

REPORT 2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE





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REPORT SUMMARY



A MESSAGE FROM OUR CEO

Last year, TLC released our first ESG report. Since then, we have grown to include more than 450 talented professionals, and with the recent addition of our Los Angeles location, we now have offices that span from coast to coast. We are vastly different from the firm that started in an Orlando garage. Yet we remain employee-centered, conscious of our impact on the environment, cognizant of our societal obligations and committed to THINK-ing boldly, LISTEN-ing attentively and CREATE-ing passionately.

Our engineers and designers are focused on creating the skylines of tomorrow. It is our responsibility to be forward thinking in our designs to ensure they have a positive impact on future generations.

Transparency to our stakeholders is the key reason we developed our ESG report, which provides a high-level overview of the risks and benefits associated with our initiatives and policies. It is important for us to reflect on where we've been and have a road map to where we're headed.

Our previous report set twelve ESG goals, one of which is to continue to update this report and use metrics to accurately track our progress.

As we continue to create a more sustainable future, I welcome your comments, suggestions, and thoughts. We are a work in progress and continue to push ourselves forward towards stretch goals that will build a better future.



Michael

Michael P. Sheerin Chief Executive Officer

The future is bright but requires intentional thought on how to design a better tomorrow.



MISSION

To think boldly, listen attentively and create passionately.

TLC's vision is to be the trusted engineering advisors creating high performance environments.

ONE TLC HIGH PERF CARING COMMITTED HIGH PERFORMANCE HON

HIGH

Our core values are what guide us in all that we do

ONE TLC HIGH PERFO

COMMITTED CONF

HIGH PERFORMANCE HONES

CONFIDENT EXTREMI

HONEST HUMBLE CARING C

 $\langle \rangle$ **CORE VALUES** One TLC, High Performance, Honest, Humble, Caring, Committed, Confident, Extreme Service





CULTURE

Our participation in the International Living Future's JUST Program, an innovative transparency platform that reinforces our position as a socially just and equitable firm.



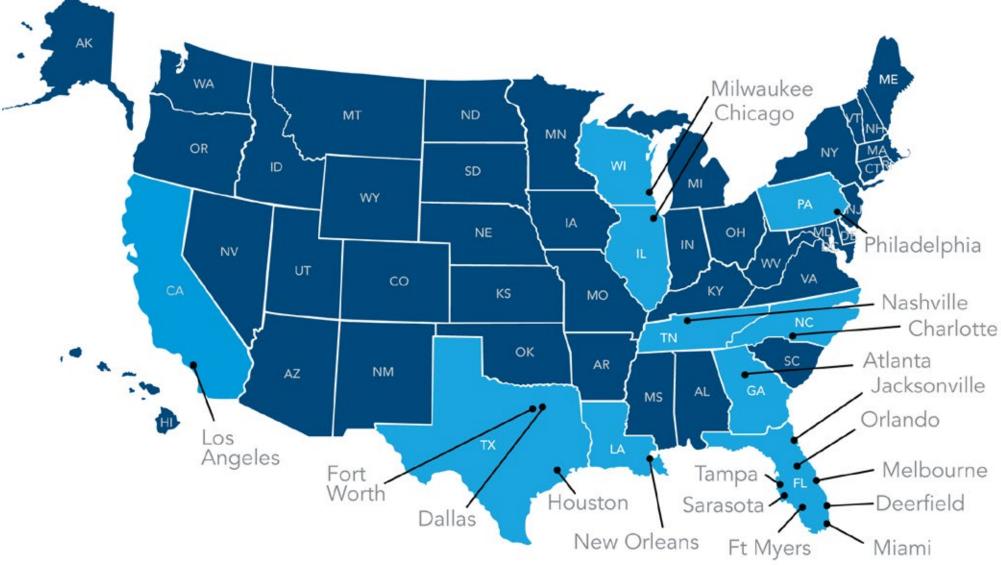
- 2021 Cigna Well Being Award
- 2023 Zweig Top Firm to Work For
- 2022 Healthiest Employers Honoree ranked by OBJ



BUSINESS PROFILE

At TLC Engineering Solutions, Inc. we are continuously learning and growing, and it is that commitment to constantly evolve that led to our rebranding in 2019. TLC continues to provide high-performance engineering design, consulting and energy services.

We have offices that span from coast to coast, with our headquarters located in Orlando, Florida. Founded in 1955 and consistently ranked among the largest engineering firms in the country, we are an industry leader with expertise in diverse markets, from education to healthcare to aviation. We provide comprehensive services that allow clients to collaborate with a dedicated team from start to finish.

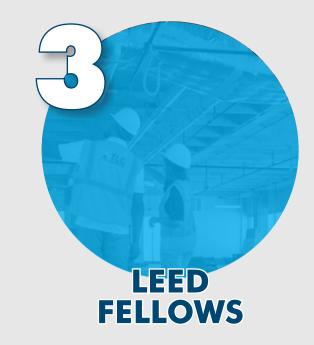


TLC BY THE NUMBERS



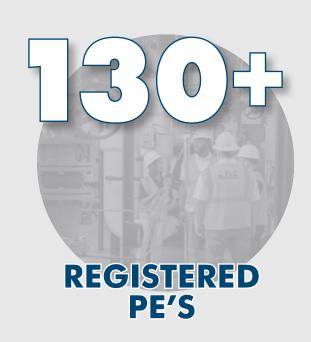














CURRENT RANKINGS

#215

ENR Top 500 Design Firms

#70

ENR Top 100 Green Design Firms

#36

ENR Southeast Top Design Firms

#25

BD+C Top **Engineering Firms** #35 MEP Giants Consulting-Specifying Engineer

FY22 HIGHLIGHTS

Hours added to **Volunteer Time Off Policy**

Weeks added to Parental **Leave Policy**

50%

Increase in Female Shareholders

Years of JUST Label Certification

6%

Increase in Employee Satisfaction

ESG Report Released



2022 ESG GOALS & PROGRESS

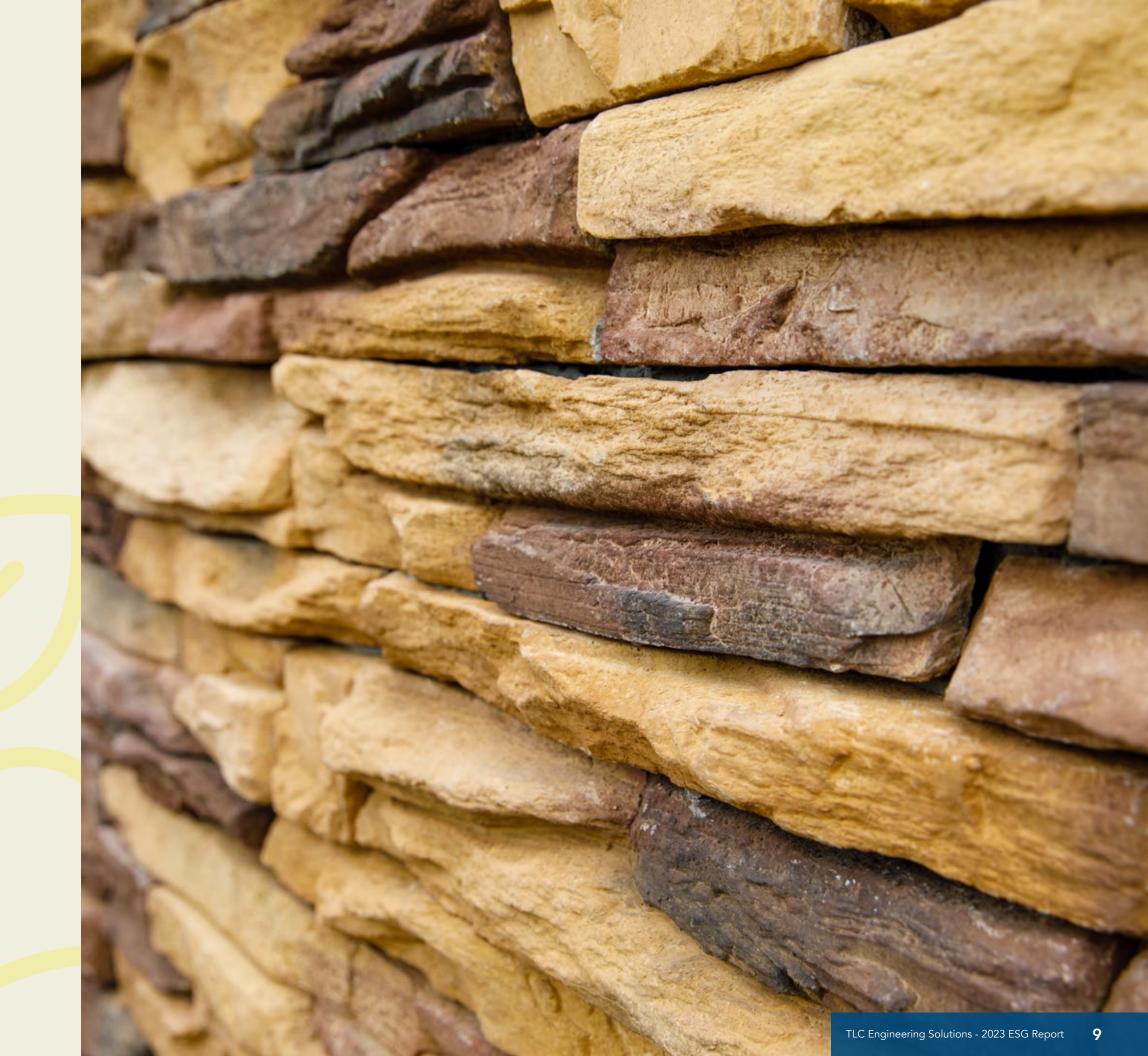
Issue	Target	Status
Environmental	Achieve net zero carbon operations.	
	Attain net zero waste by 2040.	
	Minimize ongoing climate risk to operations.	
	Lead the AEC industry to adopt net zero carbon goals.	
Social	Provide health and wellness certification in the in the office workplaces for our employees.	
	Increase company paid volunteer hours from 4 to 8 hours per year.	
	Identify stakeholders within the local communities we work in and create a community engagement plan.	
	TLC Leadership should reflect the diversity of the communities in which we work.	
	In addition to the current 12 weeks of paid maternity leave, increase the benefit to include 12 weeks of paid parental leave.	
	Update our compensation policy to include providing a living wage for part-time and temporary employees, contract workers, and interns, based on their assigned location.	
	In 2022, create a framework for tracking where we procure goods to achieve a future goal of at least 5% of goods/services from Disadvantaged Business Enterprises (DBE), B-Corps, and/or JUST organizations.	
Governance	Update TLC's ESG report annually.	

Color Key Green - Achieved Blue - In Progress Yellow - Planning Stage Red - No Progress

In July of 2022, TLC's Board of Directors approved the goals in the chart above. Over the past year, leadership has focused on moving these initiatives forward and we are transparent on the status of each goal.



The environment is vital to us. We understand that the earth is not just our home for the present but will also be home for future generations. We make conscious efforts to reduce our waste, assess risks, and take action. Environmental responsibility is a driving force for us at TLC. Throughout this section, we will discuss our environmental goals and elaborate more on what this means for us as a company.



GHG EMISSION INVENTORY AND REDUCTION PLAN



GOAL:

Achieve net zero carbon operations.

WHY THIS IS IMPORTANT TO TLC.

Buildings generate nearly 40% of annual global CO₂ emissions. As designers, TLC has a responsibility to advocate for low carbon design to help reduce carbon emissions on our projects. As a firm our goal is to become a net zero / low carbon firm by 2040 and set an example for our clients of what is possible. To achieve this TLC understands that its impossible to manage what is not being measured.

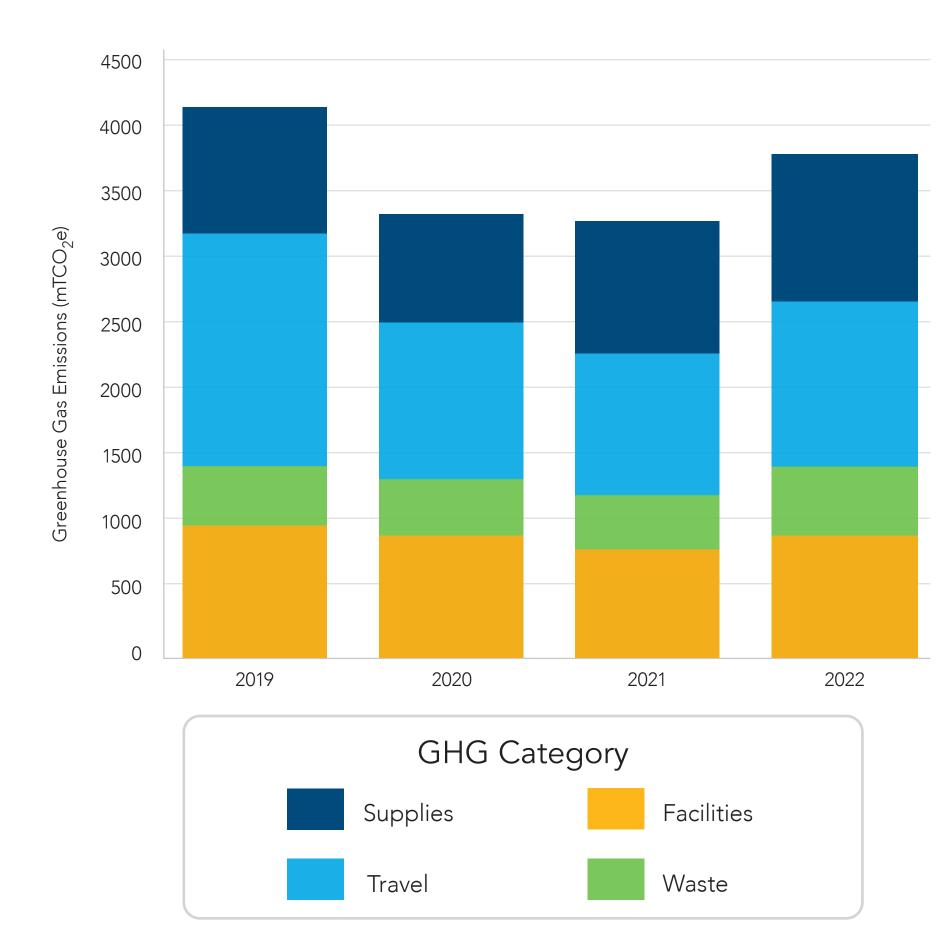
Our first step in the path to our net zero goal, is to understand where we stand by inventorying and implementing a rigorous accounting process for Scope 1-3 GHG Emissions, which is clearly defined by the EPA. TLC is developing a tracking process that will be tracked quarterly so that processes can be continually refined.

ACTION PLAN:

- » Inventory Scopes 1, 2, and 3 Emissions
- » Purchase Gold Standard Carbon Offsets

DFFINITIONS:

- » Scope 1: Emissions from on-site combustion sources, such as boilers, furnaces, and vehicles. Scope 1 also includes emissions due to on-site use of refrigerants for HVAC, food services, fire suppression systems, etc.
- » Scope 2: Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Also known as source energy
- » Scope 3: All other indirect emissions that occur in a company's value chain, such as transportation of purchased goods/services, business travel, employee commuting, waste disposal, use of sold products, transportation and distribution, investments, leased assets, and franchises.



WASTE REDUCTION AND MANAGEMENT



GOAL:

Attain net zero waste by 2040.

ACTION PLAN:

- » Create a system for tracking waste and recycling in all office locations
- » Eliminate single-use, non-recyclable goods
- » Implement recycling and composting at all office locations
- » Require supply chain to "take back" all packaging

WHY THIS IS IMPORTANT TO TLC

From a global standpoint, waste that is stored in landfills generates methane, another green house gas that contributes to climate change. Additionally, landfill space is running out.

TLC is dedicated to eliminating as much landfill waste as possible to help contribute to the reduction of both greenhouse emissions and landfill space, while lessening the impact on agriculture and freshwater locations.

Waste reduction and management also has a correlation to employee health, by reducing the amount of waste in the communities the employees live and work in.

As a company, TLC has instituted a number of policies that encourage employees to be conscious of limiting their waste production. Some of these policies include recycling, limiting paper hard copies, duplex printing, and composting.

REDUCING WASTE THROUGH COMPOSTING

TLC offices provide opportunities for recycling and composting, with all office equipment, materials and supplies acquired under our Board approved sustainability purchasing policies. TLC's headquarter office receives composting service from O-Town Compost, a local, Orlando-based small business. There is a dedicated 10-gallon composting bin located in TLC's cafe / break room, with instructional signage for users. O-Town Compost collects the bin weekly and replaces it with a clean bin. Last year, we produced 66 gallons of raw compost feedstock. The intent of composting at TLC is to provide enough collection receptacles and storage to manage 100% of the organic waste generated.





CLIMATE RISK AND RESILIENCE



GOAL:

Minimize ongoing climate risk to operations.

WHY THIS IS IMPORTANT TO TLC

The livelihood of mother earth is at stake. At TLC, we understand the risks associated with climate change and the complex and ever-changing demand put on our built environment. As a trusted advisor, we take seriously our role of interpreting the best available environmental and technical data and translating that into actionable steps our clients can take. Our clients desire projects that meet or exceed their goals, their occupants' goals, their communities' goals and implement industry best practices. TLC has the design skills and expertise to serve as the bridge to connect these goals.

ACTION PLAN:

- » Identify and document risks for each TIC office location
- » Implement preventative/protective measures
- » Implement crisis event management plan

RESILIENCE INITIATIVES

Our pursuit of resilience is evident through our unwavering commitment to adapt, innovate, and overcome challenges.

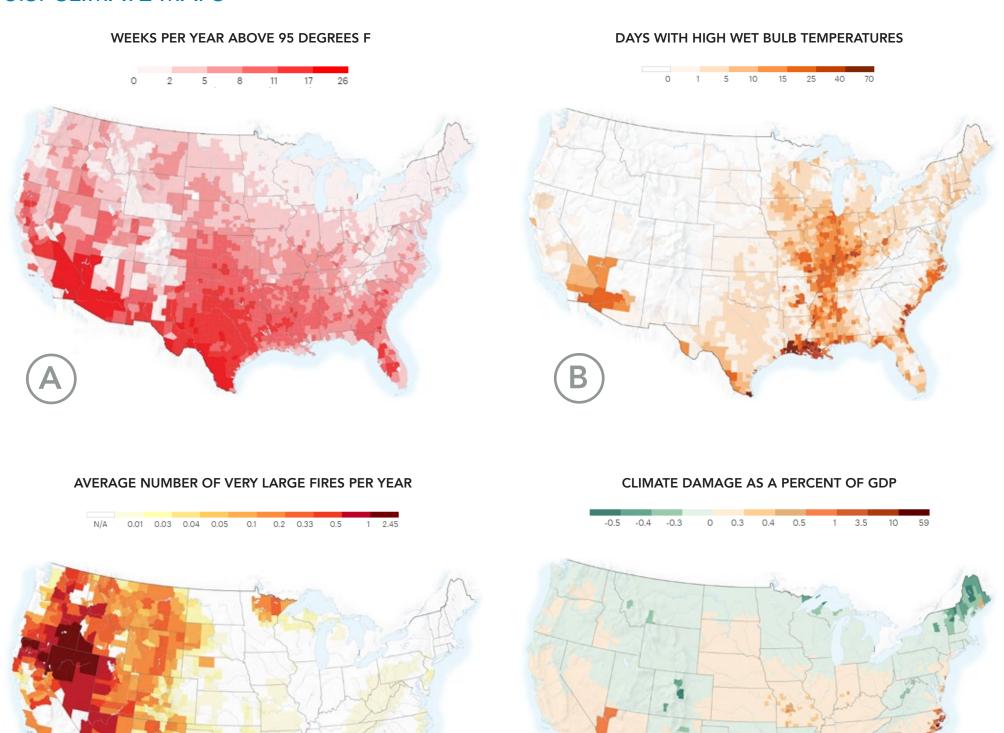
A significant number of our office locations are situated in regions directly affected by the consequences of climate change. To enhance the resilience of our offices upon renewal of current leases, we consider proximity to flood zones, commercial services, and reliability of services as a decision-making factor. A perfect example of this is our Ft. Myers office, which is located on a major street, not adjacent to the beach and near commercial properties. During recent hurricanes, our office remained resilient as it experienced no significant flooding and incurred no major structural damage. Due to its location, the grid it is connected to had power and internet back before many of the staff's residences, demonstrating the effectiveness of our preparedness protocols.

Over the past few years, TLC has been transitioning the majority of its infrastructure to the cloud to create a framework that ensures the company remains unaffected by the offline status of any individual office. This effort is anticipated to be completed in 2024. TLC also made the investment in BIM 360 licenses for all our design studio, to ensure access to our models from anywhere.

Although TLC's servers are located in its headquarters in Orlando, Florida, the firm has established backup systems and servers at an alternative location, in another state, as a redundant solution. Having it geographically separated from our Florida offices means the rest of the company can continue to operate smoothly if there were a major event in Florida.



U.S. CLIMATE MAPS



PERCENTAGE OF PROPERTY BELOW HIGH TIDE



TLC Office's Projected Climate Impacts

	•				
Α	В	C	D	E	
9	6	4	1	8	
6	6	4	3	8	
4	5	4	6	8	
4	4	4	6	8	
6	7	4	2	6	
9	4	3	1	6	
6	4	4	3	5	
7	2	3	3	6	
7	4	4	1	5	
9	4	1	1	5	
4	1	4	3	8	
6	5	1	1	5	
4	7	1	1	4	
4	4	3	1	5	
6	1	1	1	5	
4	2	3	6	5	
3	5	1	1	4	
4	1	1	1	5	
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2030 | 2040 | 2050 CHALLENGES

TLC is committed to incorporating sustainability in our designs to help our clients maximize efficiencies while working towards carbon-neutrality. Since signing on to the AIA 2030 commitment, TLC has reported our project progress for 11 years to show how our projects work towards the 2030 goals. TLC's Sustainability Action Plan outlines the projects that are reported.

Projects with an MEP design fee of \$50,000 or more are to

- » Establish an EUI goal with our clients, and
- » Energy model them at major design phases, and
- » Publish the goals and results through the AIA's Design Data Exchange (DDx).

Projects that meet the requirement are included in our submission list, and as projects are modeled, they are updated on the DDx for that design phase. At the end of the year, we submit our portfolio to the AIA displaying the projects we should be modeling and the ones that we have. The AIA anonymizes the reports from the participating firms and publishes a snapshot on how this segment of the building industry is approaching the commitment goals.

Based on our 2022 submission, 34% of our modeled projects have been modeled early in the concept or SD phase which places us on a better track to produce high performance designs through collaboration with our clients.

In 2021, TLC became a signatory member of the MEP 2040 Challenge, committed to reducing the carbon intensity of our MEP systems and designs. We also are active participants in shaping the MEP 2040 commitment with members in the steering committee and working groups. Additionally, we are supporters of the SE 2050 commitment to evaluate how TLC can succeed in the decarbonization of our structural designs. Following SEI's SE2050 Commitment, TLC is refining our tools for conducting Lifecycle Assessments (LCA's) to calculate the impact our projects have on global warming.

Overall, transparency is key to being successful for all our Commitments. Through these challenges, we address the impact of the built environment in climate change in a project-based, data-driven manner.



MEP
2040
Committing to Zero



The decisions we make concerning refrigerants, materials, systems types, and equipment sizing have a profound impact on both embodied and operational carbon emissions.

- Michael P. Sheerin, PE, LEED AP

ADVOCACY



GOAL:

Lead the AEC industry to adopt net zero carbon goals.

WHY THIS IS IMPORTANT TO TLC

Design is essentially a collection of value judgments - making decisions about the elements of and the systems that TLC designs to enhance the quality of and support the function and operation of these buildings. TLC believes that among the many values that must be considered (for example, physical size, capital and operating cost, flexibility, resilience and ability to maintain) in making recommendations to our project teams, consideration of carbon emissions associated with those decisions is of significant consequence to the future of mankind.

TLC was among the early adopters of, and to take leadership positions in, the AE industry initiatives that have been created to provide guidance on the reduction of both operational and embodied carbon emissions. The firm takes these positions because it believes that our leadership can help turn the tide of climate change and is essential to the goal of providing a bright future for generations to come.

Over the last year, TLC has provided its data for 18 Million GSF among 102 projects for the AIA 2030 Commitment and been an active participant on the MEP 2040 Challenge steering committee.

ACTION PLAN:

- » AIA 2030 Commitment/Architecture 2030 Challenge
- » SEI 2050 Commitment to net zero embodied carbon
- » MEP 2040 Challenge to life cycle zero carbon



1,794 **GREENWEEK ATTENDEES**

OVER THE PAST THREE YEARS



Annual Education & Awareness Event

GREENWEEK 2023

Recognizing what an impact sustainable design can have on the health and wellness of all of us, TLC began its annual week-long GreenWeek event almost a decade ago. With a different theme each year, GreenWeek provides our clients and partners the opportunity to learn about a variety of sustainability-focused topics. Engaging internal and external specialists in various fields and topics, we bring together experts to present and share their ideas and solutions for a more sustainable future for all.



At TLC, we are not just a company; we are a community. We lift each other up, celebrate life moments, and genuinely care for one another. We take pride in knowing that people enjoy working here and socializing with their co-workers.

The health of our employees is a high priority, which is why we have established so many different benefits to ensure that our staff remains happy and healthy. Another important issue for us is diversity and inclusion. With the world around us being so diverse, we strive to reflect that within TLC.

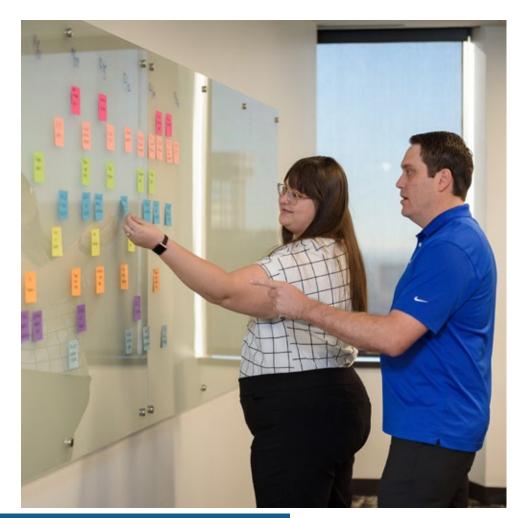


CULTURE / EDI

TLC's culture is one of professional growth and development, transparency, and community engagement. Our employees, known as TLCers, are encouraged to participate in professional associations where they can learn through shared knowledge. We invest in continuing education as well as mentoring and training programs that provide valuable skills to TLCers while enhancing our client-service delivery.

We embrace openness and transparency to facilitate trust among our team and increase employee engagement. As an open-book company, we regularly share financial information with TLCers to provide insight into the health and performance of the company.

We practice what we preach. Our participation in the International Living Future's JUST Program, an innovative transparency platform, further reinforces our position as a socially just and equitable firm.









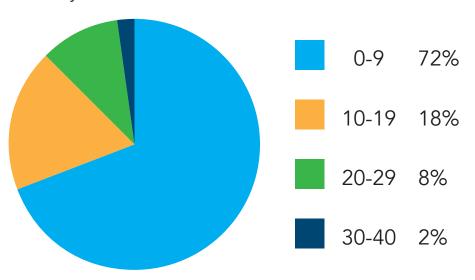


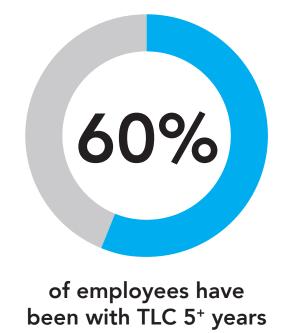
TLC EMPLOYEE BENEFITS TO ENCOURAGE RETENTION:

- » Support professional licenses and certifications
- » Reimburse for external seminars, workshops, and conferences
- » Collegiate education assistance
- Online library of discipline-specific and professional development courses
- » Internally and vendor taught TLC University lunch and learns
- » Flexible work schedule (days of week, start time, working remotely)
- » TLC Solutions Stars and Employee of the Year recognition programs
- » Cafeteria of Compensation Benefits Plan
- » TLC Cares Loan and Grant Program

EMPLOYEE TENURE

While the norm in some industries is jumping employers frequently, TLC is an exception, with an average tenure of nine years.











HEALTH AND WELLBEING

TLC appreciates the importance of providing a healthy environment and benefits to our team and has been recognized for doing so with:







GOAL:

Provide health and wellness certification in the in the office workplaces for our employees.





SUPPORTING THE TLC FAMILIES

TLC incorporates multiple programs to support the diversity and makeup of our TLC Family population. TLC Cares Fund is a tangible display of the firm and employees supporting one another. The purpose of this fund is to help employees who are experiencing sudden financial difficulties. Employees voluntarily donate \$1 or more a paycheck to support the fund, with TLC matching up to \$10,000 per year. Employees can receive interest-free loans to be paid back by check deductions after 30 days. Grants are also offered relating to things more tragic in nature, such as a hurricane or death in the family, as well as supporting employees through health emergencies when they hit the medical plan annual out-of-pocket max.

TLC also supports our families during adoptions and births through the 401(k) Secure Act Birth and Adoption Assistance program. A plan participant may take a withdrawal of up to \$5,000 for up to a one-year period following the birth or adoption.

Employee Contributions	\$10,556.78
Biweekly Participants	89
Grants Funded (29)	\$25,850*
Interest-Free Loans Offered (13)	\$13,950

^{*} Includes standard, hurricane, and out-of-pocket max

TLC HEALTHY WORKPLACES

As we renovate and occupy new office space, we are committed to the health and wellness of our staff and visitors to those offices. We will seek the International Well Building Institute's WELL Performance Rating for these spaces, partly through the continuous monitoring for seven different parameters: temperature, humidity, carbon dioxide concentration and total volatile organic compound concentration in the office air, concentration of airborne particulates larger than 2.5 microns, noise and light.

To date, we have installed these monitors in three of our office locations (Orlando, Jacksonville and Nashville). We intend to make the information from these sensors visible to our staff through a widget on our intranet webpage, MyTLC. As of 2023, none of our offices have achieved the WELL Performance Rating. We hope to do better in the future.

The following is a typical report. The "Average Score" is a compilation of the individual parameters being monitored.











COMMUNITY INVOLVEMENT

TLC supports clients and building owners from 19 locations, as well as having several employees who live remotely to balance their family commitments with being part of the TLC family. Our presence in these communities means that we use our engineering skills to improve where we live by designing healthcare, education, recreation, municipal and infrastructure projects that are sustainable and resilient. It also means that we regularly engineer projects that benefit our communities for no or low fees.

TLC supports and is involved with many clients and building owners through support for their philanthropic events, as well as our staff volunteering time and talent for numerous community activities that include:

- » American Cancer Society Relay for Life
- » American Heart Association Heart Walk
- » ACE Mentor Program
- » Creating a NetZero Patch for the Girl Scouts of America
- » Big Dreams Bloom
- » DiscoverE's Engineers Week K-12 school STEM Program
- » Dress for Success Clothing Drive
- » Local Food Banks
- » Annual OneBlood Donations
- » Local K-12 School Supply Drives

TLC is also active in the USGBC's Building Learners Program, which focuses on the empower teachers and students to use their school building as a sustainability learning laboratory.



GOAL:

Identify stakeholders within the local communities we work in and create a community engagement plan.



GOAL COMPLETED:

Increase company paid volunteer hours from 4 to 8 hours per year.

VOLUNTEER TIME OFF

Community volunteering is an investment in a community and its people, and TLC is demonstrating our commitment to improving the communities we live and work in.

Currently, TLC provides paid time off for volunteer activities at 50% (2 hours volunteering = 1 paid hour volunteering) up to a maximum of 8 hours paid volunteering time annually (16 hours of volunteer activities). This allows our employees the flexibility to volunteer during the workday without having to take PTO hours. In addition, TLC provides up to 16 hours of unpaid time off work annually for employees to participate in volunteer activities.

One of the goals set forth in TLC's 2022 ESG Report was to double the number of paid volunteer hours from four hours annually to eight hours annually. The Board of Directors approved this change, and it is now part of TLC's employee benefits.





LEADERSHIP DEVELOPMENT

As an employee-owned firm, our shareholders have a stake in the company's success. To become a shareholder, an employee must be nominated, screened, and voted on by the Board of Directors. A core team, the **Leadership Development Group**, was created to help identify future leaders early in their careers and grow them to become successful partners in the firm.

LEADERSHIP DEVELOPMENT GROUP (LDG)

The LDG is comprised of both Board and non-Board Shareholders with the intentions of improving leadership and future leader development at TLC. This includes how TLC identifies, selects, and develops TLC's future Associates and Shareholders.

This group has helped to further refine the shareholder nomination process. One of their goals is to also bring transparency within the Associate and Sr. Associate process.

The goals of the LDG are as follows:

- » Improve Process
- » Identify Best & Brightest
- » Nurture, Mentor, and Train Future Leaders
- » Partners, not "Ownership Club"
- » Increase Shareholder "Yes Rates" Without Lowering Standards



GOAL:

TLC Leadership should reflect the diversity of the communities in which we work.



TLC's EMERGING LEADERS PROGRAM

TLC's Emerging Leaders is a fourmonth program designed for high-potential employees being considered for leadership roles. Each Emerging Leaders class is nominated by their Director and reviewed for selection by the CEO and COO. Emerging Leaders complete assessments, participate in hands-on activities, and create a leadership plan on how to accomplish their goals. Assertiveness, active listening, providing constructive feedback, time management, mentoring, projecting a positive personal brand, and networking are just some of the skills they learn and practice during the program. This program helps to grow future TLC leaders from a diversity of backgrounds.



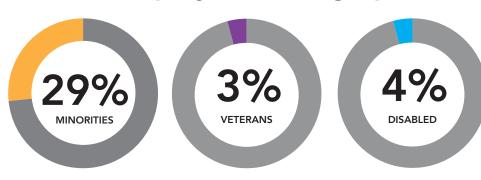




DIVERSITY AND INCLUSION

TLC ensures that all individuals regardless of race, color, religion, creed, sex, gender identity or expression, national origin, ancestry, age, physical or mental disability, genetics, marital status, veteran status, or other basis are treated on the same basis in terms of recruitment, hiring, training, and promotion. We foster an environment where everyone is empowered to reach their full potential and does not condone discrimination or unlawful harassment. TLC conducts an annual review of diversity in each job classification and level by gender, race, disability, and veteran status.

TLC Employee Demographics







75%

STAFF COMPOSITION BREAKDOWN

59 WOMEN



327 MEN

NON-TECHNICAL STAFF





13 MEN

TLC's IDEA

TLC launched **IDEA** (Inclusion, Diversity, Equity, and Accountability) in 2021 to strategically drive change through embracing diversity, encouraging inclusion, and ensuring equity to positively affect our culture and attain accountability. The vision is to foster an accepting community.

IDEA's 2023 goals are:

- » Host a racial diversity panel to give staff an opportunity to educate themselves on the topic
- » Host potlucks in each of the offices to be more inclusive in celebrating a variety of cultures
- » Partner with the Women's Initiative STEM Mentorship Committee to host job shadows to educate students
- » Determine how to create sustainable affordable housing through partnerships with non-profit organizations and contractors

TLC WOMEN'S INITIATIVE

The **Women's Initiative** was formed in 2016 to empower women with the tools to achieve advancement in the workplace while supporting personal growth. Their vision is to be valued for our individual work product, strengths, and potential, in an open and socially intelligent environment, using the power of ideas to influence perspectives to build a strong foundation for the future.

The goal is to increase advocacy for the intentional development and retention of women leaders within TLC and increase innovation, creativity, with higher quality solutions to serve our clients' needs.

During Women's History Month 2023, the Women's Initiative hosted its first in-person summit which gathered 30 members from across the country to strengthen their internal bonds and develop new skills that will benefit them in a male-dominated industry. They heard from a panel of four women leaders from various industries and learned best practices for negotiations.





JUST

Recognizing the importance of transparency, social equality, and treating each TLC team member fairly, in 2015 TLC began the process to earn our JUST Label from the International Living Future Institute. Our label was initially awarded in 2016, and in both 2018 and 2020, we were approved for renewal under JUST 1.0. Most recently, we renewed our JUST label under the more stringent 2.0 criteria, which includes a few new categories.

The JUST renewal review process provides a framework for reviewing many HR policies including gender and ethnic diversity, pay-scale equity, gender pay equity, family friendliness, worker happiness, benefits, and education to name a few.



TRANSPARENCY

Information is shared from the CEO to the entire shareholder group regularly and in person twice a year. For years, a monthly Assembly meeting, open to all TLC employees, has included our current financial situation, marketing wins and other key financial information. This meeting also serves as a celebration of work anniversaries, birthdays and other milestones plus information sharing, keeping employees in informed.

Having a JUST label has benefited TLC in improved recruiting outreach, employee retention and satisfaction, and has allowed us to receive social equity credit in both the LEED and Living Building Challenge building project rating and certification systems.

- Shellie Jones,
Director of Human Resources

PERFORMANCE LEVEL INCREASES

The graphic below provides an overview of our performance level increases since the last renewal, and it also shows the levels for which we received full points.

DIVERSITY AND INCLUSION

FULL PTS

Engagement

PURCHASING & SUPPLY CHAIN

+2

Supply Chain

EQUITY

FULL PTS

Full Time Employment

FULL PTS

Pay-Scale Equity



Living Wage

STEWARDSHIP

+1

Local Communities

+1

Positive Products

EMPLOYEE BENEFITS



Retirement Provision

FULL PTS

Training/Education

EMPLOYEE HEALTH

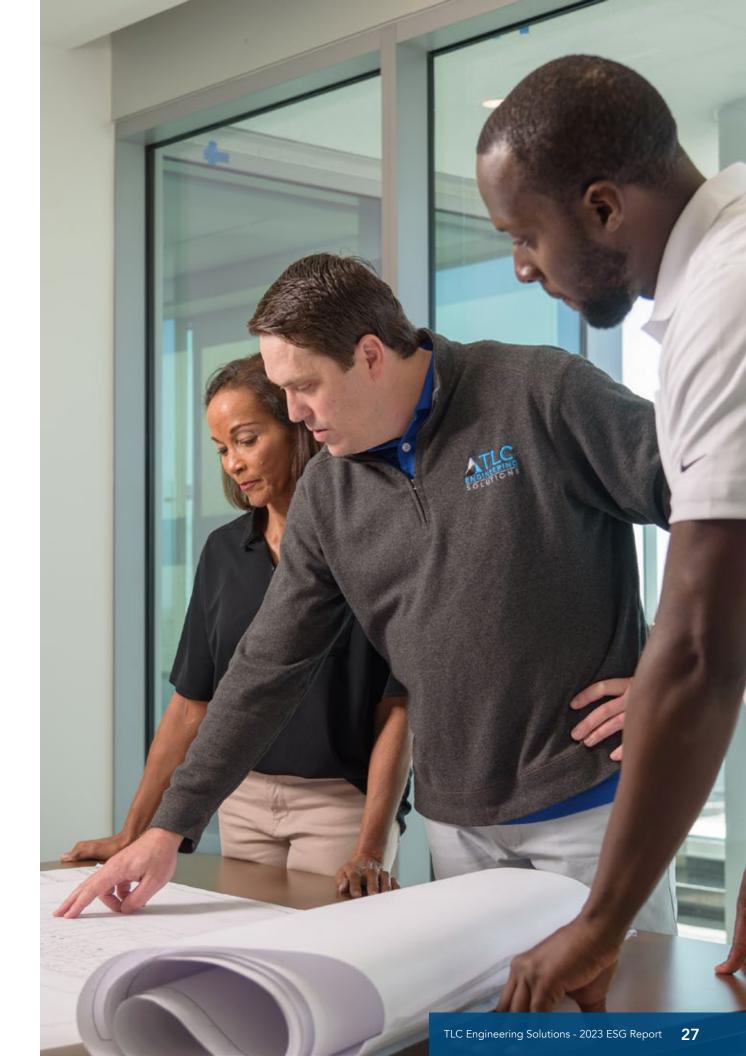
FULL PTS

Physical Health

FULL PTS

Wellbeing

PTS = POINTS





EQUITY

Equity is a key component of the JUST review process which provides a framework for developing policies that focus TLC's efforts on gender and ethnic diversity, payscale equity, and gender pay equity.

Diversity in ownership has been a key initiative with future goals of continued growth. In the past five years, the shareholders have seen an increase of 4% in female ownership and 7% in racial/ethnic minority ownership.

COMPENSATION

In 2023, TLC increased its minimum wage to the local living wage to enable a household of 2 adults, 1 working to ensure that our employees are able to support their household.

TLC is committed to providing a Living Wage, which is defined as what individuals need to support themselves and their families above the poverty line, for all employees.

A review of the pay scale of all employees by class including a comparison to market salary surveys is conducted each year to help fulfill this commitment.



GOAL:

Update our compensation policy to include providing a living wage for part-time and temporary employees, contract workers, and interns, based on their assigned location.



Inclusion. Diversity. Equity. Accountability.



GOAL:

In addition to the current 12 weeks of paid maternity leave, increase the benefit to include 12 weeks of paid parental leave.

PARENTAL LEAVE

TLC's current Parental Leave Policy for the birth or adoption of a child includes:

- » 12 weeks of paid, employment-protected maternity leave
- » 4 weeks of paid, employment-protected paternity leave In 2023, TLC increased the paid leave for non-birthing parents by 2 weeks.

FLEXIBLE WORK OPTIONS

Successfully maintaining operations through COVID proved that our firm could not just function, but flourish with our team members working essentially 100% remote. An already flexible work schedule that provided an array of options has been extended to allow TLC team members even greater flexibility. Currently, employees can choose from five schedule type options, each with five different start time options. In addition, employees can work up to three days remotely.

PARTNERSHIPS

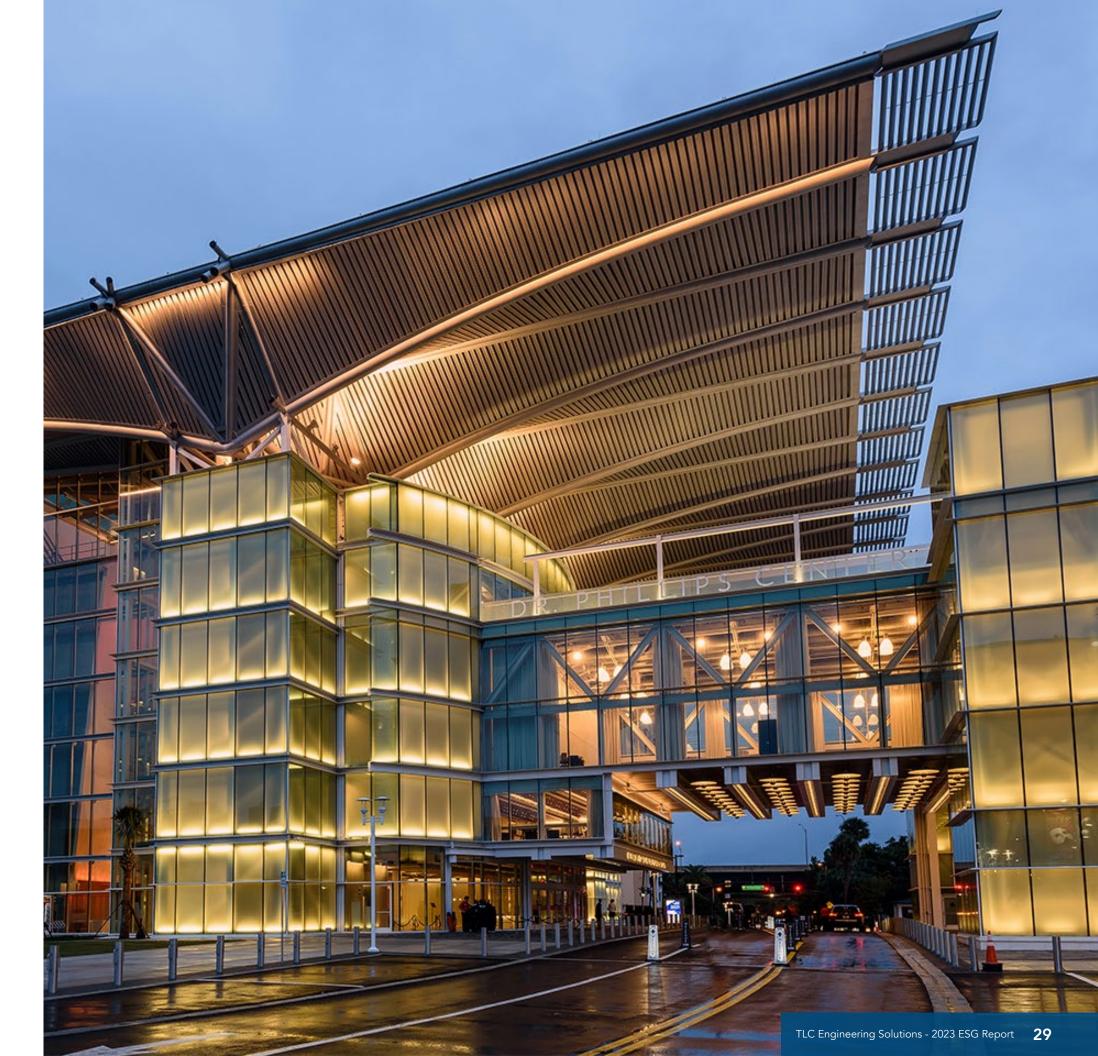
A part of the TLC IDEA team's purpose is to help support diversity through community partnerships with various Disadvantaged Business Enterprises (DBE) clients, subconsultants, contractors, and suppliers. TLC will search out local sourcing opportunities for our needs. When possible, we will make purchases of goods and services from sources within a 300-mile radius from our offices as a geographic component.

Currently, TLC's DBE vendor tracking process is to search for any DBE certifications within the corresponding State's Department of Transportation (DOT) DBE's directory website(s) for the state listed on the vendor's W9 once an invoice is received. DBE indicator(s) are assigned based on the certifications found within the DOT DBE Directory website(s) and the UCP Information. TLC's current indicators are DBE, WBE, or MWBE. This review is completed at the time the vendor profile is created. Currently, we do not have a DBE profile audit procedure in place to check for future changes to vendor's certification status. We will be reviewing our internal tracking processes to find areas for efficiency to ensure data stays accurate and up to date.

Through IDEA and other internal efforts, the hope is that conscious efforts will be made by all employees to seek out opportunities to develop partnerships with a variety of DBE enterprises that we are not currently working with.



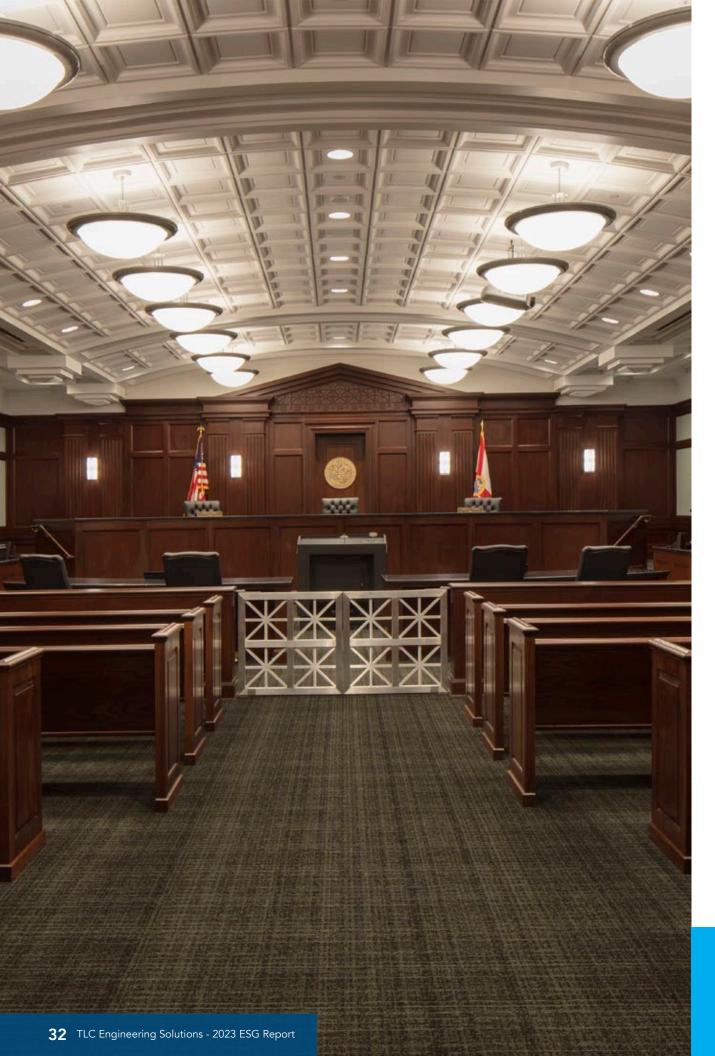
In 2022, create a framework for tracking where we procure goods to achieve a future goal of at least 5% of goods/services from Disadvantaged Business Enterprises (DBE), B-Corps, and/or JUST organizations.





The governance section of this report provides an overview of TLC's structure and gives valuable insights into how the firm upholds responsible business practices. This section also demonstrates the firm's commitment to ethical business behavior through the renewal of the JUST Label, which addresses how employees are treated and community investment financially as well as socially.





ETHICS

Hand in glove with our professional credentials is ethical behavior. At TLC, we endeavor to be ethical in all of our professional behaviors, respecting state and local laws on how we interact with elected officials, compete for opportunities and deliver on our contracted work, keeping the Owner's best interests at the forefront.

Our Board of Directors (Board) oversees our company and conducts its business through meetings. They provide oversight and accountability to TLC. Our board meets quarterly and is comprised of directors and executives from a variety of disciplines and Operating Units. This allows for a good overall representation of the firm.

The board of directors provides governance for all matters that impact the TLC. TLC's Board of Directors is pictured below.



GOAL:

Update TLC's ESG Report annually.

We are committed to maintaining the highest ethical standards in our industry.



TLC's Board of Directors: Michael Sheerin, CEO & Chairman; James Ferris, COO; William Daly, CFO; Gary Krueger, Vice President/Executive Director; Matthew Weichart, Managing Principal; Lawrin Ellis, Managing Principal; Rania Sadrack, Director of Healthcare Strategy; Mark Gelfo, Managing Principal; Brian Lomel, Director of the PEAK Institute; Aaron Johnson, Managing Principal; Chad Griffith, Managing Principal; Erick Gonzalez, Managing Principal; Frank Pohl, Advisor

TLC'S ROLE IN COMMUNITY GOVERNANCE

TLC plays a role in local, state and national/international governmental bodies providing advisement, usually of a technical nature. It is the goal of TLC for City, County, State and National/International governmental entities to see TLC as a (SME) subject matter expert with regard to MEP engineering, sustainability, technology, health and wellness, acoustics and other consulting services provided for the built environment that they can rely on whether it be through services requested, or in an advisory role.

TLC team members provide educational assistance and volunteer for committees in service of our communities. Some of the activities in which we participate include:



CITY / STATE

Serving as a technical ambassador to the community, speaking and answering questions about technical subjects. Providing recommendations on crafting RFPs that will solve technical problems



COUNTY

Serving on technical committees like the Board of Rules and Appeals Energy Committee



STATE

Providing feedback on proposed legislation, crafting position papers, and providing education across the state



NATIONAL / INTERNATIONAL

Serving on advisory committees. Participating in Federal programs, (such as ENERGY STAR), as both an ambassador/educator, and as a service provider

TLC team members contribute their technical knowledge in many ways to assist municipalities make sounds decisions.

By encouraging TLC staff to participate in these opportunities, TLC is able to give back and be an integral part of the community/world.



2023 REPORT SUMMARY

TLC's 2023 ESG report conducted a thorough evaluation of our performance and influence in the realms of environmental, social, and governance, providing a comprehensive analysis. It highlighted our achievements and identified areas that still need improvement.

We are proud that we have made forward progress on 10 of the 12 goals that we set forth. Achieving the ESG goals we set forth is crucial to drive positive environmental, social, and governance outcomes while enhancing long-term sustainability and creating value for all stakeholders.

By analyzing these key metrics and indicators, the ESG report enables stakeholders to evaluate TLC's sustainability efforts, social contributions, and adherence to ethical standards. Engaging in this practice fosters a culture of transparency, accountability, and facilitates decision-making based on well-informed insights.







LOOKING FORWARD TO OUR NEW GOALS

Progressing the ESG goals that we have yet to achieve and setting new ESG goals is vital for us to continually improve our sustainability and responsible business practices. By establishing ambitious targets, we are demonstrating our commitment to creating a positive impact. Our revised ESG goals serve as our roadmap as we move forward. Regular monitoring and reporting will continue to allow us to track our progress, adapt our strategies, and drive meaningful change towards a more sustainable and inclusive future.





Develop a plan in 2024 to achieve net zero carbon operations by 2040.



As part of annual strategic planning, identify stakeholders within the local communities we work in and create a community engagement plan.



Conduct an audit to establish a benchmark for waste production and diversion in our office facilities to attain net zero waste by 2040.



Develop a strategy to minimize climate risk to operations in each of the categories identified by end of 2023.



Increase the percentage of TLC's leadership serving in leadership positions in industry organizations that promote sustainable initiatives.



Provide health and wellness certification in the office workplaces for our employees and develop a timeline for each location in 2023.



Create strategic long-term partnerships with DBE / MWBE firms in both geographic and vertical markets.



TLC Leadership will continue to provide opportunities that foster an inclusive and representative environment of the diverse backgrounds found within the communities we serve.



In addition to the current 12 weeks of paid maternity leave, increase the benefit to include 12 weeks of paid parental leave by 2025.



Update our compensation policy to include providing a living wage for part-time and temporary employees, contract workers. and interns, based on their assigned location by 2025.



In 2024, create a framework for tracking where we procure goods to achieve a future goal of at least 5% of goods/services from Disadvantaged **Business Enterprises** (DBE), B-Corps, and/or JUST organizations.



Include progress toward TLC's environmental and social equity goals in annual Shareholder performance evaluations.

TLC'S 2023 ESG REPORT STEERING COMMITTEE

MICHELLE HUBBARD, CPSM

Principal | Director of Marketing

KIM JOWERS, CPSM, LEED AP BD+C, FITWEL AMBASSADOR

Sr. Associate | Corporate Marketing Manager

COURTNEY DIAMOND

Marketing Coordinator

BRIAN LOMEL, PE, LEED FELLOW, WELL AP, FITWEL AMBASSADOR

Principal | Director of PEAK Institute

ALLY GORDON, SHRM CP

Associate | HR Specialist

SHELLIE JONES

Associate | Director of Human Resources

JOAN ORTIZ

Sr. Associate | Controller

KIM SHINN, PE, LEED FELLOW, BEMP

Principal | Sustainability Wizard | PEAK Institute

