

Degenkolb Engineers Communication on Progress

United Nations Global Compact

Statement from CEO

I am proud to confirm Degenkolb Engineers' continuing support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this Communication on Progress, we describe our progress in integrating the principles espoused in the Global Compact into our day-to-day operations. We intend to share this information with our stakeholders using our primary channels of communication.

Stacy Bartoletti
Chief Executive Officer

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

Assessment, policy and goals

Degenkolb is committed to respecting and promoting the free exercise of human rights ensuring that such respect is woven into our business fabric.

Implementation

The promotion of Human Rights can be seen in our Business Plan which contains sections both on our values and our behavioral norms. Our values, as published in the Business Plan, are:

- ✓ Openness – Listen carefully and speak freely
- ✓ Integrity – Develop trusted relationships through honesty and dependability
- ✓ Respect – Appreciate that everyone brings value
- ✓ Diversity – Embrace different perspectives
- ✓ Flexibility – Adapt to changing circumstances
- ✓ Teamwork – Collaborate for success

And among our published behavioral norms are the following:

- ✓ In all situations, we will feel free to respectfully express our opinions openly, listen carefully, and have an honest discourse about our differences.
- ✓ We will maintain our strong, supportive culture by encouraging everyone to achieve their best in a manner consistent with our core ideology. We will foster awareness, understanding, and development of our culture through effective two-way communication between all levels and locations.
- ✓ We will hire the best and encourage them to achieve their best in a manner consistent with our core ideology.
- ✓ We commit to being experts in engineering areas, and achieving excellence in non-engineering areas through proper education, continuous improvements, innovation, risk taking, learning from our mistakes, and a shared responsibility for all aspects of the business.
- ✓ We will be client-centered by assessing, anticipating, and meeting the expectations of our clients, and soliciting from them suggestions for adapting our practice to their needs.

We also understand that broad pronouncements about human rights are not enough – we also need to live what we commit to. In this vein, we ensure that our employees are well paid, have access to affordable benefits, and work in a safe environment.

We also recognize that the promotion of human rights doesn't stop at boundaries of our offices – or even our home country. For over a half-century, we have sent our engineers to all parts of the world in the aftermath of significant earthquakes. These engineers investigate damaged and collapsed structures and the like, publish reports on lessons learned, and impart the knowledge gained to clients and non-clients alike. Since 2010, we have sent engineering earthquake teams to:

- ✓ Chile
- ✓ Haiti
- ✓ Baja California, Mexico
- ✓ Christchurch, New Zealand
- ✓ Ercis, Turkey
- ✓ Taiwan
- ✓ Ecuador
- ✓ Mexico City, Mexico

Measurement of outcomes

We regularly obtain survey data to make sure that our compensation and benefits meet or exceed industry standards.

We regularly conduct performance reviews of our employees in order to assess their performance, discuss their professional development, and address any concerns the employees may have. In addition, we conduct exit interviews of our departing employees to make sure that any motivators driving their decision to depart are sufficiently addressed.

Our harassment policy, which is part of our Employee Handbook, contains multiple reporting means by which a person can report harassment. We track all such reports and investigate as the case warrants.

LABOR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, policy and goals

Degenkolb Engineers is fully committed to the concept and practice of equal opportunity in all aspects of employment and our practice.

It is our policy, in accordance with all applicable laws, to recruit, hire, train, and promote persons in all job titles without regard to race, color, religion, sex, age, disability, veteran status, national origin, or any other characteristic protected by applicable law. Employment decisions are consistent with the principle of equal employment opportunity. Personnel actions, such as compensation, benefits, transfers, social and recreational programs, etc. will be administered without regard to race, color, religion, sex, age, disability, veteran status, national origin, or any other characteristic protected by applicable law. We do not participate in any form of forced or compulsory labor, including child labor.

Implementation

Degenkolb Engineers has developed, implemented and maintained an Affirmative Action Program (AAP) to identify and analyze all areas of our employment process so as to further the principles of equal employment opportunity. We have primary management responsibility and accountability for ensuring full compliance with the plan to our Affirmative Action Officer who has the authority, resources, support of and access to top management necessary to ensure the effective implementation of the AAP. The President actively supports the program and provides assistance whenever it is needed, making managers and supervisors aware of the program and requesting their cooperation and assistance.

The firm publishes an Employee Handbook to which all employees have access. The Handbook contains our Equal Employment Opportunity Policy which explicitly states that we are an equal opportunity employer and makes personnel decisions solely on the basis of merit. The policy provides multiple reporting paths by which employees can report any unlawful discrimination.

Our Harassment Policy is also contained in the Employee Handbook. Among other things, it states that all employees have the right to work in an environment free from all forms of discrimination and conduct which can be considered harassing, coercive, or disruptive. Our harassment policy applies to all employees of the firm as well as vendors and clients.

Measurement of outcomes

The firm tracks and investigates reports of harassment or discrimination. We discipline an employee for inappropriate conduct discovered during an investigation, even where such inappropriate conduct does not rise to the level of a violation of applicable law. Additionally, we perform an availability analysis (comparing the availability of employees in our recruiting areas to the composition of our workforce), a utilization analysis (to determine if any of our job groups are underutilized), an adverse impact analysis (comparing the selection rates for minorities and females to the selection rates for non-minorities and males for all employment activities, including hires, promotions/transfers, and terminations) and a compensation analysis (comparing the salary levels for minorities and females to the salary levels for

non-minorities and males in like positions). Where problems are identified, remedial action is undertaken.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility;

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Assessment, policy and goals

We seek to promote greater environmental responsibility – whether on a client’s project or as part of our own internal operations – and look to position ourselves as environmental leaders in the field of structural engineering. We commit to making environmental friendly resources available to our employees so that they are positioned to carry out their responsibilities in an eco-friendly manner.

Implementation

We have developed a Sustainability Primer that is posted on our intranet site. This document, of which fourteen of its fifteen chapters are now completed, addresses the practice of sustainable building design so as to minimize the amount of energy, materials, and input needed for the life cycle of that building. This primer incorporates information about steel, concrete, masonry, and timber and the sustainable aspects of these materials. This document further goes on to describe common sustainable metrics, covers the sustainable aspects of several of our projects, and provide the basics needed for our engineers when working on projects where sustainability is a key goal.

We support Leadership in Energy and Environmental Design (LEED) accreditation for our employees by paying for the applicable training and registration fees.

We actively support earthquake resilience in our communities and have led the development of earthquake resilience plans for the City of San Francisco, State of Oregon, and State of Washington. We’ve played a lead role in the development of seismic retrofit ordinances in the cities of Santa Monica, Beverly Hills, Pasadena (work is still in progress), and West Hollywood.

Measurement of outcomes

Our Sustainability Primer is measured by assessing whether the materials covered address the scenarios we face each day in designing for our green-conscious clients. And we also track the number of LEED accredited engineers employed by the firm.

ANTI- CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Assessment, policy and goals

We believe that personal honesty and corporate integrity are the underpinnings of the firm's success. As such, Degenkolb is committed to complying with all applicable anti-corruption laws

Implementation

We have published both a Code of Ethics and a Fraud Policy in our Employee Handbook.

Our Code of Ethics reminds our employees that it is each person's responsibility to maintain the highest standards of professional and ethical conduct in their work and when undertaking activities on behalf of the firm. Employees are further reminded that they shall not give or accept cash, gifts, special accommodations, or other favors from anyone with whom the employee is negotiating, soliciting, or doing business with on behalf of the firm.

Our Fraud Policy prohibits employees from accepting or seeking anything of significant value from consultants, vendors, or persons providing services/materials to the Company.

There are multiple avenues whereby employees can report violations of the Code of Ethics and Fraud Policy.

Measurement of outcomes

Success here is generally measured by the lack of reports of violations of policy or law and, to date, there have been no reported violations. Should a violation be reported, we intend to undertake a thorough investigation.