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At the **core** of everything we do is a desire to be **good corporate citizens**."

- Brett Hitt, Co-Chairman



## **OUR STATEMENT**

HITT Contracting is committed to continually building upon our foundation of exceptional quality, service, and relationships. Sustaining this tradition requires a thoughtful balance between economic growth, environmental stewardship, an empowered workforce, and community involvement—compatible goals that drive long-term value for all our stakeholders.

## 5 PILLARS OF OUR PROGRAM

To successfully execute our corporate responsibility strategy, HITT will integrate a triple bottom line (financial, environmental, and social) approach to our decision making in areas where we can have the most impact.



**WORKFORCE** WELLBEING



**ENVIRONMENTAL SUSTAINABILITY** 

client environmental goals while operating jobsites and HITT offices in a way that minimizes adverse environmental impacts.



COMMUNITY CONTRIBUTION



**INNOVATION & PARTNERSHIPS**  Encourage innovation in building construction practices through research and development opportunities and by leveraging strategic partnerships.



**GOVERNANCE** & INTEGRITY

Build and maintain a transparent corporate responsibility program to drive consistency, ethical business practices, and risk management through standardized policies, training, and governance.



Kim Roy

## MESSAGE FROM THE CEO

While HITT's foundation is built on quality, relationships, safety, and service, our purpose goes beyond delivering construction. Our core values guide us to put the community, planet, and people at the front of our business every day – an approach we share as a core value at HITT to "Be the Good." This responsibility to improve the lives and places touched by our work has become increasingly important as HITT grows and the magnitude of our impact increases.

The vision set forth for HITT by our founders, owners, and leaders embraces social responsibility, environmental stewardship, and the pursuit of equity as critical to our success. The race against climate change demands action from corporations, and cultivating an inclusive and equitable workplace is the key to engaging the best talent to bring the answers to these challenges. We are committed to forging impactful corporate citizenship programs that advance the causes important to our stakeholders; among them access to education, improving health through advanced medical care, and career opportunities that allow Americans to provide for their families.

This overview of HITT's corporate responsibility programming outlines the advances made in the last year, as well as our future goals and objectives, and reinforces our commitment to the five pillars of corporate responsibility at HITT. We're grateful for our team members, partners, and clients who have contributed their time, energy, and resources to helping us achieve so much in 2021. In the coming year, we will raise the bar for sustainability and philanthropic initiatives at HITT. This is the work that moves our company forward and is the key to elevating the business of building.

# 2021 PHOTO HIGHLIGHTS

HITT is committed to making a positive impact on the lives of its stakeholders, industry, and the broader community. The following highlights some of the impacts we've made in 2021. We look forward to building upon our success as we continue to drive change across our national footprint.















# WORKFORCE WELLBEING

Further our legacy as a best place to work by continuing to build a positive and inclusive workplace culture through investment in training, professional development, safety, and the health of our team.

HITT started as a small family business, and we strive to maintain that element of our culture. We consider our team. members to be both the foundation of our success and the path to our future, which is why prioritizing safety and providing opportunities for training and growth within the organization is a priority for leadership.

### **CULTURE**

The HITT Way is how we define our core values companywide as they reflect the culture for which we strive. Our team members are beyond dedicated; they're driven, intelligent, innovative, and reliable. Their devotion translates into an indelible sense of camaraderie and passion. This commitment is part of the reason we've consistently ranked as a top workplace by regional publications like The Washington Post. These achievements don't happen by accident; rather they're the result of our focus on teamwork, empowerment, and connections amongst our people. We believe HITT's success as a leader in the industry directly correlates with our investment in the wellness of our team and the tools that will make them successful at HITT and beyond.

In an effort to continuously improve, HITT conducts an annual employee engagement survey to solicit feedback from our team. A few examples of the improvements that have come out of this survey include implementing quarterly communication meetings, restructuring our compensation and rewards program, expanding team member benefits, and enhancing technology access and use.



## DIVERSITY, EQUITY, & INCLUSION

Diversity, Equity, and Inclusion are the cornerstones of high organizational performance. HITT values the diversity of our team members and is committed to maintaining an inclusive culture that welcomes and leverages our differences and similarities. In April 2021, HITT announced the implementation of our formal DE+I strategy, which was developed with input from key internal stakeholders and expert research. Our strategy is organized around four key principles: cultivate community, listen intently, challenge mindsets, and increase representation. HITT's strategy is actionable and measurable, and the tactics to achieve the goals set forth in the plan vary between immediate action and long-term efforts.

#### Cultivate Community

As we continue to grow, we strive to enhance the diversity of our team and the communities in which we operate. Providing equitable opportunities for all members of our team is at the heart of cultivating HITT's community. The first actionable step was to launch employee resource groups (ERGs), and in 2021, five ERGs were established: Black Leadership Network, Parents of HITT. Pride Alliance, Veterans of HITT, and Women of HITT. These ERGs provide networking opportunities, mentorship programs, and career development for members. Combined, HITT ERGs currently have 300+ members with more than 80 participants in the groups' mentorship programs.

#### Listen Intently

Our team members want to influence and impact HITT's policies, culture, and actions to make the company more equitable and inclusive. Our goal is to give every individual a voice and ability to

influence at HITT. In 2021, we added diversity, equity, and inclusion questions to our employee engagement survey. By doing so, our team members are able to provide vital feedback to our DE+I initiatives and plans. In order to make informed, inclusive, and effective future decisions concerning DE+I, we are committed to monitoring results year over year in order to best leverage this feedback and turn it into actionable results. Additionally, we have created an anonymous reporting platform through our ethics hotline where individuals can report discriminatory or insensitive encounters.

#### Challenge Mindsets

We have the responsibility to help our team members grow and learn, exposing them to new ideas, perspectives, knowledge, and training on key DE+I issues. HITT's DE+I strategy establishes specific training and educational tools as resources for learning. All jobsites are now required to hold inclusivity trainings at kick-off, and all team members must complete a DE+I training within their first 30 days with HITT. These trainings aim to ensure that all HITT team members and stakeholders feel included and provide the same experience regardless of their position or work location. These trainings address HITT's Zero Tolerance for Intolerance Policy, ways to be an ally, how and where to report discrimination, and more.

We also created an internal DE+I knowledge center to serve as an online resource offering curated tools for selfguided learning and exploration. The resource offers various recommendations such as podcasts, books, and articles. As we continue to add resources to our DE+I program, we will offer opportunities for deeper learnings on specific topics throughout 2022.

#### Increase Representation

At HITT, we understand that to create a more inclusive culture, we need a more diverse workforce. We're actively working to increase the diversity of our team and representation of minority groups through recruitment, retention, and advancement. In 2021, we audited our candidate experience, including recruitment and hiring materials, to ensure the use of more inclusive language and improved our team member referral program to reach a wider range of diverse candidates. We sought partnerships with diverse groups to create meaningful and lasting relationships that create opportunities for diverse candidates.

- Our HITT Futures program partners with historically Black colleges and universities (HBCUs) that offer robust and leading construction, architectural, and engineering programs. Our team attends job fairs, provides career coaching, and established an HBCU endowment.
- In 2022, we established Leadership Diversity Grants as a means to create a more equitable experience for women and BIPOC team members. These grants are intended to offer development opportunities to advance team member careers and deliver on HITT's DE+I commitments.
- We established a successful pilot program that helps transition military veterans to new hires, offering service members a career path with HITT upon re-entry to the civilian world. This pilot program has been a success in its early stages, and we look to continue to add to it and partner with similar programs in the future.
- To ensure team member retention and pay equity, we completed a company-wide compensation study that allowed us to ensure fair wages for all positions, regardless of background. As a result, HITT established a minimum living wage of \$60,000 for all full-time, exempt team members nationwide.

As a company, we are committed to our DE+I plan, and our focus is to foster a feeling of belonging and empowerment that supports the retention and promotion of each hard-working team member.

### **HEALTH**

In addition to providing healthcare benefits to our team members and their families, we also strive to keep them fit and healthy by offering a variety of fitness options to encourage active lifestyles. These options include:

- Sponsored intramural sports teams including softball, basketball, flag football, and volleyball
- Organized step fitness challenges offered throughout the year. In 2021, activity challenge participants walked a combined total of 38 million steps
- Fully equipped gym at our headquarters office, accessible

HITT also regularly promotes health awareness campaigns throughout the year. In 2021, for Breast Cancer Awareness Month, we encouraged team members to wear pink, attend a virtual discussion about breast cancer prevention and care, and raised funds for local philanthropies such as Breast Care for Washington, DC and METAvivor. This year, we dedicated our events to a team member we lost to breast cancer and part of the funds were donated to her chosen charity.

With a focus on work / life balance, we offer a variety of paid leave options for team members:

- Parental leave for new parents
- Family caregiver leave to help care for sick loved ones
- Military leave for active military team members
- Sabbatical leave for our site operations team members
- Bereavement leave to grieve the loss of a loved one
- Hybrid work model for corporate team members, working remotely up to two days a week

In our 2021 engagement survey, team members said they wanted a greater focus on wellness and additional voluntary insurance options. Based on this feedback, we added the following voluntary insurance options and wellness benefits in 2022:

- Accident insurance
- Critical illness insurance
- Pet insurance
- Annual wellness reimbursement

The health and well-being of our team members is so incredibly important to us. In an effort to increase our focus on preventive and whole-person care, HITT offers a medical rate discount for team members who participate in the five points of our wellness program. The purpose is to encourage our team members to improve their overall health and to move the needle of the well-being of our company as a whole. The five points of wellness include:

- Getting an annual physical
- Completing an online health assessment
- Being nicotine/tobacco free
- Receiving the initial series of the COVID-19 vaccine
- Completing a mental wellness course

HITT also takes proactive measures in other ways, such as hosting free flu shot clinics and COVID-19 vaccine and booster clinics. Flu shots are provided each fall to make access to vaccines easier, while COVID-19 vaccination and booster clinics were new additions in 2021.

### **SAFETY**

HITT promotes a commitment to health and safety beginning with senior leadership, and that commitment is continually reinforced at all levels.

Providing a safe working environment for our team members and those who interact with our work is one of our core values. We ask that all team members and partners make the same commitment and hold each other accountable.

Our goal, first and foremost, is to protect the health and wellness of all team members and stakeholders. We continually seek to strengthen and evolve our safety program and create a culture of care on our jobsites. In 2021, we refreshed our health and safety manual to include 12 new safety requirements that go beyond OSHA standards, eliminating outdated practices, enhancing jobsite conditions, improving the workforce experience, proactively addressing hazards to mitigate the risk of injury and/or property damage. We also continued to work safely through the pandemic, continuously adjusting our safety protocols, best practices, tools, and resources.

The HITT Safety team also launched a new company-wide enterprise health and safety platform with standard and customized dashboards for greater visibility and transparency into real-time safety data. Our dedicated team of safety professionals is essential to HITT's safety program. This highly trained team frequently visits jobsites to ensure that our project teams have the resources necessary to manage their projects safely.

### WORKFORCE WELLBEING

They also assist with the training and recording of observations for safe and unsafe practices, create daily and weekly reports for distribution to project teams and business unit leaders detailing the findings of these visits, assess trends, and ensure all teams are aware of the safe and unsafe observations recorded during jobsite inspections.

We also challenged our site operations and operations teams to actively monitor safety on-site by setting a goal of 130,000 observations, based on one observation per every 200 hours worked during 2021. By year-end, the company exceeded our goal, recording approximately 170.000 observations.

Our approach to managing health and safety prioritizes and scales according to risk. Our primary goal is to eliminate or minimize risk whenever possible by controlling the exposure to hazards. Our success in managing health and safety is measurable, allowing us to monitor and identify future actions.

HITT's team members continue to work with national trade association, and our safety program has received numerous awards over the years, including the Associated Builders and Contractors (ABC) Diamond STEP Award from ABC Virginia, ABC Metro, ABC Georgia, and ABC Rocky Mountain. Awardees are rated on 20 safety program components, including management's commitment to safety, team member participation, use of personal protective equipment, and record-keeping.

#### **PROGRAM HIGHLIGHTS:**

- Safety training required for all new team members
- First Aid / CPR training required for all on-site personnel
- OSHA 30-hour training mandatory for all on-site personnel
- Defensive driving course required every two years



### HITT UNIVERSITY

To help our team members grow, develop, and become leaders in the construction industry, the HITT University educational programming strives to build team members' skills and expertise through opportunities for continuous learning. HITT University is configured into seven schools with dedicated leaders as deans for each who serve as subject matter experts and advise on training and development requirements. In turn, this helps support HITT's company-wide learning and development strategy.

## HITT University Schools



School of Client Experience



School of Construction Operations & Project Management



School of Culture & Values



School of Leadership & Talent Development



School of Risk Management



School of Safety



School of Software & Systems

HITT University offers more than 100 courses with a mixture of instructor-led courses, web-based training, and blended learning approaches. Each team member has a personalized roadmap dedicated to guiding them through their career development. Team members can continue learning at their own pace by taking classes with focus topics such as conflict management, software systems, risk management skills, and interviewing skills. Initial coursework centers on communicating with impact, preventing, and navigating conflict, and establishing emotional intelligence—skills that are key to effective leadership. Many of these programs elevate into blended learning courses where team members learn concepts online and can practice those leadership skills in a classroom environment through activities and role-play scenarios.

Development is reinforced through action planning, mentorship, and executive coaching. HITT's site operations team members also have development opportunities through company-sponsored apprenticeship programs and skill-building courses such as software programs and trade skills. Our team members are also able to take our OSHA and First Aid programs in either English or Spanish. Outside of the offerings, team members are encouraged to work with their supervisors to identify additional leadership or technical training that will help them succeed. All approved training and development opportunities are fully reimbursed by HITT.

HITT regularly evaluates and develops training. Most recently, HITT University developed new training on the HITT client experience focusing on networking, client communication, and account management.



#### **HITT FUTURES**

HITT recognizes the importance of cultivating and investing in leadership and talent development at all levels of the organization. Our effort begins with our Futures program—a four-phase program that launched in 2005 that was designed to jumpstart entry-level team members' construction careers. The Futures program begins at the student level with a 10-week summer internship program as an introduction to construction. The construction internship provides the opportunity for candidates to explore their career opportunities, understand the HITT culture, and work one-on-one with a dedicated sponsor. Our program has experienced tremendous growth and was named #1 in Best Construction Internships 2021 & #6 in 100 Best Internships 2021 by Firsthand (formerly Vault).

The second point of entry into the Futures program is the project engineer (PE) role, which provides team members with the opportunity for a hands-on experience on the jobsite. At the Project Engineer level, we provide a holistic approach through PE/sponsor relationships, prescribed classroom and social learning, and frequent goal setting and performance evaluations. In this role, training will focus on construction operations, client development and management, subcontractor relations, project planning and site safety. To date, over 300 HITT Futures graduates have completed the program since its inception.

Additionally, piloted in 2019, the Futures Program launched the Site Engineer role geared towards candidates pursuing an Associate's degree in a construction related field. This role is yet another point of entry-into the program, which enables candidates to work on-site while they complete their degree.

# Workforce Wellbeing Goals and Objectives—2022 and Beyond

Enhance the Project Engineer program

Increase HITT Futures program participation by 33%

Expand wellness programs through HITT's benefits program

Increase diverse representation in leadership

Continue to be recognized as a best place to work nationwide



## HITT's Commitment to the Environment

HITT recognizes the importance of understanding our own impact on the environment. In 2020, HITT set the goal of becoming carbon neutral by 2023. To measure our progress, HITT tracks its Scope 1, 2, and 3 carbon emissions (excluding jobsites) and reports our data to CDP (Carbon Disclosure Project) annually.

Tracking our GHG emissions helps us understand our greatest carbon contributors and allows us to research ways

## **ENVIRONMENTAL SUSTAINABILITY**

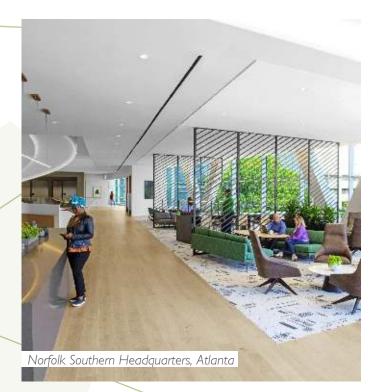
Be a leader in sustainability services and reporting to support client environmental goals whileoperating jobsites and HITT offices in a way that minimizes adverse environmental impacts

## HITT'S SUSTAINABLE CONSTRUCTION

HITT's Sustainability team provides solutions to address the newest sustainable requirements, while minimizing costs and enhancing sustainability goals. Our team of in-house subject matter experts manages the sustainability features and administers LEED requirements for all our jobs, guaranteeing a consistent, well-managed approach. HITT incorporates sustainability best practices into our projects at the beginning of the construction process, and from design through turnover, our team continuously strives to discover ways to conduct a more environmentally conscious job. HITT also recognizes the importance of understanding our own operational impact on the environment, and our team spearheads efforts to reduce our corporate environmental impact and operates sustainably by focusing on the triple bottom line: people, planet, and profit.

## SUBJECT MATTER EXPERTISE

HITT's sustainable construction team was established in 2005 with the goal of providing internal sustainability expertise to meet our client's objectives. To date, we've helped clients certify more than 200 LEED projects nationwide. In addition to client projects, we certified our very own corporate headquarters in 2012 and Col Lab in 2019. Alongside LEED certification, our sustainability team assists projects in complying with green building codes nationwide and newer third-party certification programs such as the Sustainable SITES Initiative, the Living Building Challenge (LBC), and the WELL Building Standard (WELL).







## **EDUCATION**

HITT continues to be at the forefront of sustainable construction innovation. Our team hosts and participates in industry events across the US including industry educational presentations and panel discussions. HITT's Sustainability team is dedicated to sharing our knowledge of sustainable construction practices and educating teams on third-party rating system requirements, both internally and externally. Given our subcontractor partners' integral role in the success of any project, our commitment to educating them is of high importance. Because of this, we offer both in person and on demand trainings to ensure all team members and partners are aware of our goals, requirements, reasoning, and how to effectively capture and document compliance. These trainings are invaluable tools to our team members and partners, especially given the ever-changing nature of sustainability requirements.

## **WASTE DIVERSION**

Although typically not a top priority for many clients, HITT understands the discussion about construction waste diversion must be addressed. Due the volatility in the recycling market and new requirements from the United States Green Building Council (USGBC), construction waste diversion has become increasingly difficult to accurately track. HITT has a standing construction waste management policy that not only identifies target diversion rates but applies these target rates across projects nationwide.

HITT has worked collaboratively with waste haulers throughout the US to allow our projects to maximize recycling efforts based on local market realities. HITT has experience working with manufacturers' take-back programs to ensure projects divert as much waste as possible away from landfills. In 2021, HITT diverted over 12,000 tons of waste from landfills across the United States, In 2021, HITT also supported a client with a stringent goal of being true zero waste throughout their entire project and jobsite. Material reuse, take-back programs, and recycling allowed for the project to achieve 98% demolition and construction waste diversion.

## **OPERATIONAL IMPACT**

In addition to benchmarking energy use, HITT used the ENERGY STAR Portfolio Manager for owned and operated facilities and baselined our greenhouse gas (GHG) emissions in 2017, reporting all GHG emissions data to the Carbon Disclosure Project (CDP). Furthermore, HITT is always researching new and innovative resources, methodologies, and technology to continually drive operational emissions reductions while improving long-term sustainability targets. As HITT continues to expand nationally, we look for ways to ensure that our offices and jobsites operate as efficiently as possible, and that we are taking every opportunity to help clients understand the impact their decisions make on the efficiencies of our building stock.

#### **CLIMATE CHANGE STATEMENT**

HITT acknowledges that increased greenhouse gas emissions in the atmosphere causes climate change, and the main producers of these emissions are human-related activities, such as the burning of fossil fuels. In response to numerous studies projecting major environmental and societal impacts due to global climate change, HITT has committed to better understand and reduce operational greenhouse gas emissions. We always look for ways to ensure that all our offices and jobsites operate as efficiently, as sustainably, and as responsibly as possible.

#### **OUR COMMITMENT**

HITT recognizes that tracking and reporting carbon emissions is important to thoroughly understand our operational impact on the environment. In 2018, HITT baselined carbon emissions by tracking Scope 1, 2, and 3 emissions (excluding jobsites).

By 2023, HITT has committed to transitioning to carbon neutral operations, which currently can only be achieved through organizational carbon reductions and purchasing carbon offsets. Carbon neutrality is not zero carbon; we realize that offsetting 100% of our emissions is a good start, but true change is only achieved with the overall reduction of emissions. As HITT continues to track Scope 1, 2, and 3 emissions (excluding jobsites), we will thoughtfully identify and capitalize upon tangible opportunities in which the organization can further reduce emissions.

#### **EMBODIED CARBON**

Embodied Carbon is the sum of all GHG emissions created from the extraction, manufacturing, transportation, and installation of building materials. Studies have shown that embodied carbon accounts for 11% of all global GHG's emitted annually and according to Architecture 2030, that number is set to rise to 50% by 2050. Since more manufacturers are disclosing environmental impacts of their building materials, building owners now can choose materials with a lower global warming potential (GWP), ultimately lowering the building's embodied carbon. HITT's Sustainable Construction team is committed to find carbon reductions early in the design and construction process to lower embodied carbon.

## Environmental Sustainability Goals and Objectives— 2022 and Beyond

Continue to implement green building best practices at all jobsites and projects

Create a framework to track projects' environmental impacts, including jobsite carbon, water use, and waste generation

Create tools, resources, and education for operations teams and clients to help meet project environmental goals

Create reduction targets to lower HITT's carbon footprint from 2017 baseline







## **COMMUNITY CONTRIBUTION**

Inspire volunteerism and align our philanthropic endeavors with causes that resonate with stakeholder interest and aid our local communities

Whether donating funds or volunteering time, HITT has a history of giving to causes that we're passionate about. In an effort to drive investment in these causes. HITT chose three categories as focuses for our philanthropic giving in the coming years. By concentrating our giving in the areas of education, health and wellness, and community building, we can maximize our impact.

We strive to be both strategic and transparent about our approach to philanthropy and volunteerism, leveraging the clarity of purpose with team members and partners to support a deeper, more measurable impact in the communities where we do business.

#### THE HITT CONTRACTING FOUNDATION

In 2021, HITT established the HITT Contracting Foundation, a new 501(c)(3) nonprofit that will allow the firm to further the company's mission and purpose. The foundation was funded by a \$10 million seed investment from the prior year's earnings and a commitment from the estate of Chairman Emeritus Russel Hitt. It will invest in three key areas: education, health and wellness, and community building.

#### CANSTRUCTION

In November 2021, volunteers designed, modeled, and created structures out of canned goods to raise awareness about hunger nationwide. All canned food building blocks were donated to local philanthropies in need of supplies. A total of 4,900 cans were collected and donated to five food bank organizations including Capital Area Food Bank, Atlanta Community Food Bank, Salvation Army Charleston, Houston Food Bank, Food for Others, and BOCA Helping Hands.

#### HABITAT FOR HUMANITY

In Los Angeles, our team spent a weekend with Habitat for Humanity LA building new houses for families in need. Our team used their skills and worked together primarily to replace siding on houses and perform miscellaneous electrical work.

#### **US HUNGER FOOD PACKING**

HITT teamed up with US Hunger and hosted our annual food packing event, resulting in 40,122 meals for families in need during the holiday season.

#### SELECT ORGANIZATIONS HITT SUPPORTS

- Backpack Buddies Foundation—Loudoun
- Brookwood Community
- Breast Care for Washington
- Capital Area Food Bank
- Casey Trees
- Children's Flight of Hope
- **DCBIA**
- First Tee Greater Charleston

- Habitat for Humanity
- Hope Partnership
- Inova Health System
- Juvenile Diabetes Research Foundation
- Leukemia & Lymphoma Society
- Make-A-Wish
- Partners for Kids DC
- Periwinkel Foundation

- Red Hook Farms
- Richmond Animal Care and Control
- Shelter House
- Salvation Army
- Team Foot Works
- Toys for Tots
- US Hunger
- Virginia Tech









#### HOPE PARTNERSHIP

In Atlanta, our team partnered with Cushman & Wakefield and spent the day delivering backpacks filled with supplies and essentials to Crossroads Community Atlanta that help care for those experiencing homelessness.



## **RED HOOK FARM**

In New York City, our team spent a day of service at Red Hook Farm in Brooklyn. Red Hook Farm is a nonprofit organization whose mission is to empower and educate local children while improving access to healthy, affordable produce for the community. Our team worked diligently to build a new shed for the farm's grocery stand.

## 2022 and Beyond

Identify organizations that align with HITT's causes and build partnerships to grow influence and value

Formalize tracking and incentivize corporate volunteerism

Drive community involvement in regional offices

Strengthen HITT's national network of corporate responsibility to drive local engagement nationwide



## **INNOVATION & PARTNERSHIPS**

Encourage innovation in building construction practices through research and development opportunities and by leveraging strategic partnerships

At HITT, one of our core values is to elevate the business of building. Our ecosystem of leaders, subject matter experts, and research and development team members, work in concert to deliver on this core value. Through strategically investing in research projects, programs, and market insights we are making strides to positively impact our world through more efficient and sustainable solutions across the construction lifecycle. In 2021, we focused on four primary pillars that drive this positive impact across HITT. First is testing and developing cutting edge materials that improve performance, next is evolving and retooling inefficient building methods to reduce cost and improve quality. Third is by exploring and implementing new construction technology tools that help us work safer and smarter, and finally developing ways to optimize building performance and sustainability.

By working to integrate these new innovative materials, methods, technologies, and performance we are driving positive change in building products and logistics approaches. Furthermore, through implementing this work directly onto projects, we are helping owners to achieve their environmental, social, and governance goals. We challenge our teams to continuously seek out innovative approaches to construction, and there is

a tremendous opportunity to drive efficiency and effectiveness in our business - HITT is committed to advancing in our industry's transformation.

## By the Numbers—2021

1,050 Visitors to Col Lab

70 Programs & Events

2,492 Usage Hours

6 Catalyst Competition Winners

## COLAB

Opened in the summer of 2019, Co | Lab is a dedicated research facility that provides maker bay space for our Research & Development (R&D) teams to design, test, and share ongoing research projects that cover problem-target solutions. Working alongside our key partners before being deployed into our business. For 2022 and beyond, HITT's R&D team will expand on some of the projects listed below, and specifically investigate opportunities in prefabrication of exterior wall assemblies, robotics, and large-scale additive manufacturing.

HITT's Collab also serves as a meeting space for team members to innovate on topics such as safety protocols and new ways of working. To share our findings with industry specialists and hear insights from other subject matter experts, the R&D team also hosted several trade associations including CREW, CoreNet, ABC, and Metro DC General Contractors.

## CO LAB PROGRAMS

#### CATALYST COMPETITION

In 2021, the R&D team held its first internal Catalyst Competition, crowdsourcing inspiring projects and process improvements from all departments and regional offices. Approximately 35 internal teams presented their innovation ideas in a pitch-style competition with six winning projects funded and tested for viability. Projects ranged from reusable near-field communication business cards to eliminate paper waste, to QR codes for site logistics plans that enable more efficient and safer jobsites, and the grand prize winner of CoalCrete, a process of using waste from coal-fired power plants as a cement substitute in concrete. All winning projects are critical to business process improvements that enable safer and more efficient work in the construction industry.

#### **MASTERS SERIES**

Our R&D team supports leading-edge educational events and training. One such example is our Masters Series, an educational webinar series on various industry-related topics. In 2021, we focused on exploring and sharing new methods in prefabricated and industrialized construction. This fireside chat style conversation with leading industry experts discussed ways to overcome the reduction in onsite labor, increase jobsite safety, and improve overall building performance.

#### **NET-ZERO ENERGY COALITION**

In October 2021. Co Lab co-hosted an immersive event with the DMV Net-Zero Energy Coalition. The event received 70 individuals who shared their energy-efficient and sustainable mockups and insights on new materials, means, and technologies related to buildings achieving a vision of net-zero energy.

#### **EVOLVING METHODS**

To help explore new means and methods that drive efficiency and produce better outcomes, the R&D team participated in a prefabricated building skin system (PBSS) project in 2021. Building skins are typically custom designed to fit each project and application. The broad range of configurations from material type, thickness, weight, connections, and spans, make for an almost infinite number of parameters that are discretely defined each time. The result is lack of efficiency throughout the process, contributing to rising costs and building enclosure gaps that reduce building performance. In 2021, we explored large, prefabricated building panels systems made from new lightweight composite materials that are manufactured offsite. This allows for better quality control, safer working conditions in a factor rather than on-site, and a reduction in construction schedules.

#### PREFABRICATED OFFICES

There is an imperative to identify inefficiencies in repeated systems within the construction industry that can improve worker safety and health. Prefabrication allows for this improvement, by prefabricating large building components offsite and delivering them for installation. In this spirit, we conducted extensive market research into prefabricated wall systems for offices. With several potential suppliers, we explored incorporating new framing approaches such as prefabricated steel studs and panelized mass timber, or new finish material such as demountable cladding, bio-based boards, and recycled panels. Into 2022, we will continue to explore wall finish material alternatives that replace the use of inefficient materials like drywall.



#### CONSTRUCTION TECHNOLOGY

To apply emerging technology and developing transformative solutions to forward the industry, HITT is deploying robotics in use cases where semi-autonomous technology can be brought onto to the jobsite to enhance communication and reduce repetitive tasks for superintendents and subcontractors. With a focus on wellbeing of our industry's workforce, we have explored robots like Boston Dynamics's Spot and Hilti's Jaibot to help members work more safely. On a recent jobsite in September of 2021, the Jaibot drilled ceiling anchors with the direction of the team members onsite, allowing them to do the dangerous elevated work more safely in nearly one-fourth of the time.

We also partnered with Clearpath Robotics to develop S.A.M. (or "Semi-Autonomous Machine," aptly named in a company-wide contest), our proof-of-concept, rover-style robot built for large horizontal sites that acts as an extra set of eyes and ears. Our trade partners can press S.A.M.'s call button to have two-way conversations with superintendents who may be on the other side of the site. The robot, equipped with a high-definition camera, allows superintendents to see the detail in question and provide immediate feedback. Additionally, we can automate the robot's path, setting the mission in advance and allowing the robot to operate autonomously. With robots like S.A.M., there is the possibility for automated reality capture across jobsites – leading to more efficient project management and communication.

#### **REAL TIME SITE LOGISTICS**

To investigate how construction project teams can better visualize real-time jobsite operations, we rendered a 3D model of the Co Lab and installed ultra-wideband (UWB) asset tags to items within the space. We then tested a software integration of the live data captured by the sensors, and then analyzed how moving equipment and people on a jobsite could be captured and reported.

#### **BUILDING PERFORMANCE**

One of our efforts for developing leading-edge ways to optimize a building based on physical, social, and environmental implications was participating in a Power-Over-Ethernet (PoE) mockup. In this 720 square foot mockup in our Co Lab, we sought to drive down energy usage and improve smart decision making for building

In partnership with DBI and other key trade partners, HITT investigated and installed several systems, electrical fixtures, and devices powered by low voltage wiring using PoE in their approach. PoE carries both power and data on one wire, centralizing an infrastructure to provide various smart building use cases. In 2021 we continued to track these data streams from the PoE to make smarter building maintenance decisions.

## ALTERNATIVE ENERGY SYSTEMS AND SMART BUILDING **TECHNOLOGY**

As we begin to tackle our 2022 research agenda, we are focused on foundational systems that can drastically improve the performance of a building. One such system we are exploring is the use of alternative energy systems like next-gen solar and battery storage. In addition to the smart building automation systems and IoT devices that feed building owners and operators with constant data to make better decisions about the health and safety of a buildings occupants.

#### MATERIAL INNOVATION

HITT tests and develops cuting-edge materials to pave the way for improved function and performance. One material innovation projects is sustainable concrete. Concrete is the most common construction material in the world, and the process to create it is one of the world's largest emitters of carbon dioxide. A sample of CarbonCure, a patented concrete admixture that uses wasted CO<sub>2</sub> from the cement production process in ready-mix concrete batching, was mocked up at the Col Lab to study the effects of reducing emitted carbon while maintaining or improving structural strength.

#### POTABLE WATER

The SOURCE Hydropanel, installed on the rooftop dunnage at the Co Lab, is a solar-powered device that extracts moisture from the air's relative humidity to passively condense the vapor into potable water. These devices are posted on jobsites that lack access to live utility hookups. Hydropanels help deliver potable water to laborers onsite without using other costly, invasive, and environmentally harming water delivery methods.

## **ADDITIONAL PROJECTS**

GreenZip, a useable drywall adhesive tape, was tested at the Col Lab to determine the viability of reusing wasteful drywall installations for interior renovation projects. Another project, Nanotint—n UV-rays-blocking, wetapplied film applied to existing fenestration—was tested to help reduce a building's HVAC load by making existing windows more efficient.

## **PROJECT SOLUTIONS**

The Project Solutions team focuses on standardizing best-in-class construction with HITT's values across all business regions and project types by codifying construction workflows, digitizing processes, and gathering data. In addition, the team also works to ensure that each client receives the same HITT experience regardless of project size and scope, while also internally improving construction velocity, quality, safety, and risk mitigation on jobsites. To support these efforts, we have partnered with industry-leading digital tools, such as Procore, Bluebeam, OpenSpace, Pype, and DroneDeploy, that not only support project operations but provide unprecedented access and visibility. With these tools, HITT team members have a central collaboration space for internal and external stakeholders, which improves transparency and communication throughout the construction process. Additionally, the pairing of software to process not only increases productivity on the project, but the subsequent data informs leadership decisions, allowing teams to bid more accurately, deliver more consistently, and anticipate changes to market conditions. When every little detail counts, Project Solutions strives to make sure each construction detail is carefully considered, captured, and supported, resulting in better construction outcomes

#### VIRTUAL CONSTRUCITON

Our Virtual Construction team functions as instructors. researchers, and subject matter experts to facilitate all the practical applications of building information modeling (BIM) for all business units and offices. We are heavily invested in technology that promotes efficiency, collaboration, and increased productivity.

Examples include the use of 3D site logistics, 4D sequencing, virtual mockups, laser scanning, and clash detection software. These methods can be integrated with virtual reality (VR) to visualize design for clients during preconstruction, or with augmented reality (AR) to confirm as-built placement during construction. Virtual construction services drive precision and efficiency across project operations, saving both time and money.

Currently, the Virtual Construction team is exploring the next wave of construction technology, including digital twin applications. The goal is to enable building owners and operators to leverage Internet of Things (IoT) or artificial intelligence for streamlined workflows and increased efficiency in building operations. The Virtual Construction team will continue to explore technology that brings value to project operations and equips HITT team members and clients to drive success for our clients and community.

#### SUBCONTRACTOR RELATIONSHIPS

HITT is committed to building and growing our partnership with subcontractors. To support this effort, we employ a fulltime Subcontractor Relationships team to provide subcontractors and suppliers with one point of contact to assist with doing business with HITT and address any concerns. This team also helps organize HITT's annual Subcontractor Appreciation Day, an annual tradition to appreciate our subcontractor's company-wide. At these events, we celebrate and thank our subcontractors for all they do to make our projects a success. We present two awards annually at Subcontractor Appreciation Day. One subcontractor per office is chosen to earn the coveted Myrtle L. Hitt Award, named after one of our founders to a subcontractor that exemplifies The HITT Way through quality workmanship, excellent service, timely completion, and doing whatever it takes to get the job done. We also recognize a Safety Award winner in each region who exemplifies an outmatched commitment to safety.

Additional opportunities for personalized recognition come through HITT's monthly featured subcontractor program, which highlights a subcontractor each month that goes above and beyond the call of duty. A personalized note from HITT's CEO accompanies each winner's construction-themed gift basket, and the firm is then highlighted in correspondence to HITT team members through the biweekly HITT newsletter and the Subcontractor Relationships intranet page.

The Subcontractor Relationships team also curates the Subcontractor Connection, a quarterly email newsletter that goes out to our more than 5,000 subcontractor contacts and helps to better connect the community with our organization. The newsletter provides an avenue to share information and promote communication. Topics include safety, sustainability, new regulatory issues, internal news, educational information, events, introductions to HITT team members, and innovation.

## Innovation & Partnerships Goals and Objectives— 2022 and Beyond

Drive innovative construction practices through the Collab

Distribute white papers on innovative construction practices and encourage the use of technology on projects

Deepen subcontractor engagement throughcommunication and education

Invest in infrastructure that supports organizational and project by project tracking of certified minority- and women-owned businesses



## **GOVERNANCE & INTEGRITY**

Build and maintain a transparent Corporate Responsibility program in order to drive consistency, ethical business practices, and risk management through standardized policies, training, and governance



While we've built our business on integrity and implemented many governance practices in our 85 years of operation, we see our corporate responsibility program as a platform for bringing further transparency to the way we work. We plan to build on this current program structure by providing annual updates on our initiatives and progress, integrating of the requirements of the Global Reporting Initiative (GRI) sustainability reporting methodology into future versions.

#### **GROWTH & REVENUE**

HITT experienced tremendous growth in revenue, team member count, and geographic reach over the past



four decades, and we recognize the responsibility that comes withowning and operating a business of our scale. Our clients, team members, subcontractors, and community count on us to effectively execute our growth strategy—requiring diligent decision making and leadership.

#### **CORE VALUES**

The HITT Way represents who we are and what we stand for. These are the core values that we collectively uphold to achieve our mission and fulfill our purpose.

#### Work Hard

We are a legacy of the American Dream, founded in the entrepreneurial spirit. We believe in a tireless work ethic, a love for the craft, and the simple satisfaction of a job done safely and exactly right.

#### Stay Humble

We are the product of humble beginnings and represent decades of hard-earned success. Be gracious and respectful in your words and actions, and lead by example for those who follow us.

#### Elevate the Business of Building

We are constantly improving and challenging the status quo. Good enough is never enough when we can do better. Embrace courageous leadership.

#### Be the Good

Understand that individual actions can have great impacts. Use your power to take care of our community and foster inclusiveness. Be the good with every choice you make.

## Take the High Road

Take the high road in difficult situations. It is not always easy,profitable, or simple to do the right thing, but in the long run itmakes all the difference.

#### **Every Little Detail**

Be obsessed with the details—in the end they become the big picture. Those who care most about the little things, care more about everything.

#### Deliver with Passion

The HITT Experience is about much more than delivering construction. Through trust and a passion for exceeding expectations, we promise our clients an incredible building experience that will make partnerships for life.

Our focus on ethics and integrity—in addition to the way we build and maintain external relationships—is at the core of who we are. To that end, two required courses on these subjects have been taught at the company for more than 10 years by the most senior leaders at the company.

Strong relationships are the foundation of our business, which is why we take the effort to educate new team members in The HITT Way. The business ethics course is a foundation to the HITT corporate culture and expectations, emphasizing professionalism, trust, and integrity when doing business. Whileseparate, these two courses are inextricably linked, driving home the expectations leadership has for our how we manageour business dealings and relationships with integrity and transparency.

#### CODE OF CONDUCT

At HITT, our focus goes beyond simply getting the job done; it's about how we conduct ourselves while we do it. Our team members' actions are a direct representation of the company—one that strives to do the right thing with passion, professionalism, and respect for everyone in our industry. The HITT Code of Conduct outlines expectations for ethical behaviors both in and out of the office. Our Code of Conduct is founded on five key principals: always take the high road, respect all individuals, compete with integrity, respect the process, and have responsibility for people and planet. All team members are required to acknowledge their awareness of these principals after reading the reviewing the Code.

## **EQUAL EMPLOYMENT OPPORTUNITY**

Being an equal employment opportunity provider is one of the cornerstones of HITT. This applies to our own hiring practices and fuels our sincere desire to partner with socio-economically disadvantaged or small business suppliers and subcontractors across all construction trades. We are constantly honing and instituting various small business outreach programs, including but not limited to conducting "Doing Business with HITT" seminars, implementing corporate small business subcontracting goals, onsite tutoring of diverse subcontractors, and forming Government-sponsored mentoring relationships with disadvantaged protégés.

## CORPORATE STEERING COMMITTEE

HITT's Corporate Steering Committee (CSC) helps maintain consistent leadership, project execution, and risk management practices across the enterprise. The CSC is comprised of theCEO, co-presidents, executive vice presidents, general counsel, and vice president of HR. The group, which is structured to represent all business units, meets weekly and is responsible for providing the company with strategic direction.

## **ENTERPRISE GOVERNANCE COMMITTEE**

The Enterprise Governance Committee (EGC) was established in 2017 to strengthen corporate governance and collaboration amongst our department leaders at HITT. The group meets weekly and collectively owns the operation of the enterprise-driving excellence, productivity, procedure, resources, and reporting with the aim of marshalling limited resources to create maximum value for the organization. The EGC is made up of each of the department leaders in Corporate Resources, including Preconstruction, Marketing & Communications, Corporate & Project Accounting, IT, Project Solutions, Human Resources & Corporate Responsibility, Safety, Legal & Risk Management, Enterprise Business Solutions, and Research & Development.

#### RISK MANAGEMENT

Management of risk is essential to the achievement of HITT's business objectives. On every project pursuit, some amount of risk is inevitable. We created the preconstruction risk management process to formalize checkpoints and facilitate better communication and assessment with key stakeholders to ensure consistency in our approach nationwide.

To mitigate risk associated with large, unique, or complex pursuits, a risk evaluation meeting occurs prior to committing HITT's resources on the venture. Six criteria have been identified that require project pursuits to be evaluated prior to expending resources.

During the risk evaluation the team identifies, assesses, and discusses challenging constructability aspects, potential staffing, financial and other relevant elements of the ownership and design team, contract terms, profitability, and HITT's potential for winning,

The risk evaluation meeting is the first step in an ongoing risk management process that continues through the preconstruction, construction, and closeout phases. At the conclusion of the presentation and discussion, the CEO makes the final decision to move forward with the pursuit.

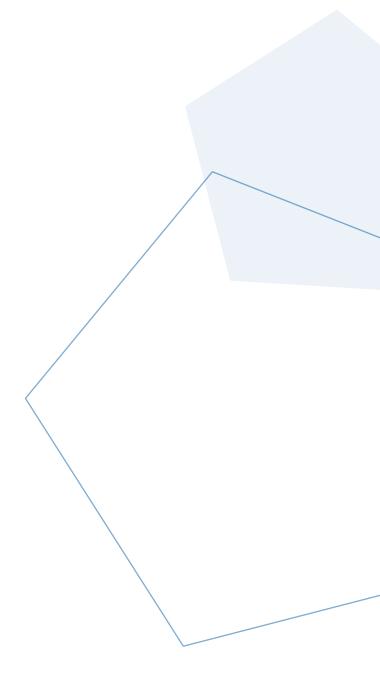
## Governance & Integrity Goals and Objectives— 2022 and Beyond

Effectively communicate corporate responsibility efforts through annual reporting

Create and distribute a Supplier Code of Conduct

Issuance of the HITT business model

Initiation of board reporting structure





#### **LEADERSHIP**

HITT's third-generation owners Brett Hitt and Jim Millar transitioned from their roles as co-presidents to co-chairmen of the newly created Board, with Russell Hitt ascending the ranks to chairman emeritus (1935–2020).

## PRINCIPAL LEADERSHIP TEAM (PLT)

In December 2017, CEO Kim Roy and Co-Presidents Jeremy Bardin and Drew Mucci formed HITT's Principal Leadership Team, assuming leadership of the firm. CEO Kim Roy has been with HITT since 1999 and is responsible for all corporate operations, including defining key initiatives, identifying emerging markets, and executing the strategic vision of the Board. Co-President Jeremy Bardin, a 30-year veteran of the construction industry, is focused on the firm's continued growth nationwide and leads regional operations. He also provides executive oversight of the Technology sector. Fellow Co-President Drew Mucci also leads regional operations and provides oversight to key market sectors and the Preconstruction department.



