Corporate Social Responsibility
Message from the President

I am pleased to introduce the 2014 Corporate Social Responsibility (CSR) report for Saunders Construction, Inc. This document, which marks our fifth consecutive year of reporting, celebrates many accomplishments and reminds us how integral triple bottom line thinking has become for the organization. In fact, our most recent strategic business planning efforts confirmed the CSR as one of four critical priorities for the organization. On a trajectory toward 2020, our other priorities center on innovations in our business practices, strengthening our foundation, and growing and diversifying our business offerings.

In these five years our accomplishments included recycling and waste diversion programs on 100% of our projects; carbon footprint metering of our operations, and their reductions in same; constructing an additional 18 LEED certified projects, partnering with two new organizations through our Building Confidence in Kids charity program (Warren Village and Mount Saint Vincent); increasing investment in and opportunities for personnel training and mentoring; continuing our Employee Fitness program; growing our minority, women, and veteran-owned business participation programs; and increasing engagement of the small business community – all while growing our financial capabilities and permanence. To that end, in 2014 we made significant capital investments in key areas including Autodesk BIM 360 and ASTA Powerproject, equipping our project teams with the latest technology and tools and supporting them in constructing more and more complex buildings in shorter timeframes.

Looking forward we continue our focus on employee satisfaction, retention, and safety. Improvements in work environments, enhancing coworker connectedness, access to health and wellness programs, and the development of dynamic means of measuring employee performance and feedback are immediate initiatives. With much excitement we are also launching our new safety program, "I Work Safe, It's My Choice," that encourages personal and team ownership of safety practices augmented by training, recognition and lessons learned programs.

I am inspired by the energy and spirit of our workforce and humbled by the many clients and business partners who place their trust in us. I know that Saunders continues on our quest to revolutionize the industry, redefine the construction experience, and build what matters.

Gregory A. Schmidt, P.E., LEED AP
President, Saunders Construction, Inc.

Message from the Sustainability Manager

It is a great pleasure to build on the progress of years past and continually look for ways to improve our performance in all that we do at Saunders Construction. This annual Corporate Social Responsibility Report (CSR) is in no exception and presents an opportunity to show the progress we've made and the promise we all show looking forward. In 2014, Saunders focused on making improvements in the work experience and work environment for all staff, increasing our access to the latest and most innovative construction technology, and reinforcing a long-standing tradition of being great community builders with our clients and industry partners.

Like the firm itself, our 2014 CSR reflects that internal investment and at the same time continues to shed light on all of the work that still lies ahead in our constant quest to be the best we can in all that we do. As examples of recent innovations that are benefitting many of us already, we can look at the incorporation of Asta, a powerful scheduling tool, and BIM 360, a strong project communications resource that is streamlining productivity and remote access. The organization and delivery of human resources, training programs, and benefits are other areas that have all seen significant change in the last year.

Just as we are excited about the progress we are making, the 2014 CSR gives us an opportunity to also assess areas where we are still working on making improvements. Certainly, we've made a firm-wide commitment to construction waste diversion and eventually hope to achieve zero-waste projects. Our 2014 diversion of 68% of all construction waste is a step up from 59% in 2012 but still soberly reminds us that our goal is actually 75% and more work remains. This year we are committing to our first carbon footprint goal of 15% reduction by 2020.

In the end, the CSR is meant to be a snapshot of where we are, who we are, and what we want for the future. Sustainability is important to Saunders because we understand all resources are finite and the benefits of excellence in construction should include reducing impact and operational costs through good construction practices. I think we'd all agree that we work for a great company. I'll also suggest that we all agree this great company is about to get even better. Being a part of that progress will remain a pleasure and a thrill I am happy to share with each of the dedicated men and women of Saunders Construction.

Alyssa Schear
Sustainability Manager, Saunders Construction, Inc.
We create extraordinary partnerships to build places for our rapidly changing world.

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 come 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.

Corporation Overview

Our reputation and relationships are built upon care, collaboration, commitment, and community.
All Saunders Construction employees are expected to model the company’s core values. The behavior of all staff must reflect those values and support the mission and vision of the company at all times. Employees are expected to avoid professionalism at all times and with all constituents, in their dress, words, tone, actions, and work performance.

In dealings with customers, subcontractors, the general public, and with each other, employees must show respect for others. They should be present for work on a regular and punctual basis. They should be competent, honest, and display a positive attitude. They should avoid the appearance of impropriety and preserve the confidentiality of sensitive information.

Employees are permitted to accept gifts of a nominal value only if acceptance of the gift does not influence or give the appearance of influencing the judgment or conduct of the recipient. Employees may not accept gratuities from vendors or suppliers as inducement for preferential treatment.

Employees are expected to demonstrate the highest ethical and professional standards.

Core Values & Ethics

During the preconstruction process we are committed to providing clients with 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.

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, Saunders has been steadily progressing toward reducing our carbon footprint 15% by 2020. This includes reducing 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.

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 by attending career days, providing internships, and supporting scholarships.
“We’re powered up and ready for growth in Northern Colorado!”

HEATH CONSTRUCTION

In 2014, Saunders Construction joined forces with Fort Collins, Colorado-based Heath Construction, one of the most successful and widely respected construction companies serving Northern Colorado. Rather than a merger or acquisition, the Saunders / Heath partnership is a 50/50 ownership agreement between the two firms, allowing both to independently maintain their strong relationship-based commitments to excellence in construction. Heath’s broad portfolio of work features projects for locally prominent customers, including Woodward Governor, Colorado State University, Avago, and the City of Fort Collins, and for national companies such as Walmart. Our unique partnership allows Heath to continue to build on their 37-year history with access to Saunders’ extensive construction expertise, technological capacities, staffing, and increased bonding capacity.

The two firms will move forward by sharing resources, knowledge, and the common pursuit of success while specifically targeting larger and more complex construction opportunities in the Northern Colorado market.

MATERIALITY

For 2013, Saunders conducted a series of internal and external surveys to understand the changing dynamics of “building tomorrow today.” After compiling the responses of Saunders employees, the results clearly indicated our staff was interested in new tools and resources to improve firm productivity and streamline construction complexities.

As a result, in 2014 Saunders launched several innovative programs specifically implemented to decrease the time and effort required to manage key aspects of construction and to increase employee access to forward-thinking training. These initiatives include the incorporation of Autodesk BIM 360 (a robust project communications tool) and Asta Powerproject (a dynamic scheduling software). Both of these are detailed in the Economic Section of this report. Further information regarding Saunders’ newly formalized training department is included in the Social Section.

In 2015, the focus shifts to increasing employee satisfaction with their work experience and environment. Prime initiatives are focused on creating more internal connections among staff; providing additional access to health and wellness programs; and developing more dynamic means of measuring employee performance and providing regular feedback.

To further our understanding of employee needs and workplace expectations, in 2015 Saunders will be interviewing all field crews regarding tools or resources that may help them achieve optimal performance on jobsites. An additional objective for 2015 is to continue to strengthen our mutually beneficial relationships with subcontractors through proactive communications and regular jobsite feedback.

Another survey of employees, subcontractors, clients and other industry partners will be conducted in 2015.

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ECONOMIC GOALS

<table>
<thead>
<tr>
<th>Market</th>
<th>Annual Revenue</th>
<th>%</th>
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<tbody>
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<td>Aviation</td>
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<tr>
<td>Commercial (Office and Retail)</td>
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<td>Education (K-12 and Higher)</td>
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<td>Healthcare</td>
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<td>Site Work</td>
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<td>Sports and Recreation</td>
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<tr>
<td>Science and Technology</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$409,541,369</strong></td>
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</table>

Saunders complies fully with all tax laws each year.

Saunders has three main economic goals:

1. Remaining financially viable by continuing our Trajectory Business Plan
2. Continuing to research expansion into different markets
3. Securing more work within our current market segments

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

Saunders Construction donated 5% of Net Profit to charities in 2014.

In 2014 gross revenues up to $400 million, up from $383.1 million in 2013 - meeting our revenue goal 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.

One City Block Residences, 2014

Saunders complies fully with all tax laws each year.
In 2014 Saunders began the implementation of Autodesk BIM 360, a new construction management software designed to streamline project performance and enhance team communication and project documentation.

"BIM 360 enables real-time, remote access to project data throughout the construction lifecycle," commented Alyssa Schear, Saunders’ Sustainability Manager. "We have seen benefits related to quality control, project documentation, commissioning, safety and communications in the first year of use."

Related specifically to quality control, BIM 360 allows architects to make observational notes and checklists on work in progress that can be then posted remotely from any location with Wi-Fi access. The capacity for instantaneous documentation and communications facilitates the field team's ability to react to specific issues, immediately limiting the potential for rework and material waste on site.

In regard to commissioning, BIM 360 allows field teams to readily assemble product and equipment documentation in a single location. Equipment can be tracked from the time it is specified until it arrives on site. Once equipment is installed, the software can be used to monitor actual performance checklists against the manufacturer's performance specifications and provides a single point of access to document issues and resolutions.

Like any substantial change, BIM 360 did invoke some initial hesitation, but once the program was fully implemented, the benefits quickly outweighed the burden of learning new technology. Field teams soon realized the time and effort savings of having access to every aspect of project documentation in a single application. Furthermore, project managers and preconstruction professionals are better able to zoom in on the performance of specific building materials or subcontractors through BIM 360’s analytical features.

From proactive inspection scheduling and detailed field documentation, BIM 360 provides Saunders’ teams, architects, owners, and subcontractors with a robust information portal that functions through cloud computing to reduce the time, effort, and costs associated with construction on jobs large and small.

"BIM 360 enables real-time, remote access to project data throughout the construction lifecycle."

- Alyssa Schear, Sustainability Manager
BUSINESS INNOVATION AWARDS PROGRAM

As part of annual business planning, Saunders launched the Innovation Committee in 2014. Comprised of a cross-section of employees throughout the organization, the Innovation Committee is tasked with envisioning, developing, and training Saunders employees on new and improved ways to conduct business that support clients and profitability.

As part of this initiative in 2014, the group launched the Saunders Innovation Award, a cash incentive for employees who propose and develop innovations related to firm methods and procedures. In the first year of the program, 12 different innovations were presented, six of which earned employee recognition. The selected innovations have been or soon will be implemented throughout the firm. In addition, the group developed a series of innovation case studies designed to promote Saunders Construction’s commitment to employee-driven innovation.

The Innovation Committee’s 2015 goals include continuing to improve the Innovation Awards; creating an innovation think tank to discover new ideas that further separate Saunders from industry conventions; and continue to promote employee-driven innovations internally and externally.

Section 1: Economics

VOA Youth Center, 2014

Award Winners

Create a corporate blog
Streamline rental equipment invoicing
Develop a comprehensive project dashboard/app
Use traffic cones to fill rock sacks
Use a projector to cast an image on a white board for collaborative meetings and use an app to capture the notes
Set up a specialized cutting station for efficient work on making backing and blocking
By the spring of 2013, Suretrack, Saunders’ former scheduling software, was so far out-of-date that it was no longer compatible with newer computers, nor was it no longer technically supported by the developer.

“When we looked at our options in premium scheduling software, Asta was far and away the best choice for Saunders,” remarks Scheduling Manager Bill Jack Daniel. Among the most immediate benefits were Asta’s ease of use due to its intuitive nature and strong similarities to Microsoft products Excel and Word. This made the initial “shotgun blast” rollout achievable with one-day in-house training sessions.

Asta’s positive impact was nearly immediate, with benefits in efficiency, construction quality, and enhanced project communications to field and office teams, architects, owners, and stakeholders on all levels. Asta’s scalability allows Saunders to apply it with equal effectiveness to large complex projects and to small, quick hitter assignments.

A hidden benefit is the ease of installation and maintenance on the IT side, which contributes to operational efficiency.

The time and effort savings achieved in just two years have allowed Saunders and the Scheduling team to move well beyond training field staff on how use the software to in-depth training on the science behind construction scheduling logic and application.

“Among the many positives we have realized, perhaps Asta’s biggest impact is that Saunders has never had a deeper, company-wide understanding of the true science of scheduling than it enjoys now,” adds Bill Jack.

Looking forward, the next big goal is integrating Asta with BIM 360 to allow true 4D modeling. Asta released Version 13 in March and the Scheduling team is beta testing the new version with a select group of staff, while anticipating a full rollout in mid- to late-summer of 2015.

“Among the many positives we have realized, perhaps Asta’s biggest impact is that Saunders has never had a deeper company-wide understanding of the true science of scheduling than it enjoys now.”

- Bill Jack, Scheduling Manager
Recent & Future Sustainable Projects

2014
- 215 St. Paul Office (Coors Foundation) // Silver
- One City Block Residences // Silver
- University of Colorado Boulder Recreation Center // Platinum
- ONL Early Student Center // Silver
- Sheridan School District 5-8 Campus // Gold
- University of Colorado Boulder Academic 2 // Gold

2015
- DIA Hotel and Transit Center // Gold
- The Englewood 7-12 Campus // Silver
- Triangle Office Building // Gold
- Valor Christian School - Center for Culture and Influence // Gold
- Bioscience 2 // Gold

2016
- Boulder Mixed-Use Development // Gold

Understanding LEED Version 4

Time changes everything and the measurement of sustainability in design and construction is no exception. Saunders is currently getting first-hand experience with the USGBC’s LEED Version 4 on a new mixed-use project in Boulder, Colorado. The newest measurement system in sustainable construction, LEED v4, represents an increased focus on the health and environmental aspects of construction materials including product manufacturing, labeling, and installation procedures.

“V4 has a much greater focus on identifying building materials that don’t contain harmful ingredients and are manufactured in an environmentally responsible way,” says Sustainability Manager Alyssa Schear. “It’s really a natural evolution for measuring sustainability.”

USGBC is now encouraging building product manufacturers to produce an Environmental Product Declaration (EPD) that lists the known chemicals and determines if the materials carry carcinogens or ozone-depleting substances, or deplete a non-renewable resource. For construction firms, this increased emphasis on product scrutiny has several impacts. First, it means more intense product evaluations when making material recommendations. Second, the substantially revised product submittal process increases the required level of tracking. Finally, more stringent building material scrutiny requires an increase in subcontractor outreach and education to ensure that chosen materials are installed per the specifications.
Currently Saunders is diverting the following types of construction waste: Wood, Concrete, Metal, Cardboard, Drywall.

Saunders has uniform jobsite signage related to all construction waste diversion with information presented in both English and Spanish.

### Waste Management Goals:
- **2014:** 75%
- **2016:** 85%
- **2018:** 95%

**Cherry Creek High School Pool and Renovation**

During the school’s 2014 summer break, after removing the old pool and locker rooms, Saunders rebuilt a new eight-lane competitive pool and a separate diving well pool, and remodeled the adjacent locker rooms. The team also fixed or replaced equipment and finishes throughout the campus. Construction waste diversion efforts reached an astounding 92% diversion rate. In addition to the typical waste separation and recycling programs, the team got creative with reusing products including using roof ballast as mulch at a local park and reusing old doors as workbenches. Saunders also helped the school auction off auditorium seating to staff, students, and alumni, many of whom repurposed it for use in home theaters.
Saunders is currently working with Heath Construction to determine their 2014 carbon footprint and water use baselines. These baselines will be used to set goals for future reductions and savings.

### Carbon Footprint Goal:

- **15% reduction from 2013 baseline by 2020**

### Reducing Paper Consumption

- **4,787,051** total SF of paper
- **$65,756** paper cost savings
- **14,199** reams saved

- **34%** paper reduction since 2009

### Reducing Carbon Footprint

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<thead>
<tr>
<th>Year</th>
<th>SF</th>
<th>Cost</th>
<th>RM</th>
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<tbody>
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<td>$24,307</td>
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<tr>
<td>2010</td>
<td>1,316,761</td>
<td>$18,918</td>
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</tr>
<tr>
<td>2011</td>
<td>897,299</td>
<td>$12,982</td>
<td>67.7</td>
</tr>
<tr>
<td>2012</td>
<td>655,777</td>
<td>$6,495</td>
<td>67.7</td>
</tr>
<tr>
<td>2013</td>
<td>604,568</td>
<td>$8,692</td>
<td>67.7</td>
</tr>
<tr>
<td>2014</td>
<td>604,568</td>
<td>$8,692</td>
<td>67.7</td>
</tr>
</tbody>
</table>

### Managing Water Usage Raw Data

- **Office Usage**
  - Down 31% from 2013, 22% from 2012
  - **2014 Warehouse Intensity 1.29** (Up from 2013’s 1.33)

- **Renovation at Main Entry**
  - At the end of 2014, Saunders Construction renovated the landscaping around the front entry of our corporate headquarters. This incorporated new hardscape and signage, as well as drought-tolerant plants and grasses specifically chosen for their ability to thrive in Colorado’s arid climate.
Originally built in 1971, the University of Colorado at Boulder’s Recreation Center had faithfully served generations of students before becoming too dated to meet the demands of today’s active college student. In October of 2012, the facility began its 18-month transformation under the joint leadership of Saunders and architects, Davis Partnership.

In order to complete this massive, occupied renovation of more than 235,000 square feet in the heart of a heavily trafficked campus, the Saunders team implemented a multi-dimensional construction logistics plan. Key strategies included a detailed construction phasing plan; extensive internal partitions to create a positive separation between construction activities and occupant uses; and continual monitoring and mitigation of dust, noise, vibrations, and temperature.

Beyond construction challenges that might be thought of as typical, the project team was additionally confronted by a rain event that resulted in a 100-year flood of much of Northern Colorado. During six consecutive days of heavy rain in September of 2013, many materials onsite were damaged and the CU Boulder campus was actually evacuated.

Thanks to a tremendous team effort and innovative work progress strategies, and despite difficult weather conditions and significant damage to a local material supplier’s quarry — the flood resulted in only two weeks of lost time.

Completed in March of 2014, the CU Boulder Recreation Center achieved LEED Platinum Certification through the incorporation of a host of sustainable materials, advanced building systems, and an elegant design capitalizing on the site’s magnificent views of the campus and the Flatirons just beyond. One of the most interesting project innovations involves capturing excess heat generated by the ice arena’s cooling system and using it to warm the facility’s indoor and outdoor pools, as well as the showers and tap water throughout the building.

In addition to the overall building renovation, the final program called for 70,000 square feet of new space for expanded strength and conditioning areas, a new ice arena, a three-story rock-climbing gym, roof top tennis courts, and a new indoor turf multi-activity gym, as well as specific improvements to an existing ice arena, gymnastuems, fitness studios, training areas, and locker rooms.
Changes are afoot in Saunders’ Human Resources department. After just about a year under the leadership of Brad Marsh, our new Vice President of Human Resources, it’s hard to imagine any Saunders employee who hasn’t felt the benefits in one way or another.

“Our mission is to make Human Resources more personal, more responsive to the individual’s needs, and less mechanical,”

Some of the key changes Brad and his team are implementing include:

- **Monthly Check-Ins Replace Annual Reviews**
  To replace the formal and antiquated rite of annual performance reviews, Saunders is implementing a monthly staff-manager check-in designed to provide both people with deliberate direction on three key areas:
  1. overall performance;
  2. fairness of compensation; and
  3. the individual’s career growth plan moving forward.

- **Sabbatical Leave**
  Sabbatical Leave provides long-term employees with an opportunity for a paid four-week extended absence. First available after 10 years of service, and then every 10 years thereafter, this time away from work is given to achieve a personal goal such as travel, community service, missionary work, research, continuing education or personal renewed through rest and replenishment of body, mind, and soul.

- **Extending the Weekend**
  Everyone loves the weekend and Saunders makes it just a little longer by closing the office at 2:30 pm each Friday. This gives employees a little more time to enjoy their families and friends, Colorado’s year-round incredible weather, or simply get a few errands done. For those on a jobsite, who are unable to shorten Friday’s due to subcontractor oversight and construction schedules, each team organizes one full Friday off each month.

- **Employee “Paloozas”**
  From the renowned music festival Lollapalooza, a “palooza” is defined as “any good reason to get together” (Urban Dictionary). Saunders has developed a whole series of Employee Paloozas to promote staff connectivity and good old-fashioned fun for all. With a goal of six to ten Paloozas each year, so far there have been New Hit Paloozas, Pancake Paloozas, Christmas Sweater Paloozas and National Doughnut Day Paloozas. In all of these efforts and many more to follow, Saunders is reinvesting in the human aspect of what makes the company such a great place to work: our people and their relationships with one another.

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**Dynamic Human Resources**

We want every person who works for us to wake up each morning and say I love my job!”

-Bron Marsh, Vice President of Human Relations

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**Drive Growth and Success**

"We want every person who works for us to wake up each morning and say I love my job!"

-Bron Marsh, Vice President of Human Relations
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 to 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.

2015 Goal

During the fourth quarter of 2014, Saunders Construction surveyed employees on their wish lists for a comprehensive wellness program. The number one finding was that employees see the benefits of wellness participation as more personally beneficial than merely as a means of reducing their insurance premiums. Based on this insight, Saunders has expanded the concept of wellness beyond the physical to include mental and financial wellness, and continues to look for new components that promote our employees’ overall well-being.

One early program is Wellness Wednesday. Each month, a new wellness topic is identified (cholesterol or weight loss are examples) and each Wednesday for the entire month, the HR Department shares a series of recommendations and insights related to the topic.

Community Commitment

Employee growth and personal health are 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.

Commitment to Industry Partnerships

Constructing buildings is very much about building relationships with 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 an 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-Protégé program.

Commitment to Communities

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.

2014 Fitness Program Participation

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<th>Event</th>
<th>Employees</th>
<th>Family Members</th>
<th>Friends of Saunders</th>
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<td>Colfax Marathon</td>
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<tr>
<td>The Color Run</td>
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<tr>
<td>Stadium Stampede Bike MS</td>
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<td>Courage Classic</td>
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<tr>
<td>Back to Football Run</td>
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<td>Good Sam Bike Jam</td>
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<td>How Shoe Run</td>
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<tr>
<td>Great Pumpkin Haul</td>
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<tr>
<td>Rock &amp; Roll Marathon</td>
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<tr>
<td>Sports Leagues: Basketball, Softball, Racquetball</td>
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2014 Fitness Program Events

Colfax Marathon
The Color Run
Stadium Stampede Bike MS
Courage Classic
Back to Football Run
Good Sam Bike Jam
How Shoe Run
Great Pumpkin Haul
Rock & Roll Marathon
Sports Leagues: Basketball, Softball, Racquetball

2014 and 2015 Fitness Goal

Meet or exceed 20% participation

Section 3: Social
RECRUITING THE BEST

University | Offered | Accepted
--- | --- | ---
Arizona State Univ. | 3 | 2
Iowa State Univ. | 2 | 1
Colorado State Univ. | 2 | 1
Kansas State Univ. | 2 | 1
Univ. of Nebraska | 3 | 2
Univ. of Colorado (Boulder) | 2 | 1

RETAILING THE BEST

As proud as we are of Saunders’ history and reputation, we believe our employees are the foundation for this continued success. Their talents, expertise, and willingness to innovate make Saunders Construction grow stronger and better. Each employee is treated as a partner and in return, they approach their work with a sense of pride and ownership.

Saunders offers full-time staff employees a comprehensive primary benefits package widely regarded as one of the best in the industry. Secondary benefits include service awards, tuition assistance, a fitness program, on-site workout facility, flexible work schedules, and Casual Fridays.

Health Insurance
A High Deductible Health Insurance Plan works in conjunction with a Health Savings Account (HSA). The company pays 100% of the insurance premiums for the employee and their dependents. The employee is responsible for the annual deductible.

Dental & Vision Insurance
Dental and vision insurance premiums are shared by the employee and the company, with 80% of the premium paid by Saunders.

Retirement
The Saunders 401(k) Plan has two distinct funding components. The first is a non-discretionary match of 100% of the combined elective deferral to a maximum of 2%. The second is a non-discretionary 3% “Safe Harbor” 401(k) contribution.

Paid Time Off
Saunders offers a generous paid time off program. Full-time staff accrue 15 days of vacation during the first year of employment, 19 days of vacation annually in years 2–4, 23 days annually in years 5–9, and 28 days after 10 years. In addition, Saunders Construction offers seven paid holidays throughout the year.

Bonus Program
Contingent upon the company’s annual profitability and after considering its long-term viability, a percentage of annual profits may be distributed to employees as a merit bonus.

Life Insurance, Short Term & Long Disability Insurance
Saunders provides life insurance, STD, and LTD insurance to full-time employees.

Life Insurance

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Subcontractor Spotlight

ISEC, Inc.: Architectural Case Work and Specialized Services

A long-time Saunders project partner and trusted resource for interior building trades including millwork, ornamental metals, and laboratory case work, ISEC also presents a strong commitment to environmental sensitivity and community giving. Their environmental impact reduction efforts have included decreasing office energy consumption by 17% from a 2010 baseline despite steady firm growth. Through the application of Bluebeam plan review technology, ISEC also estimates that they have reduced paper consumption in their office by an astounding 98% from their 2012 baseline.

On the community investment side, ISEC chooses a “Focus Charity” every two years, and every quarter, four randomly chosen employees are each given $1,000 to support a charity of their choice. ISEC’s “Casual for a Cause” initiative allows employees to pay $50 in exchange for the privilege of dressing casually for the entire month, with proceeds going directly to the firm’s Focus Charity.

ISECInc.com

INVESTING IN STAFF GROWTH

2014 Data

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Total Training Hours</th>
<th>Hours Per Employee</th>
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</thead>
<tbody>
<tr>
<td>Staff</td>
<td>2,694</td>
<td>12.24</td>
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<tr>
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<td>673</td>
<td>3.12</td>
</tr>
<tr>
<td>Combined</td>
<td>3,367</td>
<td>7.72</td>
</tr>
</tbody>
</table>

2015 Goal

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Hours Per Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>20</td>
</tr>
<tr>
<td>Field</td>
<td>4</td>
</tr>
</tbody>
</table>

Equal Opportunity

Saunders Construction, Inc. is an Equal Employment Opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, ancestry, veteran status, disability, or age. All employment offers are contingent upon affirmation of identifying documents and prospective employees submitting to and passing a drug test, breath alcohol test, and/or pre-employment physical.

Results of Customer Satisfaction

In 2015, Saunders Construction will launch a Customer Care Program with the objective of achieving the highest possible level of client satisfaction on each project and strengthening positive relationships with each client. This program will include periodic client feedback surveys, external communications, client appreciation events, and training internal staff on customer service.

The Englewood Campus, 2015
SAFETY PROGRAM

At Saunders Construction, the health and safety of everyone associated with our projects is critical. The cornerstone of our safety management plan are employee accountability and commitment to valuing and promoting safe behavior — both on the clock and off. Safety is a way of life at Saunders, where our Safety Department oversees the implementation of safe work practices that support our changing workplace dynamics throughout all phases of construction.

Saunders has received numerous industry Safety Awards and has been a Blue Level participant of the Associated General Contractors' (AGC) & OSHA's Construction Health and Safety Excellence Program (CHASE). The CHASE program recognizes Saunders' commitment to safety on all projects and acknowledges that our safety record and written policies are at least 10% better than industry standards.

I Work Safe, It's My Choice: Safety Program

Saunders is committed to fostering a safe, injury-free workplace. We believe that by making safety a matter of personal pride, accountability and performance in this area will be continually enhanced.

"I Work Safe, It's My Choice" is a Saunders program that recognizes and reinforces safe behavior by employees through the promotion of personal accountability.

Why do you choose to be safe? Tell us your story.

2014 Safety Goal

Partner with OSHA again in the CHASE program, continue to open up our safety and environmental training to MWBE partners, continuous leading and lagging indicator improvement.

2014 Safety Stats

- TCIR: 3.1 (Down 3% from 2013)
- LWII: 2.0 (Down 43% from 2013)

2014 Safety Goal

In 2014 Saunders Construction was selected to join ACGIG (American Contractors Insurance Group), a select group of top-performing contractors in markets throughout the U.S. who have come together to form a captive insurance company. Membership is by invitation only, after a thorough vetting and qualification process. Saunders' membership in ACGIG is expected to have a very positive impact on the firm's already strong culture of safety. Key changes will include a new safety training program for all supervisors, along with more stringent jobsite safety inspections, a daily "Stretch and Bend" program, and revamping the Safety Committee's responsibilities including the Post-Accident Review process.

Vigilance in our commitment to safety is personified by Saunders' continued investment in improving our processes to run projects as safely as possible and finding new ways to reduce and eliminate losses. New initiatives related to safety include the following:

Safety Committee

Comprised of a cross-section of employees working in the field, the Safety Committee will be responsible for continuing to improve existing safety processes, as well as developing additional meaningful recognition and incentives for exceptional safety performance.

Post-Accident Review Process

Saunders is increasing the thoroughness of our team response to jobsite accidents, which already includes a detailed onsite incident evaluation to determine the circumstances and root cause of each accident as it occurs. Going forward, our onsite incident review will be followed by a corporate review that will include everyone involved in the accident, all supervisory personnel responsible for work in the accident's vicinity, and representatives from Saunders' Executive Team.

The goals of these meetings will be to understand: 1) the factors that contributed to the incident; 2) the steps taken to eliminate the risk of similar incidents going forward and 3) the lessons learned that can be applied to other work areas and jobsites.

Tiered Safety Incident Levels

Each future safety incident will be classified as Level I, II, or III, based on severity. The purpose of this tiered categorization is to ensure all accidents including near-misses are accounted for and thoroughly investigated. By classifying every situation, from minor (like strains or sprains) to more serious (substantial injuries or property damage incidents), to most serious (such as life-threatening or structural failures), Saunders anticipates being able to enhance our already-strong culture of safety and apply a lessons-learned approach moving forward.
In 2015, we again hope to exceed our goal, which is set at a minimum of participation of diverse subcontractors based on the cost of work. In addition, we will launch a Subcontractor Connection program to diversify our subcontractor base and become a preferred contractor for these firms.

Community Outreach & Diverse Business Participation
As 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 such businesses in getting certified with governmental agencies. We also provide guidance for reviewing contracts, pay applications, and other related needs.

In addition to teaching classes and providing guidance, we work to provide maximum economic benefits in the communities where we build.

Saunders Construction enjoyed the participation of small, minority-, women-, and veteran-owned businesses on a total of 11% of our construction contracts, based on the cost of the work. Some of our efforts included the following:

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

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

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

4. We participated in the City of Denver’s Construction Empowerment Committee and the Mentor-Protege task force.

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

6. We supplied a small, growing business that is pursuing BIM (Building Information Modeling) training with a computer they’ll pay for when funds are available.

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

8. 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.

9. We continued our Small Business Administration Mentor-Protégé program with partner Sky Blue Builders, LLC.

Building Confidence in Kids

Building Confidence in Kids (BCiK) is a philanthropic initiative designed to complement Saunders’ traditional charitable 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 an RFP/Selection Committee process.

2014 Participation

- 11 Different Volunteer Events
- 42 Volunteers Total
- 36 Office Personnel
- 6 Field Personnel

In 2014 Saunders’ Building Confidence in Kids volunteer program partnered with Mount Saint Vincent (MSV) to provide a cash donation, as well as in-kind contributions, to benefit resident children. A long-standing dream of MSV was to build a bike track for the kids so they had an area for biking other than the existing parking lot and high-traffic areas on their campus. They had an open field in the back of their property full of goatheads, which resulted in daily flat tires. It wasn’t suitable for biking, but it was a perfect 1/3-acre for a bike track. Saunders ran with the idea and donated labor, equipment, and materials to build a 450-yard bike track with 350 tons of crusher fines. It took a crew 112 hours over 7 days to build. Saunders then organized an outdoor celebration and ribbon-cutting ceremony to unveil the new bike track in early July of 2014—just in time for the kids to enjoy the summer months racing each other for hours on end.

In 2014, we again hope to exceed our goal, which is set at a minimum of 5% participation of diverse subcontractors based on the cost of work.
On June 16, 2014, Saunders Construction joined Volunteers of America (VOA) and Denver Mayor Michael B. Hancock in breaking ground on a new Early Childhood Education Center that will more than double the number of children and families able to be served by VOA programs. Since 2001, the VOA has operated a Great Kids Head Start Delegate Center in Denver’s poverty-stricken Westwood neighborhood, providing early childhood education to preschool children below the poverty level. The center has outgrown its current location and has a waiting list of 36 eligible children.

The new 11,425 square foot facility, located immediately next to a new affordable housing community where many eligible children and families reside, will offer five classrooms, increasing the number of children who can attend from 68 to 170.

The Early Childhood Education facility is the result of a two-year capital campaign by Volunteers of America. Saunders Construction will be the general contractor for the entire project, completing the project at cost, with minimal overhead recovery. We also solicited donations/reduced fees from subcontractors totaling approximately $150,000 and have agreed to contribute an additional $25,000 for artwork and a bronze sculpture.

"Nothing is more impactful at lifting neighborhoods up than early childhood education options that provide a smart start for all children."

— Denver Mayor Michael B. Hancock

VOA YOUTH CENTER

Project Spotlight
CORPORATE GIVING LIST

ACE Mentor Program
ACE Scholarships
Associated General Contractors (AGC)
American Diabetes Assoc.
Anchor Center for the Blind
American Institute of Architects (AIA)
Apex Parks & Rec
Arapahoe County Extension Fund / CSU Extension
The Arc of Jefferson & Gilpin Counties
ARK Thrift
Arrupe Jesuit High School
Arvada Community Food Bank
Big Brothers Big Sisters
Boy Scouts of America
Boy Scouts of America
Boys & Girls Club
Brent's Place
The Bridge Project
Brighton 27J School District
CO Assoc. of Healthcare Engineers & Directors (CAHED)
CO Ballet
Chanda Plan
Cherry Creek Schools Foundation
Cherry Creek Service Area
Children’s Diabetes Foundation
Children’s Hospital of CO Foundation
Children’s Hospital Colorado Foundation
Clinica Tepeyac
Clayton Early Learning Center
COSA
Colorado Education Initiative
CSU Foundation
Colorado University Foundation
CO Uplift
CO Youth at Risk
Community Hospital of Grand Junction
Concerts for Kids - Amp The Cause
Craig Hospital Foundation
CU Assistive Technology Partners
Denver Art Museum
Denver Health Medical Foundation
Denver Music Chamber of Commerce
Denver Architectural Foundation
Denver Public Schools Foundation
Douglas County EDC
Denver Common Partner
Unlimited

epl Foundation

ealthcare Community Center
Johnson & Wales University
JeH’s House
Latin American Education Fund (LAEF)
Livingston Advanced Healthcare Foundation
Mental Health America
Mental Health Center of Denver
Metro State University
Mile High United Way
Mile High Youth Corps
Morgue Academy at National Jewish Health
Mount St. Vincent Home
National Jewish Health
National Multiple Sclerosis Society
National Sports Center for the Disabled (NSCD)
National Women’s Study House
Pinnacol Foundation
Power To Play
Project Wings
Rahoon House
Rocky Mountain Adventist Healthcare
Rocky Mountain Children’s Healthcare Foundation
St. Francis Health Foundation / SCL Health
St. Joseph Hospital Foundation
St. Vrain School District
Strengthening Bonds Foundation
Summit Slopes
Syphax (SLOPE)
Tennison Center for Children
Tom McMahon Scholarship Fund
University of CO Health
University of CO Real Estate Council
Urban Land Institute
Urban Youth Ministries
USO Denver
DEDICATION TO EDUCATION IN COLORADO

Special Spotlight

Since its inception in 1972, Saunders Construction has been dedicated to improving K-12 learning environments, beginning with one of the firm’s very first projects, Dry Creek Elementary School for the Cherry Creek School District. All told, the current Saunders K-12 portfolio includes more than 6.1 million square feet of learning environments in Colorado and Wyoming, ranging from additions and renovation projects, to large multi-grade campuses.

Today’s educational environment is rapidly changing, as students need increased access to technology and development of more work-ready skills. School construction has changed as a result, adapting to new educational models emphasizing specialized curriculums such as STEM, Performing Arts, and Vocational programs. Saunders is now a recognized leader in building 21st Century educational environments including vocational-specific spaces such as culinary arts and automotive repair; robotics and science labs; and high-tech computer labs.

As a continuation of our desire to give back to the clients and communities we work in, Saunders partners with K-12 clients to provide in-kind and charitable giving support. Past efforts have included supporting bond initiatives, hosting educational tours and lectures to support hands-on learning curriculums; sponsoring career conferences; and donating materials and volunteer hours to create homecoming floats out of recycled materials.

Support for Innovative Education in 2014 included:

- Donated $53,000 to education foundations
- Hosted a children’s book drive
- Trained students from Denver Public Schools at the DIA Hotel and Transit Center
- Presented on career opportunities in construction
- Sponsored the Colorado Construction Career Days

Special Spotlight

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Commitment to Excellence Recognized

2014 AWARDS

2014 ACE Award, Meeting the Challenge of a Difficult Project
University of Colorado Boulder Student Recreation Center, Associated General Contractors of Colorado
Best Overall Residential Project
One City Block Residences, Engineering News Record Mountain States Magazine
2014 Merit Award Green Project
University of Colorado Boulder Student Recreation Center, Engineering News Record Mountain States Magazine
2014 Large Contractor of the Year
Hispanic Contractors of Colorado
2014 Large General Contractor Safety Award
Hispanic Contractors of Colorado
All financial and project data is based on information available on March 31, 2015.
Saunders' logo, “Building Confidence” and “Building Confidence in Kids” are registered trademarks.
Saunders Construction, Inc.