

Corporate Social Responsibility Policy

POLICY PURPOSE AND OVERVIEW

NorthWest Engineering Service, Inc. meets the highest standards of ethics and professionalism. This **Corporate Social Responsibility Policy** applies to all NWESI divisions and regional offices. These standards must also be factored into NWESI's choices of business partners, subcontractors, and suppliers.

The company's success in adhering to tenets outlined below will be communicated annually (e.g., at our all-employee Company Meeting). Updates and specific programs will be communicated as part of the monthly employee newsletters, and as part of proposals to government and private entities, as applicable.

Corporate responsibility encompasses:

- Environmental Sustainability
- Diversity in the Workplace
- Community Involvement
- Employee Health and Wellness

ENVIRONMENTAL SUSTAINABILITY

NWESI recognizes the importance of being responsible stewards of the earth's resources, and firmly adheres to all regulations regarding the use and disposal of chemical substances and materials. Beyond legal obligations, NWESI proactively protects the environment by conserving energy, recycling, and incorporating environmentally friendly technologies and products as part of the regular work environment.

Management supports our green team to participate in defined programs that work with regional waste management agencies, who guide and support sustainability as part of everyday operations. Our green team then leads these sustainability efforts to establish methods for NWESI to adopt. NWESI and its subsidiary, Air Introduction and Regulation, are proud to have received awards from both Washington County and Lane County, certifying our business practices tangible actions.

Washington County, Green Business Gold Award Requirements:

- Recycling (paper, metal, plastic and glass).
- Compliance with applicable environmental, city, county and state ordinances and regulations (including proper disposal of electronics, paint, rechargeable batteries and mercury lighting).

- Committing to meet with a Washington County Solid Waste & Recycling Program staff member at least one time a year.
- Categories subject to evaluation include: Reduce, Reuse, Recycle Practices, Toxics Reduction Practices, Water Practices, Energy Practices, Transportation Practices, Employee Engagement and Equity Practices, Community Engagement Practices and Additional Practices.

Lane County, Rethink Certification requires compliance with actions in the following categories:

- Recycling
- Waste Prevention
- Operations
- Energy
- Water
- Water Quality

ABC Pacific Northwest Chapter, Sustainable Innovator

- NWESI was one of ABC's sustainable innovators in 2019 based on our expansive sustainability practices.
- NWESI was an honorable mention for ABC's sustainable innovator in 2020.

Specific activities which demonstrate NWESI's commitment to environmental stewardship are detailed below:

Recycling: Recycling locations and bins are available to all team members at each office location. Bins are placed at each work station, by all printers, and in common areas such as the employee break room, with clearly marked instructions. These initiatives are maintained internally by NWESI employees, working both independently and in conjunction with county waste recycling programs. As part of this initiative, NWESI uses BottleDrop for all recyclable containers. The refunds go towards purchasing healthy snacks for our office personnel.

Paper Consumption: All field personnel are provided electronic devices (Smart phones, laptops, and/or tablets) and are encouraged to utilize them in lieu of paper hard copies. Our default settings are established to promote double-sided printing. Company purchasing preference is given to materials with 30% recycled content when quality and cost are similar.

Transit Practices: Regularly-scheduled maintenance is managed and performed on company-owned vehicles to ensure pollution controls are effective and fuel efficiency is optimal. Instead of purchasing a fleet of large vans or work trucks, which is common practice in the construction industry, NWESI evaluates its fleet mixture requirements by purpose and age. This ensures that vehicles with the best gas mileage are used as needed for given projects. NWESI promotes carpooling to meetings and work-related activities, especially job site events that require the presence of multiple team members. In the Portland region, NWESI offers TriMet passes to encourage employees to try out public transportation.

Purchasing Practices

Office Supplies

Company purchasing preference is given to materials with recycled content when quality and cost are similar. All packing and shipping materials are reused or recycled into designated recycling bins; including Styrofoam and plastics. Further, materials are purchased in bulk when feasible, to reduce costs, packaging, and transportation emissions.

Facilities

As a leading provider of building Commissioning and HVAC Testing, Adjusting, and Balancing (TAB) services, NWESI has a far-reaching impact on energy conservation and emissions reduction. Buildings account for half of the energy used in the United States. One of the primary reasons customers hire Commissioning and TAB providers is to save energy (to lower utility bills and comply with building codes). Energy Efficiency measures are paramount to all municipal infrastructure plans.

NWESI leases its office buildings. It is recognized that the size, number of personnel, utilities providers, and landlords are unique to each region. The following principles were established in 2016 by NWESI.

- a. Install lighting control occupancy sensors in each occupied space and ensure they are functioning appropriately. In 2020, we updated our space to include additional lighting control sensors.
- b. Use a setback thermostat to control heating and cooling systems, to reduce the overall energy consumption during low occupancy operating hours. Maintenance checks are regularly conducted on HVAC.
- c. Conserve water by using low-flow faucets and lavatories. Use energy and water efficient dishwasher when available. In 2020, our restroom sinks were updated to be touchless.
- d. Reduce paper waste by offering a fully stocked kitchen for daily use (mugs, cups, plates, silverware, etc.)
- e. Discourage single-use beverage containers (i.e., plastic water bottles) by providing filtered water in the kitchen and break rooms.
- f. Repurpose or use remanufactured furniture. If new furniture is required, give precedence to those meeting ANSI/BIFMA 7.1 standards for low chemical emissions.

DIVERSITY IN THE WORKPLACE

Regulatory Compliance

As stated in the company Employee Manual, it is the policy of NWESI to provide equal employment opportunities without regard to race, color, religion, sex, national origin, age, disability, marital status, veteran status, sexual orientation, genetic information or any other protected characteristic under applicable law. This policy relates to all phases of employment, including, but not limited to, recruiting, employment, placement, promotion, transfer, demotion, reduction of workforce and termination, rates of pay or other forms of compensation, selection for training, the use of all facilities, and participation in all company-sponsored employee activities. Provisions in applicable laws providing for bona fide occupational qualifications, business necessity or age limitations will be adhered to by the company where appropriate.

- As part of the company's equal employment opportunity policy, NWESI will also take affirmative action as called for by applicable laws and Executive Orders to ensure that minority group individuals, females, disabled veterans, recently separated veterans, other protected veterans, Armed Forces service medal veterans, and qualified disabled persons are introduced into our workforce and considered for promotional opportunities.
- Employees and applicants shall not be subjected to harassment, intimidation or any type of retaliation because they have (1) filed a complaint; (2) assisted or participated in an investigation, compliance review, hearing or any other activity related to the administration of any federal, state or local law requiring equal employment opportunity; (3) opposed any act or practice made unlawful by any federal, state or local law requiring equal opportunity; or (4) exercised any other legal right protected by federal, state or local law requiring equal opportunity.
- The above-mentioned policies shall be periodically brought to the attention of managers and shall be appropriately administered. It is the responsibility of each manager of the company to ensure affirmative implementation of these policies to avoid any discrimination in employment.
- All employees are expected to recognize these policies and cooperate with their implementation. Violation of these policies is a disciplinary offense.

This Affirmative Action Plan is adopted and implemented in good faith, in reliance upon, and in conformance with the Equal Employment Opportunity Commission Guidelines on Affirmative Action set forth in 29 CFR Part 1608 and Section 7 13(b)(1) of the Civil Rights Act of 1964. NWESI recognizes that it is insufficient to only proclaim opposition to discrimination; therefore, NWESI takes initiative and affirmative action to achieve the status of an equal opportunity employer.

The NWESI Affirmative Action Plan is comprised of the following goal and supportive procedures.

Affirmative Action Placement Goals

To continually work toward building and maintaining a company-wide staff with a 15% minority and 30% women utilization rate of qualified minority group individuals.

Affirmative Action Plan Procedures

- Ensuring that NWESI complies with the appropriate federal and state equal employment opportunity laws and guidelines.
- Ensuring that equal employment opportunity statements (e.g., non-discrimination) are included in all of NWESI job announcements and are publicly displayed throughout NWESI facilities.
- Maintaining accurate and up-to-date employee data on race and gender composition of NWESI workforce and applicants.
- Providing self-identification forms to all applicants and providing related materials to all newly hired employees.
- Recruit for a diverse pool of applicants through diversity recruiting events, target schools, organizations, and job postings in a variety of media which targets minorities, women, veterans, and individuals with disabilities.
- Assisting in promotion of diversity, equity and inclusion goals and objectives through active recruitment, selection and hiring of qualified minorities and females by ensuring that qualified minority group members and females are among the list of candidates provided to all hiring managers.
- Maintaining accurate and up-to-date records on applicant flow data to be utilized for preparation of periodic reports.
- Make all collected, related data easily accessible to officials of the DOL Office of Federal Contract Compliance Programs (OFCCP).

Employee Demographics

“Embracing Diversity” is not just a slogan about including minorities. The true power of diversity in a company comes from integrating the best ideas from different cultural and social backgrounds, life experiences, and personality traits into a strong, cohesive entity that can accomplish more than even the most talented individuals can when limited by similar life experiences. As an employee-owned company, NWESI prides itself in the diversity of its employees. Demographics for 2021 for example, indicate the broad range of experiences that are responsible for the effectiveness of the company:

- 23% Women
- 8% Qualified EEO Minorities
- 3% Disabled
- 7% Active Military or Veterans
- 22-77 Years of Age Diversity

Business Inclusion, Contracting, and Mentoring

NWESI actively seeks business partners that are certified through Oregon’s Certification Office for Business Inclusion and Diversity (COBID), Washington State Office of Minority & Women’s Business Enterprise (OMWBE), or with similar certifications in other States, Counties, or Municipalities, as

- Minority-Owned, Women-Owned and Emerging Small Business (MWESB)
- Service-Disabled Veteran Business Enterprise (SDVBE)

NWESI has a goal of using MWESB and SDVBE firms for at least 10% of the total annual value contracted for engineering consulting and/or materials/services required to operate our company. Team members are encouraged to search the identified Certification Directories (listed in table below) to find services and products.

COBID Directory:	https://oregon4biz.diversitysoftware.com/FrontEnd/VendorSearchPublic.asp?XID=3009&TN=oregon4biz
OMWBE Directory:	http://wsdot.wa.gov/Partners/OMWBE/DBEDirectory/

NWESI actively participates in regional organizations that promote diversity and inclusion, namely:

- Oregon Association of Minority Entrepreneurs (OAME),
- Women in Commercial Real Estate (CREW Portland / Seattle & Sound), and
- BestHQ, which provides a sustainable business community servicing and supporting small and historically underutilized entrepreneurs.
- De La Salle North (Corporate Work Study Program), which brings economically disadvantaged high school students into the work force at entry level.

These types of organizations can have a significant impact supporting existing and promoting future MWESB businesses at the local level. NWESI also provides financial support, particularly for events that promote youth from disadvantaged localities to aspire to professional careers in the architectural, engineering, and construction industries.

COMMUNITY INVOLVEMENT

Charitable Giving

NWESI encourages its employees to give back to their communities by donating their time and talents to charities that make the most difference to their families and neighborhoods, as a way of encouraging direct involvement and to ensure financial support has more impact at local levels.

NWESI has three primary methods employees may use to designate company funds to charities:

1. Physical Activity Fundraisers: Employees participating in events that require physical participation (as appropriate for their physical abilities), e.g., walks, runs, biking, swimming, etc. that are organized to benefit a 501(c)(3) charity can request NWESI sponsor the charitable giving portion (i.e., after the employee pays all applicable registration fees). This benefit can be extended to sponsor members of the employee's immediate family (spouses, registered domestic partners, and children) that are participating in these activities. NWESI will sponsor up to \$100 per participant, up to a maximum of \$300 per calendar year per employee. In advance of the event, team members must fill out the Request for Sponsorship form to verify eligibility
2. IncentFit Rewards: Employees can participate in a company-funded, app-based exercise incentive program that provides monetary rewards for visiting gyms, running, bicycling, walking, or participating in races. Up to \$360 per year can be earned, and employees have the option of diverting any or all of that money to charities.
3. Company-match for Donations: NWESI allocates 3% of annual net income to be used for charities. The company uses these funds as a company-match bank for organizations employees choose to support. Any remaining funds are divided amongst charities designated by the NWESI's ESOP Culture Committee (a group consisting of employees from every division).

Strengthening Communities

NWESI supports community investment and educational programs, especially those that involve preparing youth for Science, Technology, Engineering, and Mathematics (STEM) careers and those serving minorities and underprivileged communities. NWESI will work with employees who want to volunteer to adjust scheduled working hours if feasible, and to consider direct financial sponsorship by the company. Organizations that NWESI personnel currently support that typify this type of community investment are:

- a. CREW
- b. OAME
- c. BestHQ, including Minecraft STEM sponsorships
- d. ACE (i.e., Architecture, Construction, and Engineering) Mentorships
- e. College and University Industry Advisory Boards
- f. Paid Internships for Engineering and Engineering Technology students
- g. Portland Public Schools PartnerConnect Career and Technical Education
- h. Portland Metro STEM Partnership
- i. De La Salle North Catholic High School – Corporate Work Study Program
- j. Northwest Science Expo and other Regional Science Fairs
- k. Willamette Promise High School Career Expos
- l. AGC Teacher Externship Local Shadow and Explore (LSE) Days
- m. ASHRAE Research Program (grants to support university student research)
- n. Trimmer Construction Education Fund

EMPLOYEE HEALTH AND WELLNESS

NWESI recognizes that two of the most important treasures people have are physical health and emotional well-being, and has outlined a policy around three basic areas:

- Health and Safety in the Workplace
- Benefits for Employee and Family Member Health
- Exercise Outside of Work

Health and Safety in the Workplace

NWESI is dedicated to ensuring all employees are safe throughout the workday, every week, every month, and every year. In addition to complying with all legal requirements, NWESI is a member of ConstructSecure, a third-party organization that evaluates the company's safety culture. NWESI consistently rates in the top 10% of the scoring matrix. The company maintains a 350+ page Safety Manual and has an active Safety Committee with members from the main and branch offices. NWESI also offers paid training on safety topics such as the proper use of Personal Protective Equipment, certification for emergency medical treatment/CPR, and attendance at the Oregon Governor's Occupational Safety & Health (GOSH) Conference.

In addition, NWESI provides filtered drinking water stations, chilled sparkling water, ample artificial and natural lighting (nearly every work station in every facility directly rented by NWESI is within line of site of an outside window), and ergonomic furniture that meets low chemical emission guidelines.

At locations where employees have less freedom to control their own schedules throughout the workday, taking a walk or "flex and stretch" exercises are encouraged daily. Standing desks and anti-fatigue mats are offered to employees to encourage movement throughout the day.

NWESI also encourages healthier habits by organizing "Steps Contests" and similar programs throughout each year, typically offering monetary or other incentives. As a side benefit, these often result in a higher level of camaraderie and teamwork among participating employees.

Benefits for Employees and their Families

All regular employees having a minimum weekly work schedule of 20 hours are eligible for the following benefits. Those working less than 40 hours per week receive these benefits on a pro rata basis according to the number of hours worked. The only exception is Sick Leave for which there is no minimum hour requirement and no pro rata basis applied.

Medical, Dental and Vision Benefits

NWESI offers comprehensive group medical, dental, and vision plans. For medical benefits, two (2) different plans are offered to allow employees to choose the benefit levels, premiums, and deductibles that best suit their needs. Employees have the option to waive coverage under the Company group health plans, upon proof of coverage under different plans.

Whether or not employees choose to be covered by the Company group health plans, all are provided the same discretionary monthly allowance (Café Contribution) to assist in covering the cost of medical, dental, and vision insurance. The Café Contribution is set annually, at a minimum, to cover the cost of the most expensive employee-only premiums under one of the Company's group plans. In addition, NWESI pays 63% of employee costs that exceed the monthly Café Contribution, thereby helping employees cover costs for medical, dental, and vision coverage for self and dependents.

Café Contributions are administered through NWESI's Premium Only Flexible Benefits Plan, whereby premiums paid for coverage under Company group plans, in excess of the Café Contribution, are deducted from gross pay on a pre-tax basis, thereby reducing employee taxable income. Any part of the Café Contribution that is not used toward Company group coverage is taxable income.

We also offer a Flexible Spending Account, Healthcare Spending Account, and a Dependent Care Reimbursement Account to our employees.

Life, Short-Term and Long-Term Disability Insurance

NWESI provides all eligible employees with life insurance 1.5x their annual salary up to \$150,000, as well as short-term and long-term disability. The Company pays 100% of premiums relating to this coverage. Employees may purchase Additional Life Insurance at their own expense.

NWESI offers the option to "gross-up" the premium for LTD. An employee can elect to pay tax on the premium so that if they have an LTD claim, the benefit is tax free.

Employee Assistance Plan (EAP)

NWESI provides an Employee Assistance Plan (EAP) at no cost to employees. The EAP provides employees and family members with assistance in dealing with any personal problem, large or small. Through EAP, employees and family members have access to confidential professional guidance and assistance in areas such as: marital conflict, eldercare, childcare, conflict at work, depression, stress management, family relationships, anxiety, alcohol and drug abuse, grieving a loss, and more. Additionally, discounts are offered for legal consultation, mediation services, gym memberships, and home ownership.

NWESI provides generous Time Off with Pay Benefits for Sick Leave, Vacation, Bereavement Leave, Jury Duty, and Serving as a Subpoenaed Witness

Sick Leave is accrued for all employees at a rate of 1.35 hours per every 40 hours paid to them. For regular full-time personnel, this averages to 5.58 hours per month or 8.78 days per year. The maximum amount of Sick Leave employees may accumulate is 120 hours.

After they reach that limit, they will not forfeit additional accrued hours each month. Instead, they will be paid a monthly bonus for unused accrued hours (unused accrued hours that month x pay rate).

Vacation is accrued for all regular personnel scheduled to work a minimum 20 hours per week according to the following table:

- Employees with 1-12 months of employment accrue 56 hours per year
- Employees with 13-72 months of employment accrue 96 hours per year
- Employees with 73+ months of employment accrue 136 hours per year

The maximum amount of Vacation employees may accumulate is 1.5 times their annual accrual rate. After reaching that limit, they will not forfeit additional accrued hours each month. Instead, they will be paid a monthly bonus for unused accrued hours (unused hours accrued that month x regular pay rate).

Exercise Outside of Work

NWESI encourages physical activity outside of work by offering a wellness program through IncentFit that rewards employees for completing healthy activities and offers charitable donations for events involving walking, running, swimming, biking, etc. In addition, Division Managers are encouraged to schedule company-sponsored teambuilding events involving activities outside the workplace, including those with physical activities suitable to the team members and geographical region. Teambuilding events promoting emotional well-being and camaraderie are also encouraged, as this is also vital to good health.

The EAP program that NWESI provides for employees also offers programs for discounted gym memberships and personal wellness challenges and activities. Managers and team leaders throughout the company are encouraged to use these resources to promote the dual goals of employee health and team morale.

APPENDIX. NWESI APPROVED VENDORS - SUSTAINABILITY

Name	Address	Website	Details
Agilyx	13240 SW Wall Street, Tigard, OR 97223	https://www.agilyx.com/	Recycle all forms of polystyrene including Styrofoam for recycling. They do <u>not</u> take starch peanuts, PE, or PP foam.
Alsco	5225 SE 26th Avenue Portland, OR 97202	https://alsco.com/	Improved laundry processes and business practices. Selects eco-friendly suppliers & products. Offers sustainable choices to customers.
BottleDrop	14411 SW Pacific Hwy, Tigard, OR 97224	https://www.bottledropcenters.com/	Oregon bottle recycling, proceeds go to healthy snacks for office staff.
Green Century Recycling	2950 NW 29th Ave, Portland, OR 97210	https://greencenturyonline.net/	Electronics recycling - they adhere to the strictest recycling standards R2 2013, ISO14001, ISO 45001:2018, Oregon cycles.
Kaady Car Washes	17701 SW Lower Boones Ferry Road, Oregon	https://kaady.com/	Eco-Biz Certification
MARCO Ideas Unlimited	7105 SW Varns Street, Ste. #150, Portland OR 97233	https://www.marcopdx.com/	Logo'd clothing and marketing materials Certified: WBE, DBE, ACDBE, Small Family Business, Washington County Green Business Leader 2021-2023
Metro	6161 NW 61 st Ave., Portland OR 97210	https://www.oregonmetro.gov/	Hazardous waste disposal. (See instructions: S / Pre-Qualification Team / Metro Hazardous Chemical Disposal)
Office Products Nationwide	12600 SW 68th Ave, Portland, OR 97223	https://www.opnw.com/	Provides low omitting furniture to Tigard office.
Sherwood Auto Repair	9965 SW Tualatin Sherwood Rd, Tualatin OR 97062	www.sherwoodautorepair.com	Eco-Biz Certification