



Sustainability Plan
2024-2026





Message from Our CEO

TKDA has a century-long legacy rooted in a commitment to our employees, clients, and communities. Through our 2024 sustainability plan, we aim to strengthen and deepen those roots. We are dedicated to creating a supportive and inclusive company culture for employees, delivering the cutting-edge engineering and design services our clients seek, engaging responsibly with the communities in which we work, and positioning ourselves to add long-term value for many years to come.

As laid out in our sustainability plan, we intend to continue developing our internal sustainability expertise and identifying opportunities to incorporate sustainable design and engineering into our projects. We envision a built environment that supports community and environmental health.

We recognize that we must consider the positive outcomes of the projects we design in the context of how those projects can impact the environment: the resources used to construct them, the disruption and pollution that construction causes, and the way buildings and infrastructure interact with—and often alter—their surroundings. This sustainability plan is a necessary first step to minimize those negative impacts and support project work that fosters sustainable, resilient communities while ensuring continued financial wellbeing for our stakeholders.

TKDA has a history of effectively anticipating and responding to client needs. As those needs shift, we will continue as a steadfast, trusted partner. We are committed to staying abreast of the fast-changing field of sustainability, regularly reevaluating our goals and approach, and positioning ourselves to pivot based on industry needs.

We are doing our part, but we know we can't do this work alone. It will take all of us—every project stakeholder—to design, construct, and operate buildings and infrastructure that benefit us all for generations to come.

Thomas S. Stoneburner, PE

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INTRODUCTION

While sustainable solutions are a core part of TKDA's engineering and design practice, this is the first time the company has developed a unified plan for focusing and deepening our sustainability efforts. The goal statements in this plan were developed after an extensive effort involving market research, internal and external stakeholder engagement, and guidance from TKDA's internal subject matter experts. In January 2024, TKDA's Board of Directors endorsed the plan and tasked our management team with implementation. In sharing this plan publicly, we intend to be transparent about where we are starting and where we are setting our immediate goalposts. We invite clients, employees, and users of our built projects to engage with us and help us keep pace with sustainability priorities as the industry evolves.

Company History

TKDA has provided forward-thinking engineering, architecture, and planning services to communities, government, and private industries for more than 110 years. Maximilian Toltz founded the Toltz Engineering Company in Saint Paul in 1910. The firm changed its name to TKDA in 1956 to reflect the addition of partners King, Duvall, and Anderson. In the last century, we have designed roads, bridges, rail, mass transit, parks, trails, and facilities for companies, schools, and government agencies.

TKDA is the designer of record for the beloved Como Park Conservatory (now Marjorie McNeely Conservatory), the iconic Hamm Building, and the Robert Street Bridge, all listed on the National Register of Historic Places, and for the award-winning Wabasha Street, Westminster Junction, and I-35W St. Anthony Falls Bridges.

We have received awards and recognition for many projects, including a steam-generating facility, a freeway, a bridge restoration, and a historic university building renovation. In 2013, we served as the firm of record for the University of Minnesota-Duluth's Civil Engineering Building, which received the SustainABILITY Award from AIA Chicago and an AIA Committee on the Environment Top Ten Award. Two of our recent airport projects received the ACEC/MN Grand Award.

At TKDA, we cultivate long-term relationships while embracing and pursuing new markets and clients—encouraging stability, innovation, and growth. Since our founding, we have worked with a wide range of clients across business and government, but TKDA's hallmark is the duration of our client relationships, some of which date back to the very earliest days of our existence in the 1910s and 1920s. The longevity of our partnerships and business are testaments to our pursuit to deliver an exceptional client experience and enduring solutions.



Company Values

TKDA is committed to our stakeholders—our employees, clients, community, and environment—and is 100% employee-owned. We strive to embrace and advance the principles of diversity, equity, and inclusion within our organization and incorporate sustainability into all aspects of engineering and design.

Our leadership believes in fostering a collaborative, diverse workforce committed to excellent service and lasting design solutions. Our culture allows new employees to learn from experienced professionals and share ideas to create innovative design solutions. In 2022, TKDA was recognized for excellence in workplace safety and health by the Minnesota Safety Council.

“ On my projects, I meld what our client needs with best practices. Normally, clients cannot afford all new infrastructure. We perform at our best at the intersection of stakeholder engagement, pragmatism, and best practice.

-TKDA employee, employee survey ”

We give back to our community by funding a permanent scholarship for architectural and engineering students at the University of Minnesota. And we donate annually to support education and community programs, such as science, technology, engineering, and mathematics education for students in kindergarten through high school.

We place great importance on collaborating with clients to understand their vision, schedule, and budget and involve them throughout the project. We listen to client concerns and use our wide-ranging expertise to advise on the most effective solutions. We aim to create a striking, functional, and sustainable design that outperforms client expectations. Working in multidisciplinary teams, we deliver comprehensive, high-quality results.



Complete Solutions

TKDA is a company of engineers, architects, planners, and specialized experts solving client challenges across four primary markets: transportation, industrial and manufacturing, buildings and sites, and water. TKDA’s professionals help clients realize their goals while meeting critical project objectives by leveraging our integrated, multi-disciplinary teams and unwavering commitment to project management excellence.

At TKDA, we continuously prove ourselves by sharing ownership in our clients’ challenges and investing in our employees’ ability to meet them. As an Employee Stock Ownership Plan (ESOP) company, our employee-owners have a direct interest in our clients’ success and our partnership with them. With genuine care for people at its core and an inherently collaborative ownership structure, TKDA fosters trust, stability, and innovation to help our clients, employees, and communities thrive.

Building on our century-long legacy, TKDA has grown with our clients to offer nationwide services from offices in Duluth and Saint Paul, Minnesota; Chicago, Illinois; San Bernardino, California; and Seattle, Washington.

Organizational Structure

Our technical staff works in four major markets: transportation, industrial & manufacturing, building & sites, and water. Teams working within each market are further organized by project-type specialty and discipline. This structure enables us to support employee technical and leadership development and deliver complete solutions through integrated, multidisciplinary project teams. We organize our administrative staff into five specialties: finance, human resources, information technology, legal, and marketing and business development.

“ I am really proud of the efforts the Wellness Committee puts in to improve employee health.

-TKDA employee, employee survey ”

Our Work to Date

While this is our first year pursuing a formal sustainability plan, we have been driving sustainability on our projects and in our offices for some time. TKDA not only advances energy efficiency, waste reduction, and carbon impact across the buildings and infrastructure we design, but we also consider employee and community wellness and sustained financial health for all our stakeholders. Our team members with sustainability-focused credentials, such as LEED Accredited Professional and Envision Sustainability Professional, bring decades of experience delivering sustainable design solutions to support client strategies. As a 100% employee-owned company, our culture is notable for the care we take in terms of employee safety, wellness programs, and shared financial success.

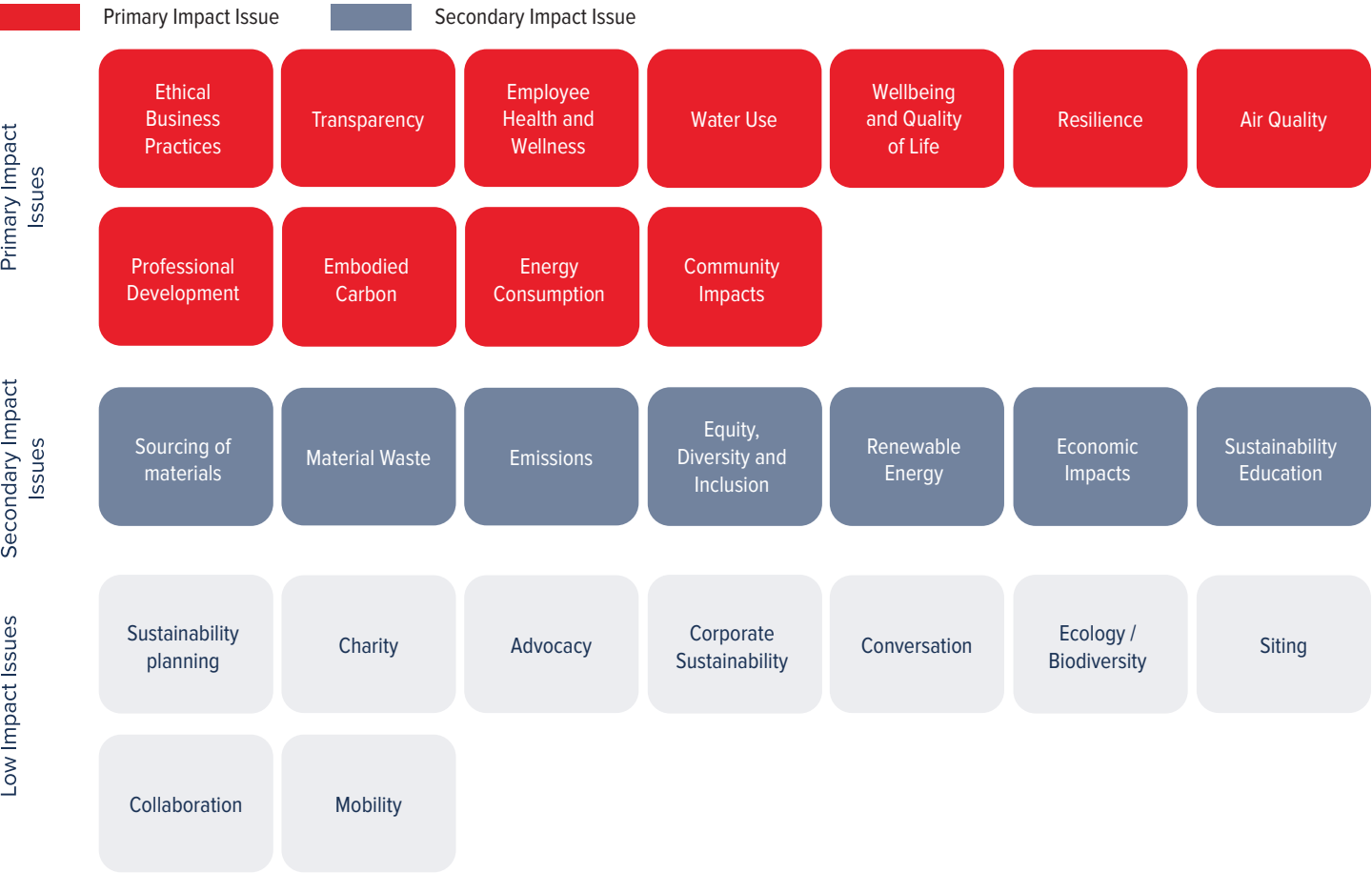
Developing This Plan

We developed this sustainability plan with input from key stakeholders, including TKDA leadership, our employees, and public and private clients across sectors. We researched current regulations and policies in the industries in which we work, analyzed market and industry trends, and explored how we could add value for our clients and community partners. We assessed our internal capacity and capabilities and ensured our sustainability goals aligned with existing company goals, notably our strategic plan. We believe this approach focuses our efforts and resources in the areas most important to our company, where we have the most influence, and where we can add maximum value for our employee-owners and clients.

We began by defining a long list of corporate and project-level social and environmental issues, the importance of which we asked TKDA employees and leadership to assess. The leadership team also evaluated TKDA’s ability to influence each issue. For example, as an engineering/architecture firm in the markets we serve, we do not have much, if any, influence over siting decisions. But we can influence material selection, design choices, or our own corporate transparency. We plotted this feedback on a materiality matrix, which, with our research and interviews, helped us identify the issues most relevant to our stakeholders. Our leadership team then prioritized the social and environmental issues, analyzing the information for any significant variations between divisions. We included the issues we prioritized below.



Prioritized Social and Environmental Issues



Over several months, we drafted goals to improve outcomes in these areas. We engaged TKDA’s subject matter experts to help us determine client and market needs, estimate required resources, and identify where standardized processes and data tracking tools are needed. We ultimately developed nine goal statements to steer our work. Our internal teams worked hard to ensure the goal statements are actionable and impactful.

Our Vision for the Future

At TKDA, we have a long-term commitment to our clients. And we are equally committed to embedding sustainability in our work. Over the next three years, we plan to focus on data tracking, capacity-building, and some targeted program and process development. After three years, we plan to set new goals in collaboration with key stakeholders.

Though we know we must move quickly, we want to lay a solid foundation and do this right.

Our Role

We believe our role with this sustainability work is to be a trusted advisor to our clients, able to provide them with wisdom and know-how. In developing this sustainability plan, we learned that many clients are looking to their engineering/architecture partners to lead them toward more sustainable outcomes, including the latest strategies, tools, and technology.

Our highly regarded engineers, architects, and planners continue to develop the capacity to explain the costs, benefits, risks, and opportunities associated with sustainable projects so we can help our clients develop informed, practical solutions in this ever-evolving landscape.

“ In order to effect change, we need to be equipped to recognize any opportunity for incorporation of sustainable practices and present it attractively to project stakeholders. We need to explain not just how but why this investment should be made. ”
-TKDA management, manager survey



SUSTAINABILITY FOCUS AREAS AND GOALS

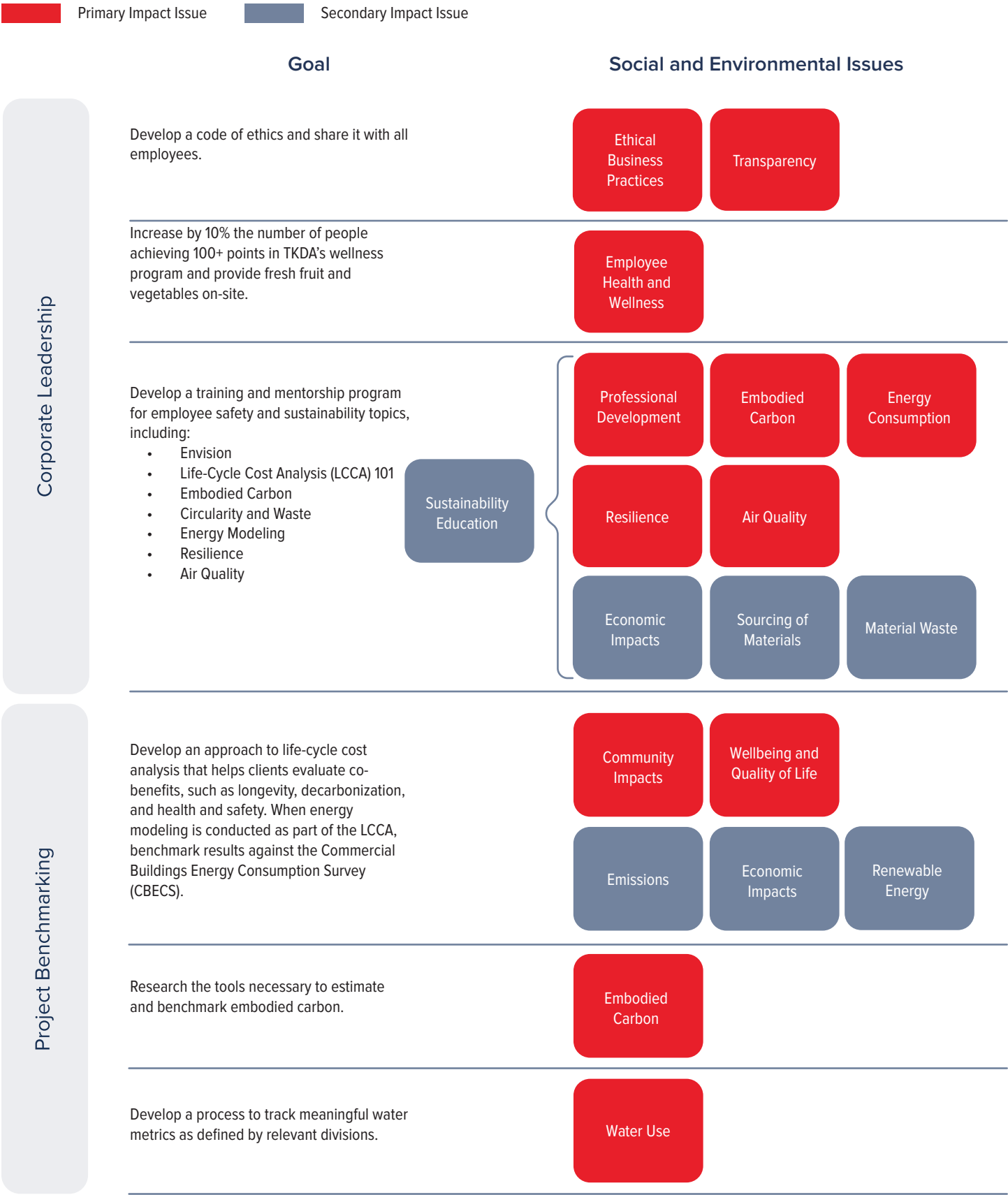
Three core focus areas

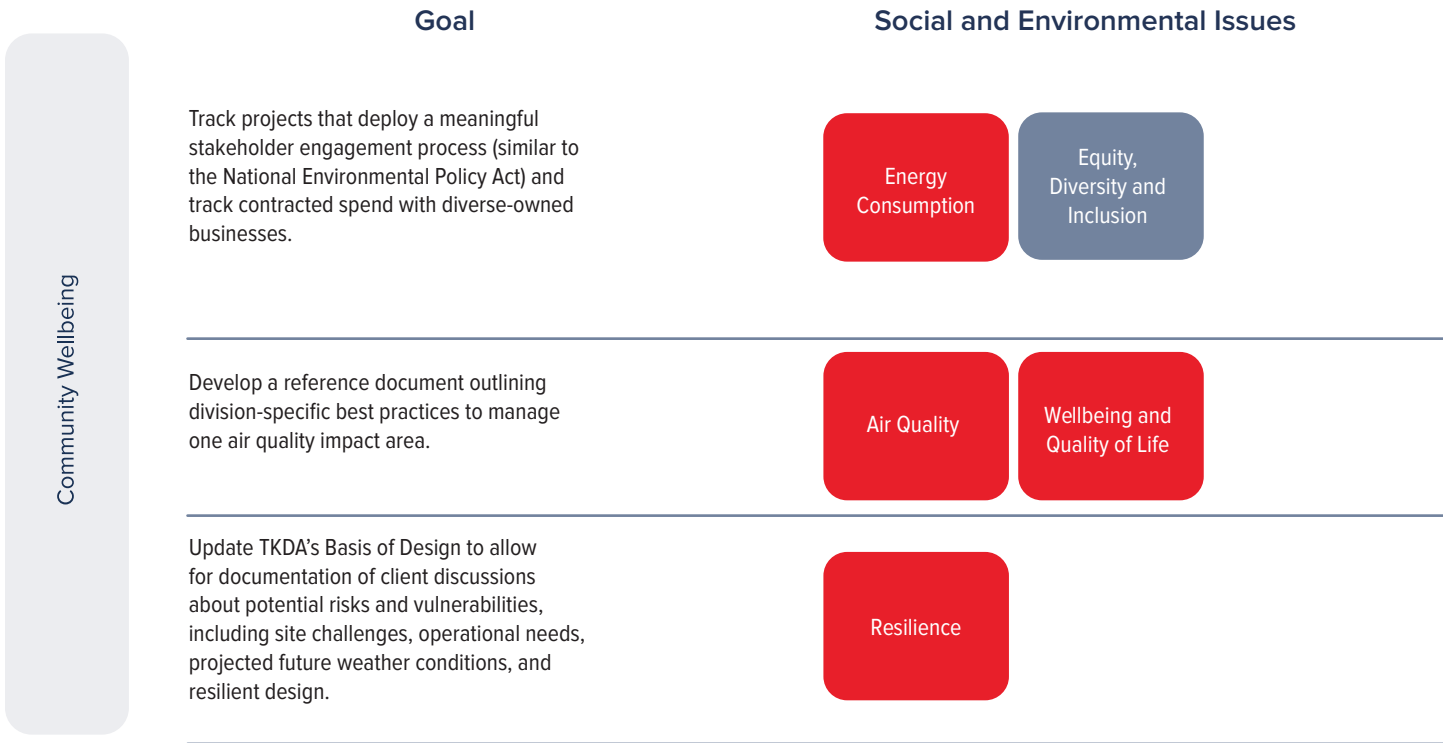
We recognize that a clear focus is critical to effectively leverage our resources and existing capabilities to provide maximum value to our clients and communities. As we narrowed down the list of social and environmental issues, we realized the high-priority issues generally fit into three core focus areas:

- **Corporate Leadership:** Our analysis demonstrated that our company is strong in several key areas valued highly by management and our employee-owners, including ethical business practices, transparency, and employee health and wellness. Because these topics relate to organizational sustainability, tracking, highlighting, and improving upon this work is part of our sustainability plan.
- **Project Benchmarking:** Many of our clients emphasized that their internal sustainability goals or environmental, social, and governance commitments require—or will soon require—they to collect detailed information on expected project performance and construction impacts. We are heeding this market signal and preparing for it by training employees on appropriate tools and technology and, where feasible, benchmarking key design and engineering data points.
- **Community Wellbeing:** We plan to build upon our ongoing employee wellbeing work by expanding our scope to include the wellbeing of the communities in which we work. We expect this broader lens to deepen our sense of pride in our work, build resilience in our communities, better serve our existing clients, and attract new clients and employee-owners who share our values.

Overview of goal statements

Our goal statements reflect how we intend to improve our performance in the prioritized social and environmental issues within our three focus areas. We know we can’t do everything immediately, but we believe these steps will help us make meaningful progress.





For each goal statement, we outlined how we intend to track our progress or completion of the goal. We also briefly explained the drivers of each goal statement. For example, because much of our project work focuses on infrastructure, many of the goal statements are based on sustainability practices encouraged by Envision, a sustainability framework and rating system developed by the Institute for Sustainable Infrastructure for civil infrastructure projects. Overall, this section lays the groundwork for how we intend to track progress over time and re-evaluate our goal statements as new information becomes available.

Note that the goal statements within the Corporate Leadership and Community Wellbeing focus areas apply across the company. Each goal statement within the Project Benchmarking focus area applies to a subset of divisions, recognizing that opportunities and challenges vary by division.

Corporate Leadership Goals

We pay attention to how we run our business, which helps us manage risk and drive innovation. We also know that our people are our most valuable asset, so we dedicate resources to taking care of them and supporting their professional growth and development.

Develop a code of ethics and share it with all employees.

Drivers: The development of a formal code of ethics to share with employees, clients, and suppliers is an ESG best practice. This policy demonstrates strong governance and builds on TKDA's strong foundation of ethical business practice.
Metrics for success: A formal code of ethics document, rolled out to employees at a quarterly leadership lunch and published in the employee handbook; a polished version for clients.

Increase by 10% the percentage of people achieving 100+ points in TKDA's wellness program and provide fresh fruit and vegetables on-site.

Drivers: TKDA has a solid foundation in caring for employees because of the wellness committee's work. This goal is a commitment to expand existing programs.
Metric for success: Percentage increase in participation and engagement in wellness; provide fresh fruit and vegetable delivery.

Develop a training and mentorship program for employee safety and sustainability topics, including Envision, life-cycle cost analysis 101, embodied carbon, circularity and waste, energy modeling, resilience, and air quality.

Drivers: Carbon emissions, circularity and waste, and air quality are all project impacts that current TKDA clients expressed interest in addressing. Life-cycle cost analysis, resilience, and rating systems (particularly Envision) arose as primary frameworks for sustainability discussions with clients. By establishing a basic level of proficiency in these topics across all staff, we aim to embed sustainability best practices within each division. We will refine and streamline TKDA's approach to safety training and incorporate sustainability training, improving organizational efficiency.
Metric for Success: Success in this goal could be measured in a few different ways:

- number of trainings provided
- topics covered
- number of employees trained
- time spent on training
- frequency of training
- staff proficiency in topics measured against a baseline.

Metrics to be determined based on how trainings will be structured and tracked.



Project Benchmarking Goals

Our work impacts our planet, and we are committed to reducing that impact, working towards regeneration, and supporting our clients and partners in their climate and climate-related goals.

Develop an approach to life-cycle cost analysis (LCCA) that helps clients evaluate co-benefits, such as longevity, decarbonization, and health and safety. When energy modeling is conducted as part of the LCCA, benchmark results against the Commercial Buildings Energy Consumption Survey (CBECS).

Applicable divisions: facilities engineering, surface transportation, aviation, architecture, rail

Drivers: Some of TKDA's biggest clients are using—or are increasingly interested in using—life-cycle cost analysis in decision-making. With bolstered internal knowledge and expertise in life-cycle cost analysis, TKDA could respond to these clients' needs and be more effective at convincing others to follow through on sustainability initiatives.

Metric for Success: The ability to offer life-cycle cost analysis as a service to clients; energy use intensity (EUI) percent reduction for public projects from CBECS benchmarks.

Research the tools necessary to estimate and benchmark embodied carbon.

Applicable divisions: rail, architecture, aviation, surface transportation, facilities engineering

Drivers: Federal and state policy is increasingly focused on embodied carbon, notably the Federal-State-Buy-Clean Partnership, of which Minnesota is a signatory. Even where regulation is not in place, some TKDA clients have greenhouse gas emissions reduction goals that extend to construction emissions.

Metric for success: Completed steps, which vary by division. Training on embodied carbon concepts for all employees and identification and training on an embodied carbon modeling tool for a subset of specialized engineers.

Develop a process to track meaningful water metrics as defined by relevant divisions.

Applicable divisions: surface transportation, facilities engineering, architecture

Drivers: Water conservation is often regulatory-driven and varies widely across project types and divisions. Still, water metrics can be established and tracked and are an increasingly important focus for both public and private clients.

Metric for success: Varies by division; options include:

- gallons of wastewater treated on projects
- potable water used per pound of waste
- maintenance versus assets-saved analyses for a subset of projects
- wetland credits purchased as an indicator of how often projects aren't meeting regulatory expectations
- gallons of water infiltrated on projects.



Community Wellbeing Goals

We recognize that our project work, during and after construction, affects surrounding communities—with some communities experiencing disproportionately high impacts. Through our goals in the Community Wellbeing focus area, we aim to use our resources to improve wellbeing and quality of life on and off the jobsite. We want to be community partners in our work.

Track projects that deploy a meaningful stakeholder engagement process (similar to the National Environmental Policy Act) and track contracted spend with diverse-owned businesses.

Drivers: Meaningful stakeholder engagement demonstrates care for our communities, recognizes local values, builds trust, helps manage risk, and drives successful project outcomes. It is also, increasingly, a requirement or expectation for a variety of project types. We can manage risk and bolster local communities by supporting stakeholder engagement and working with diverse suppliers and subcontractors.

Metric for success: Number of projects that include a formal stakeholder engagement process; number of projects and dollars spent on qualified diverse or minority businesses, including woman-owned, veteran-owned, disability-owned, minority-owned, LGBTQ+-owned, and small or micro-businesses.

Develop a reference document outlining division-specific best practices to manage one air quality impact area.

Drivers: Though air quality impacts and controls vary widely between divisions, air quality is a significant factor in human and environmental health and has gained increased attention from clients, regulators, and public health entities. Additionally, based on surveying, the issue of wellbeing and quality of life ranked as highly important for employees (#1) and managers (#2).

Metric for success: Completion of best practice reference document.

Update TKDA's Basis of Design to allow for documentation of client discussions about potential risks and vulnerabilities, including site challenges, operational needs, projected future weather conditions, and resilient design.

Drivers: Regulatory entities, investors, and clients are increasingly focused on project risks and vulnerabilities and incorporating resilience strategies. Documenting the analysis of these risks and the corresponding design requirements is best practice and good risk management for TKDA and our clients.

Metric for success: Development and use of a Basis of Design standard.

ACCOUNTABILITY

Developing a sustainability plan is just the first step. Effective implementation requires ongoing management, refinement, and accountability. To begin, we will solidify an action plan for each goal statement, establish a timeline (within the three-year timeframe of this plan), and assign coordination of implementation to a responsible employee. To embed the implementation of the sustainability plan into TKDA's operations, we will incorporate its management into existing meetings, check-ins, and other organizational structures. TKDA leadership will review the sustainability plan annually, assessing our progress against each goal, its continued relevance, and our effectiveness at managing its implementation. As needed, we will update or amend targets or timelines and shift our processes to support them. Finally, we plan to publish a bi-annual (two-year) report to share our progress with our clients and community stakeholders.

We aim to complete the goals stated in this plan by January 2027.

DRIVING SUSTAINABLE OUTCOMES FOR YEARS TO COME

With this plan, we have developed our first company-wide approach to sustainability. By deepening our expertise, tracking project outcomes, and supporting our staff and our business, we will become better advisors to our clients—regardless of whether their sustainability aspirations are modest or ambitious. In doing so, we'll be building a more resilient business, living our values, and making a better world for future generations.



 **TKDA**