SWINERTON

CLIMATE RISKS AND OPPORTUNITIES REPORT 2025

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1 INTRODUCTION

Swinerton[1] traces its roots back to 1888, when a Swedish immigrant founded a brick masonry and contracting business to serve the West Coast building boom. Over 100 years later, Swinerton has grown into a 100% employee-owned, $5 billion national construction firm providing industry-leading commercial construction, construction management, design-build, and self-perform services. With over 4,300 professionals across 24 regional offices, Swinerton remains deeply committed to the local communities it serves. In small towns and big cities, we continue to shape landscapes, define skylines, and deliver award-winning landmark projects for our clients across the nation.[2]

Sustainability has long been a priority for Swinerton, tracing back to 2004 when we were an early adopter of Leadership in Energy and Environmental Design LEED-accredited project engineers. The location of our headquarters in the San Francisco Bay Area—a region with history of environmental preservation—was a driver for prioritizing climate considerations over two decades ago.

Swinerton recognizes that climate change impacts the way we build as we adjust to more frequent and severe natural disasters, as well as changes in the regulatory landscape. Our customers' priorities are shifting too, and we are seeing increasing demand for resilient assets using low-carbon materials such as mass timber. Effectively managing climate-related risks and capitalizing on the opportunities this presents ensures the longevity of our business.

[1]This report covers Swinerton Incorporated and all associated subsidiaries.
[2]Swinerton.com. 2025. "About Us." About Us - Swinerton.

We are pleased to share this first Climate Risks and Opportunities Report, which was developed in line with the Task Force on Climate-Related Financial Disclosures (TCFD) framework to satisfy the emerging regulatory requirement in California Senate Bill 261 (CA SB 261). By using climate change scenario analyses, we can begin to explore the future state of the physical and regulatory landscapes, and identify the most pressing climate-related risks and opportunities for Swinerton. We use scenario analyses as informed by Intergovernmental Panel on Climate Change (IPCC) climate change projections and the Network for Greening the Financial System (NGFS) scenario framework[3]. The NGFS framework provides a set of climate transition pathways through which we can better understand our main physical and transition climate-related risks and opportunities. We have used the following two NGFS narratives in this report:

- **Delayed transition:** This pathway represents lower physical risks but higher transition risks. Transition risk is amplified because actions to reduce emissions are delayed, piecemeal, abrupt, or geographically differentiated, potentially resulting in large variations in sector drivers for climate action and legislative and policy frameworks across our global regions. Despite the disorderly transition, global emissions are reduced to net zero by 2050, and the worst physical impacts of climate change are avoided. Nonetheless, physical impacts from climate change are greater than under a rapid, orderly transition.
- **Current policies:** This pathway leads to higher physical risks but lower transition risks. It assumes some climate action occurs, but no more than anticipated under current policies and that the action will be insufficient to achieve net zero emissions by 2050 in line with United Nations climate goals[4]. The slow place and limited extent of the transition to a lower-carbon world mitigates transitional risks. Damaging climatic events and trends are not avoided in this scenario.

In line with the TCFD framework, this report details our Governance, Strategy, Risk Management, and Metrics and Targets related to climate risk.

[3]The NGFS origins and framework can be found at the following link: https://www.ngfs.net/en.
[4]Net zero commitments were first made at UN Climate Change Conference in Glasgow (COP26), in general alignment with the Paris Agreement. More information can be found at https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf.

2 GOVERNANCE

Risk Committee Oversight

Swinerton maintains a Risk Committee to manage enterprise risks. This is a Board-level committee chaired by the Chief Financial Officer comprising key senior leaders and stakeholders across seven risk categories. The Risk Committee meets quarterly to share risk management progress and conducts an annual update to Swinerton's Risk Register. Refer to Managing Climate-related Risks of Section 4 – Risk Management for more details.

This climate risk assessment examines climate risk and the opportunity to deepen our understanding of Swinerton's risk exposure, enabling the Committee to effectively determine necessary risk mitigations. We will update our climate risk assessment every 2 years to ensure we are regularly monitoring these risks and opportunities and adjusting our risk management strategy as necessary. The Committee will maintain and oversee climate risk mitigation based on the findings documented in this report.

In addition to the Risk Committee, formation of the Corporate Responsibility department established specific climate-related governance. Swinerton has hired dedicated sustainability staff, including the Director of Corporate Responsibility and Corporate Sustainability Manager.

Board-Level Oversight

Swinerton's Risk Committee reports to the company's Board of Directors. To incorporate climate risk at the highest level of the company, we have established a task force to address CA SB 219 reporting requirements, and the findings from this task force inform the Risk Register that the Risk Committee maintains. In the future, climate risk-related reporting will continue to be managed by the Risk Committee at both the Board and management levels.

3 STRATEGY

Risks, Opportunities, and Their Impact on Swinerton

Climate risks and opportunities could influence Swinerton as a business, and are taken into account for operations, business, and strategy planning. To inform those decisions, the impacts of risks and opportunities have been qualified. Swinerton's key climate-related risks and opportunities are listed in the tables that follow. For details on how we identify and manage these risks, refer to Section 4 – Risk Management.

KEY RISKS AND MITIGATION STRATEGIES

PRIORITIZED RISKS	RELATED TCFD CATEGORY	DELAYED TRANSITION SCENERIO		CURRENT POLICIES SCENERIO		TIMELINE	MITIGATION STRATEGIES
		LIKELIHOOD	IMPACT	LIKELIHOOD	IMPACT		
Changes to construction standards, fuel, or material types, or increased permitting requirements	• Policy • Legal	Almost Certain	Low	Possible	Low	Short-term to Long-term	• Consistent tracking of policy changes • Market analysis of and investment in new fuels, materials as applicable
New geographic markets due in part to climate change impacts and limitations create new market uncertainties	• Market • Chronic Physical	Possible	Medium	Almost Certain	Medium	Medium-term to Long-term	• Market analysis to determine risks at project sites
Limited access to materials/technology (chronic supply chain challenges)	• Market • Technology • Chronic Physical	Possible	Medium	Possible	High	Medium-term to Long-term	• Investment in nature-based solutions and vertical integration, e.g. in Timberlab • Adopt new technologies as applicable
Disruption of key services that Swinerton depends on for project delivery (incl. business technology)	• Market • Technology • Acute and Chronic Physical	Possible	Medium	Almost Certain	Medium	Medium-term to Long-term	• Crisis response strategies • Contract terms to limit liability • Refine technology risk assessment tool
Increasing cost of materials and material sourcing disruptions due to climate change disasters (acute supply chain disruption)	• Market • Acute Physical	Possible	Medium	Almost Certain	Medium	Medium-term	• Partnership with wholesale distributors • Investment in nature-based solutions and vertical integration, e.g. in Timberlab
Reputation harm if work sites and construction are seen as contributing to pollution/ecosystem damage	• Reputation	Possible	Medium	Possible	Medium	Long-term	• Crisis response strategies • Stormwater Pollution Prevention Plan management
Adverse weather (incl. heat, storms, flooding) can cause possible disruptions to service delivery and increasing cost due to schedule impacts, damage	• Acute and Chronic Physical	Possible	Medium	Likely	Medium	Medium-term	• Weather days • Safety protocols • Insurance • Contract review and terms

KEY RISKS AND MITIGATION STRATEGIES CONTINUED

PRIORITIZED RISKS	RELATED TCFD CATEGORY	DELAYED TRANSITION SCENERIO		CURRENT POLICIES SCENERIO		TIMELINE	MITIGATION STRATEGIES
		LIKELIHOOD	IMPACT	LIKELIHOOD	IMPACT		
Environmental impact on employee health and safety (e.g. wildfire smoke, heat); mental health impacts of climate change, including irritability and conflicts	• Acute and Chronic Physical	Possible	Medium	Almost Certain	Medium	Medium-term	• Safety protocols • Workplace benefit to support mental health • Existing onsite strategies for relief: shelter/trailer space, common areas for respite, cooling spaces
Forest health decline and the associated higher cost and lower availability of timber	• Acute and Chronic Physical	Likely	Medium	Almost Certain	Medium	Long-term	• Investment in nature-based solutions and vertical integration, e.g. in Timberlab • Advocacy with landowners to improve harvesting practices and sustainable sourcing

KEY OPPORTUNITIES AND STRATEGIES TO ACCESS

PRIORITIZED OPPORTUNITIES	OPPORTUNITY CATEGORY	DELAYED TRANSITION SCENERIO		CURRENT POLICIES SCENERIO		TIMELINE	STRATEGIES TO ACCESS OPPORTUNITY
		LIKELIHOOD	IMPACT	LIKELIHOOD	IMPACT		
Planning ahead for lower-carbon and climate-ready materials based on new material standards	• Products/ Services	Almost Certain	Medium	Possible	Medium	Medium-term	• Investments in Timberlab and Swinerton Energy
Technology and innovation adoption for climate-optimized construction and attracting key talent, creating capacity to keep up with the rapid pace of development	• Products/ Services • Resource Efficiency	Almost Certain	Medium	Almost Certain	Medium	Short-term to Long-term	• Identify new technologies to implement
Using prefabrication to increase efficiency, decrease cost and increase safety from climate impacts on the construction site	• Resilience	Likely	Medium	Possible	Medium	Long-term	• Investment in Timberlab to expand prefabrication
Increasing demand for specialty construction (mass timber, low-embodied carbon)	• Markets	Likely	Medium	Almost Certain	Medium	Medium-term	• Membership in green building organizations • Promote case studies demonstrating the benefits of mass timber buildings
New geographic markets due in part to climate change impacts and limitations create new market opportunities	• Markets	Likely	Medium	Almost Certain	Medium	Medium-term	• Market analysis
Growing need for new construction or retrofits due to climate change-related damages	• Markets	Likely	Medium	Possible	Medium	Long-term	• Investment in new technologies that are inherently more resilient to climate-related disasters • Prefabricated structures built out of cross-laminated timber (CLT) that can be quickly deployed

RESILIENCE OF SWINERTON'S STRATEGY

Swinerton has been building resilience to climate-related risks by diversifying our business and by capitalizing on climate-related opportunities. Our strategy, "March to 2030," includes several tenets that build company-wide resilience. March to 2030 is our north star that guides us to become diversified in our product line, expanding geographically to be a national organization servicing our clients in our communities. We are also continuing our Talent First program that is our commitment to our employees' health and prosperity. All of these tenets help us withstand acute or chronic climate stressors. We will continue to adapt our strategy over time as we monitor risks and opportunities. We are well-positioned to adapt nimbly on a project-by-project basis as necessary, specific to the geography and particular risks.

By investing in markets that are growing because of changing customer demands, we have established ourselves as part of the solution to building amidst climate change. Swinerton has invested in the mass timber market with our affiliate company, Timberlab, to deliver some of the country's most innovative mass timber projects. In 2017, we designed, permitted, and constructed the then-largest mass timber office building by floor area in the United States. With the number of mass timber projects expected to double every 2 years, Swinerton has assembled an unparalleled network of knowledge and resources that is sought out by clients and design teams across the nation. Additionally, our energy subsidiary, Swinerton Energy, delivers reliable Engineering, Procurement, and Construction (EPC) services to industrial clients across the nation, specializing in projects ranging from clean energy generation to industrial process facilities. Swinerton Energy empowers clients across the nation to meet their energy resiliency goals through the adoption of renewable natural gas (RNG). The RNG infrastructure we construct captures harmful greenhouse methane produced from agriculture, landfill, and wastewater facilities and converts it into natural gas. Not only does this process subvert the need for traditional fossil-fuel based gas, but it is consistently replenishable and compatible with existing gas infrastructure and equipment, thus preventing an additional load on our already taxed electrical grid.

4 RISK MANAGEMENT

Identifying Climate-Related Risks

Stakeholders from each of the seven risk categories represented in the Risk Committee are responsible for identifying the top risks in their impact area. Those risks are identified based on past experience, market and industry analysis, and the subject matter expertise of the stakeholders. The seven risk categories are:

- Strategic
- Finanial
- Governance
- Operational
- Environmental
- Technological
- Talent and Culture

Risks are scored across the following dimensions:

Vector impact scoring across financial, people (injury), culture, and reputation. Industry peers are benchmarked to define baseline scoring levels, then the Risk Committee and senior leadership determine where Swinerton is today compared to the baseline.

Impact is measured using the following scale: Minor, Moderate, Major, Severe, or Catastrophic. Impact is plotted against the likelihood of risk in order to prioritize risks.

Managing Climate-Related Risks

The Risk Register is the main tool used to document and manage enterprise risks. The Risk Matrix is the summarized version of the Risk Register.

The Risk Committee assesses if each risk in the Risk Register needs to be reviewed by the Board or if it can be managed by stakeholder teams. If the risk needs Board review, it will be discussed at the next quarterly meeting (or expedited if the risk is urgent). Otherwise, stakeholder teams are responsible for managing risks appropriately.

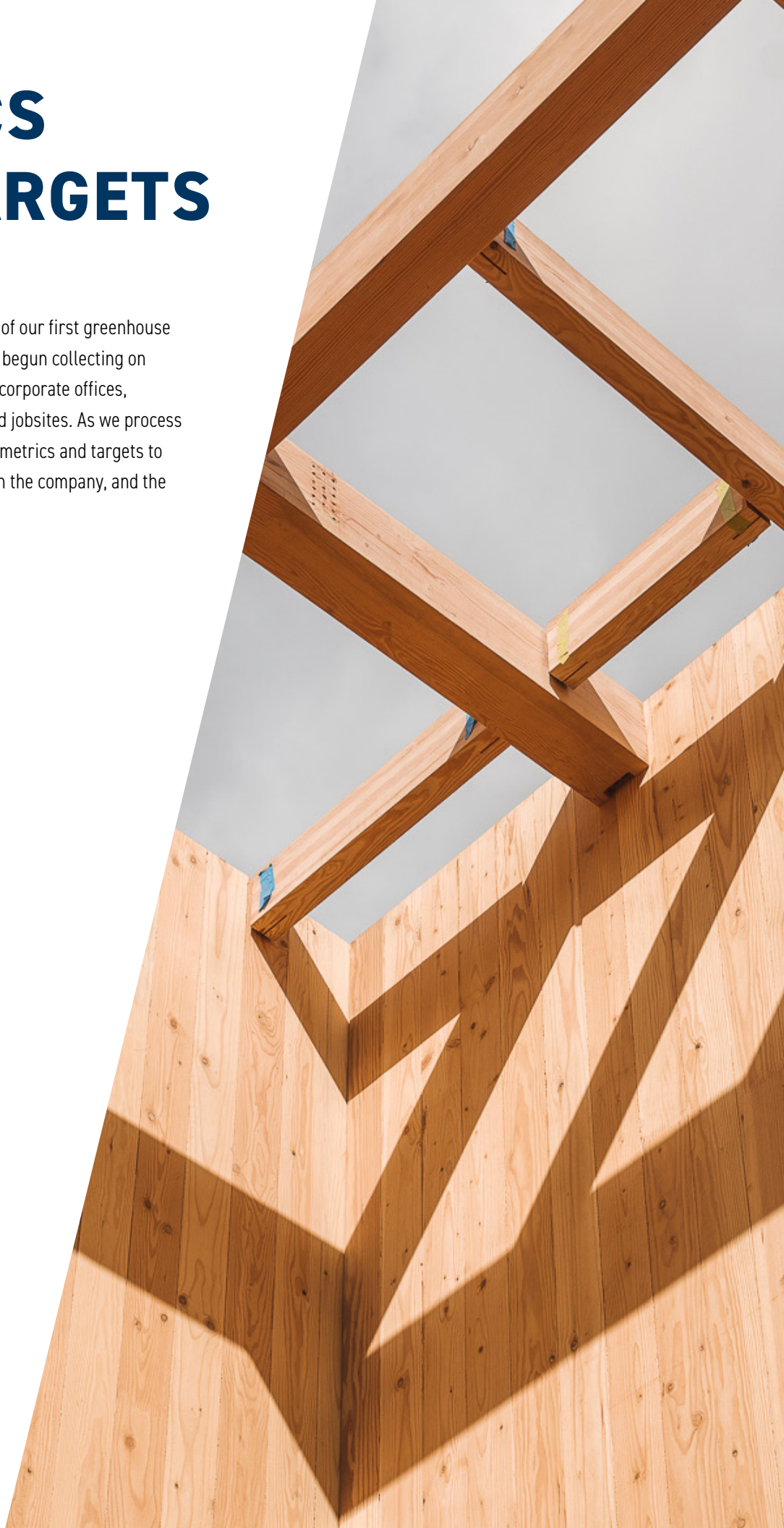
Integrating Climate-Related Risk Management

Swinerton's Risk Register will continue to include the "Environmental" risks identified above to integrate climate risks into our business. In addition, we have taken many actions to tangibly integrate climate-related risk management:

- Swinerton engages with industry groups like Associated General Contractors of America (AGC) for resource hub access and consultants like FMI to understand market trends and risks.
- Swinerton is learning from current climate-related requirements to prepare regional managers across the United States for future regulations that may apply in their regions.
- Swinerton has had protocols in place for several years that address weather delays, worker safety, wildfire smoke, and heat illness prevention. Swinerton has seen a decrease in the number of heat-related instances as a result of the heat illness prevention plan.
- In response to the changing climate, Swinerton is having climate impact conversations more often and proactively. Swinerton has proactively integrated jobsite sustainability related to jobsite recycling and anti-idling requirements.
- Swinerton builds "weather days" into project delivery schedules. In case of extreme weather, safety teams check in on project impacts and respond accordingly. Field leadership teams have the autonomy to make a decision on whether or not to continue work.
- To mitigate potential supply chain disruptions, Swinerton maintains a stash of equipment for immediate shipping/ backfill.

5 METRICS AND TARGETS

Swinerton has initiated the development of our first greenhouse gas inventory based on the data we have begun collecting on electricity, natural gas, and water use at corporate offices, warehouses, manufacturing facilities, and jobsites. As we process the data, we are evaluating the potential metrics and targets to mitigate the impacts of climate change on the company, and the impacts we have on climate.



APPENDIX – TCFD TABLE

GOVERNANCE

Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	Refer to Section 2 – Governance on page 4.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Refer to Section 2 – Governance on page 4.

STRATEGY

Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Refer to tables "Key Risks and Mitigation Strategies" and "Key Opportunities and Strategies to Access" on pages 6-8.
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	Refer to tables "Key Risks and Mitigation Strategies" and "Key Opportunities and Strategies to Access" on pages 6-8.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Refer to "Resilience of Swinerton's Strategy" on page 9.

RISK MANAGEMENT

Disclose how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's process for identifying and assessing climate-related risks.	Refer to Section 4 – Risk Management on pages 10-11.
	b) Describe the organization's processes for managing climate-related risks.	
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Refer to Section 5 – Metrics and Targets on page 12.
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	