

I am Genuine.

I take Action.

I am BrownFlynn.

I have Integrity.

I make a Difference.

I am Dedicated.

I am Accountable.

I seek Opportunities.

I am Creative.

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Our Commitment

Sustainability is our business. It's what we do and who we are. Through the reporting process, we have had the opportunity to do more than reflect upon our current sustainability practices – we've made decisions about who we want to be in the future. What kind of environmental commitments do we want to make? Where can we enhance our social impact? How can we ensure our continued prosperity and share it with our stakeholders? It's these questions that keep us moving forward. They define what it means to be "BrownFlynn."

Our mission is to work together to create positive social, environmental and economic change. We aspire to help our clients achieve sustainable business success while "walking the talk" ourselves. We are leaders. We are action-oriented. We listen. We are genuine, responsive and dedicated. We seek opportunities.

We are BrownFlynn.



Letter from the Principals

Dear Friends,

When we founded BrownFlynn 13 years ago, we made a decision to do business differently; we resolved to “do well by doing good.” At the time, we understood that commitment to include serving our community and helping clients find ways to add value to their business through corporate social responsibility (CSR). We counseled our clients on building strategic philanthropy programs, enhancing employee engagement activities and developing communications for social benefit – but we knew there was more to the story. As our thinking evolved, so did our perspective on CSR. We dug deeper into the management strategies that reinforce socially responsible practices and expanded our knowledge of environmental issues. We integrated triple bottom line thinking into our own operations and began to guide clients in developing strategies that include the three pillars of sustainability: People, Planet and Profit.



Today, sustainability is both a core value and a business strategy for BrownFlynn. It is what we strive for in our personal and professional lives and how we help our clients succeed. Throughout this report, you will find examples and anecdotes of our efforts to practice sustainability as an organization. Our ongoing commitment to community engagement and communications is a fundamental element of our organizational philosophy, and we are making progress on reducing our environmental footprint. We are excited by the possibilities that exist for BrownFlynn to not only help clients evolve, but to foster our own organizational learning and growth.

When the time came to assemble BrownFlynn’s first sustainability report, we, like many of our clients, experienced some reticence over the idea of sharing both our successes and our areas for improvement. But as sustainability consultants, we know the value and importance of transparency and the constructive feedback that results from engaging our stakeholders. What we have learned by going through this reporting process is that while doing good has helped us to do well, we can and must do better.

We believe in the fundamental power business holds with respect to social and environmental progress. As members of the United Nations Global Compact, we commit to finding ways for business to directly affect the sustainability of our communities and the world. In turn, we acknowledge and respect that vital, thriving communities can improve a business' long-term profitability. BrownFlynn has a history of respecting, encouraging and advancing economic growth, community engagement and environmental stewardship. Going forward, our goal is to broaden our positive impacts by uncovering new opportunities through sustainability. The good news is that we have the knowledge and wherewithal to make it happen. Now is the time to focus our efforts, inspire our stakeholders and move boldly into the future as leaders in sustainability.

Sincerely,

A handwritten signature in black ink, appearing to read "Barb - Margie". The signature is fluid and cursive, with a horizontal line underlining the first name.

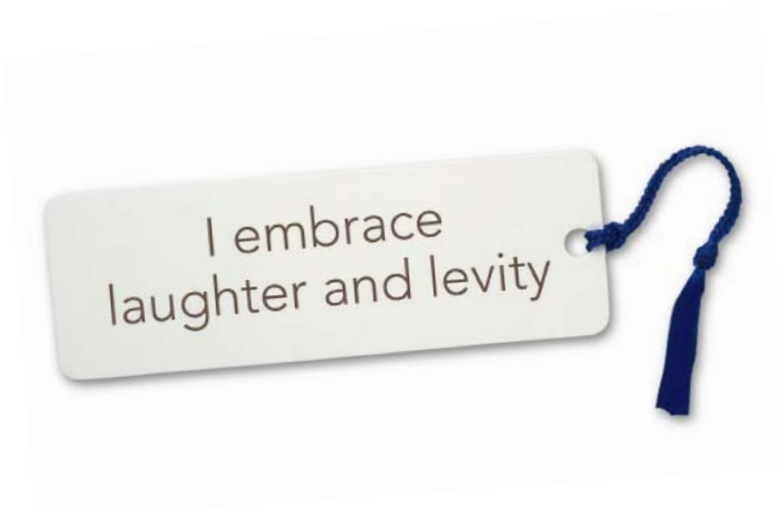
Barb Brown & Margie Flynn



Who We Are

BrownFlynn is a corporate responsibility and sustainability consulting firm headquartered in Highland Heights, Ohio. We advise companies on the integration of responsible practices into their business strategies and the communication of these practices internally and externally for bottom-line impact. We also believe in advancing sustainability through education. As the first certified Global Reporting Initiative (GRI) training entity in the United States, BrownFlynn provides leading-edge sustainability training and education courses designed to enhance participants' understanding of practical sustainability issues.

Our consulting services strategically link clients' core competencies to a "triple bottom line" philosophy, improving a client's social and environmental impact while driving profitability. Now, more than ever, companies rely on increased productivity with healthy, engaged employees. They depend on strong relationships with economically viable communities. They require access to quality natural resources. And their fate rests in the re-establishment of public trust, based on transparency and ethical behavior. Corporate sustainability is both the strategy and the ultimate objective.



Our Mission

BrownFlynn commits to create a world in which all companies operate in a manner that provides for the freedom of current and future generations' ability to prosper.



Our Culture

The happiest place on Earth – at least, that's what one visitor said she thought BrownFlynn represented. We're not looking to challenge Disneyland for that distinction, but we think BrownFlynn is a pretty great place to work and learn. Our team values integrity and quality, and we challenge one another to improve every day. We are driven to not only please, but to delight our clients and create positive change in the world. Who couldn't feel inspired in an atmosphere like that?

A framed copy of the “I Am BrownFlynn” graphic sits on each of our desks as a constant reminder of our company values; the statements it contains represent a way of living, working and building relationships that we embrace both inside and outside of BrownFlynn. The meaning behind each statement is part of our commitment to “walk the talk” or genuinely live the tenets of sustainability – something we are accountable for in our performance reviews. Each of us has strengths and opportunities for growth, but we continue to advance our thinking so that we can pass on our own learning to our clients.

Our Team and Governance

Team

BrownFlynn comprises highly talented consultant team members with experience in corporate responsibility and sustainability strategy and execution, stakeholder engagement, finance, organizational development, and marketing communications. Barb Brown and Margie Flynn, our principals and co owners, provide leadership to the team and offer strategic counsel and direction to clients.

BrownFlynn also works with a Senior Advisory Team of individuals outside the organization. Our Senior Advisory Team members provide the Firm and clients with expertise that is complementary to BrownFlynn’s palette of service offerings.

To see full biographies of our BrownFlynn team members, click here:

http://www.brownflynn.com/about_team.asp

Partners

Recognizing no two clients are alike, we strive to match client needs with the most creative, effective and efficient resources. We have established relationships with a variety of technical and creative experts – from lawyers and engineers to designers and multimedia producers – that allow BrownFlynn to leverage our expertise while delivering on specific client needs.

To see a sampling of our partner organizations, click here:

http://www.brownflynn.com/about_partners.asp



Governance

BrownFlynn's co-owners and principals, Barb Brown and Margie Flynn, oversee day-to-day operations in the consulting and communications division of the Firm. Our Director of BrownFlynn Learning reports to BrownFlynn's principals, but is primarily responsible for daily decision-making regarding the operations of our new division.

In 2000, BrownFlynn formed an Advisory Board to provide counsel and specific expertise to the Firm. The Board is designed to give non-binding advice to BrownFlynn and possesses no fiduciary or legal responsibilities to the Firm. The Board serves two primary purposes:

- Members act as a "sounding board" on a variety of critical business issues—those of utmost importance to the Firm and its future growth and success.
- Creates a "networking community" and generates business leads and suggestions especially in BrownFlynn's growth areas.

For a complete list of Advisory Board members, click here:

http://www.brownflynn.com/about_team.asp

Our Diversity

As a small business and women-owned firm, BrownFlynn qualifies for a number of regional and state business certifications and supplier diversity programs.

For a complete list of regional and state business certifications and supplier diversity programs, click here:

http://www.brownflynn.com/about_certifications.asp

We understand first-hand the challenges women face in running their own business and appreciate that our success defies the statistics. While we are proud of our accomplishments and hope to serve as an example for other small-business owners, we also see opportunity to increase diversity within our own organization in terms of gender, race and, as important, diversity of thought.



Our External Commitments

We are driven to be the very best at what we do. Our greatest satisfaction is to provide our clients with exceptional value and service. Along the way, we have been honored to receive recognition for our leadership, community service and success as a sustainability consulting firm.

In 2008, we were proud to receive the following awards:

- E4S Champions of Sustainability Schneiderman Award
- *Smart Business* World Class Customer Service Award, Personalized Service

For a complete list of recognitions, click here:

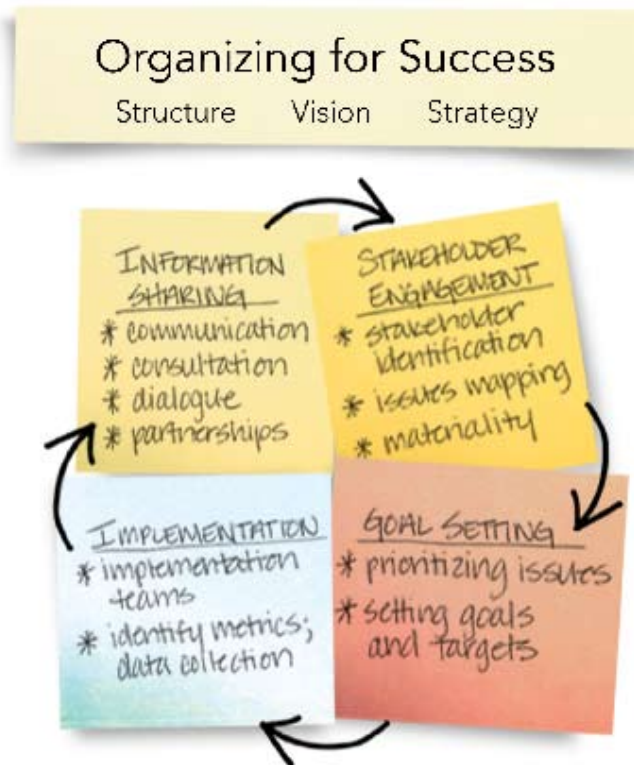
http://www.brownflynn.com/about_recognition.asp

A big part of our success has come through the sharing and learning that takes place with other leaders in corporate responsibility. BrownFlynn maintains active membership in peer-learning groups on regional, national and international levels, including:

- Cleveland Carbon Fund Community Advisory Team
- Corporate Sustainability Network (Founding Steering Committee Member)
- Council of Smaller Enterprises (COSE) / Greater Cleveland Partnership
- Entrepreneurs for Sustainability (E4S)
- Global Reporting Initiative (Organizational Stakeholder and Certified Training Partner)
- Green Energy Ohio
- International Association of Business Communicators (IABC) / 500 Club
- In Counsel with Women
- Industrial Minerals Association of North America
- Leadership Cleveland / Alumni Membership
- National Stone, Sand & Gravel Association
- Net Impact
- OpenCarbonWorld Board of Advisors
- Public Relations Society of America (PRSA), including their Counselor's Academy
- United Nations Global Compact (UNGC)
- U.S. Business Council for Sustainable Development (USBCSD) (Founding Member)
- U.S. Green Building Council

What We Do

BrownFlynn's holistic approach to sustainability and corporate responsibility consulting meets clients where they are on their sustainability journey. For some, that means establishing a vision and framework for creating a sustainability strategy; for others, it means helping to uncover new opportunities through the sustainability "lens." In addition to a broad range of consulting and communication services, we offer clients education and training courses through our new division, BrownFlynn Learning.



Our Practice Areas include:

- Consulting
- Strategy and Impact Planning
- Stakeholder Engagement
- Reporting
- Brand Enhancement
- Strategic Philanthropy
- Public-Private Partnerships
- Training

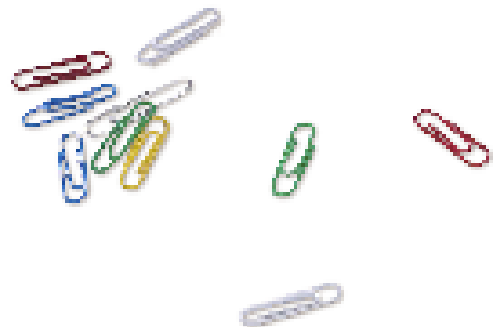
Our Reporting Process

As sustainability consultants, writing our own sustainability report should be easy, right? Think again. We found ourselves facing the same challenges that any organization experiences when creating a first report-limited metrics and systems for data collection; room for improvement with regard to past sustainability performance; the need to enhance the consistency and discipline with which we apply any given sustainability strategy, behavior or initiative.

Fortunately, applying the GRI process to our own organization began to provide us with the management benefits we identify for our clients. To demonstrate the beginning of a more systematic journey toward sustainability, we have structured this report to follow our use of that framework. We've dedicated the time and resources needed to:

- Organize ourselves for success;
- Engage our internal and external stakeholders around report content; and
- Set goals for material (relevant) topics.

This report describes the infrastructure we put in place to meet our goals over the coming year. Many of our goals for 2009-2010 involve establishing the appropriate metrics to track our environmental, social and economic performance. With the launch of our first report, we simultaneously begin a monitoring period in which we'll gather concrete information about our progress toward our goals, which we will report as part of our performance in our next report.



Report Parameters

With this report, we intend to provide our stakeholders with factual information regarding:

- Opportunities we see to enhance our economic, social and environmental performance
- Systems and infrastructure to address these opportunities
- Goals for the upcoming year

We will publish our Sustainability Report annually in August, following the compilation of the previous year's data and performance metrics. Our report is available online with a fully downloadable and customized printing option at www.brownflynn.com.

The scope of this Sustainability Report includes data or activities within the BrownFlynn organization. All data and information are from July 1, 2008 – June 30, 2009, unless otherwise noted.

We recognize the importance of external reporting standards in promoting transparent and comparable disclosures on company performance. BrownFlynn follows the Global Reporting Initiative (GRI) G3 Guidelines in our reporting practices. BrownFlynn's principals have reviewed and approved this report.

Contact

For more information on BrownFlynn's 2008-2009 Sustainability Report, please contact Emily Baunach or Hallie Rich at sustainability@brownflynn.com.

Stakeholder Engagement and Materiality

Stakeholder Engagement

To understand the issues and opportunities our stakeholders find most significant to our organization, BrownFlynn actively engaged internal and external stakeholders in our reporting process. We used an electronic survey to gather feedback from our external stakeholders about their perceptions of BrownFlynn, our significant social, environmental and economic impacts, and the kinds of activities they would like to see BrownFlynn support or conduct in the future. We asked current, past and potential clients, vendors, community partners, non-profits, alliance partners, advisory board members, friends, business colleagues and former employees to participate, and their feedback helped us to determine report content. Many external stakeholders asked for more information about our Firm's service offerings, which is why we have prioritized this information in our first report.

For our internal engagement, BrownFlynn hosted a series of staff meetings and a retreat. Using Appreciative Inquiry, we engaged staff in a process to uncover the organization's positive core and create a shared vision for the future. During our retreat, we identified BrownFlynn's greatest strengths and established goals to advance our growth. After determining broad strategies for achieving our goals, we created internal teams to build on our strengths, implement our strategies for sustainability and respond to stakeholder concerns.

While we used these specific methods of engagement as a formal part of the reporting process, stakeholder engagement is an ongoing effort. In addition to our staff retreat, BrownFlynn encourages frequent internal stakeholder engagement and transparency through weekly business update meetings. We strive to keep staff informed regarding the state of the business and to foster employee trust and productivity.

We intend to conduct an external stakeholder survey annually to ensure our report and other communications are meeting the needs of our varied stakeholders, but it is our sincere hope that those individuals feel comfortable contacting us any time. We welcome feedback specific to this report or our sustainability commitment and activities at sustainability@brownflynn.com.

“BrownFlynn has been on the forefront of sustainability which gives them history and credibility in this area. BrownFlynn’s opportunities are to take a leadership role in working on sustainable issues, with sustainable clients, in a sustainable manner.”

– External feedback from BrownFlynn’s Stakeholder Engagement Survey

Materiality

The GRI materiality principle asserts that report content and sustainability goals should be material, or relevant, to a reporting organization and its stakeholders for maximum effectiveness. Material issues or topics:

- Reflect the reporting organization’s significant environmental, social or economic impacts,
- Are identified as important by internal and/or external stakeholders, and/or
- Relate to particular contemporary or regional sustainability trends identified by sustainability professionals, scientific experts, etc.

According to GRI, an organization should report on all of its material topics, typically associated with specific G3 performance indicators. To do so, the organization should either fully disclose relevant performance data or information, or explain the reason(s) for excluding certain performance information from the report.

After identifying BrownFlynn’s most significant impacts and engaging internal and external stakeholders, the sustainability report team completed a materiality exercise to determine which issues are most significant to our company and stakeholders. Because we are a small consulting firm, many of the GRI indicators are not as relevant to our business as they would be to a company that manufactures a product or is larger in size. However, we did include as material those topics that reflect significant impacts relative to our own organization (for example, transportation impacts) even if they represent a relatively small impact in comparison to other organizations. We also included topics in which our impact may be small (for example, water use) but for which we feel responsible for managing as a part of our commitment to “walking the talk” as sustainability consultants.

A complete list of material indicators can be found in our GRI Content Index with reference to fully disclosed information or reasons for not including certain information in this report.

Our Sustainability Strategy

While BrownFlynn strives to promote positive environmental, social and economic impact through our client work, one of our greatest challenges has been devoting the necessary resources to systematically managing our own sustainability performance and impact. Throughout our history, we have engaged in a variety of activities for the benefit of people, planet and prosperity. However, completing a formal reporting process emphasized the opportunities that exist for BrownFlynn to establish systems for tracking and improving our sustainability performance.

Following our staff retreat, we created teams focused on our goal areas. We integrated all three components of the triple bottom line – people, planet and prosperity –into the new structure and began to prioritize activities. Initially, we developed 13 teams based on our most significant sustainability impacts and stakeholder interests—this was indicative of our enthusiasm for moving forward, but too many for a 10 person staff. So, we streamlined our structure down to five teams focusing on the following topics:

- Community Engagement
- Employee Health and Wellness
- Employee Orientation and Engagement
- Environmental Stewardship
- Business Innovation

Each team is responsible for designing realistic, measurable goals in their focus area and for developing and implementing the infrastructure, practices and metrics to measure and achieve those goals. Each team has created two goals for the upcoming year, along with corresponding action plans and timelines.

Community Engagement

Team Mission

Continue our strong legacy of giving back to the community by donating our time, talent and treasures.

“At BrownFlynn, we consider our community engagement efforts as giving time, talent and treasure. This side of our business is very important to our history and culture—it is part of who we are. By focusing our philanthropy, volunteerism and pro bono time on the 3Ps—people, planet and profit—it is one more way we can foster sustainability.”

– Melissa Wicinski, Community Engagement Team Leader

We believe the more we help others, the more we will enjoy the rewards of being part of a prosperous community. In 2008 and 2009, we continued our legacy of giving back to the people and places that contribute to our success.

Community engagement and outreach has been at the core of BrownFlynn’s business since its inception in 1996. Our team members fulfill our vision of “doing well by doing good” by donating personal and professional time to initiatives that they, and we, care about. We provide financial support to select non-profits in our community and also contribute in-kind services to help non-profit organizations achieve their goals.

In the coming year, our newly formed Community Engagement Team will develop a formal policy for employee volunteering, pro bono services and corporate philanthropy, including metrics for tracking the impacts of these efforts.

Dollars Donated

In fiscal 2008, BrownFlynn donated approximately 1% of our revenue in charitable contributions. During our 2008-2009 reporting period charitable donations accounted for .26% of our revenue but we balanced this temporary reduction with greater emphasis on pro bono work.

Volunteer Activities

Every BrownFlynn employee volunteers at least 40 hours of professional time per year to local and national non profit organizations. A sampling of these organizations includes: the U.S. Green Building Council, Big Brother Big Sister of Greater Cleveland, Parkworks, Shoes and Clothes for Kids, and the Corporate Sustainability Network.

Pro Bono Work

BrownFlynn completes hundreds of hours of pro bono service each year to support local and national non profits. In this past reporting period, BrownFlynn worked on six pro bono projects involving strategic communications and sustainability consultation.

Anniversary Events

To celebrate significant milestones, BrownFlynn hosts community-focused programs and events. In 2009, the Community Engagement Team begins planning our 15 year anniversary program to continue this tradition.

The BrownFlynn Book Club (2001-2005): To celebrate our five-year anniversary, BrownFlynn worked with corporate sponsors to purchase curriculum-based books for inner-city elementary schools.

Circle of Ten: In 2006, we celebrated BrownFlynn's 10th anniversary with an innovative program aimed at raising the collective philanthropic consciousness of non-profit organizations, donors and volunteers throughout Northeast Ohio. To advance this cause, BrownFlynn solicited non-profits in Cuyahoga County to respond to a Request for Proposal (RFP) focused on creative approaches to reaching the next generation of supporters. We selected 10 nonprofits to be part of our "Circle of Ten," and donated BrownFlynn's pro bono services to the organizations for the following eight months. The winner—Nature Center at Shaker Lakes—received a \$10,000 grant as well as \$10,000 worth of in-kind services from BrownFlynn.

BrownFlynn partnered with the Cleveland Plain Dealer, www.cleveland.com, Glazen Creative Studios, Corporate College, SCK Design, the Cleveland Foundation, and justgive.org to make Circle of Ten a success.

Team Volunteer Project

In fall 2008, BrownFlynn staff left the office for an afternoon of volunteering at MedWish International. MedWish recovers donated medical supplies that local healthcare providers would otherwise discard and ships them to medical care professionals in developing countries. The MedWish program not only benefits those in need of quality medical care around the world, but it also reduces the amount of waste that local hospitals send to landfills. Sorting through packaged catheters, bandages and scrubs, the BrownFlynn team prepared recently donated supplies to ship from the MedWish warehouse in Cleveland to hospitals abroad.

Employee Orientation and Engagement

Team Mission

Enhance the overall employee orientation program and formally include sustainability education.

“The Employee Orientation and Engagement team is crucial to maintaining efficiency and a shared culture at BrownFlynn. Our team goals will help facilitate better and more frequent communication with new employees and ensure veteran team members are apprised of the most current company information.”

– Marissa Beechuk, Employee Orientation Team Leader

Employee engagement in our vibrant corporate culture is fundamental to our success. In recent years, as we have welcomed a number of talented new individuals to our Firm, we identified a need to revamp our employee orientation to ensure maximum engagement and efficiency. For the coming year, our Employee Engagement Team will focus exclusively on Employee Orientation and the ways in which we introduce new employees to BrownFlynn, our culture and our practices. The program will include a sustainability education component in addition to a description of relevant sustainability policies.

Funatics

Who doesn't enjoy a little fun at work? Embracing laughter and levity is one component of our corporate culture that strengthens internal relationships and, in turn, our performance as an organization. At BrownFlynn, we promote fun and team building through a program affectionately known as "Funatics." Team members take turns planning Funatics events, which typically take the form of some creative and enjoyable activity.

This year, Funatics events ranged from an educational site visit at a local innovation firm to attending an outdoor play at a nearby community park. In the past, we have carved pumpkins, practiced an afternoon of yoga and even celebrated Elvis' birthday with live music and peanut butter, banana and bacon sandwiches. BrownFlynn team members are responsible for ensuring these events are appropriate in terms of duration and cost, but most importantly, that they foster team spirit.

Training and Education

With the rapid evolution of the sustainability and corporate responsibility field, we recognize the importance of continuous learning. Our leaders set aside professional development funds for education and training opportunities, including conferences, webinars, external training and education opportunities as well as flexible work hours to accommodate class schedules.

Compensation and Benefits

Our team members are BrownFlynn's greatest resource. We compensate them for their hard work and dedication with a living wage that supports their personal and familial prosperity. We also offer our full-time employees the benefits of health care, retirement plans, profit sharing and paid time off for vacation and holidays.

Employee Health and Wellness

Team Mission

Encourage healthy employee lifestyles.

“Employee health and wellness programs are essential to the long-term viability of our business. They enable our team members to become healthier, happier and more productive while generating a positive return on investment for BrownFlynn.

It’s truly a win-win.”

– Anita Zak, Employee Health and Wellness Team Leader

BrownFlynn strives to create an environment that promotes healthy employee lifestyles. Our employee healthcare plan includes specific programs and information on preventative care, wellness maintenance and chronic disease management. In addition, we have exercise equipment available on-site and encourage the use of paid time off for rest and relaxation. With the creation of our Health and Wellness Team, we aim to enhance BrownFlynn’s efforts to help our team members thrive personally and professionally. Our Employee Health and Wellness Team will formalize this effort by creating a Health and Wellness policy in the coming year.

Areas of focus for Health and Wellness policy are likely to include:

- Nutritional health – including a healthy, local and organic snack purchasing initiative
- Physical fitness – including yearly walking/biking/running mileage goals for our team
- Mental wellness – including quarterly programming to encourage employee mental wellness and relaxation
- Health and wellness education – including weekly health and wellness tips posted on the internal staff blog

Environmental Stewardship

Team Mission

Make environmental sustainability a formal priority in BrownFlynn's operations.

"While many of our employees have fostered individual environmentally friendly habits at BrownFlynn, the Environmental Team is excited to create a formal strategy for improving our collective environmental impact."

– Emily Baunach, Environmental Stewardship Team Leader

The global demand for environmental sustainability has grown significantly in the past few years, solidifying our belief in the importance and urgency of what we do. Although some of our greatest examples of advancing environmental sustainability are through our client work, we also strive to respect the environment with our internal operations.

Our Environmental Stewardship Team intends to formalize and enhance discipline around our environmental commitment with an Environmental Policy and a Sustainable Purchasing Policy. These policies will focus on our most significant environmental impacts, establishing systems for monitoring our environmental footprint and promoting individual accountability for our contributions to that footprint.

About Our Environmental Footprint

Based on our utility bills and on our time and billing tracking system from the 2008-2009 reporting period, we have the following information available as a baseline against which we can measure future performance.

- Natural Gas Consumption: 222.5 MCF (or 222,500 cubic feet)
- Electricity Consumption: 26,677 KWH*
*KWH = the unit of measure for the electricity used over time (KW = 1,000 watts of electricity)
- Water Consumption: 3,300 cubic feet
- Auto Mileage: over 9,500 miles, including all recorded project-based travel and some business development travel
- Paper Printing: approximately 26,400 sheets of paper

Transportation

Carbon emissions associated with employee transportation and business travel, possibly our most significant environmental impact, is an area where BrownFlynn has an opportunity to improve practices. In the past year, we made important steps to encourage telecommuting and have reduced travel through communications technology upgrades and a company-wide conversion from desktops to portable laptop computers.

Energy Use

Although our energy footprint is relatively small (given the size of the building we occupy and limited use of major energy consuming devices), the global energy and climate change crisis presents opportunities to reduce costs and risks associated with dependence on fossil fuels. We aspire to lessen our energy-related impacts through individual behavior at our office and investment in alternative energy.

To lower our carbon footprint, BrownFlynn is currently taking part in Ecovations™, a renewable energy program offered by Dominion and supplied by Integrys Energy Services, Inc. Through this program, the carbon dioxide emitted by burning eight percent of the natural gas we use each year is offset by sourcing gas from renewable alternatives and by purchasing carbon offsets. Furthermore, we practice small energy conservation steps daily by shutting down all computers and power sources at the end of the work day, lowering the thermostat in the winter, turning off lights every time we leave a room, and making use of natural light whenever possible.

While we have struggled in the past to effectively promote carpooling or the use of public transportation, our Environmental Stewardship Team plans to explore improved tracking and management of business-related travel, including employee commuting. This will provide us with the information we need to develop more efficient transportation practices.

Sustainable Purchasing and Supply Chain

While we are currently in the process of creating a formal Sustainable Purchasing Policy, we have informally given preference to sustainable purchasing options for office supplies and marketing materials in recent years. For example, BrownFlynn's printed marketing materials are created using Forest Stewardship Council (FSC)-

certified and carbon neutral products, and we prefer to purchase cleaning and landscaping materials with minimal environmental impacts.

Going forward, we recognize that a formal policy with a clear system for evaluating and selecting products will be more effective for tracking and improving our environmental impact. We also believe that part of bringing the highest value possible to clients includes choosing local suppliers who understand and respond to environmental and social concerns. We currently select our vendors based on location, cost, and environmental and social performance.

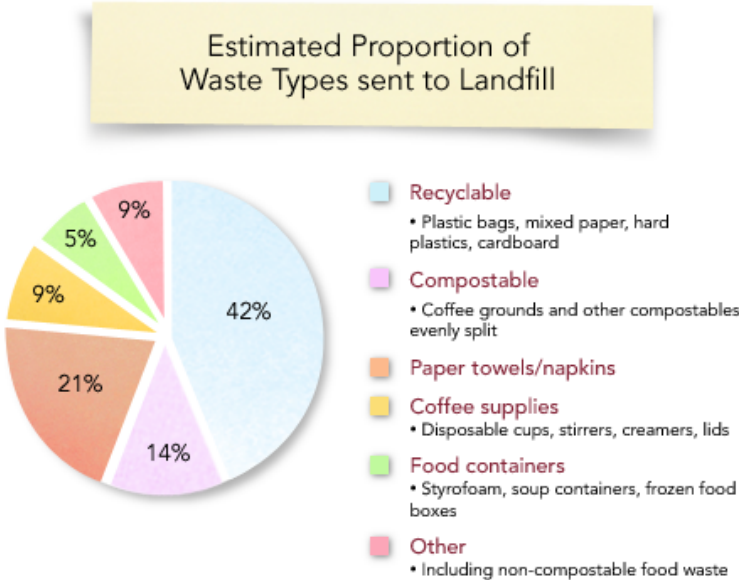
Waste and Recycling

Standard office waste represents another of our relatively significant environmental impacts. To gain a better understanding of our waste stream and opportunities to reduce the amount going to a landfill, BrownFlynn conducted a waste audit over the course of a three-week period during the summer of 2008.

Presently, we provide recycling options for basic office waste and have recently updated receptacles to include signage listing the kinds of waste that can and cannot be recycled through our service provider. Raising awareness with our team members will help encourage all of us to be more conscious about what gets thrown away.

Waste Audit

BrownFlynn completed our first waste audit during the summer of 2008. Over the course of three weeks, we sorted the garbage going to landfill into categories and estimated the volume of each category in gallons. We used the U.S. Department of Environmental Quality's volume-to-weight conversion factors to estimate the total weight of each category. We measured recycled materials separately using the same process. We found that, by weight, roughly half of our waste was sent for recycling and half was landfill-bound during the audit period.



Based on the trends we identified during our waste audit, we can more effectively prioritize waste reduction and recycling efforts for maximum impact as we develop our environmental policy in the coming year. We will need to conduct a more formal waste audit in the future to establish an accurate baseline before measuring and reporting waste reduction.

Business Innovation



“Our ability to drive internal innovation is what keeps BrownFlynn competitive and allows us to continually enhance the service we provide to our clients. With our Business Innovation team, we’re aiming to make innovation a stronger, more prevalent element of our organizational culture. It’s an opportunity to engage the entire BrownFlynn team in the design and implementation of ideas for growth.”

– Hallie Rich, Business Innovation Team Leader

BrownFlynn’s economic performance is a fundamental aspect of our sustainability. Without the financial resources necessary to continue operations, we would be limited in our ability to benefit internal and external stakeholders, our communities or our environment. Because we are a private company, we choose not to disclose specific financial information in this report, but instead focus on business innovations and growth that play a central role in our prosperity.

Superior Services and Innovation

BrownFlynn is committed to providing unparalleled products and services so we can achieve results that exceed our clients’ expectations. We’re constantly working to improve our product and service offerings through best practice research and the encouragement of idea generation and creativity at all levels of the organization.

We created the Business Innovation Team to develop a concrete system of generating, tracking and vetting new business ideas. We recently started using an internal staff blog to capture ideas that spring from any member of the Firm. Ideas

are then vetted by the Business Innovation Team and appropriately addressed by the Firm's principals. This system allows each idea to be heard and gives each an equal chance of being incorporated into BrownFlynn's business.

The Launch of Our New Division: BrownFlynn Learning

BrownFlynn launched its new division, BrownFlynn Learning, in July 2009. BrownFlynn Learning offers a variety of sustainability and corporate responsibility education and training courses, in addition to its signature course, The GRI Process. The two-day signature course provides attendees with a comprehensive overview of reporting environmental, social and economic policies – a practice that often establishes or enhances a company's sustainability strategy. The successful completion of GRI's rigorous course development process positions BrownFlynn Learning as a leader in corporate responsibility training, education and reporting. BrownFlynn also offers a non-certified, abridged version of this course to meet the needs of various audiences.

To learn more about our new division, BrownFlynn Learning, and its course offerings, click here:

www.brownflynnlearning.com

Implementing Our Vision

BrownFlynn has several systems in place to ensure we make progress on our business goals. Each team member has their own performance "dashboard," which includes personal goals that align with company-wide goals. These dashboards are reviewed bi-annually, allowing individuals to track their own performance and to see the ways in which they contribute to BrownFlynn's success. Project leaders and team members can also individually track progress toward all project financial goals using a web-based time and billing program to log time and project costs. Overall, BrownFlynn has been successful over the past 13 years in both reaching and surpassing our business goals.

2009-2010 Goals

Employee Health and Wellness Team

- Develop and implement a healthy, local and organic snack purchasing initiative.
- Develop and begin to implement an employee health and wellness awareness program.

Community Engagement Team

- Develop a formal BrownFlynn community investment policy that includes guidelines for employee volunteering (time), pro bono work (talent) and philanthropic/charitable giving (treasure).
- Begin planning a strategic community outreach initiative for BrownFlynn's 15th anniversary in 2011.

Employee Orientation Team

- Develop electronic orientation communications.
- Audit and update the Book of Answers, our online employee reference manual.

Environmental Stewardship Team

- Create and begin to implement an environmental policy.
- Create a sustainable purchasing policy.

Business Innovation Team

- Develop a process for generating, tracking and vetting new business ideas.
- Begin implementing a minimum of one idea by end of December 2009.

UNGC Principles

BrownFlynn is a member of the United Nations Global Compact (UNGC), indicating our commitment to uphold 10 universal principles in the areas of:

- Human Rights
- Labor Standards
- Environment
- Anti-Corruption

The Global Compact expects members to “embrace, support and enact, within their sphere of influence” these principles as core values. BrownFlynn ensures the principles are maintained in our own operations to the extent that they are relevant (for example, we’ve never had an issue with human rights abuses, child labor, forced or compulsory labor, corruption, etc.). On the other hand, we have found room for improvement in the environmental category and are creating formal policies and procedures for improving our environmental impacts. We also support these principles through our client engagements by promoting them as necessary components of corporate responsibility in general, whether or not our clients are UNGC signatories. As members of the UNGC, we are required to produce an annual Communication on Progress (COP) describing our efforts to advance the 10 principles.





GRI (G3) Content Index

1. Strategy and Analysis

Profile Disclosure	Description	Comment	Report Section	UNGC COP Element
1.1	Statement from the most senior decision-maker of the organization.		Letter from Principals	Statement of continuing support
1.2	Description of key impacts, risks, and opportunities.		Letter from Principals	No specific COP requirement

2. Organizational Profile

Profile Disclosure	Description	Comment	Report Section	UNGC COP Element
2.1	Name of the organization.		Introduction	No specific COP requirement
2.2	Primary brands, products, and/or services.		What We Do	No specific COP requirement
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.		Who We Are	No specific COP requirement
2.4	Location of organization's headquarters.		Who We Are	No specific COP requirement
2.6	Nature of ownership and legal form.		Who We Are	No specific COP requirement
2.8	Scale of the reporting organization.		Who We Are	No specific COP requirement
2.9	Significant changes during the reporting period regarding size, structure, or ownership.		What We Do	No specific COP requirement
2.10	Awards received in the reporting period.		Who We Are	No specific COP requirement

3. Report Parameters

Profile Disclosure	Description	Comment	Report Section	UNGC COP Element
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.		Report Parameters	No specific COP requirement
3.3	Reporting cycle (annual, biennial, etc.).		Report Parameters	No specific COP requirement
3.4	Contact point for questions regarding the report or its contents.		Report Parameters	No specific COP requirement
3.5	Process for defining report content.		Stakeholder Engagement & Materiality	No specific COP requirement
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).		Report Parameters	No specific COP requirement
3.7	State any specific limitations on the scope or boundary of the report.		Report Parameters	No specific COP requirement

4. Governance, Commitments and Engagement

Profile Disclosure	Description	Comment	Report Section	UNGC COP Element
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.		Who We Are	Principles 1-10
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.		Who We Are	Principles 1-10
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.		Who We Are	Principles 1-10

4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Who We Are	Principles 1-10
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: *Has positions in governance bodies; *Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Who We Are	Principles 1-10
4.14	List of stakeholder groups engaged by the organization.	Stakeholder Engagement & Materiality	Sharing the COP with stakeholders
4.15	Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement & Materiality	Sharing the COP with stakeholders
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder Engagement & Materiality	Sharing the COP with stakeholders
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Stakeholder Engagement & Materiality	Sharing the COP with stakeholders

Economic

Performance Indicator	Description	Comment	Report Section	UNGC COP Element
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	As a private company, we choose not to report financial performance data externally, but are transparent with our employees about the financial performance of the company.	Stakeholder Engagement & Materiality; Community Engagement	No specific COP requirement
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	While we understand climate change to pose significant environmental risks for all businesses, we see opportunities to counsel clients in designing sustainability strategies that will enable them to more effectively anticipate and respond to issues related to climate change.		Principle 7
EC3	Coverage of the organization's defined benefit plan obligations.	While we choose not to report this information externally, employees receive frequent updates about benefits including health care, profit-sharing and retirement plans.	Employee Engagement	No specific COP requirement
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	Although we do not have a formal policy in place yet, we strive to purchase office materials and snacks from local suppliers whenever possible.	Environmental Stewardship	No specific COP requirement
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	We intend to more fully explore and describe our indirect economic impacts in future sustainability reports.		No specific COP requirement

Environmental

Performance Indicator	Description	Comment	Report Section	UNGC COP Element
EN2	Percentage of materials used that are recycled input materials.	Office supplies are the primary materials we use. We are in the process of developing a formal sustainable purchasing policy and have until now informally prioritized materials with reduced environmental impact, including materials comprised of recycled content.	Environmental Stewardship	Principles 8 & 9
EN4	Indirect energy consumption by primary source.	Data obtained from previous energy bills.	Environmental Stewardship	Principle 8
EN5	Energy saved due to conservation and efficiency improvements.	While not currently measured, our efforts to reduce energy consumption are detailed in this report. Over the next year, the Environmental Stewardship Team will create a policy that addresses energy consumption.	Environmental Stewardship	Principles 8 & 9
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	While not currently measured, our efforts to reduce energy consumption are detailed in this report. Over the next year, the Environmental Stewardship Team will create a policy that addresses energy consumption.	Environmental Stewardship	Principles 8 & 9
EN8	Total water withdrawal by source.	While the amount is not currently tracked internally, the water we use is supplied by the local water department. Going forward, our Environmental Stewardship Team will explore initiatives to reduce our overall water consumption.	Environmental Stewardship	Principle 8

EN13	Habitats protected or restored.	We are in the process of obtaining Backyard Wildlife Habitat certification from the National Wildlife Foundation.	Environmental Stewardship	Principle 8
EN16	Total direct and indirect greenhouse gas emissions by weight.	Not currently tracked, but we plan to calculate indirect greenhouse gas emissions once we establish an accurate energy baseline.		Principle 8
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not currently tracked, but we plan to calculate carbon emissions associated with employee commuting and business travel in future reports.		Principle 8
EN18	Initiatives to reduce indirect energy consumption and reductions achieved.	While we do not currently have an accurate greenhouse gas emissions calculation, our efforts to reduce energy consumption in our office building and through travel will decrease our overall carbon footprint.	Environmental Stewardship	Principles 7, 8 & 9
EN22	Total weight of waste by type and disposal method.	While we do not yet have the systems to measure total weight of waste, we understand the relative proportions of waste we create by type and disposal method. Data included in this report.	Environmental Stewardship	Principle 8
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not currently tracked, but we plan to calculate carbon emissions associated with employee commuting and business travel in future reports.	Environmental Stewardship	Principle 8

Social: Labor Practices and Decent Work

Performance Indicator	Description	Comment	Report Section	UNGC COP Element
LA1	Total workforce by employment type, employment contract and region.		Who We Are	No specific COP requirement
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		Employee Orientation & Engagement; Employee Health & Wellness	Principle 6
LA10	Average hours of training per year per employee by employee category.	Although we do not currently track total hours of employee training, we plan to address this information in future reports.	Employee Orientation & Engagement	No specific COP requirement
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them with managing career endings.		Employee Orientation & Engagement	No specific COP requirement
LA12	Percentage of employees receiving regular performance and career development reviews.		Business Innovation	No specific COP requirement
LA13	Composition of governance bodies and breakdown of employees per category, according to gender, age group, minority group membership and other indicators of diversity.	Due to the small size of our organization, we choose not to disclose details about the composition of governance bodies and employee population.		Principles 1 & 6

Social: Human Rights

Performance Indicator	Description	Comment	Report Section	UNGC COP Element
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Although human rights screening is not currently part of our supplier screening, we plan to address this issue in our sustainable purchasing policy.	Environmental Stewardship	Principles 1- 6
HR4	Total number of incidents of discrimination and actions taken.	No incidents to report.		Principles 1, 2 & 6
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	We follow all applicable laws and regulations relative to freedom of association and collective bargaining.		Principles 1 - 3
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	We follow all applicable laws and regulations relative to child labor.		Principles 1, 2 & 5
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	We follow all applicable laws and regulations relative to forced or compulsory labor.		Principles 1, 2 & 4
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	We do not employ security personnel.		Principles 1 & 2

Social: Society

Performance Indicator	Description	Comment	Report Section	UNGC COP Element
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Every employee receives a copy of the Employee Handbook, which outlines expectations with regard to ethical behavior.		Principle 10
SO4	Actions taken in response to incidents of corruption.	No incidents to report.		Principle 10
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	No incidents to report.		No specific COP requirement
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	No fines or non-monetary sanctions to report.		No specific COP requirement

Social: Product Responsibility

Performance Indicator	Description	Comment	Report Section	UNGC COP Element
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	We do not currently administer surveys measuring customer satisfaction, but there are several checkpoints throughout all engagements to assess client satisfaction.		No specific COP requirement
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	No incidents to report.		Principle 1