embracing new challenges
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In this, our fourth consecutive year of Corporate Social Responsibility (CSR) reporting, we are pleased to not only confirm our commitment to a triple bottom line, we are also excited to detail how we are adapting and growing our program alongside the expanding economy. Our industry is facing new challenges as the commercial construction market bounces back in Colorado, while at the same time, the challenges that have always faced our industry - workforce obtainability, rising material costs, availability of natural resources, schedule demands, weather impacts, worker safety, and the affordability of our product - are magnified.

To help balance these new demands, we are pleased to announce that Alyssa Schear has been named Saunders Construction Inc.’s first full-time, dedicated Sustainability Manager with responsibility for implementing LEED and CSR programs and initiatives throughout the organization.

Saunders’ company-wide waste diversion was 55% in 2013, and we have set an ambitious goal of 75% waste diversion for 2014. In addition, we are developing creative ways to decrease our carbon emissions toward a goal of a 15% reduction by 2020.

We continue to believe that it's important to support our community and recommit to giving a meaningful percentage of our net profits to nonprofits. In addition to financial giving, our amazing employees remain dedicated to supporting our community with their time.

In 2013, Saunders supported two industry-wide initiatives. The first is increasing diversity and retention of employees in the construction industry. We remain committed to tracking and reporting on our numbers, as well as participating in business and industry initiatives to advance this challenge. The second is partnering with industry peers to ensure we provide customers with options in the areas of environmental sustainability and community enhancement. Ultimately, we aspire to not just provide a minimum level of care, but to pooling our resources with fellow contractors to reduce our impact on the environment and the communities adjacent to the projects we build.

The dedication of our people to our customers, our community, our planet, and each other is an inspiration to me each and every day.

Greg Schmidt, P.E., LEED AP
President
Saunders Construction, Inc.
Looking back at the past eight years working in construction operations at Saunders provided a great experience to learn how we work with owners, subcontractors and designers to make our projects a success. Saunders has been committed to sustainability and social responsibility since Dick Saunders started the company in 1972. Saunders has continued their dedication to Corporate Social Responsibility by giving me the opportunity to focus on it full-time. I look forward to working with our stakeholders to implement initiatives that reduce our carbon footprint, water and material use.

It’s important that we gather feedback and input from stakeholders – subcontractors, suppliers, employees, owners, designers, and the general public. This year we reached out with an online survey to hear what stakeholders have to say about our Corporate Social Responsibility goals and reporting. We also held brainstorming and work sessions with our employees. Feedback and suggestions included working on work life balance, attracting quality trade and office personnel, and disposing of unused goods properly. The results are informative and as a result of this feedback we’ll be focusing on what’s important in the construction industry and our community.

In 2013, we partnered with ceiling tile manufacturer, Armstrong, to begin recycling ceiling tile as well as recycling carpet with iCarpet and ReVolve. We will continue to work with other suppliers to reduce energy use and waste, while finding opportunities to recycle additional products.

Saunders, along with the entire construction industry, will be focused on the launch of U.S. Green Building Council’s LEED Version 4 and Living Building Challenge. We will also partner and use tools from organizations such as Cradle to Cradle and the Pharos Project to assist our owners with healthy and cost effective product decisions.

I look forward to what the future has to bring and further defining my role as Sustainability Manager for Saunders Construction.

Alyssa Schear
Sustainability Manager
Saunders Construction, Inc.
Established in 1972, Saunders Construction, Inc. is an employee-owned S corporation headquartered in Centennial, Colorado, performing work primarily in the Rocky Mountain region of the United States. We are managed by a board of directors and a 10-person management team that focuses solely on daily operations. Saunders is one of the largest and most stable companies in the industry, consistently ranking as one of the top general contractors. From well-known education, mixed-use, healthcare, industrial, municipal, residential, recreation and office buildings to major retail centers, we deliver the value, reliability and integrity that comes from a company based on a tradition of excellence and dedication to the community. As a true builder, Saunders employs more than 400 skilled field and office personnel including foremen, carpenters, and laborers.

VALUES

Our Reputation and Relationships are built upon Care, Collaboration, Commitment, and Community.

MISSION

We create extraordinary partnerships to build places for our rapidly-changing world.

CORPORATE HEADQUARTERS

Saunders Construction, Inc.
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Fax: 303.680.7448
Web: www.saundersci.com

MEMBERSHIPS

USGBC National
USGBC Colorado
International Living Future Institute

MARKETS INCLUDE

Arts & Entertainment
Aviation
Concrete
Cultural & Worship
Education
Healthcare
Industrial
Interiors
Mixed-use
Municipal
Office
Parking
Residential & Hospitality
Retail
Site Development
Sports & Recreation
Sustainability
Technology
CONSTRUCTION

During the preconstruction process we are committed to providing client’s the information they need to make healthy, sustainable, and cost-effective decisions. Whether it is evaluating specific construction materials or running life cycle assessments, our guidance is always based on balancing the triple bottom line of economic, environmental and social responsibilities.

During construction, our commitment remains the same. From construction waste recycling programs to mitigating community impacts, Saunders is committed to stakeholder satisfaction.

OPERATIONS

Streamlining internal operations is an ongoing process of evaluating our performance, finding ways to improve it, and measuring the impact of our efforts. Step by step, from 2012 Saunders has been steadily progressing toward reducing our carbon footprint 15% by 2020.

This includes internal energy and material consumption, integration of new technologies and Lean Construction practices, as well as constantly questioning ourselves on the most effective way to maintain our very high standards for construction excellence.

COMMUNITY

People are the foundation of our success. As a corporation, we are committed to community involvement and maintaining an annual goal of donating 10% of net profits to nonprofits. We support a wide range of organizations through a combination of volunteer service and gift-in-kind programs.

Internally, we place a great deal of importance on the health, well-being, and professional development of our staff. Outside the organization, we aim to attract talent to the construction field through attending career days, providing internships, and supporting scholarships.
Effective corporate responsibility begins with careful internal scrutiny and understanding. Looking closely at our firm’s growth and the strategic alignment of all three principles of corporate responsibility allows us to measure our past success and chart a well-defined course toward a prosperous future.

Saunders values feedback from clients, stakeholders, employees, and industry partners. In 2013 we sent a voluntary survey to owners, consultants, government entities, subcontractors, designers, and Saunders’ employees to get a read on the changing dynamics of “building tomorrow today”. The survey queried participants on a wide range of issues, from environmental sensitivity and corporate responsibility to diversity in the workplace and safety on the job site. Survey responses revealed an interest in having construction companies focus on the following core issues:

- Attracting top talent to the construction industry and supporting their continued professional development
- Developing strategies to support a positive work / life balance
- Increasing sustainable strategies in project development, regardless on certification targets
- Continual collaboration and integrated design to improve the benefits of sustainable technology
- Developing and maintaining positive relationships with subcontractors
- Increasing training for building owners and operators who manage high-tech sustainable buildings to improve operational performance against modeled goals
- Training on proper materials handling of damaged or hazardous materials
- Increasing the quality and efficiency of building envelopes

Aspects that have been determined to be material are included in the body of this report where data exists.
we don’t have to sacrifice a strong economy for a healthy environment.  - Dennis Weaver
ECONOMIC GOALS

Saunders has three main economic goals: 1) remaining financially viable by continuing our Trajectory Business Plan, 2) continuing to research expansion into different markets, and 3) securing more work within our current market segments.

In 2013 gross revenue rose to $383.1 million, up from $186 million in 2012 - exceeding our revenue goal of $350 million for the year. Saunders is well-positioned thanks to a history of financial stability and our solid reputation as one of Colorado’s largest contractors.

Because our success as a company requires the support of our community, Saunders’ goal is to give 10% of net profits to nonprofits through our community giving program.

GROSS REVENUE

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<tr>
<th>YR</th>
<th>'09</th>
<th>'10</th>
<th>'11</th>
<th>'12</th>
<th>'13</th>
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<td>$327M</td>
<td>$181M</td>
<td>$383M</td>
<td>$400M</td>
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GEOGRAPHIC EXPANSION

Expanding market reach and growing the business beyond our Colorado roots have been Saunders objectives for the last few years. Appreciating that growth should be carefully controlled to ensure firm stability and resource availability, we have taken a careful approach to evaluating opportunities. In the last few years, Saunders has secured new construction opportunities with a number of different clients with projects in adjacent states.

Currently, Saunders is working with Whole Foods Markets, an upscale grocer with an emphasis on natural, healthy products, local suppliers and specialty items. Using a design-build delivery, Saunders is working on more than 30 different projects, ranging from new stores to major renovations for locations in Colorado, Kansas, Utah, and New Mexico.

In 2013, Saunders was also chosen to manage construction of a new 124,000 sq. ft. regional medical center in Sidney, Nebraska. When completed in 2015, the new facility will address the growing healthcare needs of the southern panhandle of Nebraska and neighboring communities with 25 private acute care rooms, three high-tech surgical suites, increased digital imaging services, and a FAA-approved helicopter pad.
embracing change

STRATEGIC GROWTH

Through deliberate growth Saunders has strategically expanded beyond our Colorado roots.

Payment Processing Improvements

Saunders has migrated from a manual, paper-based construction payment process to Textura, a software collaboration platform. Textura streamlines the monthly close-out process by reducing time spent tracking subcontractor invoices, and eliminates the need to validate invoice math. We can now allocate our resources to more business-valuable tasks. In addition, automating data entry for subcontractor invoices into our ERP and imaging systems moves us one step closer to becoming paperless.
The best buildings result from innovation and dedication, and make a contribution to the community. Children’s Hospital of Colorado (CHCO) South Campus achieves both — as a state-of-the-art facility that nourishes, protects, and cares for the children of Colorado. Built from the ground up, this 182,000-square-foot facility located in Highlands Ranch, Colo., includes inpatient care, outpatient clinics, 24/7 urgent care with 22 exam rooms, a sports medicine program, pharmacy, surgery center with four operating rooms, infusion center, laboratory services, imaging services, and diagnostic services. In addition, the facility features a family hospitality area, play areas for patients and siblings, a cafeteria/coffee shop, and conference rooms.

There’s something special about working with children — whether it’s caring for them, or constructing the building in which the care is provided. During the CHCO project, Saunders’ employees wanted to do a little more. So after learning that classic Radio Flyer Red Wagons were used as gurneys to transport the hospital’s young patients, they donated time and money to provide dozens of the wagons - filled with toys - to the new facility.

The CHCO South Campus facility was delivered on time and within budget, thanks to dedicated crews and innovative construction management methods. But mostly, we are proud to be part of a project that opens doors for sick children to receive the best possible care by nationally recognized pediatric specialists. There’s nothing more special than that.
sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance.

- Ban Ki-Moon
As a leader in providing construction services, we are responsible for setting a good example and leading the way for our industry to conduct business sustainably. As such, Saunders pledges to implement long-term strategies including a zero-waste stream process; significantly reducing our water use and carbon output; continuing to expand our efforts in philanthropy; and reinforcing the breadth of our ethical business practices.

At Saunders, our identity is deeply rooted in giving back and working conscientiously in our community. It is vital for our organization to continue to innovate and grow within a sustainable framework to preserve our future as a company and as citizens. Simply put, we believe that taking holistic corporate social responsibility is the right thing to do.
PROJECT LIST

2003
University of Denver Sturm College of Law - Gold

2004
Belmar Block 2 Lifestyle Center - Silver
Fairplay P-12 School - Gold
Colorado School of Mines Maple Residence Hall - Silver
Mike Ward Infinitti - Certified

2005
ProLogis Corporate Headquarters - Certified

2006
University of Colorado Boulder Wolff Law Building - Gold
Longmont United Hospital - Green Guide to Healthcare

2007
AHMC Data Center - Silver

2008
Prairie View Middle School - Gold
Valor Christian School - Gold
Valor Christian Stadium - Gold
Hybrid Office Buildings 1 & 2 at Interquest - Silver

2009
The Streets at SouthGlenn Lifestyle Center and Parking Garage - Silver
Lockheed Martin Tenant Improvement at Epic 1 - Silver
Epic 1 Office Building at Interquest - Silver
Colorado State University Academic Training Center - Gold
Stuart Middle School - Gold
1900 16th Street High-rise - Gold
Colorado State University Indoor Practice Facility - Gold

2010
InnoVage Headquarters - Platinum
University of Colorado Boulder Center for Community - Platinum
Casey Middle School - Platinum
Evie Garrett Dennis Shared Campus at Green Valley Ranch - Gold
Colorado State University Student Recreation Center - Gold
Central Park Recreation Center - Gold

2011
NCAR-Wyoming Supercomputer Center - Gold
Fairplay P-12 School - Gold
Colorado School of Mines Maple Residence Hall - Silver
Mike Ward Infinitti - Certified

2012
University of Colorado JILA Physics Laboratory Addition - Gold
University of Colorado Denver Health & Wellness - Gold
DaVita World Headquarters - Gold
Metropolitan State University Student Success Center - Gold

2013
Candelas Community Center - Gold

2014
215 St. Paul Office (Coors Foundation) - Silver
One City Block Residences - Silver

PROJECTS TARGETING FUTURE LEED CERTIFICATION
University of Colorado Boulder Recreation Center - Platinum, 2014
CSU Lory Student Center - Silver, 2014
Sheridan School District 3-8 Campus - Gold, 2014
University of Colorado Denver Academic 1 - Gold, 2014
DIA Hotel and Transit Center - Gold, 2015
Englewood 7-12 Campus - Silver, 2015
Triangle Office Building - Gold, 2015
Valor Christian School - Center for Culture and Influence - Gold, 2015
BioScience 2 - Gold, 2015
Pearl Place Offices - Gold, 2016
Since we started tracking it in 2008, we’ve diverted a total of 51,300 tons of construction waste. In 2013, we recycled 55%, which did not meet our aggressive goal of 75%. Looking toward the future, we will continue to seek ways to recycle more materials including ceiling tiles and carpet by partnering with suppliers and subcontractors. We will focus on being more consistent with monthly feedback to and from each project team and in reporting to management on our recycling results in conjunction with monthly financial reporting. Plus, we will help to ensure that dumpsters aren’t contaminated by inappropriate materials, which results in the entire bin being categorized as general waste.

SUCCESS OF SUSTAINABILITY INITIATIVES
measuring impact

STORMWATER POLLUTION PREVENTION & MANAGEMENT

Construction projects involve pollutants such as oil, fuel, and sediment that can reach waterways and destabilize lakes and streams. As part of the Clean Water Act, all construction sites disturbing one acre or more are required to minimize pollutants associated with stormwater discharge. To ensure that we meet this requirement, Saunders personnel are trained in stormwater management through programs such as Certified Inspector of Stormwater and Erosion Control (CISEC) and Colorado Department of Transportation’s Stormwater Supervisor trainings. In 2011, we stepped into the vanguard of stormwater pollution prevention by bringing the effort in-house. We now have a full-time position dedicated to the oversight of our stormwater management program. We evaluate all sites for potential discharges of pollution and regulatory compliance, and we continue to educate field personnel on the importance of stormwater pollution, prevention, and management.

Federal and State regulators routinely audit our compliance with environmental regulations, and Saunders has not caused any water contamination as a result of discharge from our construction sites. Additionally, we have not received any citations from governmental authorities.

In 2012, we expanded our commitment to include investigation of feasible alternatives, or secondary uses, for common stormwater BMP (Best Management Practice) materials such as straw wattle. We have not yet found a satisfactory answer, but will continue to pursue a solution.

Decreasing Paper Consumption

Since 2009, Saunders has made a conscious effort to reduce the paper required to plan, manage, document, and construct our projects. Beyond the obvious environmental impacts, the benefits of this are initiatives have included:

- An Integrated and Comprehensive Document Management System
- Increased the Number of Hand-Held Computers On Job Sites to Reduce Need for Hard Copy Plans
- Increased Number of Smart Boards Used on Job Sites to Reduce Need for Hard Copy Plan
Reducing Carbon Footprint

Saunders Construction has taken a very detailed and progressive look at reducing our firm’s overall carbon footprint. Since 2011, we have reduced our carbon footprint by 24% through a combination of jobsite waste reduction activities and organizational streamlining.

Saunders continues to look for way to improve our performance in this area and has set a goal of an additional 15% reduction from 2013 levels by 2020.

Managing Water Usage

In 2013, the Saunders office began to notice a substantial increase in our monthly water consumption according to the meter readings. When finally resolved, it was determined that the increase in meter readings was due to a malfunctioning meter rather than a significant increase in actual usage.

We frequently get feedback on reducing our jobsite water use. On jobsites, we use municipal water sources for items such as structural compaction, structural cementitious materials such as concrete, masonry and fireproofing, and flushing pipe with chlorine. During construction there is minimal water used for non-construction purposes, as we use portolets on most projects. There are a couple water use items we are looking at reducing in the field. One is removing the chlorine and reusing the water we flush through piping and the second is ensuring that the connections coming off the hydrant and water meter have replacement seals when required to reduce leaking.

In 2012, Saunders began calculating water used for external irrigation and looking for ways to decrease it. Re-thinking existing landscape treatments with this in mind led Saunders to install drought-tolerant and native plants at the firm’s office entry, a small first step that will be followed by many more.
PROJECT HIGHLIGHT

NCAR-WYOMING
SUPERCOMPUTING CENTER

2013 NATIONAL DATA CENTER AWARD

Given NCAR’s environmental research mission, efficient, sustainable operations was an obvious primary project goal. The LEED Gold, facility achieves that, with a 28 percent reduction in total energy consumption (compared to a standard code-compliant data center. Features include a reduction in light power density, evaporative cooling, efficient heating systems and high-efficiency plumbing contribute toward much of the energy savings. Thanks to our close working relationship with NCAR, Saunders built all of the client’s desired systems without expanding the schedule. Key sustainable features include:

Sustainable Materials: The new facility incorporated 510 tons of recycled concrete, 60 tons of recycled wood, and 26 tons of recycled metal and achieved 70% construction waste diversion.

Water: The ultra-efficient Cooling Tower and use of native landscaping resulted in a projected water savings of up to 6 million gallons a year.

Heat Capture and Reuse: Heat generated by supercomputing is captured and used to heat the interior, as well as to melt snow and ice on exterior walkways and loading docks.

Cooling: The building is designed to take advantage of the area’s cool, dry climate and cool the facility naturally for more than 98% of the year.

Power: Renewable wind energy provides a minimum of 10% of the facility’s total required power, and more when winds are high.

Flexibility and Longevity: The highly modular design accommodates additional technological integration as supercomputing evolves.

Ultra-Efficient Spatial Configurations: Super-efficient energy use means MEP systems and office components account for less than 10% of the building’s total energy consumption.

Altogether, the ultra-efficient Supercomputing Center minimizes its environmental footprint, but it actually provides additional money for productive scientific work by reducing overhead expenses that require operating funds.
never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it’s the only thing that ever has. - Margaret Mead
COMMUNITY COMMITMENT

Reaching beyond our own interests has been an important part of Saunders Construction since the firm was founded by Dick Saunders in 1972. For more than 40 years, Saunders has been giving back to the communities we work in by investing in sustainable change. From an annual giving program that touches dozens of nonprofits and personal health and wellness opportunities for our staff and their families to developing positive relationships with disadvantaged businesses, Saunders is committed to making positive changes one step at a time.

COMMUNITY COMMITMENT

Employee growth and personal health is tremendously important to the Saunders team. We believe a career is about the significance of your contribution, how you make a difference, and how you use your influence. Saunders seeks to facilitate employee growth through a combination of individual development plans, coaching and mentoring, and internal and external continuing education opportunities. Saunders also believes strongly in the value of physical and mental well-being. Healthy living, regular exercise, and connections with others are all positively associated with vitality.

COMMUNITY COMMITMENT

Constructing buildings is very much about building relationships including clients, employees and industry partners. We believe subcontractors and partners are vital to our success. To put our beliefs into action and give diverse firms a fair opportunity to grow, in 2012 we created our Community Outreach program, which has since grown substantially. We have mentored small businesses, provided business tools and instruction on best practices, and even assisted the City and County of Denver in creating a new Mentor-Protege program.

COMMUNITY COMMITMENT

Saunders is committed to improving our community and enriching the life experiences of those in need through a combination of charitable giving and hands-on participation. Saunders’ annual goal is to donate 10% of net profits to nonprofits. Additionally, every year Saunders supports dozens of employee led efforts to raise money, make a difference, and improve the communities we live and work in.
THE BEST AND THE BRIGHTEST

Saunders is committed to a workplace where all employees are treated with dignity and respect and a work environment that is free of disruptive behavior. Everyone has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discrimination.

At Saunders we construct buildings that become landmarks. So it goes without saying—if you get a job at Saunders, you’ll work hard. But it’s a great place for our people—and there’s proof. We are committed to being a company that is described by our values. Our Reputation and relationships are based on Care, Collaboration, Commitment and Community. Our reputation goes beyond what we build; it’s how we operate. Dick Saunders vowed to never break a promise; a value ingrained in every aspect of our business practice. We believe this is evidenced by the high level of respect we earn from our customers, subcontractors and the community. Our commitment to our values is what sets us apart.

INVESTING IN STAFF GROWTH

Saunders wants to employ people who are passionate about growing and developing - both as individuals and as an organization. More than people who simply perform jobs, our ideal employees want exciting, fulfilling, and rewarding lifetime careers. We offer regular in-house employee training on a wide range of topics and we support continuing education and professional accreditations in conjunction with individually developed career path plans.

SUPPORTING ACTIVE LIFESTYLES

For the Saunders Fitness Program, in 2013 there were a total of 177 participants in various fitness activities including running, biking, softball, basketball and racquetball among others. Participants included employees as well as family and friends of employees. Overall participation in the program increased by 12% from 2012 levels.

2014 Training Goals:

<table>
<thead>
<tr>
<th>Hours</th>
<th>office employees</th>
<th>field employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
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<td></td>
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<tr>
<td>4</td>
<td></td>
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</tbody>
</table>

Our Training Goals

In 2013, employees logged 3,932 hours of training.

An average of 9 hours per employee. Our 2014 training goal is 20 hours of training per office employee and 4 hours of training per field employee.
Saunders is dedicated to safety on the job site and in the office. This dedication, as well as our comprehensive safety program, has enabled us to build one of the best safety records in the industry. Saunders’ 2013-2014 safety performance continues that tradition of excellence, with a recordable incident rate (TCIR) of 3.2 (national average is 3.9*) and a very low 0.46 rating for our Lost Work Day Injury Illness (LWDII) rate (national average is 1.5*).

Saunders has received numerous industry safety awards and is a Blue Level participant in the Associated General Contractors (AGC) safety program and in OSHA’s Construction Health and Safety Excellence (CHASE) program. Saunders’ participation in the CHASE program depends upon our safety record and written policies being at least 10% better than industry standards and requires annual job site safety audits conducted by OSHA. In addition, no severe safety violations may have occurred in the past year.

SAFETY PROGRAM GOALS

In 2013, we maintained our good standing with the CHASE program for the seventh consecutive year, and our three OSHA inspections were completed with no citations. Many factors contributed to this success:

• We switched to the new quarterly internal Safety Project Audit Score Index System.
• We extended our safety training to all employees, with personnel logging a total of 2,065 training hours.
• We implemented a Personal Safety Analysis process to further engage employees in the safety management process.
• We expanded our safety rewards program to all employees.
• We also offered both OSHA 10-Hour and Storm Water Management training to diverse subcontractors.

Safety Goals
Saunders shows continuous improvement in both our leading and lagging indicator metrics and qualification for 2014 CHASE participation for the 8th straight year.

Safety Statistics
2013 Total Recordable Incident Rate (TCIR):
3.2

Lost Work Day Injury Illness Rate (LWDII):
0.46
Conceived out of the ashes of a gang-related arson, the Nancy P. Anschutz Center now houses the Jack A. Vickers Boys and Girls Club, as well as offices of the Prodigal Son Initiative, thereby providing new opportunities for the community surrounding the deserted arson site. The building is a one-story steel-and-timber frame structure of approximately 30,000 square feet. The warm and welcoming facility includes a learning lab, tech lab, arts and crafts room, gymnasium and locker rooms, dining area and kitchen, games room, teen center, community room, conference room, and other associated spaces, as well as parking and landscaping.

This is Northeast Denver’s first ever Boys and Girls Club, offering compatible community services and giving kids a place to play sports, do homework, and participate in after-school programs. The Prodigal Son Initiative aims to prevent youth violence by providing mentorship and opportunities for young people. On this project, Saunders’ community outreach efforts included hiring local labor, providing job training, hosting a Children’s Art Festival, and several community BBQs during the construction process.
At Saunders, our Community Outreach efforts are about creating an environment that fosters overall development of small and diverse firms. One part of our program, is supporting small and diverse businesses in getting certified with governmental agencies. We provide guidance for reviewing contracts, pay applications, hiring methods, and any other needs a small or diverse firm may have. In addition to teaching classes and providing guidance, we work to provide maximum economic benefits in the communities where we build.

Saunders involves small and minority-owned businesses to achieve diversity on contracts whenever possible. In 2013, for the second year in a row, we exceeded our goal of 5% participation with a rate of 12.04% (based on direct cost of work). In 2014, we again hope to exceed our goal, which is set at a minimum of 5%. By developing a network of qualified diverse subcontractors, Saunders is deliberately diversifying our subcontractor network and investing in the communities that we serve.

COMMUNITY OUTREACH EFFORTS INCLUDE:

• As part of the Denver International Airport Hotel and Transit Center Team, Saunders continued to worked closely with Program Manager Parsons on the ASEND Program (Accelerating Success through Communication, Education, Networking and Business Development). Developed for the project subcontractors, ASEND helps foster continued growth of minority and women-owned businesses certified with the City and County of Denver.

• We assisted individual subcontractors in becoming pre-qualified to bid on Saunders’ projects.

• We hosted several small and diverse businesses to participate in our OSHA 10-Hour training and Stormwater Certificate training.

• We participated in the City of Denver Construction Empowerment Committee and the Mentor-Protégé task force.

• We taught several classes for the Hispanic Contractors Council on topics ranging from business development and marketing to contract management and project planning.

• We supplied a small, growing business pursuing Building Information Modeling training with a computer they’ll pay for when funds are available.

• We employed three construction workers from the poverty-stricken area where we built a new Boys & Girls Club.

• We hosted events at the Boys & Girls Club project site, including a celebration of local art and an open house tour with a BBQ lunch.

• We continued our Small Business Administration Mentor-Protégé program with partner Sky Blue Builders, LLC.
Relevant Organizational Memberships & Roles

Hispanic Contractors Council, Board of Directors
Hispanic Contractors Council Contractors Academy, Committee Member and Instructor
Black Contractors Group, Member
Colorado Black Chamber of Commerce, Member
Conference of Minority Transportation Officials (COMTO), Member
City of Denver Construction Empowerment Initiative (CEI), Co-chair

“Saunders Construction has been a member of HCC since 1995 and has received the General Contractor of the Year award on several occasions due to their involvement in the organization. HCC is very fortunate to have a member like Saunders Construction that “walks the talk” in their commitment to the association and to diverse businesses.”

- Helga Grunerud, Executive Director, HCC

A survey showed that 118 of Saunders’ subcontractors are certified in one of the following categories:

<table>
<thead>
<tr>
<th>Certification</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>WMBE (City of Denver) / Women &amp; Minority Business Enterprise</td>
<td>43</td>
</tr>
<tr>
<td>SBE (City of Denver) / Small Business Enterprise</td>
<td>73</td>
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<tr>
<td>SBE (Federal Government / Small Business Enterprise</td>
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<td>DBE (CDOT) / Disadvantaged Business Enterprise</td>
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<td>8a (Federal Government)</td>
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<td>Rocky Mountain Minority Diversity Council (RMMDC)</td>
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<td>24</td>
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<tr>
<td>Veteran Owned</td>
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</tbody>
</table>
Supporting local non-profit organizations has been a core value of Saunders Construction since Dick Saunders started the organization in 1972. Currently we target contributing 10% of net profits annually to worthy charitable organizations and materially support our staff in their efforts to positively impact the lives of others.

BUILDING CONFIDENCE IN KIDS
Building Confidence in Kids is a philanthropic initiative designed to complement Saunders’ traditional philanthropic giving by involving employees from all levels of the company in forming a mutually beneficial year-long partnership with a nonprofit organization focused on children, families, and/or education. This partnership combines a financial contribution with an in-kind and volunteer contribution. Annually, Saunders evaluates potential program beneficiaries through a RFP/Selection Committee process.

2013-2014 PARTNERS

MOUNT SAINT VINCENT
Mount Saint Vincent has transformed the lives of thousands of abused, neglected, and traumatized children by providing them with a safe haven, individualized treatment, and education opportunities for both the children and their families. Saunders set employee participation goals for this program, which included 45% participation by salaried employees and 10% by non-salaried employees.

WARREN VILLAGE
Warren Village provides housing, on-site family services and early childhood education to single parent families who were previously homeless. They support these families in order to help them become economically self-sufficient and re-connect with their community.

THE UNIVERSITY OF DENVER BRIDGE PROJECT
The University of Denver Bridge Project aims to provide educational opportunities for children living in Denver’s public housing neighborhoods so that they have a better chance to graduate from high school, attend college, or learn a trade. Founded in 1991, The Bridge Project serves more than 500 families in four Denver public housing neighborhoods.
Saunders made charitable gift-in-kind donations to the following organizations:

ACE Mentor Program
AGC
AIA Colorado
AIA Wyoming
Apex PRD Foundation
Aurora EDC
Boy Scouts
Boy’s and Girl’s Club
Bridge Project
Brighton EDC
Brighton 27J School District
CAHED Colorado Business Council for the Arts
Center for Women’s Health Research
Cherry Creek School Foundation
Cheyenne County Chamber of Commerce
Children’s Diabetes Foundation
Children’s Hospital Foundation
City of Centennial
Colorado Ballet
Colorado I Have a Dream Foundation
Colorado Lungs 4 Life
Colorado Rockies Charities
CSU Athletics
CSU Foundation
CSU Construction Management Program
Colorado Uplift
Colorado Symphony
Craig Hospital
DaVita
CU Foundation
Denver Art Museum
Denver Center for Performing Arts
Denver Health Foundation
DMCC Denver Public Schools Foundation
Downtown Denver Partnership
Englewood Schools Education Foundation
Exempla Good Samaritan
Exempla St Joseph Hospital Foundation
Families First
Family Homestead
Foundation for Education Excellence
Friends of Denver Fire Department
Gold Crown Foundation
Goodwill Industries
HomeAid
Jewish Community Center
Judi’s House
Kempe Center
Latin American Education Fund
Laradon Hall
Littleton Hospital Foundation
Mental Health Center of Denver
Metro State University Foundation
Mile High United Way
Military Families Charitable Fund
Mizel Institute
NSCD
Ralston House
Rocky Mountain Children’s Heath Fund
St Vrain School District
Samaritan Institute
Save Our Youth
Shalom Park
Sheridan School District #2
South Suburban Recreation District
Tennyson Center
Tom McMahon Construction Scholarship
University Hospital
University of Colorado
University of Colorado Foundation
University of Colorado Real Estate Foundation
University of Denver
VOA
Warren Village
Wildlife Experience
Women’s Foundation
All financial and project data is based on information available on July 25, 2014.

Saunders’s logo, “Building Confidence” and “Building Confidence in Kids” are registered trademarks of Saunders Construction, Inc.
### General Standard Disclosures

<table>
<thead>
<tr>
<th>General Standard Disclosures</th>
<th>Description</th>
<th>Page Number (or Link)</th>
<th>Further Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>G4-1</strong></td>
<td>Statement from the most senior decision-maker.</td>
<td>Page 1. Letter from President.</td>
<td></td>
</tr>
<tr>
<td><strong>G4-2</strong></td>
<td>Key impacts, risks, opportunities.</td>
<td>Page 1. Letter from President.</td>
<td></td>
</tr>
<tr>
<td><strong>ORGANIZATIONAL PROFILE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>G4-3</strong></td>
<td>Name of organization.</td>
<td>Page 3.</td>
<td></td>
</tr>
<tr>
<td><strong>G4-4</strong></td>
<td>Primary brands, products, and services.</td>
<td>Page 3.</td>
<td></td>
</tr>
<tr>
<td><strong>G4-5</strong></td>
<td>Location of the organization’s headquarters.</td>
<td>Page 3.</td>
<td></td>
</tr>
<tr>
<td><strong>G4-6</strong></td>
<td>Number of countries where the organization operates.</td>
<td>Page 3.</td>
<td></td>
</tr>
<tr>
<td><strong>G4-7</strong></td>
<td>Nature of ownership and legal form.</td>
<td>Page 3.</td>
<td></td>
</tr>
<tr>
<td><strong>G4-8</strong></td>
<td>Markets served.</td>
<td>Page 3.</td>
<td></td>
</tr>
<tr>
<td><strong>G4-9</strong></td>
<td>Scale of the organization.</td>
<td>Page 3.</td>
<td></td>
</tr>
</tbody>
</table>
| **G4-10** | Workforce. | Page 3. | Full-time employees, no contract or self-employed workers. All workers’ citizenship status is verified through the E-Verify program. Saunders Construction, Inc. is a signatory to the Southwest Regional Council of Carpenters, Colorado Building Agreement. Saunders is current with all contributions and has no member grievances. Supply chain will be discussed further in 2014’s report. Saunders believes in the precautionary approach but specific messaging around this principle has not yet been implemented company-wide.

| **G4-11** | Percentage of total employee covered by collective bargaining agreement. | 228 | |
| **G4-12** | Supply chain. | | |
| **G4-13** | Significant changes during the reporting period. | None to report. | Saunders is current with all internal data unless specifically stated otherwise. In 2013, all aspects include only internal data unless specifically stated otherwise.

| **IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES** | | | |
| **G4-14** | Precautionary approach. | None to report. | |
| **G4-15** | External charters, principles, or other initiatives. | | |
| **G4-16** | Membership of the association. | Page 3. | |

| **G4-17** | Entities included in the organization’s consolidated performance. | All entities have been included. | |
| **G4-19** | Material aspects. | Page 5. | |
| **G4-20** | Aspect boundaries within the organization. | All aspects include all entities of the organization. | |
| **G4-21** | Aspect boundaries outside the organization. | In 2013, all aspects include only internal data unless specifically stated otherwise. | |
| **G4-22** | Effects of any restatements. | None. | |
| **G4-23** | Significant changes from previous reporting period. | None. | |

| **STAKEHOLDER ENGAGEMENT** | | | |
| **G4-24** | Stakeholder groups engaged by the organization. | Page 5. | |
| **G4-25** | Basis for identification and selection of stakeholders with whom to engage. | Page 5. | |
| **G4-26** | Approach to stakeholder engagement. | Page 5. | |
| **G4-27** | Key topics and concerns raised by stakeholders. | Page 5. | |

| **REPORT PROFILE** | | | |
| **G4-29** | Date of most recent previous report. | January through December, 2012. | |
| **G4-30** | Reporting cycle. | Yearly. | |
| **G4-31** | Contact point for questions regarding report. | csr@saundersci.com | |
| **G4-32** | In accordance option chosen. | Core. | |
| **G4-33** | Assurance. | None. | |

<p>| <strong>GOVERNANCE</strong> | | | |
| <strong>G4-34</strong> | Governance structure of organization. | Page 3. | |
| <strong>G4-35</strong> | Process for delegating authority for economic, environmental, and social topics from highest governance body to other employees. | Page 2. | |
| <strong>G4-36</strong> | Highest governance body’s role in development, approval, and updating of the organization’s purpose, values or mission statements, strategies, policies, and goals related to economic, environmental and social performance. | Executive Management. | |
| <strong>G4-37</strong> | Frequency of highest governance body’s review of economic, environmental, and social impacts, risks, and opportunities. | Quarterly. | |</p>
<table>
<thead>
<tr>
<th>DMA and Indicators</th>
<th>Page Number (or Link)</th>
<th>Identified Omission(s)</th>
<th>Reason(s) for Omission(s)</th>
<th>Further Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INDIRECT ECONOMIC IMPACTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MARKET PRESENCE</td>
<td></td>
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<tr>
<td>ECONOMIC PERFORMANCE</td>
<td></td>
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<td></td>
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<tr>
<td>SPECIFIC STANDARD DISCLOSURES</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**CATEGORY: ECONOMIC**

**MATERIAL ASPECT: ECONOMIC PERFORMANCE**

- **G4-DM1** Generic Disclosures on Management Approach
  - Direct economic value generated and distributed.
  - Financial implications and other risks and opportunities for the organization’s activities due to climate change
  - All internal entities included.

**MATERIAL ASPECT: MARKET PRESENCE**

- **G4-DM2** Generic Disclosures on Management Approach
  - Proportion of senior management hired from the local community at significant locations of operation
  - Saunders Construction performs our services in the Rocky Mountain Region of the U.S. including Colorado, Arizona, Nebraska, New Mexico and Wyoming. The hiring of senior management positions is a local process.

**MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS**

- **G4-DM3** Generic Disclosures on Management Approach
  - Development and impact of infrastructure investments and services supported
  - Saunders Construction did not invest in infrastructure in 2013.

**MATERIAL ASPECT: MATERIALS**

- **G4-DM4** Generic Disclosures on Management Approach
  - Materials used by weight or volume
  - The information is currently unavailable

**MATERIAL ASPECT: ENERGY**

- **G4-DM5** Generic Disclosures on Management Approach
  - Energy consumption within the organization
  - Energy intensity
  - Reduction of energy consumption
  - Reductions in energy requirements of products and services
  - Page 12, Environment.

**MATERIAL ASPECT: WATER**

- **G4-DM6** Generic Disclosures on Management Approach
  - Total water withdrawal by source
  - Water sources significantly affected by withdrawal of water
  - 100% municipal.
<table>
<thead>
<tr>
<th>Material Aspect</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Biodiversity</strong></td>
<td></td>
</tr>
<tr>
<td>G4-EN10</td>
<td>Percentage and total volume of water recycled and reused</td>
</tr>
<tr>
<td>G4-LA12</td>
<td>Building water intensity</td>
</tr>
<tr>
<td><strong>Emissions</strong></td>
<td></td>
</tr>
<tr>
<td>G4-EN11</td>
<td>Direct greenhouse gas (GHG) emissions (Scope 1)</td>
</tr>
<tr>
<td>G4-EN16</td>
<td>Energy indirect greenhouse gas (GHG) emissions (Scope 2)</td>
</tr>
<tr>
<td>G4-EN17</td>
<td>Other indirect greenhouse gas (GHG) emissions (Scope 3)</td>
</tr>
<tr>
<td>G4-EN18</td>
<td>Greenhouse gas (GHG) emissions intensity</td>
</tr>
<tr>
<td><strong>Effluents and Waste</strong></td>
<td></td>
</tr>
<tr>
<td>G4-EN15</td>
<td>Total water discharge by quality and destination</td>
</tr>
<tr>
<td>G4-EN20</td>
<td>Total number and volume of significant spills</td>
</tr>
<tr>
<td><strong>Products and Services</strong></td>
<td></td>
</tr>
<tr>
<td>G4-EN18</td>
<td>Extent of impact mitigation of environmental impacts of products and services</td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td></td>
</tr>
<tr>
<td>G4-EN22</td>
<td>Monitory value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations</td>
</tr>
<tr>
<td><strong>Transport</strong></td>
<td></td>
</tr>
<tr>
<td>G4-EN23</td>
<td>Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce</td>
</tr>
</tbody>
</table>

**Category: Social**

**Sub-Category: Labor Practices and Decent Work**

<table>
<thead>
<tr>
<th>Material Aspect</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment</strong></td>
<td></td>
</tr>
<tr>
<td>G4-EN10</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation</td>
</tr>
<tr>
<td>G4-LA12</td>
<td>Composition and breakdown of employees</td>
</tr>
</tbody>
</table>

**Material Aspect: Occupational Health and Safety**

<table>
<thead>
<tr>
<th>Material Aspect</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN10</td>
<td>Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities</td>
</tr>
<tr>
<td>G4-LA12</td>
<td>Workers with high incidence or high risk of diseases related to their occupation</td>
</tr>
</tbody>
</table>

**Material Aspect: Training and Education**

<table>
<thead>
<tr>
<th>Material Aspect</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN10</td>
<td>Average hours of training per year per employee by gender and by employee category</td>
</tr>
</tbody>
</table>

**Material Aspect: Diversity and Equal Opportunity**

<table>
<thead>
<tr>
<th>Material Aspect</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN10</td>
<td>Composition and breakdown of employees</td>
</tr>
<tr>
<td>G4-LA12</td>
<td>The information is currently unavailable</td>
</tr>
</tbody>
</table>
### MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

<table>
<thead>
<tr>
<th>G4-DMA</th>
<th>Generic Disclosures on Management Approach</th>
<th>Material to all internal entities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-HR3</td>
<td>Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation</td>
<td>Unavailable. The information is currently unavailable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2014 Information to be provided in 2014.</td>
</tr>
</tbody>
</table>

#### SUB-CATEGORY: HUMAN RIGHTS

### MATERIAL ASPECT: NON-Discrimination

<table>
<thead>
<tr>
<th>G4-DMA</th>
<th>Generic Disclosures on Management Approach</th>
<th>All internal entities included.</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-HR3</td>
<td>Total number of incidents of discrimination and corrective actions taken</td>
<td>None.</td>
</tr>
</tbody>
</table>

### MATERIAL ASPECT: CHILD LABOR

<table>
<thead>
<tr>
<th>G4-DMA</th>
<th>Generic Disclosures on Management Approach</th>
<th>Internal to organization. External includes subcontractors and U.S. suppliers. Material manufacturers have not been verified in all instances.</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-HR5</td>
<td>Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor</td>
<td>Not applicable Significant influence is limited past subcontractor &amp; first-tier suppliers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All work is completed within the U.S. and is managed directly. Influence over international suppliers is limited.</td>
</tr>
</tbody>
</table>

### MATERIAL ASPECT: LOCAL COMMUNITIES

<table>
<thead>
<tr>
<th>G4-DMA</th>
<th>Generic Disclosures on Management Approach</th>
<th>Internal and External included when known.</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-SO1</td>
<td>Percentage of operations with implemented local community engagement, impact assessments, and development programs</td>
<td>Social Section.</td>
</tr>
<tr>
<td>G4-SO2</td>
<td>Operations with significant actual and potential negative impacts on local communities</td>
<td>All projects have been permitted and approved by their jurisdiction often including public comment and hearings.</td>
</tr>
<tr>
<td>CRE7</td>
<td>Number of persons voluntarily or involuntarily displaced or resettled by development.</td>
<td>None.</td>
</tr>
</tbody>
</table>

### MATERIAL ASPECT: ANTI-CORRUPTION

<table>
<thead>
<tr>
<th>G4-DMA</th>
<th>Generic Disclosures on Management Approach</th>
<th>All internal entities included.</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-SO4</td>
<td>Communication and training on anti-corruption policies and procedures</td>
<td>Training was last completed in 2012 and will be repeated in 2014. The policy is available in the employee handbook.</td>
</tr>
</tbody>
</table>

### MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY

<table>
<thead>
<tr>
<th>G4-DMA</th>
<th>Generic Disclosures on Management Approach</th>
<th>All internal entities included.</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-PR1</td>
<td>Percentage of significant product and service categories for which health and safety impacts are assessed for improvement</td>
<td>0%</td>
</tr>
<tr>
<td>G4-PR2</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcome.</td>
<td>None.</td>
</tr>
</tbody>
</table>

### MATERIAL ASPECT: PRODUCT AND SERVICE LABELING

<table>
<thead>
<tr>
<th>G4-DMA</th>
<th>Generic Disclosures on Management Approach</th>
<th>All projects have been included.</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-P51</td>
<td>Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements</td>
<td>Operations &amp; Maintenance recycled content, and owner trainings are provided. LEED Version 4 will begin to address sourcing and hazardous/harmful ingredients.</td>
</tr>
<tr>
<td>G4-P52</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes</td>
<td>None to report.</td>
</tr>
<tr>
<td>G4-P54</td>
<td>Results of surveys measuring customer satisfaction</td>
<td>The information is currently unavailable</td>
</tr>
</tbody>
</table>

### External Assurance

The Standard Disclosures in this report have not been externally assured.