



# ESG REPORT 2022



# LETTER FROM THE CEO

## MIKE LEOPARDO

Leopardo is known for passionately pursuing construction excellence, but this encompasses more than transforming skylines. We are driven to making a difference in this world and in the lives of every Leopardo employee through our corporate responsibility efforts, such as sustainable building practices, investment in our people, and strong governance to ensure a culture of responsibility, giving, and unending progress. We strive daily to incorporate our values of trust, collaboration, and drive into the three pillars of corporate responsibility: environmental, social, and governance. These values branch out to deliver the best to our clients and also serve our subcontractors, vendors, and suppliers. At Leopardo, we are committed to leading by example and continuous improvement.

As we celebrate 45 years, I am proud to see how far we've come as a company, a culture, and a family. Our sustainability capabilities are among the best in the industry and our efforts have served to protect and preserve this world we share. Our commitment to healthy and high-performing building is demonstrated by the dual Leadership in Energy and Environmental Design (LEED) and WELL Building Standard certified office in downtown Chicago, which we occupied up until this past summer. It encapsulates everything we strive daily to achieve in the health and wellbeing of our employees and this precious planet.

We know that buildings don't build themselves—from the field to the office, Leopardo has an exceptional team of experts. Our people are among the best and the brightest in the industry, and we are committed to creating an environment in which everyone can reach their full potential, both on the job and in their community. We provide the tools necessary for all employees to grow and develop their unique talents and make contributions only they can make.

Leopardo really is a family-owned and operated business—our employees are truly like family. This unique and close-knit bond shared among all who work for Leopardo is the bedrock of our thriving culture, with each person dedicated to one another and the values we all share. This trust fuels collaboration and drives us to scaling the heights as a single unit, as a family.

I am honored to serve as CEO of Leopardo Companies, Inc., and I am proud to highlight our successes and introduce our goals to strengthen our ESG commitments.



CEO, Leopardo Companies





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## ENVIRONMENTAL CLIMATE CHANGE

As an early champion of and participant in the green construction movement in the Midwest, we are a recognized leader in sustainable building practices. Our extensive project experience spans all Leadership in Energy and Environmental Design (LEED) certification levels, multiple LEED rating systems and both versions of WELL Building Standard. With accredited professionals in LEED, WELL Building Standard, Living Future Accreditation and Passive House on our team, we guide our clients on the importance and value of healthy and high-performing spaces.

For 15 years, our employees have contributed to the company's sustainability practices through our Beyond Green committee. Members are dedicated to advancing strategy and communication around sustainable operations at Leopardo and within the greater construction industry.

### Greenhouse Gas Emissions + Energy Efficiency

Leopardo has been tracking the carbon footprints of our office properties since 2019. In 2021, the offices and associated vehicles emitted 1,297 metric tons of carbon. We offset 190 metric tons of carbon and purchased 1,750 mwh of green power. After the offsets, Leopardo's Scope 1 emissions were 791 metric tons.

The amount of emissions for 2021 were lower than 2019, which was the first year tracking our footprint. The 2020 calendar year measurements were significantly lower than 2019 due to the reduced office occupancy and travel related to the pandemic. June 2021 saw a hybrid return to the office. It is anticipated that the 2022 year will be the most comparable operationally to the 2019 baseline.

#### NATURAL GAS EMISSIONS (2021)

Reduced by 51% over 2019

#### ELECTRIC EMISSIONS (2021)

Reduced by 20% over 2019

#### VEHICLE EMISSIONS (2021)

Reduced by 81% over 2019

#### TOTAL VEHICLE AND OFFICE OPERATIONS

Reduced 62% over 2019

The 2021 reduction in emissions from our office and vehicle operations from the baseline 2019 year of 250 mtCo2e is equivalent to:



GREENHOUSE GAS EMISSIONS FROM

**55.8**

GAS POWERED PASSENGER  
VEHICLES DRIVEN FOR A YEAR

CO2 EMISSIONS FROM THE  
COMBUSTION OF

**286,560**

POUNDS OF COAL BURNED



GREENHOUSE GAS EMISSIONS  
AVOIDED BY SWITCHING

**9,816**

INCANDESCENT LIGHTBULBS TO LEDS

CARBON SEQUESTERED BY

**307**

ACRES OF US FOREST IN ONE YEAR



### Limited Idling Policy

We have a limited idling policy in our master agreement which applies to all subcontractors and projects. Mirroring the City of Chicago's policy, it aims to protect the health and safety of operators during extreme weather when the risk is greater (temperatures below 32 or above 80 degrees F).

### Green Building Certifications

We have extensive experience with projects seeking third-party green building certifications, owner-initiated sustainability requirements, as well as single-metric sustainability requirements. Our resume includes experience with LEED, Green Globes, WELL and the National Green Building Standard. Our employees are credentialled in LEED Green Associate (GA), LEED Accredited Professional (AP), GPRO-Green Professional Building Skills Training, Passive House Builder Certification (CPHB), WELL Accreditation (WELL AP) and Living Future Accreditation (LFA).

# ENVIRONMENTAL NATURAL RESOURCE PROTECTION

## Waste Management

Leopardo has a corporate-level construction waste management program that requires project teams to divert a minimum of 50 percent of waste from landfills.

We are able to provide clients a sustainable furniture decommissioning service. Salvageable items are diverted from landfills and introduced into the reuse stream.

Internally, we offer an employee electronics recycling program and participate in the Zero Landfill Chicago program which diverts architectural samples from the landfill. Both offices offer the recycling of paper, plastic, glass, and metal. Our Hoffman office has recycling of electronics, batteries, paper, plastic, glass, cardboard and metals.

## Resource Consumption + Supply Chain Management

We self-perform numerous trades and have a significant sphere of influence with materials and supply chain management, which is magnified when our influence with subcontractor trades is taken into consideration.

As part of the Building Green Contractors Commitment, we evaluated the types of materials purchased through our self-perform trades from a sustainability and health perspective. The evaluation of drywall and accessories, cold-formed metal framing, paint, and insulation resulted

**4,400,000+ SF LEED SPACE  
BUILT SINCE 2005**

**3 LEOPARDO PROJECTS ON US GREEN  
BUILDING COUNCIL TOP 10 LEED  
PROJECTS IN CHICAGO 2020 LIST**

**LEOPARDO RECOGNIZED WITH AN  
EMERALD AWARD FOR INTENT TO  
MATTER (ILLINOIS GREEN ALLIANCE)**



in recommendations to our purchasing teams prioritizing the most sustainable and healthy choices to help guide purchasing in the future.

A healthy and sustainable materials framework has been created and shared with project teams to work to protect sustainable and healthy materials through the value engineering and substitution processes. Subcontractors, as part of this commitment, will be asked to provide Environmental Product Declarations for the materials in their work.

## Air, Land + Water Impacts

Construction has a significant impact on the environment, in both the sites we build on and the raw materials with which we build. Our overall goal is to mitigate impacts to the air, land or water as a result of our operations.

We have a corporate policy requiring stormwater pollution and prevention on all our projects. Many projects are required to do this by federal and state law, however we go a step further by requiring it on all projects with active sitework. We have also created a site-specific water plan to work in concert with our stormwater protection plan to encourage conservation and implement plans to enhance quality of water.

We also protect our employees and future occupants of the spaces we build by having a corporate-level indoor air quality standard which applies to all projects.



## ENVIRONMENTAL OPPORTUNITIES

Leopardo has been a leader in sustainable construction for some time. However, our industry involvement and advocacy around sustainable construction has set us apart from the crowd. Our focus has always been on becoming a better steward of the environment through our own actions, but our industry involvement has furthered that effort to help move the construction industry as a whole towards greener operations.

### **Building Green Contractors Commitment**

Leopardo was the first signatory to the Building Green Contractors Commitment to Sustainability, a national framework created to advance construction firms in adopting sustainable practices. This commitment successfully finished the first year with 18 signatories nationally and is moving into the second year reporting period.

### **US Department of Energy Working Groups**

Leopardo contributed to two working groups in 2021 with the Department of Energy and their Design and Construction Allies Program. We provided important insight from the contractor's perspective regarding net zero buildings and embodied carbon.

In 2021 Leopardo staff led the USGBC Materials and Resources Technical Advisory Committee, while also facilitating the Chicago Living Futures Collaborative.

## ENVIRONMENTAL GOALS

- Reduce Carbon Emissions related to energy and fuel use on projects
- Reduce embodied carbon on select projects
- Divert usable waste from projects into salvage or reuse stream
- Implement consideration of water quality and conservation into jobsite operations and use water wisely on projects









## SOCIAL OVERVIEW + SAFETY

People join Leopardo to build careers, not just for a job. We don't come to the office or job site each day because we have to, we do it because we know we're part of something bigger. We're united by the work we do every day to help improve communities, shape skylines and change lives.

### Driven by Values

We believe culture is about so much more than workplace awards and benefits. We have plenty of those too, but our culture is defined by shared values that drive us to passionately pursue construction excellence each day. To us, there's no better feeling than accomplishing the unimaginable.

### Better, Together

We find that the best ideas emerge through collaboration. At Leopardo, leadership isn't about titles. It's about fostering the immense collective intelligence of our people and partners through open, honest and transparent communication. We believe more minds are better than any single one and all voices deserve to be heard.

### Building a Legacy of Trust

We mean what we say, say what we mean and support it with our actions. We recognize that to earn trust is a great compliment, which is why we put the interest of others ahead of our own. Leopardo is not a company that micromanages. Our people are trusted to do their best, because we know they're the best in the industry.





## Safety

For us, safety is more than just a priority or goal. It's what results from meticulous planning, our employees expertise and a cultural commitment to sending everyone home safe every night. We focus on enabling things to go right, not just eliminating things that can go wrong.

Learning is considered a vital component to safe outcomes, which is why Leopardo conducts weekly toolbox talks via an in-house quiz format. Our crews and management completed over 6,600 micro-learning safety quizzes in 2021. A variety of tools, such as stand-downs and toolbox talks, have been implemented to bring attention to mental health and wellness. A comprehensive, field-based approach is underway to prevent soft tissue injuries on our projects.

We use the Real Time Risk Solutions platform to collect, analyze and act on safety observations. Our highly-engaged field operations teams captured over 58,000 safety observations last year and made over 750 corrections before they could result in mishaps. Using PlanGrid to verify that operations were safe to start, Leopardo employees have



completed more than 4,200 field reports to address demolition, COVID-19 safety, and pre-shift huddles.

### POINTS OF PRIDE

- 10+ safety awards, including the 2021 Chicagoland Associated General Contractors (CAGC) Safety Award
- Leopardo's adherence to COVID-19 guidelines prevented the spread of the virus at a project level. Our projects were deemed essential and remained open during the pandemic.
- Leopardo's Total Recordable Incident Rate (TRIR) of 0.65 is our best rate in recent history, and almost 75% lower than the national average.
- The Experience Modification Rating (EMR) of 0.81 continues to be well below the national average, even with a strong self-perform component that includes higher-risk elements like demolition and rough carpentry.

## Occupational Safety + Health

Leopardo consistently sets the safety bar higher than our peers even strive to reach. Our overall Experience Modification Rate (EMR) and Incident Rate are consistently lower than national averages. We employ and protect a field force of more than 200 tradespeople, which makes our industry-leading numbers even more impressive. Our dedication to risk management means our clients are protected too.

## Public Safety + Health

Our safety planning and evaluation tools are crafted with consideration for those affected by our work. Whether we're working in an occupied hospital or office space, or conducting exterior work around pedestrians and street traffic, we take the time and effort to reduce disruption and eliminate hazards for all persons near our jobsites.

## Regulatory Compliance

Relationships exist with regulators via professional associations. Leopardo has maintained its regulatory compliance with well over a decade free of citations or penalties. These guidelines provide an important baseline upon which our approach is built and continually improved.



## SOCIAL HUMAN CAPITAL

### Benefits

At Leopardo, we place the utmost value on the health and wellbeing of our employees and are constantly striving to understand and implement benefits that are meaningful to all. Aside from offering a variety of medical plans to choose from, Leopardo provides all full-time employees with company-paid short-term disability, life insurance and AD&D and identity protection services. We also provide an array of optional benefits, such as dental, vision, flexible spending accounts, long-term disability, off-the-job accident insurance, long-term care insurance, pet insurance and legal services. Recently, we rolled out a comprehensive Employee Assistance Program (EAP). LifeWorks provides employees access to wellness tips, exclusive perks and fitness challenges. Leopardo has some of the hardest working and most dedicated employees in the industry, and we recognize the importance of our people maintaining a healthy work-life balance, which is why we offer annual wellness screenings, tuition assistance, bereavement leave, parental leave, open paid time off, as well as paid time off for volunteering.

### Wellbeing

Our commitment to our employees' overall wellbeing is evident in the safety initiatives at play daily on our job sites. Our employees enjoy a plethora of other healthy perks, like cafe spaces stocked with nourishing snacks, gym membership discounts and more.

### Recognition

Leopardo recognizes employees in a variety of ways, including utilizing WorkDove, which allows everyone to share praise that can be tied to company values and viewed by all. We also host an annual awards ceremony, a tradition that started in the late 80s. At this event, we recognize and award individuals, departments, and project teams for going above and beyond, representing Leopardo's core values and for overall contribution to company success.

### Talent Development

We're a big company, but the entrepreneurial spirit and family values we were founded on are still prevalent today. As one of our favorite adages goes, the road to success is always under construction. This philosophy is at the heart of our efforts to always be improving. We have no doubt that our people are the reason for our success, which is why our professional development is top-notch. Immersive training comes on a daily basis through formal and informal interactions, top-down and bottom-up, and builds on individual backgrounds and expertise.

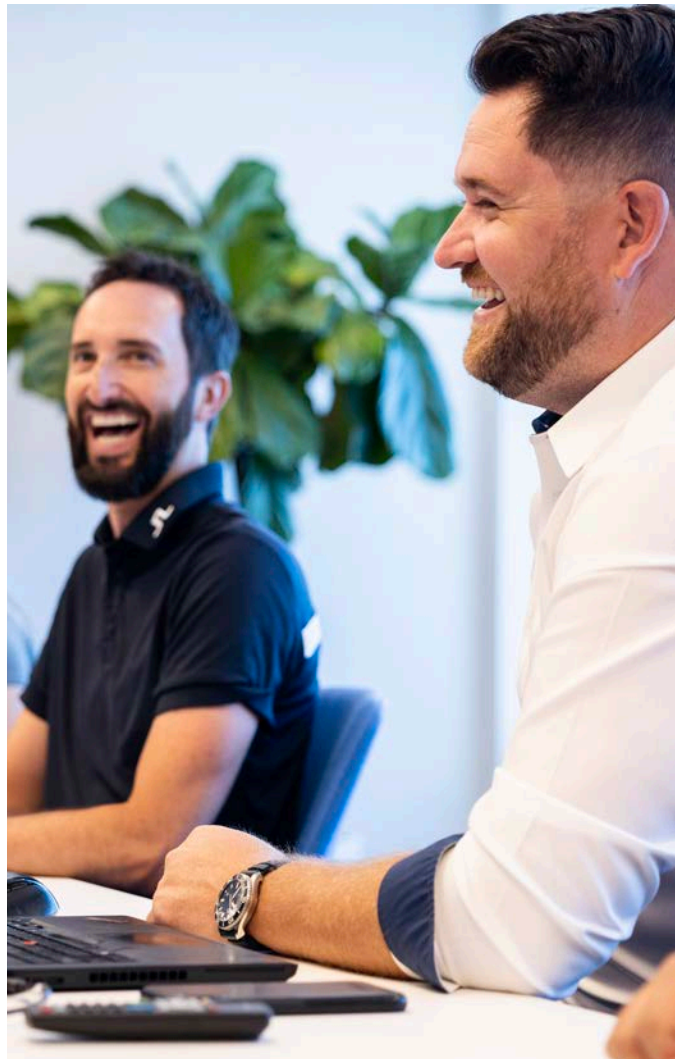




Leopardo utilizes two platforms to facilitate the talent development of our team. Through LinkedIn Learning, which has more than 10,000 on-demand video courses, managers can assign learning paths and employees are able to self-direct learning spanning a variety of subjects and skills. Leopardo also uses WorkDove, a performance management software, to help employees reach their fullest potential through appreciation, coaching and evaluation. With a similar approach to LinkedIn Learning, employees are given the keys to control their development through regular check-ins with their managers, strategic goal tracking and more.

### **Diversity, Equity + Inclusion**

Leopardo is committed to creating a diverse, equitable and inclusive work environment where everyone knows they belong and is valued for their unique perspectives, experiences and skills. We also strive to reflect the diversity of our client base, vendors, subcontractors and the communities



in which we serve. We understand that companies that embrace and invest in their employees' diverse backgrounds are better positioned to attract and retain top talent. Diversity, equity and inclusion play a critical role in building a workforce that is high performing and fully engaged. Leopardo recognizes that each employee's unique experiences, perspectives and skills add value to our ability to create and deliver on our strategic goals: to be the most meaningful workplace, to lead in client intimacy, and to create value and ensure sustainability.



## SOCIAL LEADERSHIP + ADVOCACY

### Overview + Philosophy

We have always fostered a community-minded approach to business and have instilled a culture of giving. Via the Leopardo Charitable Foundation, we participate in countless volunteer initiatives, non-profit partnerships, fundraisers, industry outreach and advocacy. We also have a charitable rock band!

### Industry

For decades, we have led the industry in safety and sustainability. We are a member of several peer groups that collaborate to advance construction practices among similar firms in non-competitive and competitive markets. Our employees sit on boards for groups ranging from US Green Building Council (USGBC) to Chicagoland Association of General Contractors (AGC), have helped adopt and advance advocacy on the state and federal level, and are active members of countless industry associations, such as Healthcare Engineers Society of Northern Illinois (HESNI), She Builds, Chicagoland Habitat for Humanity and many more.

### Outreach

As a testament to our industry mentoring work, Leopardo was named Contractor of the Year by The Coalition for United Community Action, a group of organizations dedicated to training minorities and



women for employment in the construction industry. This prestigious honor recognizes our consistent demonstration of superior construction leadership qualities and contributions specifically to the minority construction community. Other areas of commitment include fostering joint-venture relationships, as well as establishing mentor/protégé programs and other supportive arrangements. We actively participate in college and community recruiting fairs to ensure diverse hiring practices.

### Volunteerism + Philanthropy

Our employees donate their time and talent through Helping Hands, a community service volunteer committee. On average, employees collaborate on more than 20 community service projects per year and over 120 in the last decade, supporting organizations like Almost Home Kids, Ronald McDonald House, USO-Illinois and more.

Our community-minded approach to business stems from our founder and is instilled by its





leaders today. Employees are encouraged and supported through companywide volunteer paid time off as well as time/donation matching to financially support the non-profit organizations at which our employees volunteer.

Our charitable rock band, Liquidated Damages, is comprised of musicians from Leopardo and its business partners and plays numerous benefit concerts each year. Since its founding in 1998, the band has raised millions of dollars for various charities.

The Leopardo Charitable Foundation is a 501(c)(3) non-profit dedicated to the core values of kindness, goodwill, compassion and benevolence. Every year the Leopardo Charitable Foundation aids dozens of charities that support the wellbeing of citizens through education, health, and technology initiatives. The foundation has contributed to the Greater Chicago Food Depository, American Heart Association, USO-Illinois, City of Hope, Ronald McDonald House, Make-A-Wish Foundation, Special Olympics, among many others. Since 2004, Leopardo and its charitable foundation have raised and donated well over \$2.5 million.

## SOCIAL GOALS

- Increase diverse representation in Leopardo Companies across all levels by attracting and retaining talented employees from a wide array of backgrounds, beliefs and perspectives
- Create a framework that recognizes successes, encourages innovation and provides everyone with an opportunity to continue learning and developing to accelerate growth
- Create and provide educational programs to LCI staff in office and field relative to employee wellness, and EAP Programs available to support all employees
- Increase volunteerism and diverse partnerships in the communities in which we serve to support Leopardo business and corporate social responsibility priorities







## GOVERNANCE OVERVIEW

We are committed to observing the highest ethical standards and complying with all laws, rules and regulations that affect our business, our employees and our clients. Our people and our professionalism are the reasons for our success. Our reputation in the community is determined by the work we do and by the employees who represent us. For this reason, trust is one of our core values.

We realize that each employee brings their own unique perspectives and values to the workplace. Despite any differences, it's up to our organization to develop and practice an ethical code of conduct by the way we act and speak while performing our day-to-day job functions. We value diversity and enthusiastically encourage the free exchange of ideas among employees.



# GOVERNANCE

## CORPORATE GOVERNANCE

### Advisory Board

We have a diverse group of professionals from various disciplines that bring different perspectives to our advisory board. They engage in robust dialogue with our management team to ensure the adherence to good corporate governance practices that guide our company and inspire best practices.

### Ownership + Oversight

Our management team is responsible for setting our strategic goals and operational objectives, as well as leading the business with integrity, honesty, and professionalism. Guided by our founding shareholder, Leoparda is a family-held business maintaining our roots of compassion, respect, and responsibility.



### Compensation Structure

Our compensation and reward system is linked to operational and financial performance of both the company and the individual. Programs include rewards for operational excellence, teamwork and safety, among others. Incentive programs include both short and long-term rewards associated with serving our clients and our commitment to quality and excellence.



## GOVERNANCE ETHICS + COMPLIANCE

### **Code of Conduct**

Integrity, honesty and professionalism are incorporated into everything we do. Our philosophy on acceptable business practices is talked about and incorporated by how we go about our work by upholding our values to gain and maintain trust of our employees, clients and partners.

### **Anti-Competitive Practices + Bid Rigging**

We believe in a free and open competitive environment that fosters the best services at a fair price. Employees understand their responsibility to avoid conflicts of interest or sharing of competitive information. We believe in honest and independent processes that can also help drive efficiencies and innovation with our partners. This results in the best outcomes for our company, our customers and our communities.

### **Undue Influence**

Relationships are built on trust and respect in building goodwill with others. We conduct our business honestly and independently. Our employees are prohibited from offering, giving or receiving anything of value to buy influence or obtain unfair advantage.



# INTEGRITY

# HONESTY

# FAIRNESS



# GOVERNANCE RISK MANAGEMENT

## Enterprise Risk Management

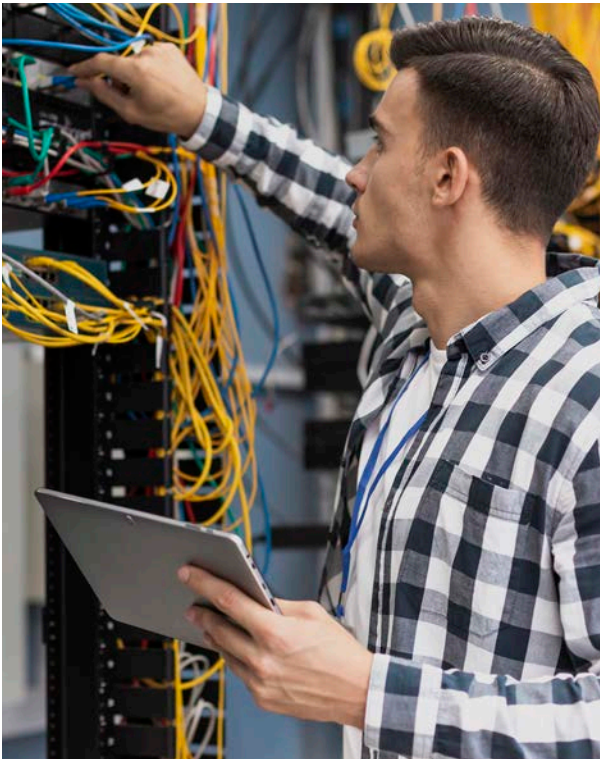
We are committed to transparency in our reporting and disclosures and align our practices, policies and procedures with governing bodies of accounting, regulatory and legislative guidance. To honor our commitment to protect all stakeholders, we share risk management responsibilities across the entire organization and conduct our affairs consistent with the highest standards of integrity.

## Project Risk

We commit extensive resources to providing the tools, technologies and processes for our employees to be successful in delivering projects. We constantly review and assess the risk of our projects and their impact on our environment, resources, our client, our sustainability commitments, safety, ethics, and employees, and we look to manage projects in alignment with our commitment and framework.

## Cyber Security + Privacy

Cyber security and privacy attacks can have



disruptive even crippling impacts to an organization. To protect the company, we invest in multi-layer security and cyber security awareness training for employees. We also have extensive backup, recovery and security processes to ensure data and software under our control are protected and available.

## Proprietary + Confidential Information

We are committed to respecting privacy and protecting sensitive data under our control. All employees are required to protect the confidential information of the company, our clients and others with whom we do business and ensure that such information retains its value and confidentiality. We take seriously the process, procedures and technology requirements to ensure the security of such information.

# GOVERNANCE GOALS

Leopardo has developed a five-year strategic plan that focuses on sustainable growth and increasing shareholder value. With support from the advisory board, senior leadership will implement best management practices and work to accomplish the objectives set forth in the plan holding themselves and their teams accountable to the agreed upon performance measures.

- Transition advisory board to take on governing duties
- Align senior management long-term compensation to shareholder value growth
- Ensure the organization has a strategic plan that focuses on growth, sustainability and creation of shareholder value, and ensure the organization has the managerial and organizational talent to perform against the strategic plan
- Ensure the organization has appropriate cyber and financial risk mitigation programs in place to safeguard assets
- Institute governance best practices for private company boards
- Ensure all directors are qualified and participate in annual training programs



## AWARDS + RECOGNITION

At Leopardo, we're honored to be recognized for consistently being an industry leader. Collaborating with our clients, architects, brokers and subcontractors has helped us win virtually every industry award multiple times over and routinely rank among the nation's top contractors.



**UNIVERSAL TECHNICAL INSTITUTE / PROJECT OF THE YEAR - CONSTRUCTION INDUSTRY SERVICE CORP.**

**8 CONTRACTOR  
OF THE YEAR  
AWARDS**

**11 SAFETY  
AWARDS**

**16 PROJECT  
OF THE YEAR  
AWARDS**



**ARTHUR J. GALLAGHER HQ / PROJECT OF THE YEAR - ASSOCIATION OF SUBCONTRACTORS + AFFILIATES**



**YOUTH + OPPORTUNITY UNITED HQ / EXCELLENCE IN DESIGN - DESIGN EVANSTON**



**FBRK IMPACT HOUSE / PROJECT OF THE YEAR - CHICAGOLAND ASSOCIATED GENERAL CONTRACTORS**



**WILL COUNTY PUBLIC SAFETY COMPLEX / PROJECT OF THE YEAR - AMERICAN PUBLIC WORKS ASSOC.**



**INDEPENDENCE LIBRARY + APARTMENTS / PROJECT OF THE YEAR - ENGINEERING NEWS-RECORD**





**AURORA POLICE HQ / PROJECT OF THE YEAR -**  
CONSTRUCTION INDUSTRY SERVICE CORP.



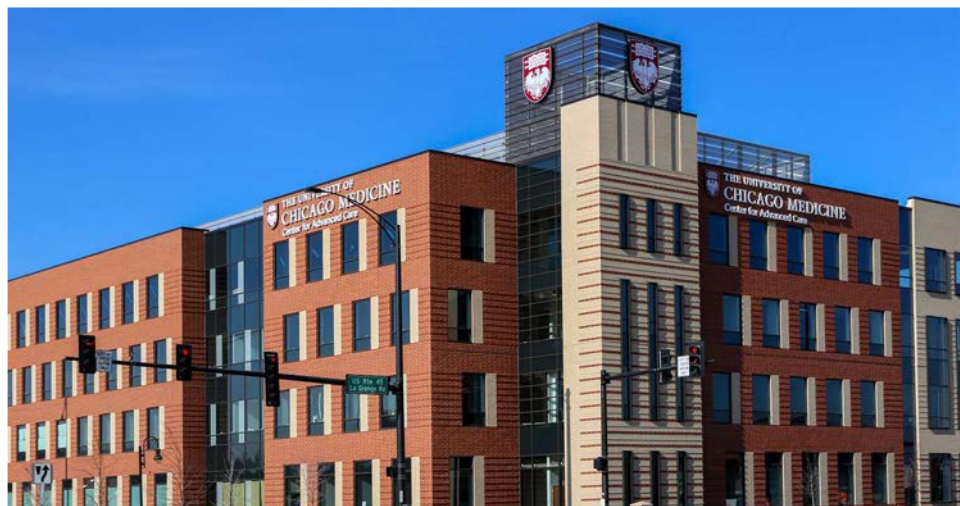
**HANOVER PARK POLICE HQ / PROJECT OF**  
THE YEAR - AMERICAN PUBLIC WORKS ASSOC.



**HILTON CANOPY + HILTON GARDEN INN**  
**HOTEL DEVELOPMENT / PRESERVATION**  
EXCELLENCE AWARD FOR ADAPTIVE REUSE -  
COMMISSION ON CHICAGO LANDMARKS



**DULY HEALTH + CARE ONCOLOGY INSTITUTE / PROJECT OF**  
THE YEAR - FOX VALLEY ASSOCIATED GENERAL CONTRACTORS



**UCHICAGO MEDICINE CENTER FOR ADVANCED CARE /**  
PROJECT OF THE YEAR - CONSTRUCTION INDUSTRY SERVICE CORP.



**WEST CHICAGO ARC CENTER / PROJECT OF THE YEAR**  
- FOX VALLEY ASSOCIATED GENERAL CONTRACTORS

**500+ INDUSTRY AWARDS**





Hoffman Estates  
5200 Prairie Stone Parkway  
847.783.3000

Chicago  
120 S Riverside Plaza, Suite 2150  
312.298.1000

Orlando  
6314 Kingspointe Parkway, Suite 7  
224.277.5549