

**BENEFIT CORPORATION
REPORT
2019**



A MESSAGE FROM OUR CEO:

Whenever I talk about Mazzetti, the first thing I always say is that we are an Employee-Owned Benefit Corporation. Both halves of this message are incredibly important to me personally, and I think both halves work together to make Mazzetti a unique organization.

While this is our Benefit Report, I do want to start with a nod towards employee ownership, as I think employee ownership is central to being a Benefit Corporation. When I first joined Mazzetti, Bill Mazzetti essentially gave me half of the company (it was worth very little in those days, so it was more a gift of aspiration than a gift of financial value). Together, Bill and I more than doubled the size of the company in short order. A bit later, Bill and I gave 1/3 of the company to John Pappas, and, together, we grew it to be bigger than what we gave away.

Over time, I came to realize the power of partnership with great people of great heart. Sometimes it is tempting to think that dictatorship is an easier way to rule. Maybe it's easier, but it's also so much more sterile and so much less productive.

And so, we have built Mazzetti to be almost a co-op. Direct ownership of shares is available to anyone who works here, and more than half of our people own shares directly. In addition, we put profits every year into an ESOP so that everyone, regardless of their ability to contribute, is able to share in the benefits of ownership. Because that is what Mazzetti is about – making the world a better place.

So, it was an easy decision for us, a few years ago, to convert ourselves from a conventional for-profit company into a Benefit Corporation. Because we work with both head and heart, that form of corporate governance is the best expression of who we fundamentally are. We are not here to just do good, we are here to do well, by doing good.

We are, of course, wildly imperfect, as all human beings and all human institutions are. But we are committed to our vision, and to our values, and we work hard to live them every day.

If you are reading this, you are a friend of this firm. We thank you for your friendship and for your contributions toward making the world a better place. None of us can do it alone; but together, we can do it all.

Be well,



Walt Vernon, CEO





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VISION:

Why do we exist?

Mazzetti makes the world a better place by creating better environments.

VALUES:

What is most important to us?

- Earn Trust
- Team First
- Innovate
- Inspire

MISSION:

What do we do?

Mazzetti solves our clients' unique problems in the built environment. with innovative, technologically advanced solutions, yielding better buildings and client peace of mind.

IMPACT ASSESSMENT OVERVIEW

In accordance with California Benefit Corporation Law and the Mazzetti Articles of incorporation, our purpose is to create general public benefit. In 2019, our benefit corporation acted in accordance with its general public benefit purpose, and our directors complied with their duty to consider the impact of decisions on stakeholders.

Though not required by law, Mazzetti decided to continue pursuing this goal last year specifically through improving: our internal sustainability, wellness, and diversity and inclusion efforts; the energy impact of the healthcare industry; and clean energy and water access in limited resource settings around the world with Sextant. You can learn more about these efforts in the following pages.

IMPACT REPORT

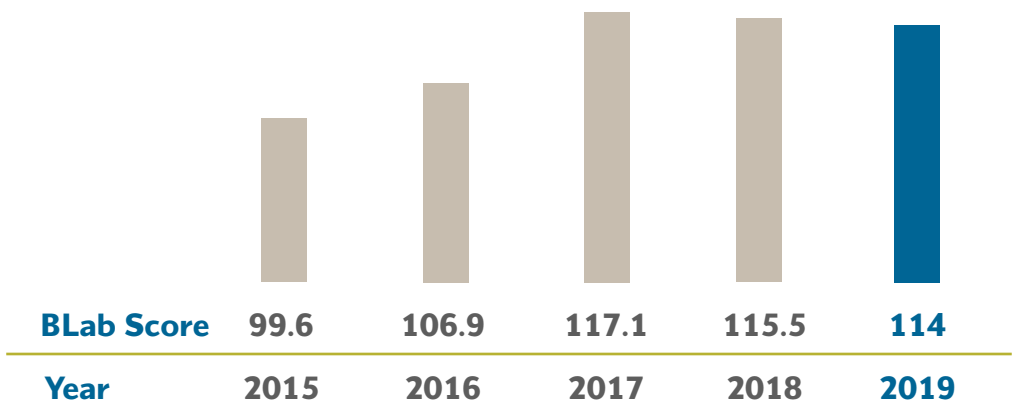
For the fifth consecutive year, we used the B Impact Assessment as the third-party standard for our benefit corporation report. It's a tool used by over 50,000 businesses around the

world, and like us, it aims to continuously improve. We are now using Version 6 of the B Impact Assessment. Some of the questions and categories in this year's assessment vary from previous years.

Note: There is no material connection between Mazzetti and the B Impact Assessment or the organization that established it. Although Mazzetti uses the B Impact Assessment to measure our progress each year, we have not undergone third-party validation of our reporting due to the cost of B Corp certification. We are a benefit corporation by law in the state of California, a designation that awards us additional points in the B Impact Assessment.

TOTAL SCORE

The median Ordinary Business score is 54. An overall score of 80 or above qualifies for B Corp certification. The median score of the Best For the World Honorees is 131. For 2019, we are at 114.



IMPACT ASSESSMENT SCORECARD

OVERALL RATING	MAZZETTI	ORDINARY BUSINESSES	NOTES
TOTAL SCORE (2019)	114		
Governance	20.1	--	
Mission & Engagement	4		
Ethics & Transparency	6	2.8	
+Mission Locked	10	--	Recognizes corporate forms and amendments that preserve mission and/or considers stakeholders regardless of company ownership
Workers	66.5	--	
Financial Security	17.4	7	
Health, Wellness, & Safety	8.1	7	
Career Development	5.4	3.1	
Engagement & Satisfaction	5.5	4.1	
+Worker Owned	30	--	Recognizes distributive ownership models that empower employees, including cooperatives and ESOPs
Community	16.5	--	
Diversity, Equity, & Inclusion	5.5	2.1	
Economic Impact	4.3	4.8	
Civic Engagement & Giving	3.8	1.9	
Supply Chain Management	1.6	0.8	
Environment	8.7	--	
Environmental Management	5.5	1.2	
Air & Climate	1	0.8	
Water	0.3	0.3	
Land & Life	1.7	2.3	
Customers	2		
Customer Stewardship	1	2	

IMPACT ASSESSMENT UNWRAPPED

From our efforts to improve our own workplace environments, to the impact of our project work, to our local and national global health efforts – we’re committed to making progress.

GOVERNANCE

The Governance Impact Area evaluates your company’s overall mission, ethics, accountability and transparency through topics such as integration of social and environmental goals in employees’ performance evaluation, impact reporting and transparency, stakeholder engagement, and more.

Mazzetti continues to hold a high score in the governance category due to our status as a benefit corporation, environmentally focused mission, and practices in transparency and accountability. We have room for improvement in ethics. Specifically, our new employee manual produced and distributed in 2019, includes a code of ethics, but it lacks anti-corruption reporting and prevention systems, as well as monitoring for such systems. This will be addressed, updated, and re-distributed in 2020.

WORKERS

The Workers Impact Area evaluates your company’s contribution to its employees’ financial, physical, professional, and social well-being through topics such as payment of a living wage, benefits, employee health and safety, professional development opportunities, and more.

We are a 100% employee-owned company, focused on the holistic well-being of our people. We offer generous benefits, professional development opportunities, and worker flexibility. In 2019 we developed a new manager’s guide and began monthly training on Gallup’s 12 Elements of Great Managing, with the goal of helping all Mazzetti

managers become more effective leaders and mentors for their people. We also implemented automatic incrementing of employee 401K contributions. The auto increase is 1% per year for those who never made an affirmative election (i.e. they let the auto-enroll at 3% happen without any action on their part). The increase is capped at 10%. This helps build up their savings rate closer to what is recommended by most financial advisors.

However, we have room to improve in this category as well. Attrition dropped from 30% in 2018 to 18% in 2019, but it was still high. We offered primary and secondary caregiver leave, but largely unpaid (one week paid for secondary; two weeks paid for primary). We no longer offered health risk assessments last year, an option that was not well utilized across the company. We are not tracking annual training or service hours, and we are not conducting peer and subordinate performance reviews. We are however planning a new offering in 2020, focused on financial well-being (“401K Day”). We are also considering implementation of 360 reviews in 2021, and we will investigate means of tracking our time spent on career development and community service.

In 2019, our wellness committee kept creating simple, fun opportunities for employees across the company to focus on their physical, mental, and emotional well-being. We continued our APHA Billion Steps Challenge tradition, coordinating group walks and keeping each other active with healthy competition. We continued offering a 10-minute midday meditation practice as well as regular challenges (with resources and personal

stories) in our own wellness categories of move, nourish, balance, and grow. We made it through the Nourishment feature of the WELL Building Standard, implementing changes in our offices with this framework as our guide.

COMMUNITY

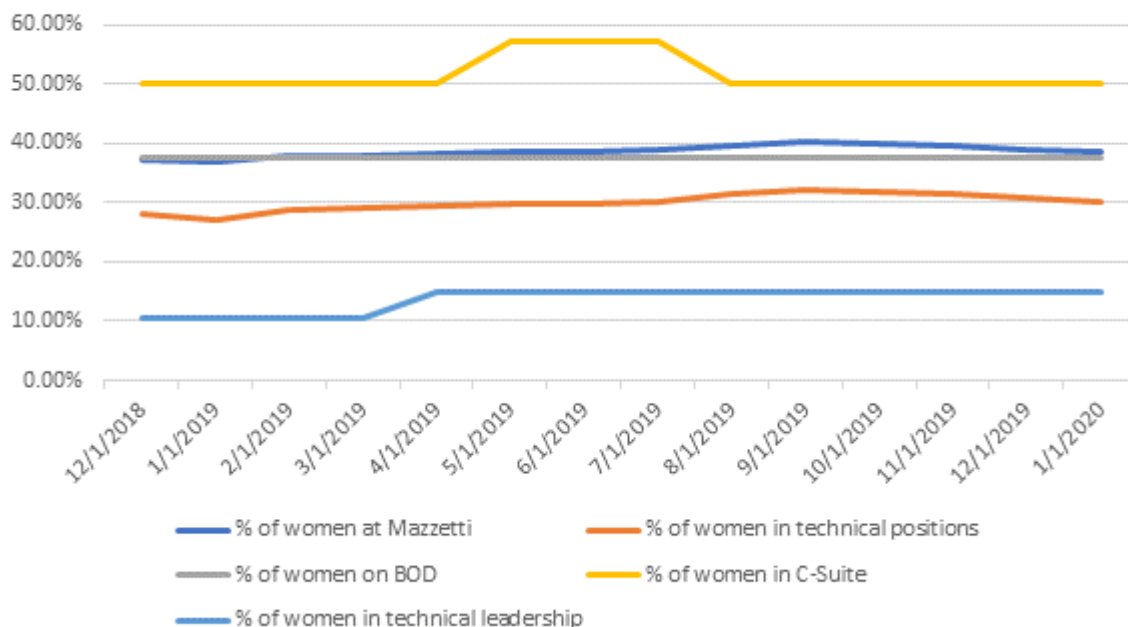
The Community Impact Area evaluates your company's contribution to the economic and social well-being of the communities in which it operates, through topics such as diversity and inclusion, job creation, civic engagement and philanthropy, supply chain management, and more.

Working here means being part of a diverse group committed to making the world a better place. We have inclusive recruiting and hiring processes in place, and the percentage of our workforce that identifies as being from a racial or ethnic minority

increased from 17.4% in 2018 to 26.5% in 2019. We have room to grow in leadership diversity, however, as well as supplier diversity. We will investigate means for improvement in these areas and consider creation of supplier diversity and local purchasing policies.

To help us continue to create more inclusive work environments for women, we have a committee dedicated to the cause. "Last year our [Women@Mazzetti](#) (W@M) committee (comprised of both men and women) focused on three goals: a mentorship program; bias awareness and education; and partnering with other groups working on diversity and inclusion. We laid plans for a mentorship program for women within the company where women in leadership from all offices are connected with younger professionals to give advice and guidance on their career paths. We also learned about implicit bias, how it affects

Women as % of Mazzetti
1-1-2020



each individual's perception of a situation, and what we can do to be more conscious of our judgments.

Additionally, the two co-chairs for the W@M committee attended the Society of Women Engineers' National Conference in Anaheim, CA. They were able to connect with other women in our industry and beyond, listen to some interesting technical talks, and volunteer at Invent It. Build It., a large-scale outreach event that exposes middle school and high school girls to engineering," Cassidy Thompson.

We excel in advancing social and environmental performance in our industry, dedicating time and expertise through data collection, presentations, and policy advocacy work. We also provide free public resources such as our [M+Energy](#) and [M+WasteCare](#) apps. In 2019, Practice Greenhealth included M+WasteCare in their climate change toolkit, and one hospital member conducted a live webinar with us to encourage its use. We also prepared M+Energy to be used as the platform for an international healthcare energy awards program with IFHE.

ENVIRONMENT

The Environment Impact Area evaluates your company's overall environmental stewardship, including how the company manages general environmental impacts as well as specific topics like climate, water use and sustainability, and impacts on land and life.

Mazzetti has a deeply rooted commitment to the environment. Our efforts over the years have largely been focused on moving our industry

forward and designing sustainability into our projects. We have opportunities for improvement in how we manage our offices, from getting back on track with our carbon accounting to measuring our own energy and water use. Our score in this category decreased in 2019, and new questions were introduced in the assessment for which we did not have answers, such as those relating to tracking carbon intensity (in tons of CO₂/\$million of revenue). In addition to improving our tracking mechanisms, we will consider setting performance targets and dedicating resources to these internal efforts in 2020.

Our sustainability champions continued leading the way by challenging employees across the company to shorten their shower times, avoid disposables, and calculate the EUI of their homes. They focused on setting or reviving our standards and commitments, from sustainable catering guidelines to EUI tracking on all qualifying projects. Individual offices began highlighting their top five sustainability features of the office at company meetings, to spread ideas around the firm. In 2020, the champions will start to share sustainability features on our projects at each company meeting, to inspire more cross-pollination and expand the impact of our innovations. In 2019 we also brainstormed ideas as a company for eliminating scope 1 emissions in healthcare. In 2020 we're using these innovations to help the industry de-carbonize and specifically to help the state of California meet its climate commitments.

CUSTOMERS

The Customers Impact Area evaluates the value that your company creates for your direct customers and the consumers of your products or services through topics such as ethical and positive marketing, warranty and quality assurance of products and services, data privacy, data security, and more.

This is a new area in the assessment and the first time we are addressing these questions. When it comes to data security, we don't collect customers' sensitive information, and most of our training and process is relegated to our production manual and new employee orientation. We also conduct audits both externally and internally. With regards to accreditation, we have a licensed PE stamp on all our engineered product (when required by the jurisdiction). However, most of our engineered services are not reviewed by an independent third party. Moving forward we will consider various means for managing the potential

impact that our product has on customers. One unique benefit we provide to our customers comes in the form of "Reimagining Workshops". Clinicians and architects come together as peers in problem solving for two days each session, to interact using design thinking and explore new ways that healthcare facility design can improve outcomes. This not only benefits the participants but also the industry, when ideas from the events lead to innovative approaches changes in design guidelines.



Photos: Nashville employees out on a wellness walk (top), Seattle office hosts architecture students from the University of Washington (bottom).

OUR IMPACT STORIES

In 2019, we continued supporting local and global communities through various employee-led efforts and causes that are important to us.

ALS RIDE – SAN FRANCISCO

In 2019, we kept the ALS ride tradition alive. Our Mazzetti team raised over \$3,000.



“I really like the ALS ride. 2019 was my third year doing it, and it’s always a very inspiring event. As a company, I’m really glad we participate in this because it’s for a great cause, it encourages people to not only exercise, but get outdoors more, and every time the ride is absolutely beautiful. I would highly recommend it to anyone,”

-Dylan Grant.

FOOD DRIVES – NASHVILLE & ST. LOUIS

Nashville participated in a local Thanksgiving Food drive through United Way called ‘Full Tummies, Warm Hearts’.



“United Way provided us with a list of needed food items for one family’s holiday dinner. We crushed the goal and had enough for three families,”

- Robert Vogt.

The St. Louis office also raised 160lbs for a local St. Louis Food Bank to provide 131 meals to the community.

HOLIDAY TOY DRIVES – NASHVILLE & ST. LOUIS

Our Nashville office continued their tradition of contributing to the Robert Half Holiday Toy Drive for the Andrew Jackson Boys and Girls Club of Tennessee.

“For our fourth year in a row, we collected unwrapped gifts for ages 5-16. We passed those gifts to our sponsor with the Robert Half group, to use and distribute to kids that otherwise wouldn’t have received a gift this year. This toy drive allows kids from many ages to pick a gift of their choosing, so that they have a wonderful Christmas and understand what giving is all about,”

-Robert Vogt.

In St. Louis, we adopted a six-person family through United Way for the holiday season. Employees donated Christmas Gifts and gift cards for groceries and meals for a total contribution of \$1,130.

PARK CLEAN-UPS – SEATTLE & IRVINE

Employees in our [Seattle](#), and [Irvine](#) offices organized themselves to participate in local habitat restoration events. In Seattle, they continued the tradition of removing invasive species in the spring and planting native ones in the fall. Irvine got involved in the Restoration Program for the Upper Newport Bay Nature Preserve. Their day was devoted to watering the plants that were planted recently.

“Giving back to the natural areas that we all get to enjoy is important to us, and even though it’s often wet, muddy work, it’s really fun. It’s also incredibly rewarding to go back and see the progress in the trees we planted,”

-Shannon Bunsen.



SCHOLARSHIPS – NASHVILLE

Endowed in 2007, The Gene D. Burton Endowed Scholarship for Integration of Clinical Technology in Health Care Design at Texas A&M University is awarded to students who hold an interest in the integration of clinical technology in health care architecture. Selection is based on a paper examining clinical technology in health care architecture. The 2019 scholarship recipient was Olugbenga Ogunyemi. He is originally from Nigeria, and a current a PhD student with a BA and MA of Architecture.



“Above all, I love energy efficient and Net zero energy/carbon health care facilities in view of their global, future and environmental relevance. Without an iota of doubt, being skilled in this area will help me become a part of the sustainable design workforce. I also look forward to contributing to the academic community, society and the environment. This scholarship will go a long way to reduce the burden of paying tuition and fees while also sustaining my family in graduate school. I am grateful for your kind support. Thank you for providing this opportunity,”

-Olugbenga Ogunyemi
2019 Scholarship Recipient.

SEXTANT PROJECTS – PUERTO RICO, U.S. VIRGIN ISLANDS, BAHAMAS

In 2019 we continued working on meaningful causes with the nonprofit founded by Mazzetti, the Sextant Foundation. Sextant completed several solar projects in Puerto Rico, submitted proposals for solar projects in Uganda and Haiti, and went on disaster response missions in the Bahamas after Hurricane Dorian. Mazzetti employees volunteered their time on many of these projects and continue to support resilience planning in the Caribbean and beyond. Sextant was also honored to receive the Project HOPE Corporate Volunteer of the Year Award in 2019.



Click to hear Kait's
Volunteer Story, working
with Sextant Foundation
in Sierra Leone.





Photos (clockwise): ALS Ride in San Francisco, CA, Food Drive in Nashville, TN, Toy Drive in Nashville, TN, Park Clean Up in Seattle, WA



Photos (clockwise): Scholarship recipient Olugbenga Ogunyemi, Brennan Schumacher working with Sextant Foundation in Puerto Rico, Beach Clean Up in Irvine, CA

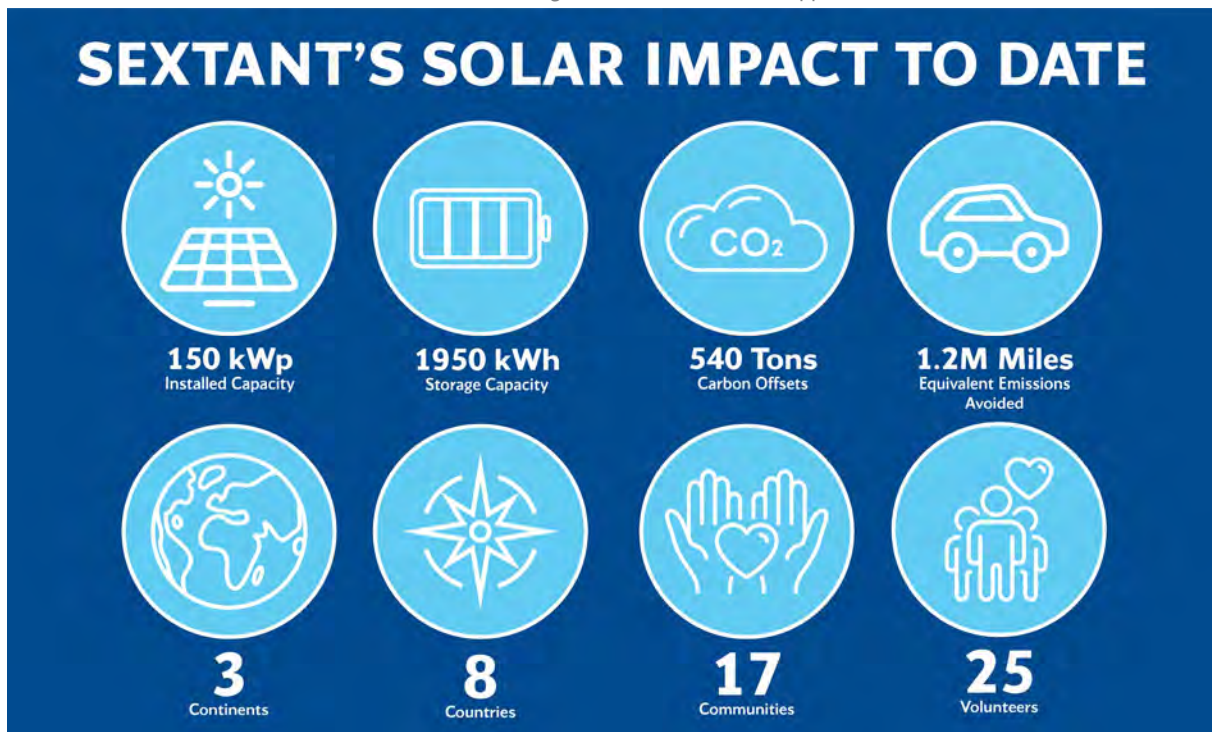
SEXTANT PROJECTS



Photos: Sextant volunteers conducting assessments in the Bahamas after Hurricane Dorian (top); installing solar in Puerto Rico to support resilience efforts after Hurricane Maria (bottom).



Photos: Installing solar in Puerto Rico to support resilience efforts after Hurricane Maria.



ATLANTA

2970 Clairmont Road NE
Suite 850
Brookhaven, GA 30329
404.633.0261

DALLAS

5840 I-20 Frontage Road
Suite 150
Arlington, TX 76017
817.563.2486

DENVER

1999 Broadway
Suite 2205
Denver, CO 80202
720.644.5044

INDIA

287, 3rd Cross, RMV II Stage, II block
Sanjaya Nagar, Bengaluru,
Bangalore, Karnataka, India, 560094
080.41277869

IRVINE

2201 Dupont Drive
Suite 800
Irvine, CA 92612
949.475.5550

NASHVILLE

393 Nichol Mill Lane
Suite 150
Franklin, TN 37067
615.329.4460

PORTLAND

520 SW Sixth Avenue
Suite 500
Portland, OR 97204
503.620.3232

SACRAMENTO

3600 American River Drive
Suite 203
Sacramento, CA 95864
916.979.4890

SAN FRANCISCO

220 Montgomery Street
Suite 650
San Francisco, CA 94104
415.362.3266

ST. LOUIS

7955 Manchester Road
Suite 125
St. Louis, MO 63143
314.884.7600

SEATTLE

2013 4th Avenue
Suite 200
Seattle, WA 98121
425.672.1071

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