



2023 IMPACT REPORT



Verdical Group

OUR MISSION

Verdical Group is a nationally-leading sustainability consulting firm focused on decarbonizing the built environment and inspiring a net zero future for all, now.

EXECUTIVE SUMMARY

No matter how much planning you do for the year ahead, there are always unexpected challenges in business. After a very strong year of growth in 2022, we expected the same trajectory in 2023, but it turned out to be a very challenging year for most of us in the building industry. The Fed raising interest rates caused many projects to be cancelled or go on hold. While our financial forecast was nowhere near what we hoped, I'm incredibly proud that our social and environmental impact remained as strong as ever.

Every piece of Verdical Group's impact is built into the company's DNA. It's codified in our Team Member Handbook and embedded in our internal systems and structures. Even in a down year, I think you'll be impressed by what you find in this year's report — a ton of positive impact for people and the environment created by our team in 2023. Thank you for checking in on our progress as we continue to prove out the philosophy of using our business as a force for good. Onward!

Best,



DREW SHULA
FOUNDER & CEO
VERDICAL GROUP

Drew Shula is our sole Board Member and the 100% Shareholder of Verdical Group



ABOUT THIS REPORT

HOW WE MEASURE SUCCESS

Verdical Group meets rigorous standards of social and environmental performance, accountability, and transparency. We are a for-profit company, but we don't have a singular focus on profit.

B CORP

Certified B Corporations are leaders in the global movement for an inclusive, equitable, and regenerative economy. Verdical Group is one of more than 6,000 certified B Corporations including Patagonia, Ben & Jerry's, Etsy, and Seventh Generation, among many others. B Corp uses a unique Impact Assessment to capture the entirety of a business' social and environmental footprint. Our current score on the B Impact Scale, which ranges from 0 to 200 points, is 123.7. A minimum score of 80 is required for B Corp certification. Check out Verdical Group's report [here](#), and read more about our score on the following page. We could not be more proud to have a "B" next to our name.



1% FOR THE PLANET

We donate 1% of our annual revenue, not just profit, to environmental nonprofits.



CERTIFIED GREEN BUSINESS

The Green Business Bureau acknowledges that we prioritize sustainable initiatives and business practices.



SMALL BUSINESS SOCIAL ENTERPRISE

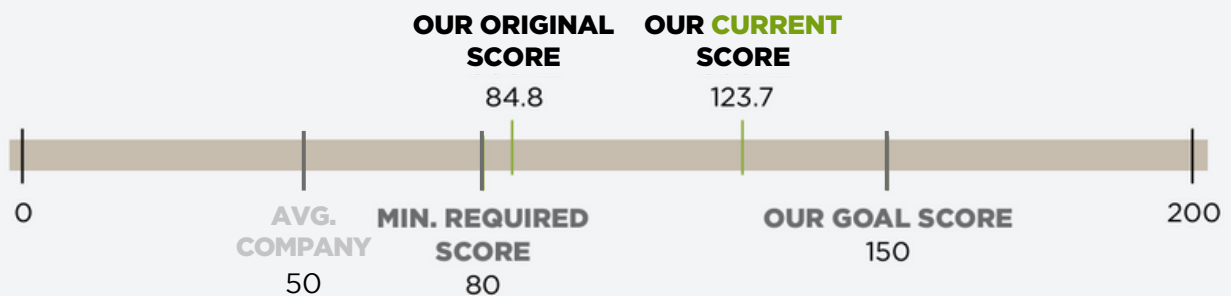
We're an enterprise that enhances Los Angeles County through social, environmental, and economic sustainability.

No conflict exists between Verdical Group and these third-party organizations.

OUR B CORP SCORE

Verdical Group was originally certified as a B Corp in 2017, at which point we earned a score of 84.8 points. Upon recertifying in 2021, our score jumped significantly as a result of improved policies and actions to benefit our workers, community, and customers. You can read more about that process [here](#).

OUR B CORP JOURNEY



OUR SCORE BREAKDOWN

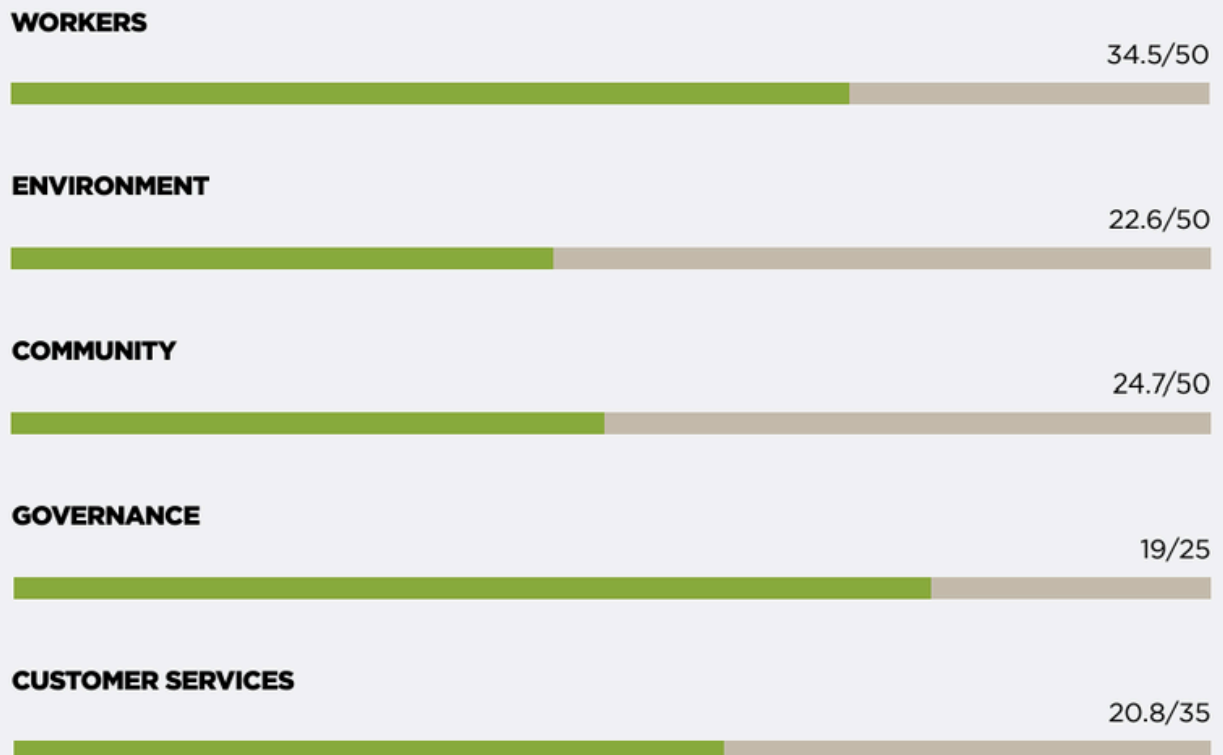


TABLE OF CONTENTS

This report shares how we embody our commitment to social and environmental excellence. It is organized using the five categories of the B Corp Impact Assessment, plus a section for our goals:



2023 IMPACT REPORT

ENVIRONMENT

110%

EMISSIONS OFFSET

We have officially offset our entire historical carbon footprint dating back to the company's founding in 2012, plus ten percent, going beyond net zero to become a **net positive company**.

Read more on page 08.

100%

DIVESTED

We officially **divested** from fossil fuels, tobacco, prisons, and firearms in early 2022. We also do not accept money from clients whose majority of revenue comes from the fossil fuel industry.

Read more on page 07.

AN ANTI-FOSSIL FUEL COMPANY

Verdical Group does not accept money from companies whose majority of revenue comes from the fossil fuel industry. We are working to decarbonize the world. Fossil fuel companies are the biggest emitters of carbon and the cause of the climate crisis that we are working to solve. It doesn't make sense for us to enable them by accepting contracts or event sponsorships from these companies — it's counterproductive to our work.



FOSSIL-FREE BANKING

We're proud to have committed to fossil-free banking by switching to Beneficial State Bank and Atmos Financial for our checking and savings accounts. Both institutions are committed to financing clean energy solutions rather than investing account holder funds in fossil fuel-related ventures. [Here's how \(and why\) we switched up our banking.](#)



DIVESTMENT

Verdical Group is divested from fossil fuels, as well as tobacco, prisons, and firearms. We believe that if you're truly dedicated to helping solve the climate crisis, then you can't invest in big oil companies that are inherently self-interested in maintaining the status quo, carbon-intensive economy. Divestment is one of the most impactful things you can do to help change the world for the better and support our inevitable low-carbon economy of the future. There are now many options for ESG and sustainability-focused mutual funds that screen out these companies that hurt people and the environment. Learn more about our journey to divestment [here](#).



A NET POSITIVE COMPANY

Each year, Verdical Group measures our company's Scope 1, Scope 2, and Scope 3 carbon emissions, implements practices and policies to reduce them in the future, and then offsets any remaining emissions. For the first time this year, we estimated the carbon impact of our employee's home offices in addition to Verdical Group's office locations, increasing our overall calculated footprint but better tracking our impact.

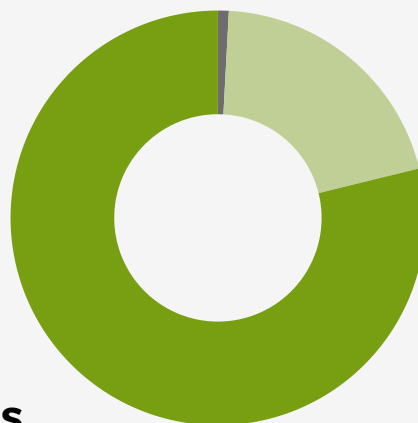
This practice follows our 2021 move to become a net positive company by officially offsetting our entire historical carbon footprint dating back to the company's founding in 2012, plus ten percent. We are proud members of the [B Corp Climate Collective](#) and [The Climate Pledge](#), collaborations of organizations dedicated to achieving net zero by 2030.

SCOPE-BY-SCOPE BREAKDOWN

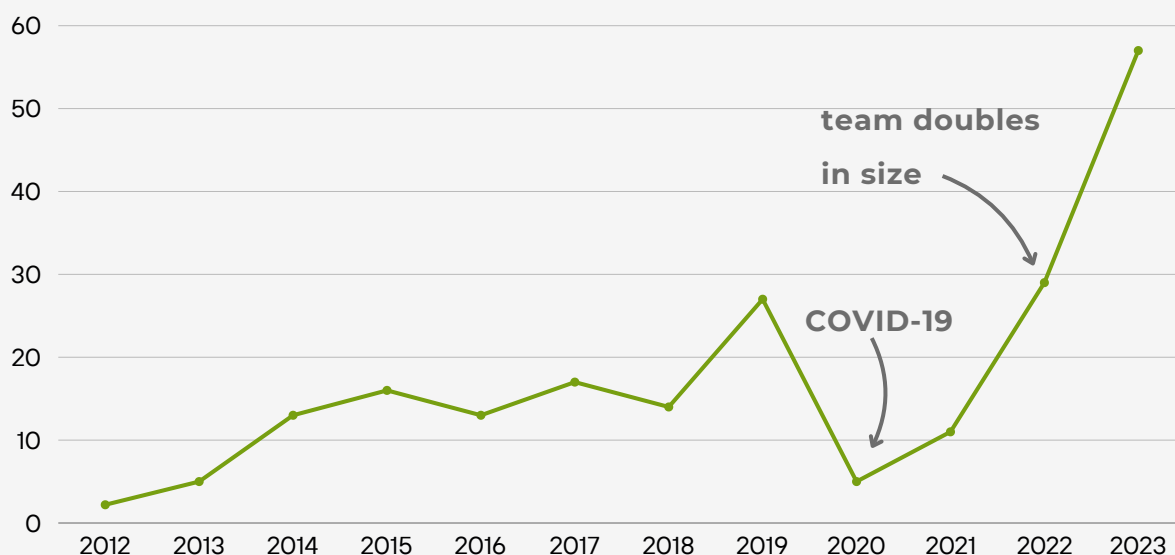
Scope 1 (On-site Combustion)

Scope 2 (Purchased Electricity)

Scope 3 (Employee Commuting,
Procurement, Waste Disposal)



ANNUAL CO2 EMISSIONS IN METRIC TONS



WORKERS



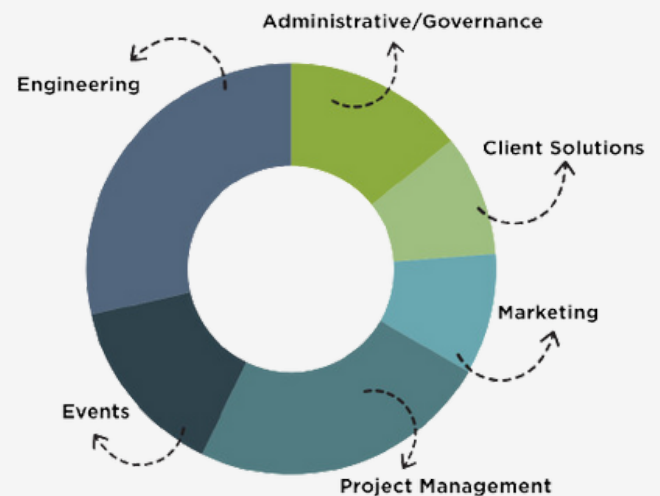
DIVERSITY

Verdical Group strives to create a supportive environment where voices from diverse backgrounds and perspectives are heard. Human capital is our most important asset. We are committed to the hiring, retention, and promotion of people of all genders and of racially and ethnically diverse employees. Our policies on recruitment and selection, compensation and benefits, professional development and training, and mentorship strategies are focused on providing a culture and work environment where all employees have the opportunity to be successful in their careers and to be represented at all levels of the organization including senior leadership. We are an anti-racist organization, committed to not just prohibiting racism within our organization, but also actively fighting discrimination against Black, Indigenous, and people of color (BIPOC).

OUR TEAM BY CREDENTIALS

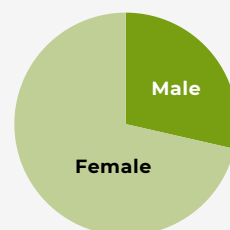
LEED AP BD+C
LEED AP O+M
LEED AP ID+C
LEED Green Associate
Professional Engineer
WELL AP
Living Future Accreditation
Fitwel Ambassador
Envision Sustainability Professional
Certified Building Cx Professional
Green Globes Professional
Green Globes Emerging Professional
Certified Energy Manager
TRUE Zero Waste Advisor
ActiveScore AP

OUR TEAM BY DEPARTMENT

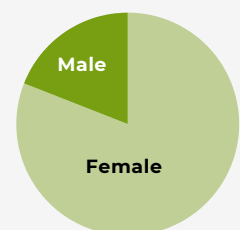


OUR TEAM BY GENDER

IN LEADERSHIP



OUR FULL TEAM



BENEFITS AT-A-GLANCE

- 100% company-paid health insurance
- 100% company-paid dental insurance
- 401(k) retirement plan with ESG and sustainable investment options and 3% match after 1 year of employment
- 100% company-paid term life insurance and AD&D insurance
- Paid/Personal Time Off (PTO), with extra vacation days added based on tenure
- 9 paid holidays
- Remote work from your home office with monthly required in-person team meetups; office space available for use
- Flexible schedules
- \$100/month pre-tax Cell Phone Stipend
- \$50/month Work From Home Stipend
- \$750/year continuing education stipend to encourage continuous learning
- 100% company-paid credential exams + renewal fees
- Annual bonus program
- Career pathways program with quarterly meetings to discuss career goals
- Management training program
- Partially paid maternity/paternity leave
- Team Member discount & wellness program through Perks At Work
- Financial wellness training and volunteering during paid time
- Attend industry events, such as VG's annual Net Zero Conference
- Team activities such as hikes, holiday dinner, Earth Day volunteering, retreats, VG University, and café meetups.

BENEFIT HIGHLIGHT: FINANCIAL LITERACY PROGRAM

This is an exciting new benefit that we implemented in 2023 after including it as a goal in our 2022 Impact Report. Our employee financial wellness program provides opportunities for ongoing learning and financial planning.

COMMUNITY



Our team offered a yoga session in Santa Monica, California to attendees of the 2023 Net Zero Conference.

17,828

PEOPLE EDUCATED

1,469

HOURS VOLUNTEERED

Over the 11 years since Verdical Group was founded, 2012-2023.

EDUCATION

Community education has been a pillar of Verdical Group's business since day one. We dedicate time each year to teach both students and industry professionals about sustainability, whether that be an introduction to the concept of climate change for young students or a more technical deep-dive into an aspect of sustainable design.

NET ZERO CONFERENCE

Our annual Net Zero Conference is perhaps our most significant educational contribution to the community. For a decade, the event has convened climate leaders to bridge knowledge gaps, inspire, and collaborate on global solutions for change. The conference provides synergistic learning opportunities across focus areas like climate, net zero, ESG, equity, carbon, and resilience. It features world-class speakers from multidisciplinary backgrounds, educational sessions on trends and emerging technologies, an interactive Expo Hall, professional networking, and an annual Gala.

Photos: Ling Luo



VOLUNTEERISM

Verdical Group is committed to supporting employee volunteering efforts. We encourage volunteering activities that are aligned with our company goals of creating a more sustainable and socially just world. Our team regularly dedicates half a day to volunteering together as a company. Verdical Group also encourages employees to participate in industry organizations and associations affiliated with the company's business goals and sustainability mission.



VOLUNTEERISM HIGHLIGHTS

Pictured left:

Members of our San Francisco office had the pleasure of hosting a workshop for students in the Presidio Bay Ventures Real Estate Development Scholarship Program – a program founded by Verdical Group's client Presidio Bay Ventures in partnership with Operation Genesis. The program provides students from underrepresented backgrounds with the opportunity to learn from industry professionals and to gain knowledge of commercial real estate.

Pictured center and right:

Verdical Group's Los Angeles-based team members gathered at Griffith Park to assist LA Compost, a local, community-based nonprofit working to improve access to and education on composting. Our team provided hands-on support at the compost hub, helping to transform food waste to healthy soil!

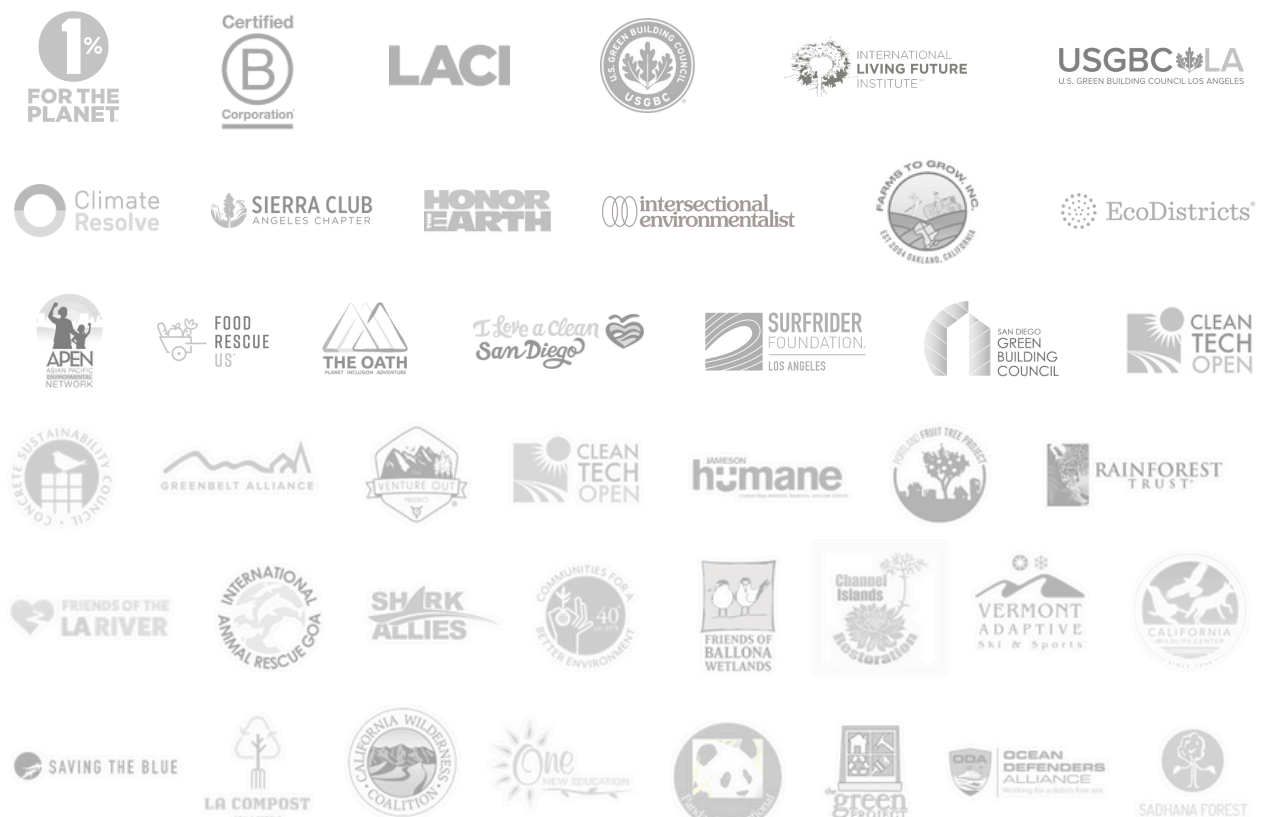
1% FOR THE PLANET

As a 1% for the Planet Member Company, we donate 1% of our annual revenue, not just profit, to environmental nonprofit organizations. Our giving includes monetary, volunteering, and in-kind contributions.

\$183,198

given since 2013

Nonprofits we have given to through 1% for the Planet:



GOVERNANCE

Verdical Group

A photograph of a Verdical Group booth at an event. The booth is under a black canopy with the company name 'Verdical Group' in large white letters. A woman in a patterned cardigan stands behind a table with a laptop, a white hard hat, and some brochures. Another woman is partially visible on the right. The background features a neon sign that reads 'Verdical Group'.

1 TO 2.1

salary ratio of our lowest to highest paid employee

EMPLOYEE COMPENSATION

Verdical Group is committed to pay scale equity. For reference, the average S&P 500 company's CEO-to-worker pay ratio was 1 to 272.0 in 2022. Society historically overvalues work performed by senior level job classifications and undervalues work performed by team members in junior level job classifications. While we recognize that there are merited differences in team member compensation, we have placed an equitable limit (1 to 5) on the compensation salary ratio between the lowest and highest paid employee. Pay scale information is included for every job posting, and available to all current employees.



TEAM MEMBER SATISFACTION SURVEY HIGHLIGHTS

Verdical Group team members annually complete a survey about their experience working at our company. In 2023, employees agreed most strongly with the following statements:

4.7/5 AVERAGE SCORE

"I understand the importance of valuing differences at Verdical Group."

4.6/5 AVERAGE SCORE

"People are treated with respect and appreciation regardless of religion, race, marital status, sexual orientation, national origin, sex, gender identity, gender, gender expression, politics, disability, armed forces, or physical disability."

4.6/5 AVERAGE SCORE

"I trust my team members."

WHAT IS A BENEFIT CORPORATION?

The California Corporate Flexibility Act of 2011 enabled companies to incorporate as a “Benefit Corporation.” This corporate form is designed specifically for companies to pursue both for-profit and non-profit objectives, requiring leadership to take profit, people, *and* planet into account when making business decisions.

The organization *must* create a public benefit and commit to transparency and accountability through a third-party assessment standard (we use B Corp — see page 02 to learn more). In addition to California, the designation is also available in the District of Columbia and 15 other states.



OUR BYLAWS

Perhaps the best indication that social and environmental sustainability is engrained in our organization is our commitment to these principles as outlined in our Articles of Incorporation and bylaws. As a Benefit Corporation, our bylaws state that Verdical Group shall consider the effect of company actions on “the ability of the corporation to accomplish its general public benefit purpose and reducing the impact of the built environment on the natural environment.”

Our bylaws also require that our company consider the effect of our actions on the interests and wellbeing of our customers, shareholders, employees, community, and facilities, as well as the longevity of our business. Finally, they state that any person seeking to acquire control of the company must have intent consistent with the corporation’s purpose — to create social benefit.

CUSTOMER SERVICES

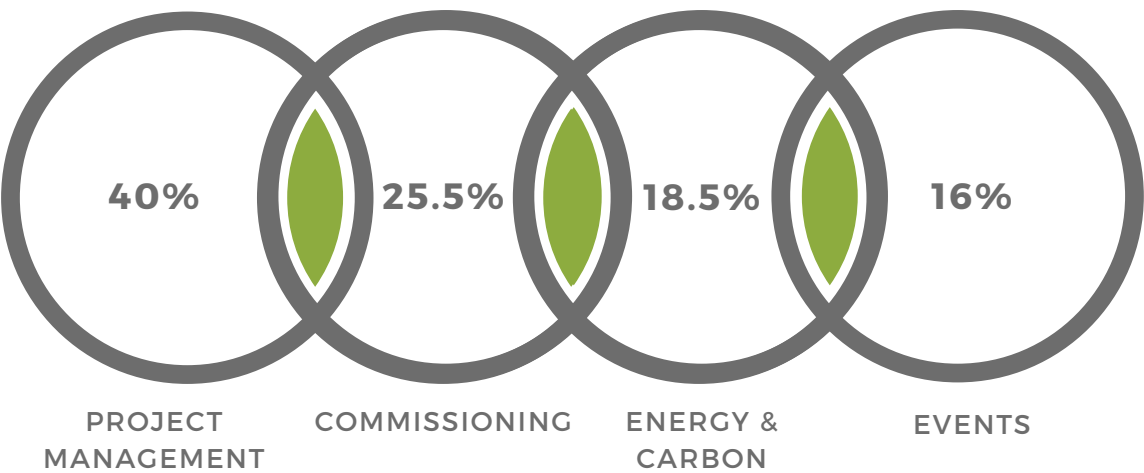
Verdical Group's Downtown Los Angeles office space at the La Kretz Innovation Campus.

OUR SERVICES

Verdical Group is a full-service sustainability consulting firm. We provide:

- **Engineering Services:** commissioning, energy modeling, daylight modeling, carbon accounting, and life cycle assessment (LCAs)
- **Sustainability Strategy:** net zero, zero carbon, Environmental Social Governance (ESG), and utility program management.
- **Project Management:** green building certifications such as LEED, WELL, Fitwel, Living Building Challenge, Envision, Declare, and more.
- **Sustainable Event Production:** strategy, onsite support, post-event reporting

In 2023, our work was distributed between services as follows:



EXPANDING OUR SERVICE AREAS

The following areas of our business grew substantially in 2023.

UTILITY PROGRAM MANAGEMENT

We collaborate with utility companies to efficiently manage large-scale programs, including: building codes, energy and water efficiency, outreach and engagement, in-person events, and more.

CARBON ACCOUNTING

In addition to conducting LCAs, our team works with clients to calculate and strategically reduce the carbon impact of their building or business. Want to learn more? Check out our new [CO2 Breakdown](#) guide to get started.

ENVIRONMENTAL, SOCIAL, GOVERNANCE

ESG may seem complex, but we can guide the process, create performance baselines, set goals, and tell your story. See examples of our ESG work [here](#).



WHAT IS A NET PROMOTER SCORE?

This simple survey measures customer loyalty by looking at their likelihood of recommending a given business. It's a single-question survey reported with a number ranging from -100 to +100, where a higher score is desirable. We are proud to have a perfect score!

MAKING HEADLINES

We're proud to have our expertise, team members, and events featured in a variety of media outlets. Here are a few of our favorites from 2023!

Architectural Record | Continuing Education: Architects Zero in on Zero to Define Building Performance: The number of day-to-day terms that we use in the sustainable design community has ballooned in recent years. Verdical Group's CEO & Founder Drew Shula shared his thoughts on the predicament.

Washington Post | Moving homes creates tons of waste. Here's how to be greener about it: Shula and other experts spoke with the The Washington Post about how to "green" your next move.

Metropolis Magazine | Meet the Climate Leaders Awarded at this Year's Net Zero Conference: The 2023 cohort of Net Zero Conference Trailblazer Awardees was exclusively announced in a Metropolis Magazine feature.

The Climate Rebels Podcast | Convening to Exchange Ideas and Solutions for Climate Change: Shula joined Joel Cesare and Owen Barrett on the Climate Rebels Podcast to discuss impactful strategies to fight climate change.

USGBC | Q&A with Drew Shula, founder of the Net Zero Conference: In an interview with USGBC's Charles Jennes, Shula shared insights on his childhood in Maine, his inspiration to start Verdical Group, and the Net Zero Conference.

MeetingsNet | A Host Facility's Energy Sources: What Planners Should Know: Shula and other planners shared tips for choosing an energy efficient venue.

Architectural
Record

The
Washington
Post

METROPOLIS

THE
CLIMATE
REBELS
PODCAST



MEETINGSNET

21,115,260
KWH OF ENERGY SAVED

14,291,511
GALLONS OF WATER SAVED

53,514,765
LBS OF WASTE DIVERTED

We're proud to share the positive social and environmental impact Verdical Group has made through our LEED Projects since our inception in 2012. Compared to 2022, this represents a **56% increase in water saved**, a **17% increase in energy saved**, and a **45% increase in waste diverted** from our **LEED Certified** project sites.

We do not track savings for our non-LEED or incomplete projects.

Verdical Group client Continuum Partners' **Produce LA** project located in Downtown Los Angeles.

GOALS

We are committed to continuous improvement at Verdical Group. While we're immensely proud of the accomplishments outlined in this report, we know that there is always room to grow our positive impact.



INCREASE OUR B CORP SCORE

When we re-certify in 2024, we hope to achieve a significantly higher B Impact Assessment score. We are already making policy changes that will help us get there!

CLIMATE NEUTRAL CERTIFICATION

As a longtime 1% for the Planet Member Company and B Corp, we would like to earn Climate Neutral certification to complete what many call the ethical business “trifecta.”

CONDUCT RISK ASSESSMENT

We plan to conduct an ethics-focused risk assessment to promote morally sound decision-making and prevent corruption. B Corp awards points for this practice.

PRIORITIZE GIVING

While we always donate 1% of our profits to environmental nonprofits, we aim to assign at least 20% of that giving to organizations serving underrepresented communities.

SPEND MORE TEAM TIME VOLUNTEERING

Starting in 2024, we will spend substantially more team hours volunteering, dedicating one afternoon per quarter to serving our community.

OUR OFFICES

LOS ANGELES

LA Cleantech Incubator (LACI)
525 S. Hewitt Street
Los Angeles, CA 90013

PASADENA

Proudly co-located with Pankow Builders:
199 S. Los Robles Avenue, Suite 300
Pasadena, CA 91101

SAN FRANCISCO

Proudly co-located with Pankow Builders:
1 Sutter Street, Suite 200
San Francisco, CA 94109

SAN DIEGO

Proudly co-located with Sillman Architecture
7515 Metropolitan Drive, Suite 400
San Diego, CA 92108