EnviroScience, Inc. 2016 Communication on Progress

Prepared for:









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CEO Statement on the 2016 Communication on Progress



Dear Friends and Stakeholders,

EnviroScience is pleased to prepare and present our third annual progress report recapping our continued efforts and gains in our elective support and membership of the United Nations Global Compact. As an organization, EnviroScience (ES) takes this opportunity to highlight our

process of officially reviewing, evaluating, and aligning our operations and strategic planning goals to reflect the values and priorities of the staff that makes EnviroScience the company we are so proud to be today. We use the framework of the universally accepted principles: human rights, labor, environment, and anti-corruption as detailed in the United Nations Global Compact as a starting point for our discussion and evaluation of our current priorities.

From our inception in 1989, EnviroScience, Inc. has always personified these core values. As our company has grown, our corporate culture of innovative thinking and staff latitude has helped to grow, develop and continue to define our organization. In 2012 the culture was enhanced with the founding of our internal volunteer group called the Corporate Responsibility Committee (CRC). This staff-led initiative has helped to formalize our continued outreach in the areas of environment, education, support for healthy individuals, and sustainable practices. The UN Global Compact provides a platform for ES to determine how we can best manage our practices and how that aligns with other progressive thinking and socially conscious world citizens using their business practices to improve the global social, economic and environmental conditions of the world. Using the 10 principles to guide us, in 2015 the CRC determined the environment to be the greatest overall concern to our staff, which makes sense at for an environmental firm. The company has a clearer mission in how we choose to address all areas of growth and development based on our greatest concerns.

Thank you,

Martin A. Hilovsky, Founder and CEO

EnviroScience, Inc.

About the United Nations Global Compact

The United Nations Global Compact provides guidelines and universally accepted principles by which members are able to review, define and plan for long range strategic goals. EnviroScience is embracing the opportunity to review, redefine and grow our policies and procedures as they relate to the Global Compact. Presented are the United Nations' ten defining principles of the Global Compact.

Human Rights

- <u>Principle 1</u>: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labor

- <u>Principle 3</u>: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- <u>Principle 6</u>: the elimination of discrimination in respect of employment and occupation.

Environment

- <u>Principle 7</u>: Businesses should support a precautionary approach to environmental challenges;
- <u>Principle 8</u>: undertake initiatives to promote greater environmental responsibility;
 and
- <u>Principle 9</u>: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

 <u>Principle 10</u>: Businesses should work against corruption in all its forms, including extortion and bribery.

Labor and Human Rights

In the area of labor and human rights EnviroScience, Inc. (ES) has always provided ample training and understanding of a staff's safety and protocol for a "Stop Work". We use this as a tool to ensure the safety of all our staff and those on a job site. Safety is our number one concern; ES continues to lead our industry in on-site job safety.

EnviroScience is an equal opportunity employer, and makes every effort to reach minority populations when posting our open positions. Salaries are based on years of experience. All full-time staff is offered an extremely competitive and generous benefits package. Family comes first in the lives of our staff. EnviroScience works with our employees to help meet the ever-changing and dynamic needs of families today. Child labor or any form of labor violation is intolerable and grounds for dismissal.

As an organization, ES does not have a union presence but we have no policies (written or oral) against the formation of such a group. We offer staff an annual opportunity to purchase stock and become an active member of our Board. In no way will EnviroScience tolerate any type of abuses in the work place. We maintain an "open door" policy with the top officers as well as an "ethics" email to report a situation or possible concern.

By choice, the staff at ES works hard to enhance the lives of the disabled, underserved, and homeless. We continue our relationships with Habitat for Humanity and North Coast Community Housing (NCCH). Both organizations provide different means of stable and permanent housing. ES staff provided time, talent and treasure to both organizations over the last four years. In 2016 we hosted our first community garage sale to help towards the purchase of a disability accessible van for a staff member's sister, suffering with lifelong Cerebral Palsy (which came with a 28% interest rate for a person living on social security/disability). The unpurchased materials were donated to the Habitat Store and the new Isabella's Closet of NCCH. Isabella's Closet is a donation driven boutique designed to support the household needs of their community of fully qualified disabled adults. The business plan for Isabella's Closet was initially written and supported by an EnviroScience staff member.

ES staff has been regularly collecting toiletries, clean seasonally appropriate clothing, food, towels, shoes and boots for street distribution to the homeless. Toys, food, hats, gloves, mittens, and school supplies are donated throughout the year for the Knights of Christ, Community Boards, and various other staff charities for the area children in need. Two staff have taken their holiday season to a new level of giving. Inspiration helped them develop a group of EnviroScience holiday Elves who work at the "North Pole" to entertain the children riding the December Polar Express Train Ride sponsored by the Conservancy for the Cuyahoga Valley National Park. The two employees now raise money to buy tickets and pajamas for children and their families who may not otherwise

have the opportunity to attend. They also bring Santa and dress in their best elf attire to deliver the tickets and pajamas to their recipients.

ES staff also participates in a 150-mile charitable ride to help bring an end to multiple sclerosis (MS). We have two staff living with MS, and many more in our families. This is a cause we have great passion for. In the four years since we formed our team, we have held annual events help raise awareness and nearly \$45,000 for the National MS Society to help find a cure and assist people struggling with MS.

Our staff also participates annual in the Polar Bear Jump which raised money for the Regional Food Bank and various charities for childhood cancers. We participate and support the Akron Canton Food Bank with two annual pot lucks, which we donate the money for one day in the summer and one day in the early holiday season when local businesses double to donation amount. ES also participates in their Operation Orange, a 24-hour event open to the public to help package food into portion sizes for individuals and families.

Education of the Environment

ES has always recognized the importance of education and we pride ourselves on having a business where the majority of our staff are degreed scientists. We consider education to be the cornerstone to all basic Human Rights. We believe in supporting our region's school science programs on every level. Staff often assist by conducting elementary "in class" field trips. Funding cuts have limited many schools' ability to travel off campus. During the last 5 years, our staff has developed on site, hands on classes to teach children about watersheds, wetlands, soils, ecosystems, and threatened and endangered species while exploring the school's property. Our scientists participate in science fairs for elementary and high schools as well as hosting high school interns. We sponsor college students, a graduate level lecture series, college interns and mentor others looking for career guidance and advice. The company has opened our labs to the use of high school and college level students working on their independent studies. In 2015, the ES CRC began funding a local PhD student's climate change research project in the Brazilian Rain Forrest.

In 2016, ES initiated another program to support the community at large. We were the proud sponsor of the National Parks' signature Centennial event here in Northeast Ohio, the Cuyahoga Valley National Park Bio-Blitz (CVNPBB).

The Bio-blitz was a 24-hour event to bring citizen scientists in to volunteer with regional experts and survey the biota of the CVNP. Of the five parks nationwide hosting a Bio-blitz in 2016, the CVNPBB had the highest number of observations, over 4,900. 816 species were observed and uploaded by 316 observers for the park. ES, in addition to the paid staff participation, had over 250 staff volunteer hours spent observing, conducting fish shocking demonstrations, and performing diving demonstrations.

Another new initiative for EnviroScience in 2016 was becoming a sponsor of National Public Radio's (NPR) program *Living on Earth*. This weekly environmental news and information program is broadcast in our region Saturday mornings at 7am. This program reaches an enormous market share. ES is not only proud of our community enhancements, but thrilled to be from a region that prioritizes green space and is trying to improve water quality for municipalities and the Great Lakes Region overall. The radio program speaks directly to the community members who are aware and concerned about our regions deepest concerns. Many of the thousands of visitors at the Bio-Blitz acknowledged hearing our presence on NPR and often had follow up questions about regional environmental concerns.

Finally, EnviroScience lead the way in what is now a 17-year tradition of Bi-annual "River Clean-Ups". ES and their teaming partners have hosted and participated in cleaning the Little Cuyahoga, removing more than 20 tons of trash over the years. We note that most of this material would have eventually made its way down to the National Park. We have

also expanded the program by inviting many of the students in a number of local schools where ES staff has built relationships with the science departments.

Environment

EnviroScience is an aquatic biology consulting company. Our 28-year history has been dedicated to improving water quality. Ohio has been a leader in surface water quality, and the forward thinking of founder Marty Hilovsky and President Jamie Krejsa has allowed EnviroScience to continue to set our region apart. Our award-winning stream and wetland restoration help to ensure the overall water quality and habitat for the native flora and fauna.

As an organization we oversee best management practices for pipeline construction, analyze water for municipalities, help provide solutions for lake health, and work to help change how some industries oversee their emergency responses by implementing biologically based best management practices. We specialize in threatened and endangered species and help our clients maintain healthy habitats while achieving their business goals. We are experts in managing coastlines and assuring private clients remain compliant while releasing healthful water for aquifer replenishment.

The ES CRC has in the process of developing short Power Point Presentations which easily address a topic of concern and provide a few easy solutions for everyday improvements. The carbon requirements for a single use single aluminum can is "one of the most energy-intensive, CO-2 producing, waste-generating products on the planet" (Annie Leonard). EnviroScience has made efforts to use less cans in our office. For example, we purchase 2-liters of soda for events, and use a beer keg or bottles instead of serving cans. Every item of clothing that is donated is estimated to save 27 pounds of carbon (carbon for disposal and carbon for replacement). EnviroScience staff generously donates new and used but clean field clothing to help the population in need. We also donate women's and children clothing to the charities that will provide a second life for those in need.

We continue to self-police and find our own areas of improvement, our fleet being one of our largest environmental offenders. We purchase the most fuel efficient cars to meet our needs, maintaining tire pressure and peak performance to maximize mileage. In 2015, we drove at least 851,966 miles in our work fleet. Our work requires use of large trucks and boats as well as computers, all of which are a huge drain for fuel and energy. We have yet to find a reliable and sustainable source of fuel to run our fleet. In an effort to help offset the carbon we cannot help but use, we have tried to implement practices to easily reduce our carbon footprints. We are not yet calculating our air miles, shipping and energy foot print yet.

As an environmental company, it is our job to help enhance and restore damaged and failing ecosystems. In 2015, EnviroScience completed 160 acres, 19,548 feet and 4,200 cubic yards of riparian, wetland and stream restorations. According to the EPA's Reducing Urban Heat Islands Compendium of Strategies Trees and Vegetation, these types of restoration projects will help reduce peak air temperatures with a process referred to as evapotranspiration. Transpiration is a process where water is absorbed by trees and vegetation's roots and emitted through their leaves. Evaporation, the conversion of liquid water to a gas takes place on the soil surrounding the trees and vegetation. Evapotranspiration is the combined process of the two, using heat from the air to evaporate water. This can help reduce the temperature surrounding the restoration site by 4-9 degrees.

For the growth of the plants; the leaves, roots, and stems absorb carbon in a process called "uptake" or "fixation". Anaerobic soils are without oxygen; this creates a very slow carbon decomposition. Kristen Minogue, the Smithsonian Environmental Research Center on Chesapeake representative, said "Wetlands are considered a carbon sink, meaning the absorbing carbon dioxide land can be one of the best buffers against climate change."

While the nature of our work continues to enhance the environment, we are always aware of the carbon we generate. We have lots of floor space among our four locations, all of which are climate controlled and filled with computers, servers, televisions, microscopes, freezers, fish tanks, and incubators. ES continually reviews this situation and considers all feasible alternatives.

EnviroScience has implemented a number of better managed practices starting with the 2012 renovation of our new headquarters. Designers used recycled tires for flooring, repurposed old barn wood, locally produced furnishing, UV shades, sensory light switches, an outdoor solar light, high efficiency light bulbs, and bottle-less water filtration. Staff is required to print in black and white, two sided, and turn off computer monitors when not in use. We use washable and reusable napkins for events, and utilize company purchased mugs, plates and silverware to minimize the use of disposable cups, plates and cutlery. Ample plates, forks, knives, spoons, glasses and mugs have been purchased to try and eliminate the needless use of disposables. We have main stream recycling and are reducing the use of aluminum cans, eliminating the use of Styrofoam and trying to eliminate the use of disposables completely. Change can come quickly in a smaller company such as ES. We are never afraid to try and improve ourselves. Each year we find ourselves making gentle improvements which has created a lot of change.

Anti-Corruption

EnviroScience maintains its zero tolerance policy for corrupt and unscrupulous activities and finds that type of behavior grounds for immediate expulsion and a review of all files that staff member contributed on. The company maintains its ethics email for a private means to communicate any issues or concerns a staff member may have. Our principle executives keep an "open door" policy and are always available and willing to stop and meet with a staff who has concerns of any variety.

We proudly display our UN Global Compact Membership on our website. ES uses our annual Communication on Progress as our sustainability report. Currently, we have not modified our contract language to incorporate the 10 principles. However, we have been pleased to see a number of the companies we do business are including such changes.