



HOW MIGHT WE?

Clarke's 2016 Sustainability Report



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Notes on This Report

Some headings in this report have a series of letter-number designations after them, as below:

WHAT WE DO
G4-3, G4-4, G4-5, G4-6, G4-7,
G4-8, G4-9

These designations refer to the Global Reporting Initiative (GRI) G4 Guidelines for the topics discussed in the section.

To learn more about the GRI and the indicators referenced, see About This Report or visit www.globalreporting.org.

From Our President and CEO

How might we?

In 2016, this simple question was the catalyst for innovation throughout all aspects of our business. Introduced to us by Dr. David Cooperrider at our Appreciative Inquiry Summit, the question inspires curiosity, a sense of possibility, and an invitation for inclusiveness. It elevates our capabilities to aspiration.

Early in 2016, as we broke ground on our future operations center, this sense of elevation had us rethinking the environmental goals for our facilities. Our new facility would be designed not just to reduce our environmental impact, it would be designed to be regenerative — restoring the landscape and designed to generate more energy than it consumes.

In February, when we convened a three day Summit of employees, customers, suppliers, partners, and members of our community, this sense of How Might We helped us to leverage our strengths to envision and then create actionable initiatives to enable Clarke as an agent of world public health and a leader in aquatic habitat management.

When one of our product formulations in development failed to perform in field testing, our Product Delivery Team used the power of How Might We to quickly brainstorm a solution and to identify a successful and highly effective formulation that would be registered and available to the U.S. market by late 2017.

With this sense of How Might We, our aquatic teams collaborated with key partners to mitigate the spread of invasive vegetation and help to improve marshland habitat conditions within the Chicago Park District.

Later in 2016, when we were called on to aid the communities of Miami Dade Florida in responding to the outbreak of the Zika Virus, How Might We empowered our entire organization as we deployed a team of rapid responders, created innovative operational protocols, provided guidance to our County partners, and ultimately, stopped local transmission of this devastating disease.

The stories of this most amazing year are detailed within this, our seventh, Sustainability Report.

As always, I wish to thank the Clarke employees who work every day to elevate our capabilities and our customers, suppliers and partners who work with us and who support our efforts to make communities more livable, safe and comfortable.

J. Lyell Clarke,
President and CEO



WHAT WE DO

G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-9

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 and environmentally responsible mosquito control and aquatic services and products available. Our customers include governments, commercial and residential groups, and international ministries of health.

Clarke has 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.



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.

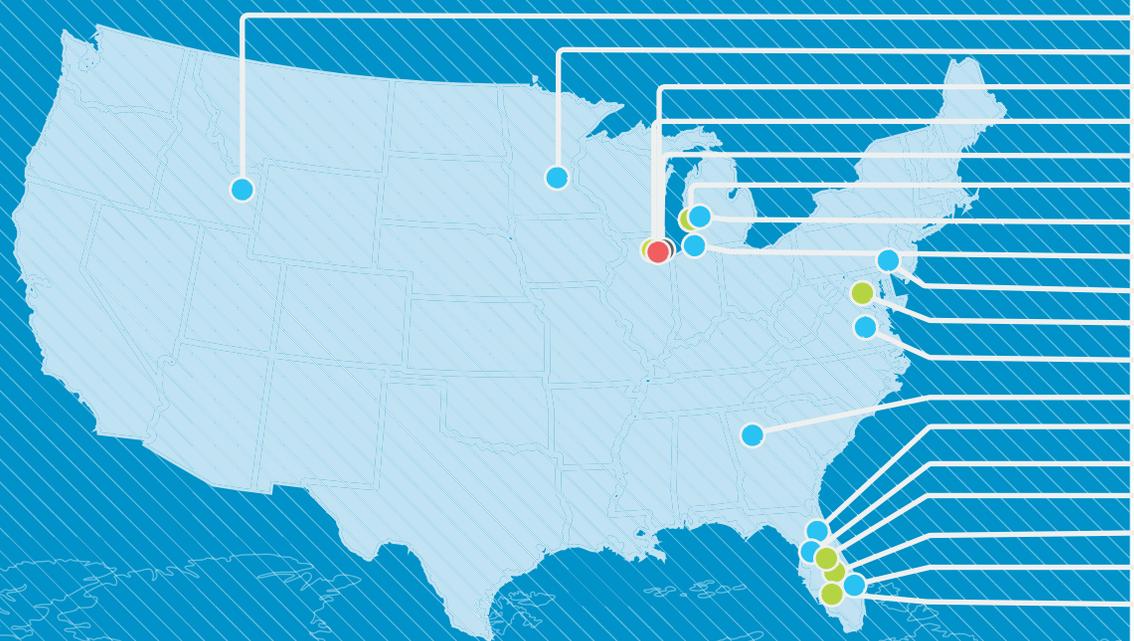


Pacific Biologics, Pty. LTD distributes public health mosquito control and animal health products in Australia, New Zealand and the Pacific Islands.

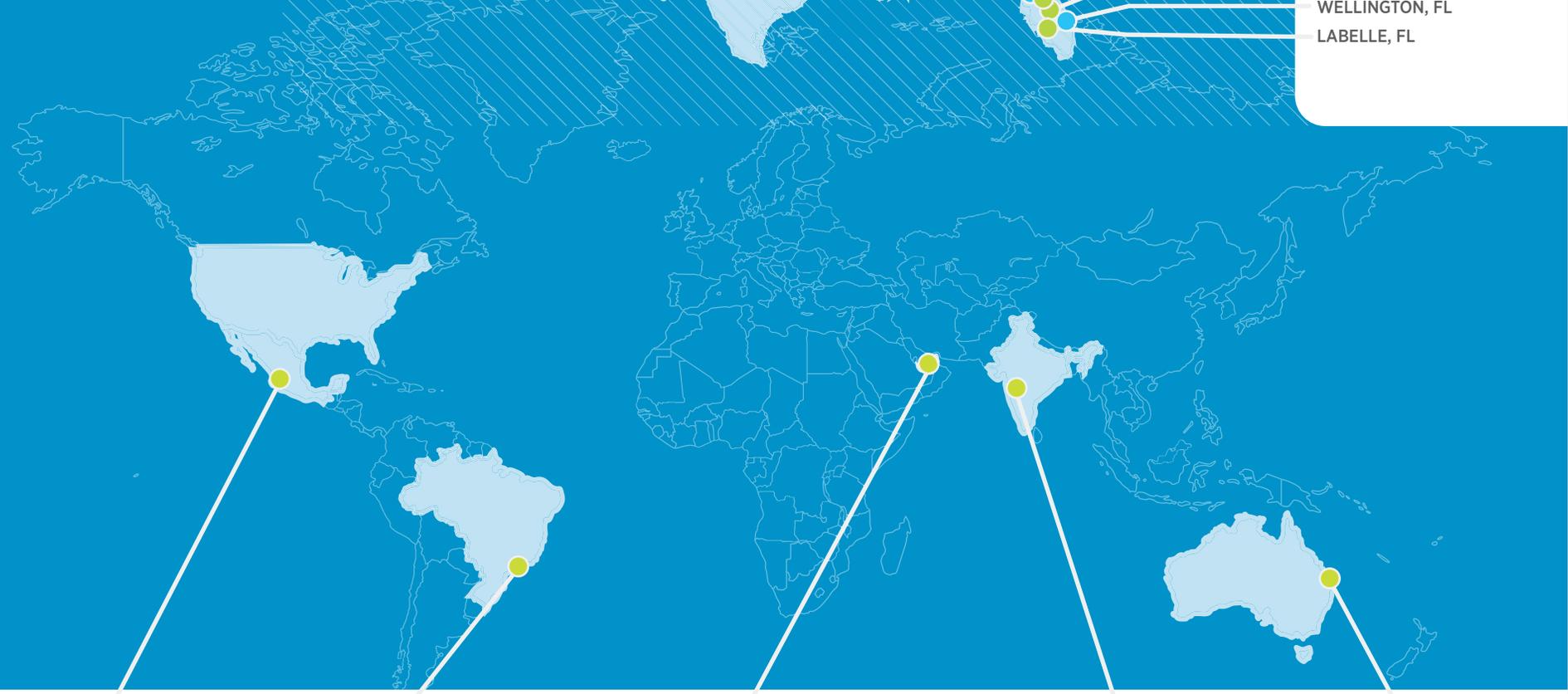
OUR OFFICES

KEY

- HEADQUARTERS
- MANUFACTURING
- REGIONAL OFFICE
- SATELLITE OFFICE



- RIGBY, ID
- CLEARWATER, MN
- ST. CHARLES, IL
- ROSELLE, IL
- SCHAUMBURG, IL
- SPRING LAKE, MI
- NUNCIA, MI
- NILES, MI
- HOLMES, PA
- MANASSAS, VA
- RICHMOND, VA
- ATLANTA, GA
- PUTNAM, FL
- LEESBURG, FL
- KISSIMMEE, FL
- FT. MYERS, FL
- WELLINGTON, FL
- LABELLE, FL



- GUADALAJARA, MEXICO
- SAO PAULO, BRAZIL
- DUBAI, UNITED ARAB EMIRATES
- MAHARASHTRA, INDIA
- BRISBANE, AUSTRALIA

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.

MISSION,
VISION,
AND VALUES

Our Mission

Together, we help make communities around the world become *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 Cares Foundation;
- Living our mission through our words and actions;
- Supporting our customers, partners and each other in this endeavor, and inspiring others to join us.

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.

2016 ACHIEVEMENT HIGHLIGHTS

CLARKE+

220 Clarke employees and external stakeholders engaged at Clarke+, an appreciative inquiry summit.

11 new Strategic Opportunity Areas

ZIKA

250,000+ SITEGuard™ inspections during Zika crisis

162 new seasonal hires during Zika crisis

OFFERINGS

10+ product projects evaluated through Clarke's Product Delivery Roadmap

19% of total revenue derived from NextGen products

GLOBAL MARKETS

53 product registrations completed

AQUATICS SERVICES

148 Aquatic team volunteer hours at St.Cloud Food Pantry during annual team training

PEOPLE

100% Employer-paid short- and long-term disability coverage for benefits-eligible employees

EXTRAORDINARY HEALTH & HAPPINESS

95% participation rate in Wellness Screening Program

2,789,000 Collective steps walked during Step Up to The Plate walking challenge

OPERATIONS

17,000 Kwh (approximately) returned to the St. Charles power grid

60% recovery rate for bulk product packaging

PERFORMANCE UPDATE

In 2015 Clarke established a set of ambitious goals to be achieved by 2020. These goals influence every aspect of our business, from our service definition and operational protocols, our product development efforts, our supply chain management and our facilities to the well-being and happiness of our employees and our engagement in the communities we serve.



COMMUNITY

\$89,000 value of Clarke employee volunteer hours

177 Clarke employees participated in 2016 Day of Caring

5 years Clarke has given back to the community through Day of Caring

OUTREACH

1 new event, the Kentucky Derby Party, to broaden the reach of our Clarke Cares Foundation

2020 GOAL

2016 PROGRESS

OFFERINGS

Generate 30% of revenue from Next Gen products and services	19% 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: 10 OMRI Listed® products

PEOPLE

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	No change from baseline year
Reduce occurrence of injuries resulting in lost time by 15% a year	Not achieved

ENERGY

Source 10% of total electricity from on-site renewable energy (solar or wind)	12.3% sourced from on-site renewable energy
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2020 GOAL

2016 PROGRESS

WASTE

Reduce total waste by 25% compared to 2014 baseline	8.9% increase
Reach 90% repurpose/recycle rate company-wide	79.7% repurpose/recycle rate
Achieve Zero Waste certification at four Illinois locations	In progress
Reduce downstream waste impacts by 5% compared to 2014 baseline	Work needed

WATER

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

Donate 1% of annual revenue from Next Gen products to environmental causes	Achieved
Donate average of 10 hours of volunteer time per full-time employee per year	3,029 volunteer hours, valued at \$89,000 an average of 14 hours per full-time employee
100% employee engagement in volunteer activities	95% engagement



AN INTERVIEW WITH LYELL CLARKE

2016 was a busy year at Clarke. We asked Lyell Clarke, our president and CEO, to help us unpack it.

In 2016, Clarke held its second Clarke+ Appreciative Inquiry (AI) Summit: Bigger, Braver, Bolder. How does AI help Clarke navigate its future?

At Clarke+ we had our employees and 70 outside stakeholders — our customers and suppliers — together for two-and-a-half days to help us dream about the future.

One way it helps is that we build deeper relationships with the customers who participate in the AI process. They view you differently. The relationship becomes a true partnership. In fact, following our 2016 AI Summit, one of our largest customers invited a Clarke team to their facilities for two days to share stories about their own sustainability efforts and to brainstorm about employee recruiting and other issues. We also developed an exclusive agreement with a supplier from Brazil to bring a new piece of equipment to the United States that will be effective for Zika control. And we've created a long-term relationship with an

agribusiness supplier in India to manufacture and supply product for us.

Clarke+ also engages our employees. They have a voice in the future of the company. And now they are leading the process to integrate the opportunities we've identified and ensure that things get completed. A particular highlight for me was seeing the passion of our aquatic services team. This team of more than 25 employees are designing and implementing initiatives that support their dream of becoming the national leader in their field.

Can you explain more about this phrase "How Might We?"

This is a simple and incredibly powerful phrase that has become embedded in our daily conversations. Where once we might have approached challenges by asking, "How

did this happen?" or "What can be done?", the question "How might we?" fosters a sense of possibility and an invitation to participate in the conversation. Our product development team is galvanized around the question "How might we bring products to market faster?" We're asking, "How might we be a voice of this industry in Washington, with the EPA, the Centers for Disease Control and Prevention and within our own industry association so that the guidelines for public health provide for environmentally safe products while not overburdening the industry?"

How did Clarke+ impact your response to the emergence of the Zika virus?

Clarke+ activated the passion and energies of our entire work force! We didn't know in February 2016 the impact Zika would have.

EMBEDDED SUSTAINABILITY: OUR THIRD SUSTAINABILITY AWARD

From the outset of Clarke's sustainability journey, we sought to evaluate every business decision we made through a sustainability lens.

In November 2016, and as evidence of the progress we have made in this pursuit, Clarke received its third Illinois Governor's Sustainability Award.

Since 1987, the Illinois Sustainable Technology Center, a division of the Prairie Research Institute at the

University of Illinois at Urbana-Champaign, has presented the Governor's Sustainability Awards to organizations in Illinois that have demonstrated a commitment to environmental excellence through outstanding and innovative sustainability practices. Clarke was among 25 companies

and organizations honored for their significant achievements in energy efficiency, waste reduction, pollution prevention and environmental programming. Our recognition was based on our 2015 progress in on-site renewable energy, carbon reduction, energy

efficiency, as well as our work in advancing transparency and disclosure in the community through our philanthropic support of non-profit organizations.



But during Clarke+, we talked about being bigger, braver and bolder, becoming a voice for our industry, and being an agent of public health. When we were called upon to respond to Zika, the whole organization — every functional group of this company from HR, operations and sales to manufacturing, our international group and IT — was ready to answer the call to serve our communities in a bigger, braver, bolder way.

You've also talked about the idea of the "Flourishing Enterprise." What is that?

First, it's a work in progress, and second, it's hard to define. I talk about it in terms of creating an environment where the whole person can come to work, an environment where innovation comes from every corner of the organization and all employees are empowered to ask, "How Might We?"

“ ‘How might we?’ fosters a sense of possibility and an invitation to participate in the conversation.

It's also about a feeling: I feel good about this organization, I feel good about myself. I feel safe. I feel safe to innovate. I feel safe that I will be nurtured, guided and challenged to grow as a person and to grow in my career.

Flourishing is an evolution that builds on the foundational work of sustainability. It's moving beyond conservation, and beyond reduction, to regeneration. With sustainability thinking embedded in this organization, our projects are bigger, bolder, braver and more focused on the long term. For example, construction is under way at our new service and distribution center

in Roselle, IL. Dubbed "The Flourishing Garden," this facility is designed to create more energy than it uses. At our CFO's recommendation, we will increase our electricity capacity there to ensure that we'll be ready for a future when 90 percent of our service work is done with all-electric vehicles. This is the type of big project that will support our efforts to bring about full-spectrum flourishing.

You've developed a "vivid vision." What was the impetus for that and what does it look like?

The work we did in 2016 on the Zika response effort created a shift in this organization. The world, our industry and the general public realized how important mosquito control is to public health. And we had a renewed sense of pride within our organization, knowing that

we were providing a critical public health service. Through our efforts, we helped stop local transmission of Zika in Miami-Dade, Florida.

With that in mind, my vivid vision is that in 2021, when Clarke is 75 years old, we are no longer an environmental products and service company. Instead, we are a confident and flourishing public health company. Our knowledgeable environmental scientists are in demand helping our customers use our products more efficiently. Our product delivery team is second to none. We are a national leader in aquatic habitat management. And we operate state-of-the-art manufacturing facilities and are introducing cradle-to-cradle packaging. In my vivid vision, Clarke is an inspiring model of what a flourishing public health organization can be.



Since 2012, Clarke has adopted Appreciative Inquiry (AI), a strengths-based, stakeholder-inclusive approach to organizational change management and strategic planning. Pioneered by Dr. David Cooperrider and Dr. Donald Fry at Case Western Reserve University Weatherhead School of Management, AI is a methodology based on inquiry into the best of what exists. It works within an organization in order to envision a future that might be, while engaging the whole system and inviting the participation of employees, customers, suppliers, community members, regulatory bodies and other stakeholders.

HOW MIGHT WE? ENGAGING OUR COLLECTIVE STRENGTHS G4-26

With that simple, and incredibly powerful, question in mind, in 2016 we invited our employees and key stakeholders to engage at our second Clarke+ Appreciative Inquiry Summit.

While our first Summit, held in 2012, centered on accelerating our efforts to become a more sustainable enterprise, the focus of our 2016 Summit reflected our ambition to evolve from being “simply sustainable” to fostering a fully flourishing enterprise.

In February we came together with our 150 employees and 70 external stakeholders (customers, suppliers, key partners, members of the community and students from the local high school) to discover our collective strengths and to leverage those strengths in igniting our passion and imagination to realize a prosperous and flourishing world. We came together to imagine a Bigger, Braver, Bolder Clarke!

The Opportunity Areas, projects and initiatives inspired by our 2016 Summit reflect the powerful benefits of engaging our full spectrum of stakeholders:

- Our aspirations to create a Culture of Euphoric Engagement and to bring

The Heart of Clarke to the world have led to the development of new programs that more fully (and euphorically) engage our employees through new onboarding programs, an internal social media platform and the reintroduction of a biannual employee engagement survey.

- The Opportunity Areas Exceptional Customer Brand Experience and Clarke Knowledge Center inspired the development of a set of online tools and videos to better serve our customers and professionals within our industry.
- And the notion of creating a Movement of Social Generosity has contributed to enhancing our philanthropic efforts and expanding our outreach programs, thus fostering greater awareness and involvement on the part of our external partners and members of our communities.

The Power of Appreciative Inquiry

Perhaps the most profound examples of the power of our quadrennial Appreciative Inquiry Summit have been reflected in our aspirations to become a Voice for Our Industry and to be an Agent of World Health Benefit.

At the time of the Summit, Clarke was just becoming aware of the then little-known Zika virus and its effects on the health of unborn children in Brazil.

During the Summit, one of our external stakeholders, a supply chain partner from an equipment manufacturer in São Paulo, Brazil, made an emotional appeal, asking us to develop a suite of products, services and educational materials to help communities control this devastating disease.

This call to serve energized our work during the three-day event and created a foundation of innovation and partnership that would enable us to respond in dramatic fashion, later in the year, when it was discovered that the Zika virus was being locally transmitted in southern Florida.

We describe our Zika emergency response efforts in the case study on page 9 and provide more information about the Opportunity Areas and programs inspired by our 2016 Appreciative Inquiry Summit throughout this report. Indeed, as we reflect on our achievements in 2016, we can trace the origins of our heightened capabilities — and passions — back to the engagement of our employees and external partners at our 2016 Appreciative Inquiry Summit.



Flourishing Enterprise is about people being inspired every day and bringing their whole selves to work; it's about innovation arising from everywhere; and it's about realizing the remarkable relationship value with stakeholders — customers, employees, communities and the biosphere — to create unprecedented, enduring business advantage.

DAVID COOPERRIDER,
WEATHERHEAD
SCHOOL
OF MANAGEMENT,
CASE WESTERN
RESERVE UNIVERSITY



**CLARKE+
OPPORTUNITY AREAS**

- Agent of World Health Benefit
- Clarke Knowledge Center
- Culture of Euphoric Engagement
- Exceptional Customer Brand Experience

- Guiding Principles
- The Heart of Clarke
- International Market Opportunity
- Movement of Social Generosity
- National Leader in Aquatic Habitat Management

- Pervasive Innovation
- Voice for Our Industry

Our stakeholders provide us with valuable feedback and input to help us determine what business and sustainability priorities we should focus on.

For more on our stakeholders and the ways in which we engage with them, please see the GRI Index at www.clarke.com.



CASE STUDY: ZIKA PARTNERING IN PUBLIC HEALTH INNOVATION

In 2016 Zika landed in the continental United States. *Aedes aegypti*, the mosquito species that carries Zika, is referred to as a “container breeder” because it can breed in as little as a bottle cap of water. *Aedes aegypti* mosquitoes also like to live near people, have a short flight radius and are active during the day.

The Zika virus is also different from other mosquito-borne viruses because it infects in multiple ways: through the usual mosquito-to-human route, from infected human to mosquito, from human to human via blood transfusion, from mother to baby in utero and through sexual transmission.

In 2016 in the United States, there were 2,017 domestically acquired cases of Zika and 4,682 imported cases. Of these, 1,292 were pregnancy cases. Of 875 births, 36 babies were born with defects. Five died.

For nearly the entirety of 2016, Zika occupied the best of Clarke's minds and hearts as we contributed our expertise in mosquito management through innovation, partnerships and our passion to serve. Inspired by a call to serve and empowered by the question, “How Might We?”, innovation came from every area of the organization.

For the first time in U.S. history, the Centers for Disease Control and Prevention issued a travel advisory for an American city. Zika was the cause.

We worked closely and tirelessly with Miami-Dade County and the U.S. Centers for Disease Control and Prevention (CDC) officials as a trusted crisis management partner. Together, we developed and rolled out new Zika control protocols and collaborated

with communications teams in bringing in medical, toxicology and public health experts who provided measured and reasoned science-based statements to allay public fears.

We developed SITEGuard™, an industry-first service protocol to supplement Miami-Dade's traditional surveillance and control measures to complement traditional aerial applications.

We partnered with Miami-Dade's Mosquito Control department to anticipate and plan for the increased staff needed to conduct door-to-door inspections and provide resident education. In just 43 days, this work force grew by 162, from 12 to 174 employees onboarded and trained in compliance and operational capabilities. For more than 12 weeks at the peak of the response, we were deploying 45 two-person crews, seven days a week, into the affected areas of the community. These crews represented a multilingual “boots-on-the-ground” Zika eradication work force, which, by the end of 2016, had inspected more than a quarter-million residential sites.

We seamlessly mobilized and deployed resources in Florida — staff, equipment, products and vehicles, including a former



Massachusetts police bus that was retrofitted into a Clarke-branded mobile lab and command center (minus the jail cell!) — while maintaining our existing business and operations throughout the United States.

We collaborated with Dynamic Aviation and Valent Biosciences to configure solutions for aerial mosquito larvicide treatments, and then worked with Horschell Brothers Precision, LLC, to

adapt its Buffalo Turbine spray equipment for discrete, ground liquid larvicide treatments that effectively reached cryptic breeding sites throughout urban residential, retail and commercial neighborhoods.

We were contracted by the Florida Department of Health to place and monitor a new mosquito trap and worked with the CDC to ensure effective deployment and monitoring.

We configured our proprietary, hand-held Prius service and application data capture technology to monitor and collect data and deliver unprecedented web-based, real-time progress reports to our partners.

We launched a Zika portal on our website to provide customers and health officials with quick access to tools and information that address public questions and concerns about Zika.

In short, through partnerships with others and within Clarke, we hit our organizational stride as a united, national response team working together in support of our mission to make communities around the world more livable, safe and comfortable. We had become an Agent of World Health Benefit, providing a Voice for Our Industry and bringing The Heart of Clarke to the world!

OUR PROUDEST PROUDS

Early in 2017, in preparation for this report, we asked our employees to tell us about their “Proudest Prouds” from 2016. Our Proudest Prouds are testimonies to the spirit of Clarke and to our individual and collective strengths. They are also a celebration of the successes, both big and small, that we’ve achieved as we’ve worked toward our common goals.

Our employees responded enthusiastically, sharing their highlights of life at Clarke in 2016. Our Proudest Proud is that their responses reflect both the big stories — Clarke+ and Zika — as well as the variety of programs that we think make Clarke an extraordinary place to work.

“Through synchronized teamwork, Clarke upheld our integrity, passion and innovation during an emergency that created a **paradigm shift** in the mosquito control industry.”

DARRELL BAGIOTTI
OPERATIONS



“Successfully deploying over 400 In2Care/ biological control traps into Miami-Dade County Zika hot-spot zones and **educating Miami-Dade County residents on prevention** methods against the Zika virus.”

ELISABETH TORRENS
ZIKA RESPONSE FIELD
SUPERVISOR, MIAMI FL



“Being **invited to the White House** to provide an inside-the-industry perspective on the Zika challenge and the resources needed for ample and prompt response.”

KAREN LARSON
VICE PRESIDENT,
REGULATORY
AFFAIRS,
ST. CHARLES, IL

“Working with all of the **great employees** at Clarke who helped make Miami happen.”

ANDREW GENTES
REGIONAL
OPERATIONS
MANAGER,
FLORIDA REGION

“Getting all the Clarke Aquatic Services team together at the national meeting. **Great ideas, great people** driving Clarke forward as a national leader in aquatics!”

SUE GEORGE
BUSINESS
DEVELOPMENT,
AQUATICS,
MIDWEST REGION

“All of the East Region volunteering for the Virginia Nature Conservancy and **really making a difference.**”

WALLY TERRILL
CONTROL
CONSULTANT,
NORTHEAST REGION

“I will always view 2016 as an awakening for the Aquatics division. We found our voice and **dared to be great.** Clarke+ brought us together to find that voice and I will be forever grateful for that.”

JOE HAUFLE
CONTROL
CONSULTANT,
AQUATICS,
MIDWEST REGION

“Recognizing and feeling I am no longer new and **appreciating the relationships** that have helped me feel this way and improve my position as a dependable resource to our team. #goclarke, #clarkegreatcompanygreatpeople.”

BRENDA FRANCIS,
SALES ANALYST/
EXECUTIVE
ADMINISTRATOR,
ST. CHARLES, IL

“**Completing three courses toward my Master’s degree** and participating at Clarke+ and [in] the post-Summit focus area groups where we defined timelines and goals we originally [had] formulated at Clarke+ 2016.”

JOANNA TYSZKO
LAB SUPERVISOR/
BIOLOGIST,
ST. CHARLES, IL

“I’m proud **every time I am able to share** the Clarke story and discuss where we started as an organization and how we have grown!”

**JENNIFER
BIANCALANA**
CONTROL
CONSULTANT,
MIDWEST REGION



OFFERINGS

Clarke is committed to serving our customers with innovative, environmentally advanced and cost-effective mosquito vector control and aquatic habitat solutions.

With ever-changing regulatory guidelines, an increasing body of science and heightened social awareness, we've refined our approach to product and service delivery to address emerging mosquito resistance to traditional formulations, to reduce the environmental

footprint of the products we manufacture, and to break the outmoded treat-and-repeat cycle common in lake and pond habitat management. This focus is critical to our aspiration to be an Agent of World Health Benefit.

In 2016 we continued to fine-tune our product delivery roadmap to accelerate the development and commercialization of our Next Generation products. In this effort, we expanded the support of our international markets.

We also organized our aquatic habitat management team to serve customers more effectively in the Southeast and Midwest United States.

By asking "How Might We?", we challenged ourselves to break through old paradigms and discover inspired approaches created with input from a broad range of internal experts. The results were energizing, emboldening and forward-looking.



2020 GOAL

Generate 30% of revenue from Next Gen products and services

Implement label transparency program for all Next Gen products

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

2016 PROGRESS

19% of revenue came from Next Gen products and services

In progress

In progress; 10 OMRI Listed products



DOMESTIC MOSQUITO MARKET

The discovery of the Zika virus in Brazil in 2015 and on the U.S. mainland in early 2016 brought home the very real threat that mosquitoes present to public health. Combatting Zika was the focus for a good part of our work in 2016, not only for our frontline teams throughout Florida, but also for our Illinois headquarters and service operations as we worked to define and develop Zika response and application protocols (see the case study, Zika — Partnering in Public Health Innovation on page 9).

Advancing Product Delivery DMA Customer Health and Safety, G4-PR1

In 2016 we put Clarke's Product Delivery Roadmap to the test, using it to evaluate nearly a dozen projects across different phases of development. Our roadmap, which we

formalized in 2015, is designed to ensure that 100 percent of the products we take to market are built on the principles of Green Chemistry. It introduces greater rigor and efficiency at the five stages (discovery, screening, design, investment and marketing) of our processes so that we are able to rapidly and assuredly transform novel modes of action into environmentally sound, competitively priced and effective mosquito control solutions.

In 2016 we continued to fine-tune the roadmap, adding a closed loop sign-off at each stage gate to align our processes with the ISO 9001 Quality Management System standard in preparation for certification in 2018. We also integrated marketing and sales considerations earlier in the five-stage process to provide confidence that customer expectations and needs would be met upon product launch.

Shifting from Product Development to Delivery

We also shifted our focus from product development to product delivery to foster a more holistic approach that considers all aspects of a customer's experience with a product, including delivery systems, product handling and customer support. This shift has resulted in a more inclusive approach to

problem solving, inviting input from our interns to our CEO.

This perspective prompted us to give greater consideration to the delivery systems employed by our customers in the application of our products, with the aim of optimizing our formulations for effective performance under a range of environmental conditions and delivery systems (e.g., backpack sprayer or truck).

PRODUCT DELIVERY ROADMAP SUMMARY



Discover

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



Screen

Test multiple prototypes to determine best formulation



Design

Optimize formulation, pilot, scale up



Invest

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



Market

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

Product Labeling DMA Product and Service Labeling, G4-PR3

In 2016 we continued our efforts to implement a label transparency program for our Next Gen products. Focusing principally on framing and defining our program objective, we explored regulatory, operational and supply change issues, the advantages and disadvantages of different approaches to transparency, as well as stakeholder expectations of transparency.

Service Innovation

Since 2009 Clarke has been applying environmental best practices to transform our service side. As is typical in times of stress, the response to the Zika outbreak became a catalyst for innovation in our service

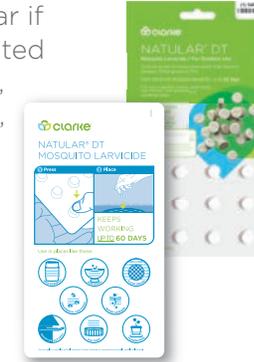
operations. In our Zika case study (see page 9), we describe the development of a comprehensive SITEGuard™ protocol for effective treatment of container breeder mosquitoes, adaptation of the Buffalo Turbine sprayer for hard-to-reach urban breeding sites and many other advances in mosquito control. These extraordinary innovations, and

Clarke's team carried out more than a quarter-million SITEGuard™ inspections during our 2016 Zika response in Miami.

all of the work that was done to support the Zika control efforts, were even more remarkable considering we did them while maintaining our existing business and operations throughout the United States.

Clarke+ Power Partnerships

Appreciative Inquiry proved the value of bringing outside stakeholder voices into our process to define the future of Clarke. In 2016 it also proved the power of partnership. When Clarke+ was held in February, it was not clear if Zika would impact the United States. And yet at Clarke+, Kevin Smith from Guarany, one of our equipment manufacturers in Brazil, spoke passionately about the devastating impact of the disease and made a plea for Clarke to create a “kit” to serve the impoverished areas of South America where there were no government mosquito abatement programs to keep the disease in check.



Later in the year, in response to the outbreak of Zika in Florida, we introduced our ZKits. These kits, containing Natular® DT tablets for homeowner use, were distributed by public health officials to residents in the Zika-affected communities.



LEARNING TO CELEBRATE FAILURE

We recognized the value of an inclusive approach to problem solving when in 2016 a product under development and close to commercialization failed to deliver the expected results at its field trial, just eight

weeks ahead of planned launch. The frustrating decision to pull the product and return to the lab was communicated at a product delivery meeting in July. Looking back, what happened next was a defining moment for the team. Everyone — our

chemists, biologists, marketers, even our customers — immediately rallied to tee up solutions that would fast track version 2.0 to commercialization. Within nine months — a remarkably short period of time in product development — we were back in field trials with

a heightened level of confidence. Through our collective and collaborative response, we strengthened our capacity, acquired technical knowledge, and established a toolkit that we are already transferring to additional products that are being primed for release.

INTERNATIONAL REGISTRATIONS



INTERNATIONAL REGISTRATIONS

INTERNATIONAL MOSQUITO MARKET

Clarke continues to gain momentum in international market expansion.

In 2016 international registrations increased by 37 percent, from 32 in 2015 to 44 in 2016. We received approvals in new markets — in the Caribbean, Central America and western Asia. We also achieved the first global registration, in Mexico, for Cielo™, Clarke's new proprietary mosquito adulticide, which will launch in 2017.

Long-term, we aim to expand the portfolio of Next Generation products available through a growing network of distributors in an increasing number of global regions.

In addition, we established a strategic alliance with a Mumbai-based global agribusiness to expand our distribution network. Through this alliance, we set the stage to begin product registration efforts early in 2017, with the aim of expanding distribution into regions in India and Southeast Asia, where dengue, malaria and chikungunya are present, and Zika is threatening.

Inspired by Clarke+, in 2016 our international teams began planning for a mosquito "university-like" customer training program that will be introduced in the Middle East in 2017.

CLARKE+ EMBEDDING PERVASIVE INNOVATION

During 2016 we asked, "How Might We" to foster pervasive innovation throughout our organization. In January 2017, we launched regular lunch-and-learn video viewing sessions with a focus on innovation. Dubbed "Taco Tuesdays" (with free tacos!), these sessions included Simon Sinek's *Start with Why* and *Innovation Through Sustainability*, engaging 30 or more staff in each session.

LAETITIA LEROY
SENIOR FORMULATION SCIENTIST





CONSERVE PRECISION AQUATICS APPLICATION TECHNOLOGY



Map

Pre and post in-field mapping, with real-time tracking of treatment area with on-board monitoring



Flow

Variable flow adjusts rate to the speed of the boat to eliminate over- and under-application



Deploy

Trailing application lines enable placement of product where it is most effective in the water column, significantly reducing pesticide use and saving money



Data

Proprietary, GPS-driven Prius data-capture system integrates flow and mapping data for review, record keeping and reporting

DOMESTIC AQUATICS MARKET

Maintaining healthy water bodies is challenging. Both Mother Nature and man constantly impact water's health. Through our sustainability work and Appreciative Inquiry, Clarke Aquatic Services has developed a more prescriptive view of each water body, with a goal to return it to its natural state.

Our strategy has led us to a "right time, right product, right amount" methodology, which balances and rotates the treatment methods we use over a five-year horizon with the aim of minimizing overall environmental impact.

Central to executing this approach is our Conserve™ Precision Aquatic Application Technology. Conserve integrates advanced GPS, sonar, flow control and application control technologies to effectively manage lake and pond problems, including weeds, invasive species and algae. Our proprietary Smart Flow technology ensures that the appropriate amount of product is used no matter what the speed of the application.

In 2016 we continued to improve our proprietary application delivery systems to further minimize over- and under-applications and we began to bridge our liquid application

system technology to work with granular formulations. And, in the spirit of "How Might We?", we began testing the fit and value of using drone technology in our work.

Clarke's aquatic team emerged from our 2016 Appreciative Inquiry with a new-found focus and vision and an aspiration to become the national leader in aquatic habitat management.

Our pre-spring under-ice herbicide treatment trials continued for a second season, proving the success of our new application protocol in controlling the hard-to-kill and invasive curly-leaf pondweed ahead of the beginning of seasonal water body use.

Case Study: Alum — Helping Maintain Water Quality

Water management is not always about maintaining a body for flood control or recreational or aesthetic purposes. Today, some states regulate quality levels for water that goes into drainage basins. This is the case in Florida, where the Florida Department of Environmental Protection prohibits the discharge of cloudy, turbid water (caused by soil and debris particles suspended in the water) from construction and development sites.

During the land development process, contractors and developers must mitigate water runoff and maintain a quality level for the water that is retained on-site. The unpredictable Florida rains create a challenge in meeting these requirements. When it rains, both temporary and designed retention ponds can become turbid. Contractors are not permitted to discharge turbid water from the development until water quality falls within acceptable levels. Seeing the challenge this posed to construction and development companies, Clarke created a service that monitors and addresses turbidity issues and reduces time and compliance burdens on developers.

This service protocol revolves around routine inspections of storm-water systems and assessments of pre- and post-development conditions. Water samples are taken and tested for turbidity and pH levels. If results are above regulatory threshold levels, water-clarifying alum (hydrated potassium aluminum sulfate) treatments are made, reducing turbidity and helping restore and maintain proper pH levels. Clarke modified its air boat with a mixing tank and pump system so that it could perform this application on larger bodies of water.

Case Study: Restoring Marshland for the Chicago Park District G4-EN13

Indian Ridge Marsh is a new addition to the Chicago Park District's vast network of parkland. This hidden gem near Lake Calumet on the southeast side of Chicago is part of a former industrial area that had been neglected for decades. The Chicago Park District acquired this site to provide a new type of recreation to this part of the city, one that marries habitat restoration with public use.

Clarke was contracted by the Chicago Park District to provide aerial management of 117 acres that were overgrown with the highly invasive reed plant Phragmites (known as the common reed). According to Audubon Great Lakes, a regional office of the National Audubon Society, Phragmites is the Number One threat to waterfowl habitat. Spreading as much as 30 feet during a single year, Phragmites also inhibits native aquatic and terrestrial plant communities with its dense characteristics and height (ranging from 10 to 30 feet).

According to Dr. Gary Sullivan, senior ecologist with The Wetlands Initiative and the person responsible for coordinating the restoration of Indian Ridge Marsh with the Chicago Park District, Clarke's Phragmites control service was the critical first step in allowing the restoration partners to begin installation of a biologically diverse plant community that will improve habitat quality for a wide range of marsh-dependent species. In these restorative efforts, Clarke worked with the Chicago Park District as well as partners V3 Companies, The Wetlands Initiative and Audubon Great Lakes.

Aquatics Team in Action

During our annual Aquatics Training week, our national aquatics team spent a day volunteering at a St. Cloud (Florida) Food Pantry. The pantry had recently received a donation of painting supplies to refresh the exterior of its building, and the Clarke team made quick work of the project, completing the work in just four hours (148 total hours of teamwork!) and bringing tears and hugs of appreciation from the pantry's program manager, Tammie Madison.



“Of course you have heard about the horrible event that has happened in the city that I have called home for almost 30 years. I have dozens of friends that I was worried about, some I knew frequented Pulse on Latin night. Thankfully they all checked in that they were safe, but unfortunately several of them lost very close friends. I am so proud of our wonderful company for stepping up to the plate and accepting people for who they are.”

CHRIS REED, AQUATICS APPLICATOR, FLORIDA
in response to the announcement of Clarke's gender identity policy

At Clarke we seek to create a workplace that invites each employee to bring their whole and their best self to work every day. By building a culture of engagement, we help our employees thrive and flourish.

To support our 164 full-time and 529 seasonal employees, our initiatives include professional development and benefit programs, extraordinary health and wellness initiatives and a

safe workplace. In addition, we continue to nurture an inclusive approach through which we invite employees to contribute to the creation and management of our programs and initiatives.

In 2016 this was most evident at Clarke+, our second Appreciative Inquiry Summit, where every employee was invited to join management, customers, suppliers and members of the community to help envision and help realize our company's future.

2020 GOAL	2016 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	No change from baseline year
Reduce occurrence of injuries resulting in lost time by 15% a year	Not achieved



CLARKE+

At the prompting of 12 students from St. Charles East High School (St. Charles, IL), **who participated in Clarke+**, we expanded our Non-discrimination and Equal Employment Opportunity (EEO) policy to include gender identity.

“The students found the appreciative inquiry inspiring and enlightening. Being asked to participate in the process and have their voices heard was deeply felt by the students. They felt inspired to make a difference with their lives and future career choices. Thank you for inviting us as it is was an experience my students will not soon forget. “

LAURIE NANINNI
 SCIENCE TEACHER,
 ST. CHARLES EAST
 HIGH SCHOOL

DEVELOPMENT

We provide our people with the training, education and tools they need to perform their jobs safely and with confidence to achieve Clarke's bold and ambitious goals.

Training and Development DMA Training and Education, G4-LA10, DMA Diversity and Equal Opportunity

In 2016 we enhanced our onboarding program to welcome new employees to Clarke's culture by introducing a comprehensive Clarke "101" program. This program provides new hires with information about the history of the company as well as basic information about all aspects of our business and product and service offerings. It is offered in conjunction with



our "Journey to Flourishing" onboarding presentation, which outlines Clarke's programs and commitments to creating a sustainable and flourishing company.

Additionally, we began to develop an immersion program for new hires that is designed to give every employee hands-on experience working in Clarke's

mosquito and aquatics service business. Our aim is to have everyone in the organization understand the roots of our business in customer service excellence. We are piloting the program in early 2017 and expect to fully roll it out over the next two years.

These newer programs will help to fill out a toolbox of leadership and talent development initiatives designed to enhance our leadership effectiveness, provide personal and skills development, and foster effective teams and a culture of innovation. Tools include supervisory training for emerging managers, individualized coaching through our Peak Performers Leadership Program, as well as Executive Coaching and Team Effectiveness programs.



"What a great way to serve my city with a great team every day, going in and taking control of a horrible virus, Zika. Clarke is always showing respect and love toward all employees. Great work environment."

[EMPLOYEE REVIEW, INDEED ONLINE JOB SITE](#)



ZIKA: FROM 12 TO 174 IN 43 DAYS

The 2016 Zika crisis posed many challenges, among them the need to hire and train 174 people in 43 days to

staff ground crews that would perform house-to-house education, inspection and treatments. With a modest HR staff and the need to continue to support operations in all

other areas, we needed to be creative — to attract the right applicants — and vigilant — to ensure appropriate licensing and training. We also needed to work hard — to process the

more than 1,000 applicants, 500 interviews and nearly 200 new hires. We are proud that we accomplished this seamlessly and in full compliance with

licensing and safety protocols. We are equally proud of the team we assembled for the heart and passion that they exhibited. Many of the employees we hired told us they

were on board for more than just the paycheck — they were on board to support their community.



Compensation and Benefits DMA Employment, G4-LA2

We recognize that in order to stay competitive as an employer of choice in today's marketplace, we need to continually seek ways to reward our employees. Clarke's benefits package for full-time staff includes high-quality, low-cost health care programs, including a medical and dental plan, paid time off and a 401(k) retirement plan.

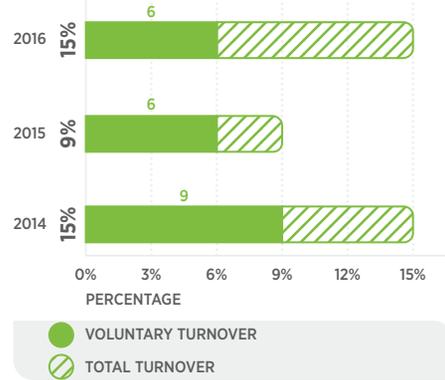
In 2016 we augmented our benefits with the introduction of employer-paid short- and long-term disability coverage available to all benefits-eligible employees. We also supplemented our health care program for U.S.-based employees, adding a convenient health option that allows individuals to talk to a physician by phone or video. In addition, we enhanced our 401(k) plan, adding features such as an option to access professional financial planning advice.



CLARKE+

Inspired at Clarke+, we created a digital down-time best practice statement that encourages our employees to disconnect from work during time off.

EMPLOYEE TURNOVER RATE



Raising Employee Wages

In 2016 we implemented a 30 percent wage hike for our Illinois seasonal employees, the first in a number of years. The raise was a response, in part, to market conditions and a shift in millennials' occupational preferences. It was also prompted by a compelling case presented by our operations team, which framed the value of a wage increase in an Appreciative Inquiry-inspired aspiration statement that successfully argued that Clarke's seasonal employees are "essential to the flourishing enterprise" and "a precious and valuable resource to Clarke's service operation."

Engaging Employees

Research shows that employee engagement is important to retaining and attracting top talent. And an engaged work force is absolutely critical in a purpose-driven organization such as Clarke.

In 2016, as part of the Chicago Tribune Top Workplaces program, we conducted an employee survey, the first we'd completed since 2011. Although the results of the survey were generally positive (reflecting significant improvements in organizational alignment and organizational health since the prior survey), the survey also suggested that employees in locations outside of Illinois (particularly in our field operations) feel greater levels of stress and are generally less engaged than other employees.

To gain perspective, during the summer of 2016, our CEO made a deliberate commitment to spend time visiting locations outside of Illinois and to work in the field with the operations teams. The combination of feedback from our survey and our CEO's insights supported increased investment in our organizational structure (our people) and resources (tools and equipment) for our service operations.

We plan to conduct our next employee survey in 2018.



CLARKE+

yammer /'jæm.er'
verb; to talk
continuously for a
long time

We understand that good communication is key to a high-performance organization. At Clarke+, as we envisioned a Culture of Euphoric Engagement, we sought systems that would strengthen our connectedness to each other. To fulfill that vision, we launched "Yammer," a dynamic (Microsoft) social networking platform for Clarke employees to share information and interests across the organization. Participation has been great, with active forums on both work-related and social initiatives. Our most active groups — "National Leader in Aquatic Habitat Management," "Clarke Kids" and "Pets-a-Palooza" — reflect our passion for work and for family.

Yammer

REWARDING GREAT PERFORMANCE

We believe that it's important to recognize our people for their hard work, long-standing commitment to the organization and extraordinary contributions to customer service, operational efficiency and innovation, sustainability and philanthropy. We do this through an awards program and annual banquet where we acknowledge, thank and celebrate employees who contribute to Clarke's collective success.

In addition, our Employee of the Year program, started in 2007, puts the spotlight on one outstanding individual. In 2017 we honored Bill Quinn for his contributions in 2016.



Employee of the Year: Bill Quinn

Selecting our 2016 Employee of the Year was incredibly difficult in light of the extraordinary number of nominations submitted recognizing the many employees who had participated in the Zika-related emergency response efforts and who had helped to

make 2016 a success. Still, there was one employee who stood out — operations analyst Bill Quinn.

Bill Quinn was the ever-present stagehand for our Zika operations in Miami-Dade, FL. Bill worked tirelessly during the summer and fall to secure vehicles, equipment and supplies, set up the office, implement operational protocols and support the rapid expansion of the operations.

When we were challenged to develop a new way to apply our products to control the container-breeding mosquitoes carrying the Zika virus, Bill worked closely with our 2015 Employee of the Year, Dan Facht, to re-engineer and adapt the Buffalo Turbine sprayer for use in ground

mosquito larval control. Bill was the lead technician, moving the project from testing to full-scale deployment.

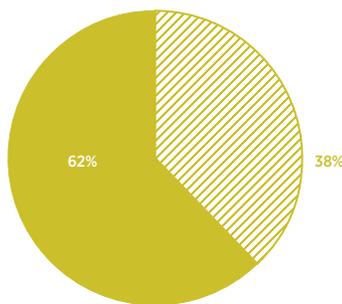
Although his work on the Miami Zika operation garnered the most attention, Bill's contributions in 2016 spanned our entire national operation. Spending the early spring in the west to support our operations in Idaho, overseeing the details from his home base in the Midwest, and taking up temporary residence in Miami in the fall, Bill handled it all with style and grace.

We are proud of Bill and thankful for his efforts and contributions. He truly went above and beyond in 2016!

Our Employee of the Year receives a \$500 gift card, and a celebratory dinner.

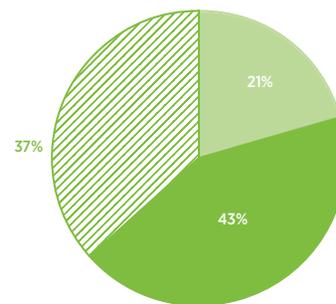
G4-10

EMPLOYEES BY GENDER



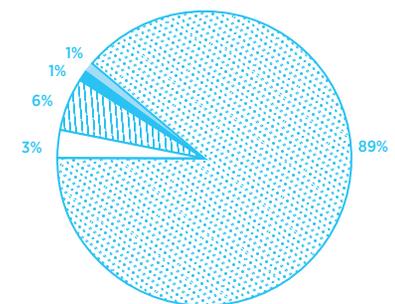
● MALE
● FEMALE

EMPLOYEES BY AGE



● 20-29
● 30-49
● 50+

EMPLOYEES BY ETHNICITY



● WHITE
● BLACK OR AFRICAN AMERICAN
● HISPANIC OR LATINO
● ASIAN
● TWO OR MORE RACES

WELLNESS INCENTIVES

Clarke's Wellness Incentive Program is designed to encourage people to take a proactive role in their well-being. Employees receive incentive points for taking actions such as preventive health screenings and checking in on their financial health with advice from a financial planner. Participants receive \$25 for every five points they accumulate and the points can be redeemed for gift cards. New hires are introduced to the program during onboarding, and we follow up with them at a three-month check-in to encourage participation.

WELLNESS

Our Extraordinary Health and Happiness committee supports the physical well-being and healthful lifestyle of every employee. We take a whole system approach, providing ideas, inspiration, and opportunities as well as incentive programs to encourage participation.

In February Clarke rolled out our Wellness Screening Program for the sixth consecutive year, attracting 95 percent participation. Based on the results of the biometric screening, the top areas of concern continued to be waist circumference, blood pressure and glucose levels. In addition, 77 percent of our Wellness Screening Program participants told us they wanted to increase their physical fitness and 73 percent wanted to lose weight. Based on these findings, we continued to focus our programs on healthy eating and physical activity.

In 2016 we continued our weekly Campus yoga classes and, in August, conducted an employee-facilitated bike-safety seminar and neighborhood cycling tour to encourage rusty riders to rediscover their love of the two-wheeler.

Move It!

In 2016 we celebrated the second year of our Healthy Strides program. Working with CHC Wellbeing, our biometric screening partner, we launched walking challenges throughout the year to encourage employees to take up to 5,000 strides daily. Participants "Walked the Plank," "Turned Up the Heat," and "Walked the Road to Rio." In October, employees "Stepped Up to the Plate" and, over a seven-week span, together they virtually circled eight baseball stadiums, a loop totaling 2,798,000 steps and 1,399 miles. To date, more than 70 percent of Clarke's full-time staff have used our Wellness Incentive Program to purchase a fitness device and take on the challenge of reaching 300,000 steps.



Through our employee assistance program, we hosted monthly wellness lunch-and-learn sessions on topics as diverse as positive thinking, managing stress, and network and relationship building.

Our monthly Day of Celebration, introduced in 2016 at our St. Charles and Roselle facilities in Illinois, invites employees to gather to celebrate their colleagues' birthdays, anniversaries and other milestones, to welcome new hires and to enjoy some time together.



CLARKE+

Our Extraordinary Health and Wellness committee organized a variety of participant opportunities at the Clarke+ Summit, with wake-up yoga classes, walks, runs, stretches and meditation minutes built into each day's program.

SAFETY
DMA OCCUPATIONAL HEALTH
AND SAFETY G4-LA6

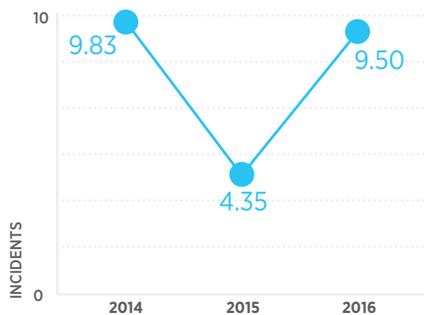
After experiencing dramatic reductions in incident occurrence and severity across all Clarke offices in 2015, we experienced an uptick in safety incidents in 2016. We correlate this uptick to our Zika emergency response efforts.

In 2016 many of our experienced supervisors were deployed to Miami to support the rapid expansion of our Zika response efforts. This strategy challenged us in our nationwide implementation of, and overall consistency in, our safety programs — particularly the

programs designed to elevate safety awareness. At the same time, the incident rate for our Miami operation was approximately half that of the nearly equivalent number of labor hours in our Illinois service facilities — an indication of the high level of focus on safety and compliance in this emergency operation.

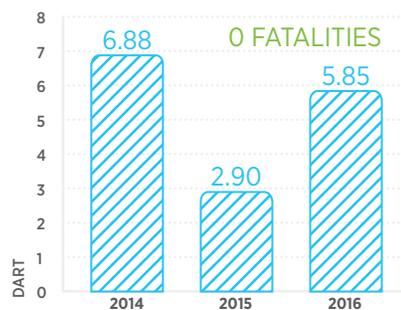
The Zika crisis in Florida taught us that we need to build safety programs that are resilient and adaptable in the face of rapid expansion and unforeseen events and circumstances. We have already begun to implement improvements and upgrades to our programs, and we look forward to reporting on these in our 2017 report.

EMPLOYEE SAFETY INCIDENT RATE



● INCIDENCE RATE

DART (Days Away, Restricted Duty or Transfer)



■ DART
● FATALITIES



Environmental stewardship has underpinned Clarke's operational practices since we first embarked on our sustainability journey in 2008.

Our stewardship initiatives center primarily on energy, waste and our carbon footprint — the areas where our activities have the greatest environmental impact. In addition, we monitor and report on water use, air emissions and biodiversity. As we continue to seek ways to reduce our footprint, increasingly we have turned our attention to the facilities we own. These facilities play an important role in fostering the well-being of our employees in addition to being the focus of our environmental efficiency programs.



In 2016, with a first full year of power generation from the on-site solar array at our St. Charles, IL, headquarters, we are excited to have exceeded our 2020 goal of sourcing 10 percent of total energy from on-site renewables three years ahead of schedule. To support our waste reduction efforts, we also began the rollout of our sustainable procurement strategy, which we describe on page 31.

ENERGY PORTFOLIO

DMA ENERGY, DMA EMISSIONS, G4-EN3, G4-EN6, G4-EN19, G4-EN-15

Since 2008 Clarke has focused on introducing improvements to our operations, fleet and facilities to reduce our carbon footprint

and energy costs and to increase operational efficiency. Our aim is to lower our dependence on fossil fuels and the carbon impact of our activities. Our strategy focuses on three approaches: investing in renewable energy, increasing operational energy efficiency, and offsetting the energy we cannot eliminate through the purchase of Green Power contracts and carbon offsets.

2020 GOAL

2016 PROGRESS

Reduce carbon footprint by 25% compared to 2014 baseline

1.6% reduction

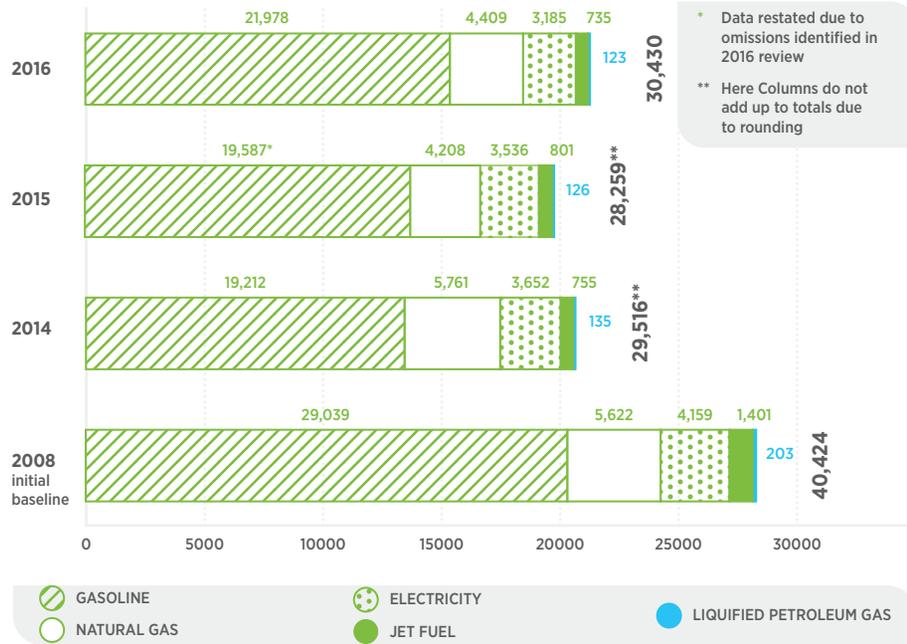
Become 100% carbon neutral for Scope 1 and 2 emissions

60% carbon neutral

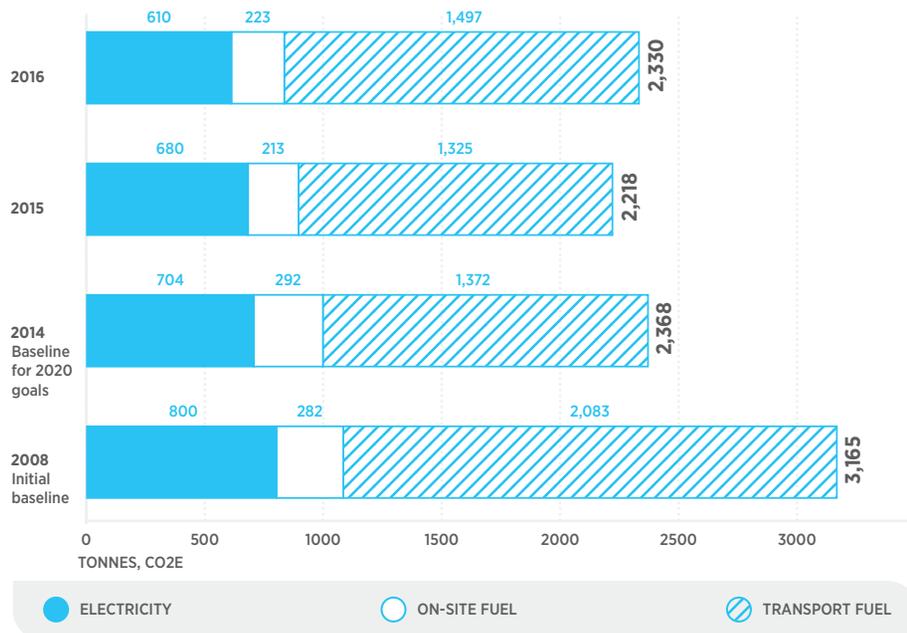
Source 10% of total electricity from on-site renewable energy (solar or wind)

12.3% sourced from on-site renewable energy

TOTAL ENERGY BY ENERGY TYPE (GIGAJOULES) G4-EN3



TOTAL CARBON FOOTPRINT (TONNES, CO₂e)



Reducing our Carbon Footprint G4-EN15, G4-EN19

At Clarke, we are concerned about the health impacts of a changing climate. The prevalence of mosquitoes and the diseases they carry will increase as shifting precipitation patterns and rising temperatures expand the zones conducive to the breeding and thriving of disease-bearing vectors. Clarke is committed to supporting the goals of the Paris Climate Change agreement, which aims to achieve a carbon-neutral world in the second half of the 21st century. In 2015 we established a five-year target to drive continued reductions in our greenhouse gas (GHG) emissions by 25 percent compared to a 2014 baseline.

Our total carbon emissions rose slightly in 2016, to 2,330 tonnes of CO₂e from 2,218 tonnes in 2015. This increase was primarily due to the increased transport fuel use in our Zika operations in Florida. Overall, our GHG emissions continued a downward trend, with 2016 emissions down by 1.6 percent compared to our 2014 baseline and down by 26.4 percent compared to our emissions at program launch in 2008.

Investing in Renewable Energy

Clarke's electricity use — to power our operations, offices and, progressively, our electric vehicles — represents approximately 10 percent of our energy mix. In 2016 the electricity we used decreased by about 3 percent compared to the previous year. Although operational workload and weather will cause fluctuations in our electricity consumption, the solar installation at our St. Charles, IL, facility contributed to the 2016 year-over-year decrease in consumption.

At the same time, we measured excellent returns from our investments in solar, which we committed to in 2010 and underlined in 2015 with the announcement of a goal to source 10 percent of our total electricity needs from on-site renewable energy by 2020. In 2016 we exceeded our goal, three years ahead of schedule, with 12.3 percent of our total electricity needs being sourced from solar arrays at our St. Charles Campus facility, our manufacturing plant in Schaumburg, IL, and at our distribution facility in Brisbane, Australia.

ELECTRICITY BY SOURCE (KILOWATT HOURS)



OUR FACILITIES— MORE THAN BRICKS AND MORTAR

In early 2016 we broke ground on our new operations and manufacturing administration center in Roselle, IL. The facility, located on Garden Ave., has been dubbed “The Flourishing Garden” by the employee design

team and is being constructed to LEED Platinum standards. Through deliberate design, the use of geothermal wells, and on-site solar installations, the building is expected to be the first commercial energy net-positive building in Illinois. Working in partnership with LEED architect Marty Serena

of Serena Sturm Architects, our employees are involved in every aspect of the design and development process. We believe that this collective approach reflects our mission to create physical spaces that support Clarke’s culture, promote collaboration, foster transparency and cultivate a high level of engagement among our people. Through their involvement from the ground up, employees come to “own” their space and take pride in their “home.”

Campus Solar

In 2016 we celebrated the first full year of operation of the solar panels at our St. Charles, IL, headquarters. Solar panels from this 100-kilowatt array cover the roof of the main building, form an awning on the building’s south-facing facade and create a shade canopy above an eight-bay electric vehicle charging station. The system performed exactly as planned, producing more than 121,000 kilowatt hours of electricity. This represents 24 percent of our St. Charles facility’s electricity needs and about 13 percent of the total on-site energy use. Over the course of 2016, we also returned nearly 17,000 kilowatts of power to the St. Charles grid.

In addition to helping us exceed our 2020 on-site renewable energy goal three years ahead of schedule, the solar arrays contributed to a 70-tonne year-over-year reduction of CO₂e from electricity in 2016 as well as a 13.5 percent and a 23.8 percent decline in GHG emissions compared to 2014 and 2008, respectively.

Increasing Operational Energy Efficiency G4-EN6

Clarke’s global sales and service vehicles traveled approximately 2.2 million miles in 2016 to serve our customers. Fueled by more

than 114,000 gallons of gasoline, transportation in 2016 accounted for 60 percent of our energy use. By right-sizing our fleet, shifting to greener energy options and tuning up the driving habits of our sales and operations teams, we have reduced fuel use by about 30 percent and GHG emissions from transport by 28 percent in just under a decade.

In 2016, 63 percent of our sales fleet consisted of reduced-footprint vehicles that average 35 miles per gallon or better, about the same proportion that we reported in 2015. As vehicles come due for replacement or new positions are created, we evaluate the territory, customer base and need for special equipment. This is resulting in a more efficient fleet of vehicles that are right-sized for our needs. Our sales fleet continues to average 29 miles per gallon, a 45-percent improvement in fuel efficiency compared to 2009, when we began to track performance in this area. We have also continued to see improvement in our operations fleet, with fuel efficiency averaging 15.7 miles per gallon, a 70-percent improvement compared to 2011, when we began tracking this metric.

Despite consistency in the performance of our ongoing operations, our fuel use in 2016 increased by 10 percent and associated GHG emissions by

9 percent. The increase is the result of our Zika-suppression activities in Florida, during which, at their peak, we increased the number of vehicles in our fleet by more than 30.

Offsetting Our Energy Use

In 2015 Clarke set a goal to be carbon neutral (Scopes 1 and 2) by 2020. To reach this goal, we are committed to reducing carbon emissions and offsetting the emissions that cannot be reduced.

In previous years, the calculation we used to determine the carbon offsets we would purchase was based on our electricity use in the year prior net of green power Renewable Energy Certificates

(RECs), and the on-site fuel emissions at four of our five Illinois facilities. Beginning in 2016, we began purchasing carbon offsets based on an annual offset goal, using the prior year's data as a reference. For 2016 the offset goal was 60 percent of net carbon emissions in 2015.

In 2016 we purchased RECs equal to 490 metric tonnes of CO₂e. We also continued our long-term partnership with Carbonfund.org, purchasing carbon offsets equal to 1,037 metric tonnes of CO₂e. Carbonfund.org supports third-party validated renewable energy, energy efficiency and reforestation projects that reduce carbon dioxide emissions.

FOCUSING ON DRIVING HABITS

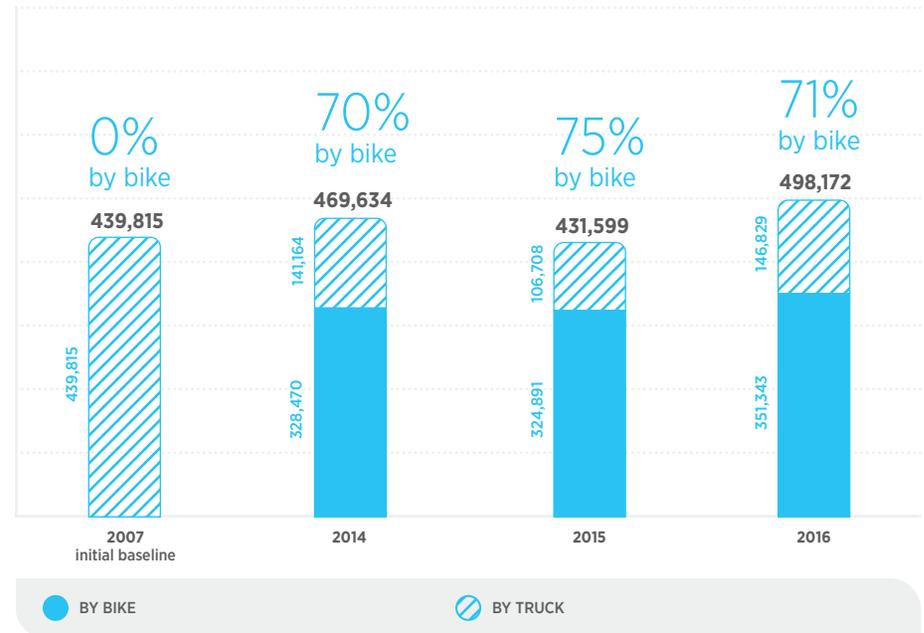
Tuning up driving habits can reduce fuel consumption and carbon emissions by as much as 25 percent. It can also cut costs. In 2016 we expanded a driver-behavior monitoring program, which we piloted in 2015, to 12 Clarke operations centers.

The program uses wireless near field communication (NFC) key-fob technology to monitor the driving

habits of individual field technicians and automatically generates daily reports that help supervisors draw attention to corrective action before the next shift starts. In 2016 the monitoring system helped us reduce the minutes of idle time per minute driven — one of our daily monitoring measures — by more than 4 percent across all facilities. At our Roselle, IL, service center, where we instituted a dedicated program with reduced idling

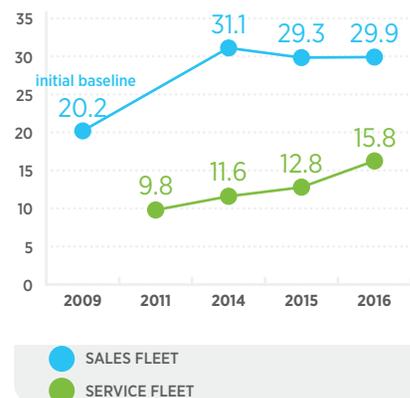
targets, we achieved a 38-percent reduction in minutes of idle time per mile driven and cut the total minutes our drivers spent idling by almost half. This reduction in idling added up to more than 600 gallons of gasoline and \$2,000 in savings. Given that every 10 minutes of idling wastes between one and two cups of fuel, we plan to continue to monitor this driver behavior and encourage and empower supervision personnel to correct poor habits and reward good ones.

CATCH-BASIN TREATMENTS

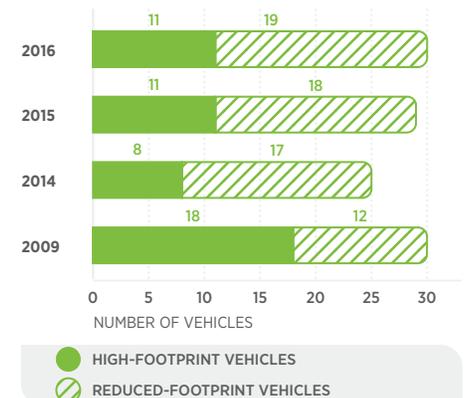


Since 2011, 70 percent or more of our annual municipal catch-basin treatments (to control mosquitoes at the larval stage) have been done by technicians on bicycles. Annual fuel consumption for this service, with the use of bikes instead of pick-up trucks, has been reduced by 95% (for an annual savings of \$18,000).

FLEET FUEL EFFICIENCY (AVG. MPG)



SALES FLEET MIX



Clarke's 2020 Goal is to achieve Zero Waste Certification for our four Illinois facilities by 2020. Certification requires that a site achieve 90 percent diversion of non-hazardous waste from landfill and incineration. While we did not make progress toward the diversion requirement in 2016, we laid the foundation for better managing our waste through our new sustainable procurement program.



ZERO WASTE
DMA EFFLUENTS AND WASTE G4-EN23, DMA PRODUCTS AND SERVICES, G4-EN28

Reducing waste has been a focus of Clarke's environmental initiatives since 2008. Our programs are designed to minimize our impact and also increase efficiency within our operations and among our suppliers and customers.

We focus on reducing the waste we produce, diverting the waste we can't eliminate, and sending what we can't use to waste-to-energy facilities.

As an EPA WasteWise Partner, we have developed benchmark waste-generation and waste-reduction data and standardized tracking at all facilities. We report monthly at sustainable business committee meetings, include waste topics at the company's quarterly sustainability advisory board

meetings, and publish annual comparable data in this report at year-end. All employees, including new full-time and seasonal employees, are trained in our Zero Waste programs.

As our programs mature, we are exploring ways that will help us maintain consistent progress toward our Zero Waste goals. As an initial step, our new environmental health and safety manager is helping steer the volunteer team that has headed up our waste programs since their inception.

2020 GOAL	2016 PROGRESS
Reduce total waste by 25% compared to 2014 baseline	8.9% increase
Reach 90% repurpose/recycle rate company-wide	79.7% repurpose/recycle rate
Achieve Zero Waste Certification at 4 Illinois locations	In progress
Reduce downstream waste impacts by 5% compared to 2014 baseline	Work needed



SECOND TIME AROUND

Since 2011 Clarke's Good Earth Committee has held month-long collection drives of unused items for donation to community organizations. The aims of the program are to engage our employees

in waste reduction and to give a second life to items that are difficult to recycle. As the program has matured, we've introduced permanent collection programs for items such as crayons, keys and eyeglasses. In 2016 our monthly campaigns included:

Used greeting cards: Donated and upcycled into new greeting cards

Used shoes: Donated for recycling and possible reuse

Egg cartons: Donated for reuse at a local food pantry

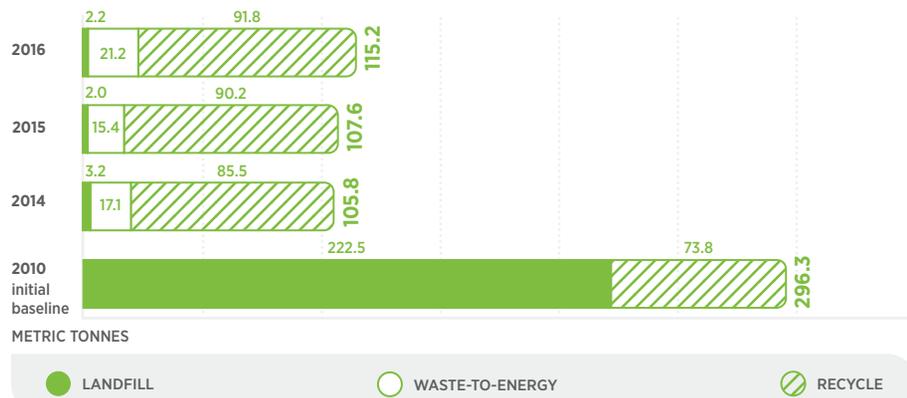
Plastic grocery bags: Upcycled into sleeping mats for donation

Plastic bottle caps: Donated and upcycled

Jackets and coats: Donated for reuse

Holiday lights and extension cords: Recycled

WASTE REDUCTION BY DISPOSAL METHOD (METRIC TONNES)



Reducing Waste G4-EN28

In 2016 the total waste we generated increased by 7 percent compared to 2015 and 9 percent compared to our 2014 base year. It is disappointing to see our numbers trend in the wrong direction. However, we believe that this is a one-time increase from waste created due to manufacturing improvements that were made at our Roselle, IL, facility.

Minimizing Packaging Waste G4-12

Packaging accounts for a significant portion of Clarke's total waste stream. Since 2010 we've collaborated with our customers and suppliers to reduce our impact in this area. We made progress in 2016, achieving a 60-percent recovery rate of our bulk product packaging. Two initiatives

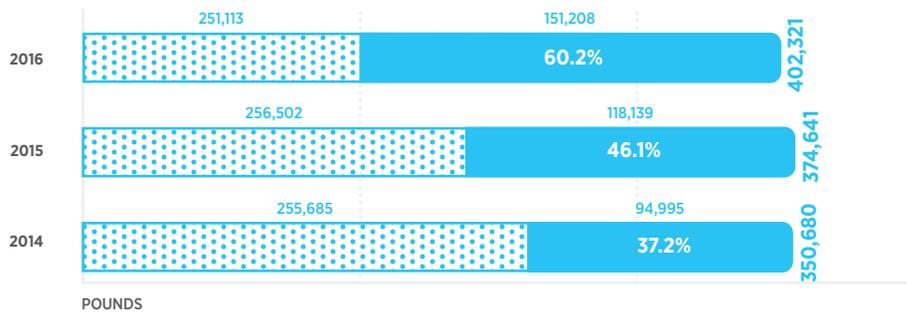
contributed to our success. First, our 30- and 55-gallon drum return program resulted in a 2016 return rate of 43 percent compared to 30 percent in 2015. Second, we saw an increase in the number of large, returnable and refillable 1,600-pound totes. In 2016, 96 percent of these were returned. Our collaboration with the Metropolitan Mosquito Control District in Minneapolis contributed to this achievement. We introduced the 1,600-pound custom totes in 2014 to replace single-use, 40-pound bags. In 2016 two additional customers chose to use this innovative returnable packaging option.

Paper Waste

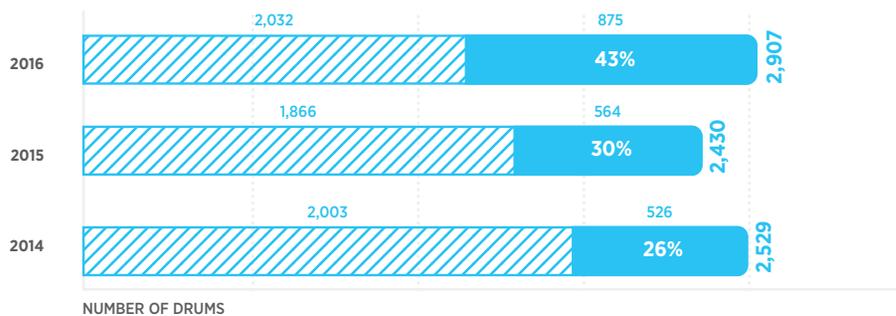
In 2015 we began to shift to paperless applications for the documents that are required in our Florida service vehicles. In 2016 we rolled this program out to additional offices, saving an estimated 8,250 sheets of paper.



DOWNSTREAM PACKAGING RETURN/REPURPOSE RATE



HDPE DRUMS RETURNED



DIVERTING WASTE

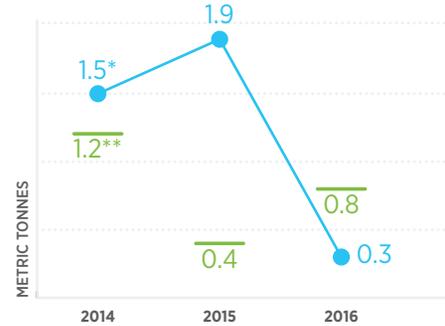
The long-term objective of Clarke's waste initiatives is to send zero waste to landfill. This objective is highlighted in our 2020 goal to achieve a 90 percent repurpose and recycling rate. This rate is consistent with one of the requirements for Zero Waste Certification (through the U.S. Zero Waste Business Council) and will support our goal to achieve Zero Waste Certification at our four Illinois facilities by 2020.

In 2016 we achieved a repurpose and recycling rate of 79.7 percent, representing a company-wide 4 percent decline compared to 2015. While one-time physical improvements at our Roselle, IL, manufacturing facility increased overall waste and contributed to the decline in our repurpose and recycling rate, we recognize we have more work to do in this area.

Hazardous Waste

Clarke operations do not produce a significant amount of hazardous waste. A portion of the waste we produce is regulated as toxic release inventory (TRI) under the EPA's Emergency Planning and Community Right-to-Know Act (EPCRA).

HAZARDOUS WASTE



- HAZARDOUS WASTE
- TOXIC RELEASE INVENTORY (TRI)

* 50% of 2014 hazardous waste was contaminated rainwater

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

TRI pollution-prevention activity and reporting is required for the volume of insecticide remaining in the bottom of refillable totes returned to us by our customers. This material is not able to be recycled into the production line, although it is useful and valuable product. When a significant amount of usable product is returned to us, we offer to repackage the product and return it to the customer. TRI materials that are not reusable by our customers are managed through energy-recovery waste-management processes.

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

According to our analysis of our 2016 supply expenditures in Illinois, 52 percent of Clarke's purchases in that state, across all categories, met our highest, most eco-responsible rating while 25 percent fell into our lowest ratings.

SUSTAINABLE PROCUREMENT

G4-12, DMA SUPPLIER ENVIRONMENTAL ASSESSMENT, G4-EN32

In 2016 Clarke introduced a Sustainable Procurement Policy as an articulation of our commitment to drive environmental stewardship, social equity and fiscal responsibility into the procurement and purchasing decisions for our office supplies, utilities, business services, fleet, packaging, and raw materials for our products.

In support of this policy, we developed category-specific eco-rating criteria, provided training for procurement managers, and collected benchmark data on our annual expenditures on supplies by eco-category for all of our Illinois facilities. In 2017 we'll use our findings to inform company-wide targets and expand our measurement efforts.

SUSTAINABILITY FACTORS IN PROCUREMENT

The intent of our sustainable procurement program is that we will integrate and balance environmental, social and fiscal factors in our decisions:



Environment: Waste generation, greenhouse gas emissions, energy consumption, depletion of natural resources, impacts on biodiversity, pollutants emitted, toxicity

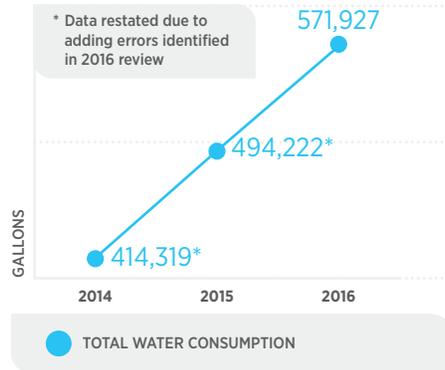


Social: Support of local businesses; support of suppliers that demonstrate a commitment to corporate governance, regulatory compliance, the environment, the health and safety of workers, fair trade practices, community engagement, volunteerism and philanthropy

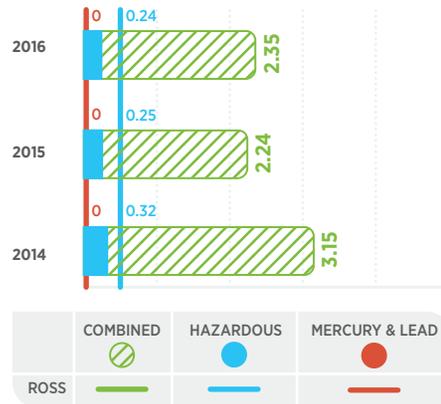


Fiscal: Product performance and quality, life-cycle cost assessment, reduction in consumption, long-term financial and market conditions

TOTAL WATER CONSUMPTION (ALL REPORTING LOCATIONS)



AIR EMISSIONS (TONS)



WATER USE DMA WATER

Since 2013 Clarke has measured water use at the facilities where we are able to collect data. In 2016 the water consumed at these locations was 571,927 gallons, a 16-percent increase compared to the previous year. A proportion of the increase is due to the addition of water use at a facility not previously included in our data measurement. We continue to monitor the upward trend in our water use. We have not yet developed programs to mitigate this trend.

AIR EMISSIONS DMA EMISSIONS, G4-EN21

Clarke manufacturing facilities in Illinois maintain their eligibility under the Illinois Clean Air Act for registration with the Illinois EPA Registration of Smaller Sources (ROSS) program. Clarke facilities meet the minimum source eligibility requirements.

BIODIVERSITY DMA BIODIVERSITY, G4-EN13

We are committed to protecting biodiversity through the development of innovative Next Generation products, the adoption of environmental stewardship efforts in our mosquito control and aquatic habitat management services, and in our commitment to land and site rehabilitation. In 2016, we came to understand the complexities of re-establishing biologically diverse ecosystems in industrialized land. As part of our St. Charles, IL, Campus renovation in 2014, we converted nearly 1.5 acres — about 70 percent of the site's ground cover — back to a native prairie landscape. In its second season of growth, the prairie thrived, supporting a rich variety of plant, pollinator and animal life. But by 2016,

hardy switchgrass, which Wikipedia accurately describes as “versatile and adaptable,” had monopolized the landscape, squeezing out the biodiversity we had sought to establish. Reluctantly, we put a plan in place, which we implemented in the spring of 2017, to raze the prairie and start afresh. The experience taught us a number of lessons. Practically, we recognized that rehabilitating an industrial site that has been stripped of all organic material and nutritional value requires active management. Metaphorically, it caused us to reflect on the challenges implicit in the whole system of transformational work we are trying to effect. Both, we think, take patience, perseverance and long-term commitment.

Deepening our ties with the communities in which we live and work, through volunteerism and charitable contributions, is how we inspire a Movement of Social Generosity and bring The Heart of Clarke to the world.

Clarke's social responsibility initiatives are employee-driven and serve our communities throughout the world. In 2016 the Clarke+

Summit infused a new enthusiasm into our efforts with our aspiration to create a Movement of Social Generosity. To this end, our focus is to build on and build out the programs that we have already established — expanding our annual Day of Caring by inviting our customers and suppliers to participate, continuing our year-round volunteering efforts, enhancing the Clarke Cares

Foundation efforts, and ensuring the successful execution of our One For Tomorrow™ program.

In 2016 we achieved a 95-percent employee volunteer participation rate. This reflects the exceptional enthusiasm of our employees everywhere but falls short of our goal of 100-percent engagement. This shortfall was due primarily to our Zika response efforts, which demanded the full attention of our Florida team.



CLARKE+ CARING IN THE COMMUNITY

In 2016 we deepened and broadened our social responsibility engagement, incorporating a Bikes & Beers (build-a-bike) team-building activity into our three-day Clarke+ event. The initiative was developed in collaboration with West Town Bikes, a Chicago non-profit, and was an opportunity for our Clarke+ participants to enjoy some end-of-day refreshments while assembling 33 bikes. The bikes were distributed to local youths in support of skills development and employment programs in underserved communities.

2020 GOAL

2016 PROGRESS

Donate 1% of annual revenue from Next Gen products to environmental causes

Achieved

Donate average of 10 hours of volunteer time per full-time employee per year

3,029 volunteer hours, valued at \$89,000, an average of 14 hours per full-time employee

100% employee engagement in volunteer activities

95% engagement

VOLUNTEERISM

We continue to support our employees' community engagement through Clarke's volunteerism policy, which offers employees 20 hours of annual paid work time off for volunteer activities.

Our Matching Gifts program matches employee contributions of \$25 or more up to \$50 per employee annually. We also support employee-sponsored fundraising drives. An employee

who wants to support a charity commits to matching 50 percent of the contributions of fellow employees to a maximum of \$500, with Clarke making an equivalent contribution. In 2016 three employees participated in this program, raising funds for World Vision, the Juvenile Diabetes Research Foundation and BeyondBlue, an Australian non-profit organization working to address issues associated with depression, anxiety disorders and related mental disorders.



SUPPORTING LOCAL BLOOD DRIVES

In August 2014, Clarke held its first blood drive at its new Campus facility, inviting employees and their families to donate to the local blood supply during a summer-long shortage. In 2016, invigorated by the success of a now-established annual program, we asked, “How Might We?” better engage our Illinois-based employees and “How Might We?” connect our efforts to the communities we serve? In partnership with the American Red Cross, we hosted three drives in 2016, including back-to-back drives in July at two Illinois locations, with regional facilities participating in coordinated local drives. Our blood-donation clinics were open to the public and provided an opportunity for more than two-dozen neighbors to join our employee-driven effort.

VOLUNTEER HOURS



CLARKE'S DAY OF CARING: FIVE YEARS AND GOING STRONG

In 2016 we celebrated five years of giving through Clarke's Annual Day of Caring. To accommodate the unusually high volume of work resulting from our Zika response efforts, we moved the annual event from July to October, when more than 177 enthusiastic Clarke employees lent a hand to support environmental initiatives in their communities. Activities included clearing overgrown foliage from a historic graveyard in Richmond, VA, cleaning the banks of the Brisbane River with Clean Up Australia, and volunteering at the Nevado de Colima National Park in Mexico.

In total, we contributed more than 1,400 hours at 16 locations across three continents. Our overall volunteer hours were

down in 2016 compared to the prior year due primarily to the move of our annual Day of Caring to the fall (when most of our interns and seasonal employees had already completed their employment) and the heavy workload in our Florida (Zika) operations.

Looking to 2017, we aim to increase our impact by inviting our suppliers, vendors, customers and local communities to join us in our Extended Day of Caring.

Our vice president of regulatory affairs, Karen Larson, invited her daughter's entire cheerleading squad to participate in our first Family Volunteer Day.

CLARKE FAMILY VOLUNTEER DAY

We held our first Family Volunteer Day on October 10, 2016, inviting friends and family to join us as we packed rice, soy, dried vegetables and other nutritious food into bags, which were then shipped overseas. In total, we welcomed 42 enthusiastic volunteers – 24 of whom were children and teens – at the Schaumburg, IL, branch of Feed My Starving Children, in what we hope will be an annual event aimed at inspiring youth volunteerism.

CLARKE DAY OF CARING 2016



1422 hours



177 people



16 organizations



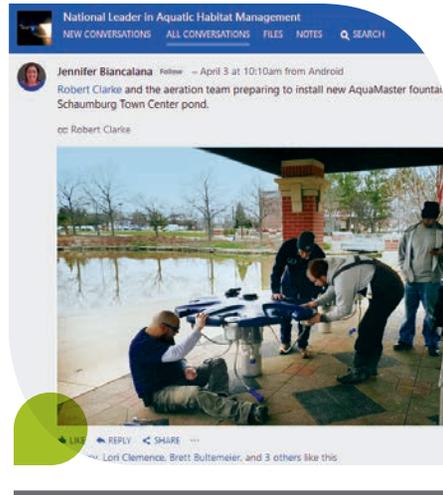
7 states



4 countries

Fossil Rim Wildlife Center, in Glen Rose, TX, which is dedicated to the conservation of species in peril, put their 2016 One For Tomorrow™ grant to the construction of a much-needed wildlife quarantine facility. The facility will enable the wildlife center to meet state and federal disease management requirements when animals are being introduced to the facility, being relocated to other wildlife centers or being prepared for reintroduction into the wild. Over the next few years, the Fossil Rim Wildlife Center intends to reintroduce between 200 and 300 animals into the wild, including addaxes (a type of antelope) and dama gazelles, two species on the verge of disappearance from sub-Saharan Africa. Clarke is proud to be part of these crucial ecosystem preservation endeavors.

Yammer®



DEEPENING AND BROADENING OUR ENGAGEMENT

We encourage our employees to engage with their communities year-round and, in 2016, teams

and individuals took part in a number of new initiatives. In Roselle, IL, our teams joined the Adopt-a-Stream program to help care for nearby Spring Brook Creek and contributed to litter clean-up at Mallard Lake Forest Preserve in DuPage County. Others lent their support to ongoing initiatives such as the annual Holiday Giving Tree at our St. Charles campus (supporting the Salvation Army, Toys for Tots and Anderson Animal Shelter). We also helped to make Super Crayons (recycling and repurposing discarded crayons for students with special needs), a part of our continuing partnership with SCARCE

(Schools & Community Assistance for Recycling and Composting Education) in Glen Ellyn, IL.

In 2016 our Soup & Chili Cook-Off went global. Now in its ninth year, this event invites Clarke employees to showcase their culinary skills as we support the community. The event raised \$230 and collected 55 pounds of non-perishable food items. Funds raised were shared equally between the Northern Illinois Food Bank and Feed My Starving Children, an organization with global impact.

GIVING YEAR ROUND

Throughout the year, Clarke employees supported the following organizations:

UNITED STATES

American River Parkway, California
Piedmont Park, Georgia
Snake River, Idaho
Adopt-a-Highway, Illinois
Adopt-a-Stream, Illinois
Anderson Animal Shelter, Illinois
Bed Mats for Homeless, Illinois

Bikes & Beer event at Clarke+ (West Town Bikes), Illinois

Cinderella's Closet, Illinois

City of St. Charles, Illinois

Elmhurst Prairie Path, Illinois

Feed My Starving Children, Illinois

Garfield Farm and Inn, Illinois

Giving Tree, Illinois

Humanitarian Service Project, Illinois

Illinois Historical Preservation Agency, Illinois

Kline Creek Farm, Illinois
Mallard Lake DCFP, Illinois

Northern Illinois Food Bank, Illinois

Salvation Army, Illinois
St. Cloud Food Bank, Illinois

St. James Farm Forest Preserve, Illinois

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

Village of Lombard Prairie Path, Illinois

West Chicago Prairie Path, Illinois

City of Clearwater, Minnesota

New Mexico Parks Department, New Mexico

African American Cemetery, Virginia

Nature Conservatory Virginia Coastal Reserve, Virginia

INTERNATIONAL

Clean Up Australia, Australia

Home Bettel, India

Nevado de Colima National Park, Mexico

OUTREACH

As we seek to make communities around the world more livable, safe and comfortable, our outreach extends beyond the neighborhoods in which we work. We achieve our broader commitment through the Clarke Cares Foundation and our One For Tomorrow™ philanthropic programs.

Clarke Cares Foundation

Since 2010 Clarke has partnered with the Clarke Cares Foundation and The Carter Center to raise funds to purchase bed nets to help protect people from the devastating effects of mosquito-borne diseases. In 2016 we received enthusiastic support from golfers, sponsors and volunteers at our sixth annual

Swing for Nets golf tournament. With a matching funds donation from Clarke, we raised enough to provide 34,600 life-saving mosquito nets to protect 103,800 individuals from malaria and lymphatic filariasis in Nigerian communities.

The Clarke Cares Foundation was honored to be included in The Carter Center's "Countdown to Zero: Defeating Disease" exhibit at New York's American Museum of Natural History and featured at the Carter Library in Atlanta. The exhibit also opened in London in 2016 and will open in Dubai in 2017.

Energized by the Clarke+ aspiration to become a Movement of Social Generosity, we sought to broaden the reach of our Clarke Cares Foundation in 2016 by adding a new event to our fundraising portfolio. In 2017

we launched our Kentucky Derby party in May and we look forward to reporting more on this in our 2017 report.

One For Tomorrow

In our 2015 Sustainability Report we introduced One For Tomorrow™ and articulated our pledge to give back one percent of the revenue from our Next Gen products and services to environmental causes throughout the world. Recipient nominations are made by our sales organization and then voted on by all employees. In early 2017 we were pleased to make the program's first presentation of awards to seven environmental organizations.

We received wonderful feedback and grateful acknowledgement from all seven of the organizations.



Early in 2017, Clarke presented its second annual One For Tomorrow™ awards to seven deserving organizations:

- Nature Conservancy, Virginia Reserve**
- Friends of the Forest Preserve, District of DuPage County**
- Sea Turtle Inc.**
- Loggerhead Marine Life Center**
- Mutangan, Paragon Charitable Trust**
- Reef Check Australia**
- San Elijo Lagoon Conservancy**



REPORT SCOPE AND BOUNDARY

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

Clarke's 2016 Sustainability Report *How Might We?* is our seventh annual report. In it, we have described the activities and progress of Clarke's global operations and subsidiaries, including 23 sales, service and manufacturing facilities, during the 2016 calendar year.

This report was produced using the Global Reporting Initiative (GRI) framework and represents our second year of reporting in accordance Core with the GRI G4 Guidelines. GRI is an international framework that promotes the use of sustainability reporting as a way for organizations to demonstrate their commitment to sustainability. Additional information on the GRI can be found at www.globalreporting.org.

We report on an annual basis, and our last report was published in January 2017. This report, along with our previous sustainability reports, is available in PDF format at www.clarke.com. Throughout relevant sections of this report, we have included applicable GRI-G4 performance indicators. In 2015, in accordance with GRI G4 Guidelines, we undertook a formal review of Clarke's material sustainability issues. In preparation for this report, we reviewed the applicability of those results. We report on that in the GRI G4 Content Index for this report, which can be found at www.clarke.com.

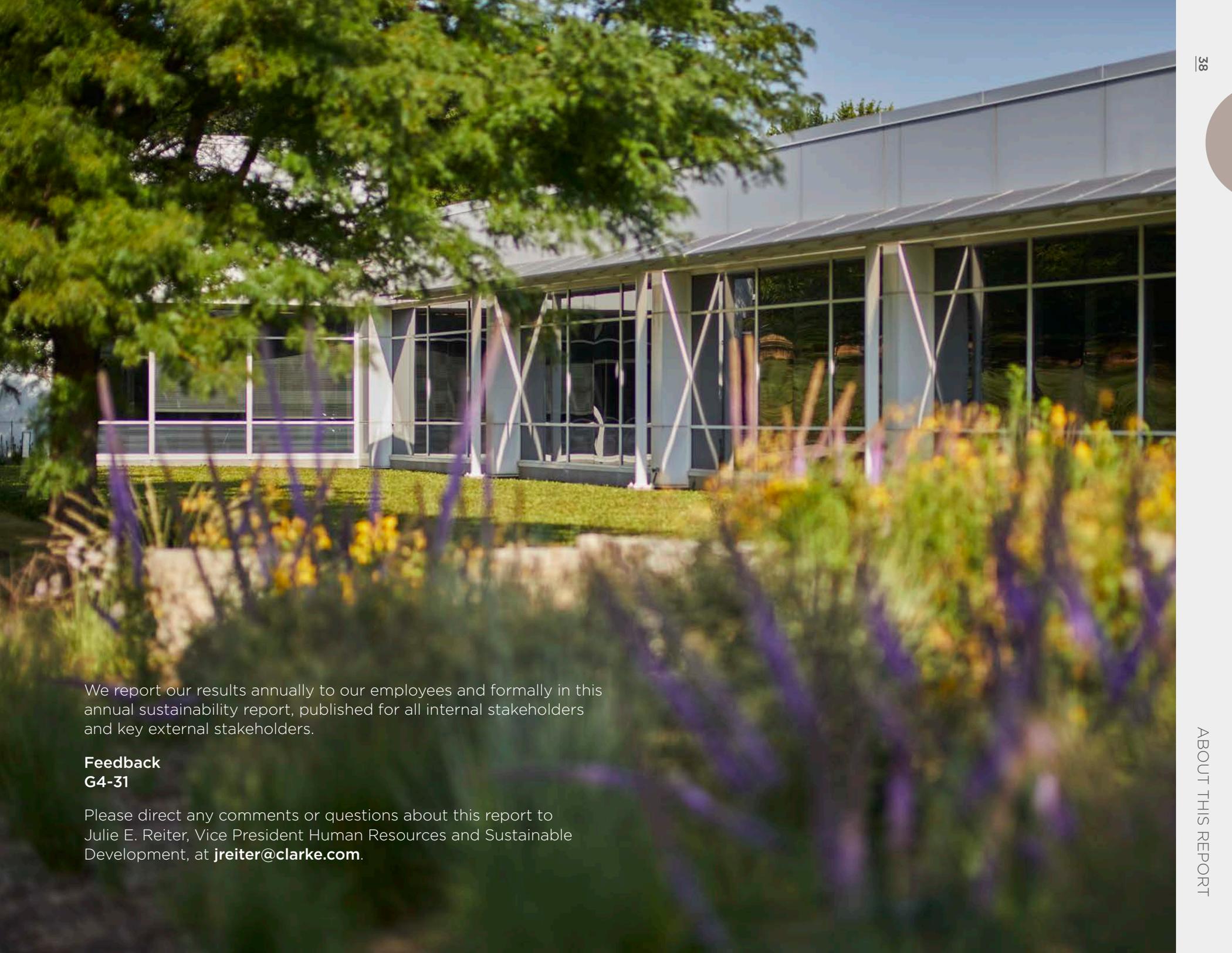
We have made minor restatements to certain prior year data, details of which are indicated in the data tables. In 2016, Clarke added two locations in the United States. We have not experienced any significant organizational changes in ownership.

Measurement and Transparency

At Clarke, we measure progress on our goals and initiatives through our:

- Sustainability dashboard
- Quarterly Sustainability Advisory Board (SAB) meetings
- Management and initiative committee meetings
- Employee performance management systems
- Corporate bonus structure, which includes the requirement of 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, at our annual all-employee town hall meeting of the SAB, and through updates on the Clarke+ Initiative Management Plan

ABOUT
THIS
REPORT



We report our results annually to our employees and formally in this annual sustainability report, published for all internal stakeholders and key external stakeholders.

Feedback
G4-31

Please direct any comments or questions about this report to Julie E. Reiter, Vice President Human Resources and Sustainable Development, at jreiter@clarke.com.

Lailsha Abel •
 Yuliana Ambriz • Erin Akstins •
 Carrie Antken •
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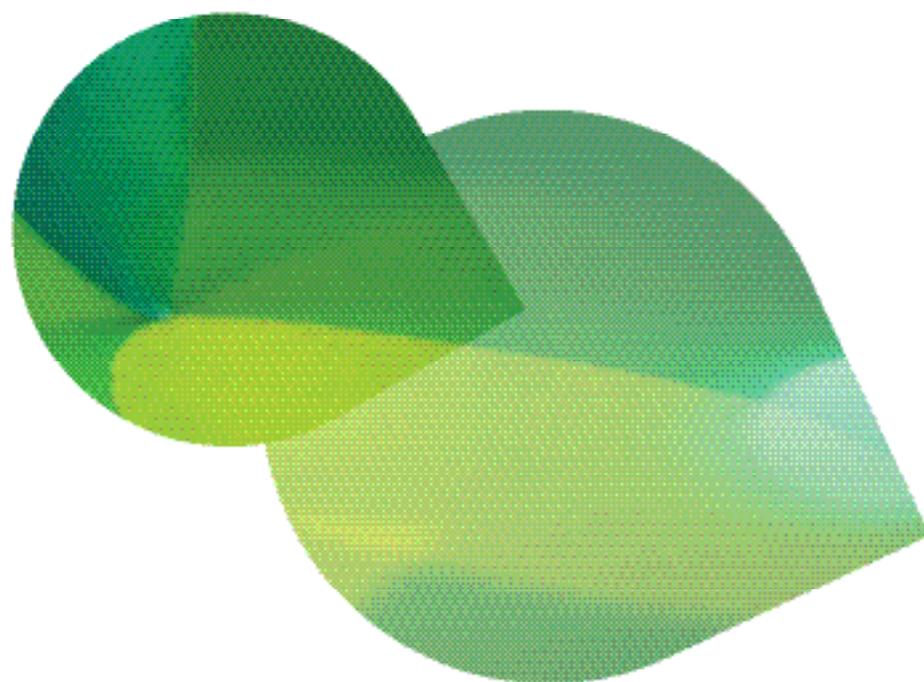
OUR PEOPLE

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 Voorhees • Richard Voss •
 David Walker • Tom •
 Wawrzyniak • Wade •
 Clark Wood • Eric White •
 Cheri Zaras •

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CarbonFund.org
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Weatherhead School of Management
CDC Division of Vector-Borne Diseases
CDC Foundation
CHC Wellness
Chris Laszlo
Chuck Fowler
City of St. Charles, IL
Connie Payton and the
Walter and Connie
Payton Foundation
Conscious Capitalism
Connections Coaching
Crop Production Services
David Cooperrider
Do GOOD DuPage
Dow AgroSciences
EPA's Wastewise
FairmountSanrol
Fritz Landscaping
Green Manufacturer Network
Green Screen® for Safer Chemicals
Illinois Sustainable Technology Center
Ilma Barros-Pose &
TimeZero Enterprises
Jay Womack
Jon Berghoff & The Flourishing
Leadership Institute
Kay McKeen and School and
Community Assistance for
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Education (SCARCE)
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(Minneapolis/St. Paul)
Michael Braungart
Michael Gold
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Responsible Industry for a
Sound Environment (RISE)
Stakeholder Research Associates Canada, Inc.
St. Charles East High School
Sustainable Brands
The Audobon Society
The Bill and Melinda Gates Foundation
The Carter Center
The Fowler Center for Business as an Agent of World Benefit
The Rodale Institute
V3 Companies
Village of Roselle, IL
West Town Bikes
William McDonough



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