



SWINERTON



2019 P.R.I.D.E. REPORT

PROFILE AND PERFORMANCE | RESPONSIBILITY | INCLUSION | DEVELOPMENT | ENVIRONMENT

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INTRODUCTION



LETTER FROM THE CEO

Each of our employee-owners has a hand in building Swinerton's future. The possibilities, even in a post pandemic landscape, are promising, exciting, and limitless. What gives me the most peace of mind about next year, two years, and 10 years is the resilience, perseverance, determination, and integrity of our Swinerton team.

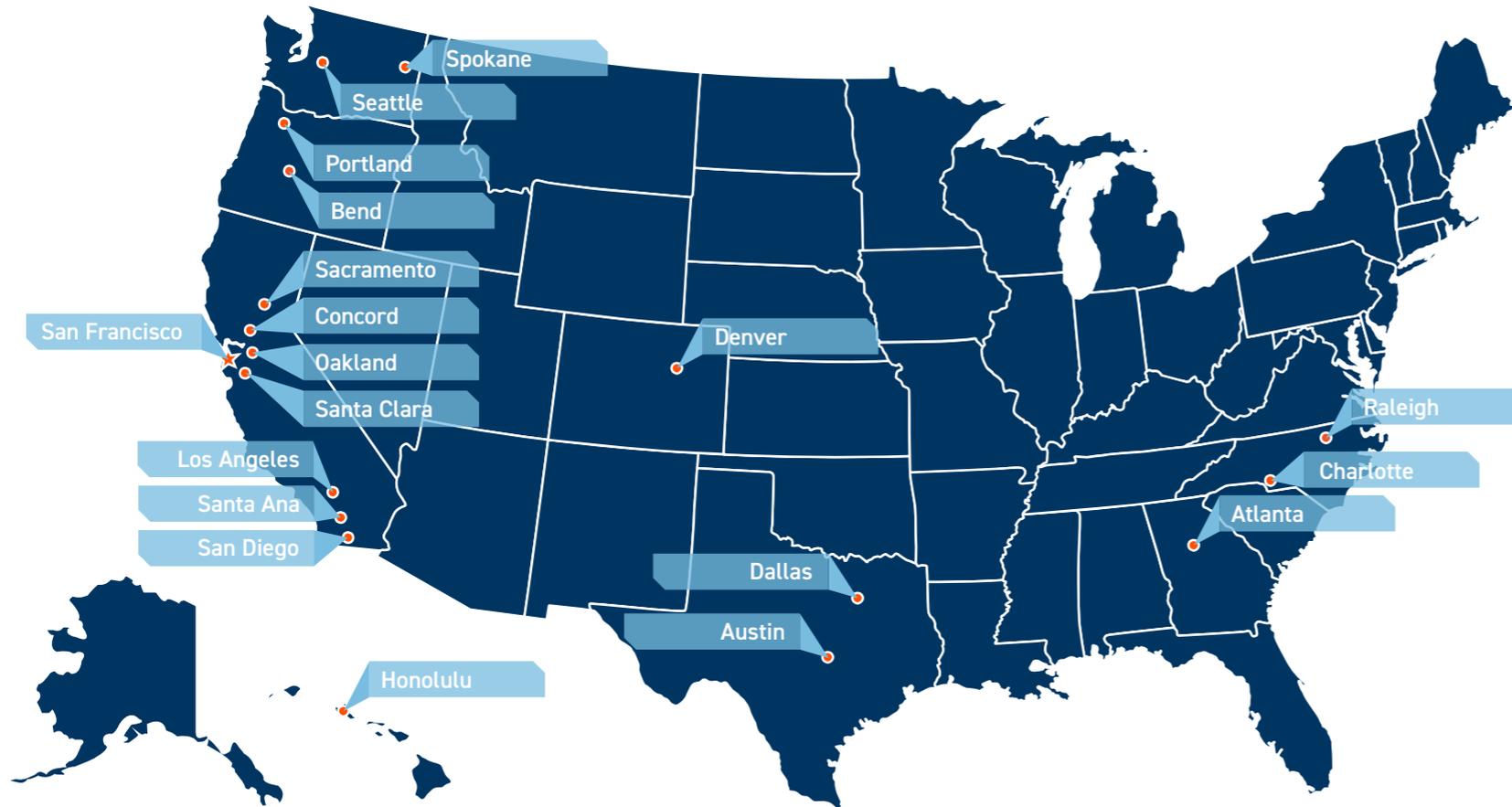
Something important to keep in mind is exactly what Bill Swinerton told us at our 100-anniversary celebration, 32 years ago: "Stay loose and keep your eyes open." It takes grit and determination to be in our industry and since our earliest days as a builder, Swinerton has survived and even thrived through two world wars, the Great Depression and Recession, dynamic cultural movements, and natural disasters. This pandemic will pass and through it we will remain a united family that's committed to building strong, resilient communities, and to building the careers of our people.

So I am very pleased to share with you today, Swinerton's 2019 P.R.I.D.E Report, which provides a deeper look at our profile and performance, responsibility, inclusion, development, and environment priorities. Part of our responsibility as builders is to work toward improving both the physical and psychological safety of our communities. We know that we have lots of learning and work ahead of us. Thank you for being a part of our family and on this journey with us.

YFNY-Your Family Needs You. All of our Families Need Us.

Eric Foster

SWINERTON AT A GLANCE



130+

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

675

Projects Completed in

238

Different Communities

200+

Clients Served Nationwide

5,062

Employees Throughout the U.S.

19

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 5,000 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's potential has never been greater. What we have built together in 2019, focused on One Swinerton no matter our location or the expertise delivered, is truly remarkable. We've once again expanded our geographic footprint, further diversified our services portfolio, and continue refining our March to 2030 to ensure we are well positioned for what comes next.

2019 was the healthiest financial year in the history of our company. Our revenues exceeded \$4.3B, a 19% increase from 2018. Our equity, cash balances, and key financial metrics remain very strong.

Swinerton's bonding capacity doubled from the previous year and is in excess of \$5B. Backlog at the end of year was over \$5B, with significant backlog in several key markets, including aviation, office, hospitality, renewable energy, education, and healthcare.

Our Growth

- Opened two new offices in Spokane, WA and Dallas, TX.
- Hired over 600 new construction professionals and 2,400 Craft persons.
- Launched Swinerton Mass Timber.
- Expanded Swinerton Management & Consulting services to Southern California.
- Welcomed SAK Builders to the Company, strengthening our self-perform capabilities in the Pacific Northwest.



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 optimizing 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

AGC of CA #1 Safety Award of Excellence

AGC Washington Safety Excellence

Oregon Business Best Green Workplaces in Oregon

San Diego Business Journal Best Places to Work San Diego: #1 Mega Employer

ENR California #1 Top Contractor

ENR Northwest Top Contractors

Fortune Magazine Best Workplaces Bay Area

Hawaii Business Magazine Best Workplaces

SMPS Reign Awards—Community Impact

Puget Sound Business Journal Washington's 100 Best Workplaces





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.

INNOVATION | LEADERSHIP | INCLUSION | DIVERSITY

ECONOMIC DEVELOPMENT | PHILANTHROPY | EMPLOYEE CAUSES

PEOPLE COMMUNITIES CSR LIFE ENVIRONMENT

SAFETY | HEALTH | RIGHTS | BENEFITS

WASTE & EMISSIONS | ENERGY | WATER | MATERIALS



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 Ethics and Social Responsibility Committee reviews and recommends to the Board and senior management objective policies and procedures that best serve the Company's interest in maintaining a business environment committed to high standards of ethics and integrity, corporate responsibility, and legal compliance.

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 employees are subject to mandatory Preventing Harassment Discrimination training. 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

0.50
EXPERIENCE
MODIFIER RATE

60
CREDENTIALLED SAFETY
PROFESSIONALS
THROUGHOUT THE U.S.

10,000+
HOURS OF HEALTH
AND SAFETY TRAINING
COMPLETED

YOUR FAMILY NEEDS YOU

Depression doesn't discriminate.

This is all too true in the construction industry, which has one of the highest suicide rates of all occupations. According to the Centers for Disease Control and Prevention (CDC), workers in the construction industry are four times as likely to die by suicide than the general population. NPR reported that unhealthy substance abuse, especially where opioids are prescribed for workplace injuries, and veterans dealing with past trauma could be underlying causes.

For the past two years, Swinerton has promoted the Movember campaign, which brings to light mental health issues through a male lens, focusing on prevention, early intervention, and health promotion. The campaign's vision is a world where men take action to be mentally well, and are supported by those around them. The goal is to reduce the rate of male suicides by 25% in the next ten years.

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 balances, stress, financial management, and much more.



SUPPLY CHAIN

Swinerton's Contractor's Code of Conduct will be included in all Master Service Agreements in 2020. 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	13% 665	26% 592	3% 73	16% 7	9% 1
Male	87% 4,397	74% 1,717	97% 2,680	84% 36	91% 10
Minority	58% 2,945	34% 786	78% 2,159	14% 6	9% 1
Veteran	3% 152	4% 88	2% 64	NR	NR
Ages 61+	4% 209	6% 143	2% 66	NR	NR
Ages 41-60	36% 1,812	37% 858	35% 954	NR	NR
Ages 21-40	57% 2,906	54% 1,276	59% 1,630	NR	NR
Ages <20	3% 135	1% 29	4% 106	NR	NR

NR: Not Reported

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 this network to employees will lead to more diverse teams within the organization and engage all employees—even those who don't identify with the group.

Swinerton's STEP Up Women's Summit is an annual workshop that provides attendees an opportunity to discuss Swinerton's diversity and inclusion efforts and participate in open dialogue about the unique challenges women face in the industry. Over the course of two days, attendees from across the country, alongside senior female and male leadership, engage in critical conversations and developmental training.

In 2019, Swinerton hosted its STEP Up Women's Summit in San Diego, CA. Fifty-six employees participated in conversations about unconscious bias and Total Leadership—an exercise in deepening one's awareness of who they are and the type of leader they want to be, based on Stewart Friedman's book.



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 2019, Swinerton Incorporated and its Affiliate companies spent a total of **\$3.5B** on subcontractors and suppliers and **\$725M** of that total was spent on small and diverse firms. Company-wide spending on diverse subcontractors resulted in a total of **21%** 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 2019, our Liaisons dedicated over 6,603 hours to community outreach.

247 HOURS	46 HOURS	2,087 HOURS	49 HOURS	4,174 HOURS
Central and East	Hawaii	Northern California	Northwest	Southern California



BREWS WITH BUILDERS

Swinerton is a responsible partner to the minority and women-owned subcontractor community, providing ample bidding opportunities to a known audience of disadvantaged firms. However, through feedback, our team in Colorado quickly learned that our outreach efforts were not as inclusive as we had thought.

While these findings were distressing, they were also inspirational and invigorating. How could Swinerton create the best diverse partner networking program that was inclusive, educational, and beneficial to the community?

Our proactive outreach program, called Brews with Builders, brings together small and large firms—subcontractors, vendors, professional services, public agencies, and industry resources. Email marketing, printed postcards, collaboration with industry partners, and word of mouth facilitate the program's message: Swinerton is committed to the disadvantaged community.

Hosted at Swinerton's Colorado office every other month, Brews with Builders provides an informal forum to network, teach firms how to do business with Swinerton, identify project opportunities, and create an environment conducive to building relationships. Our objective is to increase the pool of diverse subcontractors, prequalify firms, and invite them to training programs before releasing Invitations to Bid. We measure our success by the number of prequalified diverse subcontractors and the number of invitations sent to diverse businesses.

Since 2017, Swinerton has hosted 15 Brews with Builders attended by 479 firms of which 33% identified as a minority or woman-owned business. Our diverse subcontractor base has grown by 36% and the number of prequalified diverse firms that are invited to bid has more than doubled.



“Swinerton’s Brews with Builders event offers a valuable opportunity to not only meet their estimators and project managers, but even better, Swinerton provides access to community resources outside of their company—such as HCC, BCG, DSBO, NWC, and United Airlines—to help subs network.”
– Phoenix Masonry, MWBE, SBE



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 for admin personnel was 84%—above the industry average of 80%—while our retention rate for Craft employees was 73%.

Employee Demographic Chart

	Admin Staff	Craft Workforce
Pacific Northwest	268	260
Northern California	764	658
Southern California	896	1,469
Central	206	262
Southeast	93	19
Hawaii	82	852
Swinerton Inc.	225	0

In 2019, we included more roles in our 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.

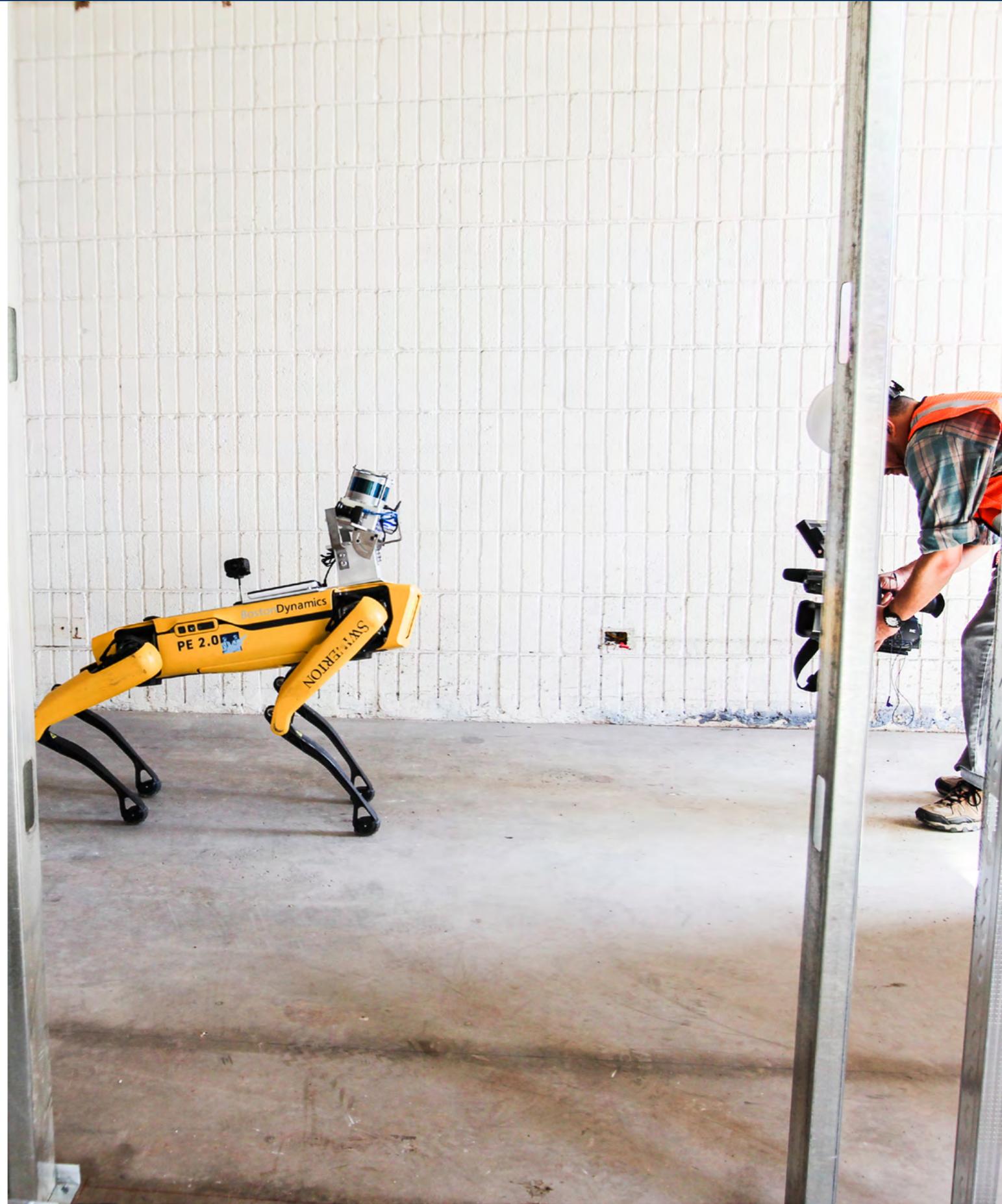
In 2019, our Innovations Team focused on projects that reduce costs, ensure workers' health, and increase productivity.

Prefab Interior Walls

Interior wall framing is done today the same way it was done 30 years ago. Stock materials are brought on site cut to length and assembled in the field. This results in large amounts of wasted material, extra tools being brought onsite, and risk to quality. Today, offsite fabrication has become the standard for MEP trades. We are taking manufacturing processes and applying them to interior wall framing. This project is demonstrating the value of kit of parts and wall panels built in factories and assembled onsite.

Layout Robot

Laying out interior walls and MEP systems typically involved workers hunched over marking points and lines on concrete slabs. Working with a robotics company, Swinerton is looking to reduce the time and cost to layout interior walls. This robot will greatly improve the ergonomics while reducing the time and cost to complete layout.



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 2019, more than 100 employee volunteers donated over 1,000 hours to complete nine 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 were announced at Cypress Mandela Training Center’s spring and fall graduations.

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 2019, Swinerton employees, with gift matches from The Swinerton Foundation, contributed \$721,450 to charities across the U.S. and donated over 14,000 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 2019, our employees completed over 140 hours of LEED training.

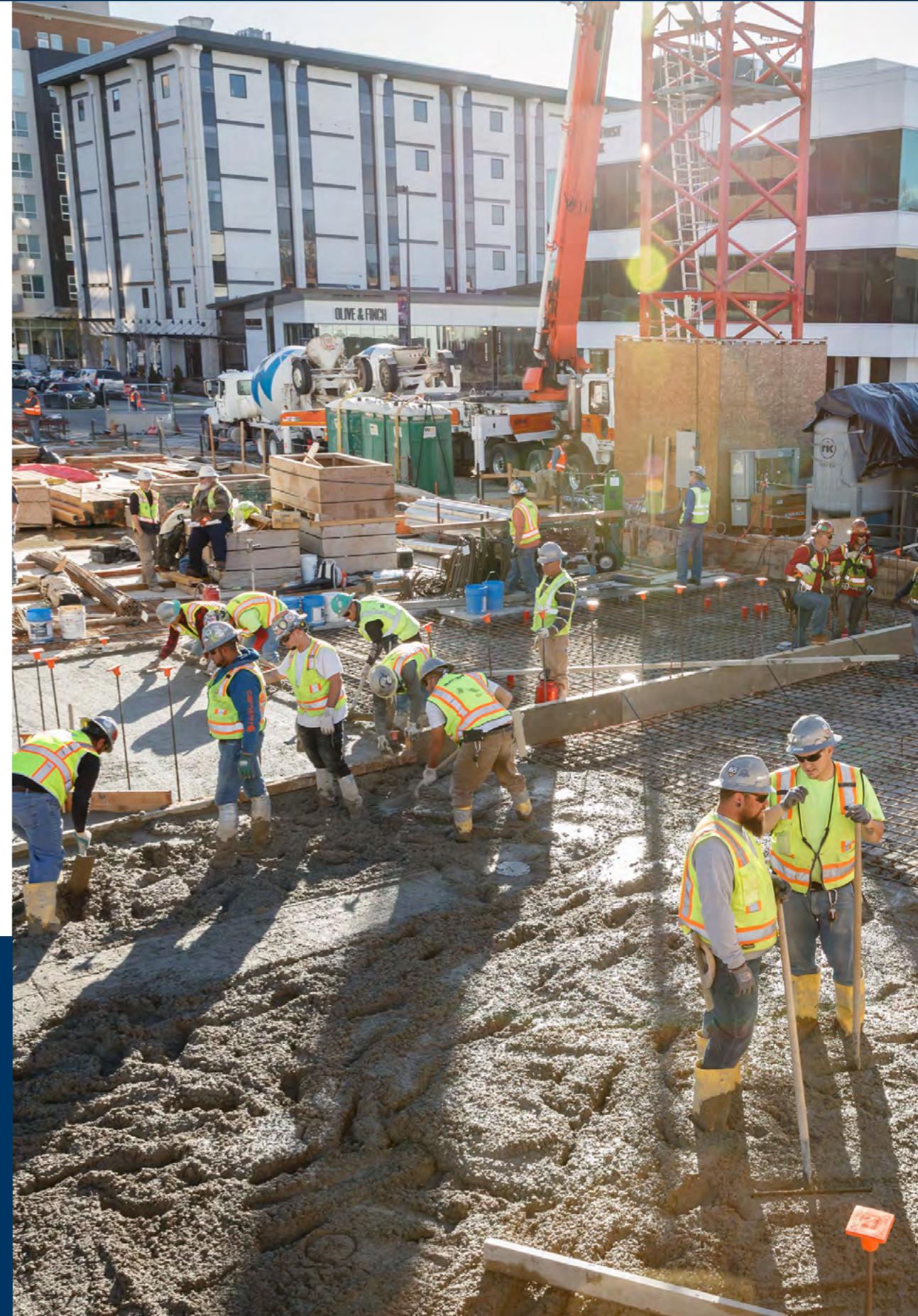
Swinerton protects human health and the environment by meeting applicable regulatory requirements pertaining to air emissions, waste, and water. We favor the use of non-hazardous products and materials, and we choose recycled and reclaimed materials whenever possible.

Next year, we will enlist the help and expertise of Swinerton employees and university students to form an Environmental Task Force. The Task Force will identify 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.

Our Operations

We currently own three office buildings and lease twenty-one office buildings.

We have 840 vehicles in our company fleet. Of the employees eligible for our auto allowance program, nearly 50% participated in our Vehicle Efficiency Incentive.



PROJECTS AND PROFESSIONALS

194

LEED, WELL,
and Parksmart
Accredited
Professionals

1 GW

of Renewable
Energy Projects
throughout North
America

10

Green Building
Projects
Completed

2.2 M

Square Feet
of Sustainable
Projects
Completed



SWINERTON



260 Townsend Street, 5th Floor, San Francisco, CA 94107 | 415.421.2980 | swinerton.com