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Sustainability Report

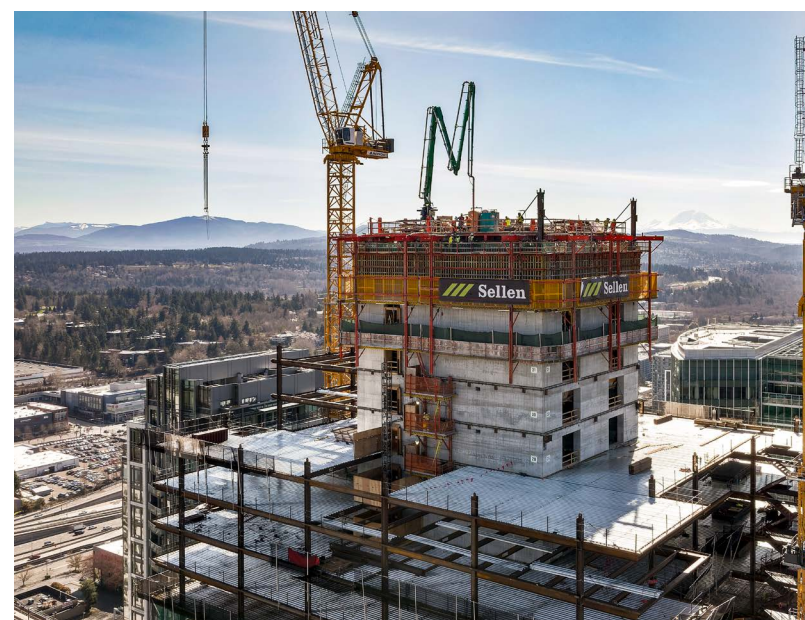


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A Message from Angi Rivera

Director of Sustainability

As builders, we transform sketches and empty plots of land into structures that become fixtures in our communities. We take this mission to heart at Sellen, where we have helped forge the Puget Sound community for the last 80 years. Over the decades, we have championed sustainability on our projects and throughout the construction industry, including the completion of more than 70 LEED certified projects and active leadership roles within local organizations working to advance sustainability. Today, as our industry continues to grow and change, we believe it is more important than ever to prevent adverse impacts to our community and the environment as we create spaces for our clients.

Sellen is committed to positively influencing the future state of our industry and taking the necessary steps to reduce the environmental impact of our work. **This commitment is why Sellen signed The Climate Pledge earlier this year, joining hundreds of companies around the world in the pursuit of net zero carbon by 2040.** The nature of our work requires heavy machinery and supply chains that stretch across the globe, which both involve carbon-intensive processes. These challenges cannot be solved by Sellen alone. We must seek solutions at every moment in the process and collaborate with our peers. By joining The Climate Pledge, we hope to build partnerships and inspire others in our industry to join us.

The first step on the path to net zero is understanding where we stand today. **Equipped with data gathered over the last three years, we have a clearer picture of our baseline emissions today than ever before,** and we understand the steps we must take to achieve the goals set forth in The Climate Pledge. Our 2024 Sustainability Report reflects our efforts during the 2023 fiscal year (Jan. 1 through Dec. 31, 2023) unless otherwise noted. It provides a summary of the data gathered and how we intend to leverage what we have learned to maximize our impact today, tomorrow, and for the long haul.

In addition to our emissions data and our commitment to The Climate Pledge, this report covers Sellen's history of sustainability leadership, highlights sustainability achievements on several recent projects, and details upcoming legislative and regulatory changes and how they could impact our industry.

As we continue to incorporate sustainability in everything we do, we invite our employees, clients, and industry partners to join us in this crucial work. Together, we can build a more sustainable future for the Pacific Northwest and beyond.



Angi Rivera
Director of Sustainability



Sellen's Purpose

Sellen's purpose is to improve the lives of those around us – as builders, partners, and neighbors.

Sustainability at Sellen

Sellen is committed to the long-term health of our community and the global ecosystem within which we exist.

As a leader in sustainable construction practices, we work diligently to minimize our impact on the environment and build spaces that preserve and regenerate our region's natural beauty for future generations.

Executive Summary

Project Updates & Mass Timber

Sellen has been at the forefront of sustainable construction practices in our region for more than 25 years. Our report includes an update on recent and in-progress projects at Sellen, including low-carbon concrete and a mass timber structure.

→ Check out some highlights from Sellen's in-progress and recently completed projects on page 5.



Sellen Signs The Climate Pledge

As the largest locally-owned builder in the Pacific Northwest, Sellen is committed to leading by example. By signing The Climate Pledge, which calls for **net-zero carbon emissions by 2040**, we hope to inspire our construction industry peers to join us.

→ Turn to page 7 to see our strategies to achieve that target and our immediate next steps.



A Deep Dive Into Carbon Tracking

Equipped with our third and most comprehensive carbon emissions analysis to date, we have learned valuable lessons and identified opportunities to maximize our impact going forward.

→ See the full breakdown and a look at the sources of Sellen's 2023 carbon emissions on page 9.



Industry Legislation and Code Updates

Each new energy code update and certification system revision brings a new set of criteria against which our projects are measured. New code, certification, and legislative requirements continue to raise the bar for owners, designers and builders alike.

→ Read more from our team on how these topics will shape our industry on page 11.



Sellen's Sustainability Journey

Sellen has been a leader in delivering sustainable projects in the Puget Sound region for more than 25 years. Our journey is far from over, and we look forward to continuing this important work in the years to come.



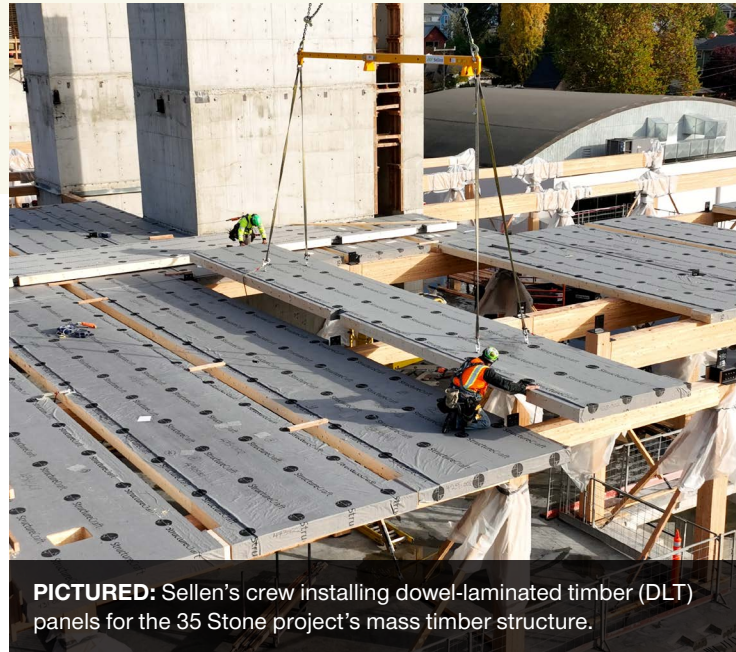
 <p>Founding member of US Green Building Council</p> <p>1997</p>	 <p>Sellen's Main Office Built with LEED V1 Guidelines</p> <p>1999</p>	 <p>First LEED Gold Project Completed</p> <p>2005</p>	 <p>First LEED Platinum Project Completed</p> <p>2010</p>	 <p>Sellen Receives Salmon Safe Accreditation</p> <p>2017</p>	 <p>Sellen Signs the Contractor's Commitment</p> <p>2019</p>	 <p>Sellen Begins Work on our First Net Zero Carbon Projects</p> <p>2020</p>	 <p>Sellen Joins International Living Future Institute (ILFI)</p> <p>2021</p>	 <p>Sellen Starts First Living Building Challenge Project</p> <p>2023</p>	 <p>Sellen Signs The Climate Pledge</p> <p>2024</p>
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Sustainable Project Highlights

Sellen has completed more than 70 LEED certified projects over the last two decades and we are currently supporting several additional certification processes. Here are a handful of notable Sellen projects that have been recognized for their sustainability achievements or are currently pending certification:

  <p>Bill & Melinda Gates Foundation Campus</p>	  <p>Museum of History & Industry (MOHAI)</p>	  <p>King Street Station Restoration</p>	  <p>Federal Center South Redevelopment</p>	  <p>Helen Sommers Building</p>	 <p>Pursuing Net Zero Carbon and LEED Platinum</p> <p>Washington Village</p>	 <p>Pursuing Living Building Challenge (Materials Petal)</p> <p>35 Stone</p>
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Sustainability in the Field Project Updates



PICTURED: Sellen's crew installing dowel-laminated timber (DLT) panels for the 35 Stone project's mass timber structure.

35 Stone: Living Building Challenge

Sellen's team is making excellent progress at 35 Stone, our first Living Building Challenge (LBC) project and multi-level mass timber structure. Sellen has experience building projects that feature CLT, DLT, and glulam components, but 35 Stone marks the first time we have built a multi-story mass timber structure. Developed by evolution Projects and designed by Weber Thompson, the new addition to Seattle's Fremont neighborhood will provide light, open office space for Brooks Running.

To adhere to LBC's Materials Petal certification requirements, the project team has been fully integrated from day one. The team is carefully tracking materials for both the shell and core and tenant improvement scopes.

Documenting Red List compliance with ingredients disclosures to 1,000 parts per million for greater than 90% of all materials' values for the project has proven challenging, but Sellen has embraced the opportunity to seek out alternatives and advocate for more sustainable options and improved transparency. Sellen is also aggregating ongoing waste diversion and on-site emissions data. Source separation of phase-specific materials has been key to achieving the LBC-required diversion rates.



Mass Timber at 35 Stone

The 35 Stone project's mass timber structure is a sustainable solution from multiple perspectives. In addition to reducing the embodied carbon of the structure, mass timber offers improved tenant health and well-being; local material sourcing; and schedule efficiencies.

OCCUPANT WELL-BEING

- ➔ Exposed mass timber provides benefits to occupants, including improved mood, increased productivity, and reduced stress.
- ➔ Happier employees reduce overhead and increase profitability for the life of the building – considerations that should be included in any early design analysis.

LOCAL MATERIAL SOURCING

- ➔ The timber industry is well-established and management practices are highly regulated in the Pacific Northwest.
- ➔ Mass timber products support local and regional economies and are less carbon intensive to transport to the jobsite.

IMPROVED EFFICIENCY IN THE FIELD

- ➔ The installation schedule for mass timber is often quicker than standard steel or concrete structures. This efficiency can lead to cost and carbon savings by reducing the overall duration of the project.
- ➔ Crews split each floor into several zones to ensure efficient sequencing. At 35 Stone, each cycle included three days for erecting glulam columns; three days for erecting glulam beams; and three days for erecting dowel-laminated timber (DLT) panels. Sellen self-performed the mass timber erection with hybrid crews of carpenters and ironworkers.
- ➔ The mass timber structure assembly process often requires less machinery and welding than other structures, further reducing the carbon intensity of the system.



Seattle Storm Project Receives Concrete Award for Sustainability

The new LEED Gold certified Seattle Storm Center for Basketball Performance opened earlier this year and was selected for a Concrete Innovation Award from the National Ready Mixed Concrete Association. The low-carbon concrete mixes and processes used on the project resulted in a greater than 40% reduction in embodied carbon compared to average mixes in the region. Cement in the tilt-up wall system included as much as 80% slag, a waste product from steel production. Through successful project team collaboration, longer cure times were specified and accounted for in the scheduling process, leading to a significant reduction in embodied carbon.



Salmon Safe Reaccreditation

Sellen first received Salmon Safe Accreditation in 2017, marking our commitment to protecting bodies of water throughout the Puget Sound region. We implement Salmon Safe procedures on all of our jobsites to reduce disruptions to natural drainage paths; prevent construction material contaminants from entering nearby streams; and continuously monitor our performance. We complete the accreditation process every three years and we are currently renewing Sellen's Salmon Safe credentials.



Bellevue 600 Carbon Reductions

The team at Bellevue 600 is working diligently to reduce embodied carbon at every turn, and we continue to realize greater reductions as the project progresses. To-date, the project team has achieved a 40% reduction in embodied carbon when compared to the 2019 Carbon Leadership Forum baseline. Low-carbon concrete mixes have played a significant role in this achievement.



The Contractor's Commitment

Sellen joined the Contractor's Commitment in 2019 and participated in the program's pilot reporting year in 2021. The Contractor's Commitment provides a framework for builders to measure sustainability performance across five categories: carbon, waste, wellness, materials, and water. Each year, Sellen compiles both our corporate and our project data to stack up against the program's standards, which are updated biannually to encourage improvement from all participants.

2023 Results

We continued our work in all five categories this year, and we were one of 18 signatories that reported. Sellen was also one of only five signatories that achieved a Best rating in any category. We continue to work with our peers to increase transparency in the construction industry and encourage builders around the country to join us in this journey. Honest and holistic disclosures, like those required by the Contractor's Commitment, will enable us to realize the market transformation we need for a sustainable way forward.

Updated Evaluation Criteria

The Contractor's Commitment implemented a new, elevated evaluation criteria for all five categories in 2023. This revised system resulted in lower scores for Sellen in several categories when compared to our 2022 rating. Internally, our efforts increased across the board, and the quality and quantity of our data collection has never been more robust. We will continue to improve our processes and increase the breadth of our efforts relative to each category as the Contractor's Commitment evaluation criteria evolves.

Contractor's Commitment
Scoring Scale



Sellen takes great pride in being one of the first signatories and we continue to serve on the steering committee to facilitate these much-needed initiatives.

**2023
RATING**





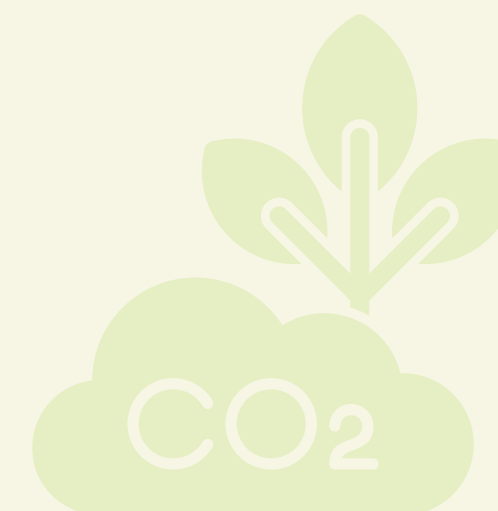
The Climate Pledge: Net Zero Carbon Emissions by 2040

Sellen signed The Climate Pledge in 2024, becoming one of just a handful of general contractors around the world to join the initiative.

Why Now?

According to an in-depth study by Microsoft using data provided by Sellen and other general contractors, **construction-related emissions accounted for nearly double the percentage of a project's carbon footprint than previously thought.** Now that we have a better understanding of our industry's impact, we believe Sellen and our peers must take immediate action to reduce our carbon emissions. We are proud to join more than 500 signatories around the world in this mission to achieve net zero carbon emissions by 2040.

Sellen is currently working on our sustainability plan to define our path to net-zero by the end of 2040 and we are targeting third-party verification of our emissions of our data in 2025. **These efforts will further develop and define our approach to achieve net zero and the core strategies we intend to employ, building on the foundation we have already established.**





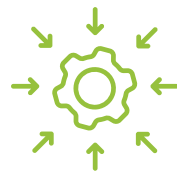
Net Zero Carbon by 2040

Our Approach



→ Gather

The journey to net zero carbon begins with a mountain of data. Since 2021, we have been working to document our current performance, establish our baseline, and define gradual reduction targets for the years to come. We will continue to share our progress in this report going forward.



→ Reduce

With the data we've gathered to-date, we are establishing reduction targets and identifying our core strategies to achieve those targets. We will continue to implement reduction measures.



→ Offset

After exhausting all other avenues to reduce our carbon emissions, we will purchase offsets for any remaining emissions. When the time comes, we will look to invest in a diverse offset portfolio that holistically addresses climate change – both locally and globally.

Third Party Verification

To encourage transparency and accountability throughout this journey, Sellen will validate our carbon data through robust third-party verification processes, including the Carbon Disclosure Project (CDP) and Science Based Targets initiative (SBTi), two global standards for carbon reporting, measurement, and reduction methodology.



→ Carbon Disclosure Project

CDP takes the data we provide to generate an annual "score" using its independent evaluation criteria. By completing this process, Sellen will better understand where we are performing well and areas for improvement.



→ Science-based Targets Initiative

SBTi helps organizations establish targets and define a pathway to net-zero. When Sellen submits our plan to SBTi for validation, we will receive helpful, honest feedback about how our plan stacks up to leading organizations around the world.

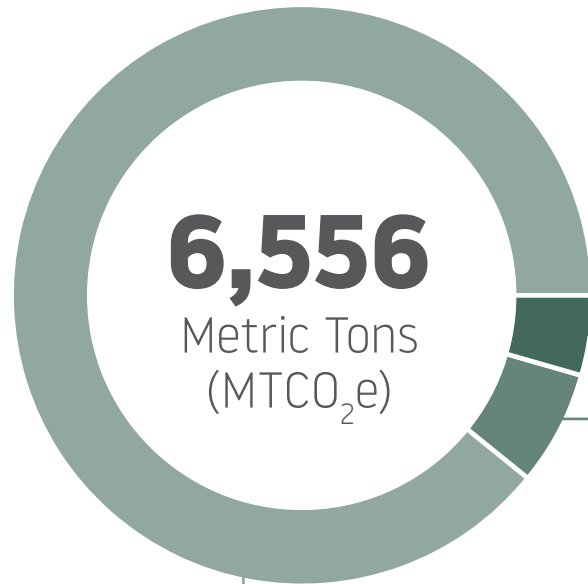




Sellen's Carbon Footprint

Measuring Emissions Sources in 2023

MTCO₂e:
Metric Tons
of Carbon
Dioxide
Equivalent



What are Scopes 1, 2, and 3?

Industry-standard classifications used to track greenhouse gas emissions. See the boxes below for examples of elements we track within each scope.

SCOPE 1: 4% (299 MTCO₂e)

Direct Emissions from Sellen:

- Stationary combustion
- Mobile combustion
- Refrigerant-releasing activities and equipment
- Fuel used by Sellen's owned or leased equipment on jobsites

SCOPE 2: 7% (427 MTCO₂e)

Indirect Emissions from Purchased Utilities

- Electricity

SCOPE 3: 89% (5,830 MTCO₂e)

Indirect Emissions from Supply Chain

- Upstream transportation and distribution
- Waste generation
- On-site subcontractor emissions
- Employee commuting



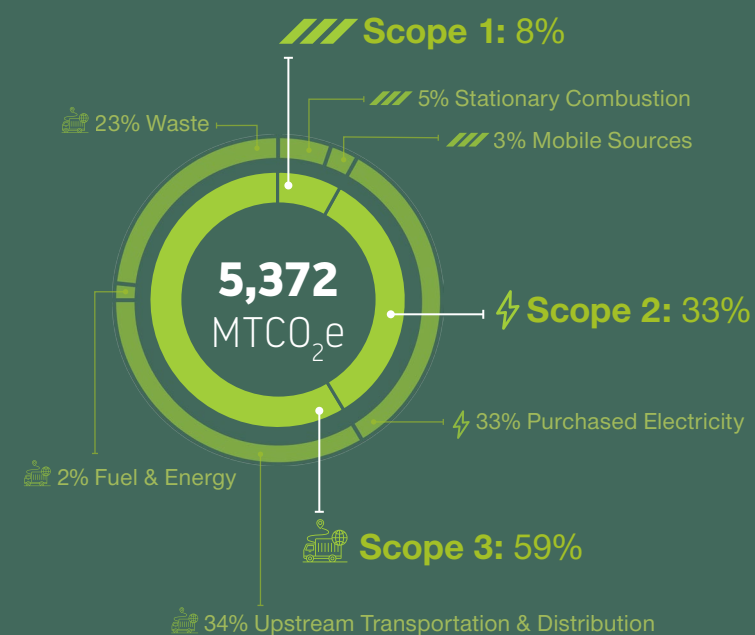
Emissions Sources

Corporate vs.
Jobsites in 2023

JOBSITES

82%

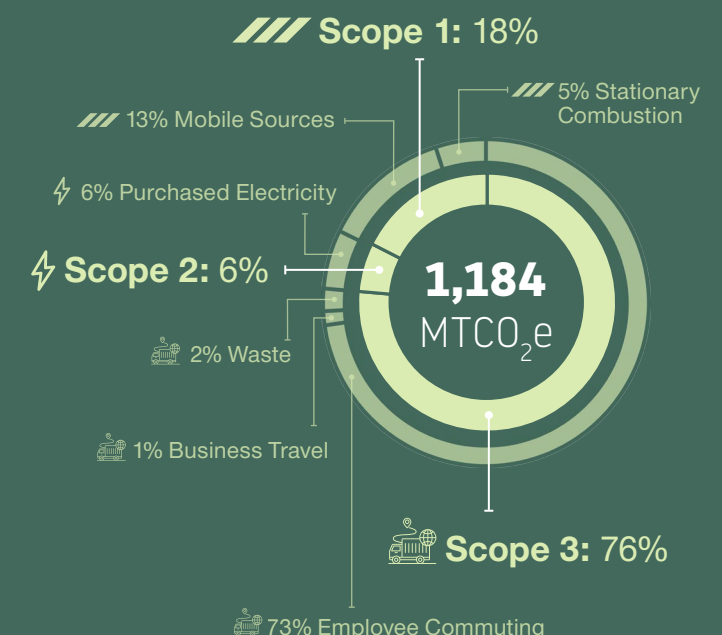
OF TOTAL EMISSIONS



CORPORATE

18%

OF TOTAL EMISSIONS



Tracking Efforts in 2023

In 2023, Sellen tracked 4,375 metric tons of carbon dioxide equivalent (MTCO₂e) emissions, and we continue to seek opportunities to improve our data integrity and breadth of reporting:

- Increased Scope 1 tracking to 84% of annual project revenue (up from 80% in 2022).
- Increased Scope 2 tracking to 76% of annual project revenue (up from 40% in 2022).

- Updated Scope 1 and 2 tracking for 2021-2022 with jobsite data obtained since previous disclosures to improve past data integrity.
- Included waste generation at Sellen's corporate locations and 89% of project revenue in Scope 3.
- Updated inventory from 2021-2022 to include waste generation.

METHODOLOGY NOTES:

- Total emissions were accounted for by projecting tracked emissions over 100% of project revenue.
- Sellen self-performs an average of 20% of project revenue scopes. 20% of jobsite Scope 1 and Scope 2 emissions have been included and reported accordingly. The remaining 80% are included in Sellen's Scope 3 emissions.



Sellen's Carbon Footprint

Key Takeaways from 2023 Data



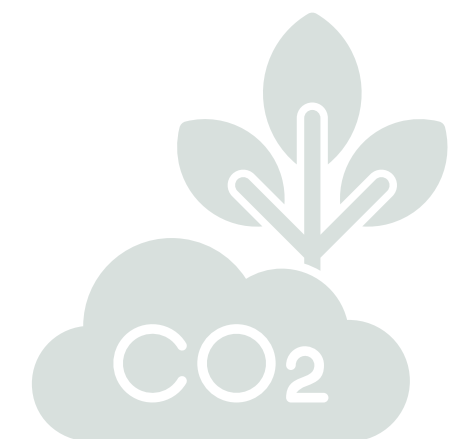
The majority of Sellen's emissions can be attributed to our supply chain (Scope 3), including waste generated and upstream transportation and distribution. To achieve meaningful emissions reductions in the years to come, we are working to engage subcontractors, suppliers, and manufacturers to increase circularity in our industry.



Purchased electricity (Scope 2) for both corporate locations and jobsites comprised nearly a third of Sellen's emissions, illustrating the central importance of more energy-efficient offices and jobsites. As we continue focus on replacing fossil fuels with electric options, we anticipate this scope will increase in the near term and then decrease as we incorporate efficiencies and renewable energy sources whenever possible through initiatives like solar generators, solar-powered office trailers, and more.

What's Next: Carbon Tracking & the Path to Net Zero

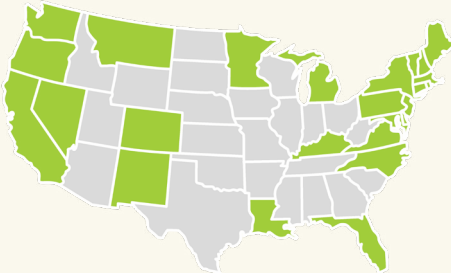
Equipped with the data we have collected over the last few years, we now have a firm understanding of our baseline and an approximate trajectory for the next 15 years. Later in 2024, we will share a plan documenting our anticipated roadmap to comply with The Climate Pledge.



Upcoming Impacts to Track

Climate Legislation

States are taking the lead to establish policies and enact legislation to address their diverse needs. In fact, almost half of states and the District of Columbia have adopted targets or policies for greenhouse gas reductions, carbon pricing, emission limits, renewable portfolio standards and cleaner transportation.



- **Greenhouse Gas Emissions Targets:** 24 states, plus Washington, DC have established a baseline year and adopted targets.
- **Climate Action Plans:** 33 states have released or are developing their plan.
- **Carbon Pricing Policies:** 14 states have some type of carbon pricing policy. Implementation tends to be through cap-and-trade programs, though carbon taxes might also be on the horizon.

Looking Ahead: Potential Legislation

California continues to lead the way on climate-related legislation, and we anticipate that it will only be a matter of time until Washington and other states join their ranks and enact similar legislation of their own.

California has recently implemented several sustainability policies that Washingtonians should be prepared for:

- Mandatory Whole Building Life Cycle Assessments (WBLCA) and 10-20% carbon reduction from the baseline for new commercial buildings larger than 100,000 square feet.
- Prohibiting the sale of new gas-powered equipment with SORE engines (spark-ignited engines with less than 25 horsepower).
- In-Use Off-Road Diesel-Fueled Fleets Regulation (known as "Off-Road Regulation") requires phase-out of equipment with Tier 1 and 2 engines and phase-in of procurement of Tier 3 and 4i engines going forward. It also mandates the use of R99 or R100 renewable diesel for all fleets (with limited exceptions).
- Businesses with annual revenues over \$1B are required to report greenhouse gas emissions for all three scopes and undergo third-party verification. Requirements will roll out starting in 2026 and continue through 2030.
- Corporations required to prepare and submit an annual report that includes an assessment of their climate-related financial risks and describes their mitigation measures.



Energy Code Updates

The current Washington State Energy Code, which went into effect last summer, resulted in several significant updates for owners to consider. The driving force behind these changes is the goal set forth by the Washington Energy Code Council to achieve a 70% reduction in annual net energy consumption using the 2006 WSEC as a baseline. In addition, Washington state is acting to sharply curb natural gas in commercial and residential buildings.



Sellen's in-house MEP expert Bryan Morris summarized several important takeaways for clients:

- **Mechanical:** With some exceptions, heat pumps are now required to heat large commercial buildings and heating energy cannot be provided by electric resistance or fossil fuel combustion appliances.
- **Plumbing:** Service hot water is required to be provided by an electric air-source heat pump system unless specific exceptions are met. Other adjustments include an additional 1" of insulation for supply/return DHW piping, thicker insulation for service water heating storage tanks, and new demand response requirements for water heaters between 40 and 120 gallons to provide grid flexibility.
- **Renewable Energy:** On-site renewable energy generation is now required for new buildings or additions larger than 10,000 square feet of gross conditioned floor area with some exceptions. In addition, solar readiness shall be provided on buildings up to 20 stories tall with some exceptions as part of achieving renewable energy requirements.



LEED v5

The USGBC continues to evolve the LEED rating system and certification process to accelerate market transformation and provide a dependable framework upon which projects and project teams can benchmark their buildings and celebrate successes. **Using input from the recent public comment phase, the proposed LEED v5 framework will focus on three main pillars:**

- Decarbonization
- Quality of life
- Ecosystem conservation and restoration

LEED v5 will bring new focus to reducing carbon emissions for the life of the building — including embodied carbon during design, careful tracking and reduction during construction, and ongoing operational impacts — while also considering social equity and resilience.

Sellen's Culture of Sustainability

Last year, Sellen's sustainability team hosted a volunteer time off (VTO) opportunity with local nonprofit Solid Ground to celebrate Earth Day at Marra Farm in Seattle. Solid Ground hosts a Giving Garden at the farm to foster community connections through gardening education, sustainable food production, environmental stewardship, and raising awareness about good nutrition and food justice. More than a dozen Sellen employees joined other volunteers to learn about sustainable food lifecycles in our community and to fill the shelves of local food banks. The team harvested produce, weeded beds, removed invasive species, and constructed elevated planting tables.



Growing Sustainability Leadership at Sellen

Providing education internally is imperative to maintaining a solid foundation of sustainability knowledge within our teams. We support the advancement of our employees through several efforts:



Foreman and Superintendent Onboarding:

Incoming and recently promoted foremen and superintendents attend an orientation session, which includes a section dedicated to sustainability. This helps ensure that Sellen's culture of sustainability is present and consistent on every jobsite.



Project Engineer Submittal Training:

Project engineers play a vital role in tracking and achieving project sustainability goals. Bi-annual "lunch and learn" trainings are provided for all project engineers to communicate sustainability submittal requirements, the nuances of documentation, and procedural expectations.



Project Kick-Offs: Our project teams hold a kickoff with sustainability staff to ensure submittal and site systems are in place to successfully implement all project requirements from start to finish.



LEED AP and GA Study Groups:

Sellen hosts internal LEED AP and GA trainings in a study group format to support professional development and encourage sustainable accreditations.



Industry Partnerships:

We provide subcontractor training on projects with particularly ambitious sustainability targets, meeting with each subcontractor before they issue any submittals to ensure they understand expectations and documentation requirements.



Building With Purpose Since 1944.



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