound Environment (RISE)
- » U.S. EPA, Pesticide Environmental Stewardship Program (PESP)
- » Other local, state and regional mosquito control organizations

PARTNERSHIPS & COLLABORATIONS

We began our sustainability evolution based upon a genuine desire to enhance who and what we are today by integrating different perspectives into a sustainable vision for tomorrow. This means finding new and improved ways of supporting communities, engaging our workforce and better serving our Earth. It's about taking a broader view of our social, environmental and economic impacts and identifying areas where we can do more; it's about listening to global perspectives on sustainability megatrends such as climate change, natural resource depletion and population growth and exploring how they may affect our business in the future; and, it's about finding partners with whom we can collaborate to turn sustainability challenges into opportunities.

Our stakeholder relationships are essential to Clarke's continued success. By engaging with stakeholders including vendors, customers, employees, and community members, we can better see emerging issues, understand our customers' needs and, ultimately, develop new technologies and practices that enhance our social, environmental and economic impacts. Recognizing this, in 2011, we began reaching out to our centers of influence and initiating a dialogue focused on sustainability. In our first year of conducting formal stakeholder engagement, we chose to focus on representative members of two external stakeholder groups that have a significant impact on Clarke's overall performance and our industry – customers and suppliers. We asked these stakeholders to discuss where they see Clarke today in our sustainability journey and where they would like to see us go. From their insights emerged several themes that will inform our future sustainability planning:

- » Increasing engagement with the U.S. Environmental Protection Agency (US EPA) and others to help inform and promote a sustainable regulatory environment
- » Opportunities to educate communities on behaviors that support mosquito prevention and control
- » More robust exploration of product and service life cycle impacts

We are also incorporating conversations about our sustainability impacts into trade shows and customer visits. Based on the topics that seem to resonate with our key stakeholder groups, we conducted an internal materiality assessment that helped us to identify relevant report content. The main sections of the report reflect the results of our materiality assessment and represent areas where we either currently have sustainability goals or would like to develop goals in the future.

A Whole System Approach to Change

One of the advantages we see in developing a sustainability strategy involves helping Clarke move in the direction of a more positive future. In early 2012, we seek to accelerate our transition into a more sustainable enterprise by hosting an Appreciative Inquiry Summit.

Appreciative Inquiry (AI) is a change management methodology that identifies what works within an organization and uses that knowledge to heighten energy and vision for the future. Pioneered by Dr. David Cooperrider at the Case Western Reserve University Weatherhead School of Management, AI engages the "whole system," which means Clarke will invite employees, customers, suppliers, community members, regulators, and others in exploring our strengths and discovering possibilities for the future. Our goal for the Summit is to propel Clarke forward in our sustainability journey and to help us expand our capabilities in human, ecological and environmental terms.

Sustainable by Design

One of the most significant elements of Clarke's sustainability evolution is the transition from sustainability as a concept to sustainability as a part of how we operate.

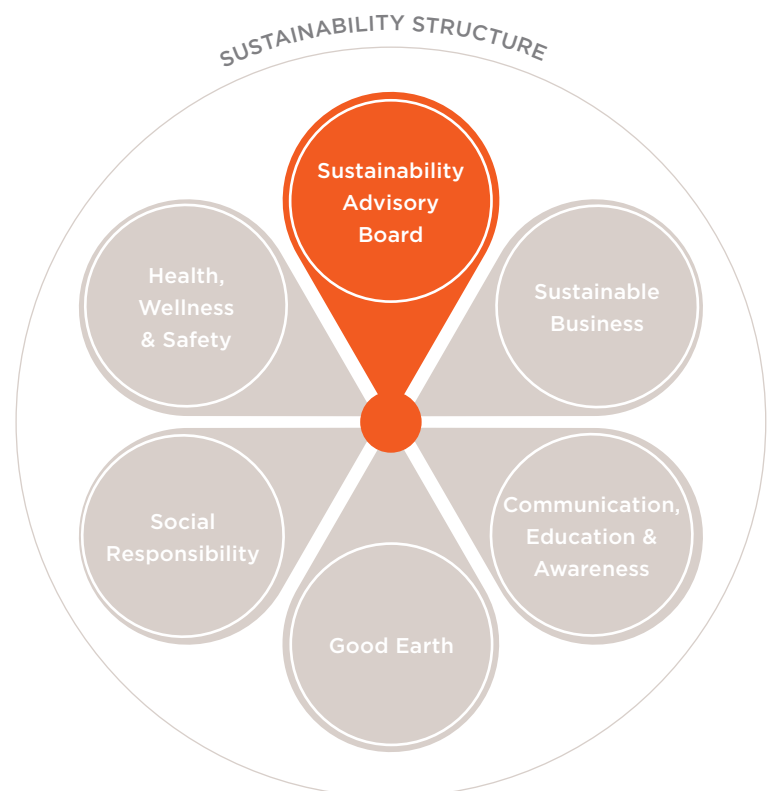
To make this happen, we needed to establish an organizational structure that would support and promote our sustainability efforts. Starting with an ad hoc Sustainability Leadership Team in 2009, we identified major sustainability priority areas and created committees dedicated to eight topics, spanning carbon footprint, renewable resources, education, and more. Although we made progress with this initial structure, by late 2010 we began to realize that we needed to make some changes if we were to maintain the momentum and to fully integrate sustainability into the Clarke organization.

In 2011, we launched Project Greater Purpose, to establish a more formal structure around our sustainability efforts and to create processes that would enable us to more directly address key environmental and social priorities. Project Greater Purpose helps employees to find meaningful opportunities to contribute to sustainability at Clarke and to more clearly see the ways in which we integrate social, environmental and economic factors into business decision-making.

Throughout 2011, Project Greater Purpose focused on three key milestones:




Under Project Greater Purpose, we streamlined Clarke's eight sustainability committees into five and established a Clarke Sustainability Advisory Board. The Board reinforces Clarke's commitment to sustainability by involving key members of the executive team and management and better reflects the nature of leadership at Clarke, where we value guidance and empowerment. Today, each and every Clarke employee is encouraged—within the scope of their job, through personal bonusable objectives or open invitations to get involved—to participate on one or more of the five committees.



Have these organizational design changes paid off? We think so. We hear sustainability considerations and topics more frequently as a part of our everyday conversations. We no longer see sustainability as a separate agenda item at meetings. With a clear sustainability reporting process established and project action plans in place, we are elevating sustainability from a concept at Clarke to concrete activities with tangible results. And, that's the kind of progress that helps us to become more sustainable – it's what moves us in the direction of the Clarke we aspire to be.

Committee	Initiative	Summary
Sustainable Business	Operation: Starve Oscar	Measure waste produced by Clarke and the impact of waste reduction efforts.
	Carbon Footprint	Track corporate carbon footprint and carbon reduction efforts under GHG Protocol Scope 1 and Scope 2.
	Project Regeneration	Develop alternative transportation options for sales and service fleet vehicles.
	Green Power	Advocate for on-site renewable energy projects and Green Power contracts that help Clarke meet renewable energy goals.
	Environmentally Preferable Purchasing Program	Establish best practices and guidelines to help Clarke employees make sustainable procurement decisions.
	Sustainable Packaging	Research and recommend alternative packaging options to reduce waste and environmental impact.
Good Earth	Earth Day Events	Recognize and celebrate environmental holidays with eco-conscious projects and awareness campaigns.
	Garden Projects	Design and launch composting, prairie restoration, rain barrel activities, and more that promote responsible landscape practices at Clarke facilities.
Social Responsibility	Swing for Nets Golf Outing	Host charity golf event for the Clarke Cares Foundation to raise funds for bed nets in poverty stricken villages in Africa.
	Volunteer Events	Organize volunteer events in communities where we operate.
	Volunteer Policy	Set annual volunteer goals and review updates to the Clarke Volunteer Policy.
Communication, Awareness & Education	Corporate Sustainability Report	Share the Clarke sustainability story following the Global Reporting Initiative guidelines.
	Appreciative Inquiry Summit 2012	Bring together employees with various external Clarke stakeholders to explore possibilities related to Clarke's sustainability journey.
	Speakers Programs	Invite speakers from other organizations to share their sustainability stories with Clarke employees.
	The CLOG	Develop and maintain a forum for employees to share news and information about sustainability and other relevant topics
Health, Wellness & Safety	Wellness Incentive Program	Reward employees for practicing and improving physical, emotional and financial well-being.
	Biometric Screening	Coordinate Health Risk Assessment (HRA) and Biometric Screening events to identify individual health risks and provide education and preventative programs.
	Employee Safety Programs	Educate and train employees and their families on work and home safety best practices.



“The first step toward engraining a certain behavior is consistent practice. Clarke’s commitment to sustainability empowers me to make personal changes throughout my day—not just at home or during my commute—which helps me to achieve the behavior changes I need to live more sustainably.”

— KAREN LARSON, REGISTRATIONS

2014 Goal Update

2014 Goal	Summary	Progress
Reduce our carbon footprint by 25%	Through energy efficiency and alternative energy projects, we have reduced our carbon footprint by 18% over 2008, which is 77% of our overall goal.	ON TRACK
Utilize 20% of energy from renewable sources	With the Green Power Contracts established and investments in photovoltaic panels at two facilities since October 2010, we are on track to have close to 20% of our electricity needs coming from renewable sources.	ON TRACK
Reduce waste stream by 50%	Over the past year, Clarke began tracking waste at all facilities. We see opportunity to enhance our tracking processes and intend to develop a more robust system in 2012.	MORE WORK REQUIRED
Attain LEED certification on all new facilities	When we went live in 2011, we chose not to pursue LEED certification for our new Natular facility. Instead, we invested the funds that would have paid for the certification process into additional sustainable features at the facility. We are considering whether this goal needs to be modified to best meet the intent behind it – to improve the environmental footprint of our facilities.	RECONSIDERING GOAL
Generate 25% of revenues from NextGen* products and services	In 2010, sales from NextGen products and services represented approximately 10% of total revenue. Over the next year, we plan to further define our criteria for NextGen to ensure we are holding ourselves to the highest possible standard for sustainable product offerings.	MORE WORK REQUIRED
Incorporate a cradle-to-cradle design philosophy in all product/service development efforts	Clarke developed an initial draft of a product development charter in 2011 that incorporated cradle-to-cradle design elements. Over the next year, we will refine this document and begin education efforts to ensure all employees understand and utilize the cradle-to-cradle approach.	MORE WORK REQUIRED
Donate or volunteer 2,080 employee hours to assist the communities in which we serve	In 2010, Clarke employees spent 854 hours volunteering in the community. With our planned volunteer events in 2011, we believe we will be on track to meet our goal of 1,040 total volunteer hours for the year.	ON TRACK

* NextGen defined as products and services purposed for sustainability and designed with cradle-to-cradle concepts in mind.

Caring About the Planet

Being in the pesticide business, we've received more than a few puzzled looks when we talk about Clarke's environmental performance.

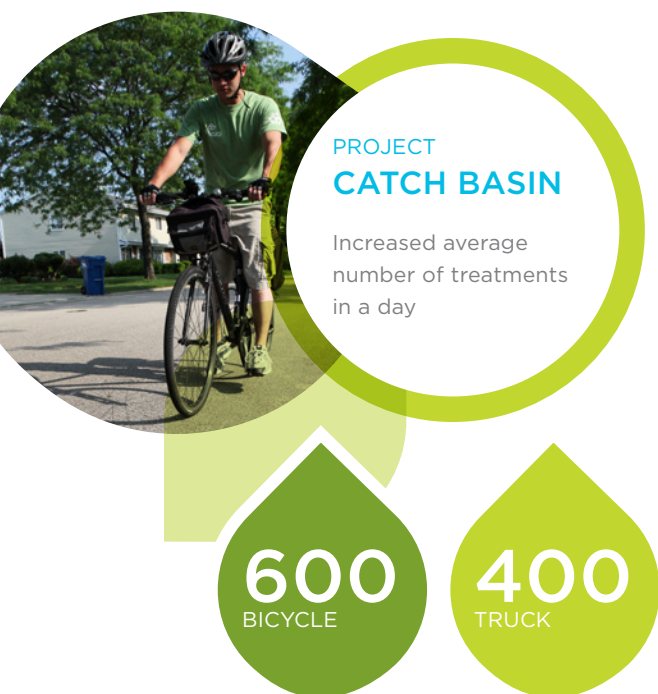
Traditionally speaking, mosquito control and aquatic weed management don't have a reputation for being particularly "green." We're working to change that image.

Growing from a small business in 1946 operating out of the Clarke family garage to a global business today, Clarke has evolved into an organization that thrives on a healthy environment. Our mission of making communities around the world more livable, safe and comfortable means that we must balance the essential task of responsible mosquito control and aquatic services with responsible environmental practices in the interest of preventing disease, controlling nuisances and creating healthy waterways.

ENERGY AND CARBON FOOTPRINT

Decades ago, businesses didn't spend much time thinking about fuel consumption beyond its impact on the bottom line. Times have changed. As populations and economies around the world grow in size, the demand for energy resources also grows at an increasingly rapid pace. The volatile costs, limited supply and environmental impacts of fossil consumption fuel present true sustainability challenges in economic, social and ecological terms. We seek to improve our own energy and carbon footprint by focusing on efficiency and renewable fuels. The more we can do to reduce our dependence on fossil fuels, the more money we can save, the less greenhouse gases we'll emit and the better the world will be for our grandchildren.

Given the breadth of our service operations, transportation represents a major sustainability impact area for Clarke. When we launched Project Regeneration and Project Prius in 2009, we sought to tackle the most significant contributor to Clarke's carbon footprint – our service fleet operation. By improving our route mapping programs and adopting more efficient transportation practices, we reduced transport fuel consumption by 7% from 2009 to 2010. During that same time, Project Catch Basin catapulted our bike program from 30% of all catch basin treatments to 60%. With more efficient field operations, improved routing technology and real-time reporting, we've reduced the average miles driven per site application by approximately 45% (equivalent to 84,000 miles).



Clarke also continues to focus on identifying fuel efficient alternatives for our operational and sales fleet. In 2010, Clarke's sales fleet began the transition from trucks and cars to hybrid vehicles. Over the next year, we plan to expand our hybrid fleet by replacing five operational trucks and three of our bike fleet carrier vehicles. This is part of a strategic fleet conversion process that will explore all options available to Clarke, including hybrids, electric, compressed natural gas, bikes, and more.

Beyond efficiency improvements, a significant component of Clarke's energy-related activity revolves around renewable fuels. Since 2010, Clarke has installed photovoltaic panels at two facilities – Pacific Biologics in Australia and the new Natular™ manufacturing facility in Illinois. While the amount of energy generated by the solar panels varies significantly (the array in Australia is projected to cover nearly 100% of the facility's energy needs while the array in Illinois is projected to meet 1% of the energy needs), we view these investments as important steps to reach our goal of 20% renewable energy use by 2014.

In addition to our own renewable power generation, Clarke supports the development of alternative energy by purchasing renewable power from local utilities. In mid- 2011, we established Green Power contracts at four of our Illinois locations – which represent approximately 35% of our total electricity consumption – and managed to spend 20% less than the previous conventional electricity agreements.

Ultimately, Clarke's energy efforts are aimed at reducing our carbon footprint because we know it's the right thing to do. And, we see our efforts paying off. Since we began tracking greenhouse gas emissions in 2008, Clarke has reduced our total carbon footprint by 18%. While this already represents 77% of our 2014 carbon reduction target, we know we can do more.

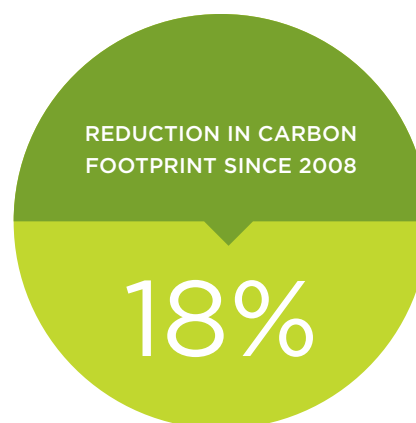
In 2011, we continue to find ways to improve our carbon footprint – from installing programmable thermostats to replacing inefficient servers to save energy. For those emissions we cannot eliminate, Clarke has invested in offsets that sequester carbon dioxide. We purchased our offsets from Carbonfund.org, which supports projects meeting international certification standards for carbon sequestration. In August 2011, we offset 971 metric tons of carbon dioxide (CO₂), which represents the total carbon emissions from our 2010 electricity and on-site fuel use.

TOTAL ENERGY (GIGAJOULES)

	2008	2009	2010
Electricity	4,145	3,658	3,839
Natural Gas	5,568	4,747	4,526
Gasoline	27,549	23,395	21,663
Jet Fuel	1,401	853	854
Liquid Petroleum	191	198	173
TOTAL	38,854	32,851	31,055
Direct Energy	34,709	29,193	27,216
Indirect Energy	4,145	3,658	3,839

CARBON FOOTPRINT (UNITS ARE TONS OF CO₂ EQUIVALENT)

	2008	2009	2010
Direct Emissions	2,376	1,999	1,863
Indirect Emissions	800	711	742
TOTAL	3,176	2,710	2,605



WASTE AND RECYCLING

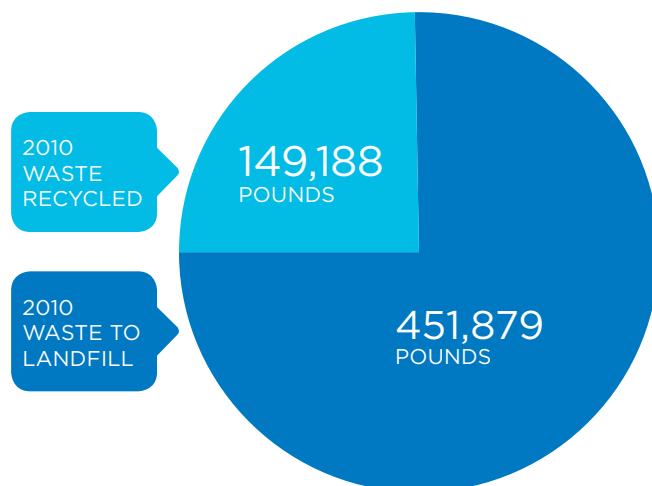
As Clarke grows as an organization, so do our material needs. And, more material often means more waste. Ideally, we can eliminate waste streams before they are created through efficient planning and production. For waste that Clarke does produce, our education efforts have enabled Clarke employees to pinpoint several opportunities to reuse or recycle materials. As Clarke strives to cut our waste impacts in half by 2014, we start by focusing on incremental changes to achieve our goal.



One of our most significant waste reduction projects in 2010 involved collaboration with Clarke customers. Rather than risk customers disposing of 30- or 55-gallon drums after one use, Clarke gives customers the option of returning them. Our returnable/refillable packaging program enables Clarke to reuse plastic drums as many as six times before sending them off to be recycled. In addition to reducing waste sent to landfill, this program reduces customer disposal costs and eliminates the need to purchase new drums for every shipment.

When it comes to waste, we know we are just scratching the surface. In the future, we would like to more fully address the downstream impacts of product and packaging waste. The more we learn about sustainable packaging, the more opportunities we will find to work with our suppliers and customers to reduce the amount of packaging that goes to landfills.

Over time, we want to become a resource for our employees, their families and the community. We intend to help expand their awareness of recycling and waste reduction through participation in programs like SCARCE (School Community Assistance for Recycling and Composting Education) near our corporate headquarters and through community-focused recycling efforts at our offices and facilities.





“Clarke’s commitment to sustainability has deepened my understanding of environmental conservation. It also has allowed me to explore the application of sustainability in business”

— AL LAKHANI, INTERNATIONAL REGISTRATIONS

BIODIVERSITY

To become the organization we aspire to be one with the power to improve millions of lives around the world—we must successfully deliver products and services that help prevent diseases and support healthy environments. Clarke naturally supports biodiversity through our commitment to the development of natural and innovative products and services; by controlling invasive aquatic species; and, by addressing the public health issues associated with mosquito populations. In the future, we see opportunities to strengthen biologically rich environments by exploring integrated control methodologies—those that combine products and behavior – and helping our customers to educate communities on healthy ecosystems.

While biodiversity does not represent a specific sustainability goal for Clarke today, it is a part of our thinking. As we anticipate risks to biodiversity due to climate change and water scarcity, Clarke strives to develop and deliver solutions that promote healthy communities and ecosystems.

HEALTHY WATER

Part of being a sustainable organization is recognizing environmental impacts and designing a plan to address them. While Clarke has made good progress concentrating on fuel efficiency and waste reductions, we have not yet dedicated enough time or energy to tackling what we know to be a major global sustainability challenge: water. Our work at Clarke touches water in many different ways, from our own consumption to supporting healthy water ecosystems through our products and services. We advocate responsible water management practices to help control mosquito populations while our aquatic services enhance waterways, lakes and ponds.

With our aquatic service expertise, Clarke is focused on providing innovative “healthy water” solutions. Today, we use aquatic herbicides, algaecides and molluscicides as a restorative means of maintaining water bodies. These are balanced with oxygen generating aeration systems that help optimize the water ecosystem. Yet, we believe additional complementary, proactive steps can also be utilized to improve the health of any given body of water. Creating such solutions will lead to a more sustainable global environment for water.

Over the next year, we intend to more fully explore Clarke’s water impacts and develop goals related to sustainable water stewardship. While we do not currently track water consumption, we plan to investigate how we might accurately monitor water withdrawals in the future. Whether in the form of integrated product and service solutions or policies related to water withdrawals and discharges—or some combination of both – water stewardship will be an important part of Clarke’s sustainable evolution and path forward.

Caring About People

The Clarke organization is defined by people who are driven to help others. It's at the core of what we do in public health, and it characterizes who we are as an organization.

The desire to leave the world a better place for future generations grounds Clarke's sustainability strategy. And, while much of what we explore in sustainability focuses on environmental impact, we understand that, fundamentally, we do so in the interest of helping others to lead better lives.

VOLUNTEER HOURS & PARTICIPATION RATES

2009

715 hours
62% participation

2010

854 hours
67% participation



SOCIAL RESPONSIBILITY

From our corporate headquarters in Roselle, Illinois to the communities we serve in rural Africa, Clarke touches people and families around the world. In 2010, we introduced a formal employee volunteerism program to elevate the profile of community engagement at Clarke. Every Clarke employee is granted 20 hours of paid work time to participate in a volunteer activity—whether that's helping a local eco-stewardship club clean a waterway or serving dinner at a soup kitchen. Our goal is to enable employees to make meaningful contributions to the communities where we live and work. With a goal of 100% participation in volunteer activity by 2014, we are making progress getting employees involved today.

Over the next year, we intend to help employees find more opportunities to volunteer for organizations that align with their personal values. Clarke's 2011-2012 employee volunteerism season will launch with a guest speaker and scheduled volunteer events at several Clarke locations. Based upon the results of an employee survey on areas of philanthropic interest, we plan to publish a resource guide in late 2011 to highlight volunteer opportunities for employees who want to get involved but may not know where to start.

CLARKE CARES FOUNDATION

With a mission to save lives and reduce suffering from mosquito-borne illnesses around the world, The Clarke Cares Foundation continues to make strides to positively impact health on a global scale. In 2009, The Clarke Cares Foundation partnered with The Carter Center to place 35,000 bed nets in Kanke, Nigeria. Two years later, the Foundation embarked on its second initiative with The Carter Center—the Net for Net Project. Net for Net is the Foundation's commitment to provide 50,000 DuraNet™ bed nets to communities in Nigeria at high risk for malaria and lymphatic filariasis. Because medicine alone cannot stop these diseases, Clarke seeks to bring DuraNets to families to protect them while they sleep.

Every \$10 donation to the Net for Net Project will fund two DuraNets, with Clarke making a matching donation up to 25,000 nets. To help meet the fundraising goal, Clarke, in partnership with the Foundation, hosted a golf outing in September 2011. Additional funds were raised through external partners including St. Michael Lutheran School in Fort Myers, Florida and St. Paul Lutheran Church in Davenport, Iowa. Linking fundraising with social awareness, these partners helped children and families to better understand the dire health effects of mosquito-borne illnesses and the challenges associated with treatment and prevention. Nets purchased through Net for Net will be distributed via The Carter Center as part of its malaria drug treatment administration and educational support.



Road to Kano

Around the world, Clarke helps transform communities into safer and healthier environments. In Nigeria, our work aims to address the devastating effects of mosquito-borne malaria, a disease that kills 250,000 children every year – that's nearly one child every two minutes. In 2011, a team of Clarke employees, local distributors, medical entomologists, and a member of the Kenyan Center for Disease Control (CDC) traveled together through Nigeria's Plateau State to conduct a larvicide training course and a Clarke Skeeter ABATE product field trial.

Travelling through Jos to Kano, the team experienced the sometimes frightening conditions that characterize the religious fighting that takes place in the region. The road traveled by the Clarke group proved clear that day but had only recently been littered with overturned vehicles, burning tires and riots. Driving in brightly marked World Health Organization and Carter Center vehicles, the team managed to pass through the many armed check points established by the military before entering into a dangerous stretch of road.

Once the team reached Kano, they set up operations and began performing product trials in and around small wells that serve not only as the local water supply, but as community meeting spots. Because the wells have no structure to prevent runoff, overflow water and rainfall collect in depressions that become excellent breeding sites for mosquitoes. As a result of the successful field trials performed in the area, Clarke will engage in a pilot program over the next year to deliver indoor residual spray (IRS) applications and a robust larval and adult surveillance program.



EMERGENCY SERVICES

At times of emergency, we often are granted an opportunity to put our talents and values into action. Clarke's rapid response teams serve communities when hurricanes and flooding disasters trigger massive mosquito broods that impair, if not prohibit, relief work. We work with federal, state, and local governments to deliver mosquito treatments that assure the public health and safety of citizens in emergency situations. Partnering with Dynamic Aviation, we coordinate a complex response plan that identifies key application areas, checks licenses and regulations, and delivers relief providing aerial treatments.

We also understand that in times of need, community members want information, so Clarke provides free community education and public relations training to customers. We see this as a positive way to extend our resources for the public good.



Post-Flood Mosquito Relief in Kentucky

In May 2011, following weeks of heavy rain and tornadoes, Western Kentucky was declared a federal disaster area. With the flooding came floodwater mosquitoes so dense that residents reported experiencing as many as 20 bites in a minute.

To help ensure that relief efforts could get underway, Clarke sprang to action with partner Dynamic Aviation to remove the large population of floodwater mosquitoes. Together, Clarke and Dynamic were “operation ready” in just four days and began making aerial applications to more than 700,000 acres of land. The team delivered applications over a three-night period with an 88% control rate.

Months later, Kentucky still works to complete clean-up in homes, schools and businesses hit hardest by the storms. Families throughout the community take comfort in knowing that Clarke stepped in to help prevent the spread of mosquito-borne diseases, and aid in disaster relief.

Being Passionate About What We Do

Advancing Clarke's sustainability performance is only possible when we capture the hearts and minds of our greatest asset—our people.

Clarke seeks to promote a work environment that embraces diversity, encourages open discussion and creates opportunities for individuals to make meaningful contributions to the world through their work.

CULTURE AT CLARKE

Our people-related policies and practices are designed to foster a culture that doesn't just speak our values, but lives them. Clarke aims to engage our people by connecting their passions and interests with the work that we do. We believe Clarke's average voluntary turnover rate of 8% reflects our commitment to building a resilient culture grounded in a mission and values shared by all of our people.

Sustainability offers tremendous opportunity to empower Clarke employees and exchange ideas to better our organization. In fact, under the Project Greater Purpose committee structure, we identified more than 70 projects—anything from small behavioral changes to larger-scale activities. With more than 60% of all Clarke employees actively engaged in one or more Project Greater Purpose committees, we believe that sustainability truly energizes our workforce.

Through Clarke's internal blog, The CLOG, we share information related to social responsibility, health and wellness, environmental stewardship, and other corporate news. This interactive site promotes dialogue among employees and serves as a resource for shared learning. Since its introduction in 2009, we have seen The CLOG become a creative outlet where employees can also post video clips and stories that connect us on a more personal level.

REWARDING OUR PEOPLE

To attract and retain the very best talent, Clarke provides competitive compensation and employee benefit packages that offer opportunities for our people to build a solid financial future. Benefits offered to our regular full-time workforce include a medical and dental plan, 401(k) retirement program, paid sick and vacation leave, and incentive programs. In recent years, we strengthened the link between individual and company sustainability performance by building sustainability objectives into our corporate bonus program, which is available to regular full- and part-time Clarke employees.

Beyond compensation and benefits, we strongly believe in recognizing our people for extraordinary work. Clarke's annual Service Recognition Awards program allows us to express our gratitude to employees who dedicate their time, energy and spirit to Clarke. The highlight of the program, the popular annual awards banquet, is where we recognize the employees celebrating a milestone anniversary and acknowledge the contributions they have made to Clarke's growth and success.

We also honor one exceptional individual annually through our Employee of the Year program. Nominated by their peers, the Employee of the Year is selected based on outstanding performance in the following areas:

- » Customer Service
- » Commitment to Sustainability
- » Focus on Philanthropy
- » Special Achievements



Employee of the Year

In 2010, Clarke employees overwhelmingly nominated Michelle Selander for Employee of the Year. Michelle, a Clarke employee since 1998, is currently our Midwest Regional Operations Manager and an active participant in Clarke's Project Greater Purpose activities. As the leader of our Project Regeneration initiative team, Michelle has shown incredible dedication to sustainability and the pursuit of demonstrable results. The success of Clarke's complex Project Prius initiative is credited to Michelle's ability to remain positive and supportive in even the highest stress situations.

In addition to her leadership with Project Prius, Michelle was instrumental in implementing Clarke's bike program for catch basins (Project Catch Basin) and the transition to electric Promist ULV's. She also initiated Clarke's first volunteerism projects in 2007 to help foster stronger team relationships while giving back to the community. Enlisting members of her Operations team, Michelle connected Clarke with projects at the Spring Valley Nature Sanctuary, Youth Outreach Services and the People's Resource Center. These projects formed the foundation for our Social Responsibility Committee programs as well as Clarke's corporate employee volunteerism program.

Michelle embodies Clarke's core passions—Sustainability, Innovation and Community—and serves as an exceptional example of hard work, dedication and excellence.

“Clarke's commitment and dedication to sustainability has impacted my personal views by making me stop and consider what I am doing and asking myself 'Is there a more sustainable way to go about this?'”

— APRILLE RICHTER, CORPORATE ADMINISTRATION



ETHICS AND DIVERSITY

Ensuring that we operate in a way that prioritizes respect, fairness and dignity is essential to Clarke’s ability to grow and develop into a sustainable future. We adhere to all local, state, federal, and international laws and regulations and expect all Clarke employees to operate in accordance with the standards outlined in our Code of Conduct. We encourage Clarke employees to raise issues of compliance or ask questions about our practices through conversations with their managers or through our confidential ethics hotline.

As Clarke continues to evolve as an organization, we welcome the new perspectives and learning that a diverse organization

brings. Clarke does not discriminate in any area of our business based on age, gender, ethnicity, sexual orientation, or other indicators of diversity. We do not employ forced, bonded or child labor.

With approximately 150 regular full-time employees and 200 seasonal employees that we hire annually, Clarke strives to support the communities in which we operate by hiring local. In fact, approximately 20% of Clarke’s current full-time workforce began as seasonal employees who typically are from the local community.

The following data represents the combined demographics of the companies that comprise The Clarke Group.



ETHNICITY		OCCUPATIONAL CATEGORY		AGE		TENURE*	
White	292	Management	53	> 50	89	> 15 years	13
Black or African American	9	Administrative	32	30 - 49	121	10 - 14 years	26
		Sales	28			5 - 9 years	39
Hispanic or Latino	31	Professional	21	20 - 30	121	3 - 4 years	20
Asian	5	Technician	16	< 20	15	< 3 years	42
Two or more Races	7	Craft Workers	3				
American Indian or Alaska Native	2	Operatives & Laborers	10				
		Service Workers	183				
				*does not include seasonal workforce			

EMPLOYEE ROSTER

- A** Adam Slater
Alexander Boyd
Alicia M. Fachet
Alnoor Lakhani
Amy Beth Solis
Amy Louise Rogers
Andrew C. Gentes
Andrew Salvatore Lima
Anthony Kevin Magro
Anya Osorto
April Topel
Aprille Richter
- B** Benjamin McClintic
Benjamin W Goudie
Brian D Irby
Brian J Erickson
Brian P. Deenihan
Bryan C Tazbier
- C** Carmelita Lara
Carolyn Russo
Carrie D Aitken
Charles Cunningham
Christopher George Gallagher
Christopher Reed
Christopher S Echternach
Christopher Todd Novak
Clark E. Wood
Crystal Joann Challacombe
- D** Daniel Cavazos
Daniel Lee Schmidt
Darryl Ramoutar
David Lee McLaughlin
David Walker
Denise M Kargol
Douglas Carroll
- E** Elizabeth Baer
Elizabeth Vargas
Erica Wyatt
Erin Akstins
- F** Fernando Rivera
Frances L. Kanouse
Frances N. Krenick
Frank J. Clarke
Fred Alexander Hankins
- G** Gabriela Bogumila Simone
George P. Balis
Grifith Samuel Lizarraga
- H** Heather M. Kubinski
Hector Rios
- J** Jack P. Thennisch
Jaime C. Korbecki
Jake Lippiatt
James H. Griffin III
James Lapinskas
James R. Ulrich
James Stewart
Jeffery Meyers
Jeffrey Hottenstein
Jeffrey Larson
Jennifer Ellen Berns
Jeremiah Stoltzner
Jilayne Ann Collura-Petruzzi
Joanna Maria Szymczyk
Joel L Fruendt
John Hawkins
John Lyell Clarke III
John R. Patty
Jonathan Ostrowski
Jorge Adalberto Rivera
Joseph Allen Naro
Joseph Anthony Drago
Joseph E. Horner
Joseph Haufle
Joseph Strickhouser
Joshua Matta
Julie E. Reiter
- K** Karen Jean Larson
Kathleen Z. Dorsey
Kevin McCurley
Kimberly Jean Schulke
Kimberly M. Dunn
Kristopher Sentz
- L** Lauren Glines
Lauren Mae Lochstampfor
Lauren Nichole Lavezzi
Laurence E. Erickson
Lawrence M Kane
Linda Joyce Kidd
Lori Anderson Clemence
Louis L. Miceli
- M** Mariann F Cumbo
Maricela Posada
Marie E Saunders
Mark Grundy
Mark Jones
Mary Kemp Clarke
Mary Robertson Clarke
Megan Gray
Michael D. Willis
Michael J Muldoon
Michael Ziegler
Michelle Anderson
Michelle L. Selander
- N** Natalie Valenti
Natasha Duarte
Nivaldo Carlucci
- P** Pamela Blanco Ransom
Patricia Elaine Driscoll
Patricia Lynn Hallahan
Patrick Paul Patterson
Paul C. Roper
Peter M. Deglomine
Peter M. McNeil
Peter Thomas Mantas
- R** Richard Alfred Voss
Robby Cascioli
Robert August Giner
Robert Edgar Boggs
Robert W. Olson
Roger R. Newberry
Ryan L. Dengler
- S** Samantha Rivera
Samuel JR Matias
Sara A. Martin
Sarah N. Santa Maria
Scott J. Surowiecki
Shyamal Majumdar
Stanley Arthur Toensing
Stephanie Lynn Rodriguez
Steven B. Rizzi
Sue Stout-Tuccillo
- T** Terry Phillips
Theresa Angela Jurczewski
Thomas J Wawrzyniak
Thomas M. Kessler
Timothy J Gardner
Timothy Joel Werner
Todd Trowbridge
Travis Schwalm
- V** Victoria Mary Lubas
- W** Wallace Terrill
Wesley Ivan Gruenberg
William A Gooch
William Jany
William P. Quinn
William Ronald Calvano Jr.



TRAINING AND EDUCATION

Clarke's sustainability journey is fundamentally about learning and development. To become better environmental stewards and raise the profile of social responsibility in ways that support our continued success, we must help our employees expand their knowledge and encourage new ways of thinking. We aim to provide training opportunities for all Clarke employees, and one of the most effective education tools we've discovered is in learning from others.

With Clarke's Sustainability Speakers Program, we seek to draw upon the knowledge and experience of other organizations to learn how we might best put sustainability into practice at Clarke. With diverse speakers representing industries different from our own, we believe we can creatively apply their "lessons learned" to challenges and opportunities we see in our own sustainability efforts. In late 2010, we were honored to have Becky Andrews, Regional Sustainable Development Coordinator for Fairmount Minerals, share her company's inspiring story of sustainable transformation. This informative presentation from a member of an industrial sand mining company helped to inspire the Clarke initiative that would later become Project Greater Purpose. In September of 2011, Dan Barreiro, Chief Community Services Officer for the City of Aurora, Illinois, spoke about Aurora's broad spectrum of sustainability initiatives.

We know supporting our employees' continuing education and professional development leads to enhanced employee satisfaction and contributes to Clarke's continued growth. Our general tuition reimbursement program assists Clarke employees in covering a portion of the costs of college or university level degree plans in work-related fields of study.

To support sustainability-specific learning at Clarke, we posted a new reference library to Clarke's internal CLOG in 2011, giving employees access to important books, articles, presentations and other materials on topics related to sustainability. Additionally, since 2009, 26% of Clarke's regular full-time workforce has participated in sustainability-specific training. From an in-depth cradle-to-cradle workshop to basic courses on building sustainable value, our people are applying what they have learned and engaging others in translating this knowledge into new, more sustainable ways of thinking.

WELLNESS

One of the most significant developments in Clarke's sustainability evolution in 2011 involved the launch of our new employee wellness program. Healthy, thriving people are essential to a healthy, thriving company, and Clarke's wellness program is designed to help our employees take a more active role in their own personal wellness. The wellness program focuses on five key areas:

- » Preventive care
- » Physical fitness
- » Healthy habits
- » Smart finances
- » Personal giving

With an incentive system to drive participation, we encourage our people to develop a more comprehensive approach to wellness. Clarke seeks to highlight prevention while addressing chronic health issues. At the same time, our wellness program promotes integrating financial health with physical health as a way of improving overall well-being. As employees complete certain wellness activities—from completing a physical to donating blood to participating in organized sports—they have the opportunity to earn points that can be redeemed for gift cards.

In September 2011, 60% of Clarke's eligible employees participated in our annual free biometric screening program. Additionally, Clarke worked with a health benefit provider to connect our employees with health advocates who can offer information and guidance about personal health and wellness opportunities. With a monthly newsletter and periodic lunchtime webinars, Clarke's wellness committee supports these activities and strives to keep health and well-being top of mind for our employees.

SAFETY

As Clarke's sustainability strategy evolves over time, we know that safety will always remain a vital element. Safety is about valuing our people—letting them know that no project or activity is ever worth compromising their safety.

The nature of the work environment at Clarke presents unique safety challenges. Our field operations cover a great deal of territory, so it isn't uncommon to find us on bikes, in boats, driving trucks—we even fly helicopters—to get the job done. Add to that the complexity of a seasonal workforce that more than doubles the size of our organization each year, and it's clear that safety training and safety programs are an essential component of our work.

During the off-season, we prepare our supervisors to deliver safety training through a train-the-trainer program. Relying heavily on this core group of trainers, Clarke ensures that all employees—full-time, part-time or seasonal—have the training they need to work safely. Our training program covers major safety topics, including annual hazard communications training, fire prevention, personal protective equipment, and more. We also deliver specialty training for employees whose work requires knowledge of bicycle safety, all-terrain vehicle and lift truck operation and PA70E electrical safety.

Clarke's integrated environmental health and safety (EHS) management system focuses on documentation through risk and hazard analysis. We strive to identify and proactively address safety risks, which can span from chemical exposure to slip, trip and fall prevention. Our audit program involves a review of each facility at least every three years, and safety risks are addressed through ongoing job hazard analyses.

Caring for the planet and caring for people—two of Clarke's core values—reinforce our safety philosophy. Although we know our sustainability journey will take us in new directions over time, safety will serve as a basic foundation for any strategy we create.

	2008	2009	2010
Total Recordable Injuries	13	13	15
Incidence Rate ¹	5.97	6.06	7.02
# of DART cases ²	12	9	11
# of days away	70	62	19
Total DART days	187	89	209
Fatalities	0	0	0

¹ Incidence rate = (Total # of injuries/Total hours worked)*200,000

² DART cases = Days Away, Restricted or Transferred

Doing the Right Thing Even When it's Hard

Trial and error. Researching the latest technology. Playing with a concept until a new idea begins to take shape. All of these activities are critical to Clarke's evolution, and they are all a part of our ongoing learning process.

While most of us would probably agree that we feel more comfortable concentrating on what we already know how to do, we understand that Clarke's capacity to learn is essential to our ability to change, grow and continue to solve public health challenges. So, while it might be the more difficult route to take, we know that a focus on learning is not just the right thing for Clarke – it's the right thing for the world.



A FOCUS ON INNOVATION

In developing this sustainability report, Clarke completed a high-level materiality process to uncover our most significant social, environmental and economic impacts and opportunities. We asked ourselves three challenging questions:

- » Which topics present the greatest sustainability opportunities at Clarke?
- » Which topics present the greatest sustainability risks at Clarke?
- » Do we have special skills or knowledge that can help us address these topics?

We learned that our greatest sustainability opportunities and risks all connect to the most fundamental quality we share at Clarke—a focus on innovation. Whether related to the materials we use in our products and services or downstream life cycle impacts (two key opportunity areas we identified), we strive to apply our innovation expertise to develop responsible mosquito control technology and aquatic services that have a smaller environmental footprint. We consider the health and safety impacts of our products and services from the initial product development stages through manufacturing, use and disposal. In fact, this life cycle thinking has led to the development of the Clarke Eco-Tier Index™.

“I’ve learned that it takes time and effort to create new ways of thinking that result in new habits and new ways of doing things. Change is necessary and can be good—but is sometimes hard.”

— DENISE KARGOL, INSIDE SALES AND SALES SUPPORT

The Index helps define environmental impact for our products and services by grouping Clarke products into three broad categories:

- » Traditional
- » Advanced
- » NextGen

These categories guide our thinking when it comes to product development and help our customers understand the sustainable offerings and options that currently exist. Although, today, NextGen products and services represent approximately 10% of all Clarke sales – 80% of our R&D budget is focused exclusively on NextGen technology. Ultimately, we want to move our industry in a more sustainable direction through cutting-edge products and services that our NextGen focus will provide. For Clarke, refining our NextGen category criteria presents an important step in our sustainable evolution. What can our customers and communities expect when it comes to products

and services purposed for sustainability? What qualities will NextGen products come to represent?

One way that we are beginning to answer these questions is through a concerted focus on cradle-to-cradle design. Cradle-to-cradle is a philosophy that models business on nature’s processes and encourages environmental protection and enrichment. We have committed to integrate a cradle-to-cradle approach into all product and service development efforts, but the truth is we see this as something bigger than Clarke. Our vision for product and service innovation challenges our assumptions about what’s possible in our industry and will require active engagement with creative thinkers. While the prospect of radical change is daunting, we are energized by the opportunities we see to more fully address our products’ life cycle impacts and are committed to serving as a collaborative partner to those seeking to advance cradle-to-cradle thinking.

ECO-TIER INDEX

Traditional


Products and services developed using traditional technology to serve market needs

Advanced

Products and services developed utilizing technological breakthroughs in materials made in the past decade

NextGen

Products and services purposed for sustainability and designed with cradle-to-cradle concepts in mind



“I’ve learned
that small changes
can add up to make
a difference and that
sustainability is about
a lifestyle change.
What is right is not
always easy, but small
sacrifices can go a
long way.”

— ANDY LIMA,
NORTHEAST OPERATIONS

FUTURE CONSIDERATIONS

As Clarke continues to learn and innovate, our product and service offerings will naturally evolve. Just as an interest in improving the industry’s environmental footprint propelled Clarke’s development of Natular, a complete portfolio of larvicides with an active ingredient that is a product of a naturally occurring bacteria, we remain focused on technological advancements that may involve:

- » Investigating alternate classes of chemistry;
- » Targeting to prevent mosquito resistance with active ingredients that offer unique modes of action; and,
- » Introducing uncommon inert ingredients to our industry.

While we strive to build more stringent sustainability criteria into our new product development process, Clarke will also need to look beyond chemistry. For instance, exploring cultural norms in the communities we serve around the world may uncover opportunities to transform the way our products are used.

Ultimately, we want to help create a more sustainable environment—one that balances the socially responsible public health needs our products and services address with a more ecological mindset. Supporting our customers’ sustainable goals and objectives serves as a strategic driver of Clarke’s own efforts.

- » We have made reusable and recyclable packaging a major focus in 2011 because we believe Clarke’s extraordinarily sustainable products deserve extraordinary packaging, and we know it will help reduce our customers’ waste impacts.
- » We seek to expand our Organic Materials Review Institute (OMRI)-listed product and service offerings beyond Natular.
- » And, we’re interested in transitioning from primarily petro-based products to water-based products as a way of reducing our dependence on fossil fuels.

Maximizing sustainable value requires a longer time horizon than some companies are willing to invest. With Clarke’s research and development efforts, we understand that good things come to those who wait. Making investments in more sustainable products and services today will lead to a more competitive position tomorrow. Taking the time to expand our thinking and advance our learning – it’s all a part of our sustainable evolution.



Leading the Way with Natular™

2011 saw the culmination of years of effort – the full scale launch of Natular, Clarke's signature NextGen™ larvicide product. As the only full line of formulations in our industry with an active ingredient produced from a naturally occurring bacterium and OMRI listing status, Natular represents not only leading-edge thinking in chemistry, but serves as undeniable proof of Clarke's sustainable mindset.

With Natular's six formulations in full production, Clarke now delivers solutions that meet USDA standards for use in production of organic certified materials and World Health Organization Pesticide Evaluation Scheme (WHOPES) approval for use in potable water. We developed this product considering life cycle impacts and successfully reduced the amount of product required to treat certain areas, which reduces the carbon emissions associated with transporting it. This means that treatment areas once requiring an entire trailer of product can now be treated with just one pallet of Natular DT.

Natular is 15 times less toxic than its organophosphate alternative. The minimal PPE requirements for application make it convenient for field technicians. And, Natular's environmental characteristics help to foster broader acceptance of community-wide mosquito control.

Natular challenges long-held assumptions about what is possible with pesticides, and we hope it pushes us and others to continue to search for more sustainable, effective product and service solutions.

Conclusion

It took 80 years and some 25,000 people to build the pyramids. In nature, redwood trees need 500 years to fully mature. Even John, Paul, Ringo, and George had to try three different names before settling on “The Beatles.”

We know that the best things take time to develop and that transforming Clarke into a truly sustainable organization won't be easy.

Clarke's sustainable evolution is a process of growth. As we learn more about our social, environmental and economic impacts, we see opportunities to operate differently. From the materials in our products to the way they are packaged to the methods we use to deliver our service – it's all fair game as we strive to grow into a more sustainable enterprise.


While Clarke continues to explore sustainability, the definition of “become” feels especially appropriate — “to undergo a change or development.” We know we have a long journey ahead, and it won't happen overnight, but we are ready....



TO **BECOME**
STRONGER.

TO **BECOME** THE
COMPANY WE
ENVISION.

TO **BECOME**
CLARKE.



“It isn’t easy. We’re not perfect, but we can keep trying. Even if something seems unattainable we keep trying to do better. We press on.”

— NATALIE VALENTI, CORPORATE SUSTAINABILITY

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	OMISSION REASON
1. STRATEGY AND ANALYSIS				
1.1	Statement from the most senior decision-maker of the organization.		CEO Letter	
1.2	Description of key impacts, risks, and opportunities.		Strategy & Analysis	
2. ORGANIZATIONAL PROFILE				
2.1	Name of the organization.		CEO Letter	
2.2	Primary brands, products, and/or services.		Who We Are & What We Do	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.		Who We Are & What We Do	
2.4	Location of organization's headquarters.		Who We Are & What We Do	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		Who We Are & What We Do	
2.6	Nature of ownership and legal form.		The Clarke Group is a privately held company with five core operating units: Clarke Mosquito Control Products, Inc., Clarke Environmental Mosquito Management, Inc., Clarke Aquatic Services, Inc., Clarke International, LLC, and Pacific Biologics, Pty., LTD.	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).		Who We Are & What We Do	
2.8	Scale of the reporting organization.		Who We Are & What We Do Ethics & Diversity As a private company, Clarke does not disclose any specific financial information, which includes net sales or total capitalization."	Proprietary information
2.9	Significant changes during the reporting period regarding size, structure, or ownership.		In spring 2011, Clarke Engineering Technologies, Inc. (CETI), a wholly-owned subsidiary of The Clarke Group, ceased operations.	
2.10	Awards received in the reporting period.		None to report	
3. REPORT PARAMETERS				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.		About this Report	
3.2	Date of most recent previous report (if any).		Our last report was published in November 2010.	
3.3	Reporting cycle (annual, biennial, etc.)		About this Report	
3.4	Contact point for questions regarding the report or its contents.		About this Report	
3.5	Process for defining report content.		Partnerships & Collaborations	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.		About this Report	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).		About this Report	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.		This report includes data and information for all wholly-owned subsidiaries of The Clarke Group, including CETI, which ceased operations in spring 2011.	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.		Data included in this report is measured and calculated according to the relevant GRI Indicator Protocols.	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).		We have no restatements of information to report.	

GRI INDEX

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	»	None to report
3.12	Table identifying the location of the Standard Disclosures in the report.	»	GRI Content Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	»	We have not had this report externally assured.
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	»	Governance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	»	Clarke's Board of Directors is chaired by Mary Kemp Clarke, who is also an executive officer of the company.
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	»	Clarke's two-person Board of Directors includes one male and one female member, both of whom are in the 50 and older age group. Our Advisory Board is comprised of three independent members, all of whom are male.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	»	Governance
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	»	Clarke's senior managers and executives may be eligible for bonus compensation based on business performance metrics, which include participation in sustainability initiatives as well as participation in community volunteer activity.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	»	Governance
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	»	Governance
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	»	Who We Are & What We Do
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	»	CEO Letter; Strategy & Analysis
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	»	2014 Goal Update
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	»	Strategy & Analysis; Caring About the Planet
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	»	Partnerships & Collaborations
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	»	Partnerships & Collaborations
4.14	List of stakeholder groups engaged by the organization.	»	Partnerships & Collaborations
4.15	Basis for identification and selection of stakeholders with whom to engage.	»	Partnerships & Collaborations
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	»	Partnerships & Collaborations We conducted telephone interviews with key customers, suppliers and employees throughout August 2011 as part of our formal stakeholder engagement process for developing this report.
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	»	Partnerships & Collaborations Based on the stakeholder feedback from our telephone interviews in August 2011, three major themes emerged. We will integrate those themes into our sustainability planning process over the next year.

		REPORTED	CROSS-REFERENCE/DIRECT ANSWER
ECONOMIC			
DMA EC	Disclosure on Management Approach EC	»	Strategy & Analysis; Sustainable by Design; Social Responsibility; Ethics and Diversity; A Focus on Innovation
Economic Performance			
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	»	Strategy & Analysis; Energy & Carbon Footprint
EC3	Coverage of the organization's defined benefit plan obligations.	»	Rewarding Our People We provide a description of Clarke's benefit program but do not disclose specific financial information related to coverage.
Market Presence			
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	»	While Clarke does not have a specific policy related to local suppliers today, we are in the process of developing a sustainable procurement policy, which will likely include, but is not limited to, considerations for: > spending with local suppliers > human rights and labor issues > environmental stewardship > cost > quality > availability of material
Indirect Economic Impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	»	Clarke Cares Foundation
ENVIRONMENTAL			
DMA EN	Disclosure on Management Approach EN	»	Strategy & Analysis; Sustainable by Design; 2014 Goal Update; Caring About the Planet
Energy			
EN3	Direct energy consumption by primary energy source.	»	Energy & Carbon Footprint
EN4	Indirect energy consumption by primary source.	»	Energy & Carbon Footprint
EN5	Energy saved due to conservation and efficiency improvements.	»	Energy & Carbon Footprint
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	»	Energy & Carbon Footprint; A Focus on Innovation
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	»	Energy & Carbon Footprint
Biodiversity			
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	»	Caring About the Planet
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	»	Biodiversity
Emissions, Effluents and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	»	Energy & Carbon Footprint
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	»	Energy & Carbon Footprint
EN22	Total weight of waste by type and disposal method.	»	Waste & Recycling Clarke reports on our most significant waste impacts, which include non-hazardous waste sent to landfill and recycled waste. In 2010, Clarke properly disposed of an additional approximately 225 gallons of hazardous waste.
Products and Services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	»	A Focus on Innovation; Leading the Way with Natular Clarke's Natular product line utilizes an active ingredient produced from a naturally occurring bacterium. This makes Natular 15 times less toxic than its organophosphate alternative. Additionally, Clarke's precision application technology has been shown to reduce the amount of herbicide required to treat a body of water by up to 20%.

		REPORTED	CROSS-REFERENCE/DIRECT ANSWER
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	»	We have no fines or non-monetary sanctions resulting from non-compliance with environmental laws and regulations to report.
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	»	Energy & Carbon Footprint
SOCIAL: LABOR PRACTICES AND DECENT WORK			
DMA LA	Disclosure on Management Approach LA	»	Strategy & Analysis; Sustainable by Design; 2014 Goal Update; Being Passionate About What We Do
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	»	Ethics & Diversity We report employee demographic data as totals broken down separately by employment type, location, age, ethnicity, and gender.
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	»	Clarke's average voluntary turnover rate is 8%.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	»	Rewarding Our People We provide a description of Clarke's benefit program but do not disclose specific financial information related to coverage.
Labor/Management Relations			
LA4	Percentage of employees covered by collective bargaining agreements.	»	Clarke does not currently have any employees covered by a collective bargaining agreement.
Occupational Health and Safety			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	»	Safety We report all safety data as required by GRI but choose not to break it down by gender.
Training and Education			
LA10	Average hours of training per year per employee by gender, and by employee category.	»	Training & Education While we do not currently track average hours of training per employee annually, we report a variety of training and education opportunities that are made available to Clarke employees.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	»	Training & Education While we do not currently track average hours of training per employee annually, we report a variety of training and education opportunities that are made available to Clarke employees.
SOCIAL: HUMAN RIGHTS			
DMA HR	Disclosure on Management Approach HR	»	Strategy & Analysis; Sustainable by Design; 2014 Goal Update; Being Passionate About What We Do
Investment and Procurement Practices			
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	»	We do not currently have a specific human rights screening process, although we plan to implement a sustainable supplier program, which will include human rights criteria, over the next year.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	»	We do not currently offer specific training or programs related to human rights.
Freedom of Association and Collective Bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	»	Ethics & Diversity
Child Labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	»	Ethics & Diversity

		REPORTED	CROSS-REFERENCE/DIRECT ANSWER
Forced and Compulsory Labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	»	Ethics & Diversity
Security Practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	»	We do not currently employ security personnel.
Indigenous Rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	»	We do not have any violations involving the rights of indigenous people to report.
SOCIAL: SOCIETY			
DMA SO	Disclosure on Management Approach SO	»	Strategy & Analysis; Sustainable by Design; 2014 Goal Update; Caring About People; Being Passionate About What We Do
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	»	We do not currently have a formal process for analyzing business unit risks related to corruption.
SO4	Actions taken in response to incidents of corruption.	»	We have no incidents of corruption to report.
Anti-Competitive Behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	»	We have no incidents of legal action related to anti-competitive behavior, anti-trust and monopoly practices to report.
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	»	We have no fines nor any non-monetary sanctions to report.
SOCIAL: PRODUCT RESPONSIBILITY			
DMA PR	Disclosure on Management Approach PR	»	Strategy & Analysis; Sustainable by Design; 2014 Goal Update; Doing the Right Thing Even When It's Hard
Customer Health and Safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	»	A Focus on Innovation; Future Considerations
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	»	We have no incidents of non-compliance concerning the health and safety of our products to report.
Product and Service Labelling			
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	»	We have no incidents of non-compliance concerning product and service information and labeling to report.
Marketing Communications			
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	»	We have no incidents of non-compliance concerning marketing communications, advertising, promotion or sponsorship to report.
Customer Privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	»	We have no complaints about breaches of customer privacy and/or losses of customer data to report.
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	»	We have no fines for non-compliance concerning the provision and use of products and services to report.



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