



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.

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. Even 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.

NWESI participates in defined programs that support sustainable business practices. This includes working with the regional waste management agencies to follow prescribed guidelines, and participating in certification programs, e.g., the **RE:Think** program in Lane County and the **Green Business Awards** by the Washington County Solid Waste and Recycling Program.

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

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

Washington County, Green Business Award Requirements:

- Recycling (paper, cardboard, aluminum, steel cans, glass, plastic bottles and jars – glass is recycled separately from all other materials), compliance with applicable environmental ordinances and regulations (including proper disposal of electronics, paint rechargeable batteries and mercury lighting) and commitment to meet with a

Washington County Solid Waste & Recycling Program staff member at least one time a year.

- Categories subject to evaluation include: Waste Prevention Practices, Reuse Practices, Recovery Practices, Toxics Reduction Practices, Green Purchasing Practices, Operations and Education Practices, Corporate Social Responsibility Practices, and Supporting Practices.

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.

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. Company purchasing preference is given to materials with recycled content when quality and cost are similar. Default settings are established to promote double-sided printing.

Transit Practices: Regularly-scheduled maintenance is managed and performed on company-owned vehicles to ensure pollution controls are effective and fuel efficiency is optimum. Instead of purchasing a fleet of identical, large vans or work trucks, as is common practice in the construction industry, NWESI evaluates its fleet mixture requirements by purpose and age. This ensures that vehicles with the best fuel 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.

Purchasing Practices

Marketing, Design, Printing, Signage, Mass Mailing Materials

These materials are purchased through GISI Marketing Group. GISI offers Forest Stewardship Council (FSC) certification on any printed materials. FSC ensures the finished piece is not co-mingled with non-certified paper materials, belonging to a chain-of-custody that starts with the harvesting of the wood, and ends with the printing of the logo at GISI Marketing Group. GISI participates in a Wind Powered program via PGE, and participates in a number of internal programs and practices internally that are aimed at reducing their own carbon footprint, and supports environmentally-friendly solutions to their clients and company.

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.

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. Each office must establish and adopt the following principles as applicable:

- a. Monitor building energy use, working with the landlord on tracking utility bills and participating in energy savings incentives.
- b. Install lighting control occupancy sensors in each occupied space and ensure they are functioning appropriately.
- c. Use a setback thermostat to control heating and cooling systems, to reduce the overall energy consumption during low occupancy operating hours.
- d. Water must be conserved by using low-flow faucets and lavatories. Team members should hand-wash dishes only, unless energy efficient automatic dishwashers available on site are full (e.g., after a company function held at the office).
- e. Paper waste must be reduced by offering a fully stocked kitchen (mugs, cups, plates, silverware, etc)

DIVERSITY IN THE WORKPLACE

Regulatory Compliance

As stated in the company Employee Manual, NWESI fully supports Equal Employment Opportunity, Affirmative Action, and the Americans with Disabilities Act. All employees are expected to comply with the procedures outlined in the following paragraphs. Any employee's failure to do so may result in discipline, up to and including, termination.

- a. NWESI provides equal employment opportunity to all qualified employees and applicants without unlawful regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, marital status, genetics or any other status protected by applicable federal, state, or local law. This EEO policy applies to all aspects of the employment relationship – including but not limited to, recruitment, hiring, placement, compensation, promotion, demotion, transfer, disciplinary action, layoff, recall, leaves of absence, training, and termination of employment.

- b. NWESI is committed to an Affirmative Action Plan designed to recruit, hire, promote, and retain qualified minorities, including women and individuals with disabilities (IWDs). The NWESI Affirmative Action Plan is comprised of the following goal and supportive procedures.

Affirmative Action Plan Goal: to continually work toward building and maintaining a Company-wide staff having a 7% utilization of qualified minorities.

Affirmative Action Plan Procedures

- Document, update, and monitor, on an annual basis, data relative to the number of minorities who apply for jobs and the number hired from each category, to help NWESI examine its hiring process and measure the effectiveness of Company outreach and recruitment efforts .
 - Invite all applicants to voluntarily self-identify as a minority or IWD at the pre-offer stage of the hiring process.
 - Annually invite all current employees to voluntarily self-identify as a minority or individual with a disability. This affords employees with an opportunity to self-identify for the first time or to change their previously reported status.
 - Make all collected, related data easily accessible to officials of the DOL Office of Federal Contract Compliance Programs (OFCCP).
- c. NWESI is committed to complying fully with the Americans with Disabilities Act (ADA) and applicable state disability discrimination laws. We are also committed to ensuring equal opportunity in employment for qualified persons with disabilities.

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 from 2016, for example, indicate the broad range of experiences that are responsible for the effectiveness of the company:

- 24% Women
- 20% Qualified EEO Minorities
- 15% Active Military or Veterans
- 17% Women holding Corporate Officer Positions
- 26-73 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's 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.

These types of organizations can have a significant impact on the success of MWESB businesses at the local level. NWESI also provides financial support, particularly for events that promote youth from traditionally 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 two 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. Community Service Hours: Employees can compete in an annual, company-wide challenge for community service hours.
 - a. To qualify, the employee (not family members) must have a minimum of 24 service hours directly volunteering for any combination of 501(c)(3) organizations and/or community service organizations. A Service Hours Tracking Form will be used to list the hours and organization (including approval by the president for all non-501(c)(3) organizations).
 - b. The time period for the accumulation of service hours will begin July 1 every year, and end on June 30 of the following year.
 - c. The three employees with the highest total number of approved community service hours will each be allowed to designate one 501(c)(3) organization to receive a donation of \$500 by NWESI.

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 or communities historically considered “underprivileged”. 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
- 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. Willamette Promise High School Career Expos
- h. Benson Polytechnic High School Mentor Program
- i. ASHRAE Research Program (grants to support university student research)

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, 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 5% of the scoring matrix. The company maintains a 350+ page Safety Manual, has an active Safety Committee with members from the main and branch offices, and offers paid training on safety topics, the proper use of Personal Protective Equipment, and certification for emergency medical treatment/CPR.

In addition, NWESI provides filtered drinking water stations, 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.

At locations where employees have less freedom to control their own schedules throughout the workday, specific times are set aside for "flex and stretch" group exercises daily.

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, three (3) 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 to, at a minimum, cover the cost of the most expensive employee-only premiums under one of the Company's group plans. In addition, NWESI pays 55% 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.

Life, Short-Term and Long-Term Disability Insurance

NWESI provides all employees with life insurance in the amount of \$100,000, as well as short-term and long-term disability. The Company pays 100% of premiums relating to this coverage.

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).

NWESI also pays employees for Bereavement Leave, Jury Duty, and time taken when subpoenaed as a witness.

Exercise Outside of Work

NWESI encourages physical activity outside of work by offering 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

Agylix – For Recycling Styrofoam materials

Where: 7904 SW Hunziker Street, Tigard, Oregon 97223

Hours: public drop off is 24/7, businesses still need to schedule drop off with Joe Ledbetter (503) 597-6420 or Tom Sprague (503) 597-6427 and deliver M-F 8AM-4PM

Price: Free

Phone number for questions: Joe Ledbetter (503) 597-6420 or Tom Sprague (503) 597-6427

Other: Accepts All block Styrofoam, #6 plastics, packing peanuts - must be contained within a clear plastic bag

GISI Marketing Group – Marketing, Design, Printing, Signage, Mass Mailing etc.

Where: 17300 SW Upper Boones Ferry Road, Suite 130, Portland, Oregon 97223

Hours: 8:00am-6:00pm Mon-Fri.

Price: Varies by project

Phone number for questions: Michael Berliner, 503-598-0636

Other: NWESI uses only Forest Stewardship Council (FSC) products for marketing and printed materials.