SWINERTON **2022 Sustainability Report**

Publication Date: July 7, 2023



About This Report

Swinerton's 2022 Sustainability Report covers the calendar year ending on December 31, 2022.

In this report, we provide an overview of our company and our approach to sustainability, including management and development of talent, our environmental, social, and governance (ESG) program governance, community impact, and our evolving sustainability program. We have assembled this report for a range of audiences, including our clients, business partners, and the communities in which we live and work.

Sustainability at Swinerton encompasses all aspects of our commitment to being a responsible corporate citizen. This is our fourth year reporting on the economic, social and environmental issues that are pertinent and important to our operations.

Swinerton is committed to continually improving sustainability in our business and working towards greater rigor, transparency, and increasing alignment to industry frameworks that are relevant to our business. Accordingly, Swinerton's approach to sustainability reporting is evolving. This year, we are starting to align our sustainability report with the Global Reporting Initiative (GRI) reporting framework. The current GRI Standards Content Index listing our general disclosures can be found in the appendix. While Swinerton does not currently track all the metrics within the GRI standards, we are working to improve our data collection and reporting systems to support additional disclosures in the future. We will continue to expand on the use of GRI reporting disclosures as our sustainability program grows.

The information and data in this report were compiled and reviewed for accuracy by our Corporate Responsibility Department and this report was reviewed by Swinerton management and the Board's Corporate Responsibility Committee.

Further information about Swinerton and our annual reports are available on Swinerton's website <u>swinerton.com</u>.

To ask questions or learn more about Swinerton and our sustainability work, please contact us at <u>corporateresponsibility@swinerton.com</u>.

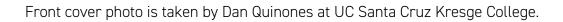




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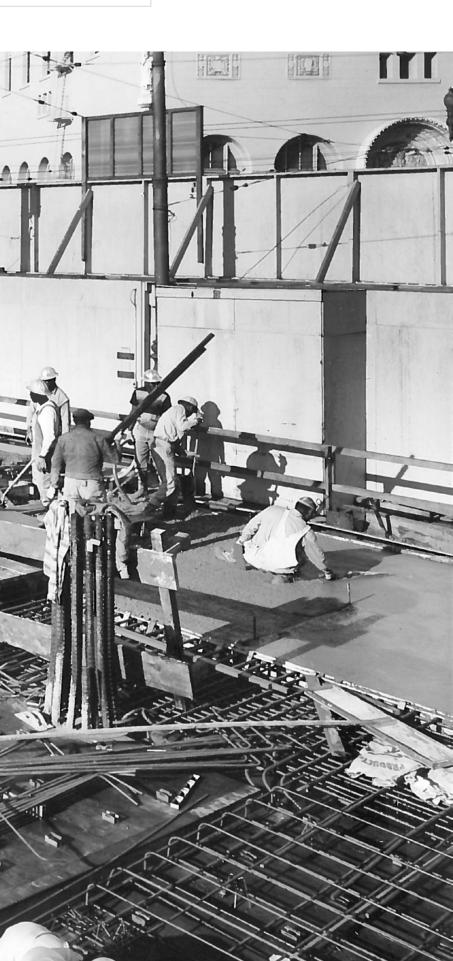
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Letter from the CEO

The potential of Swinerton is stronger than ever in our 135-year history. Our commitment to leading with integrity, passion, and excellence has allowed us to reach new heights in construction quality, technology, and sustainability. Swinerton will remain 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.

A culture of innovation and flexibility has been essential to our enduring success. Since our start we have remained forward-thinking, operating on accountability and integrity. As we continue to expand to serve our clients nationally, it is critically important that we grow in a responsible manner. To achieve our goals, we are taking our corporate responsibility initiatives to the next level. In 2022, we reaffirmed our commitment to sustainability by making strategic investments in our Corporate Responsibility department. The department is responsible for creating and managing a unified company vision and strategy that focuses on the environment, philanthropic initiatives, community relations, diversity, equity, inclusion, and employee wellness. In the coming year, we will embark on a robust environmental campaign to reduce the environmental impacts of our own operations, with a focus on tackling our emissions and waste head-on. We continue to invest in sustainably-minded products and offerings, by growing our mass timber and biogas/alternative energy businesses and offering prefabricated and modular solutions that increase efficiencies, health, and safety.

As a 100% employee-owned company, we have the unique but important responsibility of ensuring our business reflects our diverse values. We have focused keenly on practices that build a sense of belonging within our company and our industry as a whole. Our focus on diversity, equity, inclusion, and belonging intensified in 2022. We are growing and learning together as we continue to build a company that values the input, efforts, and contributions of all. This year, we are proud to have scored in the 94th percentile of the Associated General Contractors of America's annual Diversity and Inclusion Assessment, a demonstration of our efforts to apply industry best practices in diversity and inclusion. We are also committed to promoting diverse and inclusive projects that cultivate and stimulate lasting relationships. In 2022, we averaged a 22.2% spend of subcontracting supplier volume with our partners in local, small, minority, women, veteran, LGBTQ+, and disabled business enterprises.

Swinerton's success over the past century has been possible thanks to our best-in-class people. Talent is and will remain our top priority and we are committed to our employeeowners' health and prosperity. Our Talent First department is positioning itself to strategically build partnerships and create learning programs focused on employee retention and development. It is truly groundbreaking.

We are proud of our hardworking employee-owners across our Swinerton Family of Companies. Since our founding in 1888, our company has grown and changed and embraced new opportunities at every step along the way and we will continue to do so. The commitment to building a better future requires hard work, grit, and humility, but it is a commitment we make with pride of ownership in all that we do.

Eric Foster, CEO

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2022 Highlights

RESPONSIBILITY	PEOPLE	ENVIRONMENT
#21 Top Contractor ENR 2022 Top 400 List	94th percentile of the AGC's Annual Diversity and Inclusion Assessment	194 LEED Accredited Professionals
0.60 NCCI Experience Modification Rate EMR from 8/1/21-8/1/22	480+ new administrative employees hired	Timberlab expansion to Greenville, SC
2.04 Total Recordable Incident Rate	\$2.1M distributed in Employee Excellence Awards to over 950 employees With 41% Distributed to Craft	1st ESG Materiality Assessment completed

SWINERTON

COMMUNITIES

6,204

hours volunteered by Swinerton employees



donated to nonprofit organizations

22.2%

Diverse Supplier Spend

About Swinerton

Founded in 1888 in California, today Swinerton has over 4,300 employees in 20 offices from coast to coast. Backed by the stability of a \$5 billion company and a national network of resources, our local teams are deeply committed to the communities they serve. In small towns and big cities, we have shaped landscapes, defined skylines, and answered the needs of our local communities.

Swinerton's specialized divisions have the skills and experience to tackle the many demands of modern buildings. From small tenant improvement projects to LEED[®]-certified green building to ground-up towers to alternative energy facilities, we are prepared to handle all scales and types of projects across the nation. Our strong local ties in the markets we serve keep us grounded in our communities, while our national reach gives us the perspective and financial strength to serve our clients wherever they are.

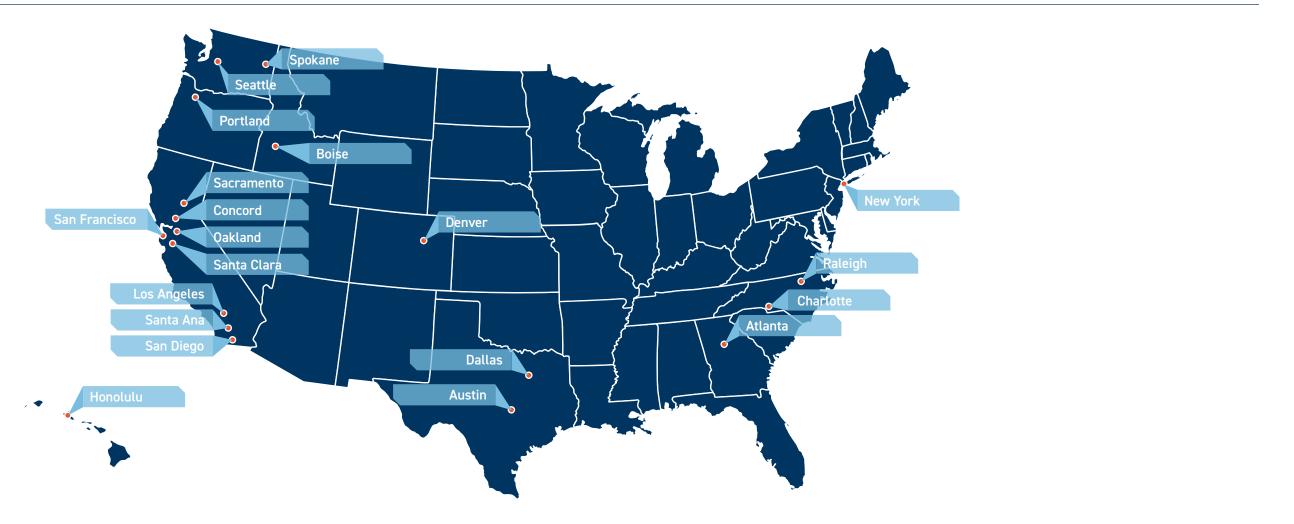
Learn more about our markets by visiting swinerton.com/markets



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Swinerton at a Glance





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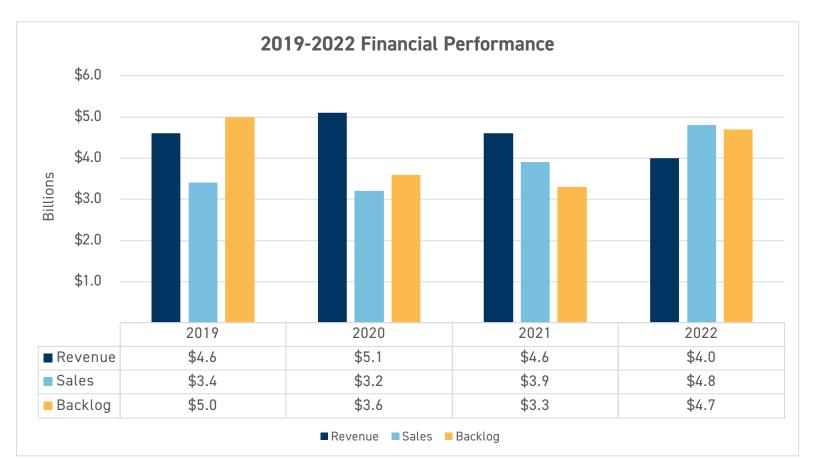


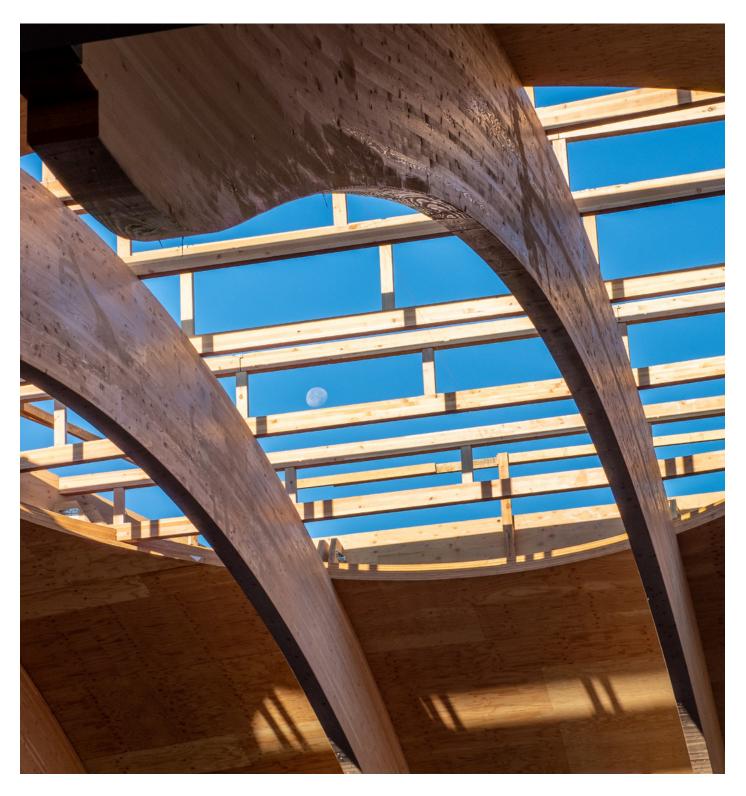


20 Office Locations

Financial Strength

Swinerton's overall revenues in 2022 were \$4B. Sales for the year topped \$4.8B, and we entered 2023 with a backlog of \$4.7B. These numbers serve as a testament to the efforts of every one of our team members and the role they all play in reinforcing the Swinerton brand through an incredible client experience. As we continue to grow our services and establish ourselves in new geographies, we expect to see significant growth in the Central, Southeast, and New York City markets in the next year.







The Swinerton Culture

OWNERSHIP

As employee-owners, we take full responsibility for the long-term success of our organization.

INTEGRITY

We say what we mean and do what we say. We establish trusted partnerships with respect and candor.

LEADERSHIP

We build an environment for sustainable success through open communication and solution-driven teamwork-in our company, with our business partners, and within our communities.

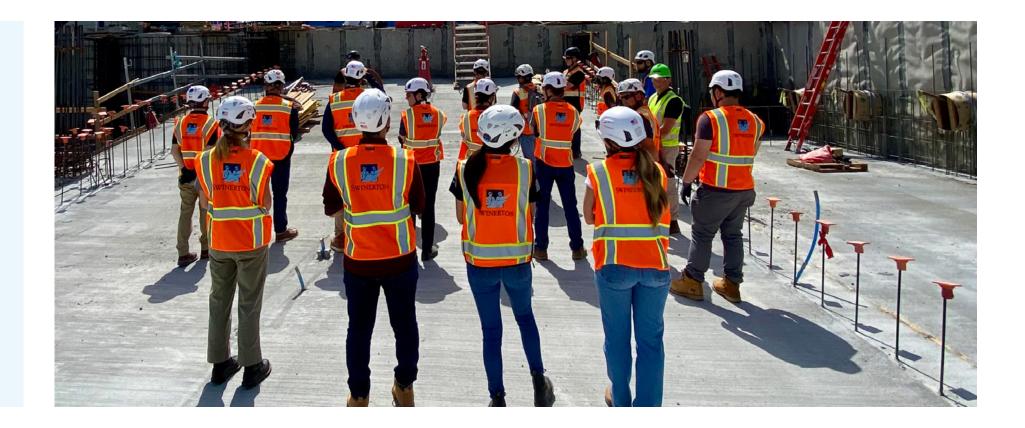
PASSION

We are relentlessly driven and enthusiastic about our work. We achieve success through discipline, practice, and hustle.

The Power of Ownership

Swinerton's 40-year status as a 100% employee-owned company is the most unique and pervasive piece of our culture. Ownershipalongside our other core values of leadership, integrity, passion, and excellence—is what defines how our teams show up to work, how we make day-to-day decisions, and how we interact with our business partners.

Swinerton's commitment to employee-ownership is directly connected to our strong sense of culture, our conscious use of resources, and our financial strength. As we continue forward, we are committed to remaining 100% employee-owned. This position ensures our equity and decision-making stays with us-allowing us to grow, adapt, and innovate to better serve our clients wherever and however they need us.



SWINERTON

EXCELLENCE

We strive to achieve the highest level of execution in everything we do. Excellence is all the time, in every detail.



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Sustainability Governance

Swinerton has a strong and robust governance structure across our family of companies. In this report, we focus on governance most relevant to sustainability— namely, governance around improving our sustainability program, managing our social and environmental impacts, and integrating opportunities and risks posed by climate change into our business strategy.

Additional information about our company management and leadership can be found at <u>swinerton.com</u>.

The Board of Directors is responsible for overseeing company performance. The Board of Directors receives updates on sustainability and ESG performance and related risks from the Corporate Responsibility Committee on a quarterly basis.

The Executive Committee (EC) provides executive direction and resourcing for the sustainability program. The EC, which includes the CEO and President, receives updates on sustainability and ESG at least quarterly.

The Corporate Responsibility Committee is a committee of the Board which oversees Swinerton's responsible management of ESG and sustainability. This committee is responsible for review and approval of the company's sustainability strategy and roadmap, ethics, social impact and community involvement, employee diversity, equity, inclusion, and belonging, and supplier diversity and economic involvement.

The Corporate Responsibility Committee is comprised of representatives from the Executive Committee, corporate affairs, human resources, corporate responsibility, legal, financial management, talent development, and operations. The committee meets quarterly.

The Corporate Responsibility Department serves

as the functional lead for the vision, strategy, and implementation of Swinerton's environmental sustainability program, diversity, equity, inclusion and belonging program, supplier diversity, and the company's community engagement and philanthropic endeavors. The department works to engage stakeholders, develop strategic plans, implement programs, and communicate progress. The department provides updates to the Corporate Responsibility Committee at least quarterly.

The Environmental Stewards represent each Swinerton division and office. The Stewards support the implementation of more sustainable practices in our operations.

The Community Ambassadors represent each Swinerton division and office. Ambassadors engage employees at the local level through community and social impact activities and help divisions and the Corporate Responsibility Department achieve their community impact goals. Community Involvement

Supplier Diversity APPENDIX



Materiality Assessment Topics

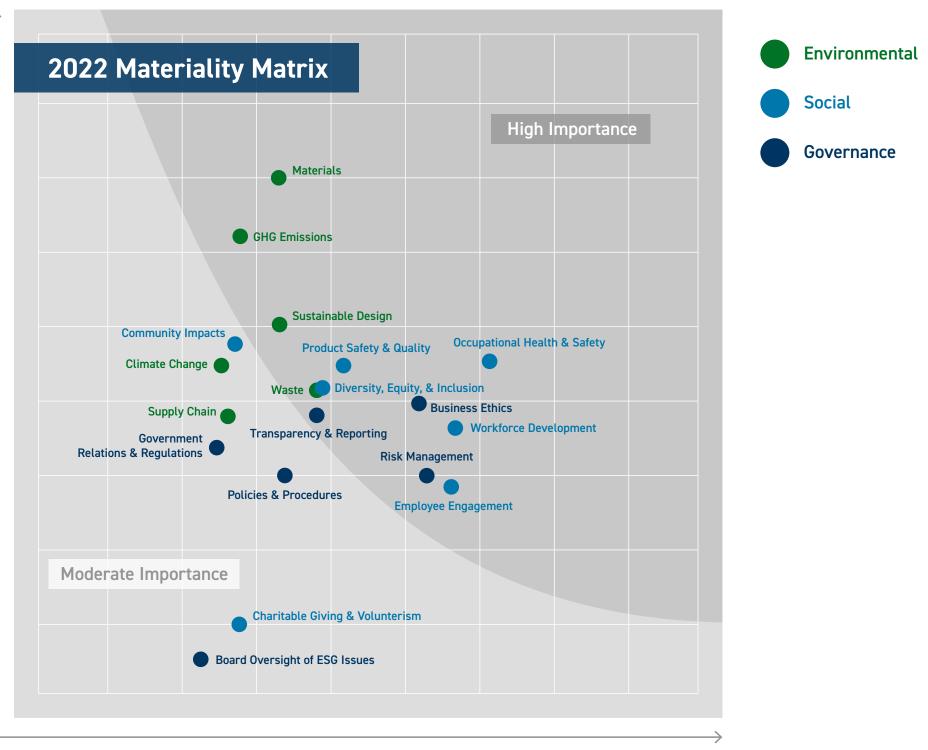
As part of Swinerton's continued investment in sustainability, we commissioned a materiality assessment in 2022. We partnered with experts from Sustridge, a firm specialized in sustainability strategy. Our goal for the assessment was to inform our sustainability roadmap by identifying high-priority sustainability issues requiring our immediate and focused attention.

The materiality assessment revealed the following as currently the most material items for Swinerton:

- Materials
- Greenhouse Gas Emissions
- Waste
- Sustainable Design
- Occupational Health and Safety
- Employee Engagement
- Product Safety and Quality
- Workforce Development
- Diversity, Equity and Inclusion
- Business Ethics
- Risk Management
- Transparency and Reporting

Also identified as important issues to the construction industry were supply chain; susceptibility to climate change; community impacts; charitable giving and volunteerism; policies and procedures; government relations and regulations; and Board oversight of ESG issues. We will also continue to monitor and manage these issues as part of our sustainability roadmap.





Importance to Business

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Materiality Assessment

A materiality assessment is a formal process companies undertake to ensure they are addressing and reporting on the most important environmental, social, and governance (ESG) issues related to their business and industry. Through extensive research and various internal and external stakeholder interviews, Swinerton's external consultant identified 12 sustainability issues across the environment, social, and governance spaces that are most relevant to Swinerton. These issues represent the top priority sustainability topics, risks, and opportunities for our business and Swinerton's key stakeholders, including employees, clients, and community members.

The assessment is of particular importance to us because it allowed us to engage our stakeholders and get their feedback and deepen our understanding of their concerns and expectations.

This assessment was the first of its kind for Swinerton and we will plan to update this process and engagement so we can continue to develop sustainability programs to meet evolving expectations. We welcome all stakeholders as partners in our sustainability efforts.

This materiality assessment is informing the development of Swinerton's sustainability strategy and is shaping the target areas for action in the immediate future. It will continue to be updated in the coming years with regular stakeholder engagement.



under development. We aim to finalize and present them in 2023. As part of the program, we will begin tracking aspects of office and jobsite Scope 1 and 2 emissions, as well as Scope 3-commuting and corporate travel. We will also track and develop strategies for waste avoidance and reduction at jobsites, corporate offices, and manufacturing facilities. We will begin to report the baseline and trend data in Swinerton's future annual Sustainability Report.

We aim to report on our progress in developing the Sustainability Vision, Strategy, and Roadmap in 2023.



Stakeholder Engagement

Our stakeholders are partners in our sustainability journey.

We engage with our stakeholders in a variety of ways, including by publishing annual sustainability reports and through our *Swinerton Quarterly* publication. As part of our commitment to engagement, we conducted our first materiality assessment in 2022 to better understand our stakeholders' concerns and priorities around sustainability.

In 2022, we noted an increased focus on climate change issues among our employees and clients. In response to this, and as part of our communications plan, we decided to transition to a sustainability report that can more effectively communicate our sustainability roadmap.

In 2023, our primary focus for internal stakeholder engagement will be to educate our teams about our sustainability mission and work directly with our operations and project teams to design and roll out initiatives to support our sustainability strategic plan.

Stakeholder Group	Employees	Clients	Community	Suppliers
Engagement Methods	 Surveyed in 2022 Materiality Assessment Business Resource Group engagement Manager effectiveness surveys, administered twice annually Intranet publications Quarterly webinars Annual Town Hall meetings Core values and onboarding trainings 	 Surveyed in 2022 Materiality Assessment Client alignment meetings Supplier questionnaires and Requests for Information Third party ESG assessment platforms, e.g. Ecovadis 	 Direct engagement with public representatives and organizations Social media posts highlighting sustainability issues Business partner and workforce outreach events 	 Surveyed in 2022 Materiality Assessment Business partner and workforce outreach events Direct engagement related to sustainable operations
Key Topics of Interest	 Employee health and safety Environmental performance and climate change Community engagement and volunteerism Mental health and well-being Career growth and development opportunities Skilled trades training and development 	 Product safety and quality Job site relations and management Employee health and safety Climate change and carbon emissions Waste management Supplier diversity 	 Local workforce development Job opportunities Philanthropic investments 	 Waste diversion Local workforce development Supplier diversity

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UN Sustainable Development Goals

As a member of the United Nations Global Compact since 2017, Swinerton is committed to driving global sustainable development and contributing to the United Nations Sustainable Development Goals to achieve a better future for all.

The 17 Sustainable Development Goals (SDGs) highlight a roadmap for an ambitious 2030 Agenda—one that we believe aligns with our March to 2030 and our tenet to be the industry leader in corporate responsibility. As a builder, we have identified four priority SDGs that we work towards: #4 Quality Education, #8 Decent Work and Economic Growth, #11 Sustainable Cities and Communities, and #15 Life on Land.

Every year, we report on our progress towards these goals in our Global Compact <u>Communication</u> on <u>Progress</u>.

Sustainable Development Goal (SDG)	SDG Explained	Tactics	Goal	2022 Progress
4 QUALITY EDUCATION	Ensure inclusive and quality education for all and promote lifelong learning.	 Partner with organizations which are working to address the skilled labor gap. Offer financial support for education and skills-building programs. Promote equity and equality in construction education. 	Provide free STEM and vocational education resources to middle school students by 2025.	Identified potential partner organization with which to launch an education initiative in 2024.
8 DECENT WORK AND ECONOMIC GROWTH	Promote inclusive and sustainable economic growth, employment, and decent work for all.	Promote development-oriented policies that support decent job creation and encourage the formalization and growth of small-sized enterprises. Reduce the proportion of youth not in employment, education, or training.	Spend at least 20% of our subcontracting dollars with small and diverse business enterprises. Hire graduates of the SkillsUSA program and winners of The Swinerton Foundation's Tony Williamson Building Better Futures Scholarship each year.	Achieved 22.2% in diverse business spend. Hired one SkillsUSA graduate and two winners of The Swinerton Foundation scholarship.
11 SUSTAINABLE CITIES	Make cities inclusive, safe, resilient, and sustainable.	Assist public and private sector, as well as nonprofits, with building adequate, safe, and affordable housing. Strengthen national and regional development planning.	Provide reduced-cost services to build transitional housing communities for those experiencing homeless.	Completed the 33 Gough Street Supportive Housing Project in San Francisco, CA.
15 LIFE ON LAND	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.	Promote the implementation of sustainable management of all types of forests, ensure the restoration of degraded forests, and increase reforestation globally.	Expand green service offerings to clients. Develop an environmental management system (EMS) for our operations.	Opened a new mass timber manufacturing facility in Greenville, SC. Invested in human resources, including an Environmental Sustainability Manager, to lead the implementation of an EMS.



Corporate Citizenship

At Swinerton, we understand and prioritize the importance of being a responsible corporate citizen. We aim to promote best practices through participation in and support of organizations that share our values.







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Construction Industry Round Table

a network of leading design & construction firms in the United States



United Nations Global Compact



Best-In-Class

#21 Top Contractor ENR 2022 Top 400 List

#3 Green Building Contractor ENR 2022 Top 100 Green Building Contractors List

Ranked Regional ENR 2022 Top Contractor in Colorado, California, Hawaii, Washington, Oregon, the Southwest, and Texas ENR 2022 Top Contractors Overall lists within ENR Colorado/Wyoming, ENR California, ENR Northwest, ENR Southeast, ENR Texas/Louisiana Note: Swinerton is the #1 Top Contractor in California for the 10th consecutive year

415 Natoma, Best Project Award

Awarded by ENR California LEED-Gold-certified building. A range of community stakeholders—including local businesses, nonprofits and residents informed and influenced numerous aspects of the project.

LAX Economy Parking Structure, Award of Merit in Stand Alone Parking Facility Design

Awarded by International Parking & Mobility Institute (IPMI) Sustainable features include EV charging stations, drought-tolerant landscaping, energy-saving LED light controls, and reserved parking for low emitting and carpool vehicles.

#3 Best Place to Work in Hawaii (medium-sized companies category)

Awarded by Hawaii Business Magazine

2022 ABC Central Texas Safety Excellence Award

Central Texas Chapter of the Associated Builders and Contractors (ABC)

2022 Groundbreaker Diversity Award

BuildOut California

Above & Beyond Awards, Teaming Partners of the Year Award Veterans In Business (VIB) Network











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Our People

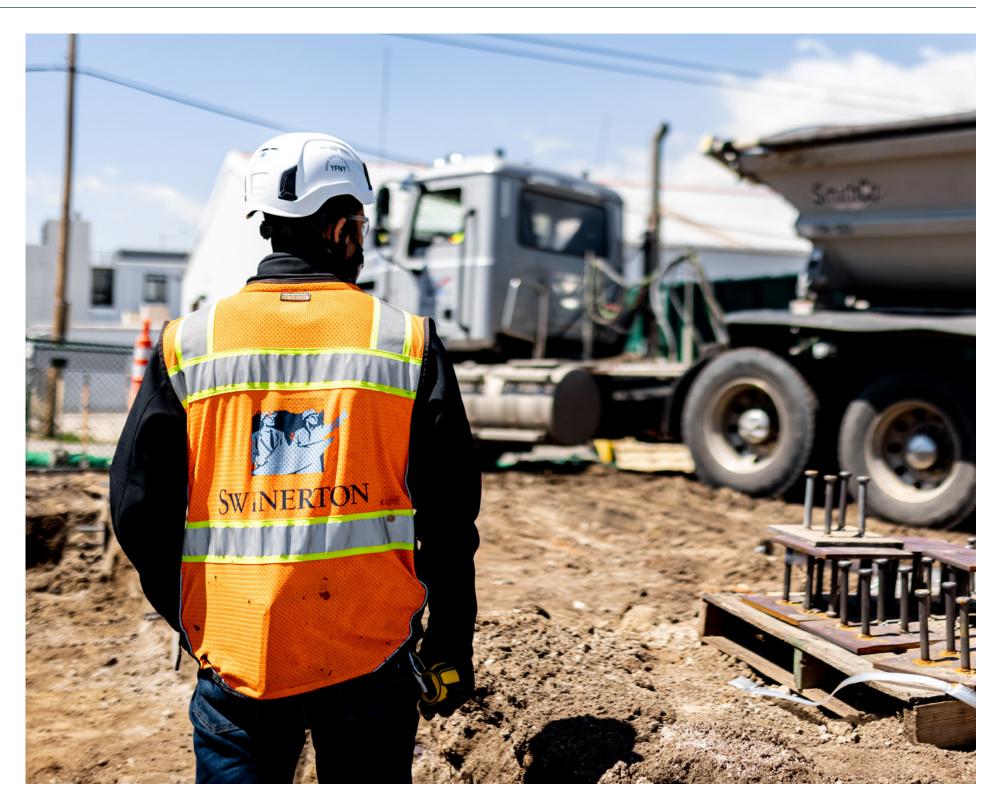
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Talent

Talent First represents a powerful shift in how Swinerton thinks about achieving our March to 2030 strategic imperatives. Recognizing that every aspect of Swinerton's success is dependent on having the right people, with the right capabilities, in the right place, at the right time, it moves the focus for Swinerton's growth from operational execution to talent acquisition, development, and retention. To enable this focus on our people, Swinerton created the Talent First team to support every aspect of our employees' experience.

The Talent First department is positioning itself to strategically build partnerships, create best-in-class training programs, and establish a Talent Solutions team to address the growing need to streamline employee processes. In 2022, the department hired a new National Director for Talent Acquisition and moved our Workday Solutions staff from business technology to the Talent First team.



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Our Workforce

2022	All Employees	Admin	Craft	VP Level	Board of Directors
Female	15.5% 	28.1%	2.8% =	19.1%	22.2%
Male	84.5% 1 3,609	71.9% =	97.2% = 2,070	80.9%	77.8%
Minority	58.3% 1 2,491	36.6% 1 784	80.2% 1 ,707	10.6% 	11.1%
Veteran	2.6% 109	2.9%	2.2%	2.1% =	0.0%
Ages 61+	4.7% 	6.5% I 39	2.9%	17.0%	44.4%
Ages 41-60	37.9% 	39.0% 	36.7% 	61.7%	55.6%
Ages 21-40	56.1% 1 2,395	54.1% 1 ,159	58.1%	21.3%	0.0%
Ages <20	1.3% ⁵⁷	0.3%	2.3%	0.0%	0.0%

Symbols indicate an increase, decrease, or no change to the previous year.

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Health and Safety

Swinerton is committed to building a stronger and safer industry, both physically and psychologically. Being a premier builder in America requires a premier safety program, one in which every aspect of achieving physical and psychological safety is geared towards caring about and investing in our people. Our health and safety program extends beyond personal protective equipment (PPE) and safe work practices, and also focuses on the mental wellbeing and psychological safety of our workforce.

In 2022, our safety representatives completed 16,965 hours of training in topics including: General Hazard Awareness training; OSHA 10-Hour and OSHA 30-Hour courses; Fall Protection; Heat Illness Training; Equipment Training, and much more throughout the organization and on our jobs nationwide. Throughout the year our safety teams traveled to jobsites across the country using their training to engage jobsite workers in developmental activities, share best practices in safety, and actively discuss the importance of mental health and working to eliminate the stigma that surrounds this topic.

Your Family Needs You (YFNY)

Our motto, Make Safety a Habit - Your Family Needs You (YFNY), has never been more important. These simple yet impactful words clearly explain Swinerton's approach to our projects and our dedication to our employees, business partners, and anyone who sets foot on a Swinerton project. YFNY has been our motto for decades and is the core of Swinerton's safety culture; however, we recognize there is always more work to do to continually raise the bar and take our program and culture of safety to the next level.

We are committed to an ever-improving program. Sadly, those efforts were



challenged in 2022 after the loss of a southern California team member. While it was determined by Cal/OSHA that no standard, rule, or regulation had been violated, this does nothing to alter the life-changing effect the loss of a loved one, friend, and colleague had on each of us.

0.60 **NCCI** Experience Modifier Rate (EMR) from 8/1/21-8/1/22

53 Credentialed Safety Professionals

SAFETY FIRST

16,965 Hours of Health and Safety Training Completed

4 Certified Safety Professionals

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This loss has galvanized us to strengthen our resolve to take every action we can to prevent incidents and injuries and ensure resources are in place to support our teams. We have elevated our Stop Work Authority message to a Stop Work Responsibility commitment, and we ask every employee-owner on site who encounters a potential safety concern to engage. We understand that the vigilance and commitment of every team member are the strongest ramparts in our program.



Employee Engagement

Swinerton continues to build a culture of engagement by providing ongoing opportunities to listen to and communicate with our workforce. Employees are our most valuable asset, and their input helps us understand what we're doing right and where we need to improve.

We leverage multiple communication channels to boost employee engagement. One way we listen to our employees is through focus groups. In 2021, we partnered with Catalyst to solicit employee feedback in understanding their experiences as they relate to diversity, equity, inclusion, and belonging. In 2022, we reported these groups' results back to the company.

Another communication channel we use is Glint's Pulse Survey—a 40-second employee survey to help managers be more effective and, ultimately, improve the employee experience. In our second Manager Effectiveness Survey, we improved our scores in 12 out of 15 categories (with the other three remaining the same) and achieved an overall score of 83 (or 4.32) across all areas. We are proud that even amid the "Great Resignation," our voluntary employee turnover is trending down from 2020 and remains below industry averages.

Swinerton also provides our employees and business partners a confidential, anonymous way to report ethical violations, harassment, or compliance concerns, known as the Ethics Hotline. In 2022, we made the hotline more easily accessible on the contact page of <u>swinerton.com</u>. Our Human Resources department has reported an increase in complaints being filed, which indicates that our employees and business partners are aware of the hotline and trust the use of it.



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Career Development

We provide a variety of training opportunities for our workforce to grow their skills and knowledge. In addition to external classes and education reimbursement, we host internal learning and partner with local organizations.

With over 4,300 administrative and craft professionals, our Talent First team leads a robust career growth and development program called the Builders Program. We are particularly proud of the inclusive leadership concepts and skills woven throughout all of our Builders Program. Diversity, equity, and inclusion is a topic that is discussed as an important part of our business success from the very first session of our Foundation Builder program.

Foundation Builder

This program is a total of 32 hours and targeted towards new Project Engineers between six and eighteen months into their time at Swinerton. The focus of these 32 hours breaks down approximately to 30% focus on Swinerton culture, 30% focus on leadership competencies, and 40% on technical competencies. 108 employees completed the program in 2022.

Leader Builder

This program is a total of 40 hours and targeted to all employees who are individual contributors between two and five years into their careers. This program focuses on selfleadership principles and Leading from Within. In 2022, 88 employees completed the program.

Team Builder

This program is a total of 24 hours of instructor-led training with significant on-the-job work requirements between sessions. This program is specifically targeted at new managers of teams of people. 76 employees completed from the program in 2022.

Business Builder

This program kicked off in 2022. It is a year-long program for Project Executive/Director-level employees across the company who are 10-15 years into their careers. This program focuses on core elements and competencies for leading portfolios of projects, business units, and departments. 31 employees began this program in 2022.

Legacy Builder

This program will be an ongoing program with a rolling cohort of high-performing employees who are within three to five years of a senior leadership role. This program serves to develop an enterprise mindset in participants, further enhance strategic thinking capabilities, ensure strong communication and influence skills, and provide participants critical tools for assessing and shaping company culture. Expected launch will be in 2023.

Foreman Development Series

This program is completed in a classroom setting during normal work hours and is conducted monthly. Each class lasts a half-day and covers such topics as: Construction Industry Issues and Business Organization; Introduction to Leadership; and Foreman Mastery, Leading a Crew. Participants complete the series in approximately two years. The Foreman Development Series officially launched in 2022.

Superintendent Builder

This will be an 18 month program with a rolling cohort of our superintendents. The program consists of a combination of in-person classroom time, mentoring, and on-the-job training activities to strengthen participants leadership skills in supporting effective teams and jobsites. This program is expected to launch in 2023.

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BUILDERS PROGRAM 2022 STATS

303

Participants in the Builders Program

100+

Hours in the Builders Program

108

Participants participated in three DEIB modules as part of our Foundation Builder course

l

Talent Acquisition

Our Talent Acquisition team has been evolving to ensure we provide a positive candidate experience, hiring manager experience, and recruiter experience. From the first handshake to the final offer letter, our team has developed a process so that candidates, managers, and recruiters, have the best experience possible.

Candidate Experience	Hiring Manager Experience	Recruiter Experience
Easy navigation to open jobs	Immediate response from	Executing a full-cycle talent
on Swinerton career page	recruiters to hiring manager acquisition needs	acquisition process
Positive, efficient, and		Enhanced technology for
communicative journey	Continuous communication	tracking candidates and
throughout the hiring process	Increased efficiency with	communication
Minimal handoffs to ensure	timeline to fill jobs	Developing strong candidate
efficiency and lack of confusion	Enhanced visibility and	and hiring manager relationships
	transparency with technology	



2022 Highlights

- National College Recruitment team resumed on-campus recruitment for career fairs, classroom presentations, and interviews.
- Diversity hires increased in 2022.
- Hired 113 PE Interns to build the bench for future succession.
- Focus area to increase representation of women in the industry.
- Continued recruitment from outside traditional Construction Management programs to attract diverse talent.

The Talent First team is currently working on simplifying hiring processes and improving reporting which will allow us to report demographic information in the next two years.

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Equity and Inclusion

Swinerton maintains a thriving and diverse workforce and fosters an environment of belonging and inclusion for our employee-owners, our business partners, and the communities in which we work. Our vision is that our workplace mirrors the diversity of the communities in which we work and an environment where all feel safe, respected, and able to thrive.

- We believe in an inclusive and accessible workplace and construction industry.
- We know that inclusive leadership behaviors—practiced by all our employeeowners—create an environment where our teams can prosper and can serve our diverse clients, customers, and business partners.
- We know that diverse and inclusive teams foster an environment of creativity and innovation that helps us achieve our business objectives.



Since 2020, Swinerton has signed on to the AGC's CEO Culture of Care pledge as part of our commitment to fostering and promoting a culture of care and to celebrating diversity, equity, and inclusion in our company and across the industry.

This year, we scored in the 94th percentile of AGC's annual Diversity & Inclusion Assessment, a demonstration of our efforts to apply industry best practices in diversity and inclusion.



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Equity and Inclusion Events



Women in Construction Week

Women in Construction (WIC) Week is an annual celebration in March that promotes the role of women in the construction industry. At Swinerton, the week kicked off with a companywide webinar hosted by our Women's Business Resource Group (WBRG) in collaboration with Lauren Nunnally, Swinerton's Chief Administrative Officer and panelists representing different roles across the company. In nearly every Division, office employees participated in WIC Week activities, including panel discussions, networking events, jobsite tours, volunteering opportunities, lunches, and more.

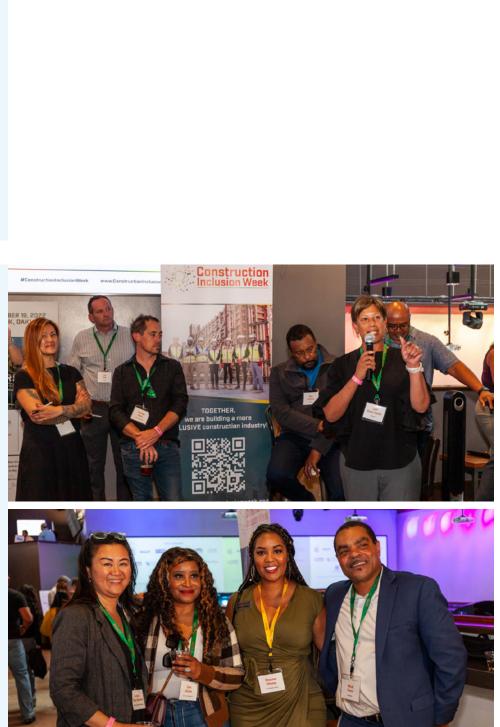
Construction Inclusion Week

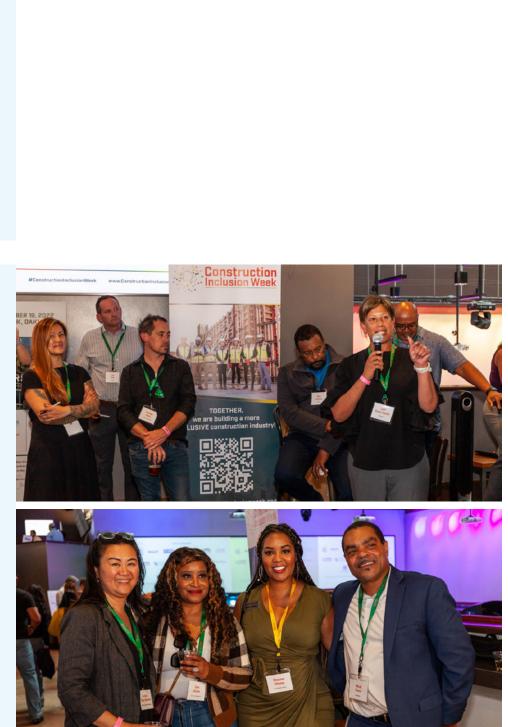
Construction Inclusion Week was born from a collective of general contractors, specialty contractors, subcontractors, and suppliers who wanted to bring awareness to the challenges the construction industry faces as it related to inclusion, as well as celebrate the successes the industry has had.

Held in October, the week includes a daily theme each day. In 2022 the themes were:

Day 1: Commitment & Accountability Day 2: Belonging Day 3: Supplier Diversity Day 4: Workplace Culture Day 5: Community Engagement

Swinerton spent the week celebrating and strengthening its commitment to improving diversity, equity, inclusion, and belonging within the construction industry with several other general contractors and trade partners.







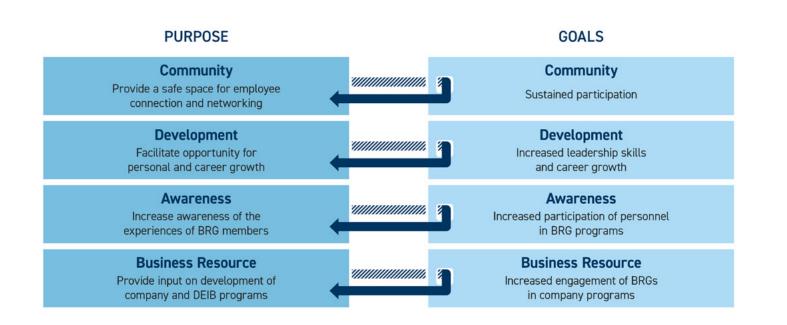
Business Resource Groups

We continually bring employees together through our Business Resource Groups (BRGs) to support our efforts to recruit, retain, and develop women and people of color for all positions and levels within the organization. These groups introduce employees who have a common interest or characteristic to teach, learn, listen, and support each other. All employees are encouraged to join and participate.

We consider this work to be inherently ongoing, and we know that our progress in this regard is crucial to how we evolve as a company, how we positively influence the industry, and ultimately how we positively impact the outcomes of our work. Our BRGs are integral to building and maintaining Swinerton's culture of belonging and inclusion in the workplace, where every employee feels they can be successful in their work as their authentic self.

Vision

BRGs create community within Swinerton that enhances the experience of Swinerton personnel and advances Swinerton's overall Diversity, Equity, Inclusion, and Belonging (DEIB) program.



Swinerton's four BRGs had a successful year hosting engaging and informative activities across the company.



Black Community Business Resource Group (BCBRG)

The BCBRG's vision is to change the narrative by giving an identity and voice to Black employees while promoting diversity, inclusion, and equity at Swinerton. In 2022, in addition to its regular member meetings, the BCBRG organized an MLK Day of Service, celebrated Black History Month and Juneteenth with webinar watch parties, and created a BCBRG member yearbook.



LatinX Business Resource Group (LXBRG)

The LXBRG is focused on bringing LatinX/Hispanic employees together in a safe place to talk about challenges and opportunities. It is a place to share experiences, talk about resources, needs, and so much more. The group published its first cookbook with recipes submitted by employees. In September and October, the LXBRG celebrated Latin Heritage Month across the company. Events included luncheons, mariachi entertainment, and a salsa competition.





The WBRG's vision is a cohesive and conscious culture that facilitates inclusive and accessible career opportunities for women to be key players at all levels of the organization. During the month of March, the WBRG focuses its efforts on Women in Construction Week-acknowledging the work that needs to be done to ensure equity, while celebrating the contributions women make to the industry. In 2022, they premiered the SwinHERton video at division watch parties, which featured 12 women across the company who inspire others every day.

Working Parents Business Resource Group (WPBRG)

The WPBRG's mission is to build a community that advocates, supports, and provides resources for working parents in the Swinerton workplace. In July, the group hosted a school fundraiser and giveaway called Summer Givin'. Employees who donated to Boys & Girls Clubs of America were entered into a raffle to win a \$600 donation to the school of their choice. Employees raised over \$4,000 for the organization and five winners were announced at the end of the campaign.

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Our Environment

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Building a Sustainable Future

Swinerton's commitment to sustainability aligns with a commitment to our company's core values through improving the social, economic, and environmental wellbeing of our workplaces and the communities where we work and live. We seek to deliver sustainable solutions through the entire life cycle of our projects by leveraging our expertise and experience-including development and project planning, supporting the wellness experience of our builders, optimizing the end-user building occupant experience, and demolition or reclamation.

SUSTAINABILITY AT A GLANCE



TIMBERLAB CERTIFICATIONS ้าก SUSTAINABLE FORESTRY FSC PEFC INITIATIVE FSC* C162183 SEI-01976 Forest Managemen The mark of www.pefc.ora

Case Study: San Diego Airport, Low Carbon Concrete

Concrete is the most widely used material in the world, but it also has the on the performance requirements. largest carbon footprint compared to other building materials. The abundance within a concrete mix, cement is of concrete in construction means there is a tremendous opportunity to address lowering the environmental impacts where possible. Converting projects to other structural systems—such as mass timber—might be feasible for some projects, but not all clients are open to exploring those options. Concrete is still a material that will continue to be widely used. Every project we work on including mass timber projects will include some concrete for specific applications, so the question becomes what can we do about it? The team working on San Diego Airport's parking plaza put together a proposal for the client to do just this-reduce the greenhouse gas emissions associated with the project by making a series of design suggestions for the concrete throughout the project.

Water, sand, aggregate, and other components make up most of a concrete in addition to the design changes. mixture by weight. The cement content only accounts for around 7-15% of a

concrete mix by weight, varying based While it is a relatively small component responsible for most of a concrete mix design's embodied carbon. So, to reduce the environmental impact, a mix design's cement content should be reduced. Many strategies can be employed to reduce the cement conte in a concrete mix, such as increasing set times and maturity dates, or addir supplemental cementitious materials (SCMs) to reduce Portland Cement usage.

For this project, the team looked at baseline concrete mix designs and evaluated strategies to reduce the overall greenhouse gas impacts for al applications, including footings, slabs columns, and decks. Right-sizing footi and pile designs contributed to the majority of embodied carbon savings, but the team also presented options f mix design changes that would have provided considerable impact reduction While it was not incorporated in this project, adding 25% fly ash as an SCM

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ent	compared to the baseline design of 15% alone would result in a 2850 metric ton reduction of embodied carbon (CO_2e) over the baseline mix designs. That is equivalent to more than 7.3 million miles driven by a passenger car or the consumption of more than 319,000 gallons of gasoline.
ent	As contractors, while we may not always have control over the design,
ng	we can make suggestions based on our expertise, knowledge, and experience that will align with the specifications, cost, and schedule. For concrete, making sizable improvements often comes down to employing various strategies. That can mean working with stakeholders to set overall reduction
ll	targets and optimizing design, but it
s, ing	can also include working with ready- mix suppliers on innovative cements, SCMs, and admixtures. It is not
, (always necessary to switch projects
for	to entirely different materials to find environmental benefits. Where there
ion 1	are materials with high impact, that also means there is a lot of potential for improvement and optimization.
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Green Building Services

Swinerton has a long history of supporting and implementing clients' sustainability requirements and delivering sustainabilityfocused certifications. Across all projects, Swinerton employs best management practices as standard operating procedures during construction including: waste management, stormwater management, and indoor air quality. In addition, project teams work with clients and designers to provide practical, cost-effective solutions for projects that can further reduce our environmental impact. Project teams have experience working with business partners to establish sustainability goals and provide project visioning in early project phases to reduce impacts on resources in key categories, such as developing overall embodied carbon budgets and embodied carbon reductions when compared to baseline cases and industry standards. Project teams also work with partners to promote circularity and waste reduction through material salvage efforts, prefabrication, and deconstruction planning in early project phases.

Case Study: Heartwood, Design for Deconstruction

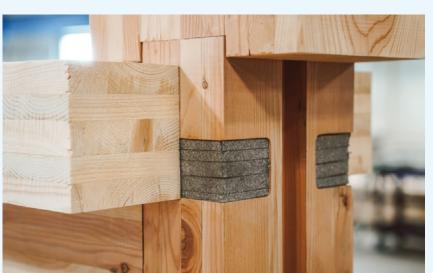
Heartwood is at the heart of Seattle's affordable housing initiatives. At eight stories and 70,000 gross square feet in the Capitol Hill Neighborhood, this Community Roots Housing project is the first tall wood building permitted by the City of Seattle,

receiving a \$250,000 Wood Innovation grant from the U.S. Forest Service to validate the feasibility of Type IV-C multifamily housing. Mass timber was selected because the structural system allowed for additional floors (compared to the more conventional 5-over-2 approach) and for a shortened construction schedule.

Swinerton and Timberlab worked with the design team to develop traditional mortise and tenon joint connections in glulam beam-to-column construction, saving time, money, and embodied carbon by eliminating steel hardware. This type of design lends itself to ease during construction and also has the benefit of allowing for deconstruction once the building has reached the end of its useful life.

In deconstruction, materials from the original structure are assessed for reuse

value, dismantled with the intent of maximizing potential, and then reclaimed. Deconstruction allows for reuse and preservation as opposed to the traditional demolition methods where materials are taken to the landfill. Multi-layered



assemblies and wet-applied materials are significant barriers to deconstruction as it becomes difficult, costly, and potentially impossible to isolate and remove those products from one another for reclamation, usually making the entire assemblies landfill waste. To reduce these types of challenges, in addition to the mortise and tenon joints, Timberlab added cuts by CNC machines to install intumescent fire tape instead of traditional wet-applied **SWINERTON**

fire caulking into beam ends and around columns to provide floor-to-floor fire separation. The innovative design removes the need for conventional, wet-applied fire caulking, and provides a 2-hour firerated connection that meets IBC codes.

Crews will be able to disassemble the building as if it were a LEGO® set. Additionally, each piece of the building assembly was delivered to the site with a QR code that provided information about the construction for site crews. In the future, this type of technology could also include information about the deconstruction of the pieces to maximize salvage potential.

The floor assembly for this project includes a layer of gypcrete and acousti-mat on top of a cross-laminated timber structural deck, meaning this assembly would require intense labor and time to remove the layers of material to salvage the products for reuse. Developing flooring system that can be taken apart more easily will be the next step in designing for deconstruction.

Managing Environmental Impact in Operations

We recognize that construction activities impact the natural environment, contributing to risks related to greenhouse gas emissions (GHG), water availability and guality, soil and air guality, biodiversity, neighborhood development, and cultural diversity. To minimize these impacts in the industry, Swinerton has long been a leader in sustainability, investing significantly in developing environmentally beneficial technologies such as mass timber manufacturing and renewable energy solutions. Furthermore, we engage with the community through social investment and volunteerism, seeking to improve our local communities and increase engagement with environmental management principles. To address our own environmental impact, we are embarking on a strategic refresh of our environmental program and will produce an updated, comprehensive Sustainability Policy and an Environmental Sustainability Management Plan in 2023. As part of the program, we will begin tracking aspects of office and jobsite Scope 1 and 2 emissions, as well as Scope 3, commuting and corporate travel. We will also track and develop strategies for waste avoidance and reduction at jobsites, corporate offices, and manufacturing facilities. We will begin to report the baseline and trend data in Swinerton's future annual Sustainability Report.



Case Study: Liberty Utilities of Apple Valley, Conversion of Steel to Mass Timber

In 2022, rising steel prices and longer lead times encouraged many project teams to look at alternatives to conventional construction to achieve schedule goals. Timberlab worked with Liberty Utilities on cost estimates for converting a steel roof to mass timber to help them meet their schedule requirements. The project included a 20,000-square-foot roof with glulam and mass plywood panels. There was a small premium to convert the roof from steel to mass timber, but the decreased procurement schedule with the wood roof made it worthwhile to make the switch.

Swapping out individual components of buildings for mass timber alternatives is one way to easily incorporate the technology. While the driving motivations of the switch can be factors other than sustainability, there is a realized embodied carbon benefit in making the change as well because wood is the least impactful structural system when compared to other materials. It is common to have an all-or-nothing attitude when it comes to making structure changes like these, but reducing our impact on the environment will require many small changes over the course of our projects. Those small changes collectively have a big impact.

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Our Communities

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Education and Workforce Development

Swinerton has long been dedicated to positively impacting our industry, our communities, and our employees. We believe in the power of partnership to advance the UN Sustainable Development Goals 4, 8, and 11, which support quality education, economic growth, and sustainable cities.

Swinerton has been committed to supporting construction education and workforce development programs for decades. We believe that it is in our best interest, and the industry's best interest, to ensure girls and youth of color understand the opportunities that exist in the construction industry and that they are given the tools and resources they need to pursue their interests.

Our involvement with the ACE Mentor Program spans 19 years. Through the program, our employees have volunteered their time mentoring high school students who are passionate about the architecture, construction, and engineering fields. Because of our involvement and commitment, our team in Southern California received the Firm of the Year Award from ACE Mentor Los Angeles during their 2022 ACE Spotlight Awards.



Since 2019, we have partnered with the Cypress Mandela Training Center in Oakland, California, providing work placement to recipients of The Swinerton Foundation's Tony Williamson Building Better Futures Scholarship. The Scholarship was created to strengthen The Swinerton Foundation's partnerships with workforce development programs and provide support to individuals who are seeking employment or education in construction. In 2022, Swinerton placed two winners of the Scholarship on its projects in Northern California.

Additionally, we volunteer our time for The Swinerton Foundation's Adopt-a-School program, which includes participation with SkillsUSA partner schools across the United States. SkillsUSA provides career and technical education to high school students who are pursuing careers in the skilled trades. In 2022, the winner of the SkillsUSA's California Carpentry contest was hired in Northern California.



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Affordable Housing

Housing remains a top concern for many residents in the cities where we work and live. Swinerton has been a leading residential builder in California for many years, serving communities of all kinds. Increasing affordable and accessible housing has become imperative to keeping individuals and families housed. As one of the most emerging markets we serve, Swinerton provides services to build affordable housing for a fee, but we also team up with partners to provide these services at no cost.

In San Francisco, DignityMoves, HSH, Tipping Point Community, Urban Alchemy, and HomeFirst Services partnered up to build a 70-room pilot cabin project for people experiencing homelessness located at 33 Gough Street. The supportive housing project replaces the tents and portable facilities at the current Safe Sleeping Village in the same location. DignityMoves, the nonprofit organization leading the project, asked Swinerton to coordinate and piece together the prefabricated Boss Cubez homes consisting of wall panels, roof panels, floor joists, flooring material, and a variety of small mechanical and electrical items to be installed in each sleeping unit. DignityMoves chose us as their preferred general contractor and reached a scope and contract value where our fee was contributed back to the project.







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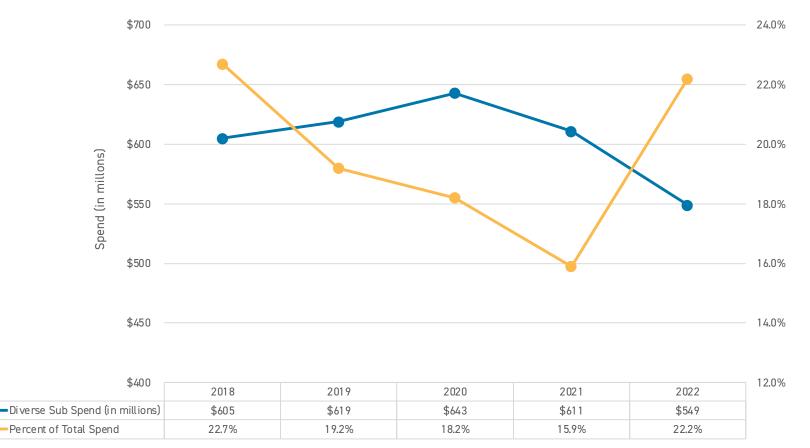
Outreach

Swinerton is proud to establish a higher standard of excellence for the construction industry with outreach programs to small, local, service-disabled veteran, and historically disadvantaged businesses, including those operated by women and minorities.

This is not just an effort that we provide for clients that request this consideration; this is a part of Swinerton's culture and our commitment to the communities that we serve. For over 30 years, our Supplier Diversity Program has been a testament to our commitment in working with local businesses. Our proven approach to increase diverse participation and inclusion is the reason we have repeatedly awarded close to 20% of our subcontracting dollars to these business enterprises.

In 2022, we are especially proud to have achieved 22.2% of subcontracting and supplier volume across all divisions.

Diverse Subcontractor Spend



2022 Accomplishments

Veterans In Business (VIB) Network Teaming Partners of the Year (with E2 Contracting)

Western Region Minority Supplier Development Council (WRMSDC) Exemplar Award, awardee - Mick Penn

Greater Los Angeles African American Chamber of Commerce (GLAAACC) Minority Business Advocate, awardee - Rick Vaughn

BuildOUT California Groundbreakers Award, awardee - Mick Penn

Corporate Memberships









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Prep for Success

We recently completed the beta launch of our new Swinerton-centric training program, aptly named "Prep for Success." The program was designed with the intent of better preparing our small, minority, women, veteran, LGBTQ+, and differently-abled business partners to successfully position, bid, and execute work with Swinerton. The program is also centered around relationship-building and gaining a high-level understanding of what to expect when partnering with Swinerton on a project.

The pilot program engaged eight California-based small and diverse business partners in weekly two-hour sessions over a three-week period. The session information was delivered by Swinerton subject matter experts and covered the following topics: prequalification, master subcontracting agreement, bidding & estimating, safety, quality, scheduling, workforce, BIM/VD&C, insurance, accounting, compliance, change management, and close-out. Regional leadership kicked off each session, and there was time built into the agenda for participants to have candid conversation and discussion around the subject material. Having topic experts deliver the material allowed for better subject-matter dialogue and helped our business partners make the human connection around the topic and material deliverables involved. The relatively small size of the group allowed for a more personal connection and supported relationship building.

The Prep for Success program was not developed with the intention of teaching our partners general business skills. Rather, our aim was to show them what they can anticipate as standard business requirements when working on a Swinerton project and what resources are available. For example, we did not tell our partners how to bid a job; instead, we discussed estimating best practices for bidding Swinerton work. The program was designed so that each region can tailor and deliver the material based on area-specific requirements or needs, while maintaining Swinerton standards. As a result, the program can be rolled out across all Swinerton offices.

Following the beta launch, we received feedback that the program was helpful, it gave our new partners a better understanding of what can be expected on our projects, and it assured them of Swinerton's genuine desire to see each of them succeed.



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"You guys did a great job. All major topics covered and the team was very knowledgeable in their respective disciplines."

- Leif Gaines, Master Painting Services

Appendix

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GRI Index

Appendix A: Global Reporting Initiative (GRI) Index: Disclosure Topics & Accounting Metrics

Statement of use	Swinerton has reported the information cited in this GRI content index for the 2022 calendar year with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021		
	2-1 Organizational details	Pg. 7 - 8
	2-2 Entities included in the organization's sustainability reporting	Pg. 7 - 8
	2-3 Reporting period, frequency and contact point	Pg. 2
	2-6 Activities, value chain and other business relationships	Pg. 5, 7
	2-7 Employees	Pg. 20 - 21
	2-9 Governance structure and composition	Pg. 5, 10, 12
	2-11 Chair of the highest governance body	Pg. 12
	2-12 Role of the highest governance body in overseeing the management of impacts	Pg. 12
	2-13 Delegation of responsibility for managing impacts	Pg. 12
	2-14 Role of the highest governance body in sustainability reporting	Pg. 2
	2-16 Communication of critical concerns	Pg. 12
	2-22 Statement on sustainable development strategy	Pg. 14
	2-25 Processes to remediate negative impacts	Pg. 12
	2-26 Mechanisms for seeking advice and raising concerns	Pg. 15
	2-28 Membership associations	Pg. 17, 36
	2-29 Approach to stakeholder engagement	Pg. 15
RI 3: Material Topics 2021	3-1 Process to determine material topics	Pg. 13 - 14
	3-2 List of material topics	Pg. 13 - 14
RI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pg. 9
RI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Pg. 35
	203-2 Significant indirect economic impacts	Pg. 34 - 37
RI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Pg. 36
RI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pg. 22
	403-2 Hazard identification, risk assessment, and incident investigation	Pg. 22
	403-3 Occupational health services	Pg. 22 - 23
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pg. 23
	403-5 Worker training on occupational health and safety	Pg. 22, 24
	403-6 Promotion of worker health	Pg. 22
	403-9 Work-related injuries	Pg. 22
	403-10 Work-related ill health	Pg. 22
RI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Pg. 24
	404-3 Percentage of employees receiving regular performance and career development reviews	Pg. 24
RI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pg. 21
RI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pg. 34 - 37
RI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Pg. 30 - 32
Sustainable Design	Providing expertise at each phase of the design and build process to reduce impacts on the environment and ensure high levels of building performance. Identifying and developing metrics that can quantify and communicate sustainable design decisions against baseline practices. Providing information to customers, suppliers and employees to guide decision making at all points of the project.	Pg. 30 - 32
Materials	Understanding and addressing how efficiently and effectively raw material inputs, natural resources, and building materials are utilized. Emphasizing practices optimizing the use of natural resources and utilization of materials that are highly durable, reusable, have high recycled content, and/or are recyclable.	Pg. 30 - 32

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2022 Sustainability Report

2001 Clayton Road, 7th Floor Concord, CA 94520 925.602.6400 swinerton.com

Swinerton is proud of our 2022 corporate responsibility efforts. We work hard to integrate socially responsible practices into our business. We aim for the highest standards of corporate governance and environmental stewardship, focus on employee health and safety, and seek to improve local economic and social development. Please contact us at <u>corporateresponsibility@swinerton.com</u> to ask questions and/or to provide input to our company.



We Welcome Your Feedback