



SUSTAINABILITY REPORT

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## **About This Report**

After years of following various green building standards and striving for best practices in the industry, we pledged to share more of what we are doing with our stakeholders through annual sustainability reports. Now, three years on, we continue to refine our commitments and management approach in support of sustainable development.

To guide the development of this 2020 calendar year report, we referenced the Global Reporting Initiative (GRI) Sustainability Reporting Standards and the 2020 GRESB Real Estate Assessment. Refer to the Reporting Information section at the end of this report for property details and additional information.

This report covers the 12 commercial properties that we manage, which total more than 3 million square feet and host approximately 450 client companies with about 9,000 employees.

External assurance was not leveraged for this report. However, data contained within underwent rigorous quality checks internally and through our third-party consultancy partners. We invite our stakeholders to connect with us to share feedback on this report at [info@swigco.com](mailto:info@swigco.com).



# Table of Contents

## **INTRODUCTION**

**1-6**

*Welcome from the President and CEO*

1

*About The Swig Company*

2

*Stakeholder Engagement*

3

*Our Commitment and Approach to Sustainability*

4

*Our Response to COVID-19*

6

## **SUSTAINABLE AND RESILIENT BUILDING OPERATIONS**

**7-17**

*Energy and GHG Emissions*

10

*Water*

14

*Materials and Waste*

16

*Occupant Health and Safety*

17

## **THRIVING COMMUNITIES**

**18-27**

*Tenant Experience*

20

*Community Impact*

23



## INTRODUCTION

*Welcome from the  
President and CEO*

The Swig Company has been committed to creating long-term, sustainable value with a focus on innovation and people for more than 80 years. We believe that our continued success depends on integrating sustainability into everything we do—from the ways we run our business and operate and enhance our properties to the positive impact we strive to create for our tenants and in our local communities.

In 2020, our commitments to sustainability and the safety, health, and wellness of our employees, building occupants, and local communities took on a new urgency because of the COVID-19 pandemic. We found ways to support those within our buildings and in our surrounding neighborhoods using tools such as our h<sup>3</sup>experiences platform, which allowed us to communicate with tenant employees and offer digital programs. This report details our response to COVID-19, including new safety protocols, enhanced cleaning practices, and adjustments to ventilation systems to make our buildings safer, as well as our efforts to support local organizations in our communities.

We are working to safely welcome tenants back into our buildings, confident that we will make it through this challenging situation stronger and more resilient. We have achieved WELL Health-Safety Ratings to demonstrate our commitment to the health of everyone entering our buildings.

Despite the impacts of the pandemic, we continued to develop and expand our sustainability program in 2020. We invite you to read about the renovation of one floor of our historic Mills Building, a project that

showcases sustainability and green building improvements. We continued to partner with industry experts to identify opportunities to further reduce our carbon footprint and create environments and experiences at our properties that promote health and wellness. Strengthening the resiliency of our portfolio in the face of climate change remains another important aspect of our program.

In response to the social unrest of 2020, we launched an employee-driven diversity and inclusion group (DIG). This program has provided trainings and forums that have fostered connections and positive dialogue among our employees. You can read more about the Swig DIG within this report.

In 2020, we pivoted to a virtual platform to continue our community involvement, hosting college students for a day of learning about our company and the commercial real estate industry as part of our Engaging Tomorrow's Workforce initiative, which seeks to create connections and career paths that enable local youth to develop into professionals who will someday work in buildings like ours.

We are pleased to share our 2020 efforts and performance in our third sustainability report. We appreciate your interest and welcome your feedback.

A handwritten signature in blue ink, appearing to read 'Jim Carbone'.

JIM CARBONE

*President and Chief Executive Officer*

# About The Swig Company

## Company Overview

The Swig Company, LLC is a privately owned real estate investor operator with a venerable 80+ year history of investment, development, partnership, and management of commercial properties in major U.S. markets. Since its founding in 1936 by Benjamin Swig, the company has been committed to sustainable long-term growth and value creation with a focus on innovation and people.

The Swig Company identifies and invests in value-added properties, maximizing their worth through active management, leasing, and the structuring and implementation of complex financial transactions.

We employ 49 team members, with about half at our corporate headquarters and half working at field offices in California. The company is overseen by a board of directors composed of members of the Swig family and independent directors.

[Learn more at SwigCo.com.](https://www.swigco.com)

**The Swig Portfolio** We invest in existing, often historic, buildings in vibrant urban communities. Our portfolio includes approximately 9 million square feet of mid- and high-rise commercial properties in markets such as New York, the San Francisco Bay Area, and Southern California.

*This report covers the 12 commercial properties that we manage, which total more than 3 million square feet and host approximately 450 client companies with around 9,000 employees.*

**1 Northern California Properties**  
 SAN FRANCISCO | MOUNTAIN VIEW | OAKLAND

**2 Southern California Properties**  
 LOS ANGELES | PASADENA

- SAN FRANCISCO**
- 🏆 The Mills Building  
Company HQ
  - 🏆 501 2nd St.
  - 🏆 369 Pine St.  
633 Folsom St.  
945 Bryant St.

- MOUNTAIN VIEW**
- 🏆 444 Castro St.
  - 🏆 399 W. El Camino Real

- OAKLAND**
- 🏆 300 Lakeside Dr.
- LOS ANGELES**
- 🏆 617 W. 7th St.  
6300 Wilshire Blvd.  
3415 Sepulveda Blvd.

- PASADENA**
- 🏆 595 E. Colorado Blvd.



🏆 LEED Platinum certification    🏆 LEED Gold certification

**23% reduction**  
 in like-for-like total energy  
 consumption from 2018 to 2020

**32% reduction**  
 in like-for-like GHG emissions  
 intensity from 2018 to 2020

**34% reduction**  
 in like-for-like water  
 consumption from 2018 to 2020

## Stakeholder Engagement

Ever since The Swig Company's inception over eight decades ago, we have been investing in building strong relationships with a range of stakeholders. We define stakeholders as those who can either impact or be impacted by our business activities. Through ongoing engagement, we are able to understand and address their needs and generate greater value for all.

We interact with internal and external stakeholders on a regular basis and take their diverse perspectives into account—from the initial investment in an existing asset to on-site property management and efforts to create lasting positive impact. Engagement occurs through formal and informal communications, direct interactions, and outreach efforts.

KEY STAKEHOLDER GROUPS	ENGAGEMENT
Board of Directors	Our board provides the oversight and strategic direction that is needed in an ever-changing business environment. The board and its committees advise company leadership on sustainability-related matters, which are addressed throughout the year at regular board meetings and committee meetings.
Employees	The Swig Company's reputation for exceptional service stems from the passion, dedication, and diligence of our employees. We strive to be an engaging, rewarding, and inclusive place to work, where everyone feels proud to be a valued member of The Swig Company. We engage our team members in various ways. Whether collaborating on strategies and projects, participating in recurring companywide open forums for discussion, or getting into the community to volunteer, The Swig Company's sustainability culture is embedded in everything we do.
Investment Partners	Our investment partners are critical to our operational excellence objectives. Through multiple reporting mechanisms highlighting strategic performance and the status of capital improvement projects, we are able to maintain communications and work toward shared goals, which include how we collectively address climate-related risks.
Tenants (companies and their employees)	We design and maintain our buildings to increase tenant satisfaction and retention. Our tenants and their employees also are key partners in our sustainability efforts. As such, tenant engagement through ongoing dialogue, outreach, and education is a key aspect of our relationships.
Commercial Real Estate Industry Organizations	Involvement in commercial real estate associations and organizations provides opportunities for us to interact with our peers, share lessons learned and best practices, and explore ways to work together to bring about positive change. Many of our employees are engaged through membership, participating in various committees and holding leadership positions. Trends and other discussion topics are then communicated back to the company to help shape our strategy and to better navigate advocacy efforts that impact our industry.
Community Members	We regularly collaborate with organizations to meet community needs. For instance, we are committed to educating tomorrow's workforce through education programs targeting underserved communities and first-generation college students. Community engagement activities promoted by The Swig Company also support career opportunities in our field, address poverty alleviation, and foster greater equity.
Supply Chain	We rely on a range of suppliers and service providers for the products and services we need to run our business. Environmental consulting companies are valued partners that help us understand how our buildings are performing and identify opportunities for further improvements. We also integrate green building and environmental considerations into our selection of vendors and suppliers.

## Our Commitment and Approach to Sustainability

At The Swig Company, sustainability means ensuring that the investments we make today deliver long-term value to our stakeholders. It means investing in our people, properties, and communities in ways that benefit us all and the environment.

Many of the buildings in our portfolio are long-term holds, a strategy in line with the goals of sustainability and reflected in the investments we make in our properties. Beginning with responsible business practices as our foundation, we create value for all stakeholders through our focus on sustainable building operations and our efforts to elevate tenant experiences and foster thriving communities within our buildings and in the surrounding neighborhoods and cities.



**Our pursuit of innovative solutions that promote sustainability, health, and wellness not only drives financial success but also creates social and environmental value today and well into the future.**

Highlight

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**DIVERSITY | EQUITY | INCLUSION**

## SWIG DIG

The tragic killing of George Floyd in May 2020 spurred protests across the country. This and subsequent events sparked a companywide conversation about diversity and inclusion that grew into an employee-driven initiative to foster communication and learning and to update company policies and practices.

The diversity and inclusion group—Swig DIG—provides a safe place for difficult conversations and peer support. In 2020, the DIG helped coordinate a series of bias trainings for all employees (*see the Mosaic Project highlight on page 25*), organized sessions to discuss race, and addressed social issues affecting women and the LGBTQ+ community. DIG meetings provide a forum for employees to discuss local and national events, share personal experiences, and learn from one another. The virtual platform required during the pandemic enabled participation from all offices, regardless of geography, and brought together employees who might not otherwise have had the opportunity to connect with each other.

In 2021, members of the DIG will continue to provide recommendations for management regarding relevant company policies, internship programs, and recruiting practices. One DIG project is the development of a diversity, equity, and inclusion standard for our vendors that will be implemented in the second half of 2021. The group also planned a 2021 workshop on gender and pronouns as well as virtual meetings to celebrate Black History Month and Women’s History Month.

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***“It’s no secret that diverse teams, with different ways of thinking and operating, can bring together a variety of ideas to become the best-performing teams. Increasing diversity at The Swig Company will certainly make us a better-performing company.”***

**– Paola B. Diaz, Administrative Assistant/Accounting Clerk**

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## Our Response to COVID-19

The safety and well-being of our employees, tenants, and communities have always been a high priority for The Swig Company. That concern was heightened in 2020, and our response toward ensuring the health and safety of our workforce and those who use our buildings has influenced the way we operate. We are proud of our employees' and partners' ability to quickly activate emergency response mechanisms, transition to virtual management systems, and navigate this unprecedented situation.

### WITHIN OUR OFFICES AND BUILDINGS

We collaborated with our employees and tenants to get through the situation together. Throughout the crisis, many of our employees were able to work remotely. Those who came into the office worked in shifts to minimize contact.

Our property teams worked to ensure that buildings remained open for minimum essential operations and that tenants received the support they needed. Each team continues to coordinate with our tenants to ensure the appropriate timing and level of building services as more employees return to their offices.

We have implemented a range of measures to ensure the health and safety of everyone working in or visiting our buildings and earned WELL Health-Safety Ratings to help people entering our buildings feel confident we put their safety first (*read more on page 9*).

We made the following enhancements:

- Heightened cleaning and sanitation processes
- Updated building policies, procedures, and protocols in line with the latest public health recommendations and state and local requirements
- Adjusted building ventilation and filtration systems to maximize the circulation of fresh air
- Strengthened safety protocols with vendors
- Installed signage to inform tenants and visitors and to reinforce physical distancing

Increased communication and collaboration have been crucial. We provided detailed information and guidance on safety measures to help everyone navigate key areas such as building entries and elevators. In addition, we shared helpful resources, such as work-from-home tips and virtual wellness classes. Our h<sup>3</sup>experiences app, which is available at seven of our properties, has also proved extremely useful as a supplemental communication channel during the pandemic.

### IN THE COMMUNITY

The following highlights are some of the ways we supported our local communities during the pandemic:

- We helped frontline workers and others in need by donating masks and other critical supplies.
- We worked with California Volunteers and other organizations to donate meals and personal protective equipment and supplies.
- We coordinated with industry partners to donate a combined \$230,500 to the San Francisco-Marín Food Bank.
- We supported the Family Giving Tree's back-to-school backpack drive for a second year, promoting the event through our employee donation-matching program, America's Charities, and inviting our tenants and their employees to participate with us through the h<sup>3</sup>experiences app.



**Building signage to reinforce safe practices and physical distancing**



**Donations of masks and supplies to help protect frontline workers**



**\$230,500 donation to San Francisco-Marín Food Bank**

# SUSTAINABLE AND RESILIENT BUILDING OPERATIONS

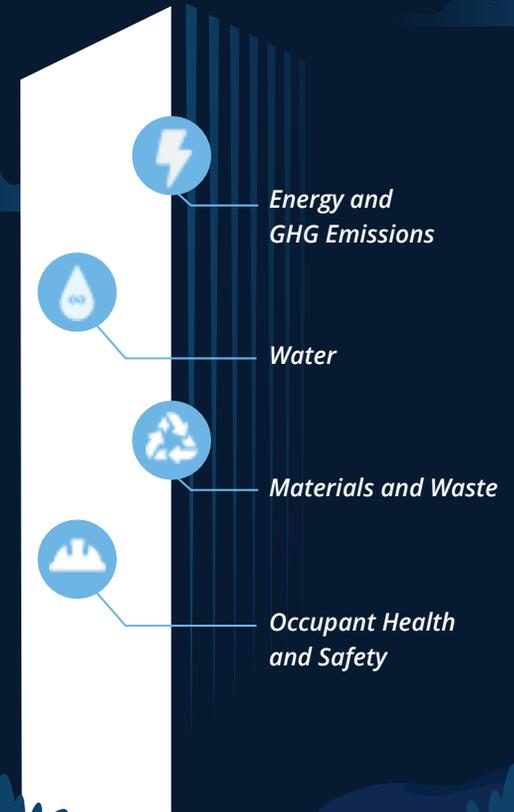
## OUR COMMITMENT

**The Swig Company is committed to reducing the environmental footprint of our portfolio.**

## Our Approach

Environmental stewardship informs our long-term investment decisions and guides the ongoing operations of our buildings. Our ENERGY STAR and LEED-certified buildings provide exceptional occupant comfort through inspired, environmentally responsible workspaces.

Our steady focus on conservation, efficiency, and responsible practices ensures sustainable building operations and healthy indoor and outdoor environments. We pursue a range of actions both large and small to reduce the environmental footprint of our buildings across multiple areas of sustainability.



## Key Impact Areas

The environmental impact of real estate results from the energy and water consumed, the greenhouse gas (GHG) emissions generated, and the waste streams produced from the inflow of materials and products. Building operations also can affect occupant health and safety. Our sustainability strategies are aimed at improving the environmental performance of our managed portfolio by reducing adverse impacts in these areas.



## Integrated Environmental Management

We manage the environmental impacts of our buildings through the use of industry-leading standards and certifications, performance management platforms, and tenant engagement. This integrated approach to sustainable, high-performance building operations drives ongoing improvements and innovation.

Dedicated property management teams oversee the maintenance and operations at each property. The use of comfort surveys enables our building engineers to identify and address areas for improvement. We also partner with consulting firms and specialists to help us optimize the environmental performance of our California portfolio.

### BENEFITS OF RENOVATION

The Swig Company invests in existing, often historic, buildings. Our renovation projects extend each building's life and add value by improving efficiency and performance, enhancing amenities, and maintaining desired classic characteristics.

**The average building age is 70 years, with ages ranging from 16 to 128 years.**

**Pictured:** 633 Folsom St., San Francisco

## Industry-Leading Standards for Sustainable Buildings

Our portfolio includes ENERGY STAR and LEED-certified buildings that conserve resources while providing exceptional occupant comfort and inspired experiences. We have also started to align with other green building standards. Performance is tracked in the Measurabl platform, where we also calculate our GHG emissions footprint.

### LEED

Over the years, we have been pursuing LEED (Leadership in Energy and Environmental Design) certification for some properties under the Existing Building Operations and Maintenance (EBOM) system. LEED is a voluntary building certification system implemented by the U.S. Green Building Council (USGBC) that benchmarks performance across multiple sustainability areas.

During LEED certification and re-certification, we work with consulting partners to enhance the property's existing sustainability features and identify new opportunities for advancement. The LEED standards also inform our ongoing sustainability-related policies and practices. We will consider certification at other properties on a case-by-case basis.

### Arc

We use USGBC's performance-based platform Arc as part of maintaining our LEED certifications. Arc tracks and benchmarks each building's energy and water consumption, as well as its total carbon footprint. We plan to bring other properties into this system in the coming years.

### ENERGY STAR

We participate in the U.S. Environmental Protection Agency's ENERGY STAR program to manage and benchmark our performance, as highlighted on the next page.

## WELL Health-Safety Rating

The WELL Health-Safety Rating is an evidence-based, third-party-verified rating focusing on operational policies, maintenance protocols, stakeholder engagement, and emergency plans to address a post-COVID-19 environment now and into the future. We have implemented features such as new sanitation procedures, health service resources, and expanded emergency preparedness programs.

## WELL Building Standard

The WELL Building Standard is a leading standard for buildings, interior spaces, and communities seeking to implement, validate, and measure features that support and advance human health and wellness. It was developed by integrating scientific and medical research and literature on environmental health, behavioral factors, health outcomes, and demographic risk factors that affect health with leading practices in building design, construction, and management. The 633 Folsom Street property is expected to receive WELL Building certification in 2021.



## OUR COMMITMENT

The Swig Company is dedicated to reducing our energy footprint to mitigate climate change.

*“As we continually evolve our management approach and deploy sustainability initiatives across our portfolio, we find creative collaborations and partnerships that maximize our impact in reducing energy use and GHG emissions.”*

– Jay Scholten, Vice President of Innovation and Asset Management



## Energy and GHG Emissions

### Strategy

We aim to reduce our overall environmental impact through day-to-day building management that optimizes performance, investments in high-efficiency equipment and other innovative solutions, and engaging with our tenants to encourage practices that lower their energy use.

This vision requires a vigilant focus on energy efficiency to reduce the carbon footprint of our properties. Therefore, we partner with companies such as Carbon Lighthouse to strategically analyze operations across our portfolio. Carbon Lighthouse’s proprietary energy optimization technology deploys dozens of sensors throughout our buildings to collect data on airflow, water, lighting, and cooling usage. This detail is used to model energy scenarios and also helps us calculate Scopes 1 and 2 emissions derived from natural gas and electricity usage associated with operating our buildings, tenant consumption, and transportation to and from the properties.

### ENERGY STAR Certification

ENERGY STAR Portfolio Manager is used by all of our managed properties to collect energy and water data and to manage and benchmark progress. The ENERGY STAR platform scores energy performance based on a nationally representative sample.

In 2020, we worked to maintain certifications under the more rigorous scoring system that was implemented in 2019. Our LEED-certified properties consistently achieve high scores due to their low energy usage intensity (EUI) and decrease in energy consumption over time. While the ENERGY STAR average for the California Managed Portfolio dropped slightly in 2020, the overall performance remained strong, and the Southern California properties recorded an increase in their average score.

### ENERGY STAR AVERAGE SCORES

Property Region	2020	2019	2018
CA Managed Portfolio	76	80	79
Northern California	71	77	77
Southern California	88	86	85

Notes: Scores are calculated by taking the weighted average of each property by square footage.

## COVID-19 and Performance Trends

We were excited to see improvements in our energy consumption and carbon footprint in 2020, but we understand that much of the reduction was driven by fewer people working in our buildings due to impacts of COVID-19. We continue to pursue improvements in our buildings during this time of lower traffic and therefore are confident we can continue minimizing impacts while welcoming back tenants. Even though we ran our mechanical HVAC equipment more than usual to maximize ventilation, we experienced a net reduction in energy use due to a reduced population in our buildings.

We have also begun to consider the Scope 3 emissions associated with occupant transportation by surveying occupants in select buildings. While transportation impacts were greatly reduced due to the COVID-19 pandemic in 2020, we continue to work to identify ways we can support transportation options that are healthy for people and the planet.

## Driving Improvements Through Audits

Energy audits provide assessments of our performance as needed and help identify ways we can improve. All our LEED-certified properties undergo energy audits, as required under LEED v2009 (ASHRAE Level I). A professional engineer analyzes the building's energy usage patterns to identify any issues in building operations or equipment. These assessments also identify opportunities to increase energy efficiency through no- and low-cost improvements.

Three properties (300 Lakeside Drive, The Mills Building, and 501 Second Street) have undergone ASHRAE Level II audits. These more in-depth audits involve greater detail regarding the financial analysis of potential improvements, such as capital investment projects, to deliver long-term cost savings and reduced energy use and emissions.

In 2020, we instituted a more robust capital planning strategy. For example, we are maximizing our long-term investments in capital projects by choosing equipment that features the latest and most efficient technology and is sized to meet future growth. This updated strategy also ensures that we are sharing learnings and best practices between our building teams.



**Pictured:** The Mills Building, San Francisco



### GREEN TRANSPORTATION OPTIONS

The urban locations of many of our properties are conducive to the use of public transportation and biking, which lower the carbon footprint associated with occupants traveling to and from the building. We encourage the use of alternatives to single-occupancy vehicles in a variety of ways, including the provision of free shuttle bus service to nearby train and subway stations and amenities such as secure shower rooms, bike parking, and bike repair stations.

## 2020 Performance

COVID-19 had a significant impact on our properties' energy consumption. From 2019 to 2020, we experienced an absolute decrease of 22% in total energy consumption and a 27% decrease in greenhouse gas emissions. A portion of the reduction in our GHG emissions was due to the increased use of renewable energy in grid-sourced electricity.

### ENERGY

Energy Consumption	Absolute Consumption			Like-for-Like Consumption		
	2020	2019	2018	2020	2018	% Change
Total energy consumption (MWh)	44,735	57,494	58,877	23,233	30,261	-23%
Natural gas consumption (MWh)	17,272	22,533	21,006	8,017	8,583	-7%
Electricity consumption (MWh)	27,462	34,961	37,871	15,217	21,678	-30%
Energy intensity (kWh/sf)	13.61	17.17	17.42	11.17	14.55	-23%

Note: The 2018 like-for-like baseline has been adjusted to reflect properties sold within the 2020 reporting year.

### GHG EMISSIONS

GHG Emissions	Absolute Emissions			Like-for-Like Emissions		
	2020	2019	2018	2020	2018	% Change
Total Scope 1 and 2 emissions (Mt CO <sub>2</sub> e)	8,801	12,000	12,858	4,595	6,766	-32%
Gross Scope 1 emissions (Mt CO <sub>2</sub> e)	3,130	4,091	3,808	1,453	1,556	-7%
Gross Scope 2 emissions (Mt CO <sub>2</sub> e)	5,671	7,908	9,050	3,143	5,210	-40%
GHG emissions intensity (kg CO <sub>2</sub> e/sf)	2.68	3.58	3.80	2.21	3.25	-32%

Measured in metric tons of carbon dioxide equivalent (Mt CO<sub>2</sub>e), Scope 1 (direct) emissions are from the consumption of natural gas, and Scope 2 are indirect emissions associated with purchased electricity.

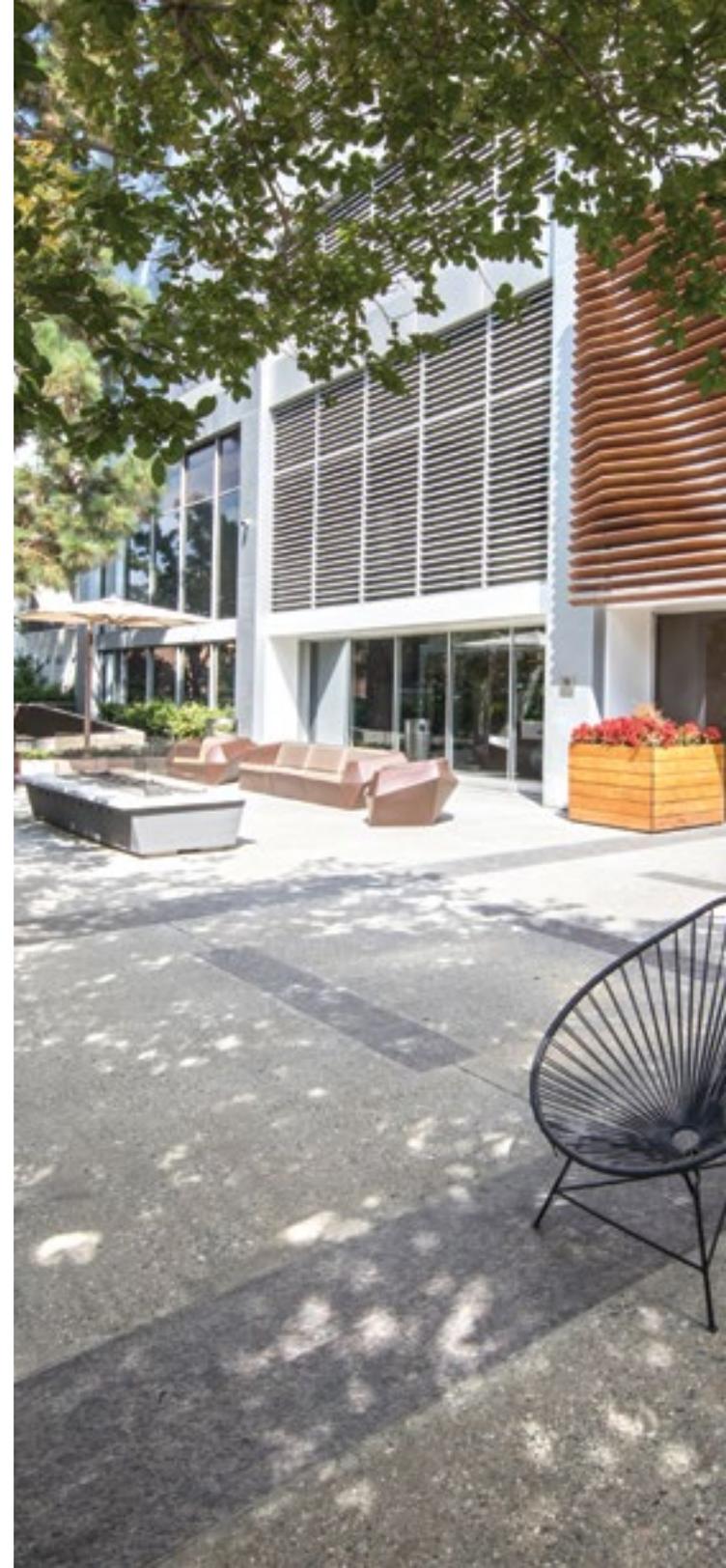
Note: The 2018 like-for-like baseline has been adjusted to reflect properties sold within the 2020 reporting year.

### STRENGTHENING BUILDING RESILIENCY FOR A CHANGING CLIMATE

Climate change presents significant risks to our portfolio through impacts that can affect structural components of a building as well as its systems and operations. Long-term shifts in weather patterns and the increasing occurrence and severity of extreme weather events and floods can damage structures and disrupt power and building operations. Slow-moving changes like higher temperatures have the potential to cause building materials to degrade more quickly. Heat waves can also place stress on cooling equipment, causing it to operate less effectively or requiring it to be replaced sooner than planned.

While we consider location and associated climate-related risks, such as sea-level rise, when evaluating new investments, our long-term hold strategy means that our primary focus is on how best to position our properties to successfully withstand climate events and how to increase their resiliency in the face of a changing climate.

In 2020, we continued to research best practices to incorporate climate-related considerations into our budgeting and strategic planning processes. We piloted a risk-assessment tool related to climate impacts through our Measurabl data management platform. Each of our property management teams performs a strengths and weaknesses analysis, which includes a category for climate risk, on their buildings. We have been evaluating the risks or vulnerabilities identified at the portfolio and building levels, along with the mitigation and adaptation measures already in place or available to implement. These efforts will help ensure that capital projects are aimed at strengthening our properties' resiliency to climate change and protecting the overall value of our portfolio.



## OUR COMMITMENT

**As a company with deep roots in California, The Swig Company is dedicated to the stewardship of water as a vital, shared resource.**

## RECAPTURING WATER FOR REUSE

**While our properties have minimal landscape irrigation needs due to their urban locations, we pursue opportunities for water reclamation to meet those needs. Renovations to our 633 Folsom Street property, for example, include plumbing the building for reclaimed water use to preserve this valuable resource.**



## Water

## Our Approach

Office buildings consume approximately 9% of the total water used in commercial and institutional facilities in the U.S. (U.S. EPA). Like energy usage, water consumption is a responsibility shared with our tenants. We have responsible water management policies and practices in place to promote efficiency across our portfolio. Our strategies include proactive maintenance, use of water-efficient fixtures and controls, and tenant engagement to encourage water-wise behaviors. Additional approaches include:

- Minimizing water use in the cleaning of hardscape and building exteriors
- Using water-free cleaning methods where applicable
- Avoiding harsh chemicals indoors and outdoors
- Utilizing reclaimed water systems for landscaping (see sidebar)

We also track, monitor, and benchmark water use to assess performance over time. All of the properties we manage are registered through the ENERGY STAR Portfolio Manager, with most achieving indoor water usage levels that are on average 30% lower than the baseline calculated by LEED. We will continue to evaluate opportunities to reduce usage further.

## 2020 Performance

Reduced traffic in our buildings due to COVID-19 had a substantial impact on water consumption. Absolute water consumption decreased by 39% from 2019 to 2020, and like-for-like building consumption decreased by 34% from 2018 to 2020.

Water Consumption	Absolute Consumption			Like-for-Like Consumption		
	2020	2019	2018	2020	2018	% Change
Total water consumption (kgal)	17,539	28,810	26,827	11,742	17,807	-34%
Water intensity (gal/sf)	5.55	9.47	9.87	7.02	10.65	-34%

Note: The 2018 like-for-like baseline has been adjusted to reflect properties sold within the 2020 reporting year.

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Highlight

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## Bee Program Continues to Grow

Bees are essential to healthy ecosystems and global food systems. But bee colonies are facing threats from modern industrial agricultural practices such as pesticide use, as well as diseases and climate change. Installing beehives in urban settings can help maintain and restore healthy bee populations and raise awareness and passion for helping bees.

The Swig Company has welcomed beehives on the roofs of some of our buildings through a partnership with two local beekeeping service providers who set up the hives, monitor the health of the colonies, and harvest the honey!

In 2018, we welcomed our first three hives at The Mills Building. The program was so successful that we expanded, adding two more hives in 2019 and another four in 2020. We now have nine hives on four buildings.

Hosting hives and sharing the honey our bees produce has provided ongoing opportunities to connect and engage with our tenants and employees around the topic of sustainability, particularly with respect to the environment and our food supply. In 2020, we invited tenants to participate in a virtual educational workshop to learn more about our bees and their hives. We plan more “Meet the Bees” sessions for 2021.

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**Pictured:** Hives on roof of The Mills Building, San Francisco



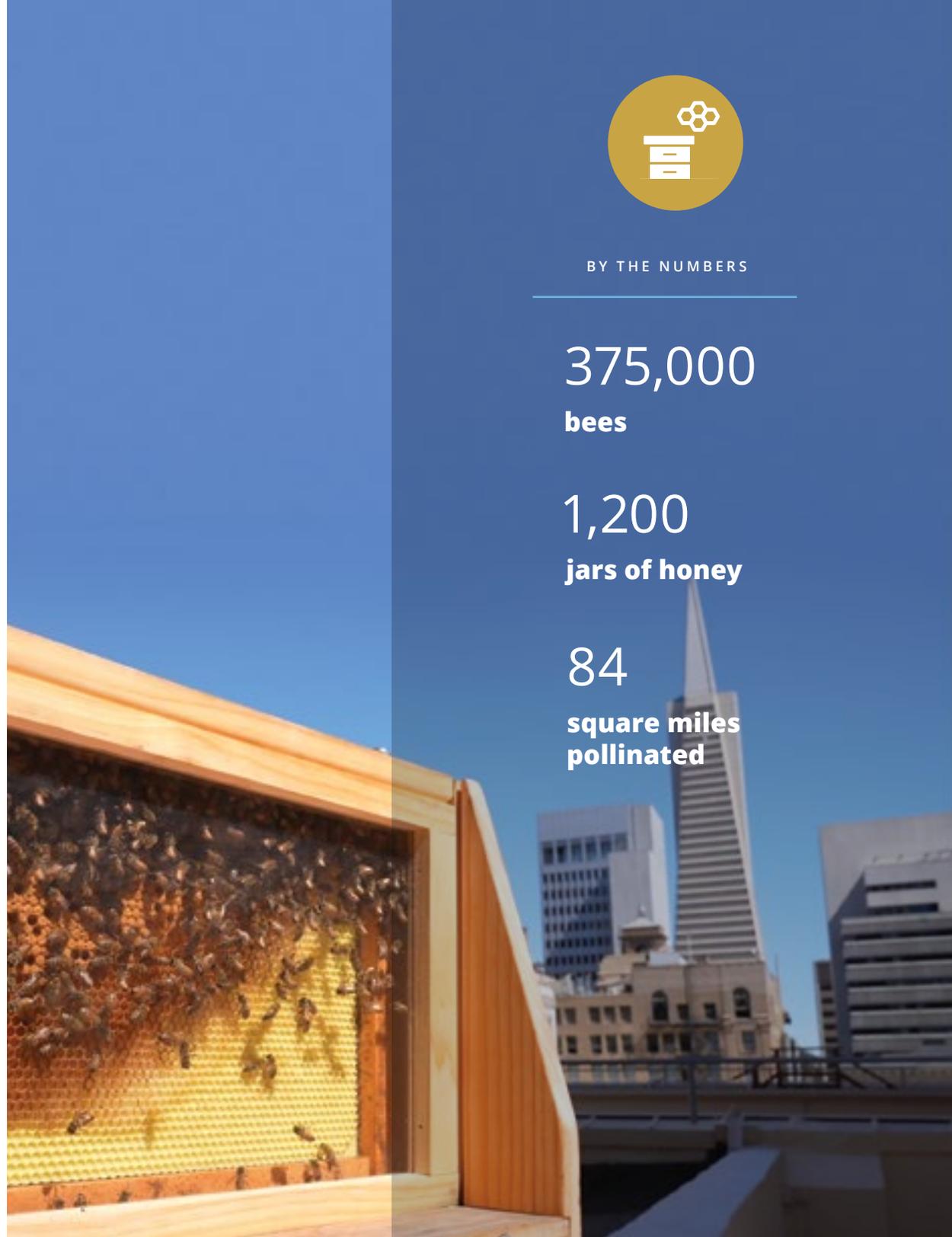
BY THE NUMBERS

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375,000  
bees

1,200  
jars of honey

84  
square miles  
pollinated



## OUR COMMITMENT

The Swig Company seeks to minimize the environmental impact of the materials and supplies that flow into and out of our buildings.



## Materials and Waste

### Our Approach

We aim to reduce overall waste streams and maximize the amount of waste we can divert from landfills. Property management teams pursue strategies to reduce, reuse, repair, and recycle, leveraging building-level approaches with tenant engagement to drive improvements.

#### SUSTAINABLE PURCHASING

We seek to procure products that meet environmental criteria when available and to work with maintenance and janitorial service providers that use sustainable products and materials. Our corporate office buys office supplies from a local business that not only carries a wide range of eco-friendly products but also has a company donation program to support local nonprofits.

#### WASTE MANAGEMENT

We implement a range of responsible practices and work with third-party waste management firms to maximize resource recovery and ensure safe disposal of potentially hazardous materials.

Our programs are designed to make it easy for tenants to practice sustainable behaviors:

- Building-level and in-suite recycling for aluminum, glass, paper, cardboard, and plastic
- On-site composting
- Collection programs for nonconventional items such as e-waste
- Waste audits

In 2020, we developed disposal procedures for used masks and gloves and enhanced our cleaning practices and janitorial services to follow CDC guidance. Our teams performed frequent enhanced cleanings of high-traffic locations and common areas. As people return to working in person, we will maintain our focus on following all guidelines to keep our tenants safe.

As tenants shifted to remote working, the amount of waste generated in our buildings decreased dramatically. As we return to a more regular work pattern, we will continue our efforts to minimize our waste streams.

#### TENANT ENGAGEMENT

Because most of the waste generated at our buildings is associated with occupant use, we promote responsible purchasing and disposal practices with our tenants through ongoing conversations and awareness-building communications. We educate them on the proper use of available recycling and composting programs and send e-newsletters to share waste audit results and ways we can improve, along with tips and facts about the benefits of recycling.

**Pictured:** Waste audit at 444 Castro St., Mountain View



## Occupant Health and Safety

### Our Approach

Sustainable buildings provide healthy and safe spaces. We consider potential impacts on human health and safety to inform building design and management decisions.

Our approach integrates robust environmental, safety, and security management practices. Formal aspects include policies, procedures, and training with staff and tenants to ensure safe spaces, along with ongoing monitoring and dialogue to help foster a strong safety-first culture.

### INDOOR ENVIRONMENTAL QUALITY

Our property management teams work to ensure that the indoor environment of our buildings is compatible with good health through proper ventilation, natural light, and use of nontoxic products. In 2020, we operated our mechanical systems in accordance with ASHRAE recommendations to provide the best air filtration and minimize COVID-19 risks, including:

- Using MERV 13 filters
- Disabling demand-side ventilation
- Maximizing outside air
- Utilizing operable windows (if available)

Through our Arc testing program, we perform ongoing monitoring of air quality for carbon dioxide and volatile organic compounds (VOCs), allowing building engineering teams to make informed adjustments to outside air and maintenance procedures as needed. Additional approaches to indoor environmental quality include integrated pest management programs that emphasize prevention above treatment. We also contract with janitorial service providers that use nontoxic, environmentally responsible cleaning products.

### SAFETY AND EMERGENCY PREPAREDNESS

We have standard policies relating to general safety precautions and augment these with training geared toward specific types of incidents, such as power outages.

In 2020, we utilized those practices to communicate with our tenants about COVID-19-related policies and procedures such as designated building entry and exit points, elevator operations, and social distancing guidelines. We developed a notification system to quickly make our tenants aware of positive cases or direct exposures. In addition to emails to our tenant contacts, we used the h<sup>3</sup>experiences app (see page 21) to share building-specific information directly with tenant employees to get the word out to more people, more quickly. During episodes of social unrest in 2020, we took extra measures to secure our buildings and ensure the safety of our tenants and properties.

### OUR COMMITMENT

**The Swig Company upholds an unwavering commitment to ensure the health and safety of all who work in and visit our properties.**



**Pictured:** 300 Lakeside Dr., Oakland

## THRIVING COMMUNITIES

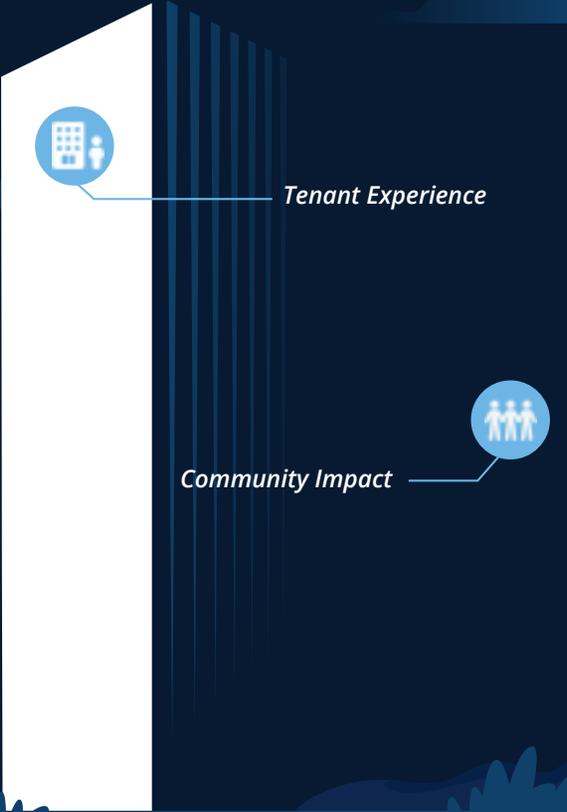
### OUR COMMITMENT

**The Swig Company is committed to promoting positive social impacts for people and communities.**

### Our Approach

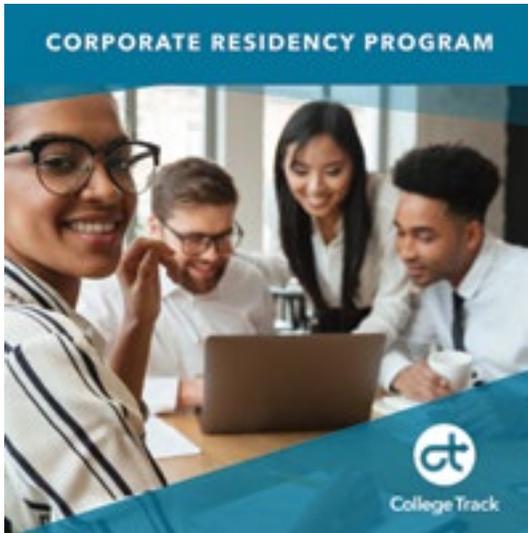
The Swig Company recognizes that thriving communities, both within our buildings and in the neighborhoods where we invest, are vital to our long-term success. We strive to be a supportive neighbor and also to make our buildings “vertical villages” where tenants can gather—in person or through our virtual platforms—to collaborate, socialize, celebrate, and give back.

We help make a positive impact by creating personalized experiences, offering elevated amenities, and encouraging shared action. In this way, we position our properties for maximum benefit to our tenants, communities, and stakeholders.



The Swig Company, our properties, and the amenities we offer can positively influence our tenants and the surrounding communities. Our strategies for promoting social impacts are focused in two main areas: Tenant Experience and Community Impact.

## Highlight



## College Track

A highlight of the year for many of our employees was the July day we welcomed two dozen college students to learn about our business and about careers in commercial real estate and finance through our partnership with College Track.

College Track supports students from underserved communities on their journey to college enrollment and through graduation, making a 10-year commitment to each student. The Corporate Residency Program targets students as they prepare to enter the professional workforce by leveraging the expertise of corporate partners. In 2020, the program shifted from an in-person to a virtual platform.

During a panel discussion, Swig Company employees from different stages in their careers shared their expertise about construction, investor relations, administration, and building management and spoke about their career paths. We also matched employees and students by interest in small breakout sessions that offered opportunities for informal dialogue and were the most popular part of the event.

The program was such a success for the students and for us that we began organizing a mentorship program in which Swig Company employees are paired with College Track participants for regular one-on-one meetings. We also plan to participate in the Corporate Residency Day again in 2021.

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***“We see our business first and foremost as being about people. We have a responsibility to participate in engaging and educating tomorrow’s workforce. That’s who our customers are—the future occupants of our buildings. We think helping students succeed is important work and prudent business strategy. Our community impact program centers on education.”***

**– Deborah A. Boyer, EVP, Director of Innovation and Community Impact**

## OUR COMMITMENT

We are committed to enhancing wellness and helping people achieve their best.



## Tenant Experience

### Our Approach

Our sustainable environments and social and wellness amenities have the power to create inspired experiences with multiple positive impacts. Our focus on innovative thinking and approaches to deliver greater value to our tenants served us well in 2020 as we found new ways to engage and communicate with tenant employees who were working remotely.

We leveraged our partnership with HqO, the company that produces our h<sup>3</sup>experiences app, to offer more digital content and virtual experiences such as yoga classes that people could join from home when they were unable to visit our fitness centers. We also provided opportunities to participate in raffles, trivia contests, instructional classes, and volunteer opportunities, and we offered work-from-home tips and discounts with vendors.

As employees return to our flexible workspaces, they will once again have access to the amenities we provide to make it easier for them to maintain a healthy, balanced lifestyle:

- Fitness centers equipped with showers and lockers
- Healthy building features and environmentally responsible practices
- Outdoor plazas and cafes for downtime and focusing
- Public area lounges and hubs to socialize, connect, and collaborate
- Indoor greenery and rooftop gardens to connect with nature

As part of our commitment, we continue to integrate the WELL Building Standard principles and practices into our projects, beginning with our renovation of 633 Folsom Street. This standard explores how design, operations, and behaviors within the built environment can be optimized to advance human health and well-being.

**Pictured:** Fitness Center at 6300 Wilshire Blvd., Los Angeles

## Highlight



Members access the benefits of the h<sup>3</sup>experiences program through an app with a building-specific interface.

## Expanding h<sup>3</sup>experiences

We connect with our building occupants directly through the h<sup>3</sup>experiences app, which allows instant access and updated information on events, activities, services, and more across our entire California property portfolio.

We look forward to once again offering our clients access to all the amenities of our buildings as they return to work in person. The h<sup>3</sup>experiences program creates personalized environments that help individuals be their best through its three pillars: h<sup>3</sup>work, h<sup>3</sup>wellness, and h<sup>3</sup>community.

- With h<sup>3</sup>work, we provide more choice and flexibility with spaces and services to enhance productivity.
- The goal of h<sup>3</sup>wellness is to enliven our tenants with fitness centers, healthy building features and environmentally sustainable management

practices, outdoor plazas and cafes for downtime and focusing, and public area lounges and hubs for connecting and networking.

- Through our h<sup>3</sup>community efforts, we create spaces for celebrating and organizing special events, with access to amenities and services throughout our California properties. We also invite our tenants to participate in community service projects with us.

While the h<sup>3</sup>experiences program has been launched throughout California, we initiated a rolling launch of the h<sup>3</sup>experiences app in 2019, starting with 501 Second Street and 444 Castro Street. In 2020, we rolled out the app at The Mills Building, with the remainder of the properties launching in 2021.

The online platform also promotes engagement with the communities where our buildings are located. We harness the power of the app to invite our employees and tenants to join us in volunteering and donating to those in need.

In 2020, we supported several groups by featuring them on the h<sup>3</sup>community part of the app:

- **Life Learning Academy** We donated carpet tile for the lobby of this San Francisco charter school for at-risk students and coordinated pro bono installation through Field Construction, a general contractor that we work with.
- **Fuel our Frontline** We invited h<sup>3</sup>experiences members to donate to provide meals prepared by local restaurants to frontline COVID-19 workers.

- **Give2SF** We solicited donations to support COVID-19 response and relief efforts.
- **California Volunteers** Opportunities to volunteer at food banks, give blood, deliver meals, or join the California Health Corps were highlighted in the app.
- **Family Giving Tree** A back-to-school backpack and supplies drive was promoted in the app as well as internally for Swig Company employees.
- **California Fire Foundation** An opportunity to make donations for wildfire relief and assistance was highlighted.
- **Simply the Basics** The app offered an opportunity to help provide supplies to homeless and low-income communities to improve health and hygiene.

We also continue to use h<sup>3</sup>experiences to deliver elevated experiences for work and life, including flexible workspaces, new technology, wellness offerings, sustainable environments, and community programs—all designed to inspire great work and connect people. Members of h<sup>3</sup>experiences enjoy access to amenities, events, and services across our California property portfolio.

In 2020, we were able to use the app to connect directly with tenants and tenant employees to offer information and virtual programs during a time when we were not able to be together in person.



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Highlight

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## Bringing in the Light

A major renovation project in 2020 transformed the second floor of our historic Mills Building from an energy-intensive NYSE trading floor to a beautiful open space filled with natural light and sustainable features.

We partnered with a team of contractors to overhaul the 45,000-square-foot space, removing wiring and equipment that once supported hundreds of CRT monitors and other computing equipment used by the traders who worked there for 30 years.

The most dramatic changes involved lighting. We installed a 1,400-square-foot skylight with smart View Glass, which can automatically tint in response to the sun, to increase access to natural light and views, eliminate the need for blinds, minimize heat and glare, and provide privacy. Shading sections of the glass as needed also lowers the solar load within the space. View Glass has been shown to reduce eyestrain, headaches, and drowsiness and improve employee comfort.

In addition, we removed plywood that had been covering windows and now have large operable windows, a rarity in a space this size.

The return to natural light humanizes the space and brings it full circle, back to a time when artificial light was costly and daylighting was a necessity.

We approached every phase of the project with an eye toward sustainability. Demolition was done in compliance with LEED standards, and scrap copper and steel were sold for reuse. We replaced noisy rooftop air conditioning units with an energy-efficient VRF HVAC system and installed low-water-use plumbing fixtures in the new bathrooms.

By embracing innovation while also finding ways to use historic features of the building, such as by modernizing the 1892 boiler to provide a heat source, we dramatically reduced the energy intensity and carbon footprint of the space. Although the second floor represents just 10% of the building's total square footage, it had been responsible for half its power use.

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**Pictured:** The Mills Building, San Francisco



## Community Impact

### Our Approach

The Swig Company strives to foster and nurture community. In keeping with the value The Swig Company places on giving back, the development and oversight of our community impact programs are top management responsibilities.

#### LOCAL ACTION

Our property management teams are empowered to identify needs in their local communities and initiate ways to make a difference. They regularly organize events and activities in which both employees and tenants can give their time, money, or in-kind donations to support local causes. By offering community support opportunities, the company can amplify its impact and serve as a role model.

#### COLLECTIVE EFFORTS

Our active involvement in commercial real estate associations and organizations promotes knowledge sharing and enables us to contribute to shared objectives.

#### COMPANY INITIATIVES

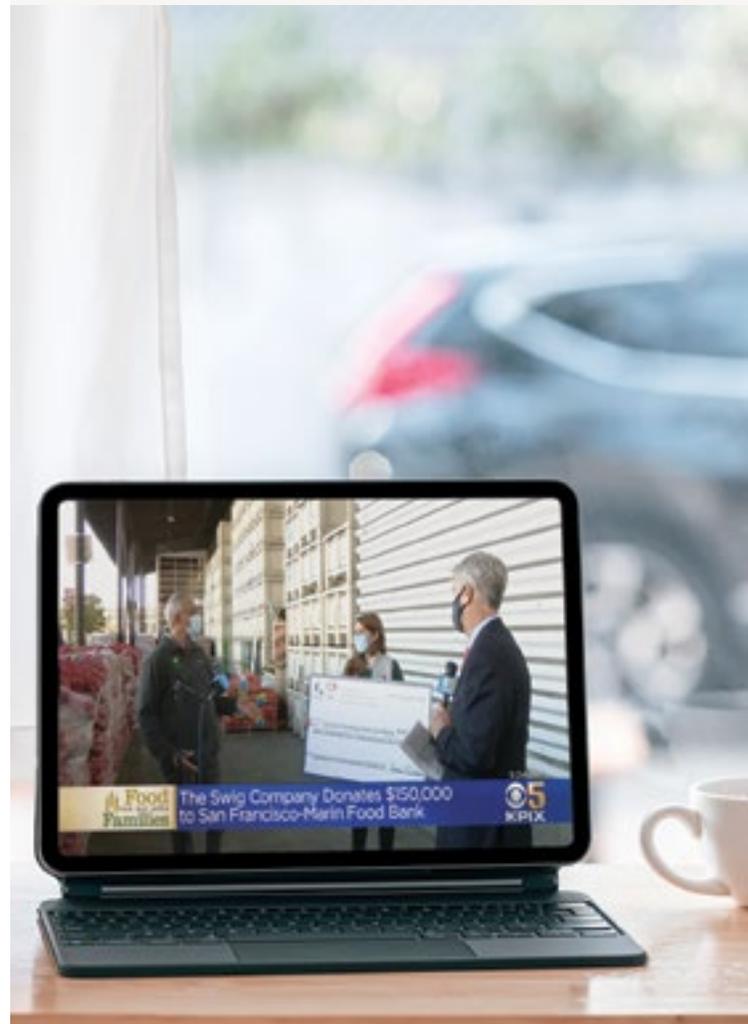
The Swig Company makes charitable donations to local nonprofits and develops companywide community impact initiatives, as highlighted on the following pages.

We have also been strengthening and formalizing our community impact programs to support our employees and enhance our impact. In 2020, more than half of our employees took part in a new program in which the company matched their charitable donations to nonprofit organizations of their choosing. Employees also can use two paid days a year for volunteer activities. Although it was difficult to volunteer in person in 2020, employees did participate in multiple virtual events with community organizations such as schools and youth programs that we are excited to support.

In 2020, we continued to develop our Engaging Tomorrow's Workforce initiative. The demand for premier office space depends on the availability of a talented, skilled workforce, and we want to help prepare young people for successful, productive careers. Read about our participation in the College Track program on *page 19*.

#### OUR COMMITMENT

**The Swig Company is dedicated to being an active, supportive neighbor in the communities in which we invest.**



At The Swig Company, community and philanthropy are deeply rooted in our culture. Our leadership team empowers our employees and property teams to be active participants, extending their impact toward thousands of individuals, including building tenants, industry partners, and local communities.



Headquarters

Property Teams

Tenants

Industry Partners

Local Communities

## Highlight



## Working with The Mosaic Project

As part of The Swig Company's efforts in 2020 to promote a culture of inclusivity and diversity, we collaborated with The Mosaic Project to offer race and bias training sessions for all employees. The trainings challenged everyone to explore difficult concepts, confront biases, and overcome prejudice.

The program of four 90-minute virtual sessions was recommended by the Swig DIG, our diversity and inclusion group formed in the wake of the racial and social unrest in the country in the spring and summer of 2020 (*see highlight story on page 5*). Two mandatory trainings were held in October, and two voluntary trainings were planned for early 2021.

The training explored racism, sexism, and the concept of microaggressions and worked to develop communication and conflict resolution skills through breakout sessions and scenario practice that allowed employees to feel safe and not defensive. Employees developed strategies for conversations with family, friends, tenants, and others.

Partnering with The Mosaic Project was a good fit for our company because it dovetails with the value we place on supporting youth and education. The fees we paid for the training support The Mosaic Project's youth programs, and we also made a donation to the nonprofit organization at the end of 2020.

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***"There definitely is a new awakening to the importance of this work. I have never felt the hope that I feel now for the possibility of social change because of the openness I've seen for delving in. [The Swig Company employees] really went for it, were really open, and really tried. It was amazing and impressive."***

**- Lara Mendel, Executive Director and Co-Founder of The Mosaic Project**

## Organizational Involvement

ENTITY	ACTIVE INVOLVEMENT AND/OR MONETARY SUPPORT	FORMAL MEMBERSHIP	GOVERNANCE BODY REPRESENTATION/ COUNCILS
<b>Industry Engagement</b>			
BOMA (Building Owners and Managers Association)	X	X	X
CREtech	X	X	X
CREW (Commercial Real Estate Women) Network	X	X	X
Global Workspace Association (GWA)	X	X	X
Lambda Alpha International (LAI Golden Gate Chapter)	X	X	
NAIOP, the Commercial Real Estate Development Association	X	X	X
SPUR	X	X	X
Urban Land Institute (ULI)	X	X	X

ENTITY	ACTIVE INVOLVEMENT AND/OR MONETARY SUPPORT	FORMAL MEMBERSHIP	GOVERNANCE BODY REPRESENTATION/ COUNCILS
<b>Community Engagement</b>			
Alameda County Community Food Bank	X		
Bryant Park Corporation, New York	X		
Children of Shelters, San Francisco	X		
Children Today, Long Beach	X		
Commercial Real Estate Alliance for Tomorrow's Employees (CREATE), San Francisco	X	X	X
Girls Inc. of Alameda County, Oakland	X		
Lake Merritt-Uptown and Downtown Oakland Community Benefit Districts, Oakland	X	X	X
Life Learning Academy, San Francisco	X		
Mountain View Art & Wine Festival	X		
Notre Dame Des Victoires Student Choir, San Francisco	X		
Oakland Metropolitan Chamber of Commerce	X	X	
Oakland Museum of California	X	X	
San Francisco-Marin Food Bank	X		
Simply the Basics, at multiple locations	X		
Various organizations for art exhibitions and installations, at multiple locations	X		

## ACKNOWLEDGMENTS

We would like to extend our appreciation to all the Swig Company colleagues and partners who contributed their time and expertise to the development of this report.

Photos on pages 19 and 25 are courtesy of College Track and The Mosaic Project, respectively.

## REFERENCES

[Page 14] U.S. Environmental Protection Agency. 2012. "Saving Water in Office Buildings."

<https://www.epa.gov/sites/production/files/2017-01/documents/ws-commercial-factsheet-offices.pdf>

## REPORTING INFORMATION

Our reporting boundary covers managed assets in California that were owned and operated for more than six months in the 2020 reporting period. It excludes two single-tenant properties under net-lease arrangements. While 633 Folsom Street is included in the report, it is excluded from the portfolio metrics, due to ongoing renovations. Though our 300 Lakeside Drive property in Oakland was sold, its data is included in this report, as the property remained in our portfolio for the majority of the year.

In developing this third annual report, we applied guidance from two leading sustainability frameworks: the GRI Sustainability Reporting Standards and the GRESB 2020 Real Estate Assessment. The report references and partially responds to GRI 103: Management Approach 2016 for key environmental and health and safety topics and to GRI 302: Energy 2016 and GRI 305: Emissions 2016 for performance data. GRESB informed reporting on environmental impacts and tenant engagement. We plan to increase our application of these frameworks in future reports.

## CONTACT US

We welcome your feedback on this report and our sustainability efforts. Please email us at [info@swigco.com](mailto:info@swigco.com).

