

# CA SB 261: Ameresco, Inc.

November 2025

## **Preface**

As a full-service energy provider, Ameresco is proud to help our customers enhance resiliency, innovation, and sustainability in the energy landscape. Our core services encompass a combination of material and technological solutions, including the development, design, engineering, and installation of customized projects that reduce energy and operating costs for customer facilities, along with advanced analytical tools to support energy management and identify cost-saving opportunities. Additionally, we offer long-term operations and maintenance services and develop small-scale renewable energy plants tailored to customer needs and site conditions. Many of our projects are structured so that forecasted lifetime savings and other third-party funding sources offset most or all the implementation costs, which enables the company to grow while bringing sustainable solutions into reach for our expanding customer base.

While working to propel others in the global energy transition, we similarly prioritize our own progress in climate-conscious operations and acknowledge the many risks and opportunities involved. Ameresco has expanded to have a global presence since our founding in 2000, though California continues to serve as one of the most significant markets for tailored energy solutions. In response to Senate Bill 261's public disclosure mandate for large organizations operating in the state, Ameresco has prepared its first report in line with the eleven pillars of the TCFD framework.

Ameresco's climate-related risk disclosures have been prepared in accordance with the Final Report of Recommendations published by TCFD.

By addressing all pillars of the TCFD framework in the contents of this report, Ameresco meets the required points of disclosure included in the CARB checklist for SB 261 reporting.

For the 2026 reporting cycle, Ameresco has excluded formal discussion of company resilience through scenario analysis as specified by the final pillar of TCFD's "Strategy" section. Ameresco may consider completing a scenario analysis exercise, as feasible, in the coming years to broaden the company's risk analysis over long-term time scales. In this report, business resilience is addressed in detail based on available risk and materiality information in Table 1, which links identified risks to mitigation actions.

## **Governance**

*Ameresco's governance framework for climate-related financial risk reflects its role as a large international organization with a wide scope of service offerings. The nature of our business is inextricably linked to sustainability topics, so our climate-related risk management is embedded within a broad company structure that engages various levels of leadership and different business units. This section outlines how Ameresco's cross-functional coordination complements board-level oversight in evaluating and mitigating risk exposure through strategic planning.*

### **Governance and Management Structures**

Ameresco's Board of Directors (Board) has oversight into company strategy, business plans and risk management. The eight-person board – including the company's CEO and six independent directors – bring a mix of knowledge, experience, and abilities to navigating risk. Ameresco understands the innate and complex linkage of climate-related risks and opportunities to our business, therefore the responsibility to monitor risks, communicate potential impacts, and take informed action is one shared within the company. Engagement within specialized teams and committees, regular Board, management, and committee meetings, and the overall exercise of our Enterprise Risk Management program ensure that the Board and management receive input from personnel representing Ameresco's full range of service regions and expertise.

The Nominating and Corporate Governance Committee of the Board oversees the company's environmental, social, and governance strategies, practices, and metrics. The Committee periodically reviews Ameresco's ESG strategy, initiatives and policies and receives updates from the company's management responsible for significant ESG activities. The Committee also has oversight of the company's corporate governance guidelines and regularly reviews governance matters to ensure continued relevancy. The Audit Committee is tasked with overseeing, among others, financial controls and reporting. The chair of each Board committee provides a report to the full Board of matters covered at the committee level. This ensures united oversight around environmental and financial matters.

The Executive Management Team (EMT), which includes the company's CEO, CFO and leaders of our various businesses and functions, reviews our strategic direction, business opportunities and risks. Climate-related risks and broader business challenges are embedded into the EMT's core discussions via monthly meetings and the quarterly meetings with the Board, ensuring environmental considerations are a consistent input into core decision-making.

Ameresco's internal Ambassadors of Impact Team has insight into the linkages of environmental-oriented risk management to larger business functionality. The Team was launched in 2020 to lead and communicate how corporate responsibility is embedded in the business, and since its inception, the program has come to act as a crossroads for perspectives across the company and a cornerstone of Ameresco's reporting culture. Notably, the Ambassadors facilitated the formal materiality

assessment referenced below as topics that business and stakeholder view as material are an underlying foundation of our climate-related financial risk reporting. The team is structured around the company's three pillars of people, planet, and policy, which guide its work in shaping internal dialogue, gathering companywide input, and driving progress toward Ameresco's long-term sustainability commitments.

Ameresco's risks and opportunities are considered through our Enterprise Risk Management (ERM) framework. The organizational coverage of those involved in the ERM enables the company to review risks in a comprehensive manner, therefore helping key personnel driving company strategy to be equipped with an understanding of climate risk in all areas of the company's business and in operational markets. This enables the company to integrate these considerations into wider planning actions.

### Visualizing Governance

The diagram below illustrates Ameresco's governance structure and as it pertains to comprehensive risk management, including climate related risks. The pyramidal structure highlights the relationship between the Board, company management and other key teams within the company who oversee risk across Ameresco's various teams and geographies. Board oversight is broadly integrated into risk-oriented governance through the contributions of the EMT and the Ambassadors of Impact. There is some overlap in terms of personnel in the EMT and Ambassadors of Impact teams and both teams engage with all levels of the structure.

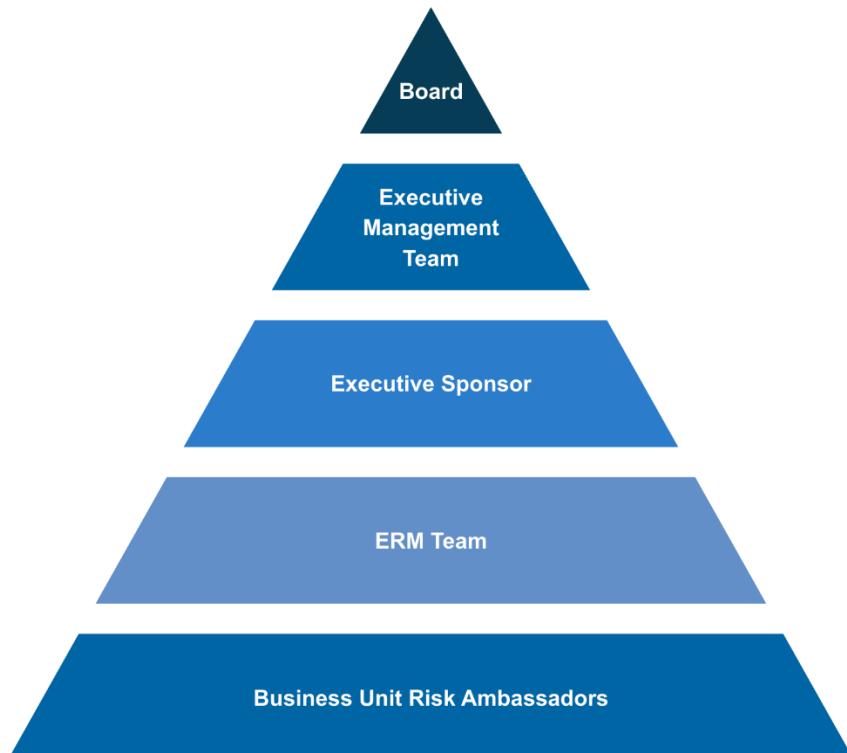


Figure 1: Climate-Related Governance Chart

## ***Risk Management: Foundations and Assessment***

*Ameresco employs a structured approach to identify, analyze, and manage climate-related financial risks rooted in formal assessments. By analyzing both physical and transition risks across its operations, customer engagements, and investments, the company develops flexible plans based on how material risks are expected to emerge or evolve. As explored below, Ameresco aims to navigate risk and leverage opportunities to continue providing energy services that strengthen climate resilience within the organization and for our customers.*

### **Identifying Company Risks and Opportunities**

In recent years, Ameresco has distilled risks and opportunities from Climate-related Risk and Materiality Assessments. The assessments engaged internal and external stakeholders to provide input on business concerns and inform the company's management priorities.

#### *Climate-related Risk Assessment*

In 2022, Ameresco's Enterprise Risk Management Team completed a targeted assessment of climate-related risks and opportunities among personnel from various business units and stakeholders. The evaluation identified physical and transitional risks as well as associated opportunities for business success. These findings represent quantitative and qualitative grounding for the company to gauge which categories of risk present the greatest potential impact to our business.

#### *Materiality Assessment*

This same year, the company's cross-functional Ambassadors of Impact Team spearheaded a formal materiality assessment to understand corporate responsibility priorities among internal and external stakeholders. Ameresco referenced prevailing impact frameworks, such as GRI and UNSDG, as well as industry peer disclosures and personnel and customer feedback to assemble a list of materiality topics for ranking, then engaged internal personnel, external stakeholders, and customers through interviews and surveys. The resulting findings were used to develop a materiality matrix of topics significant to the business success and of importance to external stakeholders. Among the topics deemed to be most material were sustainable operations, innovation, employee wellbeing, ethics and compliance, all of which have strong linkages to climate considerations. This activity revealed invaluable insights to guide company strategy and decision-making, as well as confirm alignment and fill in any gaps between the company's identified risks and opportunities.

### **Time Horizons of Assessment**

Ameresco defines time scales of climate-related financial risk and opportunities in line with those used for broader company risk assessment. This ensures alignment among the company's strategic planning and risk mitigation efforts, as well as public and investor communications. For these purposes, the company defines "short-term" as 1 year, "medium-term" as 2-3 years, and "long-term" as 4-10 years. In Table 1, the time

scales serve to contextualize company risks into the progression of the business and help identify areas for prioritized action.

### **Risks and Opportunities: Assessing Impact**

The table below details how Ameresco reviews risks, their potential impact on the company over varying time scales, and mitigation efforts the company is undertaking or considering. The information in the table was informed by the results from the Climate-related risk assessment and overall materiality assessment,

*Table 1: Company Risks and Opportunities by Time Scale*

Classification		Nature of the Risk		Time Horizon		Business Impact of Risk/Opportunity		Mitigation Efforts in Time Horizon		
Infrastructure Risk	Physical Risks									
	Lack of rainfall	Reduced water availability in drought-prone regions	Long-term	Drought conditions may contribute to higher water costs during construction work at sites in affected areas or energy production disruptions.	Diversify service offerings over time to incorporate technologies and energy sources that are viable with limited water availability.					
	Floods	Extreme localized flood events	Short, medium, and long-term	Flood events may disrupt project installations, on-site operations, or business travel in affected markets. The loss or damage of equipment or supporting critical energy infrastructure could be pose logistical issues and repair costs.	In the near term, ensure or integrate flood risk into site assessments to determine general vulnerability. Investigate and adopt flood-resilient energy systems. Protect company assets in the case of damage with sufficient insurance coverage.					
Personnel Risk	Extreme Wind Events	Forceful winds with the power to impact infrastructure or work activity	Short to medium-term	Wind can disturb or hinder on-site operations in certain markets where wildfire risks and events are amplified due to windy conditions.	Use durable infrastructure in wind-prone areas.					
	Temperature Increase	A broad, gradual increase in temperatures with discernable impacts	Short, medium, and long-term	A greater likelihood of personnel exposure to consistently elevated temperatures could lead to losses in productivity and potential negative health outcomes. This increase could also negatively impact the viability of projects that the company currently utilizes to meet needs under current climactic conditions.	Increasingly utilize technologies that have a high thermal tolerance and anticipate, in terms of personnel knowledge and training, greater demand for cooling technologies rather than heating.					
External Pressure Risk	Heatwaves	Sporadic extreme heat events	Medium to long-term	The danger of on-site personnel overheating during outdoor work threatens employee safety. Grid instability and strain could disrupt grid infrastructure and potentially disrupt site operations and result in higher energy costs.	Monitor grid stress trends and increasingly utilize DER with demand-response capabilities in the near term. Develop protocols and train staff to work safely and adjust accordingly in the case of extreme heat days.					
	Transition Risks									
Strategic Opportunity Risk	Policy and Legal	New regulations, mandates, or reporting requirements may be introduced to which Ameresco or our clients must conform.	Short to medium-term	Failure to remain vigilant and compliant with federal, state, and local regulations can result in monetary fines for the business. Policies that don't support clean energy momentum and a lack of government-sourced grants and incentives could reduce project demand.	Continuously monitor regulatory changes at all levels in the coming years to understand new constraints and opportunities in the evolving political landscape. Maintain compliance through training and audits. Engage in policy advocacy to promote outcomes that complement the company's services. Leverage policies that unlock grants and incentives and link these opportunities to potential customer projects.					
	Reputation	Public perception of the company's sustainability-linked and overall performance	Short, medium, and long-term	Unfavorable client or public perceptions could hamper sales and new customer relations. Concerns around greenwashing or failure for company operations to truly embody sustainability and support internal targets may be an obstacle to attracting and retaining investment.	Complete transparent reporting as needed and to the extent is reasonably feasible for the company to be compliant and in line with industry best practice. Engage stakeholders to understand public perceptions and sentiments around the adoption and practice of ESG measures.					
Strategic Opportunity Risk	Market	Volatile energy prices and shifting customer preferences and perceptions of the importance of efficacy of our solutions	Short to medium-term	Risk: Customer preferences for energy services tied to equipment providers could decrease sales. Increases or instability in electricity costs compared to other energy sources may disincentivize the pursuit of some of Ameresco's energy solutions.	Opportunity: Growing demand for clean technologies and energy efficiency services opens new revenue streams and client segments. As a company without limitations to certain industries or technologies, Ameresco is positioned to easily adapt to changes in customer behavior or sector buy-in. Tailoring product and service offerings to accommodate a spectrum of climate positions and expanding operations into new geographic and sector markets would drive business activity.	Continue to offer flexible pricing models that accommodate to clients' financial needs and offer stability and minimal risk. Drive marketing efforts with success stories and objective benefits of company offerings rather than polarizing narratives as to appeal to diverse and changing markets.				
	Technology	Ongoing development of new technologies that are incompatible with current energy solutions or software.	Short, medium, and long-term	Risk: Rapid innovation can render existing solutions obsolete and require ongoing investment in new technological solutions and personnel training. Emphasis on fully renewable energy may require the company to pivot in the use of some current equipment and energy solutions.	Opportunity: Adopt and understand the potential of leading technologies such as advanced analytics automation, and AI. Complete additional pilot programs to discern the viability of innovations. Leverage digital platforms and connectivity as a marketing tool, channel for strong client communication, and new service offerings.	Remain competitive in the industry by pursuing growth through partnerships or acquisitions with technology providers. Independently innovate through product/software development and upgrades. Upskill company personnel to support emerging solutions and leverage effective technologies to aid in the functions of their roles.				

## Managing Risk

Within the ERM program, climate and environmental risks are just one of many facets in larger considerations and decision-making that encompasses overall company risk. Risks are not considered in isolation, but rather in the context of the range of material topics to the business, including finances, human capital, data and cybersecurity, company reputation, health and safety, crisis management, operations, and regulations and compliance. Our company evaluates the mitigation efforts and integrates them into our risk management framework for operational continuity and long-term planning. We are committed to performing ongoing risk assessments to make sure we consider emerging threats and evolving climate-related considerations. This approach ensures we stay aligned with financial and strategic priorities while reinforcing resilience across our operations.

## Modeling Risk

With a business rooted in flexible energy solutions and the adaptive capacity of a large organization, Ameresco is confident that it is equipped to continue providing service to customers under a range of climate scenarios. To date, Ameresco has yet to complete an official scenario analysis using different emissions trajectories. The company will continue to consider the possibility of such analysis as part of its larger risk management efforts in the future. Currently, the company's previously completed assessments highlight material topics that help the business anticipate operational, financial, and regulatory risk exposures.

## Metrics and Targets

*In alignment with the Greenhouse Gas Protocol and the requirements of SB 253, Ameresco calculates its emission scopes to parallel our larger efforts around climate-related targets. The company regularly measures its progress towards its operational and customer emissions goals and publicly discloses these results along with other climate-linked metrics that provide a more complete picture of our performance. This section provides context to our target-setting process, emissions calculations, and our plans for enhancing transparency and leveraging these disclosures for investor communications.*

## Emissions Calculations

For Ameresco's most recent emissions calculations cycle, global Scope 1 and 2 emissions amounted to 334,316 metric tons of CO<sub>2</sub>e. 283,701 metric tons were attributable to assets we own and control under Scope 1 and 50,615 metric tons under Scope 2 stemming from purchased energy.

Scope	2024	2023	2022	2021
Scope 1	283,701	321,111	322,410	300,693
Scope 2	50,615	39,180	33,397	30,273
<b>Total Scope 1 + 2</b>	<b>334,316</b>	<b>360,291</b>	<b>355,807</b>	<b>330,966</b>

The company continues to refine its management and disclosure around carbon emissions to prepare for increased levels of disclosure according to global reporting standards. Our Scope 1 and Scope 2 emissions calculations, as presented in the table above from our 2024 Impact Report, are structured to only include sites in which the company owns and controls, excluding assets outside of our operational boundary (i.e., leased sites). Ameresco compiles its emissions data across its three areas of service – the U.S., Canada, and Europe – and by asset class in terms of energy assets, buildings, or fleet. This process helps us to pinpoint our greatest emissions sources and make targeted adjustments. Since we started reporting, the company's U.S. operations account for close to 100% of our carbon footprint (Scope 1 and Scope 2 emissions), the vast majority of which (~98%) can be attributed to our owned energy assets, including biogas-to-electricity, biogas distribution, and renewable natural gas.

### Complementary Metrics

To provide a more comprehensive perspective on the company's emissions, Ameresco has chosen to utilize two entity-specific metrics: Metric Tons of CO<sub>2</sub>e per Million Dollars of Revenue and Metric Tons of CO<sub>2</sub>e per Full-Time Employee (FTE). The company is proud to have included the figures below for both metrics in our annual Impact Report for many years.

	2024	2023	2022	2021
Scope 1 & 2 MT CO <sub>2</sub> e / Revenue	189	262	195	272
Scope 1 & 2 MT CO <sub>2</sub> e / FTE	222	240	261	259

Our metric linking CO<sub>2</sub>e to revenue reflects the company's carbon efficiency relative to its economic output. By normalizing emissions in this way, the company can benchmark its performance across industries and track progress toward decarbonization. Our overall downward trending ratio signals that the company is generating more revenue with fewer emissions, therefore acting as a strong indicator of sustainable growth. Additionally, this metric enhances transparency for investors and stakeholders who value financial indicators connected to ESG performance. Ameresco will continue to pursue opportunities that support business expansion while minimizing additional emissions.

Tying emissions to the size of our workforce provides insight into our operational progress. The company's declining ratio conveys that while our team has grown to support functional capacity and the high standard of service for our customers, we have likewise sustained or improved control over our carbon footprint. This trend reflects

improved efficiency, smarter resource use, and a commitment to embedding sustainability across the organization.

## **Target Setting**

In 2021, Ameresco set a target for net zero Scope 1 and 2 operations by 2040 – a target that drives a trend in emissions reduction across our global business. Ameresco's public commitment to achieving net-zero operations signals to investors that our customer offerings are aligned with our long-term strategic vision to enhance the impact of our operations. It also conveys our readiness to meet industry best practices and comply with future reporting frameworks.

Realizing the importance of supporting net zero efforts beyond our own organization, Ameresco additionally has a goal to reduce our customers' carbon footprints by a cumulative 500 million metric tons by 2050. The positive climate impact of our projects, big and small, accounts for significant CO<sub>2</sub>e savings. In 2024 alone, we enabled our customers to collectively avoid nearly 17 million metric tons of carbon.

## **Measuring Progress**

Ameresco gauges its progress towards its 2040 decarbonization target through its annual emissions calculations featured in our public Impact Report and aligned with reporting frameworks such as GRI and SB 253. As noted, in 2024 the company achieved a 7.77% reduction in Scope 1 and 2 emissions from our 2023 emissions cycle despite expansion in the scale of our operations. This indicates a positive trend in the company's performance, driven by continued commitment to leveraging the same innovative approaches to energy that we offer our customers.

In pursuit of its goal of 500M metric tons of avoided customer emissions, Ameresco calculates collective abatement on an annual basis. The company collects data from closed customer project reports for services that have available CO<sub>2</sub>e data and aggregates the data with existing figures to reach an updated cumulative value.

## **Closing Remarks**

Ameresco remains committed to integrating climate-related financial risk management into its strategic planning and operations. By aligning with the TCFD framework, the company pursues transparency and adaptability in its approach to climate resiliency as an organization and a trusted energy service partner for the customers we serve.

## Appendix

### Informational Gaps

CARB Requirement	Reasoning for Incomplete Information
"Describe your organization's governance structure, if any, for identifying, assessing, and managing climate-related financial risks"	Ameresco has included its overarching governance structure as appearing in the company's most recent Impact Report (2024) for the purposes of this SB 261 reporting document. This visual highlights how different organizational entities are interlinked to address overall risk management. The company's climate-related financial risks are a central but integrated facet of this larger process. Additional entities, such as our Ambassadors of Impact, are not listed in the governance structure visual but are discussed in the text.
"The resilience of the organization's strategy, if any, taking into consideration the future impacts of climate change under various climate scenarios."	To date, Ameresco has yet to complete an official scenario analysis using different emissions trajectories. For the 2025-2026 reporting cycle, the company has excluded this feature and provided insights as possible using our current base of information on climate-related risk analysis.

