



WORKING TOGETHER

Clarke's 2015 Sustainability Report



It is my pleasure to introduce our seventh Sustainability Report. This report highlights our work in 2015 and measures our progress toward our 2020 Sustainability Goals.

2015 was a year of working together. It was a year of collaboration and partnership—throughout all areas of our business and in all of our endeavors.

Employees came together to share stories of their successes and to explore solutions to their challenges. Suppliers and partners helped us to eliminate unnecessary waste and improve efficiencies in our service operations and manufacturing processes. Our scientific and regulatory teams articulated a “road map” to guide the discovery, development and commercialization of our greener chemistry, Next Gen products. Those same teams partnered with local schools to educate and inspire the next generation of environmental and sustainability minded scientists. We worked with and within our local communities to give back and to demonstrate our care for people and for the planet.

In 2015, we engaged with our stakeholders—employees, customers, suppliers, and partners—to identify the issues and opportunities that matter most. And with this insight, we are able to refine our focus and concentrate our efforts on providing high quality, innovative and effective products and services that address public health issues and improve the quality of inland waterways.

As the year came to a close, the importance of our work was reinforced with the emergence of new mosquito-borne diseases throughout the world. These emerging new threats remind us of the profound obligation—and the challenge—that we have to take steps today to ensure a sustainable future for our environment, our employees and our business, and for our global community. To address that obligation, we know it will take all of us—working together.

Thank you for allowing us to share our story with you and for your support in our efforts to make communities more livable, safe and comfortable.

J. Lyell Clarke
President and CEO





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Our 2015 report has been prepared in accordance with the Global Reporting Initiative's (GRI) G4 Guidelines (G4 Core). The GRI G4 Content Index can be found on pages 1-8 of [**Clarke's 2015 Sustainability Report Appendix.**](#)

REPORT SCOPE AND BOUNDARY

G4-13, G4-18, G4-22, G4-28, G4-29, G4-30, G4-32

Welcome to Clarke's 2015 Sustainability Report, *Working Together*. This report represents the next chapter in Clarke's transformational sustainability story.

We are pleased once again to share our 2015 progress, here in our seventh report. This report covers the 2015 calendar year and includes Clarke's performance across the company's global operations and subsidiaries, including 21 sales, service and manufacturing facilities.

We report against the Global Reporting Initiative (GRI) guidelines to ensure high-quality reporting according to international standards. This year we have transitioned to the most recent version of the Guidelines and are reporting in accordance with GRI G4 Core requirements. The content of this report reflects the results of Clarke's first material issues study, which we conducted in 2015 and describe on pages 11 and 12.

In 2015 we amalgamated two service locations in Florida, reducing our total number of aquatic services locations to nine. We also added an office in the Middle East. Neither of these had a significant impact of our performance results.

In addition, we have no restatements of information from Clarke's 2014 report, nor have we experienced any significant changes in the organization's size, structure, ownership or its supply chain.

We report on an annual basis; our last report was published in October 2014. This report, along with our previous sustainability reports, is available in PDF format at www.clarke.com. We've included the relevant GRI G4 performance indicators that we are reporting against in the appropriate sections of this report. The complete GRI G4 Content Index for this report can be found at www.clarke.com.

MEASUREMENT AND TRANSPARENCY

At Clarke, we measure progress in our sustainability efforts and initiatives through our:

- Sustainability dashboard
- Quarterly Sustainability Advisory Board (SAB) meetings
- Management and initiative committee meetings
- Employee performance management system
- Corporate bonus structure, which includes incentives for volunteerism and employee engagement in sustainability initiatives.

J. Lyell Clarke, the company's president and CEO, provides updates on Clarke sustainability efforts and initiatives and reports on the progress that we are making toward our sustainability goals during his quarterly company reviews to employees and at our annual all-employee town hall meeting of the SAB.

Results of our efforts are also posted quarterly to the company's intranet site, to our electronic communication board, and formally in this annual sustainability report, published for all internal stakeholders and key external stakeholders.



A photograph of a modern office interior. In the foreground, there are several bright orange armchairs arranged around a white, curved table. A large, leafy green plant in a white pot stands next to the table. The room is decorated with sheer, light-colored curtains hanging from a track on the ceiling. The floor is made of light-colored wood. The overall atmosphere is bright and contemporary.

ABOUT CLARKE

WHAT WE DO G4-17, G4-4, G4-6, G4-9

Clarke Mosquito Control Products, Inc. provides public health mosquito control products and equipment, with headquarters in St. Charles, IL, and sales offices throughout the United States.

Clarke Environmental Mosquito Management Inc. provides public health mosquito control services to government, commercial and private entities from 10 locations in the United States.

Clarke Aquatic Services Inc. provides professional aquatic habitat management solutions to control invasive vegetation, algae and the overall health of aquatic habitats from nine locations in the United States.

Clarke International, LLC, provides public health mosquito control products and equipment, with offices in Mexico, India, Brazil and the Middle East.

Pacific Biologics, Pty. LTD distributes public health mosquito control and animal health products in Australia, New Zealand and the Pacific Islands.



Clarke is a privately held global public health company. We make communities around the world **more livable, safe and comfortable** by pioneering, developing and delivering environmentally responsible public health mosquito control products and aquatic services. Our services help prevent disease, control nuisances and create healthy waterways. Clarke's aim is to pioneer and deliver the most advanced environmentally responsible mosquito control and aquatic services available. Our customers include governments, commercial and residential groups, and international ministries of health.

Clarke has grown and evolved from a small family business established in 1946. The Clarke Group, Inc. and its core business units serve the spectrum of market needs in mosquito control products, services and application equipment and in aquatic habitat services and technology.

FINANCIAL HEALTH

[DMA Economic Performance, G4-EC1](#),
[DMA Customer Privacy, G4-EC Revenue](#)
[Growth Rate \(Self-Developed Indicator\)](#)

Clarke is a privately held, third-generation family business. Our corporate strategy and investment decisions are aligned with company values and are made with a long-term view and the priorities of our stakeholders in mind.

We employ a robust business planning process, including regular monitoring and review of operational and financial performance. This includes an annual long-range and strategic planning retreat, quarterly strategic initiative evaluations and regular executive team and business unit meetings to review key performance metrics. The company also undergoes an annual financial audit. Clarke's compound annual growth rate for revenues from normal (non-emergency service) operations was approximately 29 percent over the last five years.

Clarke takes information security very seriously. We have industry-leading technology in place to protect against breaches in our systems. With cyber-attacks on businesses and individuals on the rise, we continually invest in security enhancements

and utilize cyber insurance to protect our company, employees, customers and partners in the event of a business and communication disruption and a potential breach in privacy arising from an attack.

GOVERNANCE AND ETHICS

[DMA Non-Discrimination, DMA Compliance](#),
[DMA Anti-Competitive Behavior, DMA](#)
[Anti-Corruption, G4-34, G4-56, G4-58,](#)
[G4-SO8](#)

Clarke is governed by a two-person board of directors comprised of Clarke family members. Day-to-day management and long-range direction are led by our executive leadership team with guidance from an external advisory board of independent business leaders. Advisory board members provide representation from the legal, business, banking, consulting and industry arenas, vetted through an internal review process. They act in accordance with the policies that guide the Clarke organization.

In addition to our board of directors and advisory board, Clarke has a corporate compliance committee. This committee includes key members of the management team and provides oversight and direction regarding 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. Clarke is committed to maintaining the highest standards of professional conduct in all of its business dealings, relationships and interactions.

Clarke was not subject to any environmental enforcement action or notice of violation from the United States Environmental Protection Agency (U.S. EPA), from any state or local environmental authorities, or from any environmental authorities in its international markets.

The employees of Clarke share in the responsibility to uphold the ethical, business and professional standards as described in the Code of Conduct, no matter where in the world business takes them, even if maintaining such standards results in a loss of business. The Code of Conduct provides employees with direction on a number of issues, including harassment and discrimination, health and safety, conflict of interest, anti-corruption, antitrust matters and unfair competition, privacy, and political and charitable donations.

The Code of Conduct is reviewed periodically and updated as required, based on new policies or programs at Clarke. Our next review is scheduled to take place in 2016.

We encourage employees to approach their managers and members of the human resources team if they have any concerns related to a potential violation of the Code of Conduct. We also recognize that, from time to time, they may also have some concerns with regard to confidentiality. With this in mind, we have established EthicsPoint®, a secure and confidential reporting system that gives employees the option of filing a report via an encrypted website or by calling a toll-free number. In 2015 we did not record any incidents through the EthicsPoint® system.

SUSTAINABILITY GOVERNANCE

G4-34, G4-36

Our sustainability progress is measured and guided by our Sustainability Advisory Board (SAB), made up of our executive leadership team and employee representatives from each focus area. Established in 2011 as part of our Project Greater Purpose initiative, the SAB meets quarterly and monitors progress toward our sustainability goals.



ABOUT CLARKE

OUR 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 employee volunteer programs and through the Clarke 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.

OUR VALUES

Clarke's core values guide all our steps:

Caring for the Planet

In every aspect of our behavior and actions, we hold ourselves accountable for making responsible decisions and finding ways to lessen our impact on Earth.

Caring for People

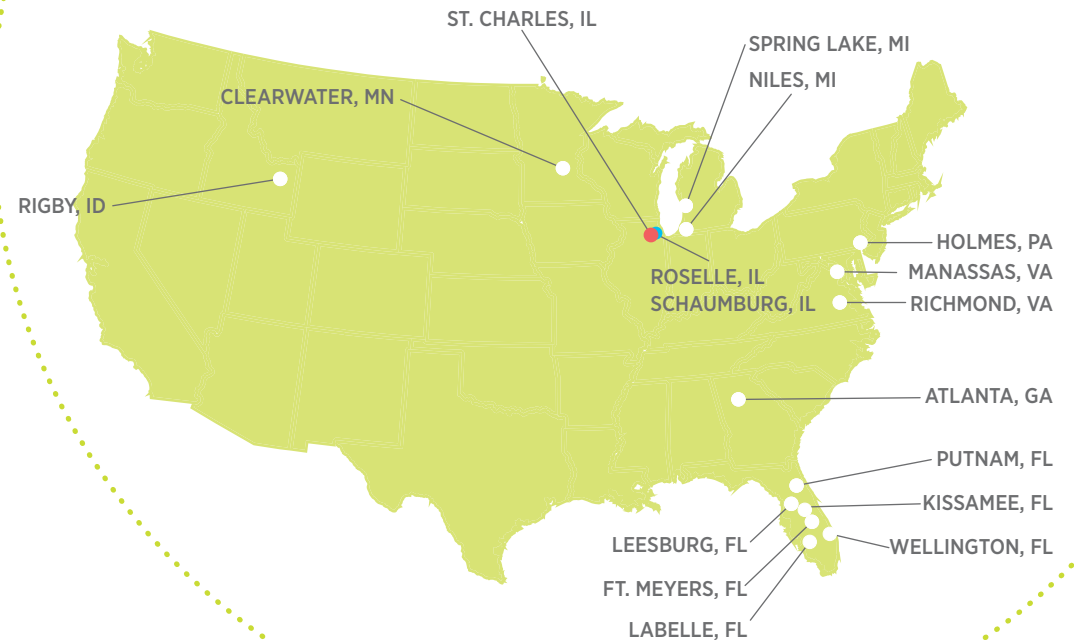
We are respectful and considerate of one another, our customers and our partners, and do all we can to positively impact and enrich the lives around us.

Being Passionate about What We Do

We work hard because we love what we do. We take pride in our work and the difference we make in the world.

Doing the Right Thing Even When It's Hard

Honesty and integrity drive our everyday actions and are reflected in our common belief to do what's best for our industry, and the people and communities we serve.



OUR VISION

Create an organization that reaches around the world to help make the lives of more than 660 million people **more livable, safe and comfortable.**

ST.CHARLES, IL

GUADALAJARA, MEXICO

DUBAI, UNITED ARAB EMIRATES

MAHARASHTRA, INDIA

BRISBANE, AUSTRALIA

SAO PAULO, BRAZIL

KEY

- ACTIVE OFFICE
- HEADQUARTERS
- MANUFACTURING

ENGAGE

AT CLARKE, REGULAR ENGAGEMENT WITH STAKEHOLDERS INCLUDES:

- Our Appreciative Inquiry Summit, held every four years (see page 11)
- Communication with employees through emails, electronic bulletin boards and the company's intranet, as well as through a speakers program and training initiatives
- National, regional and local industry meetings and events
- Customer and supplier meetings
- Community engagement
- Input to federal agency regulatory dockets and proposed regulations
- Industry, regulatory and non-governmental organization (NGO) work groups, task forces and coalitions
- Meetings with international and U.S. federal and regional public health and environmental regulators and stewards
- Connecting Clarke's upstream regulator with downstream stakeholders and user communities

STAKEHOLDER ENGAGEMENT AND MATERIALITY G4-19, G4-24, G4-25, G4-26, G4-27

Our relationship with stakeholders is integral to Clarke’s success. We engage with stakeholders in a variety of ways, both formal and informal. Of significance in 2015, we undertook our first formal stakeholder assessment of Clarke’s material issues. As part of this important initiative, we undertook a mapping exercise to identify our stakeholders. In addition, we asked all of our employees and more than 100 external stakeholders, including customers, vendors, regulatory agencies, community representatives, thought leaders, academics and researchers, to help us prioritize the issues that they believed were most important for Clarke to focus on.

We also continue to foster bold partnerships to catalyze both our aspiration to help make communities more livable, safe and comfortable, and guide us in our day-to-day approach to practical matters.

The table below describes some of the key stakeholder issues in 2015 and the ways we responded.

EMPLOYEES		
Engaging our employees in volunteering	We communicated frequently about the benefits of volunteering and assisted employees in finding volunteer opportunities.	Achieved our goal of 100% employee participation
CUSTOMERS		
Engaging our customers in our goal of reducing packaging waste and increasing participation in our drum return program	We surveyed customers to assess awareness of and receptivity to return/refill/recycle packaging programs.	Developed new communications tools and explored new packaging opportunities aimed at enhancing packaging-waste-reduction programs for Clarke and for our customers
GOVERNMENT REGULATORS & AGENCIES		
Meeting complex regulatory requirements to increase our presence in the international marketplace	We hired an international registrations specialist who works with local governments around the world to understand and comply with country-specific registration requirements.	Increased the speed, volume and quality of our international product registrations
COMMUNITIES		
Solar panels at Campus	As the first corporate facility to return power to the City of St. Charles’s grid, we engaged with city fire officials to develop effective response strategies.	Worked with local fire officials to develop new emergency procedures for rooftop solar installations



ENGAGING OUR EMPLOYEES AND STAKEHOLDERS

In 2012 Clarke employees and external stakeholders came together for Clarke+, our first three-day Appreciative Inquiry Summit. Our goal was to adopt a mindset of radical innovation so that we could accelerate a sustainable Clarke and secure a shared future. In those three days we imagined, and then deployed, initiatives that accelerated the development of our Next Generation products and services, invited us to be a bold catalyst for change in the world, envisioned a culture of extraordinary health and happiness, and inspired us to create the Clarke Campus of the Future. In fall 2015 we held a “pre-Summit” planning retreat for our second Clarke+ Summit. This Summit, held in early 2016, brought together employees, customers, suppliers and partners to ignite our collective passion and imagination for creating a prosperous and flourishing world.



MATERIALITY ANALYSIS: IDENTIFYING THE ISSUES THAT MATTER MOST

The Global Reporting Initiative’s (GRI’s) G4 reporting guidelines require companies to engage their stakeholders in the identification of the most important environmental, social and economic issues that impact both the company and its most significant stakeholder groups. This is also known as materiality. Clarke has always worked closely with many of our stakeholders, including employees, customers, suppliers, government regulators and agencies, and communities, and we have prided ourselves on forging long-term and meaningful relationships with these groups and individuals. As we looked forward to developing our 2015 GRI report, we thought the time was right to take a more formalized approach to engagement. So, in 2015, working with an external consultant, we conducted our first materiality analysis.

GRI guidance recommends a four-stage approach to materiality assessment:

1. Identify material issues and their boundaries.
2. Prioritize the issues identified.
3. Validate the material issues.
4. Review the report.

We undertook this process between October 2015 and January 2016. We describe our methodology and results in detail in Clarke’s 2015 Sustainability Report Appendix, which is available at www.clarke.com. We provide highlights of the outcomes on the following page.

THE ISSUES THAT MATTER

The enthusiastic response we received to our materiality study confirmed that we are on the right track with our sustainability initiatives and priorities. We heard—loudly and clearly—that everything about the work that Clarke does and the way we do it is important.

While no issue was ranked as unimportant, our stakeholders—employees, customers, suppliers and advisors—told us that the issues that they consider most material include:

- Product Quality and Efficacy
- Green Chemistry
- Product Stewardship
- Public Health
- Customer Service
- Ethics, Integrity and Transparency

Topics that have been at the forefront of our sustainability efforts relating to the environmental impacts of operations, such as waste management, renewable energy and water consumption, were identified as important but of relatively lesser importance in the context of our greatest priority: To provide high-quality innovative and effective products that protect public health and to do this in a manner that is ethical and environmentally responsible.

The materiality study provided us with a stakeholder lens to validate our 2020 sustainability goals and direct our priorities toward them. It also served as a valuable tool for engaging our employees and our external stakeholders. As we share the results with them through this report and other communications channels, we anticipate continued benefits. In addition, the analysis challenged us, demanding transparency on issues we had not previously reported on. Our aim is to continue to expand our disclosure of Clarke's material issues in this and future sustainability reports.

We plan to repeat the materiality analysis on a regular basis to stay current with our stakeholders and with the industry's needs and expectations.



PARTNERING TO ACCELERATE CHANGE

G4-12

We are dedicated to serving as a trusted partner in the mosquito control and aquatic habitat management industries, and we work with our stakeholder partners to help us achieve this goal. We choose, with care, whom we work with, aligning with partners that share Clarke's core values and are equally intent on forging a sustainable future.

Our collaborative partnerships with suppliers and customers around the world are critical to all elements of our sustainability efforts—social, environmental and financial. The benefits of developing a sustainable supply chain include improved risk management, reduced environmental impact and enhanced standards for social and labor practices. These enable us to be more resilient and reliable as a company, while having a positive impact on the communities in which we directly operate.

CASE STUDY: Building a Sustainable Relationship with the Municipality of St. Charles, IL

When we approached the City of St. Charles with our plan to install solar panels at our headquarters, the project was a first for the city, prompting a new way of thinking and the development of new processes. The local fire department brought its entire staff to the facility to explore how solar panels would fit with fire safety codes and emergency response procedures.

Additionally, in October 2015, the city's power utility needed to develop a methodology to track our excess electricity production as Clarke became the first business in the municipality to return power to the grid. If ever there was an opportunity for Clarke to be a bold catalyst for change and to inspire radical partnerships, this was it. In fact, the Illinois Municipal Electric Agency has announced plans to build a 500-kilowatt utility-scale solar project in St. Charles. Once completed, the array is expected to produce enough electricity to power 75 homes.

CASE STUDY: Product Development

In 2015 we created a Product Delivery Roadmap to help us drive the development of Next Gen products and support the evaluation, prioritization and transformation of new and novel ingredients into market-ready products. Partnerships with values-driven innovation companies are a critical component of our process. In 2015 we accelerated our product development efforts by teaming up with a dozen new partners, including exciting university engagements as well as a number of smaller, more nimble, specialty companies that have innovative technologies focused on novel nonconventional modes of action and greener production pathways. We provide more on our product delivery process in the Products section of this report.

Awards and Recognition

For the second time in three years, the state of Illinois recognized St. Charles-based Clarke mosquito abatement and environmental services for its employee-driven sustainability practices.

Clarke was among 19 companies and organizations honored in October as recipients of the 2015 Governor's Sustainability Award presented by the Illinois Sustainable Technology Center at the University of Illinois.

Additionally, Clarke received the Workday Group Award from the Forest Preserve District of DuPage County in recognition of our restoration work during our 2015 Annual Day of Caring.



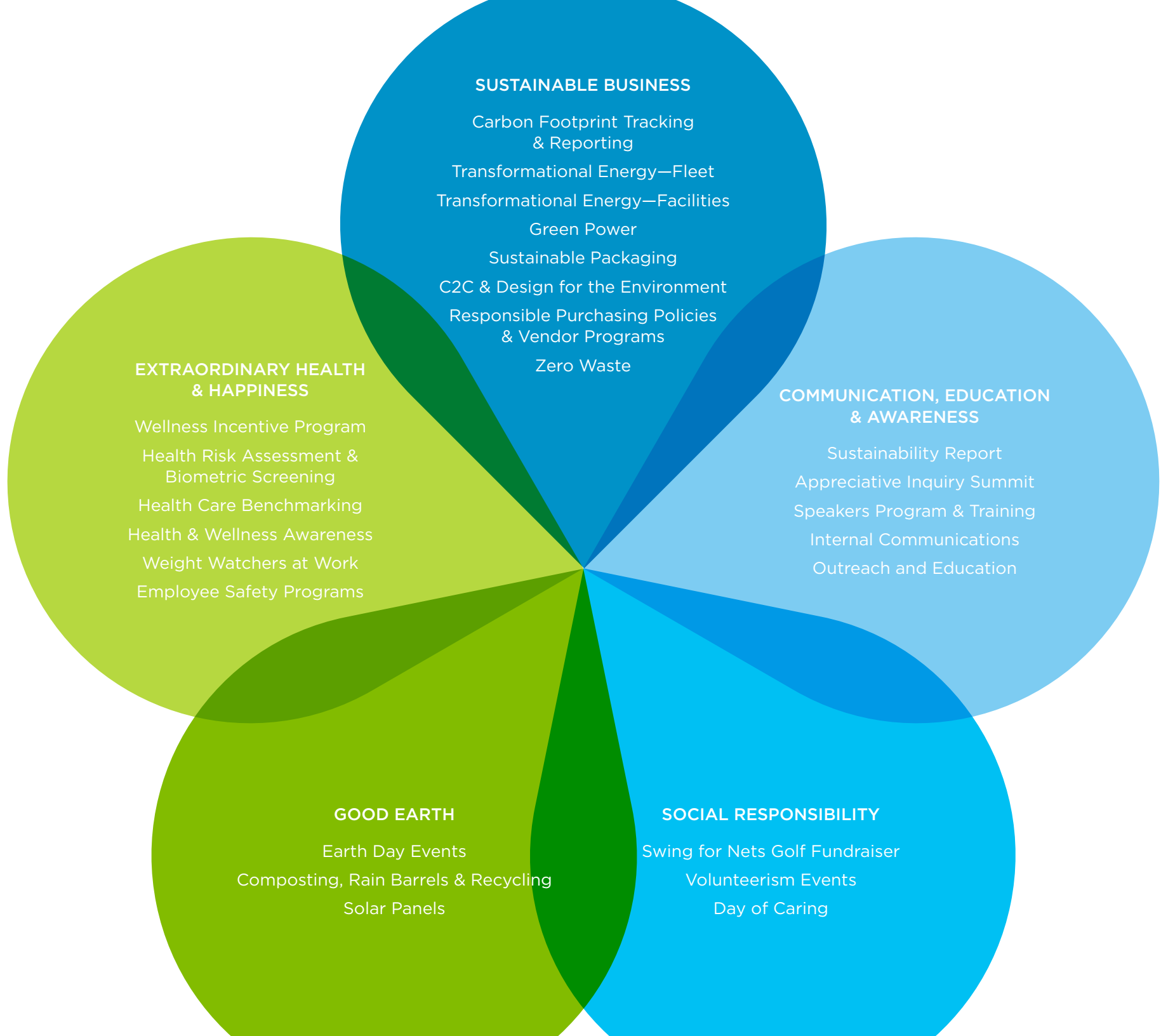
MEMBERSHIPS AND ASSOCIATIONS G4-15, G4-16

American Chemical Society
 American Institute of Certified Public Accountants
 American Mosquito Control Association (AMCA)
 American Society for Quality
 American Society of Safety Engineers (ASSE)
 American Society for Testing & Materials
 Aquatic Ecosystem Restoration Foundation (AERF)
 Aquatic Plant Management Society (APMS)
 Chicago Wilderness Society
 Entomological Society of America (ESA)
 EPA Wastewise Partner
 Financial Executives International
 Global Collaboration for the Development of Public Health Pesticides (a working group of the WHO)
 Greater O'Hare Association Chamber of Commerce
 Illinois CPA Society
 Mosquito Control Association of Australia (MCAA)
 National Fire Protection Association (NFPA)
 National Safety Council
 North American Pollinator Protection Campaign (workgroup member)
 Responsible Industry for a Sound Environment (RISE)
 Society for Human Resources Management (SHRM)
 St. Charles Chamber of Commerce
 U.S. Zero Waste Business Council



CLARKE'S STRATEGY: PROJECT GREATER PURPOSE

More than 70 unique projects, big and small, were initiated by Clarke employees under Project Greater Purpose in 2015, attracting the participation of 75 percent of Clarke's employees.



In January 2015, we introduced our second set of ambitious five-year sustainability goals. The goals influence every aspect of our business—from product development to resource efficiency in our operations to workplace health and safety, and to our contributions to the communities in which we live and work.

Since 2011 Project Greater Purpose has encapsulated Clarke's sustainability management approach, setting out the organizational governance, systems and initiatives that underpin our priorities and guide our day-to-day actions.

If our mission—to make communities around the world more livable, safe and comfortable—is the heart of Clarke, then Project Greater Purpose, and every Clarke employee who supports it, represents the muscle that carries us forward in our collective aspiration.

GOALS PERFORMANCE UPDATE

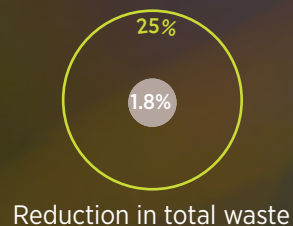
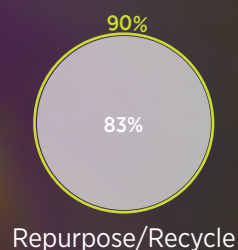
KEY ALL DATA IS MEASURED FROM 2014 AS BASELINE.

○ 2020 Goal ● 2015 Progress ➤ In Progress ➤ Needs Work

WASTE

GOAL 5% reduction in downstream waste impact

PROGRESS 9% increase in recycled/repurposed waste

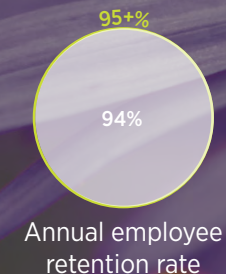


Zero Waste Certification at our four Illinois locations

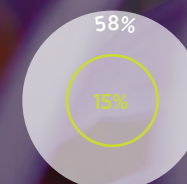
HEALTH AND HAPPINESS



Reduce Employee Health and Safety (EH&S) incident rate



Annual employee retention rate



Reduce the occurrence of injuries resulting in lost time

Project Greater Purpose is made up of a Sustainability Advisory Board (SAB) and five committees:

- Communication, Education & Awareness
- Extraordinary Health & Happiness
- Good Earth
- Social Responsibility
- Sustainable Business

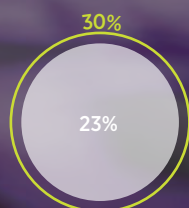
The SAB meets quarterly to provide guidance and direction to the committees and project teams. By design, Project Greater Purpose invites every Clarke employee to participate, within the scope of his or her job and through bonus objectives, in one or more of the five committees.

Clarke employees are also engaged at our November SAB meeting, which is held in a town hall format. At our 2015 meeting, we

reviewed the progress of our sustainable facilities projects and fleet efficiency improvements, as well as the progress of our wellness, sustainable packaging and zero-waste initiatives. Additionally, employees voted for the organizations that would become the first beneficiaries of our One for Tomorrow philanthropic program.

PRODUCTS AND SERVICES

Establish full portfolio of OMRI (Organic Materials Review Institute) Listed® products for mosquito control market



Revenue from Next Gen Products and Services

Implement label transparency program for all Next Gen products

GIVING

ACHIEVED

1% annual Next Gen products revenue goes to environmental causes

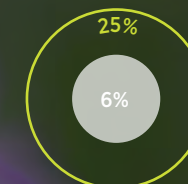


Volunteer time per full-time employee per year (hours)

CARBON

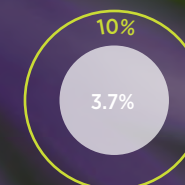


Carbon Neutrality



Carbon Reduction

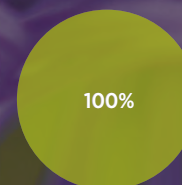
ENERGY



Total electricity sourced from on-site renewable (solar or wind)

WATER

Constrain water consumption at Illinois locations to no more than proportionate allocation of available watershed



Employee engagement in volunteer activities

2015 YEAR IN REVIEW: CLARKE, WORKING TOGETHER

We are energized by knowing that all of us, **working together**, are building a future where communities around the world are **more livable, safe and comfortable**.

In 2015 Clarke turned a corner. From what we've observed, it seems that sustainability has seeped into our pores. It has become our modus operandi, informing each decision we make and action we take.

Our evidence takes the form of significant achievements and small transformational signposts. These include the achievements of groups and individuals, such as:

- Adding significant scientific talent and expertise to our product development team
- Kicking off the long-awaited sustainable facility design and development project (for our Roselle, IL, service operation) with a design charrette of key employee stakeholders
- Engaging all of our employees and more than 100 external stakeholders in an exercise to identify and validate the issues most important to Clarke
- Signing on our first large industrial customer to our Next Gen EarthRight® mosquito control service
- Achieving our lowest recordable injury rate record in 20 years
- Having a supplier tell us, "I can help you reach your packaging waste reduction goals"
- Inviting a neighbor from the community to use our new Campus electric car charging facility to charge his car

With a nod to cultural anthropologist Margaret Mead, we sensed that we did put into action her notion that a small group of thoughtful, committed people can, indeed, have a significant impact on the world.

What makes our work in 2015 still more inspiring is that this is what we envisioned in 2009 when J. Lyell Clarke, our president and CEO, first proposed we embark on this journey. "Every action that we take," he said, "big or small, can directly impact the environment and significantly affect future generations." The employee engagement in sustainability that we observed in 2015 is what we imagined when we titled our first sustainability report, *Every Action, Every Person, Every Voice*.

We know that the work we have accomplished and the work we have set for ourselves to achieve our 2020 goals is the work of every employee and of each of our partners—customers, suppliers, governments, regulators, communities. We know that the path ahead will take us into new, more complex territory, and that progress will be harder. We are energized by knowing that all of us, working together, are building a future where communities around the world are **more livable, safe and comfortable**.



PRODUCTS AND SERVICES

ACCELERATING NEXT GEN

Mosquitoes are a very real threat to public health. They spread life-threatening but preventable diseases, such as malaria, dengue and West Nile virus. With the emergence of the Zika virus in Brazil, the U.S. territories and now the continental United States, Clarke's opportunity to fight the threat of mosquito-borne disease continues to expand.

Our products help communities prevent transmission by keeping mosquito populations in check. By investing in pioneering chemistries, we are intent on transforming our industry through the creation of a comprehensive portfolio of environmentally responsible mosquito control products and by providing new options to steward pesticide resistance management.

In 2015 we announced new 2020 goals to help us track our progress.

For the last seven decades, Clarke has been in the mosquito control and aquatics services business, pioneering, developing and delivering high-quality innovative and effective products and services that help prevent disease, control nuisances and create healthy waterways. Since we launched our first Reduced Risk larvicide Natular® in 2009, we have been eager to develop more Next Generation (Next Gen) products and services, which are designed to be better for the environment and for human health.

Beyond products, we also scrutinize our approaches to tasks and customer needs. For example, we've shifted our aquatic services from the old-school "treat and repeat" approach to a modern methodology that prescribes "right time, right product, right amount" solutions. Green chemistry and environmental stewardship are at the core of our product and service design and application work. Customers and suppliers are partners in our mission to make communities around the world more livable, safe and comfortable.

In 2015 we honed our Product Delivery Roadmap to add speed and accuracy to our discovery and development pipelines. We made inroads in the marketplace, securing our first large industrial customer for EarthRight®, our Next Gen mosquito control service, and we continued to expand globally, with sales and distribution networks now in Mexico, Brazil, India and the Middle East.

23%

of 2015 revenue derived from products and services are classified as NextGen.

2020 GOAL

Generate 30% of revenue from Next Gen products and services

2015 PROGRESS

23% of revenue came from Next Gen products and services

Implement label transparency program for all Next Gen products

In progress

Establish full portfolio of OMRI (Organic Materials Review Institute) Listed products for mosquito control market

In progress



ADVANCING PRODUCT DEVELOPMENT: CLARKE'S PRODUCT DELIVERY ROADMAP

DMA Customer Health & Safety, G4-PR1

In 2015 we formalized Clarke's Product Delivery Roadmap, which sets out the decade-long critical path that transforms a promising discovery into a market-ready product. It guides our teams through five stages of product development—Discover, Screen, Design, Invest, Market—to advance our vision of taking a Next Gen product to commercialization. Each stage of the roadmap incorporates the principles and

tools that underpin our vision, including Green Chemistry and the GreenWerks™ and GreenScreen® formulation and ingredient profiling tools. Each has a gate, or checkpoint, that requires cross-functional team consensus before moving a concept forward.

The result is that 100 percent of the products that are developed through the roadmap and that Clarke takes to market will be built on the principles of Green Chemistry, the most significant of which is that the product be of natural origin and employ cutting-edge innovation.

10 YEARS

The time it takes to get from product concept to commercialization.

CLARKE'S PRODUCT DELIVERY ROADMAP: AN OVERVIEW

DISCOVER

Determine potential for new active ingredient, product, chemistry or biology

Does it work?
Is it novel?
Does it adhere to the principles of Green Chemistry?

Advance new ingredient or chemistry for further evaluation

SCREEN

Test multiple prototypes to determine best formulation for active ingredient

What application method is best for this active ingredient?
What is the most environmental and economically efficient formulation type?

Advance a target prototype for process optimization

DESIGN

Optimize formulation, pilot, scale up

What is the least amount of active ingredient that will accomplish the task?
What is the most environmental and economically efficient manufacturing process?

Market-ready formulation

INVEST

Assess return on investment, build dossier for regulatory requirements, prepare for commercialization

Do performance, toxicology and environmental and chemistry studies confirm product design objectives?
Will the commercialized product meet its performance and economic objectives without posing a risk to health or the environment?

Registered novel product and commercialization

MARKET

Create product stewardship plan to ensure successful customer use and integration into the market

Are production and quality control systems in place to provide a high-quality, consistent product?
When and where will production trials be done to expand upon U.S. EPA data to support product efficacy?
How will product performance be monitored upon introduction?

Quick adoption of new product into market

"

When Clarke launched Natular, the first OMRI Listed, U.S. EPA-registered, Reduced Risk larvicide in 2009, we made the decision to accelerate our investment in the development of products that adhered to Green Chemistry principles. Our thought was that with the introduction of new, greener chemistries, we would be able to sunset our older, conventional chemistries. In 2015, for the first time, we did just that after choosing to not renew EPA registration for temephos, an organophosphate larvicide. In December production ended for a product line that had been in Clarke's portfolio for 35 years.

Kevin Magro

Vice President, Global Support and Product Development

INVESTING IN INNOVATION

To further support our Next Gen vision, we made significant investments in scientific expertise in 2015. We expanded our innovation partnerships, teaming up with more than a dozen external discovery partners that are delivering new and targeted technologies to front-end our product development process.

And we raised our innovation and intellectual capital quotient internally, adding world-class chemists with Green Chemistry and sustainability expertise to our already industry-leading research and development team.

EXPANDING IN THE MARKETPLACE G4-PR3

We strengthened our regulatory team as well, adding momentum to our expansion in international markets. With a global presence in nearly four dozen countries, we are focused on growing the market for Natular—we've dubbed this "Natularization"—by stepping up registration activities, building product dossiers to satisfy country-specific regulatory requirements and, by obtaining licenses to market in these regions, multiplying the number of commercial platforms for growth around the world.

CASE STUDY: SUPPORTING MOSQUITO CONTROL PROGRAMS IN TURKEY

In Turkey's Aegean region municipal managers are only just starting to incorporate product risk assessments and environmental best practices into their mosquito control programs. With mosquito species and habitats in the Aegean similar to those in Clarke's U.S. service areas, our international tech-service team is well positioned to help them advance their community programs.

In April 2015 our team provided mosquito control training to municipal works departments in the cities of İzmir, Muğla and Manisa. The presentations covered a variety of mosquito control topics such as surveillance, adulticide and larvicide methodologies as well as best practices in the United States. Because many municipalities are responding to residents' concerns about the environmental impact of products used for mosquito control, the sessions also focused on the environmental compatibility of Natular larvicides and how these products and other mosquito control interventions can be incorporated into integrated mosquito management programs. We are experiencing a high level of interest in and adoption of Natular and expect to deliver additional training in the region in 2016.



THE PRINCIPLES OF INNOVATION

Clarke has taken a unique industry position, and our efforts are underpinned by innovative principles and tools that deserve some explanation. We describe some of the key concepts below.

Green Chemistry: The design of chemical products and processes that reduce or eliminate the use or generation of hazardous substances. It is applied across the life cycle of a chemical product, from its design and manufacture to its use and ultimate disposal.

GreenScreen™ for Safer Chemicals: This methodology makes comparative chemical hazard assessment possible by identifying chemicals of high concern and ones that are safer alternatives. It is useful early in the product development process, allowing for better stewardship choices.

GreenWercs™ Formulation Profiling Tool: Subscription-based software that compares the health and environmental impacts of ingredients in our products. It allows for informed choices in new product design and prioritizes replacement of raw materials in existing products.

Natural: A substance obtained from a naturally occurring resource through separation and purification that does not change the chemical structure of the substance. This category excludes substances obtained from a resource that is modified or expressed through genetic engineering.

Naturally derived: A substance that is derived from a natural source through chemical or process modification, regardless of whether the substance produced occurs independently in nature. This category includes modified fermentation processes, as well as synthetic substances made from a natural product.

Biochemical: A naturally occurring substance (whether or not it is naturally produced) or one that is structurally similar and functionally identical to a naturally occurring substance and which has a non-toxic effect in a target pest.

Microbial: A microorganism or a product of a microorganism that controls a target pest. Microbials include organisms such as algae, fungi, bacteria, viruses and nematodes.

Synthetic: A substance produced by using methods different from those found in nature. Synthetic chemical structures are produced by changing the molecular structure of one substance or by combining two or more substances to yield a uniquely different product. Synthetic substances may or may not be found independently in nature.

EVOLVING BEST PRACTICES

Since 2009 Clarke has also been applying environmental best practices to transform our service side. In our mosquito control business, EarthRight offers customers a Next Gen solution that uses only products made from naturally derived OMRI Listed active ingredients as well as more sustainable application methods, including bicycles, hybrid vehicles and all-electric sprayers. In aquatics, we've applied a long-term perspective to aquatic management, harnessing sustainable solutions and practices to create healthier water bodies.

Label Transparency

DMA Product & Service Labeling, G4-PR3

In 2015 we made initial steps toward our 2020 goal of implementing ingredient transparency on the labels of all Next Gen products by establishing the project's scope, procedures and partners. This included identifying key stakeholders, such as our suppliers, that we need to engage to meet our labeling transparency objective.

CASE STUDY: APPLYING NEXT GEN THINKING TO MOSQUITO CONTROL SERVICES

EarthRight continued to attract new customers in 2015, with double the number of customers coming on board in 2015 compared to the number in 2014. We also reached a milestone, signing on Commonwealth Edison Company (ComEd), the first large private-sector customer to adopt our industry-leading service.

ComEd is Illinois's largest electric utility company, which operates fleet garages around the clock. Its fleet mechanics, primarily evening-shift workers, are prime targets for nuisance and potentially disease-carrying mosquitoes. In 2015 our customer reps introduced ComEd to EarthRight. Already a Clarke customer, ComEd saw a natural alignment between EarthRight and the company's other sustainable initiatives and made the switch at 21 of its fleet garages. The decision made the lives of 154 employees working at these locations more comfortable and also helped protect surrounding residential and natural wildlife settings. In addition, using alternative application methods, ComEd delivered a 62 percent reduction in its carbon footprint compared to what it would have achieved using traditional application methods.



BUILDING A NATURAL BALANCE IN AQUATICS SERVICE

Clarke's aquatics service team applies a long-term perspective to the management of water bodies, harnessing sustainable solutions and best practices to create healthier water bodies while meeting the aesthetic and recreational needs of the public. Our teams are focused on bringing water bodies back into balance: We think about what needs to stay before thinking about what to take away.

To achieve this balance, Clarke is having conversations with customers that are different from what they were a decade ago. Today, we are discussing integrated approaches to aquatics management that are mindful of ecosystem stewardship and that balance the interests of multiple stakeholders who often have competing interests.

We apply a prescriptive methodology—"right time, right product, right amount"—that eschews the conventional "treat and repeat" model in favor of long-term regenerative options that are in balance with the natural ecosystem. Our approach is complemented by Conserve™, our proprietary precision aquatic application software that factors in aquatic characteristics and water depths for optimal treatment applications.

In 2015 we continued to make progress in our efforts to advance customer solutions that minimize the amount of product used to provide control. For example, we've successfully treated invasive aquatic weed species by making an early spring, under ice herbicide application. This solution provided the desired early season weed control and allowed time for the herbicide to break down before the water source was used for turf irrigation. Based on these early results, it appears we can reduce the amount of herbicide needed over the season.

In 2015 we also began looking at the benefits in pond ecology, as well as savings in product and time, by using bacteria to help clear algae growth. Bacterial applications work naturally by competing with invasive plants and algae for available nutrients. In trial work we significantly reduced the amount of product used and, subsequently, the number of visits needed to the site. Based on this work, we will expand such applications to additional sites in 2016.

CLARKE AQUATIC TEAM TRAINING

In February Clarke's aquatics service teams from our three regional centers gathered in Kissimmee, FL, for our national aquatics week training. The annual training covers subjects ranging from safe operations and proper treatment rate calculations to plant biology, helping our teams stay current on regulation, safety and science. Key to the week's success is information sharing, including new treatment methods and successful protocols that are drawn from the most challenging and complex projects from across Clarke regions in the prior year.



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Typically Natular is used to treat water up to two feet deep. When our customers told us they wanted to use it in deeper pools, Clarke developed a swimming pool trial to find a solution, and our regulatory team worked with the EPA to adapt labeling that reflects broader usage. In 2016 we expect to be able to provide Clarke customers with clear guidance on the use of Natular in water as deep as four feet.

Karen Larson

Vice President, Regulatory Affairs

Engaging Our Customers

Clarke's success has always been grounded in superior customer service and support. Increasingly, we see our customers as our partners: We can only achieve our vision when we are helping them reach theirs. What those visions have in common is a desire for more livable, safe and comfortable communities.

In 2015 we held our first Aquatics Confab—a forum with a broad array of some 40 aquatic service customers and our aquatics team. Through this half-day exchange, our customers learned about our perspectives on caring for aquatic sites, and our approaches. This triggered a very open and robust discussion among the diverse customer groups about their needs, interests and plans for the future.



ENVIRONMENT

INVESTING FOR THE LONG TERM

DMA EMISSIONS

In December 2015, at the United Nations Climate Change Conference in Paris, the world's nations signed the first-ever universal climate agreement. It tasks the 197 countries that were party to it, including the United States, to develop, track and report national plans to reduce their greenhouse gas emissions, with the goal of achieving a carbon-neutral world in the second half of the 21st century.*

At Clarke, we are committed to implementing strategies that reduce our carbon footprint. While we don't always see a quick return on investment, we do see other benefits, such as improved employee recruitment and retention, marketplace branding and community respect. As a third-generation family-owned company, we recognize that, no matter what aspect of the business our investments are in, the investments we make are investments for the long term.

* The Paris Agreement of the United Nations Framework Convention on Climate Change
http://unfccc.int/paris_agreement/items/9485.php

On the road to a
sustainable future.

Clarke is a public health company and service provider, operating 21 facilities, including service and distribution depots, manufacturing plants, laboratories and offices in five countries. By the nature of our activities, we have an environmental impact. Since we committed, in 2009, to managing our business operations sustainably, we have reduced the energy we use, the carbon we create and the waste we produce.

In 2015 through our Transformational Energy initiatives, we have continued to increase our investments in renewable energy and improved fleet and operations efficiency to reduce our carbon footprint. Our Zero Waste programs are helping us minimize our waste impact through packaging reduction, recycling and repurposing.

We have also experienced a cultural shift in our teams' approach to managing Clarke operations sustainably. Where once we asked how we might accomplish a task in a sustainable manner, sustainability is, more and more, simply "what we do." Our operations teams have led many of these efforts, standing front and center in Clarke's sustainability efforts. These teams are leaders in our new "business as usual."

In 2015 we also announced new 2020 goals in carbon reduction, energy efficiency, zero waste and water use. In this section we provide details of our progress toward them.

TRANSFORMING CLARKE'S ENERGY PORTFOLIO [G4-EN6](#), [G4-EN15](#), [G4-EN19](#)

Upon achieving our ambitious five-year goal of reducing Clarke's carbon footprint

by 25 percent by the end of 2014, we rolled up our sleeves and said, let's do that again. In fact, with our 2020 goals, we decided to do it better, committing our company to three bold new objectives:

- To reduce our carbon footprint by an additional 25 percent compared to a 2014 baseline
- Become 100 percent carbon neutral for Scope 1 and 2 emissions
- Source 10 percent of our total electricity from on-site renewable sources

During the next five years, we will put our three-pronged Transformational Energy strategy to work, investing in renewable energy, increasing operational energy efficiency and offsetting the energy use we cannot eliminate through the purchase of Green Power contracts and carbon offsets.

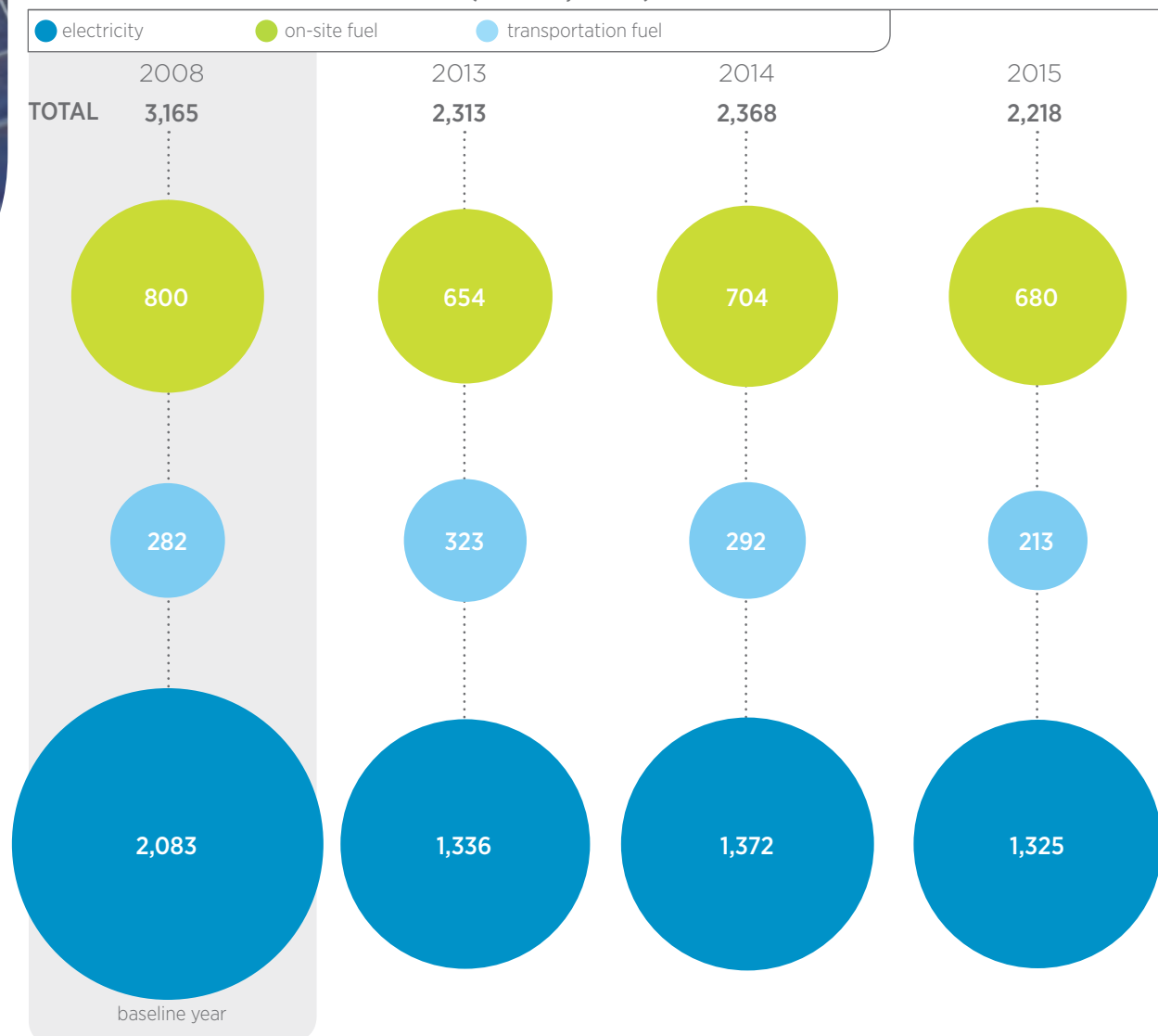
	2020 GOAL	2015 PROGRESS
CARBON	25% reduction from 2014 baseline 100% carbon neutral	6% reduction 43% carbon neutral
ENERGY	Source 10% of total electricity from on-site renewable energy (solar or wind)	3.7%, with the addition of Campus solar energy

POWERING CLARKE'S CARBON NEUTRAL FUTURE G4-EN3, G4-EN6

In 2015 Clarke made significant advances toward our carbon reduction goal, reducing annual CO₂ emissions to 2,218 tonnes in 2015 from 2,368 tonnes in 2014, a six percent decrease. We attribute the decrease primarily to a weather-related reduction in our use of natural gas.

In 2015, Clarke became the first business in St. Charles, IL, to **return power** to the city's electric utility.

CARBON FOOTPRINT REDUCTION (Tonnes, CO₂e)



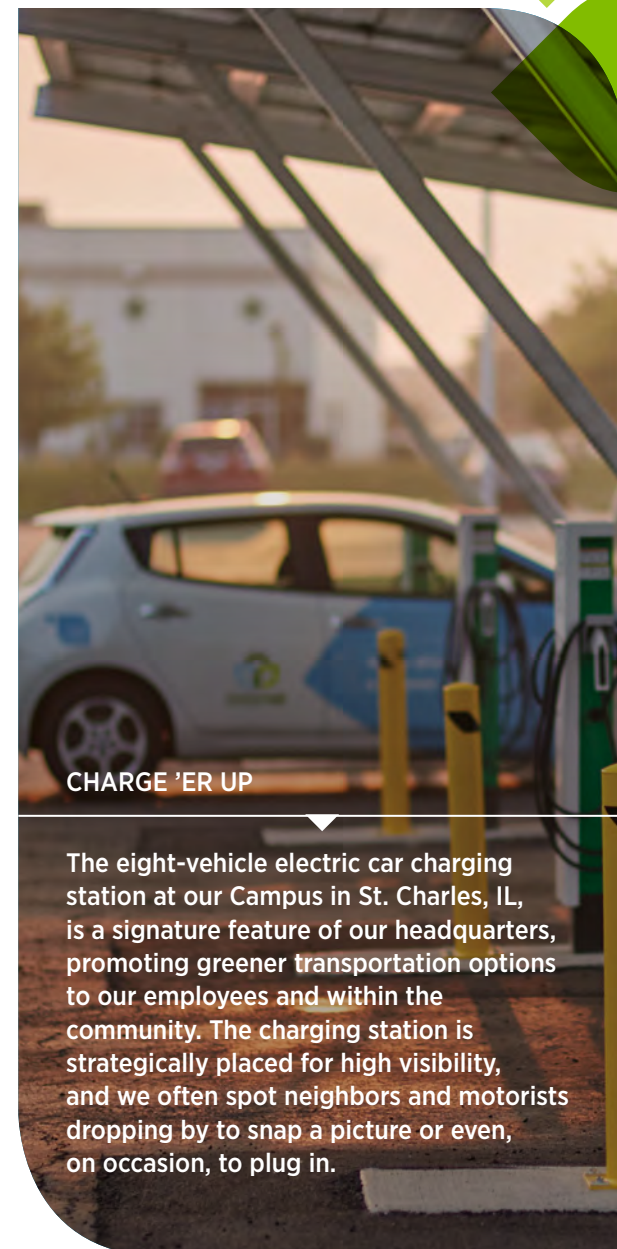
ACCELERATING OUR SHIFT TO SOLAR

Since 2010 Clarke has produced a small portion of our electricity from photovoltaic panels installed at our Natular® manufacturing plant in Schaumburg, IL, and at our distribution facility in Brisbane, Australia. In August 2015 we took a significant stride toward our bold 2020 green-energy generation goal when we flipped the switch on our newly installed 100-kilowatt solar array at our Campus facility in St. Charles, IL. The Clarke Campus solar project represents close to a five-fold year-over-year increase in the energy we are generating from on-site renewables. This corresponds to 3.7 percent of the company's electricity needs in 2015 compared to less than one percent of its needs in 2014.

The installation consists of three elements:

- 280 solar panels cover the roof of the 27,000-square-foot facility and are capable of producing an estimated 105,600 kilowatt hours a year.
- 20 panels form an awning on the building's south-facing façade, covering 87 linear feet and adding a potential 6,400 kilowatt hours of energy a year, while also providing solar shading that minimizes heat gain in the building interior.
- 48 panels create a shade canopy above an eight-bay electric vehicle charging station and are expected to produce approximately 19,200 kilowatt hours of energy a year.

The system's annual production is projected to equal about eight percent of Clarke's total electricity consumption, which amounts to approximately 20 percent of Campus electricity needs. We anticipate reducing our carbon emissions by nearly 86 metric tonnes a year.

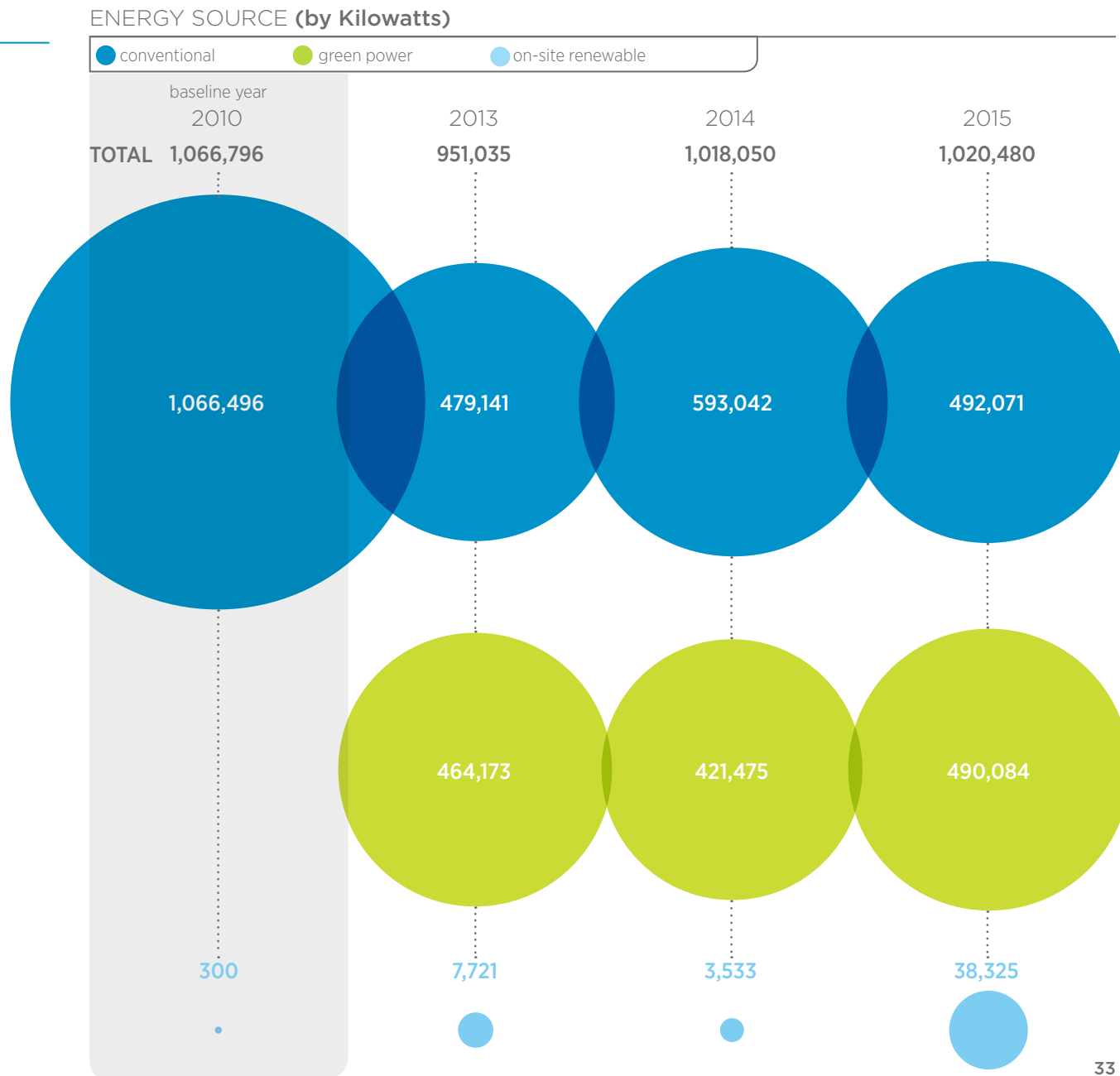


CHARGE 'ER UP

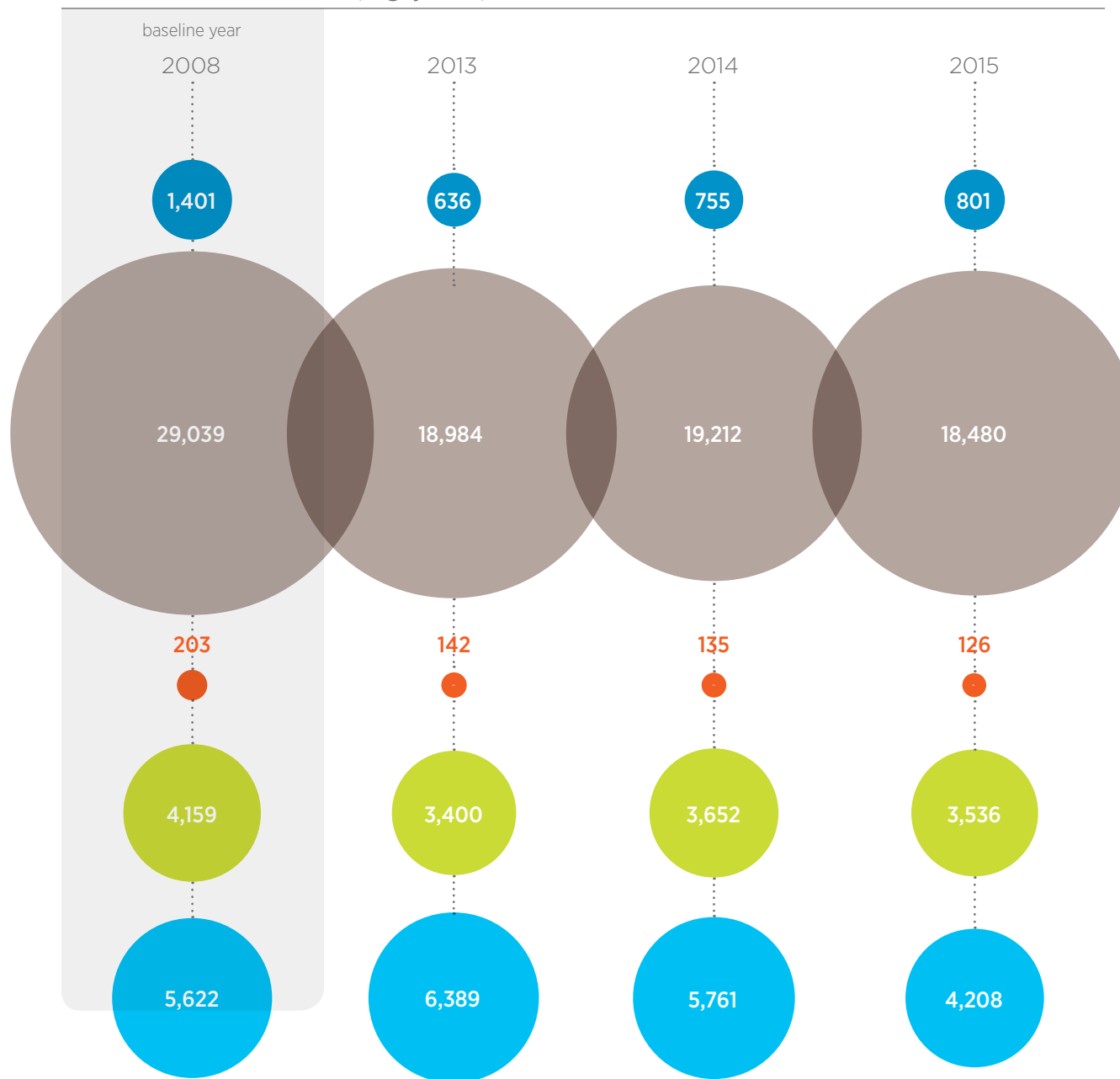
The eight-vehicle electric car charging station at our Campus in St. Charles, IL, is a signature feature of our headquarters, promoting greener transportation options to our employees and within the community. The charging station is strategically placed for high visibility, and we often spot neighbors and motorists dropping by to snap a picture or even, on occasion, to plug in.

CASE STUDY: PAYBACK!

As 2015 ended, our team at Pacific Biologics in Brisbane, Australia, was reaching for the calculator to quantify the payback from their rooftop solar installation. The facility's solar array was installed in 2011 with financial assistance from the Australian government's green business incentives. The incentives paid a premium for the generated power going back into the grid. So even though we only generate approximately 74 percent of our power needs, we have received refunds on all of our power bills since the solar was turned on. By early 2016, the system had finished paying for itself through the saved billings and began generating about \$800 per year in revenue for us, making our power bills at that location a thing of the past.



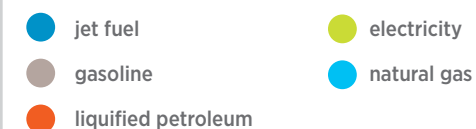
TOTAL ENERGY BY TYPE (Gigajoules)



POWERING AHEAD OF THE CURVE

G4-EN3, G4-EN6, G4-EN 19

The transportation fuel used to power Clarke's global sales and service teams accounts for approximately 60 percent of our total energy use. In 2015 we continued to make gains, reducing emissions and saving cash by shifting our sales fleet to hybrids and low-mileage vehicles, increasing efficiency through driver performance programs and electrifying our residential service fleet.



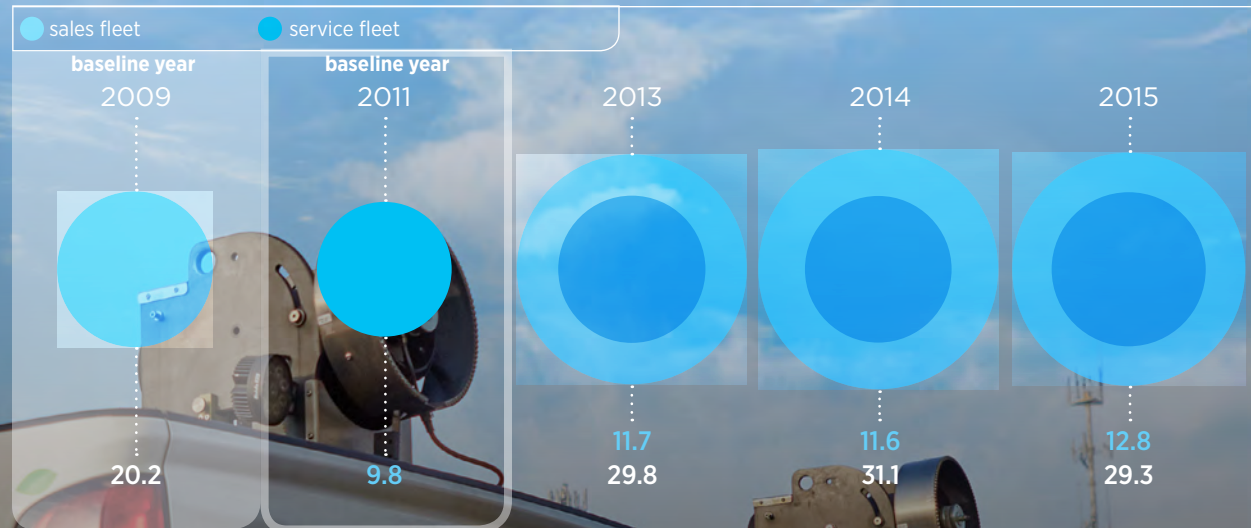
62%

of sales fleet vehicles averaged 35 miles per gallon or better

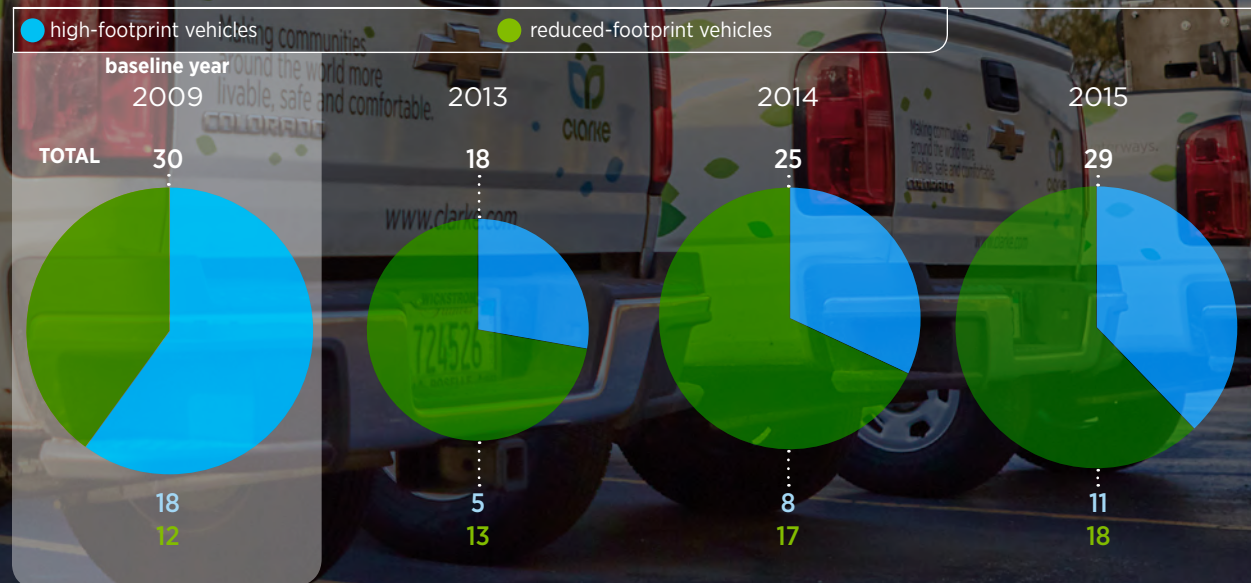
TUNING UP FLEET PERFORMANCE

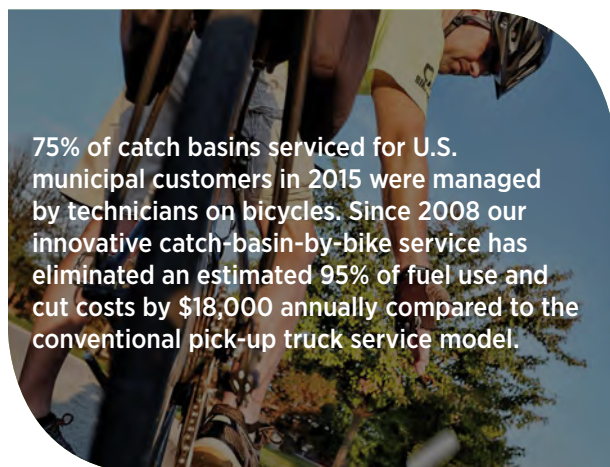
We evaluate fleet purchase decisions based on the job a vehicle is being purchased for and the geography where it will be used. Our aim is to downsize and “rightsize” our operations fleet to reduce our carbon emissions and costs. In 2015, 62 percent of our sales fleet consisted of reduced-footprint vehicles. The decline from 68 percent in 2014 resulted from the addition of three high-footprint vehicles to the fleet, two of which were purchased to perform in more rugged environmental conditions. We will continue to monitor the mix of vehicles and, in 2016, will revisit our commitment to high-efficiency, low-impact vehicles.

SALES & SERVICE FLEET FUEL EFFICIENCY (average miles per gallon)

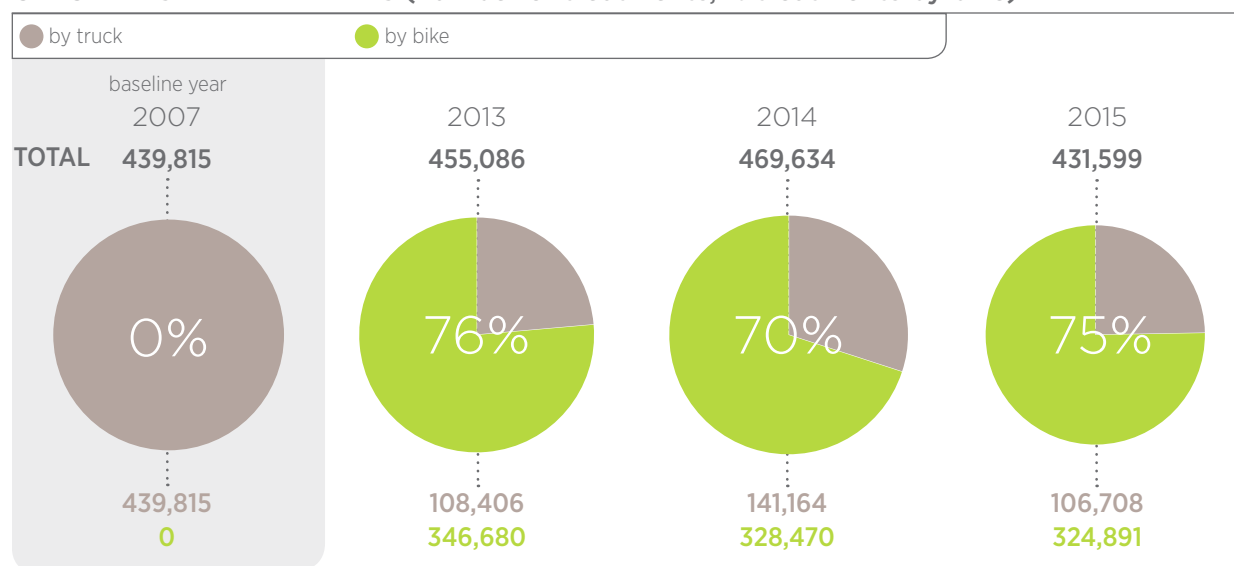


SALES FLEET MIX (number of vehicles)





CATCH-BASIN TREATMENTS (number of treatments, % treatments by bike)



In 2015, our daytime residential service operations for our Roselle, IL-area household customers were handled using electric Club Cars. This completed a five-year conversion of our daytime fleet from gas-powered all-terrain vehicles. We estimate total annual CO₂ reductions of 4,320 pounds and fuel cost savings of \$540 in 2015.

TUNING UP DRIVERS' HABITS

Putting together an efficient fleet is just one step toward better fuel efficiency. Educating vehicle operators about their driving habits and correcting them in a timely manner is another important component. In 2015 we piloted a driver-behavior monitoring program at two of our service operation's facilities. Using wireless key-fob technology, we were able to monitor the driving of individual field technicians and, with daily reporting, draw attention to correctable behavior before a driver's next shift. Over the course of the 2015 season pilot, we recorded improvements in operational safety, fuel efficiency, and wear and tear on vehicles. We plan to extend this program to the majority of our U.S. service facilities in 2016.

ProMist Dura

Adult mosquitoes are best controlled by using an ultra-low volume (ULV) sprayer to apply a small quantity of pesticide. In a community, this work is typically done using a truck-mounted ULV sprayer. Since 2014 electric ULV spray systems (ProMist® Dura) have been integrated into Clarke's service fleet to replace gasoline-powered units. By the end of 2015, we had reached the halfway mark in our goal to go 100 percent electric. The new ProMists, placed on smaller trucks, are significantly quieter both for the neighborhoods and properties we service and for our technicians.





DESIGNING TO REGENERATE

At Clarke, we believe the built environment plays a critical role in the well-being of people and of nature. In 2015 we celebrated the one-year anniversary of our move to our sustainably designed and renovated headquarters in St. Charles, IL. We also initiated planning for a comprehensive renovation of our Roselle, IL, service facility.

The project was kicked off in January, with a design charrette held at the LEED Platinum Aldo Leopold Conservation Center in Baraboo, WI. Inspired by the spirit of this great conservationist and energized by the innovative facility, the Clarke team of representative stakeholders developed the initial layout and design for the Illinois facility. Playing off of its Garden Avenue street address, the team dubbed the new facility “The Flourishing Garden”. Together,

they imagined it as a place where we would work, learn, teach, grow and flourish in harmony with nature and the communities that we serve. The Flourishing Garden would foster engagement and creative energies across all teams and, with deliberate design, would ensure a minimal footprint and demonstrate our care for people and our planet.

Designed by Serena Strum Architects, the new seven-acre Garden site will incorporate regenerative design principles, which are based on the premise that everything we build has the potential to integrate the natural world as an “equal partner” in the architecture. Regenerative design employs a full and comprehensive understanding of natural and living systems in the design of the structure, with the goal that the architecture produces more than it consumes, and thus has a positive existence.

The Garden design includes a regenerative site ecology, systems that will create an annual balance of water intake and use, and net positive energy regeneration through the integration of a high-performing building envelop, daylight harvesting, passive solar heat, on-site renewable energy and other energy-efficient features.

Structures will incorporate FSC (Forest Stewardship Council) -certified wood, fiber cement board from regional manufacturers and recycled, reused and salvaged materials. The interior designs will support employee health and well-being through the use of low-emitting materials, natural daylight and natural ventilation systems.

With first shovel in the ground planned for 2016, we are excited about the possibilities and are already beginning to envision our next new facility design, which will be for our Florida operations.



Our offsets represent approximately 43 percent of our 2015 carbon emissions net of REC purchases.

COMPENSATING FOR OUR EMISSIONS

In 2015, as part of our bold five-year goals to reduce the environmental impact of our activities, we announced our aim to become carbon neutral by 2020. Our green-energy strategy is key to our success. In 2015 we purchased Renewable Energy Certificates (RECs) equal to 490 metric tonnes of CO₂e. We also continued our long-term partnership with Carbonfund.org, purchasing carbon offsets equal to 752 metric tonnes of CO₂e. Each year we calculate our purchase of offsets based on the prior year's emissions from Scope 1 on-site fuel and Scope 2 electricity use.

CASE STUDY: ANALYZING ENERGY EFFICIENCY AT THE CLARKE CAMPUS

In 2014 we took occupancy of our new headquarters in St. Charles, IL. The single-story 27,000-square-foot building consolidated three former Clarke facilities into our spacious and bright open-concept Campus designed to LEED Silver standards.

At the end of 2015, with one full year of operational data available, we calculated a 28 percent reduction in electricity and a 35 percent reduction in natural gas consumption at our new facility compared to the combined usage at the three facilities in 2014. This correlates to a year-over-year reduction in our carbon emissions of 113 metric tonnes and a financial savings (in 2015) of \$18,700. The reductions in energy use were also instrumental in driving down the company's carbon emissions by six percent in 2015.





TARGETING ZERO WASTE DMA EFFLUENTS & WASTE

Since 2009, Clarke's waste reduction efforts have been at the forefront of our sustainability initiatives. By the end of 2014, we had surpassed our five-year 50 percent waste-reduction goal by several measures, and we headed into 2015 with four new ambitious targets:

- Reduce our total waste by 25 percent compared to a 2014 base year
- Reach a company-wide repurpose/recycle rate of 90 percent
- Achieve Zero Waste to Landfill certification at our four Illinois locations
- Realize a five percent reduction in downstream waste impacts compared to a 2014 base year

Our programs and monitoring systems are designed to help us decrease the waste we produce, divert the waste we can't eliminate, and send what we can't use to waste-to-energy, with the long-term objective of zero waste to landfill.

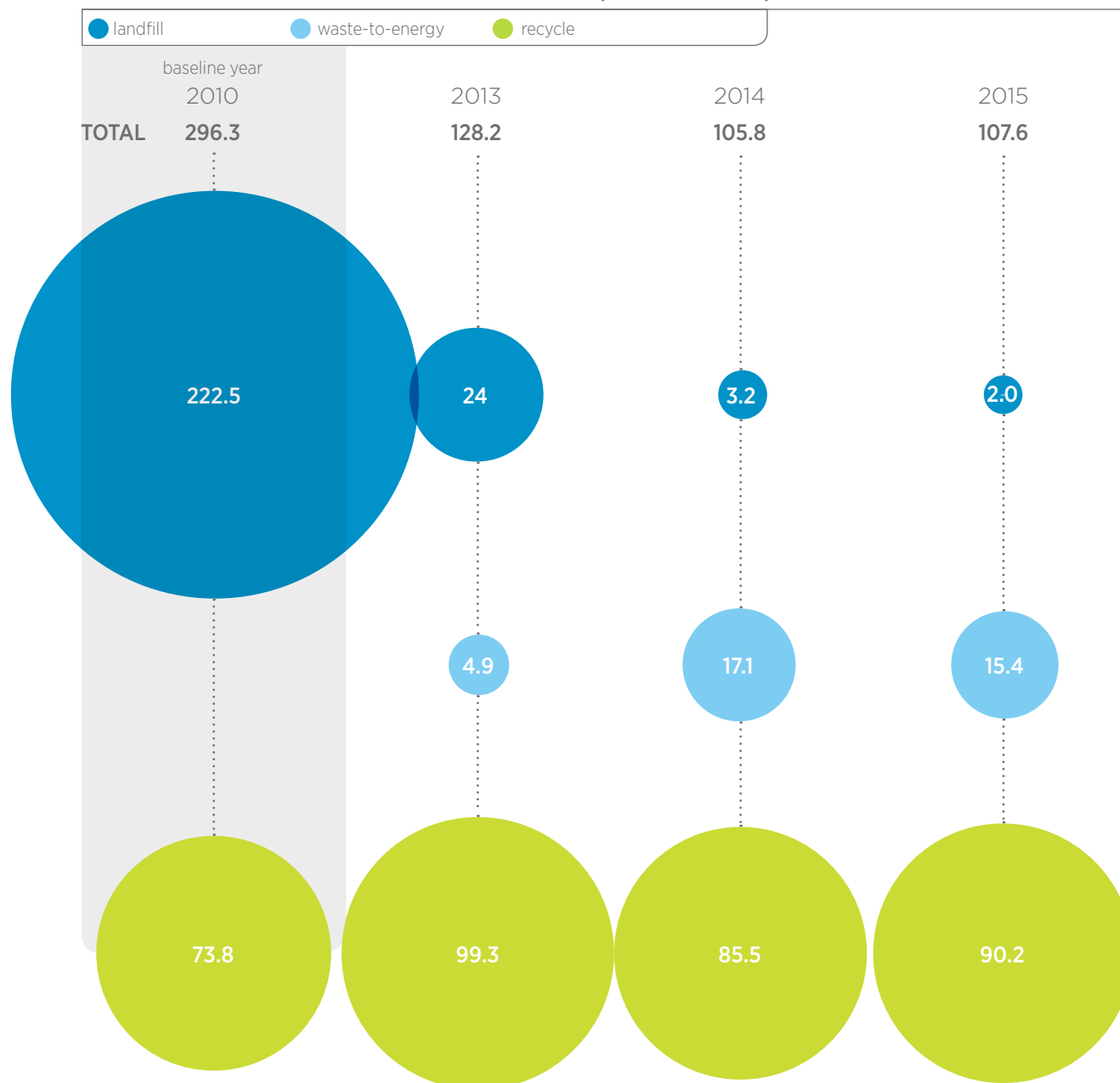
We track and report facility-by-facility performance monthly at sustainable business committee meetings, include waste topics at the company's quarterly sustainability advisory board meetings, and provide annual comparable data at year end. In 2015, we integrated the last of our operations into our data management system, providing consistency across our global program.

We also completed waste training across the company. Training on our Zero Waste programs is now included in the onboarding process for all new employees, including seasonal employees.

Our 2015 progress is summarized in the table below:

2020 GOAL	2015 PROGRESS
25% reduction in total waste from 2014 baseline	1.8% reduction
Repurpose/recycle 90%	84% repurposed/recycled
Zero Waste Certification at our four Illinois locations	In progress
5% reduction in downstream waste impacts from 2014 baseline	9% increase in downstream waste returned/recycled

WASTE REDUCTION BY DISPOSAL METHOD (Metric Tonnes)



REDUCING CLARKE'S TOTAL WASTE

G4-EN28

We believe it's better to prevent waste than to manage it. In 2015 Clarke continued to make gains in reducing total waste, cutting an additional 1.8 percent of waste produced compared to 2014. Minimizing packaging waste remains our primary focus. As part of our "E-Everything" initiative, we also continue to seek ways to reduce paper waste.

CASE STUDY: PARTNERING FOR PACKAGING REDUCTIONS

Our waste-reduction efforts continue to focus on eliminating packaging waste, an area of significant challenge that we are committed to tackling. Progress is painstakingly slow and the incremental change can be frustrating. But sometimes our patience is rewarded. In 2015 a two-year partnership with our Florida supplier, Crop Production Services, resulted in a new returnable drum system for one of our staple aquatics service products. In the past, the product was shipped to our facilities in 2.5-gallon plastic jugs packaged two to a cardboard carton. Now the product arrives in 15-gallon drums, which we return to the manufacturer for refilling. Based on the product Clarke purchased in 2015, the return/refill system eliminated 252 plastic jugs and 126 cardboard boxes from the waste stream. The system is also safer. Because the drums are fitted with a pump, Clarke personnel no longer have to pour from multiple jugs into our dispensing tank.

ENGAGING OUR CUSTOMERS IN PACKAGING SOLUTIONS

Since 2009 Clarke has been engaging our mosquito abatement customers through our returnable, refillable and recyclable packaging initiatives. Today, these programs are applicable to more than half of our product packaging. In 2015, we wanted to understand more about how our customers were handling packaging, the degree to which packaging disposal was a concern to them, and their receptivity to current and new returnable or recyclable packaging options.

We surveyed a sample of customers from the previous three years that accounted for 85 percent of the packaging units we shipped.

What we learned surprised us: Packaging waste and its disposal is not as problematic in some customers' minds as we'd presumed. This and other survey findings underlined the need for Clarke to maintain our leadership role in developing innovative packaging reduction solutions, with a focus on those that respond to the packaging concerns that are the most important to our customers. We also learned how to better communicate with our customers, in particular to increase participation in our HDPE returnable/refillable programs, which only yields a customer participation rate of 33 percent.

Our survey also prompted important next steps, including the exploration of new and innovative partnerships with packaging

DOWNSTREAM PACKAGING RETURN/REPURPOSE RATE (pounds)



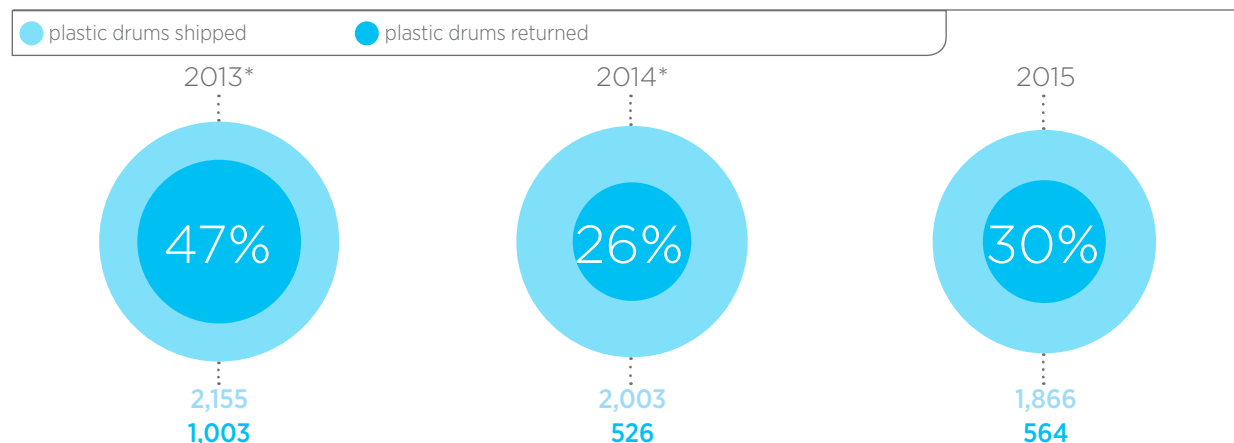
developers and manufacturers. We also presented our results at the American Mosquito Control Association (AMCA) meeting early in 2016, which opened the door to future consultation and collaboration with customers to imagine and execute new packaging solutions.

In 2015, we set a 2020 goal to reduce the downstream impacts of our waste by five percent from a 2014 baseline. We tasked our supply chain team to measure and report on the packaging waste that leaves our facilities, including cardboard, drums, totes and jugs, and track what happens to it. In 2015, we improved our packaging return/repurpose rate by almost 10 percent, increasing the packaging recovered, as measured by weight, to just over 46 percent in 2015 from about 37 percent in 2014.

MAXIMIZING RETURNABLE HDPE DRUMS

We continue to prioritize our return/refill program for the HDPE drums we use to ship bulk liquids to our customers. The program was launched in 2010 and was subsequently provided as a standard, on-demand service to customers in 2013. Then, in 2015, we piloted a regularized drum pick-up service in an effort to increase our return rate. Over the course of the season, we learned that the program did not always suit customers' schedules and its inefficiency made the service expensive. Heading into 2016, we are on track to revert to our former on-demand pick-ups, with the service managed by our customer care team to ensure efficiency, accuracy and convenience.

HDPE DRUMS RETURNED



* Data re-stated from 2014 Sustainability Report

ELIMINATING PAPER WASTE

In 2015 our Florida group was the first to go paperless for the documents that are required to be in our service vehicles. Now all product instructions, ingredient listings and Safety Data Sheets are stored electronically. These documents, and others, can be updated easily and downloaded from the road via a mobile application. This initiative reduced 10,000 pages of paper waste in its first year. We plan to roll it out to other offices in 2016.

MAXIMIZING WASTE DIVERSION G4-EN23

With two new waste diversion goals announced in 2015, we have underlined our commitment to keeping the waste we produce out of landfill. Our goal of Zero Waste Certification at our Illinois facilities, which requires us to achieve 90 percent

diversion from landfill and incineration for non-hazardous waste at each of our four facilities, is propelling us forward. In 2015 we achieved a company-wide repurpose/recycle rate of 83 percent, up from 81 percent in 2014.

EXPANDING IRIS TOTE SHIPMENTS

In 2014, in collaboration with our customer Metropolitan Mosquito Abatement District in Minneapolis, MN, we developed an iris-valve refillable tote, and began shipments to MMAD using the tote in September 2015. In early 2016 we introduced this new packaging option at the AMCA's annual conference. The new tote offers a user-friendly, bulk dry-product packaging option refined from use in the pharmaceutical industry. It replaces the poly-lined non-recyclable kraft bags product is commonly shipped in. By early 2016, we were seeing increased interest from our customers based on positive reviews.



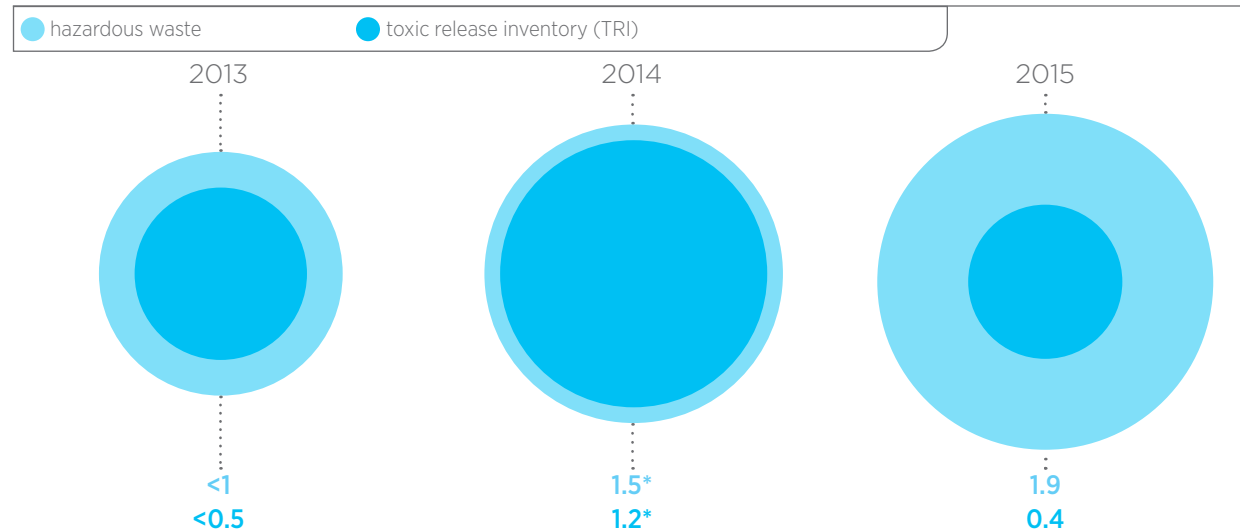
EVERY LITTLE BIT

Our lab techs worked with our recycler to transfer two former waste products—polypropylene absorbent pads in our mosquito insectary, used to soak up water, and HDPE bucket liners, used for a variety of product development tests—into the recycling stream. The absorbent pads are dried on a rack and the pail liners are dried out before being bagged for recycling.

70%

That's the year-over-year increase in waste diversion at our Schaumburg, IL, manufacturing facility. By making recycling easy to do, the facility's rate in 2015 shot up to 80 percent from less than 50 percent in 2014.

HAZARDOUS WASTE (Metric Tonnes)



* 50% of 2014 hazardous waste was contaminated rainwater collected from our containment sump after a large storm event.

** 2014 TRI reportable waste was from cleaning operations in the returnable/refillable program and was conservatively over-reported. We have corrected record-keeping practices in 2015.

MANAGING HAZARDOUS WASTE G4-EN23

Clarke operations do not produce a significant amount of hazardous waste. We have programs in place to measure the waste we do produce, and we annually review our waste with the aim of implementing programs to reduce or eliminate it. In 2015, 32 percent of the hazardous waste we produced was a one-time event related to the discontinuation of a product line and disposal of related unusable raw material. An additional 40 percent was lab-solvent from the consolidation of lab operations at our Lunt, IL, manufacturing facility. Prior to 2015, the lab waste was mixed with product development waste disposal and not associated with manufacturing-related chemical waste. In 2016 we are implementing measures to minimize the volume of solvents used—and disposed of—per lab test.

All of Clarke's hazardous waste is disposed of at waste-to-energy facilities.

AUDITING CAMPUS WASTE

When designing our Campus facility, we purposefully incorporated recycling, repurposing and composting stations. So we were dismayed when, after our first nine months of occupancy, our repurpose/recycling rate dipped below 60 percent. To help us understand what we were doing wrong, we did a facility waste audit in July 2015. What we uncovered was more dismaying still: 39 percent of the material in our trash dumpster was recyclable. We were quickly able to trace the source of a large part of the waste to a supplier responsible for the regular cleaning of the facility. Despite what we thought was appropriate training, the supplier was tossing everything—trash and recyclable materials—into the waste bin. With the primary cause identified and addressed, our recycling rate for August to December jumped by 17 percent. We know we still have work to do to reach the 90 percent threshold for Zero Waste Certification. But we learned important lessons in the value of ongoing diligence, monitoring and training in regard to both employees and service providers.

SERENDIPITY

Styrofoam is not recyclable in standard municipal or industrial programs in Illinois. But in a fortuitous connection, it turns out that the firm we used to move our lab equipment to the Campus recycles Styrofoam to make packing chips that protect the objects it moves. It's a win-win: We store rinsed foam containers and invite employees to bring theirs from home, too. When our wall of Styrofoam waste rises high enough, we put in a call to our logistics company, which picks it up and puts it back to use.

Our Roselle, IL, service facility, which produces 60% of Clarke's waste, scored our top diversion rate of 88% for the second consecutive year.



PROJECT REPURPOSE CONTEST

The submissions to our annual Project Repurpose Contest once again highlighted our employees' creativity and passion for taking things that are commonly thrown away and giving them a new "repurposed" life. Some of the most innovative submissions included a hanging earth planter made from a discarded globe and a wall mirror made from discarded audio CDs.

As an EPA WasteWise Partner, we have developed benchmark waste-generation and waste-reduction data and standardized tracking at all facilities.

DIVERTING GOODS FOR GOOD

Since 2011 Clarke's Good Earth Committee has held month-long collection drives for unused items that can be donated or recycled within the local community. Our aim is to collect much-needed and difficult-to-recycle items while also raising recycling awareness among employees. Employees have responded with such enthusiasm that we converted some of our monthly drives, which have called for crayons, eyeglasses, plastic bags, batteries and other items, into permanent, year-round collection drives for local charities or recycling initiatives. In addition, the committee continued monthly Earth Awareness Campaigns to divert other speciality items from landfill. These included:

JANUARY	324 greeting cards to St. Jude's Ranch for children
MARCH	155 pounds of blue jeans to the Solid Waste Agency of Lake County, IL's (SWALCO's) new clothing and textile recycling/reuse program
APRIL	75 shoes cards to St. Jude's Ranch for children
OCTOBER	664 books to School Community Assistance for Recycling and Composting Education (SCARCE)
NOVEMBER	17 jackets to Chicago Bears/Jewel-Osco Coat Drive
DECEMBER	2 boxes of blankets, toys and food to the Humane Society of Aurora 1 bin of holiday lights and extension cords to SCARCE

TOTAL WATER CONSUMPTION (Gallons)



YEAR	2013	2014	2015
TOTAL	306,927	416,333	446,237

Data collected from all reporting locations.

2020 GOAL

Constrain water consumption at Illinois locations to no more than proportionate allocation of available watershed

2015 PROGRESS

Work needed

PROGRESSING TO ZERO WASTE CERTIFICATION

Our 2020 goal is to have our four Illinois facilities certified as Zero Waste by the U.S. Zero Waste Business Council. Certification is site-specific and requires 90 percent diversion from landfill and incineration for non-hazardous waste. In 2015 three Clarke employees attended training to support their leadership in the implementation of measurement and disclosure systems. In addition, we engaged our Roselle, IL, employees in identifying current programs that can help move us forward and we refined data collection and metrics to help us track our progress toward 90 percent diversion.

MONITORING OPERATIONAL WATER USE
G4-EN8

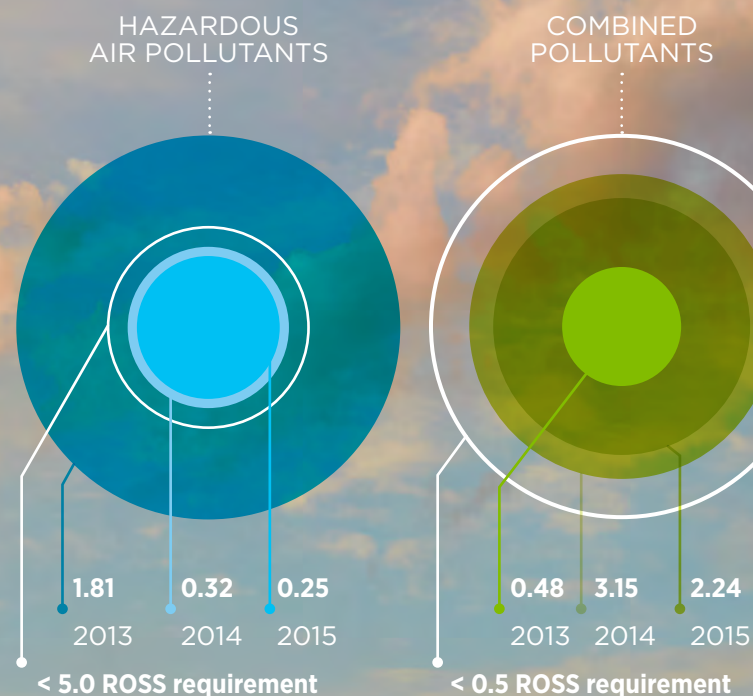
Since 2013 Clarke has been measuring water use at the facilities where data are available. In 2015 the total water consumed at these locations was just over 445,000 gallons. This represents a seven percent increase compared to 2014, primarily the result of the increased volume of work in our product development efforts at our Campus facility. Maintaining our gardens at the Campus, as well as malfunctioning fixtures at other facilities, also contributed to the increase. The Campus facility is our largest water user and, since we moved in in 2014, we have become aware of the upward trend in use. We will continue to monitor this and determine if actions are needed.

All Clarke water comes from municipal sources.

IMPROVING AIR QUALITY IN OUR CAMPUS LAB

In 2015 we redesigned the bioassay area of our Campus laboratory to address a rise in CO₂ levels, which had resulted from increased research and development activity since the labs opened in 2014. CO₂ is used during investigative work and released into the lab atmosphere. To ensure levels remained within acceptable levels, we adapted the space to include a continuous-return, low-velocity air diffuser and CO₂ sensors. Together, these ensure optimal air quality without hindering the ability of lab technicians to conduct their work.

AIR EMISSIONS (Tons)



<0.05

ROSS requirements for Mercury and Lead emissions.

0

Clarke's Mercury and Lead emissions in 2013, 2014, and 2015.

AIR EMISSIONS G4-EN15, G4-EN19, G4-EN21

Historically, Clarke has held permits with the Illinois EPA Bureau of Air for air emissions, including particulates, volatile organic materials and specific hazardous air pollutants from emissions sources at its Roselle, IL, facility. In accordance with the permit, Clarke has collected and reported emissions data from these sources. Over the course of three years (2013–2015), changes in Clarke's product lines and raw materials and upgrades to storage and process tanks qualified Clarke for the Illinois EPA's Registration of Small Sources (ROSS)

program. ROSS is designed to simplify regulatory requirements for sources with very low emissions and eliminate the need to acquire, maintain and report against air permits. The ROSS program applies to more than 3,000 permitted sources, which, combined, produce less than one percent of the air pollution in Illinois. Although not required for reporting or compliance reasons, Clarke voluntarily continues to track its emissions to ensure continued adherence to the ROSS standard and to identify positive changes in emissions performance as product lines shift and new technologies are introduced.

BIODIVERSITY DMA Biodiversity, G4-EN13

Clarke works with nature every day. As scientists and technicians in the field, we aim to protect the health of ecosystems and the rich diversity of life they support wherever we live and work. Our 2020 Next Gen goals—to generate 30 percent of Clarke's revenues from Next Gen products and services and to establish a full portfolio of OMRI-certified products in the mosquito control market—are driving innovations developed with the health and safety of people and the environment squarely in mind.

THE FLOURISHING PRAIRIE

In its second season of growth, the native prairie landscape that wraps around our Campus facility in St. Charles, IL, flourished. A vital element of an employee-envisioned workplace that fosters creativity, discovery, community partnerships and environmental stewardship, the prairie provides an ecosystem that supports a rich variety of plant, pollinator and animal life for public enjoyment. The conversion of nearly 1.5 acres of the existing turf, representing 71 percent of ground cover, back to a native prairie landscape also increased soil health and decreased rainwater run-off.



SUPPORTING OUR PEOPLE THROUGH TRAINING AND EDUCATING

DMA EDUCATION & TRAINING, G4-LA10

Through our training and education programs, we aim to equip our employees with the tools they need to perform their jobs safely and with confidence. Our programs include formal leadership and management training through the Weatherhead School of Management at Case Western Reserve University and the Management Association of Illinois as well as through our customized leadership coaching and development program called "Peak Performers."

Employees also participate in job-specific training, including safety training, computer and software skills development, and mosquito industry training through the Florida Mosquito Control Association. Our sales and aquatics teams gather at annual training and education retreats for skills training, educational updates and information sharing.

In addition, we offer tuition assistance for college courses. In 2015 two percent of our employees participated in this program and received financial assistance towards their education.



At Clarke, we are constantly amazed by the progress we are making toward our sustainability goals. We know Clarke's success is the work of our 164 year-round, and 200 seasonal, employees, and so we are intent on helping them flourish and be safe in the work they perform each day.

It is heartening to recognize that our employees genuinely embrace what they do and how they do it. We see, through their eyes and actions, that caring for the environment, communities and for each other has created a culture of common purpose. We realize that we work best when we work together, and our common purpose has us working together very well.

Our workplace culture emphasizes authenticity in our relationships with each other and within our teams. It encourages a level of employee engagement that fosters innovation and accountability. It demands an inclusive non-discriminatory ethos that celebrates diversity. It requires a daily commitment to working safely. And, most important, it invites our staff to bring their best selves to the workplace. This is the commitment Clarke continues to build and that is required to accomplish the bold 2020 goals we've set for product development, environmental efficiency and community giving.

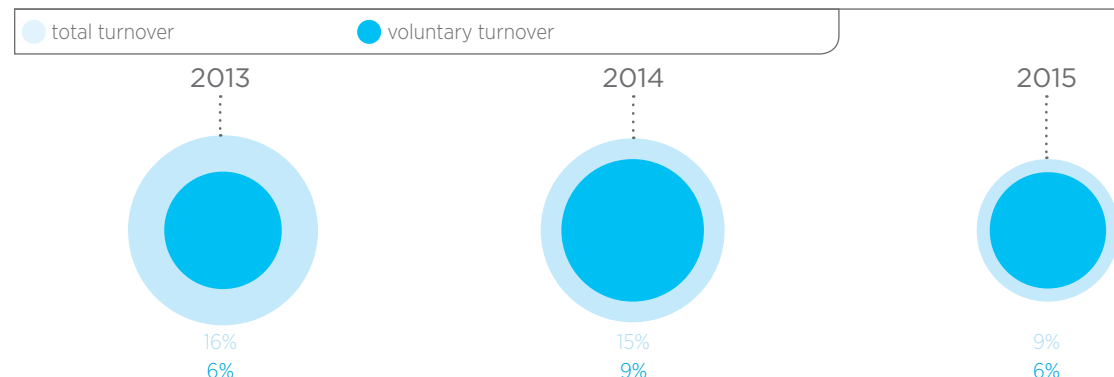
In 2015, we invested in staff, hiring scientific and technical talent for our product development and regulatory teams. We also invested in full-time staffing for our Florida aquatics operations, a shift from our previous reliance on a seasonal workforce. We have already seen this investment pay off with a reduction in staff turnover there and increased operational efficiency and service delivery.

In 2015 we set our first workplace goals to keep us on track.

2020 GOAL	2015 PROGRESS
Achieve annual employee retention rate of 95% or better	94% annual employee retention rate
Reduce Employee Health and Safety (EH&S) incident rate by 80% from 2014 baseline	56% reduction over previous year
Reduce the occurrence of injuries resulting in lost time 15% a year from 2014 baseline	58% reduction over previous year

We achieved a year-over-year employee retention rate of 94% in 2015, three percent ahead of 2014, but just shy of our goal of 95%.

EMPLOYEE TURNOVER RATE



EMPLOYEE OF THE YEAR: DAN FACHET

Throughout 2015, Dan Fachet was a rock-steady member of the team. Dan is that guy who keeps everything running on all cylinders. While Dan's official title is "mechanic," in reality, Dan is our innovative "go-to guy" and "sustainability ambassador."

Dan supports all of our mosquito control and aquatic habitat management operations throughout the United States. In 2015 Dan was instrumental in developing a system to centralize the tracking of Clarke's service fleet and equipment. Additionally, he played a key role in the design and development of a new aquatics spray system used to treat aquatic algae and shoreline invasive vegetation. This new system combines two separate pieces of equipment into a single dual-spray system, an innovation that has helped to streamline our operational processes and improves the efficiency of our field operations.

As our sustainability ambassador, Dan has had an impact on both our internal operations as well as our customers. When tasked with designing a re-usable/refillable tote for a key customer in Minnesota, Dan went above and beyond to make it happen.

Back at his home office, Dan has established relationships with vendors that facilitate the collection of electronic waste, batteries, super sacks, used oil and a variety of other items. By creatively making use of his budget dollars, Dan has turned his shop into a model of efficiency and sustainability!



REWARDING OUR PEOPLE G4-LA2

We offer employees competitive compensation and benefits. We provide healthcare benefits that offer high-quality programs at low cost to our full-time staff. Other benefits offered to our full-time workforce include a dental plan, a 401(k) retirement program and paid sick time and vacation leave. We plan to expand our benefits program in 2016 with the introduction of disability coverage for all benefits-eligible employees.

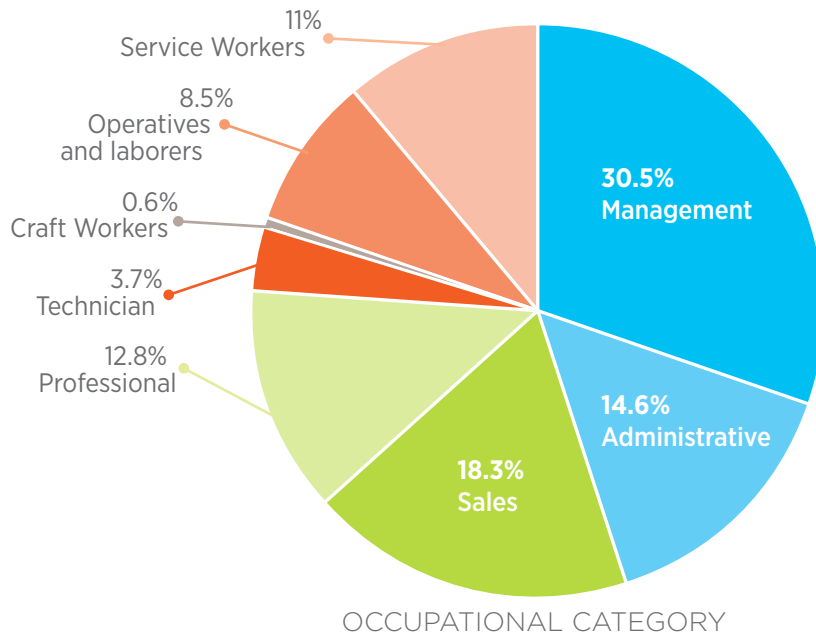
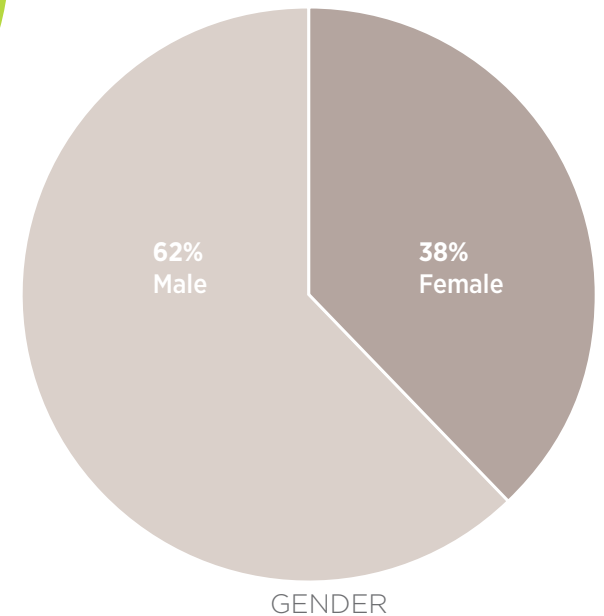
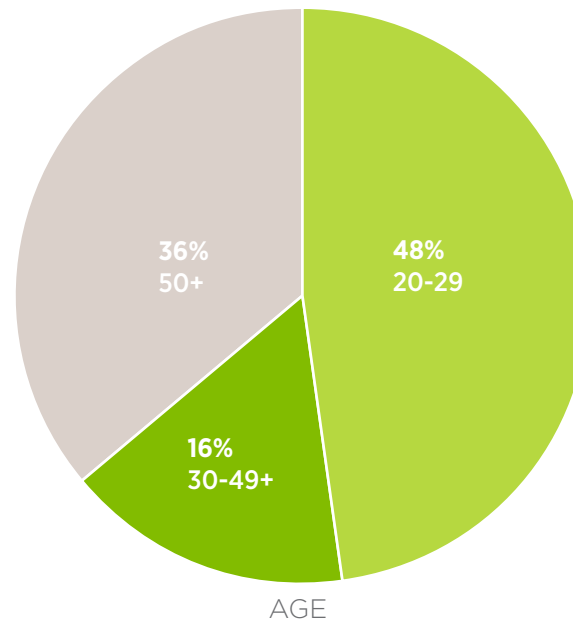
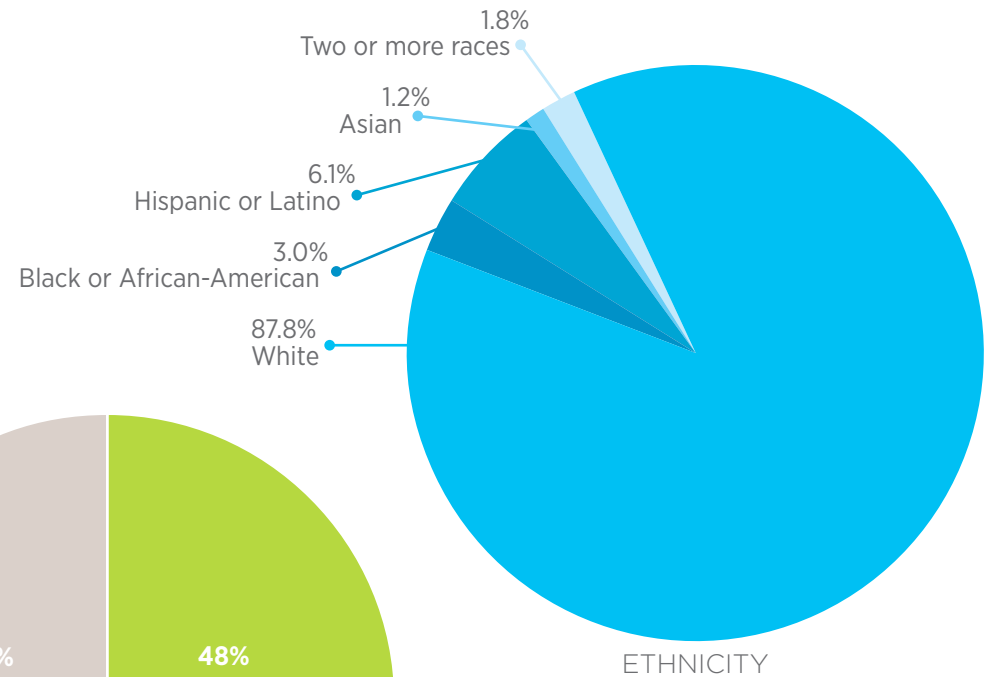
We link individual and company sustainability performance by including formal sustainability objectives in our corporate bonus program, which is available to all non-seasonal Clarke employees.

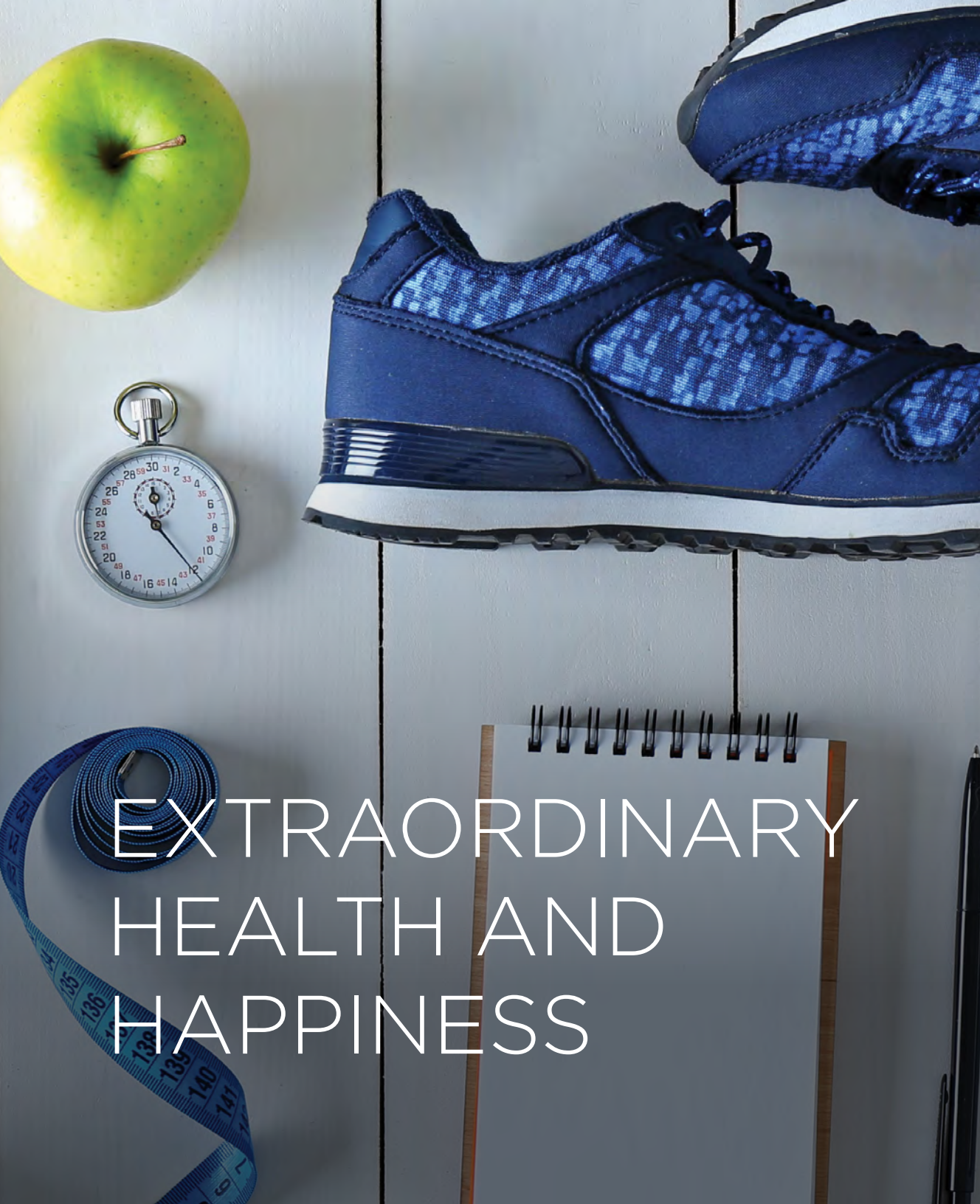
CONTRIBUTIONS

Each year at Clarke, we recognize our people for their extraordinary work. Our annual service recognition awards program gives us an opportunity to thank employees who dedicate their time, energy and spirit to our collective success. At our popular annual awards banquet (established in 2008), we recognize employees who are celebrating milestone anniversaries, and we acknowledge their contributions to Clarke's growth and success. We also honor one exceptional individual through our Employee of the Year program. Nominated by their peers, the Employee of the Year is selected on outstanding performance in customer service, commitment to sustainability, a focus on philanthropy and special achievements.

OUR PROUDEST PROUDS

In 2015 we introduced a new approach to our annual employee appraisal process. Building on the principles of Appreciative Inquiry, we augmented the traditional evaluation of an employee's performance with a strengths-based self-assessment of what we like to call "proudest prouds." By concentrating on employee-identified achievements, we aimed to change the conversation between employees and managers to create a dialogue centered on leveraging strengths into future opportunities for career contributions and growth.





Healthy minds live in healthy bodies. Clarke's Extraordinary Health & Happiness committee is focused on challenging and inspiring every Clarke employee in the pursuit of both. To advance this goal in 2015, we introduced "Wellness Warriors," local advocates who are championing wellness initiatives at all of Clarke's global locations. Our goal is to have this initiative in full swing by the end of 2016.

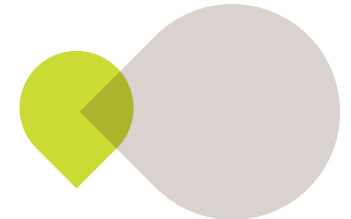


In 2015 the Extraordinary Health & Happiness committee introduced and facilitated an array of activities, including our Healthy Strides program (which uses fitness monitors), on-site blood drives and yoga classes.

WALKING OUR WAY TO WELLNESS

In its fifth year, Clarke's biometrics screening program attracted participation from 96 percent of our employees, well above our target of 90 percent. From aggregate results, we observed four major health issues among our employees in 2015: high cholesterol, high blood pressure, stress and waist circumference.

To help address these issues, Clarke rolled out its first Healthy Strides program in March 2015. Over the course of the year, we held five Healthy Strides challenges. Committed participants received incentives from Clarke, including \$50 toward the purchase of an activity monitor and gift cards. Almost half—46 percent—of our U.S. workforce participated and, as our results show, we saw significant improvements in screening scores between program participants and non-participants over the course of just six months.



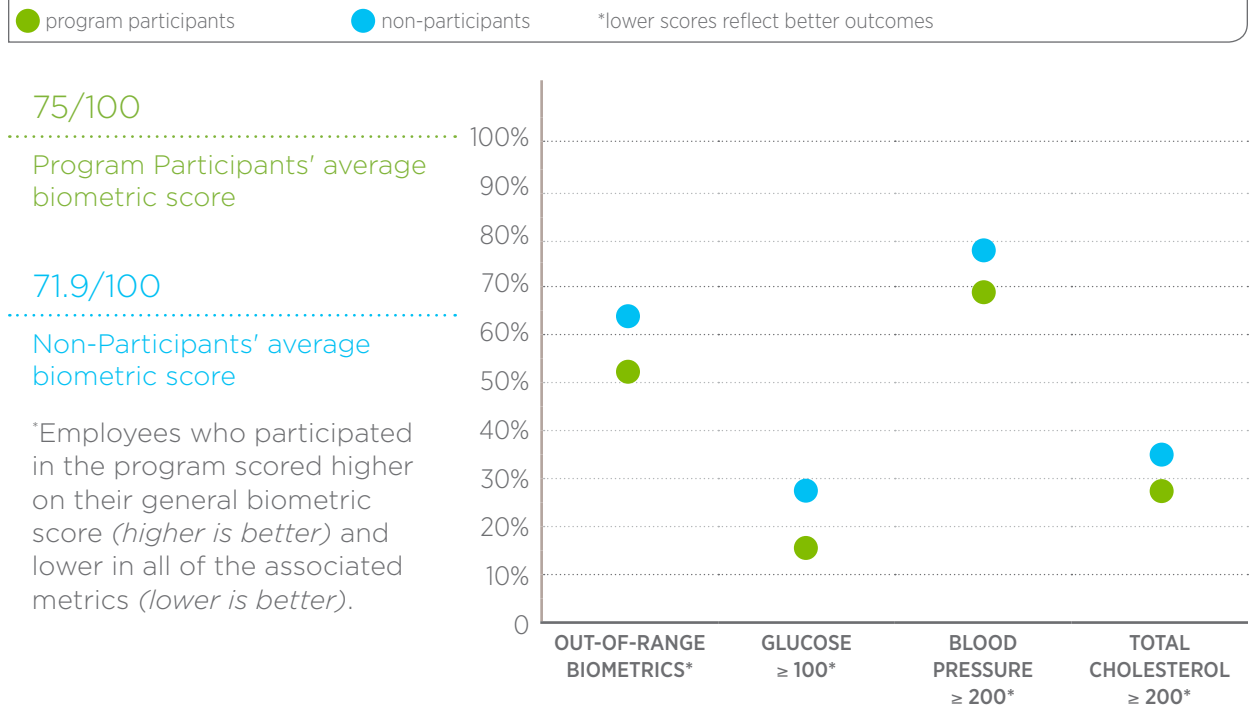
Clarke's wellness initiatives are successful because they are employee-designed and -run, and because they complement Clarke's culture.



BRINGING HEALTHY EATING TO LIFE!

Clarke introduced a Community Supported Agriculture program, providing weekly boxes of fresh-picked food from local producers to employees. Clarke subsidized half the cost of the boxes up to a total of \$250 per employee. In 2015, 35 employees participated in the program.

HEALTHY STRIDES SIX-MONTH RESULTS*



75/100

Program Participants' average biometric score

71.9/100

Non-Participants' average biometric score

*Employees who participated in the program scored higher on their general biometric score (*higher is better*) and lower in all of the associated metrics (*lower is better*).

FOOD FOR THOUGHT

The word “company” is derived from the Latin *cum panis*, meaning “with bread.” In Roman times, merchants would meet over a meal, sharing food while conducting business. Not unlike the ancient Romans, we at Clarke believe in the connection between healthy eating and productivity. We also believe that food is a great way to build camaraderie and exchange ideas among colleagues. So, in 2015, we invited local chef Lyn Scalziti to help us plan our vegetable gardens at Campus and to teach us about preparing delicious meals from scratch with vegetables many of us had never heard of before.



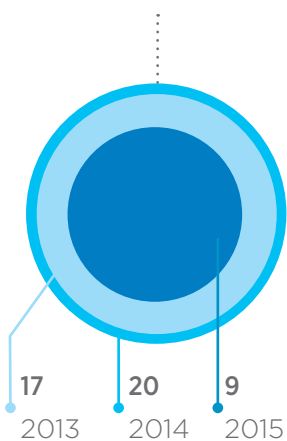
In 2015 our combined recordable injury count across all companies was 9, the first time in 20 years it had dropped to single digits.

MAKING SAFETY FIRST

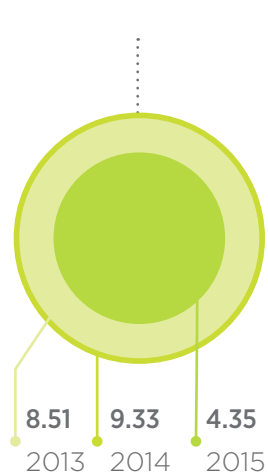
DMA OCCUPATIONAL HEALTH & SAFETY, G4-LA6

EMPLOYEE SAFETY INCIDENTS

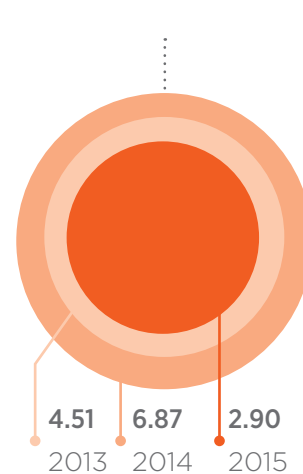
TOTAL RECORDABLE INJURIES



INCIDENCE RATE



DART



Safety in the workplace is a top priority at Clarke. We aim to create an injury-free workplace and return our employees home safe, every day. We promote workplace safety through a variety of methods. In 2015 we introduced a quarterly safety newsletter, which reviews relevant safety incidents, corrective actions and reporting, and features other work and home safety information. At weekly “tailgate talks,” supervisors discuss current and relevant safety topics. We also provide a library of safety questions and answers on Clarke’s intranet.

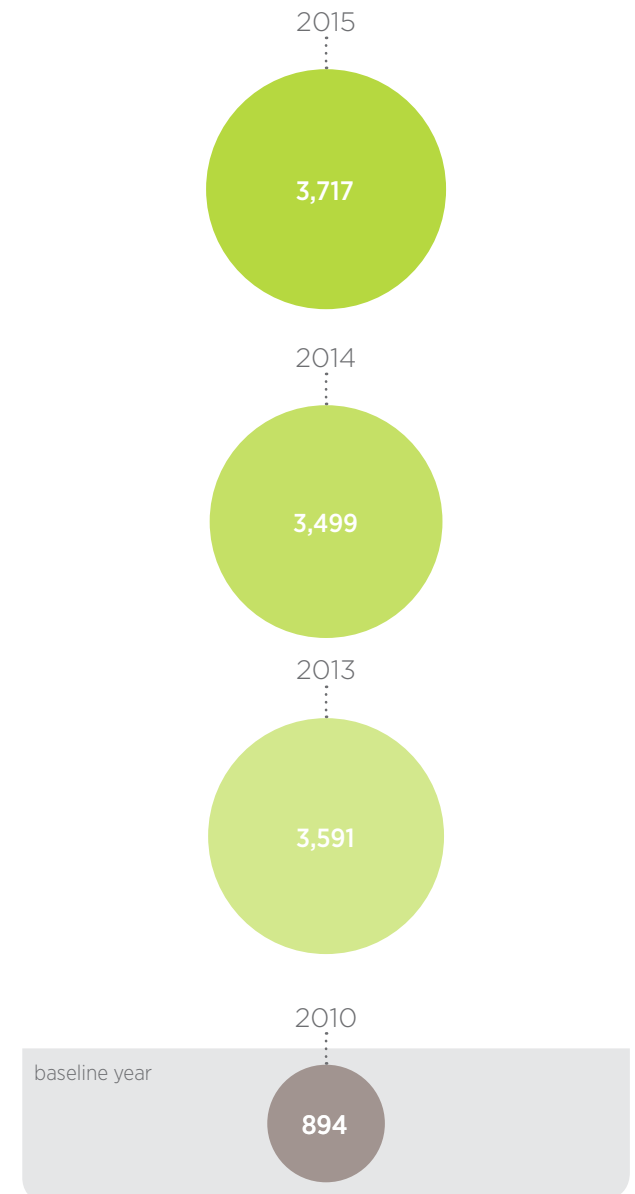
In 2015 our incident rate was 4.35, significantly below our 2014 rate of 9.33. We also achieved the lowest number of DART injuries (Days Away, Restrictions or Job Transfers) since 1994, with a rate of 2.9 in 2015 compared to 6.87 in 2014. We attribute these safety achievements to increased awareness, daily operational safety huddles, frequent communications and to keeping safety top of mind at all times.





COMMUNITIES

EMPLOYEE VOLUNTEERISM (Hours)



2020 GOAL	2015 PROGRESS
Donate 1% of annual revenue from Next Gen products to environmental causes	\$161,000 donated to 7 environmental projects
Donate average of 10 hours of volunteer time per full-time employee per year	3,717 volunteer hours, valued at \$110,918—an average of 17 hours per full-time employee
100% employee engagement in volunteer activities	100% engagement

COMMUNITIES

Giving back to the communities in which we operate is the essence of Clarke, and volunteerism is an essential component of our commitment. We believe that volunteering doesn't just benefit the organizations and communities we support, but that it also benefits our employees and our company. Studies have shown that employees who volunteer are more motivated and productive and have higher levels of job satisfaction. This, in turn, translates into higher employee retention rates.

In 2015 we introduced three new goals to underpin our commitment, and we are proud to report we achieved each one of them!

MAKING GIVING SECOND NATURE

Clarke's social responsibility initiatives are employee-driven, take place locally and also span the globe. We support our employees' efforts through our volunteerism policy. Employees are offered up to 20 hours a year

of paid work time in order to participate in volunteer activities that enhance and serve the communities in which we live and work.

We also encourage employees to contribute to the causes they care about through our "Matching Gifts" program. Clarke matches employee contributions of \$25 or more to qualified organizations to a maximum of \$50 per employee per calendar year. In addition, we support up to five employee-sponsored fundraising drives each year. Through these, individual employees commit to match 50 percent of the contributions of fellow employees to a maximum of \$500, with the company making an equivalent contribution.

In 2015 we put more emphasis on tracking volunteer activities by gathering information through our payroll system and through an employee-run email campaign. The latter revealed that Clarke employees support a diverse range of activities including coaching children's sports teams, acting as "holiday helpers" and participating in church activities.

One of our employees even provided dance lessons in support of a local animal shelter's fundraising gala. In 2015 Clarke employees contributed 3,717 hours of paid time to volunteer in the community, the equivalent value of \$110,918 of payroll.

We understand that volunteering isn't second nature for everyone and that sometimes people need encouragement to offer their time. So in 2015, we were gratified to reach our goal of 100 percent volunteer participation by putting special emphasis on helping hesitant employees find an organization where they could donate their time and talents.

100

Percentage of Clarke employees who volunteered in 2015.

CLARKE DAY OF CARING

On July 21, 2015, we were thrilled to have 236 employees help to give back to the communities in which we serve during our fourth annual Day of Caring. On this day, Clarke contributed 1,931 volunteer hours at 18 locations across five countries. To enhance the connections across teams, the members of our St. Charles IL-based executive team branched out to support the activities of volunteer groups in 10 different states.

The wide variety of volunteer activities once again had considerable impact, with employees cleaning up parks and recreational areas, sprucing up grounds at community centers, painting playground equipment, and supporting wildlife recovery and conservation efforts.

VOLUNTEER APPRECIATION CELEBRATION

Clarke employees were honored by the DuPage County Forest Preserve at its annual Volunteer Appreciation Celebration where Clarke's Day of Caring was recognized as one of the Forest Preserve's largest-ever one-day volunteer event.

CARING YEAR ROUND, LOCALLY AND GLOBALLY

In addition to our Day of Caring, Clarke employees took part in more than three dozen volunteer initiatives in 2015. We are discovering that often these local volunteer engagements double as great team-building opportunities. For example, employees from across the United States who were attending our annual national sales meeting in St. Charles, IL, in December 2015 were joined by our customer care team and other Clarke employees for a morning of volunteering at the Northern Illinois Food Bank. Working together, they packed 7,258 pounds of soup and 21,600 pounds of bananas, and prepared the equivalent of 24,131 meals. In 2015 we also established our first partnership with Junior Achievement, the result of employee interest in supporting local education. Thirteen Clarke employees spent a half-day at Anderson Elementary School in St. Charles, IL, teaching global life skills that included lessons in financial literacy and community engagement.

We also began a partnership with St. Charles High School to raise awareness of career opportunities in STEM (science, technology, engineering and mathematics) subjects. In April, as part of the school's annual STEM field trip, Clarke scientists hosted a Campus tour and presented lessons on sustainability, biology, entomology and chemistry to the school's advanced placement environmental science class. Given the critical role that STEM expertise plays in U.S. competitiveness and Clarke's success, our aim is to develop a long-term, multi-faceted partnership with the schools in our communities.



Clarke employees contributed more than 1,900 volunteer hours at 18 locations in the United States, Mexico, Brazil, India and Australia during our annual Day of Caring.

Throughout the year, we supported the following organizations:

United States

Boy Scouts of America, Illinois

Salvation Army, Illinois

Food for Kids Backpack Program, Florida

Toys for Tots, Illinois

Bon Secour National Wildlife
Refuge, Alabama

American River Parkway, California

City of Encinitas Park and
Recreation, California

City of Clearwater, Florida

Fort Myers Food Bank, Florida

Leesberg Humane Society, Florida

Ocean Inlet Park Beach, Florida

St. Cloud Food Pantry, Florida

Second Harvest Food Bank, Florida

Village of Wellington, Florida

Water Works Environmental Education
Center, Florida

Ben Hill Park/Community Recreation
Center, Georgia

Anderson Animal Shelter, Illinois

Cinderella's Closet, Illinois

Conservation Foundation — Adopt a Stream
program, Illinois

Feed My Starving Children, Illinois

Humanitarian Service Project, Illinois

Junior Achievement, Illinois

Kane County Adopt a Highway
program, Illinois

Les Arends Forest Preserve, Illinois

Northern Illinois Food Bank, Illinois

Phil's Friends, Illinois

St. James Farm Forest Preserve,
DuPage County, Illinois

Schools & Community Assistance for
Recycling and Composting Education
(SCARCE), Illinois

Spring Valley Nature Center, Illinois

Village of Fairdale, Illinois

Village of Lombard Pride Clean Up Day,
Illinois

Walter and Connie Payton Foundation, Illinois

Snake River, Idaho

Reston Association, Virginia

The Nature Conservatory Virginia Coast
Reserve, Virginia

International

Glass House Mountains National
Park, Australia

Xixova Japui State Park, Brazil

Guadalajara State Park, Mexico

In 2015 we were honored to receive a letter of thanks from President Jimmy Carter, recognizing Clarke's contribution of mosquito nets to fight malaria and lymphatic filariasis.



JIMMY CARTER

July 8, 2016

To Dr. Lyell Clarke

Rosalynn joins me in thanking you for Clarke Mosquito Control's continued generosity and partnership. The recent shipment of 27,500 DuraNet LLINs for Nigeria will provide families protection from both malaria and lymphatic filariasis in communities long suffering from these preventable diseases. We will encourage the care for these nets and vigilant use of them to continue the battle against the anopheles mosquito.

With best wishes,

Sincerely,

CHANGING THE WORLD, 27,500 MOSQUITO NETS AT A TIME

In September 2015, Clarke, in partnership with The Clarke Cares Foundation and The Carter Center, hosted the fifth annual Swing for Nets golf tournament to raise funds for bed nets that protect people from malaria and lymphatic filariasis in communities in Nigeria. Not even rainy weather could put a damper on the generous support of the 145 golfers, 52 sponsors and 25 Clarke volunteers who turned out for our annual fundraiser.

With a commitment from Clarke to match donations, the event raised enough funds to provide 27,500 life-saving mosquito nets to protect almost 68,000 people from the devastating effects of these mosquito-borne diseases. Since the program's inception in 2009, Clarke has donated enough nets to protect more than 325,000 lives.

APPLYING NEXT GEN PROFITS FOR SUSTAINABLE IMPACT

In 2015 Clarke employees selected seven not-for-profit organizations as inaugural grant recipients under Clarke's new One for Tomorrow philanthropic program. The program was created by Clarke employees,

who not only wanted to recognize and support like-minded environmental non-profit organizations but who also wanted to demonstrate that small- and medium-sized companies can make a meaningful difference in the world.

Under the program, one percent of annual revenues from Clarke's Next Gen products and services is allocated to funding seven One for Tomorrow awards. The awards are presented to organizations that are striving to restore and/or preserve the environment, wildlife and/or food production in each of our sales regions. Grant recipients were selected by our employees from a shortlist of nominations. A total of \$161,000 (or \$23,000 to each organization) was distributed in early 2016. The recipient organizations were:

- American River Parkway Foundation
- Fossil Rim Wildlife Center
- Busch Wildlife Sanctuary
- Nature Conservancy—Virginia Reserve
- Illinois Prairie Path
- Muktanagan, Paragon Charitable Trust (India)
- Clean Up Australia



COUNTDOWN TO ZERO: DEFEATING DISEASE

In 2015 "Countdown to Zero: Defeating Disease" opened at New York's American Museum of Natural History. The exhibit was developed in collaboration with the Carter Center and showcases global efforts that have helped contain, eliminate or eradicate debilitating diseases, including those that are mosquito-borne. The Clarke Cares Foundation was honored to be included in the exhibit. In 2015 five million museum visitors had the opportunity to view the exhibit, which has been extended until early 2017.

We would like to thank the following individuals and organizations who have (either directly or by serving as a reference point for benchmarking purposes) inspired us, educated us, and worked with us in our efforts toward becoming a company with greater purpose.

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