



SWINERTON



2018 P.R.I.D.E. REPORT

PROFILE AND PERFORMANCE | RESPONSIBILITY | INCLUSION | DEVELOPMENT | ENVIRONMENT

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INTRODUCTION



LETTER FROM CEO

The future of Swinerton is breathtaking.

Our ambitions are expanding at a pace that is still unmatched in the history of this company. We are growing, sustaining, and building teams from coast to coast.

We have created one great brand that unites a family of companies that's committed to building strong, resilient communities, and is committed to building the careers of our people.

In many ways, that is a rare thing today, and that's because our ambitions are matched by our expectations of ourselves. We won't sacrifice our culture and our company for a few dollars more, and we haven't cut corners along the way. There just aren't many 130-year-old, 100% employee-owned companies, and there are none like ours.

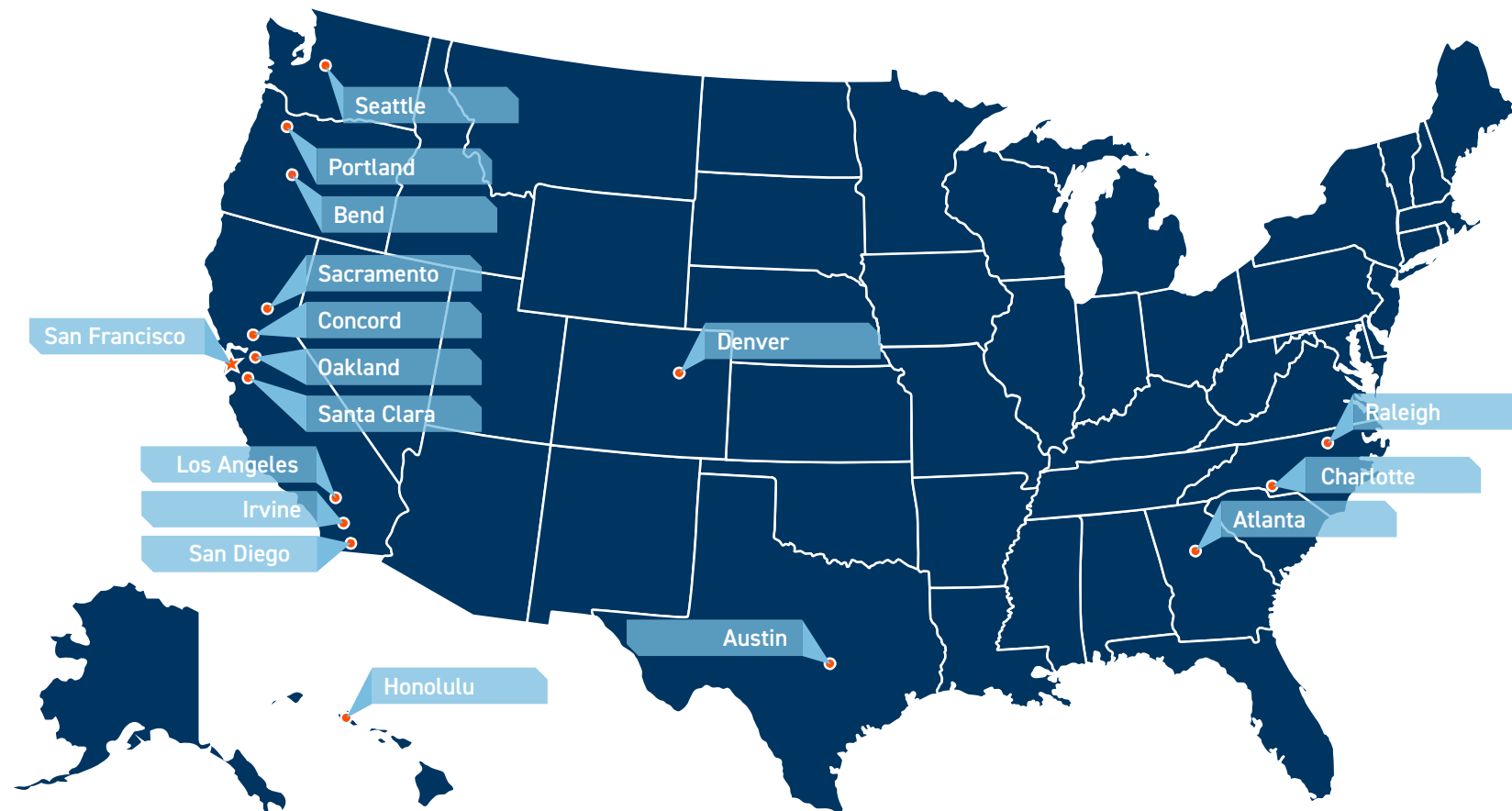
We want to build great things all over the country. We want to find new business models and lead the way in them. We want to make sure people are rewarded fairly and honestly for their time. We want to make sure we invest in our people, so they and their families can succeed.

Our organization's core values are our north star, and our pride of ownership has driven us to achieve those goals the right way, and to build a strong organization that sustains generations of families. That has always been our goal, and that has shaped our future.

A handwritten signature in black ink, reading "Jeff".

Jeff Hoopes

SWINERTON AT A GLANCE

**130**

Years of Being the Preferred Builder and
Trusted Partner in Every Market We Serve

905

Projects Completed in

233

Different Communities

128+

Clients Served Nationwide

3,500+

Employees Throughout the U.S.

17

Office Locations

KEY INITIATIVES



TALENT
DEVELOPMENT



COMMUNITY
INVOLVEMENT



ENVIRONMENTAL
STEWARDSHIP



PROFILE AND PERFORMANCE

COMPANY OVERVIEW

Swinerton provides commercial construction services throughout the United States, delivering innovative solutions and outstanding service to our customers for time-tested buildings and facilities. Founded in 1888 and 100% employee-owned, the Company has headquarters in San Francisco and building operations across the country.

Swinerton is comprised of Swinerton Incorporated and its affiliates, made up of nine entities, including Swinerton Builders and SOLV. Swinerton employs over 3,500 administrative and Craft personnel across our operations, and partners with hundreds of subcontractors and suppliers to deliver best-in-class service to our clients.

PRIDE OF OWNERSHIP.
PEACE OF MIND.



FINANCIAL STRENGTH

Swinerton Incorporated and its subsidiaries statement about financial strength. In 2018, our revenues exceeded \$3.6 billion. We returned 11% share appreciation to our employee owners. Our equity, cash balances, and key financial metrics remain very strong.

Swinerton's bonding capacity is in excess of \$2.5 billion. Backlog at the end of 2018 was \$5.3 billion, with significant backlog in several key markets, including aviation, office, hospitality, renewable energy, education, and healthcare.

[Create a graph of revenue growth from 2014-2018 and Return to Shareholders 2014-2018.]

OUR GROWTH

Swinerton has diversified the ways in which it generates income. Growth in new markets, new service offerings, geographic expansion, and self-perform capabilities have increased opportunities to deliver the highest quality construction services and has secured career development for our employees.



STRATEGIC GOALS

Swinerton's strategic goals are essential to keeping us on course in our execution of our 2030 Vision while maintaining alignment with our Values.

As employee-owners, we must model these principles and keep them in our daily vocabulary both internally with fellow employee-owners and externally with business partners. We must stay committed to working in teams to implement the tactics defined in each Strategy of our Goals.

GOAL 1

Develop and retain our future leaders.

METRIC

Have high performers in all key positions and high performers identified in the succession plan for all key positions.

GOAL 2

Sustain profitable growth through business and operational excellence.

METRIC

Grow net fees in five years to a sustainable 5% as a result of operational excellence and business diversity. Optimize existing markets and develop diversified emerging markets through controlled revenue growth while consistently increasing total net fee.

GOAL 3

Make long-term trusted business partnerships the foundation from which Swinerton optimizes performance in the delivery of our professional services.

METRIC

Retain 100% of current trusted business partnerships while recruiting and engaging 25% new business partners.

GOAL 4

Establish a Swinerton culture focused on maximizing efficiency and optimizes our processes and resource utilization to add value for Swinerton and our business partners.

METRIC

Maintain an 8.0 on a scale of 1-10 as measured from the standpoint of employee users on the efficiencies and effectiveness of key company processes.

CULTURE

Since our founding, Swinerton's success has been built on a foundation of shared values. With a culture of collaboration, we work toward a common purpose: to be the preferred builder and trusted partner in every market we serve, proudly leading with integrity, leadership, passion, and excellence.

Integrity

Simply put, we say what we mean and do what we say. In every encounter we establish trust with candor and fairness.

Leadership

We build an environment for success through solution driven teamwork—in our company, with our partners throughout the design and construction process, and within our communities.

Passion

Our employee-owners are relentlessly driven, accountable, and enthusiastic in the pursuit of perfection. Building is not just what we do; it is who we are.

Excellence

We continuously strive to achieve the highest level of execution in everything we do—from safety, quality, and innovation to our attention to detail in each and every task.



BEST-IN-CLASS

Solar Power World #1 Solar Contractor in the United States

Fortune #11 Best Workplaces for Millennials

Fortune #15 Best Workplaces to Retire

Jones Lang LaSalle Winner of the Supplier of Distinction Award (SODA)

UN Global Compact Signatory since 2017 *The Denver Post* 2018 Top Workplaces

The Los Angeles Business Journal Top 2018 Best Places to Work

The Orange County Business Journal
Top 2018 Best Places to Work Orange County

San Diego Business Journal Best Places to Work in San Diego 2018

American Subcontractors Association General Contractor of the Year

San Francisco Business Times
Jeff Hoopes, 2018 Bay Area Most Admired CEOs



FORTUNE



**LOS ANGELES
BUSINESS JOURNAL**

ORANGE COUNTY BUSINESS JOURNAL
THE COMMUNITY OF BUSINESS™



**SAN FRANCISCO
BUSINESS TIMES**

A full-page photograph of a construction worker, a man with a beard, wearing an orange long-sleeved shirt, an orange safety harness, and an orange hard hat. He is wearing black gloves and is holding onto a horizontal wooden beam. The background shows a yellow lattice structure, likely part of a crane or scaffolding. The word "RESPONSIBILITY" is overlaid in large, bold, orange letters at the bottom left.

RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

Swinerton has long been dedicated to positively impacting our industry, our communities, and our employees. We believe in building better responsibly, and we do so through our commitment to economic and workforce development, philanthropy, safety, health and wellness, innovation, collaboration, and ensuring we are environmentally conscious in all of our operations. Corporate Social Responsibility (CSR) is not merely a department; it is the very DNA of our organization.



UN Sustainable Development Goals

Swinerton is committed to the UN Sustainable Development Goals and our Corporate Social Responsibility programs enable our employees to support initiatives that advance these goals.

4 QUALITY
EDUCATION



8 DECENT WORK AND
ECONOMIC GROWTH



11 SUSTAINABLE CITIES
AND COMMUNITIES



15 LIFE
ON LAND



ETHICS AND INTEGRITY

In keeping with our commitment to the highest integrity, Swinerton has a responsibility to conduct our business in strict compliance with all applicable laws and regulations. We expect all our employees and business partners to act in accordance with the highest standards of business ethics and to avoid any appearance of impropriety. Our Code of Business Ethics and other policies address the following topics:

- Forced or involuntary labor
- Child labor
- Wages, benefits, and working hours
- Nondiscrimination
- Laws, rules, and regulations
- Freedom of association and collective bargaining
- Protection of the environment
- Health and safety
- Anti-harassment
- Anti-corruption

It is the responsibility of every employee and business partner who knows of any activity that is in violation of laws, regulations, or contracts to report such activity promptly. Swinerton employees and business partners have free, unlimited access to its third-party anonymous and confidential incident reporting system, *MySafeWorkplace*.



BUILDING A BETTER LIFE

The Company is committed to providing a work environment free of harassment. All supervisors and managers are subject to mandatory Supervisor Anti-Harassment Prevention training every two years. Swinerton has adopted a firm policy against harassment and encourages all employees to report incidents.

At Swinerton, we believe that companies should think beyond compliance, and start thinking about the overall health and happiness of their people. We strive to offer a competitive quality of living benefits package, including healthcare, paid time off, access to counseling and support resources, life and disability insurance, flexible spending and health savings accounts, and a 401(k) & Savings Plan that includes a generous employer match.

Employees also have a unique opportunity to participate in the company's Employee Stock Ownership Plan (ESOP). Ownership in the company means our employees have a vested interest in our success.

We support the principles in the UN Universal Declaration of Human Rights and commit to:

- A workplace that is free of abuse, bullying, harassment, and discrimination.
- Employment that is voluntary and only offered to persons over the age of 16.
- Working hours that are not deemed excessive by definition of the law.
- Compensating our employees in a timely manner.



HEALTH AND SAFETY

Long-term success depends on having productive workers who are educated, healthy, motivated to achieve – and above all safe. At Swinerton, safety is our number one priority. *Your Family Needs You (YFNY)* is more than a motto; it influences everything we do. We recognize there are great hazards in our industry and one decision could be the difference between life and death. Our unwavering project safety performance standards enable us to send everyone home, every day, uninjured.

Our Policy

Swinerton and its Partners are required to adhere to specific requirements to ensure a working environment free of recognized hazards, including:

- Develop and maintain safety programs and procedures that meet or exceed federal, state, and local laws, regulations, and standards.
- Ensure employees are properly trained and provided with the proper equipment to perform safe work.
- Encourage employees to stop any unsafe work, act, or condition.

Stop Work Authority

Every person on a Swinerton project has the authority and responsibility to stop any unsafe act, work, or condition on the jobsite. By everyone actively participating in the safety program on the jobsite and engaging in the stop work process, we can help ensure that everyone goes home to their families every day.



SAFETY FIRST

0.46
EXPERIENCE
MODIFIER RATE

50
CREDENTIALLED SAFETY
PROFESSIONALS
THROUGHOUT THE U.S.

100
HOURS OF HEALTH
AND SAFETY TRAINING
COMPLETED

YOUR FAMILY NEEDS YOU

In 2016, there were more than 44,000 suicides in the United States. This is more than the 37,000 deaths in motor vehicle crashes that occur annually. The construction industry is considered high risk for suicide. In July 2016, the Centers for Disease Control released the first study of suicides by occupation, and the construction industry had the highest number of suicides and the second highest rate of suicides. The rate was four times higher than that of the general population. If the rate for architects and engineers is included, the rate is approximately six times higher than the general population.

Why the Construction Industry?

Construction has been considered a “rough and tough” industry to work in. Many employees work long hours and spend a lot of time away from their families. There is a lot of pressure in the industry—frequently expressed as budget, schedule, productivity, quality, and safety standards. Studies also reveal that a majority of male employees do not take the time to see doctors or mental health counselors.

Help is Available

Swinerton is committed to offering help and resources to those in need, and we urge others to share this information to promote our Make Safety a Habit, Your Family Needs You culture. CONCERN is a free employee assistance program that provides confidential support and advice to employees and their family members that can help them navigate life's challenges including work-life balance, stress, financial management, and much more.



SUPPLY CHAIN

In 2018, Swinerton created a Contractor's Code of Conduct that will be included in all Master Service Agreements in 2019. The Code of Conduct defines standards for fair, safe, and healthy workplaces throughout Swinerton's supply chain. The Code of Conduct binds all business partners to minimum standards in the areas of ethics, human rights, labor, safety, environment, and community, which are based on the Ten Principles of the UN Global Compact and the UN Sustainable Development Goals. The full Contractor's Code of Conduct can be found on our [website](#).





INCLUSION

DIVERSITY AND EQUAL OPPORTUNITY

Swinerton is an equal opportunity and affirmative action employer. We will not discriminate against any person on the basis of ancestry, marital status, race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability or medical condition, except where age and sex are bona fide occupational requirements and where handicap or medical condition is a bona fide occupational disqualification.

Further, we encourage all employees to recruit qualified female, minority, disabled individuals, eligible veterans, recently separated veterans, Vietnam-era veterans, and special disabled veterans for employment opportunities within the Company.



OUR WORKFORCE

	All Employees	Admin	Craft	VP Level	Board of Directors
Female	15% 606	26% 554	3% 52	16% 6	9% 1
Male	85% 3,525	74% 1,571	97% 1,954	84% 31	91% 10
Minority	57% 2,362	36% 761	78% 1,601	11% 4	9% 1
Veteran	1% 51	—	—	—	—
Ages 61+	5% 204	7% 136	3% 68	—	—
Ages 41-60	38% 1,583	38% 815	38% 768	—	—
Ages 21-40	55% 2,265	54% 1,151	56% 1,114	—	—
Ages <20	2% 79	1% 23	3% 56	—	—

SWINERTON TALENT ENRICHMENT PROGRAM (STEP UP)

STEP Up was designed to assist voluntary, employee-led groups with discussions about diverse topics, creating a culture of inclusion and supporting innovative ideas. It is our hope that providing these resources to employees will lead to more diverse teams within the organization and engage all employees—even those who don't identify with the group.

STEP Up Women is Swinerton's first official employee resource group (ERG), which was formed to assist in the development of companywide campaigns during Swinerton's Women in Construction month, as well as coordinate local events in support of Women in Construction Week. Members of the ERG also provide input for national events and initiatives.

Established as a think-tank group, STEP Up Women helps employees develop leadership skills, interface with potential mentors and sponsors, and advance their careers. STEP Up Women also gives senior leaders an opportunity to identify talent and plan for succession.



SUBCONTRACTOR AND SUPPLIER INCLUSION

Throughout its history, Swinerton has been committed to diversity in its spending and to provide opportunities to emerging firms, including those owned by small, minority, veteran, women, and HUBZone businesses known as Disadvantaged Business Enterprises (DBEs). Swinerton recognizes that small businesses are critical to its economic recovery and strength. That is why Swinerton has been active in working with small and local businesses and supporting community-based organizations to reach our annual goal of 20% participation.

In 2018, Swinerton Incorporated and its Affiliate companies spent a total of **\$2,909,145,949.48** on subcontractors and suppliers and **\$776,831,399.38** of that total was spent on (M/W/D/DV/SB) firms. This year's company-wide spending on M/W/D/DV/SB subcontractors resulted in a total of **27% participation**.

COMMUNITY OUTREACH HOURS

Swinerton's Community Relations Liaisons are responsible for assisting Divisions with job-specific community outreach, including coordination of outreach meetings and events. In 2018, our Liaisons dedicated over 1,170 hours to community outreach.

**293
HOURS**

Central
and East

**50
HOURS**

Hawaii

**192
HOURS**

Northern
California

**80
HOURS**

Northwest

**555
HOURS**

Southern
California



SAN DIEGO AIRPORT TERMINAL 2 PARKING PLAZA PROJECT

Swinerton has always maintained a corporate commitment and culture to promote and increase the participation of small, local, veteran, minority, women-owned, and other disadvantaged businesses. Swinerton's partnership with the San Diego Airport in 2018 allowed it to expand upon its outreach efforts in the San Diego region and strengthen its position in the community. This was a result of numerous opportunity awareness and partnering events, including Prep for Success Workshops which gave project subcontractors in-depth training on topics such as labor compliance, billing, and change management.

Swinerton verbally committed to a participation goal of 35% Small Business Enterprise (SBE) and 80% Local Business. To achieve this goal, the team held fourteen events and workshops over the course of 22 months, engaging with over 800 community members. Their Small Business Kick-off, Opportunity Awareness-Central, and Pre-Bid & Partnering events garnered the most participation with over 100 attendees.

The Terminal Two Parking Plaza project successfully employed more than 160 small business companies as subcontractors, consultants, and vendors, resulting in \$33 million dollars spent on small businesses. In total, the project created 1,607 jobs and infused over \$64 million dollars into the local economy.



"As a small start-up company, I appreciated a corporation like Swinerton giving me the opportunity to participate in such a large venture. From start to finish my staff members were treated as professionals."

– Marlon Blue, BSE Security Service Inc



DEVELOPMENT

BUILDING BETTER LEADERS

We're not just building structures, we're also building futures, and futures start with thoughtful recruitment and hiring. Building high performing teams demands that we explore every avenue to draw the very best and brightest to our industry and develop their talents and leadership. Developing teams that are diverse in experience, background, and thought is what has kept us on the leading edge of innovation throughout our existence.

Swinerton is committed to providing continuous learning and development opportunities to our employees. Our excellence, expertise, and strength lie within the unique individuals in every facet of our business. To maintain and build upon this strength, we offer extensive learning opportunities focused on assisting employees to perform in their current jobs, and also on preparing them for new stages in their careers. Our employee retention rate is 84%—above the industry average of 80%.

Employee Demographic Chart

	Admin Staff	Craft Workforce
Pacific Northwest	197	177
Northern California	554	551
Southern California	852	1,065
Central	159	153
Southeast	47	15
Hawaii	89	85
Swinerton Inc.	227	0

This year, we launched a new career development plan—Career Blueprint—to articulate and be transparent about how an individual should grow their career at Swinerton. It covers both the technical competencies (hard skills) and the more important “soft” skills and attributes that will make a person successful at Swinerton.

SWINERTON

CAREER
BLUEPRINT



Pride is the ingredient that brings passion and commitment to our work. It gives our projects an extra edge, makes our culture collaborative and solution-oriented. Pride is what's inside us, in our DNA and the very fabric of who we are. It's what's below the surface. But make no mistake, when you work with us, you will see it clearly. Our pride is what sets us apart from the competition.

SWINERTON INNOVATION PROGRAM

The Swinerton Innovation Program helps employees with the development of processes, methods, tools, applications, technologies, and thought models. The Swinerton Innovations team partners with internal divisions, external startups, vendors, and tech companies to test solutions to age-old problems.

In 2018, our Innovations Team focused on projects that reduce labor and material required for building projects. Projects included a prefabrication initiative with our self-perform drywall division. The initiative focused on delivering precut studs and track to project sites. This project would eliminate onsite cutting of material, reduce the labor to install, and eliminate waste from the project site.

With our renewables group, we are exploring semi-autonomous pile drivers to reduce the time and cost it takes to install solar piles while increasing accuracy of installation.

We are also exploring how to automatically capture quantity and quality data from our project sites using photogrammetry, lidar, UAVs, and UGVs.



BUILDING BETTER COMMUNITIES

As a company, we strategically focus our “giving back” to align with business goals, while offering purpose-filled opportunities for our employees to develop skills and network. To achieve this, we have identified four main focuses of giving:

Construction Expertise

In 2018, more than 140 employee volunteers donated over 1,000 hours to complete 12 Rebuilding Together projects in the month of April.

Workforce Development

In partnership with The Swinerton Foundation, Swinerton launched the Tony Williamson Building Better Futures Scholarship to assist individuals interested in pursuing careers in the construction industry. The mission of the Scholarship is to strengthen partnerships with local construction workforce development programs; provide support to individuals who are seeking employment or education in construction; increase diversity in the construction workforce; and to educate, through financial assistance and career development, the future leaders of the construction industry.

The first Scholarship program was launched at Cypress Mandela Training Center in Oakland, California. Participants in the pre-apprenticeship training program were asked to complete nomination forms and essays to be considered for a \$1,250 scholarship and a three-month paid internship at Swinerton. Winners of the scholarship will be announced in 2019.

Education

Since fall 2017, Swinerton volunteers have participated in The Swinerton Foundation's Adopt-a-School Program at Fremont High School in Oakland, California. Volunteers offered advice and guidance to the students in the Architecture Academy who completed assignments to provide cost estimates, a construction schedule, cut lists, and materials lists for the construction of an outdoor classroom, completely funded by The Swinerton Foundation.

Community Support

Each year, Swinerton Division Managers and CSR Community Ambassadors develop a Community Involvement Plan which assesses current community needs and opportunities for engagement and support. Examples of non-profits supported include American Heart Association, American Red Cross, and various construction management programs at universities across the U.S.

The Swinerton Cares program, a workplace giving program sponsored by The Swinerton Foundation, encourages Swinerton employees to give back to the community by matching dollars donated and rewarding employees for volunteer work. In 2018, Swinerton employees contributed \$115,199 to charities across the U.S. and donated over 10,480 hours through the Dollars for Doers program.



ENVIRONMENT

BUILDING A BETTER TOMORROW

Swinerton supports and encourages all efforts to reduce the environmental impact of our projects. We have established green building practices and continually educate our clients, subcontractors, and consultants about methods that can mitigate the impact our work has on the environment. Each year, we provide regular training on green construction practices and green building rating systems. In 2018, our employees completed over 200 hours of LEED and WELL training.

We are currently in the process of identifying ways to track and monitor our energy, emissions, waste, and water data. As we move forward in this process we will have more data to report in future years.

Materials

Swinerton protects human health and the environment by meeting applicable regulatory requirements pertaining to air emissions, waste, and water. We favor the use of non-hazardous products and materials, and we choose recycled and reclaimed materials whenever possible.

Energy

In 2018, our San Diego office saw a 10.67% reduction in electricity usage, resulting in an annual cost savings of over \$12,000.



PROJECTS AND PROFESSIONALS

227

LEED, WELL,
and Parksmart
Accredited
Professionals

1.2 GW

of Renewable
Energy Projects
throughout North
America

18

Green Building
Projects
Completed

2.6 M

Square Feet
of Sustainable
Projects
Completed

ENVIRONMENTAL STEWARDSHIP

At the Rio Earth Summit in 1992, over 170 governments and some 2,400 representatives of non-governmental organizations (NGOs) gathered to find ways to stop the destruction of irreplaceable natural resources and pollution of the planet, resulting in the 'Rio Convention', which included the adoption of the UN Framework on Climate Change (UNFCCC). Now twenty-six years later, the Conference of Parties (COP) continues to convene and review the Convention's implementation, and in 2015 COP21, also known as the 2015 Paris Climate Conference, aimed to achieve a legally binding universal agreement on climate, with the aim to keep global warming below 2° Celsius.

Year over year, we are seeing increasingly devastating natural disasters—from typhoons, to earthquakes, to wildfires, to hurricanes. Cities and communities around the world are at risk of the detrimental effects of these disruptive forces. In response, governments are setting ambitious goals to combat climate change. In September of this year, California signed a bill that sets a goal for 100% clean electric power by 2045. Additionally, the Governor issued an executive order calling for statewide carbon neutrality by the same year. And California is not alone—Hawaii established the same clean energy goal two years earlier.

Make no mistake, the charge for change is not being championed by governments alone. Tech giants Apple and Salesforce have also risen to the challenge. Just this year, Apple reached a milestone and is now globally powered by 100% renewable energy. Salesforce has committed to doing the same and announced its largest renewable energy agreement to achieve 100% renewable energy by 2022.

Companies are dedicating time and resources to understanding the risks and opportunities that climate change presents, and they are embedding effective management processes throughout the organization to advance the action agenda of the Paris Climate Agreement. Their leaders have recognized that integrating environmental stewardship into all aspects of their business practices can impact financial performance, employee engagement, and other key business goals.

As part of Swinerton's commitment to the UN Global Compact and the UN's Sustainable Development Goal 11 (Sustainable Cities and Communities) and Goal 15 (Life on Land), we will evaluate our carbon footprint and the environmental impact of our operations. Additionally, we will introduce the Environmental Steward role to support a greener Swinerton culture, encouraging employees to consider environmental issues when making decisions, be innovative in addressing environmental challenges and assessing business opportunities, promote sustainability education, and engage in green behavior that protects and preserves natural resources, and leads to more resilient communities.

OPERATIONS

4

Office
Buildings
Owned

13

Office
Buildings
Leased

710

Vehicles in
Company
'Fleet

51.6%

Employees
Participated
in Vehicle
Efficiency
Incentive
Program



SWINERTON



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