

A low-angle, upward-looking photograph of modern skyscrapers with glass facades. The buildings are framed by a clear blue sky. In the bottom right corner, the top of a lush green tree is visible, partially obscuring the lower part of the buildings.

Bernhard

ESG 2022 REPORT



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ESG AT BERNHARD, A LETTER FROM THE CEO



We have a steadfast commitment to delivering solutions that reduce energy consumption and greenhouse gas emissions to mitigate the impacts of climate change. As a result of the current climate landscape, we are seeing increasingly more extreme weather events, which has only hardened our commitment to supporting our customers, employees, and communities through the challenges posed by these unprecedented conditions.

The evidence-based science is clear. To avoid the worst impacts of climate change, greenhouse gas emissions need to be reduced by almost half by 2030 and reach net-zero by 2050. To achieve this, we must end our reliance on fossil fuels and invest in alternative sources of energy that are clean, accessible, affordable, sustainable, and reliable. Additionally, we must adapt to the consequences of climate change, so we are equipped to protect ourselves and our communities.

Unfortunately, our world is falling short on reducing greenhouse gas emissions and adapting to the changing climate and its resulting impacts. Energy is at the heart of this climate challenge – and key to the solution.

Since 2014, a primary goal of Bernhard has been to become the leading Energy-as-a-Service provider in the nation, leveraging the collaboration of our combined expertise to push the industry forward and reduce the environmental impact of the built environment. Every Bernhard service deployed on our projects was specifically developed to harness innovation and yield ultimate customer satisfaction. We are not only trailblazers, we have also achieved energy efficiency levels that are beyond the reach of our competitors.

As we move into the next chapter of Bernhard’s story, we strive to achieve organizational unity and alignment as we define our role as a leader in the energy transition.

Innovation: The Key to the Future

Innovation is key to continued success for any organization. Innovation allows us to grow. As we innovate and evolve in our service lines and technology, we must also innovate and evolve our culture. It is through this combined strategy that we derived our ESG mission, vision, and core values, as defined below.

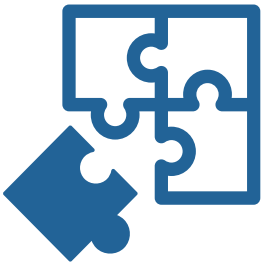
ESG Mission: To advocate for the betterment of humanity and our environment, strengthen local communities, and amplify all voices and perspectives to create a culture of belonging and inclusion.

ESG Vision: By pairing innovation with meaningful action, we can fight for and achieve a sustainable future for our customers, families, and communities.

ESG Core Values:

UNDERSTANDING

We understand there are ways we can be better stewards of our planet and each other. Through innovation and honest reflection, we can better highlight our strengths and work to address and improve our weaknesses.



TRANSPARENCY

We believe listening is more important than speaking. We strive to hear from all perspectives, specifically from different backgrounds and walks of life. By increasing the conversation, we can have an honest discussion about what kind of future we want to build. With help from our employees, customers, and communities, we can build a sustainable future that brings all people together.

EVOLVING

The world, our industry, and society is constantly changing and so should we. Bernhard has been around for more than 100 years, and that longevity is in part due to our ability to adapt to change. We pledge to continue to constantly evolve through strategic discourse with the common goal of bettering the lives of our employees and customers while ensuring future generations have a sustainable planet to flourish on.

Throughout 2022, we made great strides in prioritizing ESG within the fabric of Bernhard’s culture. By utilizing multiple channels of communication and proactively seeking feedback, we have had more transparency and dialogue with our employees than ever before. Creating space for honest feedback has moved the conversation forward and truly served as a driving force for advancing strategic alignment throughout our entire workforce.

I am infinitely proud of the work we accomplished during 2022 in advancing our ESG initiatives forward and achieving marked progress along our journey to become the leader in the energy transition. Our unwavering commitment to creating a sustainable future is both our foundation and the guiding light for the strategic direction of Bernhard. However, that future is not possible without each and every one of our employees. I am eternally grateful for the commitment, innovation, hard work, and relentless pursuit of excellence our employees display every day. I am thrilled to watch our vision for a sustainable future come to life and look forward to the many exciting programs and innovative solutions that will come to fruition as we make that vision a reality.

Ed Tinsley
CEO, Bernhard

Bernhard

ABOUT BERNHARD

- Bernhard is one of the largest turnkey energy solutions companies in the United States with more than 2,000 employees in 24 locations.
- For more than 100 years, we have been providing innovative, client-focused engineering and construction services for customers to become more energy efficient.
- As the leader in energy transition, our diverse capabilities and innovative solutions help promote decarbonization and reducing the environmental impact of the built environment.
- We are committed to develop and deliver these energy solutions to help accelerate the global transition to a net zero carbon future.

DEVELOP

Our integrated teams develop customized solutions focused on our customers’ unique challenges.

DELIVER

We deliver innovative engineering, construction and energy solutions that empower our clients and promote a sustainable future.

SUSTAIN

Always focused on the customer, we are involved through the entire life cycle of the project to sustain unrivaled energy savings.

BERNHARD’S CORE VALUES

SAFETY



ETHICS



TEAMWORK



INNOVATION



VISION

To be the leading Energy-as-a-Service provider in North America through delivery of excellent, high value service and innovation solutions for our clients.



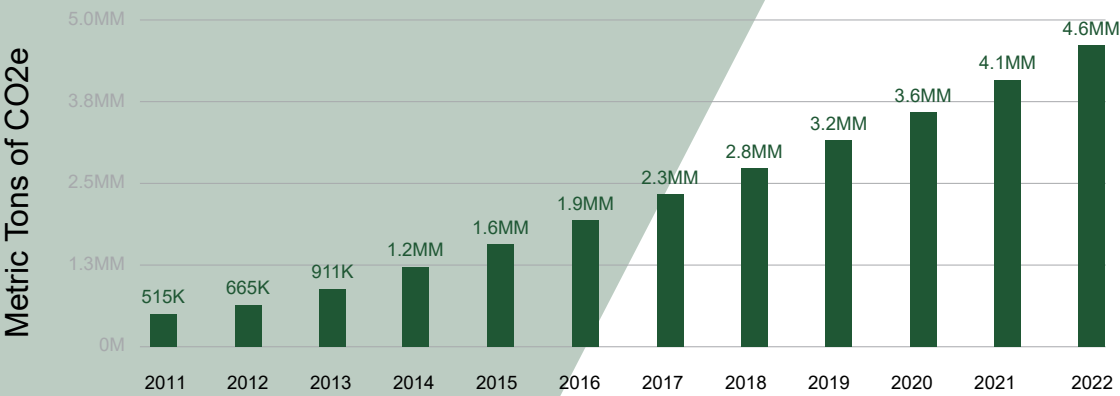
ENVIRONMENT

The United Nation's Intergovernmental Panel on Climate Change August 2021 Report demonstrated how rising temperatures are leading to extreme weather and environmental changes, while clearly connecting these changes to human activity. However, the report also communicated the potential to stabilize the climate by making aggressive and widespread progress towards net zero by 2050 – a task Bernhard is fully dedicated to supporting.

Reducing the environmental impact of the built environment through innovative solutions has been a core focus of Bernhard for decades, and we are committed to continuing to deliver these innovative solutions to help accelerate the global transition to a net zero future - for our customers and our own operations.

SUSTAINABLE SOLUTIONS FOR OUR CUSTOMERS

Bernhard’s business has always centered on energy efficiency and drastically reducing utility consumption and greenhouse gas emissions. To date, we’ve collectively saved nearly \$1 billion dollars and avoided nearly 5 million metric tons of CO2e for our customers. The chart below shows the progression of avoided emissions throughout Bernhard’s customer portfolio over the years.



EMPLOYEE SPOTLIGHT:

What makes you proud of the work you do at Bernhard?



“I love Bernhard! In the last eight months, I’ve seen how much Bernhard has impacted communities with the innovations and improvements provided to hospitals, schools, and spaces where mass communities congregate. Improving “little things” like indoor air quality and the energy efficiency of systems within a space can drastically change a community. People need a safe and healthy space to gather – especially with more pollution happening on a day-to-day basis. I’m proud to be part of a company like Bernhard.”
- Mykala Sinclair, Mechanical Designer

“I’m proud of our mission to deliver innovative engineering and energy solutions to empower our customers toward a sustainable future. My everyday tasks can directly impact our customers to optimize building performance while using less energy and saving money. That provides a level of job satisfaction that you can’t get many places”.
- Jana Huizenga, Controls Analyst



8.0
BILLION kWh

OF ELECTRICITY
CONSUMPTION AVOIDED



22
MILLION MMBtu

OF NATURAL GAS
CONSUMPTION AVOIDED



1.9
MILLION kGALS

OF WATER
CONSUMPTION AVOIDED

ACCUMULATED SAVINGS FROM 376 PROJECTS DATING BACK TO 1997



522M gallons of
gasoline consumed



Greenhouse gas emissions
from 1M passenger vehicles driven
for one year, or 11.5B miles driven

5M

METRIC TONS
OF CO₂ EQUIVALENT
AVOIDED



5.1B pounds of
coal burned



Carbon sequestered by 5.5M
acres of U.S. forests in one year.

PROJECT HIGHLIGHTS



MIDLAND HEALTH EARNS 5TH ENERGY STAR CERTIFICATION SINCE BERNHARD PARTNERSHIP

Midland Health earned the U.S. Environmental Protection Agency’s (EPA) ENERGY STAR® certification for superior energy performance. This is the 5th year that Midland Health has earned the ENERGY STAR certification since partnering with Bernhard to optimize energy efficiency. Bernhard’s storied history with Midland has given our team a unique perspective on Midland’s energy infrastructure and allowed for continued success utilizing cutting-edge delivery methods to boost the facility’s energy efficiency year after year.

Midland has trusted Bernhard with more than 25 projects over the last 10 years. The latest project, a 15-year Energy-as-a-Service project that provides \$19M in infrastructure improvements and more than \$664,000 in energy savings annually.



MERCY PROJECT WINS AEE REGION IV CORPORATE ENERGY MANAGEMENT PROJECT OF THE YEAR

Bernhard’s Energy Stewardship Program created with St. Louis-based Mercy Hospital won the 2022 Association of Energy Engineers’ Region IV Corporate Energy Management Project of the Year. The award recognizes organizations, individuals, and projects making contributions to or doing important work in energy management, sustainability, energy efficiency, and related fields.

The energy stewardship program is focused on improving energy efficiency, reducing operational costs, making needed infrastructure upgrades, and improving indoor environmental quality for patients and co-workers. The project is unique in size and scope, with Bernhard substantially optimizing the energy efficiency of systems serving more than 14 million square feet of medical office and clinical space. 23 projects have been completed, with another 29 in progress. The program has led to estimated energy savings of \$1.7 million per year.

PROJECT HIGHLIGHTS



BERNHARD LEADS COMMISSIONING EFFORT FOR NET-ZERO CLIMATE INNOVATION CENTER

Utah Clean Energy, a nonprofit leader in climate solutions, announced the public phase of their capital campaign to build the “Climate Innovation Center” in downtown Salt Lake City.

Bernhard is providing commissioning services and advising on solar and battery solutions for this net-zero office project. When completed, the Climate Innovation Center will renovate a 70-plus-year-old building to become one of the city’s most high-performance, net-zero buildings. In addition to serving as the organization’s headquarters, the Climate Innovation Center will serve as a living laboratory to educate the public and the business community about the tremendous role buildings have in solving our climate crisis, and the ways to renovate and build for a healthy climate.



UAMS ENERGY PROJECT EARNS ENGINEERING EXCELLENCE AWARD

Bernhard was announced as the winner in the Energy, Large Project category at the American Council of Engineering Companies of Arkansas (ACEC) annual 2022 Engineering Excellence Awards (EEAs). The winning project was the \$150 million Energy Savings Performance Contract (ESPC) with University of Arkansas Medical Sciences, the largest energy savings project in Arkansas, the largest in the academic and healthcare sector, and one of the largest in the United States.

The EEAs recognize Arkansas engineering projects that demonstrate a high degree of achievement, value, and ingenuity, according to ACEC. Judged by a panel of industry professionals from around the state, projects were evaluated based on uniqueness, future value to the engineering profession, sustainable considerations, and successful fulfillment of the client’s needs.

PROJECT HIGHLIGHTS



33

2017 Baseline
ENERGY STAR
Score

83

2022
ENERGY STAR
Score

Ochsner Medical Center has seen an ENERGY STAR score improvement of 151% in just 5 years, making their facility one of the most efficient hospitals in the country.

INTERCONNECTED NORTH & SOUTH PLANTS
WITH CAPACITY FOR FUTURE GROWTH

Reduction in
Natural Gas
Consumption

54%

Reduction in
Electricity
Consumption

18%

OVER \$2.7M IN ANNUAL ENERGY COST SAVINGS

CONTINUING EDUCATION AND ONGOING TRAINING
PROVIDED TO PLANT PERSONNEL



IMPROVEMENTS & OPTIMIZATION SERVICES

South Plant Expansion . Chilled Water System & Cooling Tower Upgrades . Initial Service Deficiency Corrections . Steam System Upgrades . Metering & Security Systems Installation . Heating Water System Upgrades . Retro-Commissioning & Building Automation System Upgrades . HVAC Tech Training . Procedure Room HVAC System Upgrades



BERNHARD & OCHSNER CELEBRATE 5TH ANNIVERSARY OF PIONEERING ENERGY ASSET CONCESSION AGREEMENT

Bernhard has received our share of awards and accolades in our century of work, but it's our ongoing partnerships with healthcare institutions that make us most proud. By helping hospital systems find innovative, on-budget solutions to their most pressing energy issues, Bernhard is strengthening America's infrastructure and doing our part to prepare the nation for the healthcare challenges of tomorrow.

2022 marked the five-year anniversary of the landmark, first-of-its-kind Energy Asset Concession arrangement between Bernhard and Ochsner. Only five years in, this first agreement between Bernhard and Ochsner has achieved its goal of a sustained reduction of energy use on the Ochsner Medical Center – New Orleans, exceeding initial projections of \$2.4 million in annual energy savings.

Bernhard has since entered into similar 15-year Energy Asset Concession agreements with two additional Ochsner Health facilities. In the process, we have upgraded critical infrastructure at these campuses while delivering substantial energy efficiency. Combined, these projects have optimized energy usage for more than 3.4 million square feet of care and clinical space, with a combined annual energy savings of more than \$2.7 million per year.

In the five years since Ochsner Health and Bernhard struck our pioneering Energy-as-a-Service agreement, our partnerships have remained strong. That includes Bernhard being on-site at all three Ochsner sites during the chaos of Hurricane Ida and its aftermath in 2021. Today, our work continues, realizing even further infrastructure improvements and delivering millions per year in energy savings. We are proud to continue teaming with Ochsner Health to meet existing and future challenges head-on while keeping the Gulf Coast healthy for years to come.

INDUSTRY INVOLVEMENT



- Bernhard is an active partner of Practice GreenHealth and the Association for the Advancement of Sustainability in Higher Ed (AASHE) to increase access to sustainability resources and customers in the healthcare and higher education industries.



- Bernhard is a proud member of Southwest Energy Efficiency Project (SWEET) 2022 Allies. We are working together with other member organizations to advance energy efficiency and clean transportation policies; programs at the federal, state, local, and utility levels; initiatives to help rapidly mitigate climate change; and energy equity for underserved communities.



- Bernhard employees are active leaders throughout the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE). For example, Bernhard employees fill the majority roles within the New Orleans ASHRAE Chapter. Allison Badon serves as the Chapter President, Connor Carmody is the Chapter Technology Transfer Chair, Jacob Alter is the Chapter Government Affairs Chair, Justin Coe is the Chapter Webmaster, Michael Cooper is the Chapter Auditor, and Julian Richards is the Chapter Young Engineer Representative.



EMPLOYEE ACCOMPLISHMENTS

- Jessi Bienert** was named Vice-Chair for the American Society for Health Care Engineering (ASHE) Sustainability and Decarbonization Foundations Task Force. The task force is an expert group of professionals that maintain key communications on sustainability and decarbonization.
- Chris Jackson** was named to the Environment+Energy Leader Top 50 list. The annual list recognizes the top 50 Environment and Energy professionals: leaders, VPs, directors, managers, and engineers who are driving their companies and the environment, sustainability, and energy management industries forward.
- Alyssa Jaksich** was named to Arkansas Money & Politics Women in AEC list. Published in the AMP's Salute to AEC November 2022 issue, the Women in AEC list highlights the accomplishments of some of the amazing women who are changing the AEC industry culture, blazing trails and building a brighter future for clients across Arkansas and beyond.
- April Guymon** was named one of Engineered Systems Magazine's 20 to Watch: Women in HVAC in 2022.



CREATING A MORE SUSTAINABLE BERNHARD

In our 104 years in business, Bernhard has never been a “do as we say, not as we do” company. We lead by example. We don’t shrink from challenges – for our customers or within our own operations. We rise to meet them with determination, innovation, and teamwork.

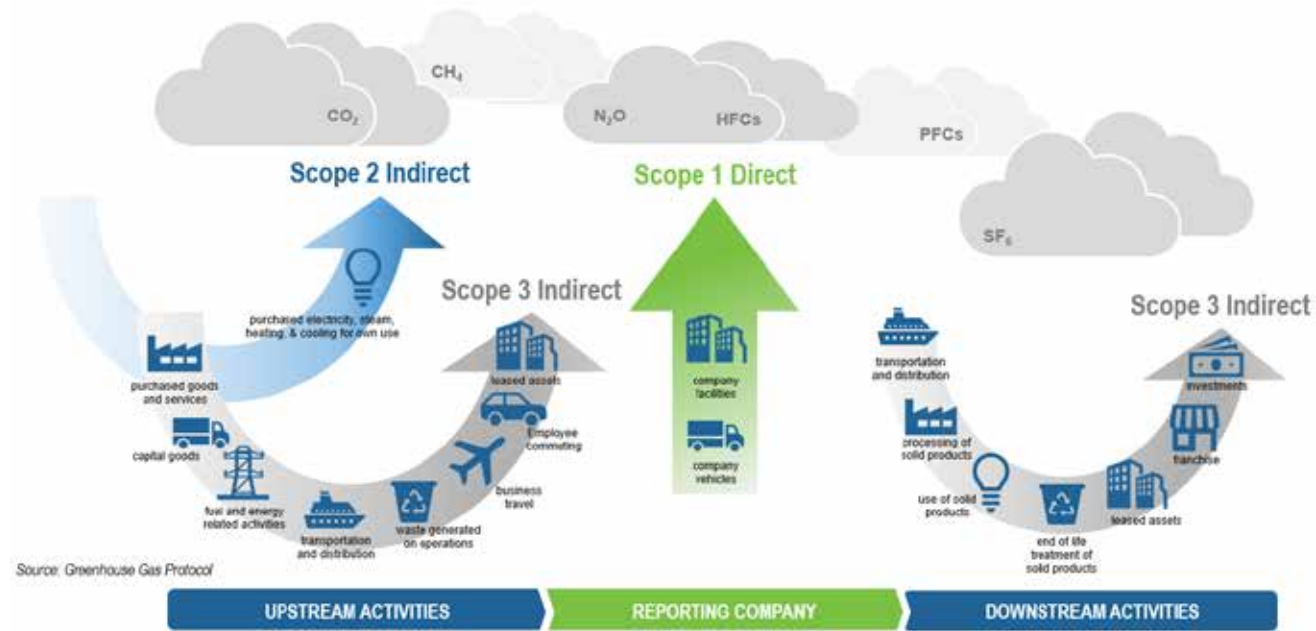
Businesses, our clients, our nation, and the world are increasingly determined to take meaningful steps toward lowering carbon emissions and mitigating climate change. Bernhard is never content to stand on the sidelines or make empty promises when there’s work to be done. We’re moved to action, and if we’re going to do it, we’re going to make sure that our strategies are achievable, and our goals are met.

As of April 2023, Bernhard is a carbon neutral company.

This was accomplished through the deployment of compensation measures that offset our 2022 Scope 1, Scope 2, and select Scope 3 greenhouse gas emissions. We began our journey by identifying and quantifying our emissions and chose to invest in the broader environmental agenda through responsible carbon offset purchases as we continue to research and develop Bernhard’s own climate action plan.

While we made great strides in 2022 by gaining a baseline understanding of our emission-generating activities and uncovering areas where we could become more sustainable within our day-to-day operations, there is still so much work to be done. Our path to net zero is just beginning, but we are fully committed to the journey.

The GHG Protocol defines three scopes of emissions that correlate to who ‘owns’ those emissions and the level of control an entity has to changing those emission levels.



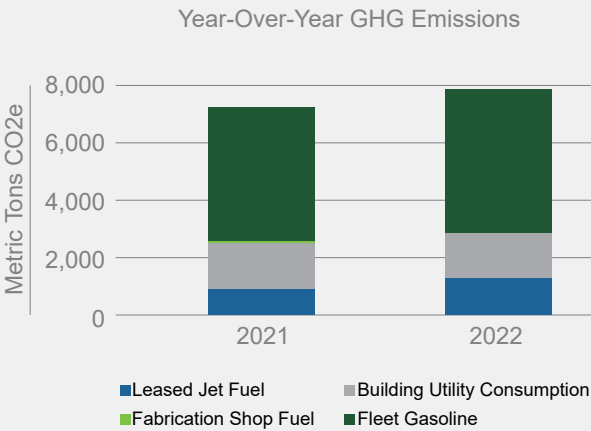
Scope 1 and Scope 2 emissions are a mandatory part of reporting for many organizations across the world and relate to systems that are within reasonable control of an entity, such as onsite and purchased energy.

Scope 3 emissions are centered on sources of emissions that are more external to a specific organization, such as those across the supply chain. Scope 3 emissions remain mostly voluntary to report, however, in most cases the reduction of Scope 3 has the potential to have the largest impact.

Our 2022 Footprint

We selected 2021 as our base year and included all utility consumption associated with owned and leased offices, warehouses, and fabrication shops; fuel usage from our owned and leased fleet vehicles; jet fuel consumed by Bernhard’s leased plane; and propane and diesel used to power equipment at our fabrication shops. Slight increases were seen between 2021 and 2022 due to additional office locations, an increase in fleet vehicles, and an uptick in travel due to relaxed COVID-related travel restrictions.

Emission Type	2022 Emissions (MTCO ₂ e)	% of Total Footprint
Scope 1	1,006.0	12.8%
Scope 2	117.6	1.5%
Scope 3	6,713.5	85.7%
TOTAL	7,837.1	100%



Emission Source	2021 MTCO ₂ e	2022 MTCO ₂ e
Leased Jet Fuel	899.2	1,307.9
Building Utility Consumption	1,618.3	1,558.7
Fabrication Shop Fuel	43.6	10.5
Fleet Gasoline	4,676.3	4,960.0
TOTAL	7,237.4	7,837.1

Bernhard’s Commitment: Achieving Carbon Neutrality & Striving Towards Net Zero

Bernhard is now a carbon neutral company through the deployment of compensation measures that offset our 2022 Scope 1, Scope 2, and select Scope 3 greenhouse gas emissions. As we strive towards our long-term goal of becoming net zero by 2050 or sooner, a combination of reduction efforts and compensation measures will be utilized under the ARC Hierarchy.

Avoid: Show preference for business decisions and actions that lead to avoided greenhouse gas emissions, thus minimizing the need for offsets.

Reduce: Where emissions cannot be avoided, seek to reduce them through energy efficiency and optimization of business practices and policies.

Compensate: Where emissions cannot be reduced or avoided, utilize offsets to neutralize remaining emissions. High-quality carbon credits will be prioritized via Bernhard’s Carbon Offset Policy.

Throughout this process, we are committed to purchasing offsets annually in accordance with our Carbon Offset Policy, while continuously evaluating and implementing strategies to ultimately exhaust our reduction efforts and neutralizing any residual emissions.

While we work to develop Bernhard’s climate action plan in support of closing the emissions gap, this approach allows us to also work towards closing the climate finance gap. By investing in credible carbon offset projects throughout our journey, we are able to evolve from an approach that “does no harm” to one that actively does good.

Looking Ahead: Areas of focus for our reduction efforts center around the following current and mid-term strategies.

Fleet Management Strategies

- Idling Policy
- Use Analysis & Monitoring
- Smart Mobility Incentives
- Renewable Natural Gas
- Electric Vehicles

Plane Management Strategies

- Use Analysis & Management
- Renewable Aviation Fuel
- Resource Strategies

Utility Consumption Strategies

- Behavioral Policies
- Green Power Purchases
- Energy Efficiency Projects
- Building Management Engagement & Advocacy
- Sustainability Questionnaire for Potential Leased Spaces
- Design Standards for New Buildings
- Community Solar

Embedding Sustainability into Our Day-to-Day

As a company that’s operational in more than 20 locations, we wanted to make sure every office functioned under the same sustainability standards while still allowing for flexibility. We were able to accomplish this through the Green Business Bureau (GBB) certification program.

During 2022, Bernhard worked to certify 22 of our offices under the Green Business Bureau certification program. GBB provides a great framework for Bernhard to incorporate green practices into day-to-day operations throughout our numerous locations – all of which are situated differently in terms of their sustainability journey. All locations were able to join in the action and make sustainability improvements, while also creating consistency throughout Bernhard. We launched this program as an internal sustainability challenge between locations to drive additional growth – and some healthy competition. Each location has completed initiatives to improve areas like waste management, energy and emissions reductions, office supplies and materials, and more. The challenge ends in April 2023 in conjunction with Green Week activities leading up to Earth Day on April 22nd.

Through the GBB program, we were able to empower our employees to be champions of a shared journey that combats climate change and creates a more sustainable future.



Bernhard named Best of GBB 2022 by Green Business Bureau

Bernhard was one of the five companies worldwide named Best of GBB in 2022 by Green Business Bureau, which proves that sustainability isn’t just something we talk about, we live it every day.

22 of our offices are now GBB Certified, and we proudly display the GBB Seal on our website. It’s more than just a feel-good effort or window dressing. Certification provides us with verified proof that the sustainable efforts we’ve put in place are working to reduce Bernhard’s collective impact on the environment. As we provide a cleaner, more energy-efficient future for our customers, we’re doing the same for our local communities, which is echoed by our inclusion in GBB’s Best of 2022 award.

GBB certification allows companies to make measurable progress toward impactful environmental goals, marking and celebrating successes, while also highlighting areas still in need of improvement. Certification lets GBB members showcase the concrete steps they’re taking to meet ESG goals, which are increasingly important for environmentally conscious customers, employees, and potential hires.

The result: improved morale, a stronger workforce, competitive differentiation from others in the field, and potentially higher sales as today’s customers want their companies to share in the same values regarding sustainability and the environment.

Through the help of the Green Business Bureau and GBB Certification, we are doing our part for our shared environmental future. By being named one of five companies in the world to receive GBB’s Best of 2022 Award, Bernhard is not only showing that serious sustainability goals are achievable for companies of our size, but also setting an example that can be affordably and efficiently followed by the entire AEC industry.

PEOPLE & COMMUNITY

Innovation is key to continued success for any organization. Innovation allows us to grow. As we innovate and evolve in our service lines and technology, we must also innovate and evolve our culture. Our employees are our most valuable asset and what makes Bernhard unique. It is the talent and commitment of our diverse workforce that will turn the key to unlock Bernhard's full potential as a company.

We embrace unique ideas and provide employees with opportunities to make their voices heard. Bernhard recognizes the importance of developing and supporting the wellbeing of our employees and our communities, and thus offer immense education and training opportunities, employee wellness programs, and volunteer and charitable giving events. By fully embracing our employees and giving them the support, tools, and opportunities they need, we honor our past and set the stage for an even brighter future.



VALUING EMPLOYEE VOICES

At Bernhard, employee voices truly matter, and our leadership team wants to ensure that every person who works here feels informed, connected, valued, and respected. Management recognizes that aligning our company culture and achieving organizational unity needs to be a priority and that there needs to be a strategically focused, intentional effort behind it.

Multiple surveys were conducted throughout 2022 to gain insight into how employees interpret and perceive Bernhard’s culture and to learn how we could best support employees through the challenging economic conditions experienced throughout 2022. Results showed that employees felt the most appreciated by their peers and managers, but indicated they were looking for additional support from leadership in the following areas:

- Employees were feeling the effects of economic conditions and would value compensation changes to alleviate the pressure of inflation and the continued effects of the pandemic.
- The challenges of post-pandemic life have complicated or strained schedules and employees would value better work-life balance through additional PTO, remote work, and flexible schedule options.
- Employees value increased transparency and more regular communication from the leadership team, while ensuring that company culture is always top of mind.



In response to this feedback, our leadership team launched a large-scale, comprehensive compensation project that led to additional compensation to support a broad cross-section of employees most impacted by these challenging economic times. We are continuing an enterprise-wide evaluation for expanding remote and flexible schedule options to help reduce commuting costs and strained work-life balance.

A leadership engagement plan was launched in fall 2022 to improve employee’s connection and communications with the leadership team. This engagement plan includes Semi-Annual Town Halls, Quarterly Divisional & Cross-Divisional Town Halls, an “Ask Me Anything” Platform, Semi-Annual Open Office Virtual Meetings, Quarterly Virtual Lunch & Learn Series, and an Annual State of the Union from the CEO.

As we move into 2023, Bernhard’s leadership is continuing to leverage the insight gained in 2022 to continue to align Bernhard’s culture and achieve organizational unity.

CULTURE SPOTLIGHT:
How a Bernhard Crew Stuck Together, Became a Family, & Built the Raleigh Skyline



As new projects are started, it’s common for a crew to shuffle their roster with new workers. This may be the norm for some, but certainly hasn’t been for one Bernhard crew in North Carolina. Beginning in July 2017, the crew of 26 has worked on three high-rise apartment buildings totaling more than 1.4 million square feet and 84 stories. North Carolina residents will have seen the result of the crew’s work over the years with the construction of Durham City Center, FNB Tower, and one of the tallest high-rises in the North Hills area, Kane Tower, a 35-story residential tower. The group of mostly plumbers, sheet metal workers, and pipefitters, includes multiple father-and-son pairs, a father-daughter duo, and even a set of identical twins.

“Even though each person is different and there are so many different backgrounds, everyone gets along,” said Chris Esposito, plumbing superintendent. “Ego gets left at the door immediately and everyone understands they are on the same team and the same level. With that mindset, each member is held accountable and that has created some incredible results.”

The expertise of the group and track record of success is part of what keeps them together. Leveraging the team as a one-of-a-kind asset has increased the demand for their high-quality work. Without a dramatic learning curve, the project site has also become safer, which is always Bernhard’s top priority.

“When you work with new crewmembers, you don’t know what their habits are,” said Pablo Gomez, foreman. “I know exactly the training everyone on this crew has received and I know they practice safe procedures because of our time working with them. That level of comfort allows us to focus on our task with the trust that we are all doing what we’re supposed to.”

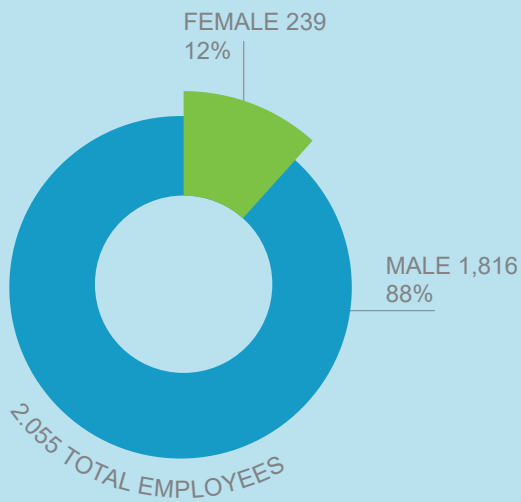
Although the crew are professionals with decades of experience and projects between them, they admit to feeling a sense of pride with what they’ve accomplished together.

“I catch myself noticing the skyline when I drive down the highway,” said Gomez. “It brings back a lot of memories of days on the job with people I now consider good friends.”

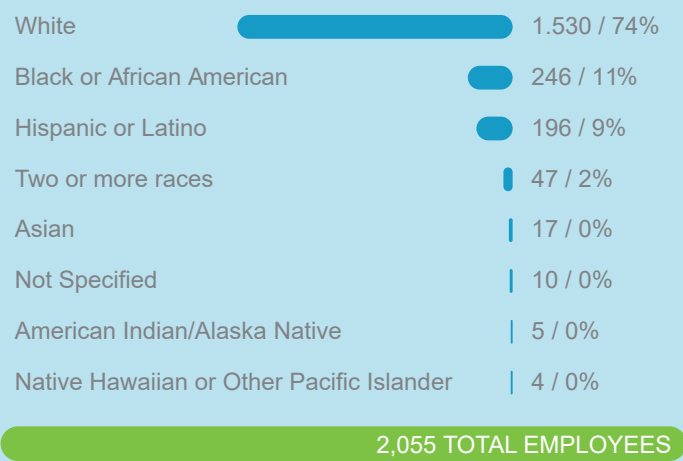
DIVERSITY, EQUITY,
INCLUSION AT BERNHARD

Bernhard is able to provide unrivaled Energy-as-a-Service solutions because of the diverse perspectives, backgrounds, and expertise of our employees. More than 100 years of experience across dozens of different disciplines all coming together to help our customers reduce energy consumption, enhance resiliency, and build a more sustainable future. By leveraging our combined talents within each team, we are always prepared to serve our customers’ needs.

EMPLOYEES BY GENDER



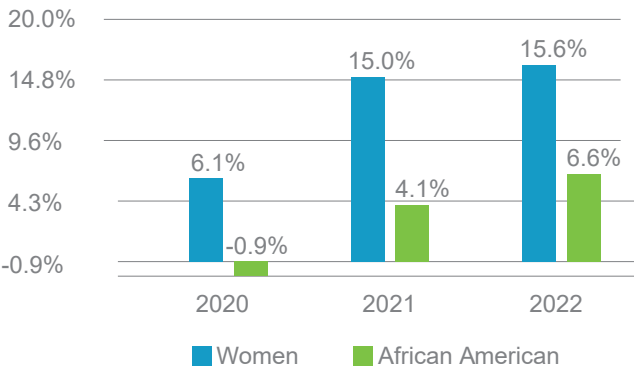
EMPLOYEES BY ETHNICITY



At Bernhard, we believe DE&I initiatives shouldn’t be confined to a month or week-long celebration, but instead DE&I should be woven into the very fabric of our company culture. Our DE&I initiatives extend to our practices and policies on recruiting, hiring, and promoting; compensation and benefits; performance reviews; professional development and training opportunities; employee recognition and engagement programs, and our overarching focus on building an inclusive company culture.

As a result of these efforts, we’ve seen year-over-year increases in representation of women and African Americans within our workforce.

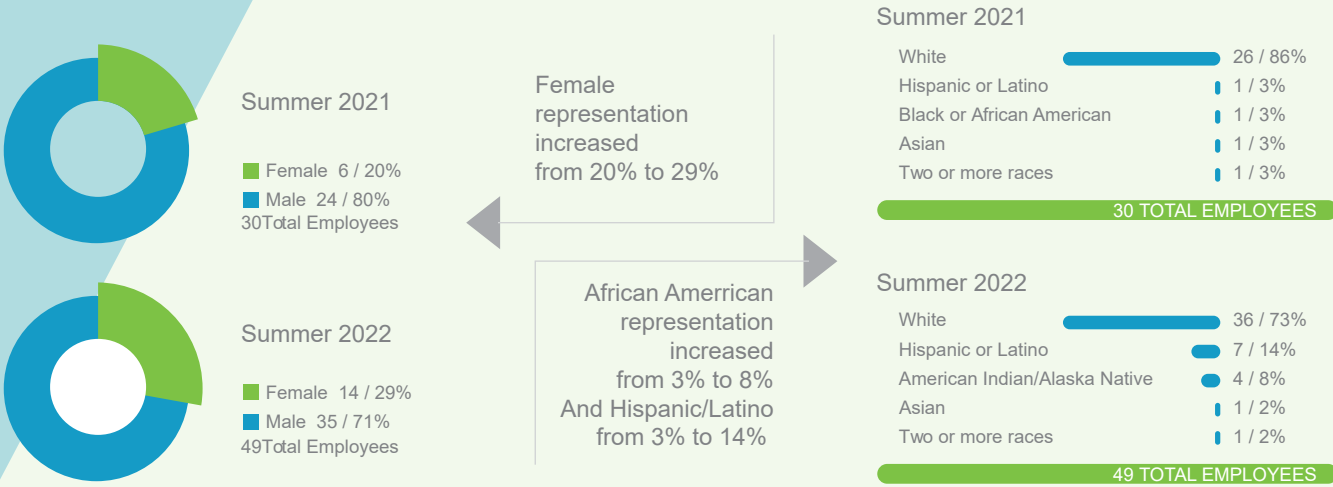
YEAR-OVER-YEAR PERCENT GROWTH



CASE STUDY: Growth in Intern Diversity

Building a more diverse industry requires a generational approach to outreach and recruitment. One area of focus within our DE&I efforts is to increase the diverse representation of our future pipeline of candidates, and our summer internship program is an ideal platform to support this. Year-over-year female representation within our 2022 intern class increased 9%, African

American representation increased by 5%, and our Hispanic/Latino representation saw an 11% increase. We view our internship program as a way to invest in our future workforce, and it’s important to us to have a future that is full of diverse and unique perspectives.



CULTURE OF CARE COMMITMENT

At Bernhard, we understand the daily experiences in our workplace define a culture. We are committed to having policies in place that recognize and meet the needs of a diverse and inclusive workforce. In 2022, Bernhard took the Associated General Contractors of America’s (AGC) Culture of CARE pledge to ensure every employee has the opportunity to reach their full potential by building a culture that is diverse, safe, welcoming

and inclusive. The Culture of CARE is an initiative created in partnership between the Associated General Contractors of America (AGC) and the AGC of Washington to advance the construction industry as the industry of choice for diverse and talented workers by building inclusive work environments in construction firms nationwide.

C

COMMIT

to hire and pay based on skill and experience regardless of ability, age, ethnicity, gender, identity, nationality, race, religion, sex, or sexual orientation

A

ATTRACT

prospective employees by creating inclusive workplaces that are free from harassment, hazing and bullying

R

RETAIN

high-performing employees by identifying and removing barriers to advancement

E

EMPOWER

every employee to promote a culture of diversity and inclusion

CONSTRUCTION
INCLUSION WEEK

Construction Inclusion Week (CIW) is a weeklong effort sponsored by the Culture of CARE Pledge that raises awareness across the A/E/C industry about the importance of creating a diverse and inclusive industry, with partners including Associated Builders & Contractors, Associated General Contractors and National Women in Construction.

One of the highlights of CIW 2022 was our Belonging Spotlight Series aimed at building connections and understanding among employees.



BELONGING SPOTLIGHT: Is there a specific moment where you felt included and how did it make you feel?



"My first day with Bernhard, I was on a project in Tennessee and it was my first construction project. I was just settling in when my supervisor came in and told me it was time for a ride. I thought I had already messed up and I was being taken to the gate. I started to grab all of my things and he stopped me. He told me all I needed was my hardhat and vest. This man then proceeded to take me on a tour of the jobsite on one of the coldest and wettest days of February... in an open cab buggy. During that frigid journey he essentially took me under his wing and wanted me to learn as much as possible so I could succeed. It was so nice to feel included and needed. There weren't any baby steps with my journey with this company. To be honest, I think that is why I love working for Bernhard and continue to want to grow with the company."
– **Stephanie Hodge, HSE Coordinator**



"I started in the construction industry in 2010 with absolutely no previous experience. Along the way I have learned from some amazing people. The push and encouragement that I have received helped me to become successful, in everything I do. I landed at Bernhard in 2016 and my experiences have increased my knowledge exponentially since being here. In the last two years, I was involved in the introduction and training of a new accounting software. During this process, I've had the opportunity to travel to several of our offices to train fellow employees. This was quite the task as I tried to ask every question that I thought others may have. I truly enjoy being of assistance to others and look forward to future opportunities."
– **Melissa Hall, Assistant Project Manager**



"I joined Bernhard first as a temporary employee, which makes it quite challenging to feel that you are included. But right away, I felt a sense of belonging. My team was open to my opinions, and I felt that I was a valuable part of the team."
– **Nicole Wilson, Benefits Administrator**

DE&I EDUCATION & TRAINING

The unfortunate reality is that bias is likely creeping into many of our business processes, and ultimately preventing us from making decisions based on merit. However, by familiarizing ourselves with how bias materializes in the workplace, we can begin to interrupt these occurrences to create an inclusive culture and ensure we’re able to operate as a true meritocracy.

In 2022, we launched a series of training toolkits that introduce how bias can factor into various workplace situations and outline simple tweaks that can help prevent implicit bias in the workplace. The training toolkits are situation-focused and explain how biases can materialize in certain situations like meetings, distributing assignments, performance reviews, and the recruiting and hiring process. Employees are also provided additional training courses on specific biases like affinity bias, halo effect, confirmation bias, and anchoring bias.

In addition to educating employees on DE&I best practices and biases in the workplace, we also have a mandatory Fair and Effective Interviewing training course for hiring managers. The course reviews the laws of discrimination, recognizing biases, building rapport with interviewees, and common pitfalls to avoid when interviewing.



DIVERSITY RECRUITING

In 2022, we allocated significant resources to educate and train our recruiting professionals on DE&I best practices. Leaders of our professional recruiting and DE&I teams completed the Human Capital Institute (HCI) Strategic Diversity, Equity, and Inclusion Certification Program to ensure our DE&I efforts align with industry best practices.

All professional recruiters have completed the AIRS Certified Diversity and Inclusion Recruiter (CDR) training, which educates participants on advanced online recruitment search strategies for sourcing candidates. In addition to diverse sourcing strategies, we developed a targeted outreach plan for diverse industry organizations and institutes of higher education. Through these partnerships and strategies, we aim to drastically increase the diversity of our applicant pool.



INSPIRING THE NEXT GENERATION
OF ENERGY INDUSTRY LEADERS

Bernhard has been growing strong for 104 years now. We believe one of the biggest factors in our longevity is an idea that's been with us since the beginning: a company-wide commitment to recruiting, training, and nurturing the future work force. AEC professions are locked in a historic, post-COVID hiring shortage that could see construction-based industries with hundreds of thousands of unfilled positions in coming years. To avoid perpetual shortages, we need strategies to help convince more women, minorities, and the younger generation to choose careers in AEC.

We give employees the support and confidence they need to find their professional passions, make hard decisions, and propose bold ideas. In doing so, we prepare our company to evolve and capitalize on new innovations while simultaneously creating diverse leaders who will propel Bernhard into its next great century.

YOUNG PROFESSIONALS PROGRAM

Bernhard is always looking for ways to support, shape, and retain future leaders who will continue our company's success. That's why giving young employees a great start through professional development, mentoring, and contact-building isn't just a goal at Bernhard, it's a priority.

One example of that commitment is Bernhard's Young Professionals program. Launched in 2022, the four-year program is open to any Bernhard Engineering employee who is under 30 or less than four years post-graduation from college. Through networking opportunities, mentorship, and group team building and training events, Bernhard Young Professionals seeks to help every young engineer develop their strengths and talents, while giving them the tools they need to excel.

In addition to exclusives like pop-up networking events, Bernhard Young Professionals provides participants with twice-yearly topical education sessions hosted at Bernhard's offices in Little Rock, as well as professional enrichment opportunities with senior members of the Bernhard engineering team. To help young workers level up their knowledge base, participation in the program also includes free access to Bernhard's extensive library of online training materials, including courses on Jobsite Safety, AutoCAD, Conflict Resolution and more.



"A lot of companies talk about providing professional development, but that usually amounts to a retreat every few years. Bernhard's Young Professionals is a lot more in depth. We really take the time to help build the connections that can make a difference in a career."

- Katie Thomas, Learning and Development Specialist



"Bernhard believes in the capabilities of their staff and wants to build up their confidence. The Young Professionals Program is designed to provide ongoing professional growth through goal setting, mentorship, and training. While practicing and developing technical skills on the job, the goal of this program is to supplement that experience with professional and personal development. I am so grateful for Bernhard's investment in their employees."

- Michaela Smith, Junior Engineering Fellow / Program Participant



ACE MENTOR PROGRAM

The ACE Mentor Program of America is a free, afterschool program designed to encourage high school students to pursue careers in the architecture, construction, and engineering industry, including skilled trades. ACE's primary goals are to:

- Help build a large, diverse, better-prepared workforce for our industry.
- Prioritize engaging students and communities traditionally underrepresented in the industry.
- Assist and guide students by providing scholarships, internships, and mentoring as they pursue career pathways into the industry.

In 2022, Bernhard became a keystone corporate partner

of ACE. Throughout the year, Bernhard employees served as mentors in numerous locations, sponsored fundraising events with local chapters, attended trades day career fairs, and gave industry presentations that inspired projects for ACE students. We are proud to have Bernhard employees involved in the program to share their experiences with the next generation of industry leaders.

ACE Engagement Spotlight:
Our Raleigh Durham office got involved with their local ACE chapter in the Fall of 2022. Bernhard team members Ralph Stingo, Jacob Alter, and Elias Schtakleff helped students design an animal habitat from start to finish for the NC Zoo in Asheboro. They walked students through a case study

on the Lion's Holding Building and Outdoor Exhibit at the Audubon Zoo in New Orleans, LA. In a virtual presentation, the team discussed the main MEP disciplines, different types of systems and explained the process of collaborating with the owner and working with architects, other engineers, and contractors. They also shared helpful advice for the students who would be designing their own animal habitats.

ACE MENTOR PROGRAM FACTS

- 10,000+ students
- 1,450 high schools
- 69% of students are minority
- 40% of students are female

INNOVATIVE RECRUITING EFFORTS:
Tulane University 360 Promise

Bernhard is leading the way with innovative ideas to bolster interest in the AEC industry such as the 360 Promise partnership with Tulane University. 360 Promise was announced in November 2022 in the wake of Project RISE, a 30-year Energy-as-a-Service (EaaS) agreement that will help New Orleans' Tulane University reach a goal of carbon neutrality by 2050. 360 Promise is a partnership built on a bold pledge: that Bernhard will recruit and hire 360 graduates of Tulane University over the next 30 years.

360 Promise is primarily focused on hiring graduates of the Tulane Energy Institute, a division of Tulane's A.B. Freeman School of Business that provides educational opportunities for students looking to enter the fast-growing energy industry. That said, the hiring commitments forged by 360 Promise extend to departments throughout the university, including Tulane Law School and the School of Science and Engineering.

As part of 360 Promise, Bernhard engineers and specialists will assist the Tulane Energy Institute in developing courses and a curriculum that fully prepare graduates for careers in the expanding energy services industry. Students in the program will learn about energy not only in the classroom, but also from real-world, past, present, and future Bernhard projects. As they do, they'll be guided and mentored by many of the seasoned professionals responsible for completing those projects on time and under budget.



“Talent is a critical ingredient to success. That’s true of our industry in general, and it’s certainly true at Bernhard. By making the 360 Promise with Tulane, Bernhard is strengthening its role to shape and develop future industry leaders. It’s a bold and exciting step.”
– Rob Guthrie, Chief Development Officer



INNOVATIVE TRAINING EFFORTS:
Electrical Apprenticeship Program

Bernhard currently runs the largest private electrical apprenticeship program in Louisiana, with more than 100 apprentices attending classes every Friday either virtually or in person.

Taught by Associated Builders and Contractors (ABC)-certified instructors who are also top Bernhard foremen with years of on-the-job experience, the four-year program gives electrical apprentices a solid foundation of knowledge about complex electrical systems. Lessons are often designed around the findings of real-world incident investigations, to help workers move beyond theory and understand how staying safe is everyone’s responsibility.

Participants graduate with an electrical certification from the National Center for Construction Education and Research (NCCER). That’s followed by Bernhard’s fifth-year Journeyman Prep class. Taught by one of Bernhard’s master electricians, the class prepares graduates for the City of New Orleans Journeyman license exam while further reinforcing the company-wide imperative of bringing a safety-first mindset to every job.

“This field is always changing. By running our own training programs, we’re making sure apprentices get a solid footing in modern electrical and what the job entails, but we’re also constantly reinforcing Bernhard’s safety-first, ‘think before you act’ culture.

*Whether they stay with Bernhard their entire careers or not, **this training might literally save a life someday.**”*

– Josh Boggan, Electrical Superintendent & Bernhard Apprentice Program instructor



PHILANTHROPY

Bernhard believes in nurturing a strong community impact and serving our surrounding communities as if they are one of our most cherished clients – because they are. We stay involved in our local communities through our employees, and we support the causes that matter most to them including:

Houston Flood Relief, Louisiana Flood Relief, Susan G. Komen Race for the Cure, Autism Speaks, Oklahoma City Clean Up, Miracle League of Arkansas, Our House, Rock City Robotics, Arkansas Food Bank, The Van, Houston Food Bank, Louis Area Foodbank, Community Food Bank of Southern Arizona, Second Harvest Food Bank of Middle Tennessee, Brother Bryan Mission, Children’s of Alabama, Children’s Safety Center of Washington County, Infant Crisis Services, Inc., Regional Food Bank of Oklahoma.

Charitable Giving Spotlight:

Bernhard’s 6th annual Light the Night Golf Tournament was held in October 2022, with all funds raised being donated to the Leukemia and Lymphoma Society. During the tenure of the tournament, Bernhard has raised more than \$135,000 for cancer research.

The Leukemia and Lymphoma Society is the largest nonprofit dedicated to blood cancer research in the United States and is the largest funder of cutting-edge research to advance cures. They have invested nearly \$1.3 billion in research, leading the nation in advancing breakthroughs in immunotherapy, genomics and personalized medicine.

Light The Night is a series of fundraising campaigns across the United States aimed at raising funds to research blood cancer cures. Bernhard continues to support Light the Night by hosting its annual golf tournament and accepting monetary donations to support patients, survivors, and their families. This year’s tournament was held at Hasentree Country Club in North Carolina, where over \$29,000 was raised.



“We all want to see an end to cancer; Light the Night is our largest community experience where we partner with companies to bring light to the darkness of cancer and raise funds for our mission.

Our mission begins and ends with the ever-powerful word: cure. We are focused on curing blood cancers through our three pillars of research, patient access, and advocacy.”

– Ralph Stingo, Vice President of Operations

GOVERNANCE

Bernhard is focused on delivering value to customers, employees, and investors through financial discipline, profitable and efficient growth, and sound business development. However, we must never sacrifice our core values in the pursuit of profits. Bernhard's executive leadership team manages with integrity and trust to continuously create value for stakeholders and lead to continued, long-term success.



DIF CAPITAL PARTNERS INVESTS IN
SUSTAINABILITY & ENERGY SOLUTIONS
WITH ACQUISITION OF BERNHARD



Established in 2005, DIF Capital Partners is a leading independent infrastructure equity fund manager currently controlling more than €15 billion of investments. DIF follows a unique set of private markets strategies in infrastructure equity, with a focus on developing highly diversified portfolios across a broad spectrum of projects in Europe, the Americas, and Australasia. DIF acquired Bernhard in late 2021 through their DIF Infrastructure VI fund, kickstarting an exciting partnership.

“Bernhard delivers distributed energy through its unique EaaS model which provides clients access to fully integrated and efficient energy solutions, thereby significantly reducing the carbon footprint of their buildings and utility systems. Bernhard’s approach fits perfectly with DIF’s Public-Private Partnership expertise and ambition to invest in clean energy infrastructure solutions around the globe,” said Gijs Voskuyl, Partner and Head of Investments for DIF Infrastructure VI. “We are excited to partner with Bernhard’s outstanding management team and support the company in their rapid growth at the forefront of the energy transition.”



“As Bernhard continues pushing to new heights in the EaaS market, we are excited to join forces with DIF Capital Partners given its extensive experience with Public-Private Partnerships, district energy, Energy-as-a-Service projects, and a shared commitment to efficiency, ESG and sustainability,” said Ed Tinsley, Bernhard CEO. “The support and strategic counsel from DIF will help to guide Bernhard through the next chapter of our story.”

With DIF’s acquisition of Bernhard, we will continue the acceleration of our market-leading EaaS business to healthcare and higher education facilities while expanding those services to other markets and geographies.

“The future of Bernhard has never been brighter,” said Tinsley. “Our track record proves we have the expertise and capabilities to push the industry to places it has never been before. With this announcement, we are truly at the forefront of a new era for energy solutions that will shape the world for generations to come.”



Claudia M. Meer Joins Bernhard Board of Directors

Bernhard welcomed Claudia Meer to its board of directors. Ms. Meer joins a board composed of Bernhard’s CEO and members of DIF Capital Partners.

Ms. Meer brings a wealth of rich executive and board-level experience in the EaaS space. She formerly served as Chief Investment Officer and CFO, of AlphaStruxure, an EaaS joint venture between The Carlyle Group and Schneider Electric, formed to develop and fund clean energy infrastructure. Prior to AlphaStruxure, Ms. Meer was the CEO of Dalkia U.S. and ran the public-private partnership and clean energy development and investment groups at Clark Construction.

“Claudia’s industry-leading expertise driving the realization of organic and inorganic growth strategies in Energy-as-a-Service companies will be an invaluable asset to Bernhard,” said Tinsley. “Claudia will be an instrumental resource as Bernhard embarks on its next chapter of growth and expands its focus on distributed generation technologies to support its customers.”

“It is an honor to be working with one of the best teams in the EaaS industry as Bernhard continues to set the standard in energy services,” said Ms. Meer. “This group is strategic, thoughtful and focused on the future for its clients and for ESG services and is continuously seeking innovative and responsible solutions.”

CHIEF LEADERSHIP TEAM OR
SENIOR LEADERSHIP TEAM

Bernhard’s Executive Leadership Team is comprised of expert professionals with diverse and extensive experience in the industry. These individuals provide strategic leadership and direction to the organization and leverage the talents of our workforce to empower our customers and promote a sustainable future. In early 2023, Bernhard announced a number of promotions within our executive leadership team to best situate Bernhard for continued growth, strategic alignment, and focused culture and communication efforts.

Philip Catanzaro was promoted to Chief Operating Officer (COO) after the retirement of Jim Sabin, who joined Bernhard in 2019, and led the Company through unprecedented growth in its Energy-as-a-Service offering. In his new role, Catanzaro’s primary mission is to ensure operational readiness and organizational integration as Bernhard expands into new geographies, opens new service offerings and continues a commitment to being the leading Energy-as-a-Service provider in North America.

Additionally, Lew Derbes was promoted to Chief Financial and Strategic Officer (CFSO) and Melissa Samuel was promoted to Chief Administrative and Legal Officer (CALO). As CFSO, Derbes will implement consistent policies and procedures across Bernhard’s organizational infrastructure to enable scale, while ensuring strategic initiatives remain focused and aligned with Bernhard’s mission. As CALO, Samuel’s primary mission will be to implement optimal and sustained solutions to ensure that culture, compliance, and communication are the company’s top priorities.

Ed Tinsley
Chief Executive
Officer



Philip Catanzaro
Chief Operating
Officer



Lew Derbes
Chief Financial and
Strategic Officer



Melissa Samuel
Chief Administrative
and Legal Officer



Rob Guthrie
Chief Development
Officer



“I’m honored to have the opportunity to help guide the company into its next chapter. Bernhard is made up of innovative and talented individuals who are truly masters in their field. I’m committed to empowering our teams to achieve even greater success, positioning the Company for continued growth, and providing ground-breaking solutions to reduce energy consumption and build infrastructure resiliency in partnership with our customers.” – Philip Catanzaro

“Bernhard is at an exciting time in its transformation and is well-positioned for robust growth. I am honored to be tasked with aligning the organization to execute on our strategic initiatives, pursuing innovative product solutions in the ever-changing energy transition environment, and evaluating opportunities that further enable turnkey energy solutions for our customers.” – Lew Derbes

“Throughout my career, I have been fortunate to focus on the people side of the business, recognizing the connection between what we do, who we are and how we support our employees and communities is what sets us apart. I am honored to lead Bernhard as we more clearly define and unite our vision of leading EaaS with our ultimate goal of building a more sustainable future for our team, customers, and planet.” – Melissa Samuel

“I’m proud of what we’ve built at Bernhard in becoming the only true turnkey Energy-as-a-Service provider in North America, partnering with our customers and communities to create a more sustainable future. I want to thank our customers, shareholders, and the Board of Directors for their unwavering support. I also want to give my utmost appreciation to our employees whose work and dedication have allowed us to achieve more than any of us could have ever imagined.” – Jim Sabin

EXECUTIVE LEADERSHIP TEAM

In conjunction with Bernhard's Chief Leadership Team (CLT), our Executive Leadership Team (ELT) is comprised of key leaders representing both our operational divisions and corporate support services.

The ELT meets monthly to ensure strategic initiatives and operations remain focused and aligned with Bernhard's mission.



Tim Staley
President - Engineering



Michael Cooper
President - Sustainability



Jennifer Ruggiero
Executive Vice President of Finance



James Bowman
Vice President of Information Technology



Scott Waguespack
Senior Vice President of Administration



Jeremy Tucker
Vice President of HS&E



Amir Hadzic
Executive Vice President of Delivery



Lyndsey Mitchell
Vice President of Human Resources



Larry Watkins
Deputy General Counsel



Lauren Skeen
Vice President of Marketing & Communication



Glenn Elkes
Executive Vice President of Delivery



Vincent Laborde
Chief of Staff



Travis Bernhard
Senior Vice President of Mechanical



Alyssa Jaksich
Vice President of Environment, Social, Governance



David Bell
President - Electrical



Dwayne Hammer
President - Mechanical



Jeff Swann
Executive Vice President of Development

BERNHARD ACQUIRES ETC GROUP; FURTHER ADVANCING TECHNOLOGICAL OPERATIONS

In Q1 2022, Bernhard announced its acquisition of ETC Group, LLC, which includes software subsidiary companies BuildingFit and GrowFitAnalytics. ETC Group is a leader in energy efficiency and commissioning that has provided services to reduce building energy waste, reduce operational costs, and create healthy and comfortable environments for more than 30 years.

Based in Utah with offices in Arizona and Nevada, ETC Group prides itself on delivering innovative solutions to complex engineering problems and implementing leading-edge data analytics techniques. With the acquisition, Bernhard will expand our national presence and nearly double our software development capabilities.



“Along with decades of success, ETC Group brings to Bernhard a highly qualified team with a unique skillset that has pushed the boundaries of what’s possible through technology in our industry. They have proven to be trendsetters, innovators, and changed the landscape of how facilities use technology to achieve more energy efficiency.”
– **Tim Staley, President – Engineering**

ETHICS & COMPLIANCE

As we position ourselves for continued growth and success, we must operate with an ethical mindset, which is reflected in the way we embody and engage our core values every day. Our Code of Business Conduct sets the standard for who we are and how we operate. The Code and its policies provide clear, practical guidance on how we can demonstrate our core values of Safety, Ethics, Teamwork, and Innovation.

Accountability is core to our culture and is a critical part of our commitment to earn the trust and respect of our colleagues, shareholders, business partners, governments, and communities. Our long-term success can only be achieved if each

of us acts in a manner that supports our values and is in full compliance with the law. Our Code and core values apply to all employees. Every employee is empowered to speak up and report any potential Code violations. Employees will not be retaliated against for reporting potential Code violations. Bernhard is an Equal Opportunity Employer of Minorities, Women, Protected Veterans, and Individuals with Disabilities, and participates in the e-Verify program. All qualified applicants receive consideration for employment without regard to race, creed, color, religion, sex, age, national origin, veteran status, disability, or any other classification protected by law.

CYBERSECURITY

At Bernhard, safety is a cornerstone of our work, but there is one area of workplace safety that often goes undetected: cybersecurity. In response, we formed an Information Security Committee that’s tasked with developing and executing a Security Implementation Plan.

In partnership with a global leader in managed security services, the Committee launched the Security Implementation Plan ensuring Bernhard’s networks, endpoints, and cloud environments are fully protected with 24/7 monitoring that can detect, respond, and recover from cyber-attacks. Disaster recovery testing is performed on critical and high-priority systems, and employees are required to complete mandatory training to promote cybersecurity awareness. Training modules address topics like phishing, ransomware, and how to proactively identify cybersecurity threats, with expanded security training extending to IT professionals and leadership.

At Bernhard, we believe it’s essential for all employees to understand the fundamentals of cybersecurity and for our IT professionals to consistently work to strengthen our IT environment to keep ourselves and our coworkers safe while using technology.



INTERNAL SYSTEMS

Enterprise Resource Planning Systems

Throughout 2022, Bernhard dedicated extensive time and effort to migrating existing Enterprise Resource Planning (ERP) systems to a consolidated approach. These efforts extended to several business functions including:

- General Accounting & Finance
- Accounts Payable
- Travel & Expense Management
- Billings & Accounts Receivable
- Human Resource Management
- Payroll
- Procurement
- Subcontract Administration
- Inventory Management
- Service Management
- Project Accounting
- Timekeeping
- Project Management
- Fabrication

The increased efficiencies, deeper insight into day-to-day business activities, and improved resiliency and agility has helped position Bernhard for scalable growth throughout the organization.



Learning Management System

Our comprehensive internal Learning Management System (LMS) provides all employees with technical, safety, and professional development training. Training courses cover an array of topics including Leadership & Management, Diversity Equity, & Inclusion, Safety, Human Resources, Personal & Professional Development, and more. In-house experts have also developed role-specific courses to train employees on the technical skills and knowledge required to perform certain job duties.

As a company, we believe our employee’s technical expertise is the key to our ability to provide innovative solutions to our customer’s challenges. We support each of our employees in advancing their education and pursuing industry-specific certifications, training, and licenses.

Company Intranet

Bernhard Electronic Resource Network for Employees (BERN-E) is the primary communication channel between Bernhard leadership and employees for internal news and information. Employees can access leadership talks, company news stories, videos, employee and project spotlights, a feedback platform, and other informative content and resources. Through this system, we’re able to facilitate enterprise-wide communication, increase employee productivity, improve team collaboration, and help employees stay connected and informed. Our company intranet is a critical step in uniting our workforce and forging connections across our many disciplines and functional areas.

Human Resource Management System

Bernhard Employee Key Insights (BEKI) includes Human Resources, Recruiting, Onboarding, and Benefits support for all employees and managers. BEKI streamlines our day-to-day HR business practices, empowers our employees to self-service and initiate standard HR process, and provides operational insights into HR performance and employee satisfaction to better meet the needs of our employees.

SAFETY

Among Bernhard’s chief priorities is providing a safe and healthy workplace and conducting our operations in an environmentally responsible manner. We view such conduct as essential to successfully executing our business strategies. No activity is more critical to Bernhard than protecting the environment and the health and safety of our employees, business partners, and members of the communities in which we operate. Bernhard implemented The Journey to Zero Program, which has the ultimate goal of zero safety incidents across all of our teams and job sites.

1,500+	30	1,000+	38,000
OSHA trained employees	Dedicated HSE employees	Jobsite inspections in 2020	Training hours

At Bernhard, we celebrate employees for working safely and incentivize safety-minded decisions and a positive attitude. We have an industry-leading safety training program geared to maintain a safe and healthy work environment, safeguard all persons who enter, work, or live near our worksites, and meet or exceed regulatory standards, which is led by a dedicated team of quality managers, QA/QC inspectors, HSE professionals, and authorized OSHA outreach trainers.

We believe there is a direct correlation between safety performance and optimal organizational performance. As much time as we spend on operational efficiency, we spend equal if not more time researching injury causation in the workplace. Understanding employee behavior is the result of the systems, guidelines, and culture that Bernhard leadership has instilled from the top down.



LEADING THE INDUSTRY

Innovation is a core tenant at Bernhard. Not only are we busy pushing the industry forward with energy efficiency and energy solutions, but we are also innovating on the frontiers of safety. Technology has presented us a multitude of new ways to think about safety measures and we owe it to our employees to be trendsetters in precaution, strategy, and best practices.

As inaugural members of the Serious Injury and Fatality Prevention Center of Excellence (SIF Prevention COE), we have contributed to thought leadership regarding preventing serious and fatal injuries across industries while focusing on improvement opportunities of our own. Never afraid of carving our own path, we are the only commercial contractor in the world that are members of SIF Prevention COE.

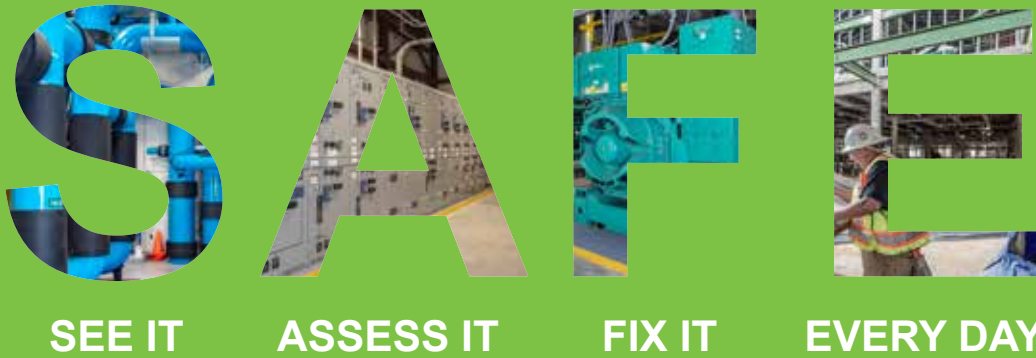
Our cross-industry participation in collaborative research has helped us further develop enterprise-wide strategies and metrics for the prevention of serious injuries and fatalities to support business unit level efforts to develop specific solutions to eliminate exposure and improve safety performance overall.

We believe that every effective safety leader needs 7 Insights in order to achieve safety and organizational improvement. These 7 Insights are:

- 1 Improving safety by engaging workers lifts business performance.
- 2 Improving safety starts with preventing serious injuries and fatalities.
- 3 Leadership sets safety improvement in motion.
- 4 Culture sustains performance, for better or worse.
- 5 Leaders need to understand core safety concepts.
- 6 Behavior plays a role, but a different one than expected.
- 7 Cognitive bias affects safety decisions.

These 7 Insights represent new ways to achieve accelerated safety improvement with direct benefit to organizational function. We take part in innovation groups with several partner organizations to share data, experience, and expertise in order to improve leadership and decision-making. As a result, our safety leaders are able to observe, measure, and improve safe decision-making. Through safety innovation efforts like these, we are discovering specific ways cognitive bias causes safe decision-making to break down along with strategies to prevent that from happening.

Since joining SIF Prevention COE, we have continued to adapt our KPIs based on more specific safety improvement strategies that help us prioritize key changes to our safety program. Paying closer attention to SIF injuries and SIF potential events has helped us focus on the contributing factors and potential, instead of solely on outcomes. Previously, KPIs were limited to lagging indicators almost exclusively. Since 2017, we have slowly introduced leading metrics and incorporated SIF into our operations. As a result, our lagging results have improved over time.



Employees are encouraged to report unsafe conditions and are challenged to form individual goals for S.A.F.E. work:

“See it, Assess it, Fix it, Every day!”

As a result, we have been able to maintain an EMR well below industry average reported by BLS/NCCI as well as prevent specification non-compliance.



SAFETY TRAINING

All employees within our construction division are required to have a minimum OSHA 10 certification, while supervisors and management must obtain an OSHA 30 certification, OSHA-10 or OSHA-30 Certification. Additionally, construction employees are required to complete the following safety-related training courses:

- CPR, First Aid, & AED
- Basic 1926 Strains & Sprains
- Workplace Ergonomic Training & Assessments for Leadership
- Material Handling: Decision Tree & Pause Before You Pick
- Top-Down Stretch & Flex Campaign
- Utilizing the WASP as a Weekly Assessment Tool for Ergonomics
- Fall From Heights
- Werner Ladder & Fall Protection Training
- Ladder Expertise for Front Leadership
- Utilizing the WASP as a Weekly Assessment Tool for Ladder Use
- Slip & Trips Same Level
- General House Keeping Campaigns
- Control of Rolling Stock
- General Walking Working Surface Assessments – WASP
- Eye Protection: Foreign Body Prevention
- Proper Donning & Protection Review
- Task Identification & Hazard Assessments
- Standard PPE
- Changing Conditions in the Workplace

SAFETY SPOTLIGHT: FABRICATION SHOP

Bernhard operates more than 300,000 square feet of manufacturing and fabrication facilities design and manufacture custom, modular HVAC and plumbing units. We leverage this experience to innovate how our construction projects are delivered. Constructing components offsite brings numerous benefits including a safer work environment, more tightly controlled product costs, and the ability for work to be completed out of normal project sequence. We can also manufacture customer modular components for various applications. By harnessing the strengths of our multi-disciplinary team, we can deliver efficient products and modules that improve our project outcomes for customers.

Our philosophy is to manufacture as much as possible to promote safety, reduce on-site labor, and improve the overall quality of the work.

Benefits of offsite construction:

- Lower risk of incident and injury
- Reduced onsite labor needs
- Improved material cost control
- Improved quality control
- Increased flexibility in project schedule



BREAKING THE STIGMA OF MENTAL HEALTH IN AEC

“It’s my problem, and I shouldn’t let it impact my job.”

“I don’t want my coworkers to believe they can’t count on me.”

“I can’t let the team down.”

These are some phrases that are familiar to many employees in the AEC Industry. Workers who compartmentalize and leave “personal stuff” behind when they clock in every morning are as common in the AEC industry as tool belts and hard hats. It’s easy to see why that culture developed. Pushing through physical discomfort, bad weather, late nights, and seemingly impossible schedules is oftentimes what it takes to get the job done. Why not emotional pain as well?

We understand our employees’ mental health is just as important, potentially more important, than their physical health. In AEC, those who can thrive under pressure and tight deadlines are highly prized. But when it comes to mental health, eventually something’s got to give. When workers take the stoic, project-first mentality that rules many job sites as an excuse to bottle up their emotions, neglect their own mental health, or discourage others from being honest and open about their personal challenges and struggles, it can come at a serious cost. Not just to projects, but to lives as well.

Consider the Statistics

The hard truth is, AEC has a mental health problem, and staying silent about it is hurting our industry and the people who make it great. At Bernhard, we believe it’s long past time to tear down the stigma around talking about mental health.

According to the Centers for Disease Control, male workers in construction-related trades have the highest annual rate of suicide of any profession in the United States, with 49.4 suicides per 100,000 workers per year. That’s double the national average for all working men. Architecture and Engineering professions rank fifth, with 32.2 suicides per 100,000 workers per year.

Why is AEC so susceptible? Stress on the job, scheduling pressures, relationship issues due to time away from home, the toll some AEC careers can take on the body, and the AEC industry’s long-standing culture of suppressing emotions and devaluing mental health likely have a lot to do with it. Researchers are making strides to understand the true causes why.

One study of construction workers published in 2020 found that 83 percent reported experiencing what would be considered a moderate to severe mental health issue at some point in their lives. The same study found that up to 90 percent of those surveyed reported some form of early childhood trauma, while more than 70 percent showed signs of undiagnosed PTSD.

Another recent study by the Institution of Mechanical Engineers found stress in the engineering field at what the organization called “crisis levels.” More than 67 percent said they had gone to work while feeling emotionally or mentally unwell, while 77.8 percent said their job is “often stressful.” More than half said their work has a negative effect on their mental health or sense of wellbeing.



Creating a Solution

The jury’s still out as to why AEC careers can take such a toll on the mental health of some workers. But at Bernhard, we’re not waiting around for definitive answers when the cost of waiting could be so great. We know that devoting the time and resources it takes to care for workers’ mental health is absolutely part of getting the job done. We value teamwork and supporting each other’s mental health is just one aspect of being a team.

According to the American Psychiatric Association’s Center for Workplace Mental Health, the number one reason those in the construction industry who need help do not seek it is because of shame and stigma (78%) and fear of judgment by peers (77%). That’s why Bernhard is committed to offering some of the best mental-health support programs in our industry as part of a broader effort to strengthen workplace well-being through initiatives largely inspired by the Surgeon General’s Framework for Workplace Mental Health and Well-Being.

The first pillar of the Framework, Protection from Harm, centers around fostering both physical and psychological safety, which rests on two human needs: safety and security. Safety relates to protection from physical and non-physical harm, including injury, illness, discrimination, bullying, and harassment. Security ensures all workers feel secure financially and in their job future.



Key components of Bernhard’s strategy to address Protection from Harm include the following:

Prioritizing workplace physical & psychological safety:

Safety is a core value at Bernhard, with safety being incentivized, celebrated, and engrained into all work environments. We have an industry-leading safety training program geared to maintain a safe and healthy work environment, safeguard all persons who enter, work, or live near our job sites, and meet or exceed regulatory standards. Studies show that employees struggling with mental health issues are twice as likely to be distracted on the job. Depression and anxiety paired with long workdays can contribute to a lack of sleep. This dangerous combination of exhaustion and mental absenteeism can lead to more mistakes, which increases the likelihood of accidents and injuries. In acknowledgement of this, Bernhard recognizes that no safety program is complete without elements that support employee’s mental health.

Normalizing & supporting mental health:

Bernhard’s EmployeeConnect is a completely free, totally confidential service for Bernhard employees and their families. Whether employees are dealing with depression, substance abuse, money troubles, job-related stress, or even thoughts of suicide, EmployeeConnect can help. By providing free counseling, 24/7 support, online resources, and even access to specialists like lawyers and financial counselors who can help make sense of legal or financial issues, EmployeeConnect can be a lifeline in a sea of troubles.

Operationalizing DE&I policies & programs:

In inclusive workplace cultures, all employees welcome and value each other’s unique perspectives. When diversity is celebrated as a source of strength, workers experience less stress and anxiety as bias and prejudice are not tolerated. Inclusive leadership is vital for fostering DE&I among teams and is required to support a work environment where all team members feel valued and represented, an outcome Bernhard is fully committed to and actively working towards achieving.

CLIMATE RESILIENCY

Healthcare and higher education infrastructure tends to have long lifecycles and are often large in scale with a significant physical footprint. Because of this, climate resiliency is particularly relevant for so many of our primary customers. These facilities have unique interdependencies in their utility types. Power, water, and heating infrastructures are intricately connected, and any impact on one utility could mean disaster for the entire campus.

It is critical that we consider how changes such as increasing climate-related regulations, demand for low operational and embodied carbon solutions, and more frequent weather events might affect our customer's needs over time - and more importantly - how we can adapt our services to provide solutions in response to these needs.



ADAPTING TO A CHANGING ENVIRONMENT

Higher education and healthcare leaders are no strangers to resiliency planning; however, in today’s era of change driven by the climate landscape, it is critical to take an adaptive approach to infrastructure resilience. While significant focus and effort must be put towards reducing emissions to slow the pace of global warming, adapting to climate consequences to protect ourselves and our communities cannot be overlooked. Whether it’s increases in floods, droughts, fires, extreme heat, unparalleled winter storms, or sea-level rise, there are specific mitigation efforts that can be taken to create resilient infrastructure regardless of where you’re located and what risks you’re facing.

Standard strategies of addressing both short-term disruption and long-term trends must be expanded to make room for understanding and anticipating the challenges and opportunities climate change presents. The resilience of any campus will be based on its own unique circumstances, future goals, existing capacity and strengths, and current and future vulnerabilities. Resilience is not just about survival and recovery, but about being able to thrive. The most successful campus resilience plans will be those that fully embrace the volatile nature of resilience assessment and planning, and that incorporate diversity and inclusiveness throughout the process.

Balancing Sustainability & Resiliency

While sustainability and resiliency are correlated, the most resilient option isn’t always the most sustainable, and vice versa. Improving energy efficiency and reducing reliance on fossil fuels is a primary sustainability goal for many healthcare and higher education institutions. However, it’s also critical to identify where reliability ranks when developing an infrastructure master plan.

For example, some campuses require redundant capacity or fuel switching capabilities to create a more resilient and reliable infrastructure system. This is especially relevant for mission-critical users like hospitals, pharmacies, and research labs. For these facilities, the need for consistent and reliable power outweighs the need for efficient systems, even when sustainability is still a top priority.

While increased resiliency can sometimes create a less sustainable system, that doesn’t always have to be the case. At Bernhard, we pride ourselves on developing creative decarbonization solutions that meet our customers’ resiliency and sustainability goals, with added consideration towards supply side opportunities, operations and maintenance costs, and overall fiscal responsibility.

Resilience Planning

With our corporate headquarters located in New Orleans and additional offices throughout Louisiana, Bernhard understands more than most that extreme weather events can have a significant impact on operations. We offer emergency disaster response services with teams available to perform critical repairs and restore operations to customer facilities. Additionally, we offer disaster preparedness planning, resilient building system design, energy efficiency measures, and industry-leading operations and maintenance services that all work to create both efficient and resilient facilities. Bernhard’s approach to climate resilience is largely consistent of Second Nature’s resilience planning framework, which relies on the following key characteristics:

- **Community:** All institutions interact with the communities around them. They impact, and are impacted by, the local neighborhood, town, or city. It is not possible to be a resilient campus without being part of a resilient community. A campus is better protected from climate change, and has greater capacity to adapt, when it cooperates with the community on building resilience together.
- **Inclusivity:** Assessing and promoting resilience rests on understanding the adaptive capacity of a system or community. Just as strong natural ecosystems will often have great diversity of flora and fauna that help withstand a wide variety of impacts, human systems also benefit from diversity. Inclusivity is important to resilience not only because it allows the institution and community to articulate multiple viewpoints, but also to brainstorm many potential solutions that a less diverse approach might not identify.
- **Flexibility:** No one can predict the future with absolute certainty. It’s important to allow for flexibility within resiliency planning, as rigidity often imposes brittleness. Operating without flexibility may lead to harsher impacts when climate-related shocks occur, just as a material breaks when it can’t bend. Adaptive planning forms the heart of a resilience approach.
- **Learning:** An adaptive process like resilience requires dynamic learning and actions responsive to changing knowledge or circumstances. While the goal is to be as proactive as possible, it is not possible to be absolutely certain about the future. It is necessary to build learning and knowledge-sharing processes into adaptive systems.
- **Prevention & Management:** Resilience not only entails adapting to a changing climate but working to prevent negative impacts. Resilience blends mitigation activities (those that reduce the likelihood of major climate disruption) with adaptation – managing the consequences of a changed and changing climate. For example, a resilient community will be one that offers low carbon energy solutions as well as a reliable power supply.

EMERGING TREND: EMBODIED CARBON OF THE BUILT ENVIRONMENT

In today’s world, it’s becoming increasingly more mainstream to push towards net zero emissions through operational carbon reduction. These efforts are leading to more complex systems, controls, and operations. Which, in recent years, has forced industry standards to sync up to match the new demand for a net zero built environment.

This in itself is proof that the industry isn’t static, and it would be a mistake to assume that environmental activists and building professionals will stop once net zero operational carbon goals are achieved. The conversation is already expanding to embodied carbon, which is the amount of GHG emissions associated with the production, construction, and demolition of a building. In fact, the language of embodied carbon has already infiltrated everyday A/E/C practices, but true implementation is quite rare.

We are seeing more industry leaders advocating for an embodied carbon consideration, taking a long-term perspective on projects. While this viewpoint is still new in the United States, Europe has much more advanced adaptation, including more robust standards as well as documentation via environmental product declarations (EPD). This documentation verifiably reveals how much energy it took to produce a product, be it flooring, piping, carpeting, structural elements, etc. The implications of this evolution are particularly important for ESG. Experts need to be equipped with the knowledge and tools to move this conversation into common practice.

Impact of an Embodied Carbon Shift

Low-embodied carbon is more than a conversation, it has real, everyday impacts in planning, design, and construction. The long-term, full-scope viewpoint creates opportunities for the design team to collaborate with engineering and construction teams. In this scenario, architects, engineers, and owners work closely together to develop facilities that are not only functional, but also efficient in their product and material usage.

The way products are viewed is also reframed. Materials themselves are increasingly valued for their sustainability, creating incentives for manufacturers to create in a more renewable manner. For example, there is a resurgence in the use of timber and mass timber framing construction. With minimal processing, trees are put into a structure to sit and hold the carbon for

a lifetime. Utilizing timber over other products can substantially reduce GHG emissions, slash the waste, pollution, and costs associated with construction, and create a more physically, psychologically, and aesthetically healthy building. Building codes also have to change to determine how wood in a structure is addressed from a structural standpoint and for fire safety. The implications for these shifts continue to be realized.

The Road Ahead

Looking at Bernhard’s core customers, the healthcare industry in particular will be difficult to decarbonize due to the high level of regulation born out of a need to protect the public it serves. This sets up a difficult and dynamic path forward. Two options are ahead: better material choices and minimizing material quantity.

Materials that utilize efficient processing from cradle to grave, for example, will begin to be prioritized. Yet there are challenges due to a lack of information from the manufacturing realm for informed decisions to drive changes in production.

Material quantity implications can be put simply: we can reduce the amount of carbon by simply having fewer things in the building. It’s been said, “There is nothing more efficient than off.” For example, the most efficient air conditioning system in a house can run really well, but if kept off, it will be more energy efficient over the entire year. The same approach applies to material quantities.

In order to reduce the amount of materials in a building, it requires the continued disruption of the old views of design where architects create in a silo then pass off a plan to an engineer who creates their own plans and the building is then constructed. Collaboration is vital to create a design that helps minimize materials, while providing an inviting, safe, and efficient building. Considerations such as creating more vertical buildings so bathrooms or mechanical rooms can be stacked should become more common in efficient architecture.

Benefits

The long-term forecasting associated with embodied carbon truly hinges on the aspect of flexibility for the building’s future. The goal should be to create something that is resilient, durable, and also flexible so there is less waste in building transitions down the line.

The true long-term value associated with embodied carbon is yet to be fully realized. A healthcare facility is often the lynchpin of its local community. Working as an industry to be the best stewards of that responsibility to provide safe and efficient facilities also includes being an establishment that does no harm to the environment it resides in over its entire lifecycle.

**By pairing innovation with meaningful action, we can fight for and achieve
a sustainable future for our customers, families, and communities.**