

UN Global Compact Communication on Progress (COP)
January 2018 – December 2018

January 17, 2019

To our stakeholders:

Swinerton is 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 our operations. We continue to support the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption, and are committed to working together with our stakeholders to further the UN's mission to advance societal goals.

Sincerely,



Jeffrey C. Hoopes
Chief Executive Officer

Description of Actions

Human Rights

Swinerton supports the principles in the UN Universal Declaration of Human Rights. We agree to a workplace that is free of abuse, bullying, harassment, and discrimination. Swinerton expects our Partners to uphold these same values.

Swinerton maintains an anti-harassment policy which states that harassment in the workplace, including conduct that demeans another person, will not be condoned. Managers who know of harassment in the workplace, or have received a complaint of harassment in the workplace, have a legal and moral responsibility to report such harassment to Swinerton's Human Resources Department.

Additionally, Swinerton's Affirmative Action Program is designed to strengthen and reaffirm its commitment to implement Fair Employment Practices. The Company's policy is clear with respect to Equal Employment Opportunity for minorities, females, veterans of the Vietnam era, qualified disabled persons, and disabled veterans.

Swinerton has a commitment to provide equal hiring, training, compensation, promotion, transfer, layoff, and recall benefits to all individuals, including qualified veterans and veterans of the Vietnam era, without regard to 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 essential bonafide occupational requirements or where handicap or medical condition is a bonafide occupational disqualification.

Labor

Swinerton agrees to a workplace where employment is voluntary and only offered to persons over the age of 16; working hours are not deemed excessive by definition of the law; employees are compensated in a timely manner; and, to the extent permitted by law, respecting employees' right to freedom of association and collective bargaining.

Swinerton's Safety Department maintains policies and procedures, and provides training to employees, to ensure a safe workplace. Swinerton recognizes there are great hazards in the construction industry and one decision could be the difference between life and death. The Company's unwavering project performance standards enable it to send everyone home, every day, uninjured. Employees are provided training in, but not limited to: OSHA 10, CPR/First Aid, forklift, crane, rigging, fall protection, and demolition. It is engrained in Swinerton's culture that all employees and Partners have the authority to stop work when a potential safety hazard is identified.

In accordance with the U.S. Fair Labor Standards Act, Swinerton abides by the federal minimum wage requirement, overtime pay requirement, and child labor regulations. Additionally, Swinerton abides by local and state minimum wage and prevailing wage requirements in all geographies where it does business. These pay requirements are posted in all offices and project locations.

Environment

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

A new Swinerton Environmental Policy and Green Office Guide will be enforced in 2019.

Anti-Corruption

In 2019, Swinerton will require all its business partners to sign the Contractor's Code of Conduct. The Code of Conduct binds our subcontractors, suppliers, and vendors (collectively "Partners"), and their supply chain, to minimum standards, which are based on the Ten Principles of the UN Global Compact and the UN Sustainable Development Goals (SDGs). Swinerton expects all its Partners to act in accordance with the highest standards of business ethics and to avoid any appearance of impropriety, including, but not limited to: fraud, deception, and dishonesty; bribery and corruption; and false claims.

Swinerton employees and Partners have free, unlimited access to our third-party anonymous and confidential incident reporting system. Swinerton encourages those who know of any activity that is in violation of laws, regulations, or contracts to report such activity promptly through this service, which is available 24 hours a day, 7 days a week.

Swinerton maintains records of instances that may be deemed unethical. A formal Ethics & Corporate Responsibility Committee reviews such cases and takes necessary corrective steps including investigations, the provision of additional training to employees and Partners, and disciplinary action.

Community

Swinerton has identified four UN Sustainable Development Goals (SDGs) which it will most actively support:

#4 Quality Education: Swinerton believes that as an industry, it is a shared responsibility to introduce young people to the art and science of construction, develop their leadership talents, and inspire their ingenuity so the workforce of tomorrow is as enthusiastic and driven as the workforce of today. The company will provide funding to, and employees will provide volunteer

support to non-profit organizations which aim to further this mission. The company will also look for new and innovative ways to impact youth and advance education on a national scale.

#8 Decent Work and Economic Growth: Swinerton will continue to abide by labor standards and regulations and invest in the communities in which it does business. Swinerton believes in providing economic opportunity to all, including non-traditional workers, underrepresented minorities, and underserved populations. The Company will maximize any opportunity to obtain minority, women-owned, and disabled veteran business enterprise (MBE/WBE/DVBE) participation in all purchasing and contract business.

#11 Sustainable Cities and Communities: As a preferred builder and trusted partner, Swinerton's construction expertise and drive for excellence is a valuable asset to its operations and to its neighborhoods. By utilizing employee skills, experience, and talent through volunteerism with local non-profit partners, Swinerton helps build better communities that will be resilient through economic hardship and natural disasters.

#15 Life on Land: Swinerton supports and encourages all efforts to reduce the environmental impact of its projects. The Company has established green building practices and continually educates its clients, subcontractors, and consultants about methods that can mitigate the impact its work has on the environment. Swinerton will provide regular training on green construction practices and green building rating systems, and conduct regular sustainability reviews of its operating groups.

Swinerton will further expand its environmental sustainability plan to include all projects and offices. This new phase will include tracking and reporting its emissions and waste, evaluating its carbon footprint, identifying its role in climate change, and ensuring there is accountability throughout its supply chains.

Communication

Swinerton will communicate its progress to support the UN's Global Compact by posting its annual COP on the Company website and publishing it within the Company's Annual CSR Report.

Measurement of Outcomes

In order to determine success, Swinerton will set Global Compact goals and measure the outcomes of its initiatives towards those goals.

Healthy and Safe Workplace

Goal: Zero lost time and recordable incidents.

Frequency of reporting: Monthly.

2018 Progress (as of October 2018):

	Swinerton	General Building Industry Average
Recordable Rate	2.16	3.20
Lost Time Rate	0.18	1.30

This statistic measures the duration of restricted and loss time work days per 100 workers. The calculation is as follows:

$$\frac{(Number\ of\ Restricted\ and\ Loss\ Time\ Days) \times 100 \times 2,000\ Man-Hours}{Total\ Number\ of\ Man-Hours\ Performed}$$

Swinerton’s overall Experience Modification Rating (EMR) as of August 2018 is 0.46 in California, 0.60 in Washington, and 0.49 in all other states.

Small Business and Minority, Woman-Owned, Veteran, and Disadvantaged Business Enterprise (SBE/MBE/WBE/VBE/DBE) Participation

Goal: 20% of contracting dollars to be given to small and SBE/MBE/WBE/VBE/DBE businesses.

Frequency of reporting: Annually.

2018 Progress: 2018 reporting will occur in May 2019. For 2017, Swinerton spent a total of 33% of its subcontractors/supplier spend on small and local businesses. For purposes of the below, it is possible that the same subcontractor/supplier may hold more than one classification. Swinerton does not currently separate subcontractor from supplier.

Small Business (%)	17.45% (Percentage of 2017 spend on SBE - Small Business Enterprise, 8A Mentor, and SDB - Small Disadvantaged Business Enterprise subcontractors and suppliers)
Minority-owned Business (%)	6% (Percentage of 2017 spend on MBE - Minority Business Enterprise subcontractors and suppliers)

Woman-owned Business (%)	8% (Percentage of 2017 spend on WBE - Women Business Enterprise, SWBE - State Women-Owned Business Enterprise, and EDWOSB - Economic Disadvantaged Women's Small Business Enterprise subcontractors and suppliers)
Veteran-owned Business (%)	2.36% (Percentage of 2017 spend on VBE - Veteran Business Enterprise, DVBE - Disadvantaged Veteran Business Enterprise, and SDV - Service Disabled Veteran Owned Business Enterprise subcontractors and suppliers)
Other Business (%)	5.23% (Percentage of 2017 spend on OBE - Other Business Enterprise, DBE - Disadvantaged Business Enterprise, and UDBE - Underutilized Disadvantaged Business Enterprise subcontractors and suppliers)

Employee Diversity and Inclusion

Goal: In 2019, the Company will provide 2018 diversity numbers to establish a benchmark. We will use market research to help establish diversity goals.

Frequency of reporting: Annually.

2018 Progress: Reporting will occur in June 2019.

Environmental Sustainability

Goal: In 2019, the Company will identify key stakeholders needed to collect environmental data as it pertains to materials, energy, emissions and waste, water, and biodiversity. This data will then be used to benchmark against our peers, and will be reported to all stakeholders.

Frequency of reporting: Annually.

2018 Progress: Unable to fulfill commitment in 2018 due to lack of resources.

Support for the Sustainable Development Goals

Goal: Invest 1% of the Company's net income in communities to support the UN's Sustainable Development Goals (SDGs).

Frequency of reporting: Annually.



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2018 Progress: As of November 2018, Swinerton spent a total of \$1,062,137 in corporate charitable giving (0.84% of net income). With an additional \$520,964 in planned charitable giving in December, the Company is poised to have donated at least 1.25% of net income in support of the SDGs.

Swinerton will encourage all its operations to pursue these goals. Should any of its operating groups fall short of these goals, the Company will take sufficient corrective steps including investigations into potential causes, the provision of additional training, and disciplinary action.