

2022 A look back at DEIA at Cascade Energy DEIA REPORT



*Cascade Energy acknowledges that our offices across the country
are located on the traditional lands of Indigenous people.*



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2022

Our Commitment

At Cascade Energy, we believe in doing the right thing, and we are committed to a culture valuing diversity, equity, inclusion, and accessibility (DEIA). Our practices and policies reflect this commitment. As an employee-owned company, our people are our priority and our most important competitive advantage.

Cascadians are a unique and varied group of talented, motivated, and engaged individuals. We respect our differences and recognize that diversity makes Cascade stronger. We have built a company where people take pride in their work and take advantage of a healthy work environment with opportunities for personal and professional growth.

We do not tolerate acts of discrimination by or against our team members, current or prospective. We strive to create diverse, equitable, inclusive, and accessible workplaces that align with our values. This DEIA Report (formerly titled *Diversity Report*) provides an annual update on progress towards our DEIA goals and a summary of DEIA-related activities at Cascade.

CASCADE VALUES



Aligning with Our Customers

Cascade Energy partners with our utility clients to help their programs improve energy efficiency, engage new customers, motivate current customers to complete energy-saving projects, and build energy-saving cultures. Some of our clients identify DEIA or community-focused preferences and/or requirements as part of their scopes of work. Of the 42 proposals for new work our production team managed in 2022, 28.5% included DEIA preferences or requirements. The bulk of proposals with DEIA requirements were issued by utilities in the West and Midwest and focused on contracting to diverse business enterprises (DBEs) and outreach to underserved customers. Evaluators of these proposals may favorably score organizations that provide opportunities to certified DBEs, are located in and/or serve disadvantaged communities, can achieve diverse supplier spending goals, and/or are committed to improving outreach to and participation from hard-to-reach or historically marginalized groups.



Diversity, Equity, Inclusion, and Accessibility at Cascade Energy

Cascade published our first Diversity Report in 2015 and in 2020, we rededicated our DEI program and team to expand and include representation from across Cascade. Based on employee feedback, we added Accessibility to our DEI structure in 2022. Volunteer members of our DEIA Team represent a variety of backgrounds and levels of work experience, from new hires to the leadership team and Board.



DIVERSITY

We believe that diversity drives innovation, growth, and better outcomes for all and strive to increase diversity at all levels within our organization.



EQUITY

We believe that everyone is different and equally deserving of fair treatment, opportunities, and outcomes across race, gender, class, and other human differences.



INCLUSION

We believe that all voices and perspectives are important, and all aspects of our work, including the decision-making and planning processes should strive to include representative voices and perspectives.



ACCESSIBILITY

We believe that improved accessibility empowers Cascadians to wholly contribute to our work and makes experiences, services, and products better for everyone.

The DEIA Team's charter establishes that:

The DEIA Team is responsible for identifying and implementing activities and initiatives that will help Cascade improve the state of diversity, equity, inclusion, and accessibility across the company, while being mindful of the development and health of our employees, the goals and objectives of our customers, and the greater impact to our communities.

In mid-2022, we added a full-time DEIA Specialist position to drive and support our continued DEIA improvement. The DEIA Specialist collaborates with the DEIA Team and internal and external stakeholders to: achieve DEIA goals; provide avenues for employee education, involvement, and engagement on DEIA topics and activities; and provide key reporting and communications regarding DEIA program initiatives.

We encourage all our employee-owners to play an active part in improving DEIA at Cascade. We invite them to reach out to individual DEIA Team members or email the team collectively with any questions, concerns, or feedback related to the state of DEIA within our company. People can submit actionable ideas to improve DEIA through an opportunity register. Opportunity register suggestions are a key component to forming annual goals, creating new programs, and identifying new initiatives and processes.

The DEIA Team is committed to maintaining anonymity of contributors when requested, respecting privacy, and carefully considering all communication. The DEIA Team meets regularly to share progress on current goals and initiatives, discuss feedback received from Cascadians, and consider opportunity register submissions. The team manages an intranet site where Cascadians can read regularly published DEIA updates and access learning resources, DEIA and language best practice guides, and our past DEIA reports.

This DEIA Report includes our Diverse Business Spend (DBE) Report, an annual snapshot of our employee demographics, an update on 2022 DEIA goals, an introduction to 2023 DEIA goals, and information about new and ongoing DEIA initiatives.



Annual Snapshot

Cascade tracks our employee diversity through our Human Resources Information System (HRIS) which allows employees to self-identify gender, ethnicity, veteran, and/or disability status. We do not track lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA+) status or other potential diverse traits, and as such, our overall company snapshot, while extensive, is not a complete picture of our diversity status.

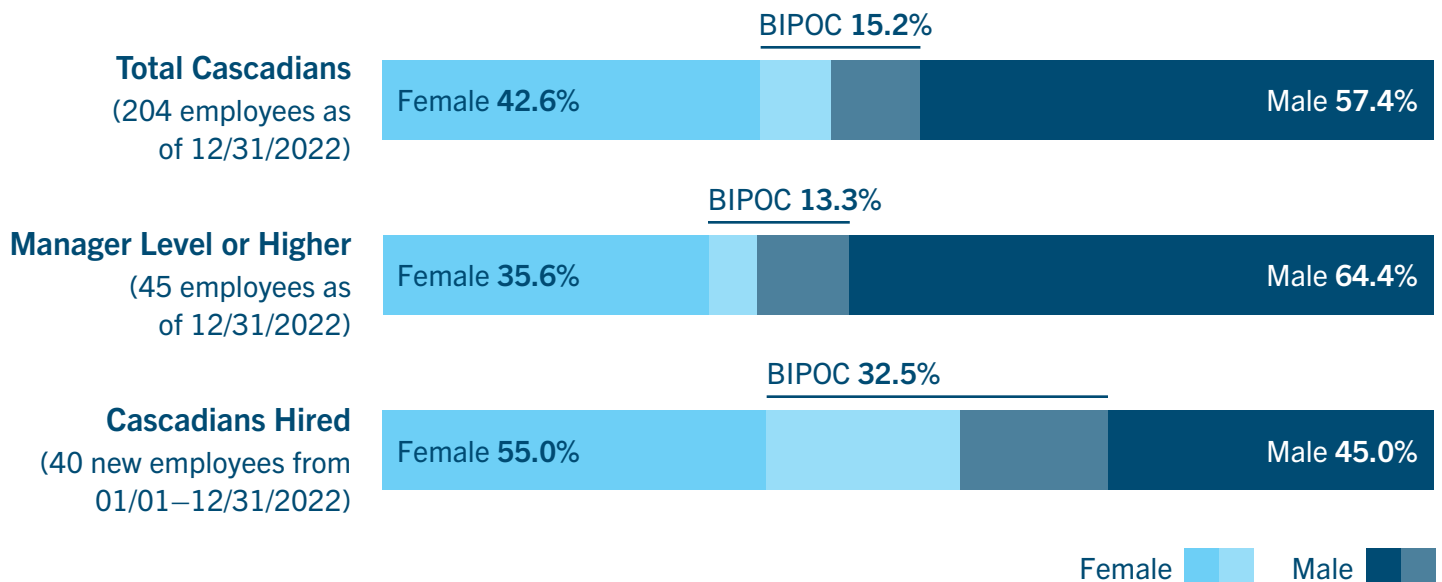
As of December 31, 2022, Cascade Energy had 204 employees:

- 42.6% identify as female — a 2.1% increase from 2021
- 15.2% identify as Black, Indigenous, or a Person of Color (BIPOC) — a 1.4% increase from 2021

Focusing on employees at a manager level or higher, while the actual number of managers remained consistent at 45, we saw some improvement in diversity:

- 35.6% identify as female – an 8.9% increase from 2021
- 13.3% identify as BIPOC – a 2.2% increase from 2021

Throughout 2022, Cascade continued to focus on diverse hiring. Of the 40 new Cascadians hired in 2022, 55.0% identified as female and 32.5% identified as BIPOC.



2022 DEIA Goals and Accomplishments

MEANINGFULLY DIVERSIFY CASCADE'S BOARD OF DIRECTORS		Status
Objective	Add a woman and/or a person of color to Cascade's Board of Directors in 2022.	ACHIEVED
Results	We welcomed two new independent Directors to our Board last year, both of whom add multiple facets of diversity to the team	

Cascade's Board of Directors guides our biggest decisions and contributes to company performance by bringing a strategic and objective view of our market, operations, and customers. The journey to diversifying Cascade's Board has been years in the making. Since the company's founding in 1993 to November 2022, the Board consisted only of active Cascade employees. Today, at our growing size and complexity, we know adding independent Directors with different backgrounds, perspectives, knowledge, and external experience will benefit us greatly and help us make better decisions.

In 2022, our Board of Directors and Leadership Team redefined the Board charter, drafted a job description for independent Board members, outlined a process and accountabilities for recruiting and selecting new Board members, and leveraged industry and community connections to recruit for the open Board position(s). As a result of this work, we surpassed our original goal by welcoming two new, independent Directors to our Board in November 2022.

IMPROVE DIVERSE HIRING PRACTICES		Status
Objective	Ensure that 60% of new hires are women or individuals from underrepresented backgrounds, with half of those new hires being BIPOC.	ACHIEVED
Results	In 2022, 75% of open positions had interview pools with at least two diverse candidates. We will continue to build diverse candidate pipelines to create diverse interview pools for 100% of open positions. These diverse interview pools, as well as the recruiting Team's Certified Diversity Sourcing Professional (CDSP) accreditation, helped us exceed both our hiring targets for underrepresented and BIPOC applicants.	

IMPROVE DIVERSE HIRING PRACTICES		Status
<p>Objective Help current Cascadians from underrepresented groups apply for desired open positions with a combination of manager support and L&D resources.</p> <p>Results Our Learning and Development (L&D) hub significantly expanded in 2022. The hub is an intranet site that connects users to an e-learning platform and centralizes L&D resources, offering Cascadians a suite of learning and development opportunities. In conjunction with our internal job description library, the L&D hub helps employees identify and fill gaps in knowledge and/or skills. The expanded L&D hub kept our company-wide goal, <i>Developing with Purpose</i>, on track. This goal and related development planning meetings prompted deeper discussions between managers and staff about intrinsic motivators and career development.</p>	ACHIEVED	
<p>Objective Hire for manager and executive positions with the same diversity parameters as all other open positions, to improve manager and executive diversity.</p> <p>Results Our recruiting team posted manager and executive positions both internally and externally, with the same targets for diverse interview panels. New Manager Peer Group (MPG) content is aligned with development planning, offering all interested employees the opportunity to access the tools and resources needed to gain successful management skills.</p>	ACHIEVED	
<p>Objective Continue the best practices established in Year 1 (2021) of our Improve Diverse Hiring Practices goal, including ongoing tracking of diversity metrics, ensuring diverse candidate pools, posting job openings internally and externally, and focusing on diversity and anti-bias training for our recruiting and hiring teams.</p> <p>Results We tracked our outreach, recruiting, and hiring activity through the year, with a renewed focus on data from candidates from underrepresented backgrounds. The data helped us develop new, robust metrics on the number of underrepresented candidates interviewed, hired, and retained.</p> <p>In 2022,</p> <ul style="list-style-type: none"> • 75% of candidate pools met diversity targets • 93% of job openings were simultaneously posted internally and externally, and • 100% of our recruiting and hiring teams completed anti-bias training before participating in the interview process 	ACHIEVED	

Cascade remains committed to improving companywide diversity in impactful and sustainable ways. Our HR and recruiting teams drive these efforts by building diverse candidate pipelines, proactively inviting diverse talent to apply for roles at Cascade and ensuring equity throughout our hiring processes. All Cascadians can support our diverse hiring activities and contribute to improved diversity and employee engagement by embracing the individual responsibility for creating and supporting safe, welcoming, and inclusive workspaces.

We will continue to advance all objectives in this category and support new objectives designed to create and sustain diverse candidate pipelines.

INCREASE PAY TRANSPARENCY AND ENHANCE JOB DESCRIPTIONS		Status
<p>Objective Complete and publish internally Cascade’s <i>Pay Philosophy Statement</i> and <i>Pay Administration Procedures</i>.</p> <p>Results Published in early 2022, our Pay Philosophy Statement outlines Cascade’s view of competitive compensation via a package of total rewards that includes pay, benefits, flexibility, and a values-driven culture that attracts, retains, and motivates our workforce. The Pay Philosophy Statement provides the lens through which we make decisions about compensation.</p> <p>We simultaneously published Cascade’s Pay Administration Procedures. These procedures provide a detailed explanation of key compensation practices and compensation program administration guidelines. They describe our processes for maintaining our salary framework and pay ranges, applying geographic adjustments, establishing employee compensation, and implementing annual raises and bonuses.</p>	ACHIEVED	
<p>Objective Share individual employees’ current salary range information during the annual review process.</p> <p>Results During the annual year-end process, managers provided all employees with information about the salary range for their role and their placement within that range. This salary information was provided in November 2022, independent of the annual performance reviews in December.</p>	ACHIEVED	
<p>Objective Include salary ranges on all posted job openings.</p> <p>Results All job openings posted after February 1, 2022, include salary ranges, normalized for position-specific geographic location.</p>	ACHIEVED	

INCREASE PAY TRANSPARENCY AND ENHANCE JOB DESCRIPTIONS		Status
<p>Objectives</p> <ol style="list-style-type: none"> 1. Publish a job description library where the descriptions, requirements, and salary ranges for all positions at Cascade are available. 2. Finalize work on job descriptions and rubrics containing the skills, technical proficiencies, and competencies needed to be successful in each role. 3. Ensure that Cascadians understand their path to a specified job role or pay range. 4. Publish skill rubrics for all job families. Skill rubrics include an outline of the skills needed to fulfill job requirements as well as the skills needed to excel in the position. <p>Results</p> <p>Cascade’s HR team published career progression pages for multiple job families that include information on leveling, salary structure, rubrics, and role-specific job descriptions and necessary skills.</p> <p>Work to provide leveled job families for all roles is ongoing. We will continue work to publish leveling and rubrics for job families across Cascade.</p> <p>While all employees have received salary range information for their individual role, ranges for all job families have not been published companywide.</p>	<p>SOME PROGRESS MADE</p>	

We set seven, one-year objectives under this *Increase Pay Transparency and Enhance Job Descriptions* goal. Led by our HR and Operations Teams, we fully achieved three objectives and made significant progress on the remaining four. We are marking this goal as *Some Progress Made* because we published information on job families, salary structures, position leveling, and rubrics for most but not all job roles at Cascade. All work under this goal will continue into 2023. We are committed to internally publishing job descriptions and salary grade information for all roles at Cascade by end of 2023.

CREATE A 3-YEAR ROADMAP FOR AN INTERNAL DEIA LEARNING PROGRAM		Status
<p>Objective</p> <p>Together with L&D, the DEIA Team will create a roadmap of quarterly learning opportunities and activities through 2024.</p> <p>Results</p> <p>We completed a three-year internal DEIA learning roadmap, including identified objectives for Cascadians.</p>	<p>ACHIEVED</p>	

CREATE A 3-YEAR ROADMAP FOR AN INTERNAL DEIA LEARNING PROGRAM		Status
<p>Objective Early activities will be designed to promote proactive inclusion and shifting participant mindset to “anticipating and owning impact” from “owning impact.”</p> <p>Results The DEIA Team introduced best practices for identifying instances of exclusion and promoting proactive inclusion and tools to aid in understanding both the original intent and potential/actual impact of words/actions.</p>	SOME PROGRESS MADE	
<p>Objective The roadmap will include at least two certification opportunities for DEIA-related learning (one for managers and one for all employees).</p> <p>Results The three-year learning roadmap includes two DEIA-related certification opportunities. Certification comes from third-party professional organizations that focus on improving the state of DEIA within individuals and companies.</p>	NOT ACHIEVED	
<p>Objective A biannual news post on our intranet shares out all learning opportunities that have been introduced in the last six months. These news posts will include at least one testimonial from a manager or executive-level employee regarding a currently offered training.</p> <p>Results We did not achieve this objective in 2022 and will carry it over to learning and development goals in 2023.</p>	NOT ACHIEVED	
<p>Objective We will begin to build out an internal resource library for DEIA learning material.</p> <p>Results As of December 2022, several internal teams are working on identifying, tailoring, and compiling learning activities in an accessible, central location.</p>	SOME PROGRESS MADE	

The DEIA Team will announce the learning roadmap at Cascade’s March 2023 company meeting. After roadmap activities kick off in Q2, employees will be able to access information, training activities, and resources to help them achieve DEIA learning objectives.

INCREASE TRANSPARENCY OF DEIA AT CASCADE		Status
<p>Objective We will author quarterly DEIA updates that highlight progress toward stated goals, achievements, and growth opportunities.</p> <p>Results The DEIA Team authored eight updates in 2022. In addition to our stated objectives, the updates also introduced new DEIA projects and initiatives.</p>	ACHIEVED	
<p>Objective We will publish an annual DEIA Report and make it available both internally and externally. The report will include diversity statistics for all staff, management and executives, and new hires, plus areas of improvement and opportunity.</p> <p>Results The DEIA Specialist authored the 2021 DEIA Report in January 2022. The DEIA Team presented the report, including a recap of 2021 goals and introduction of 2022 goals in a company-wide meeting in February 2022.</p>	ACHIEVED	

This goal included two core objectives—authoring quarterly DEIA updates and publishing an annual DEIA Report—both of which were completed. There continues to be multiple paths to increase DEIA transparency; we will continue and expand these efforts in 2023.



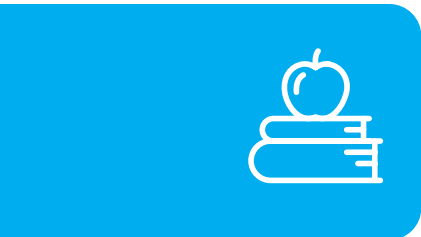
Additional DEIA and Community-Focused Activities

It is important to Cascade to have a positive impact in the communities where we live and work, with a focus on directing resources towards underserved individuals and historically marginalized groups. In addition to work related to our annual goals, Cascade supported several DEIA-related projects and community-focused activities in 2022, including:

CANDIDATE REFERRAL PROGRAM

While Cascade recognizes the value of candidate referrals from existing employees, this approach can limit the diversity of candidate pools, as people tend to network with and refer candidates who are like themselves. This can impede diversity efforts, even if unintentional. The Candidate Referral Program supports Cascade's efforts to build diverse candidate pipelines. Both employees and those external to Cascade may participate in the referral program; this includes customers, vendors, and others we partner within the community. Anyone who refers a successful hire to Cascade can direct a \$500 referral donation to a professional organization with a focus on serving historically marginalized communities. We seek to support and maintain relationships with organizations working to improve career opportunities for underrepresented groups, which in turn improves our diverse outreach and hiring capabilities. In 2022, employee referrers directed \$2,500 to three professional organizations¹.

¹ [National Society of Black Engineers](#) (NSBE), [Project Syncere](#), and [The Council on Women in Energy & Environmental Leadership](#) (CWEEL)



MENTORSHIP

As energy efficiency consultants, Cascade believes our knowledge and skills can benefit people, the planet, and the economy. On a more micro level, we also believe our knowledge and skills can benefit the communities around us. In 2022, in addition to hiring traditionally paid interns and supporting their work experience, Cascade supported five mentorship programs:

1. [iUrban Teen](#)

iEngineer/iUrban Teen is a program that offers BIPOC high school and college students learning and work opportunities in STEM fields. iEngineer is a newly formed program under the iUrban Teen umbrella focused on the engineering field. Cascade's Northwest Project Engineering team participated in iEngineer's STEM summit that provided middle and high school students exposure to engineering with a focus on industrial energy efficiency. Through iUrban Teen, Cascade hired a college engineering intern for six months in 2022; during this time, they worked on wide variety of projects and made valuable contributions in the areas of engineering analysis, program delivery, our Energy Sensei® software, and tool building.

2. [De La Salle North \(DLSN\) Corporate Work Study Program \(CWSP\)](#)

Cascade has been a Corporate Partner in DLSN's CWSP since 2014. DLSN offers a college preparatory high school education to underserved students from the Portland, Oregon area. The CWSP connects students with corporate partners to fill entry-level jobs through the school year. These jobs are paid positions, with the money earned covering approximately 50% of a student's cost of education. In addition to offsetting tuition costs, students also benefit from learning valuable skills in a professional work environment. In 2022, Cascade sponsored three DLSN interns through the CWSP. We have sponsored 34 students through this program to date.

3. [Epicodus](#)

Epicodus is a full-time code school whose curriculum includes a month-long professional internship and ongoing job search support for all students. Cascade has partnered with Epicodus since 2019, providing paid internship opportunities and mentorship in an educational environment that allows students to apply their skills to real-world software development projects. To support the students' continued success, our experienced developers dedicate their time to mentor and collaborate with the interns, ensuring their smooth transition into the industry. Several interns extended their one-month internships, and some have joined our team as permanent, full-time

employees. In 2022, one Epicodus student completed their internship at Cascade and joined us in a full-time role on our software team.

[4. Renewable Energy Scholarship Foundation \(RESF\)](#)

RESF is a 501(c)(3) public non-profit that provides undergraduate and graduate college-level academic scholarships to Oregon and Washington students who demonstrate success in their academic pursuits in any aspect of renewable energy, from the sciences to complementary fields like public policy, law, economics, sociology. Cascade sponsored a scholarship through RESF, and our scholarship is one of two dedicated to a first-generation college student, a student with disabilities as defined by the ADA, and/or a student from an underrepresented or historically marginalized group (including but not limited to Black, Indigenous, and People of Color (BIPOC) and lesbian, gay, bisexual, transgender, and queer (LGBTQ+) communities).

[5. US Department of Energy Industrial Assessment Centers: Women for Energy Efficiency \(WE²\)](#)

Ten Cascade engineers representing a variety of specialties mentored engineering students via the WE² mentorship program throughout the 2022–2023 program year. Through this mentorship program they met monthly with assigned engineering students to develop professional skills, identify potential career paths, provide guidance and networking opportunities, and improve representation of women in the energy and engineering industries.

ADDING THE ‘A’

In 2022, the DEIA Team added an ‘A’ to represent Accessibility, expanding the original DEI acronym. Accessibility at Cascade means that all employees, customers, and partners—current and prospective—can perceive, understand, navigate, and interact with Cascade’s digital and physical resources and be active, contributing members of our work community. Accessible design improves access to resources for those with and without disabilities. **Everyone** benefits from accessibility.

Our decision to ‘Add the A’ followed a [larger, visible Executive Order](#) from the federal government to add Accessibility to the definition of DEI. This decision brought visibility to the issue of accessibility and highlighted how those with a disability may experience the same spaces (even equitable spaces) differently. Throughout the year, the DEIA Team worked to build accessibility into Cascade culture, offer mentor programs/cohorts, develop an accommodation policy, improve accessibility in the

hiring process, and remove barriers to digital accessibility (especially with our existing software and processes). This work will continue.

IMPROVING OUR JOB POSTINGS

An opportunity register submission shared another company's effective job posting that included a *"Why you should work with us"* section highlighting the company's culture, active DEIA initiatives, and accessible employee resources. The DEIA Team recognized an opportunity to review and improve our own current job postings to ensure that we are actively sharing our culture and DEIA commitment with job seekers. We updated our job posting template to use more inclusive language and provide potential Cascadians insight into Cascade culture and what it would feel like to work at Cascade. The updated template complies with all legal/Equal Opportunity Employer requirements and clearly communicates all information about posted positions, including benefits; employee resources; and role-dependent details such as salary ranges and benefits, role responsibilities, options for remote, hybrid, and in-office work, and characteristics of successful candidates. Transparency and clear communication help set expectations and allow potential candidates to make a well-informed decision to apply and join our team.

LAND ACKNOWLEDGEMENT

Cascade Energy offices across the country are located on the traditional lands of Indigenous people. As a result of an opportunity register suggestion, we added individual, localized land acknowledgements on each office's intranet homepage and created a land acknowledgement landing page that reviews what land acknowledgements are, shares why Cascade is adopting them, and provides local and national resources to learn about and actively support Indigenous communities.

DIVERSE BUSINESS ENTERPRISE (DBE) SPEND VISIBILITY

Cascade is committed to using our market power to boost small and diverse enterprises in our business community while working towards our mission of making industrial energy efficiency happen in smart, measurable, and sustained ways. Our mission is to proactively identify and purchase goods and services from small businesses and enterprises owned or operated by people with disabilities, racial and ethnic minorities, women, veterans, and LGBTQ+ individuals. During this process, we strive to build long-term, sustainable, and mutually beneficial relationships with these enterprises.



Our *Supplier Diversity Policy* helps us attract qualified small and diverse suppliers to support our business needs. As part of our commitment to supplier diversity, we routinely track and report on our company's spending with DBE subcontractors and vendors. A historic challenge with tracking progress towards Cascade's DBE spending targets has been understanding which company credit card charges are with certified DBEs. Thanks to our Finance & Accounting Team, we added a 'DBE Vendor' checkbox field to our expense entry detail screen. This helps track credit card spend with DBE vendors, improving the data available for our DBE Report.

The *2022 DBE Spend Report* and *Supplier Diversity Policy* are included at the end of this report, starting on page 23.

EMPLOYEE RESOURCE GROUPS (ERGs)

At the start of Q2 2022, the DEIA Team received an opportunity register submission that encouraged the formation of ERGs to create safe spaces for groups that may feel marginalized or underrepresented to connect, problem solve, and host discussions. A team of individuals from our DEIA, Legal, HR, and Operations departments researched, designed, and proposed an ERG program. The primary purpose of the ERG program at Cascade will be to advance the inclusion, connection, and understanding of underrepresented or marginalized employees. One of our 2023 DEIA goals is to successfully launch Cascade's ERG program and we are on track to launch in March 2023.

Additional ERG program and goal details can be found in the following What's Next section of this report.





What's Next?

The DEIA Team identified five goals to achieve in 2023. We will work on these new goals while continuing to make progress on several of our previous DEIA annual goals.

2023 DEIA ANNUAL GOALS

1 | Publish a DEIA Best Practices Guide (DBPG)

2 | Populate our Three-Year DEIA Learning Roadmap

3 | Successfully Launch Employee Resource Groups (ERGs)

4 | Prioritize Underserved Communities in Program Delivery

5 | Create Key Performance Indicators (KPIs) for DEIA Accountability

CASCADIAN DEIA LEARNING OBJECTIVES



Cascadians understand and embrace the value of diversity as a source for creativity, innovation, and productive collaboration.



Cascadians have the skills to identify, address, and improve inequitable and/or inaccessible work and learning environments



Cascadians demonstrate inclusive communication skills

1. PUBLISH A DEIA BEST PRACTICES GUIDE (DBPG)

As authors of the [Industrial Refrigeration Best Practices Guide \(IRBPG\)](#) and other valued energy management training curricula, Cascade Energy understands how education and training on best practices can benefit people, organizations, and communities. Sharing DEIA best practices will provide Cascadians with skills to create inclusive work environments, enhance the experiences of our customers and partners, and benefit the communities in which we work and live.

The DBPG will span organizational policies, teams, programs, and practices to create an internal, ever-evolving knowledge base that all can contribute to and learn from. Topics will include, but are not limited to:

- Inclusive language
- Cascade's brand voice
- Inclusive email signature examples
- Accessible technology
- Tools to check and measure digital accessibility
- Building, facility, and office accessibility
- Best practices for in-person and virtual meetings
- Workshop and program delivery best practices
- Event best practices

The guide will exist as an interactive resource on our intranet and have printable, standalone version that can be published or shared externally.

2. POPULATE OUR THREE-YEAR DEIA LEARNING ROADMAP

We made some progress on our 2022 DEIA Goals to create a DEIA Learning Roadmap. As a continuation of this goal, we will identify and frontload three years' worth of DEIA-related learning activities for Cascadians. The activities will provide knowledge and training through a variety of delivery formats, and the topics will support Cascadians in their work to achieve our three, company-wide DEIA Learning Objectives (see *Cascadian DEIA Learning Objectives* at left).

The DEIA and L&D Teams will audit the activities and content annually to ensure they are current and continue to add value.

Each quarter, the DEIA Team will highlight a specific learning opportunity in a DEIA news post on our intranet that includes an overview of content, potential benefits, relevance to Cascade work, and a case study from an employee (at a manager level or higher) who has completed the activity.



3. SUCCESSFULLY LAUNCH EMPLOYEE RESOURCE GROUPS (ERGS) AT CASCADE

As mentioned previously, an opportunity register submission encouraged forming ERGs at Cascade to support groups that may feel marginalized or underrepresented. Starting in mid-2022, a specialized, intra-departmental team of Cascadians researched, created, and proposed an ERG program to foster the continued growth and improvement of DEIA across Cascade.

Cascade's ERG program will be a resource to support inclusive work environments and improve recruitment and retention rates. The visions, goals, mission, policies, and activities of every ERG at Cascade will be fully aligned with Cascade's core values. These groups will foster employee engagement by supporting individuals' opportunities to learn, develop, and grow and reveal potential pain points that may increase absenteeism and lower engagement when unaddressed. A successful ERG program will also reflect our partners' growing focus on community involvement, engagement, and internal diverse representation.

The program was approved and will be launched in Q2 2023. The DEIA Team will support and assist interested individual(s) throughout the ERG application, creation, and operation processes. Successful employee-identified and employee-led ERGs will advance the inclusion, connection, and understanding of historically underrepresented or marginalized employees who share a common identifier and/or life experience. Our goal for 2023 is to support the launch and ongoing operations of at least one employee-identified ERG.

4. PRIORITIZE UNDERSERVED COMMUNITIES IN PROGRAM DELIVERY

Many Cascade clients have community-focused preferences or requirements, primarily with a focus on outreach to underserved communities to support equitable distribution of program resources. Cascade aims to meet and exceed these client expectations.

We will analyze current program marketing and communication efforts to set a baseline for community engagement, identify which of our program teams excel in community-focused outreach and how they've achieved success, and uncover gaps in our service delivery to remediate them. The team will share the results of these analyses across Cascade to minimize information silos across program teams, achieve the maximum potential benefit, and track results on an ongoing, biannual basis. Case studies and news posts will communicate program successes, challenges, and progress.

As we use the information and knowledge gained to identify and share community-focused best practices across our program delivery teams, our overall program delivery will improve. This goal aligns with our ongoing commitment to make positive, sustainable contributions to the communities in which we work and live.

5. CREATE KEY PERFORMANCE INDICATORS (KPIs) FOR DEIA ACCOUNTABILITY

Our recruiting and HR teams were largely responsible for our 2021 and 2022 goal to *Improve Diverse Hiring Practices*. To achieve our vision of a Cascade staff that consists of at least 20% BIPOC individuals by the end of 2023, hiring is just one piece of the puzzle. Another key piece will be creating inclusive work environments where all our employees feel comfortable, safe, and a sense of belonging.

While all Cascadians contribute to creating these work environments, our 2023 KPIs for DEIA accountability will focus on groups that have the biggest impact on improving the inclusion, engagement, and retention rates of our staff: our recruiting, leadership, management, and HR teams. The DEIA Team will collaborate with these teams to identify measurable, actionable KPIs that will support impactful and sustainable DEIA improvements. Once KPIs are set, the DEIA Team will help individual teams establish KPI baselines, understand their impact on DEIA at Cascade, and develop KPI strategies.



2022

DIVERSE BUSINESS ENTERPRISE (DBE) SPEND REPORT

Cascade Energy is committed to supporting diverse suppliers and creating opportunities for socially and economically disadvantaged individuals. As a part of that commitment, we regularly track and report on our company's spending with certified diverse business enterprises (DBE)¹.

In 2022, Cascade Energy increased the number DBE suppliers we partnered with for both program delivery and internal needs. The number of DBEs supporting program delivery increased from seven to 16 and the number of DBEs supporting internal operations increased from seven to 11.

The following table summarizes our DBE spend data since 2019. While DBE Spend as a percentage of Total Spend² minus Excluded Spend³ has steadily increased year over year, DBE Spend as a percentage of Total Spend has fluctuated between 5.9% to 19.4% over the past several years. This scenario largely reflects our ongoing work with a supplier previously classified as a DBE who lost their DBE certification in 2022 due to an acquisition transaction (they were acquired by a non-DBE entity). DBE Spend as a percentage of Internal Spend increased slightly in 2022. We will continue our work to improve DBE Spend in both program and internal categories by increasing efforts to identify and partner with DBE vendors on new and expanded work.

- 1 Diverse Business Enterprise (DBE) – A for-profit business where socially and/or economically disadvantaged individuals own at least 51% interest and/or control management and daily business operations. Cascade Energy recognizes DBEs as businesses owned by individuals from historically marginalized groups, including but not limited to women, veterans, LGBTQ+ individuals, individuals with disabilities, and/or individuals from underrepresented racial or ethnic groups. Please note that our clients and partners may define DBE differently. These definitions can be determined wholly by our contracting partners, by federal or state programs, or by independent certification bodies.
- 2 Spend – Money paid to a vendor, contractor, or subcontractor during the annual fiscal year.
- 3 Excluded Spend – Overhead expenses that are immutable or extremely difficult to shop for on the open market in a way that would allow us to seek DBE providers. Ex: rent, insurance, membership in trade organizations, etc.

ANNUAL DBE SPEND

	2019	2020	2021	2022
Spend Total				
DBE % of Total Spend	5.9%	17.5%	19.4%	15.8%
DBE % of Total Spend minus Excluded Spend	9.6%	26.9%	26.6%	32.7%
Program Spend⁴				
Program % of Total Spend	30.0%	46.4%	40.0%	42.6%
DBE % of Program Spend	16.9%	35.3%	46%	31.5%
Program Total DBE Count	8	9	7	16
Internal Spend⁵				
Internal % of Total Spend	3.1%	18.4%	31.4%	57.4%
DBE % of Internal Spend	2.6%	6.0	3.1%	5.0%
Internal Total DBE Count	11	10	7	11
Excluded Spend				
Excluded % of Total Spend	40.8%	36.5%	28.8%	48.2%

4 Program Spend – Business expenses used to directly fulfill contractual obligations rather than general operating expenses or overhead.

5 Internal Spend – Costs that support our internal needs, are required for ongoing business operations, and help us deliver work but cannot be directly attributed to a specific business product or service. Ex: human resources, accounting, legal, software and computers, etc.



An inability to easily track company credit card spending with diverse suppliers impacted our reporting on progress towards DBE expenditure goals. DBE spend was not tracked as a percentage of credit card spending until we added a ‘DBE Vendor’ checkbox field to our expense reporting software in Q4 2022. This new field provides a more complete picture of our company spending with DBE suppliers, enhancing the data available for our DBE Report. We will include this enhanced data in our *2023 DBE Spend Report* as we do not have sufficient 2022 data to report on.

Identifying DBE suppliers in internal and fixed overhead categories is based on limited survey response. Several internal and program teams are working to improve reporting accuracy in these categories.

WHY DO WE TRACK DBE SPEND?

Cascade’s Supplier Diversity Program supports our commitment to diversity, equity, inclusion, and accessibility (DEIA). We provide this annual accounting of diverse supplier spend for clarity and accountability within the program. We compare our stated goals with actual results and analyze both our successes and our challenges. In alignment with our company values of Do the Right Thing, Put Others First, and Seek Shared Success, Cascade is committed to using our market power to boost small and diverse enterprises in our business community while working towards our mission of making industrial energy efficiency happen in smart, measurable, and sustained ways.

ONE-YEAR DBE SPEND GOALS | 2022

To expand our pool of diverse suppliers providing economic opportunities to individuals who have been historically marginalized and/or are underrepresented in their chosen profession, we employed new communication strategies when vetting new suppliers. Examples of such strategies include:

- When discussing a new project with a potential supplier, inquire whether the supplier’s employees who identify with historically underrepresented or marginalized groups will have the opportunity to work on Cascade projects to gain experience and market presence.
- Review content on the vendor or company website regarding their company ownership and organizational contributions toward DEIA efforts.
- Ask potential vendors and suppliers about their DEIA activities, philosophy, and policies.

THREE-YEAR DBE SPEND GOALS | 2021–2023

In 2021, Cascade set three additional goals for our Diverse Supplier Program to achieve by 2023. With momentum building on increasing DBE Program Spend, our biggest challenge is finding DBEs to support Internal Spend goals. Our 2021 performance meets the three-year targets for the first two goals, with additional focus required to achieve our third goal by 2023.



1. Increase total Program Spend with DBEs to 40%
2. Maintain 40% of top 10 highest spend subcontractors as DBEs
3. Double the total number of diverse suppliers for internal spend from 10 to 20

PAST DBE HIGHLIGHTS

DBE Cultivation Project

In 2020, Cascade launched our DBE Cultivation Project, offering current Cascade employees who identify as women and/or racial minorities an opportunity to leave Cascade and start their own DBE firm. Each qualified DBE company must be located in any of three geographic regions (Pacific Northwest, California, or Midwest) where Cascade may need support across a range of services. Our strategy is to provide our clients the opportunity to partner with multiple smaller, specialized, and localized DBEs.

We select companies and individuals for our DBE Cultivation Project through a transparent and competitive solicitation process. Current Cascade employees become owners and leaders responsible for independently managing and controlling their new company. Cascade offers robust mentorship throughout the formation process and shares several subcontracting opportunities to help them launch and grow.

The first company to emerge from our DBE Cultivation Project was Vim Pacific, launched in 2021, by two former Cascade employees. Vim Pacific, certified by the state of Oregon as a women-owned business enterprise (WBE), provides Cascade with high quality technical and outreach support and delivers services as a subcontractor to Cascade across multiple contracts. While Vim Pacific has

gained their own customer contract work apart from Cascade, Cascade and Vim continue to provide mutual support, mentorship, and guidance to one another on strategy, customer relationships, sales and marketing, compliance, operations, and managerial and technical training.

Our Transition to Employee-Owned

Cascade transitioned to a 100% employee-owned company via an Employee Stock Ownership Program (ESOP) in 2021. Related to DEIA, this transition has significantly diversified Cascade's ownership. Cascade's founders and principals made a conscious choice to ensure that all employees who contribute to Cascade's growth can experience the benefits of our collective success, and Cascade stock is now allocated to employee retirement accounts set up under the ESOP. This structure supports an inclusive ownership culture and extends the benefits of company ownership to all members of our team; helping minimize the disparities our employee-owners from historically marginalized groups may face in terms of economic security, retirement savings, and other financial assets.



LOOKING FORWARD

To provide new financial opportunities for small and diverse enterprises while also addressing our utility clients' supplier diversity targets, Cascade has teaming agreements in place with several new-to-Cascade DBEs.

Our internal, program, and business development teams actively work to identify DBEs and share new DBEs with other teams across Cascade, helping achieve Cascade's DBE partnership and spend goals. An upcoming initiative will bring these teams together to analyze the supplier pool and determine the best opportunities for increasing supplier diversity.

Lastly, Cascade established a new, full-time DEIA Specialist position in 2022. This dedicated resource helps teams across Cascade to identify new diverse suppliers, track their spend, communicate/report results across the company, and improve the overall state of DEIA in the communities in which our employees work and live.



2023

SUPPLIER DIVERSITY POLICY

Cascade Energy partners with many small and diverse business enterprises (DBEs) to help advance our goal of making industry more efficient. We are committed to using our market power to boost traditionally marginalized, diverse enterprises in our business community while advancing this goal. Through our Supplier Diversity Program, we strive to increase these partnerships and collaborate with more DBEs as vendors and subcontractors. Our clients value, encourage, and sometimes require a diverse working team and a robust plan from their contractors like Cascade to improve diversity in their program delivery. We seek partners and clients that share Cascade's values regarding diversity, equity, inclusion, and accessibility.

We recognize that having a diverse supplier pool is a competitive advantage and a powerful business strategy. Our mission is to proactively identify and purchase goods and services from businesses owned or operated by people from historically marginalized groups. During this process, we strive to build long-term, sustainable, and mutually beneficial relationships with these businesses. We are committed to ensuring that diverse suppliers have an equal opportunity to be included in our strategic sourcing and procurement process. Companies that seek to do business with us must demonstrate their ability to add value and provide high-quality goods and services that are competitively priced, reliable, and aligned with our superior level of service.

OUR OBJECTIVE

Our Supplier Diversity Policy and Program are intended to identify business areas with opportunities for new suppliers, increase our spend with diverse suppliers, and grow the number of diverse suppliers with which we partner.

To help us achieve these objectives, we will:

- Research, identify, and compile information about diverse suppliers that can provide competitive, high-quality goods and services.
- Invite diverse suppliers to participate in our strategic sourcing and procurement process.
- Communicate the value of supplier diversity within Cascade and to our partners, clients, and stakeholders.
- Leverage a diverse supplier network to meet and exceed our clients' supplier diversity requirements.
- Measure program success based upon our ability to meet these objectives.

PROGRAM OVERVIEW

Our program includes internal and external activities to help ensure success. These activities include:

Dedicated internal support

Cascade's Board of Directors and Leadership Team endorse our Supplier Diversity Program, and our Vice President of Technology and Internal Operations oversees the program and provides direction for its ongoing management. The program provides robust direction and assistance to internal departments and teams seeking suppliers.

Clear objectives

We have company and departmental goals that support our overall DBE supplier strategy.

Tracking and reporting

We assess our progress toward achieving our DBE spend goals quarterly, with a strong emphasis on continuous improvement and development. An annual survey helps us identify qualified DBEs in our supplier pool. We share DBE survey and spend results annually on our public website and our company intranet.

Outreach

We seek to build a diverse supplier network by identifying and collaborating with organizations that serve owners of DBE firms and/or agencies that provide diversity certification. Our business development and program delivery managers provide research and outreach support to assist with identifying supplier opportunities and locating qualified DBEs to fulfill business needs.

Communications

We share our Supplier Diversity Policy and Program with our employees, our clients, the diverse suppliers with which we seek to partner, and members of the communities in which we live and work.

Supplier support

We work with our supplier pool to increase opportunities and assist with DBE certification processes. Cascade helps small contractors in our network build capacity by engaging in supportive, practical, detailed dialogue during the contracting process about topics like information security, safety, insurance, and non-discrimination. Support we have offered since 2018 includes 1) an information security review and gap analysis plus practical suggestions for addressing gaps; 2) a practical guide for technology start-up; 3) defining reasonable insurance requirements and helping source cost-effective coverage; and 4) offering training regarding the prevention of discrimination and harassment.

Priority

The Vice President of Technology and Internal Operations is responsible for ensuring the importance and relevancy of our Supplier Diversity Program is well understood and visible to our Board of Directors and Leadership Teams.

Requests for further information about our Supplier Diversity Policy and Program can be directed to victoria.casper@cascadeenergy.com.
