

# Overview

As a leader in mechanical and electrical construction, facilities services, and energy solutions, EMCOR Group, Inc. has long recognized the importance of conducting its business in an ethically and commercially responsible manner. Our longstanding commitment to responsible operation is exemplified by our work in five primary areas of action:

- [Community](#)
- [Environmental](#)
- [Safety, Quality, and Productivity](#)
- [Economic Performance](#)
- [Employee Development](#)
- [Corporate Governance](#)

We take a leadership role as a responsible and reliable corporate citizen in the communities in which we live and work through numerous national and local programs conducted through EMCOR Group, Inc. headquarters and our more than 75 subsidiaries. Chief among these are our [Taking KidSafety To The Streets™](#) program and the [ACE Mentor Program of America](#).

We also believe that corporate sustainability strategies are increasingly essential to creating long-term value. In our industry, where the safe and efficient use of energy, materials, and manpower offers a distinct competitive

advantage, this benefits all our stakeholders, including customers and shareholders.

For these reasons, we've embarked on an ongoing effort to identify and manage risks and market opportunities associated with the evolving economic, environmental, and social issues facing EMCOR and its subsidiaries.

Implementation of the initiatives is led by a cross-functional sustainability team that includes senior energy services, IT, and marketing talent.

Additional information about the company's programs and initiatives can be obtained by contacting us through our [Corporate Marketing and Communications Department](#).

## Community Involvement

### EMCOR Touching Lives Program



EMCOR holds a deep and longstanding commitment to supporting the communities in which it does business. For this reason, we've created Touching Lives, an umbrella program encompassing the range of programs that we actively support. Touching Lives reflects our core values of customer focus, commitment to employees, integrity, entrepreneurship, and shareholder value. Through Touching Lives, we are able to contribute significant resources to efforts that advance the safety, health, and educational and economic development of our

communities. Touching Lives takes a three-tiered approach to community involvement:

### **Tier I - Cross Company Programs:**

Our companywide programs include the national [Taking KidSafety To The Streets™](#) missing kids information program, coast-to-coast support of the [ACE Mentor Program of America](#), and The [EMCOR Pink Hard Hat Program](#) to promote breast cancer awareness.

### **Tier II - Subsidiary Programs:**

EMCOR's 75+ subsidiaries are involved in a range of community causes and educationally driven programs in their local markets. They also provide local support for EMCOR's national programs.

### **Tier III - Individual Recognition Program:**

Since 1998, [EMCOR Diamond Awards](#), given annually through the Office of the CEO, have recognized EMCOR employees for individual acts of bravery and community-minded spirit and service. The passion and special acts and deeds of the outstanding employees who have received this award have influenced lives, shaped communities, and inspired us all.



The Touching Lives program also includes sponsorship of care packages delivered to EMCOR employees on active military duty and their families.

## Taking KidSafety To The Streets

EMCOR.  
Taking KidSafety to the Street™

EMCOR's [Taking KidSafety to the Street](#), an initiative in place across the United States and United Kingdom, is designed to help find missing children and promote child safety. Between its inception in August 2005 and August 2011, the program has helped recover 222 missing children, and we have set a goal of helping to recover 222 more by August 2017.

The program is built on three components, each of which addresses a location where we can make a difference:

**"On the Streets"** makes EMCOR's fleet of 6,000 service vehicles and those of employees who choose to participate available to display posters carrying photos and descriptions of missing children; in total, these vehicles travel to 13,000 job sites daily.



**CODE★ADAM** **"In Buildings"** offers free training to about 2,000 locations each year in Code Adam, a protocol that can be activated between the time when a child is reported missing and the arrival of law enforcement officers.

"At Home" offers safety guidelines from the National Center for Missing and Exploited Children to kids through online and printed materials, along with an online quiz and personalized certificate of achievement for participation.



## **ACE Mentor Program of America (ACE)**

EMCOR supports the [ACE Mentor Program of America](#) on a nationwide basis by providing EMCOR employees with opportunities to volunteer as mentors to underserved students and other youth. ACE (Architecture, Construction and Engineering) seeks to address the employment crisis our industry currently faces by raising awareness of careers in the architecture, construction, and engineering fields and supporting educational achievement.

Recent research has shown that ACE participants graduate from high school at a higher rate –97%– than their non-ACE counterparts; the national graduation rate in 2009 was 73.4%. ACE participants also attend college at a higher rate than their peers who have not participated in the ACE program: 94%, as compared to the 68% national college enrollment rate for 2009.

From 2006 through 2010, the first four years of EMCOR's participation in ACE, the company awarded ten ACE student

scholarships. We intend to add ten more scholarship awards to that total by 2016.

## **The EMCOR Pink Hard Hat Program**



Challenging the “macho” image of the construction industry, EMCOR employees proudly come together each October [wearing pink hard hats](#) in a display of support for colleagues, friends, family, and clients affected by breast cancer. In addition, throughout the month a number of EMCOR subsidiaries organize special events involving employees and clients in order to garner community and media attention for this important health issue. Past events have included formations in the shape of large pink ribbons at prominent sites across the country.

## **Environmental & Sustainable Energy Services**

As a leading construction and energy services company, EMCOR is positioned to address the environmental impact of not only its own facilities and operations, but those of client organizations as well.



In our own operations, our Safety & Quality Management Department provides education regarding environmental standards to all business managers, as well as training on the management, handling, and proper disposal of materials

to EMCOR's more than 75 subsidiaries. We also have numerous programs in place to monitor the efficiency of our vehicle fleet, and in early 2011 we began collecting company-wide information on our greenhouse gas emissions.

For clients, EMCOR and its subsidiaries deploy a wide range of services and tools to contribute to the environmental sustainability of new and existing facilities. For example, building automation experts at EMCOR and its subsidiaries help clients identify ways to reduce energy use, many of which can be achieved through low-cost and no-cost tactics . We also assist clients in obtaining and maintaining LEED certification.

EMCOR touches and positively impacts the sustainability of thousands of facilities each year through innovative construction solutions such as:

- lighting retrofits
- controls and site solutions that minimize energy consumption
- recommendations for cogeneration power and fuel-cell facilities
- the installation of vegetative roof systems

Our work for British Airways is just one example of the impact of our multipronged approach. Since April 2007, EMCOR has been instrumental in [helping British Airways](#)

[reduce annual CO2 emissions by 9,230 tons](#), the equivalent of heating almost 3,000 UK homes each year.

## **Recycling, Energy Conservation, and Carbon Footprint**



EMCOR encourages recycling and energy conservation measures at all of its locations. Recycling includes office supplies and business waste. Conservation measures include upgrading water, lighting, and power systems, and investing in equipment to reduce energy use in our operations. The company also regularly shares information on environmental issues and energy conservation with employees via the *EMCOR Guardian*, a quarterly publication authored by EMCOR's Safety & Quality Management Department and distributed companywide.

We are currently assessing the company's carbon footprint for the first time. A large portion of our carbon footprint is generated by our vehicle fleet. Other significant contributors include the energy used by our office locations and the consumable gases, such as acetylene and propane, used at our job sites. We have also identified several variables specific to our business—among them that our total greenhouse gas emissions vary directly based on the number and scope of projects undertaken in a given year, and that many of our employees work at job sites, rarely or never needing to go to an office.

## **Leadership in Energy and Environmental Design (LEED)**

Commercial buildings—which EMCOR builds, powers, services, and protects for over 75% of the Fortune 500—consume 40% of the world's energy and account for 30% of carbon emissions. In order to minimize the impact of these operations, EMCOR has developed sustainable construction and facilities services. As of 2010, more than 400 EMCOR employees had completed the US Green Building Council's Leadership in Energy and Environmental Design (LEED) program. Our work in this area has enabled some of the world's largest companies to obtain LEED certification for their facilities.

Among other recognition for its efforts in building sustainably, EMCOR has twice won the U.S. Environmental Protection Agency's "Project of The Year" award, most recently for a [landfill methane capture facility](#) that supplies clean power to the University of New Hampshire and its local grid.

## **General Services Administration Certification**

EMCOR Energy Services is one of only 19 organizations to be awarded a Blanket Purchase Agreement (BPA) by the General Services Administration for providing comprehensive energy services to federal agencies. These services—from energy management and planning to commissioning and innovations in energy efficiency—will

help make federal properties more energy efficient. And because the BPAs allow federal agencies to work with a single supplier, thereby reducing the administrative burden of contract management—and saving time and money—the agencies can undertake and complete money-saving building optimization and energy efficient projects sooner. More information about these services is available in our [brochurette](#).

## **Building Information Modeling**

EMCOR leads the industry in the use of 3-D building information modeling (BIM) for facilities we run, which minimizes waste across the facilities' lifecycle.



Because BIM involves all stakeholders in the design process from day one and facilitates a more collaborative and efficient approach to systems and building design, construction, and operation, BIM can be used to anticipate the entire building lifecycle, including the processes of construction and facility operation. What's more, BIM enables us to more efficiently design electrical, mechanical, plumbing, fire-protection, and other critical systems to avoid waste and cost overruns by anticipating problems and addressing them in advance.

With more than 300 BIM designers who have worked on more than \$5 billion of BIM-driven projects—the most published experts in any BIM design network—EMCOR's

unrivaled BIM expertise has been widely recognized by leading industry publications, including *Electrical Construction & Maintenance*, *ACHR News*, *Electrical Contractor Magazine*, and *Engineering News Record*.

## **Fleet Management**

One of EMCOR's priority is reducing the environmental impact of the company's 6,000-vehicle fleet. Through a series of combined measures, we have reduced fleet gasoline consumption by more than 840,500 gallons per year—that's equivalent to taking 1,500 of our service vehicles off the road—and prevented more than 8 million pounds of CO<sub>2</sub> from entering the atmosphere.

Among the means that we use to maintain fleet efficiency are: GPS technology in more than half of our service vehicles—which allows us to monitor and reduce miles driven, regular vehicle maintenance, vehicle-mix modification and continual fleet updating to stay current on safety and performance features, and the removal of unnecessary cargo.

Additionally, EMCOR has deployed hybrid and electric vehicles in selected portions of the fleet as appropriate. For example, EMCOR UK has eight electronically powered vehicles which boast zero emissions. Currently, no vehicle manufacturer produces a hybrid service vehicle, limiting



EMCOR's options for deploying hybrid vehicles at this time. When a vehicle manufacturer produces a hybrid service vehicle, EMCOR will re-examine the impact and feasibility of its inclusion within our fleet.

## Safety, Quality and Productivity

At EMCOR, we are passionate about safety and quality, and it's that passion that enables us to operate a highly productive workplace.

Since 2003, EMCOR has dramatically reduced injuries and improved the safety of all of the company's work sites through a combination of initiatives and unrelenting focus on ensuring that workers return home each day safe and uninjured. EMCOR's two signature programs, the Zero Accident Program and the Changing the Way We Work Program, educate workers about complying with safety practices while maximizing the quality of their work. As a result, we have reduced injuries by a remarkable 66% since 2003.

The quality of these programs has been recognized by the CNA Insurance Company, which in 2009 selected EMCOR as the first recipient of its [Chairman's Safety Innovation Award](#). The award commends an organization for exceptional safety performance and commitment to safety and accident reduction. This award is just one of the ways in

which EMCOR has distinguished itself in the construction industry as an innovative leader and employer.

In addition, we have a dedicated web portal for employees that focuses on health and safety issues. This portal houses our Safety Training and Resource (STaR) page and several publications dedicated to promoting our safety culture. We also have a pandemic flu portal and related publications to keep employees abreast of health developments and preventative measures they can take to maintain their own safety on the job and at home.

## **Be There For Life Zero Accident Program**

When it comes to safety, EMCOR has only one goal: Zero Accidents.



*EMCOR's Be There For Life (BTFL) Zero Accident Program* is a key component of the company's safety culture. It connects work activities with key lifetime events in order to effect changes in safety behavior. This signature safety program has enabled us to make substantial progress towards our goal of eliminating all injuries and has helped us to maintain a total recordable injury rate that is substantially below industry averages.

Through BTFL, as well as other publications, we deliver our message of safety to employees both at work and at home. As a result, since the program was launched in 2003, we

have reduced employee injuries by 66%. Our 2010 OSHA Total Recordable Incident Rate (TRIR) was 1.57, our lowest rate on record and a reduction of 5% from our 2009 rate.

## **Change The Way We Work Program (CW<sup>3</sup>)**

The CW3 Program enables our operating companies to collaborate with one another by sharing information about good work practices and new products and processes that have been proven to reduce risk, improve quality, and satisfy customers.

The program addresses specific work groups through communications tools that include Productivity Plus Roadshows, Productivity Champions, and a SuperVISION class. It also leverages the Productivity Plus publications that are distributed monthly by EMCOR's Safety & Quality Management Department. The publications disseminate knowledge and best practices across all EMCOR operating companies by describing in detail the safety, quality, and productivity benefits of selected products and processes—including critical return-on-investment (ROI) criteria.

Together, these tools provide employees with valuable education and information they can use immediately to improve their work methods, environments, and project outcomes. The company has reduced recordable injuries by 55% since beginning this effort in 2005.

## Lean Operations

EMCOR was a pioneer, and continues to be an industry-leading expert, in the use of the "Lean Operations" model for effective facilities management. While "Lean Management" was originally developed in the manufacturing sector to eliminate waste and increase efficiencies during the production process, the application of its principles to facilities management is just as relevant and represents a new frontier in this space. First developed by EMCOR Facilities Services on behalf of one of its clients, this model provides a more formal, systematic approach to facilities management that increases accountability, ROI, and productivity in EMCOR's delivery of services to the campus headquarters under its management.



## Business Continuity

EMCOR requires its operating companies to have business continuity plans in place in order to prepare for natural and man-made events that may impact business activities. Our goal is to be prepared for catastrophic events so that we can respond quickly to employee and customer needs. All EMCOR operating companies are required to review, test and, if necessary, adjust their plans annually.

## The Fleet & Driver Program

Introduced in 1999, the Fleet & Driver Program includes two important components:

**Driver's Alert**, through which EMCOR monitors driver behavior to identify areas of risk and correct them before an accident or more serious incident occurs. In addition, decals on fleet vehicles invite members of the public to comment on our drivers' behavior and practices. The Driver's Alert Program is a proven tool for changing driver behavior.

**GPS Insight**, which monitors vehicles and drivers in real time. This program provides real-time vehicle usage (speed over posted speed, after hours usage, "geo-fencing") and manufacturer recall / diagnostic code notifications to approximately 2,000 vehicles, or about 25% of our fleet.

The Fleet & Driver program also includes requirements for motor-vehicle record checks and defensive-driving training. Both Driver Alert and GPS Insight are important tools to safeguard our assets and protect our shareholders, management, employees, other road users and members of the public against the inappropriate, illegal, or dangerous use of company vehicles.

EMCOR reviews these programs each year to ensure it continues to meet the needs of EMCOR's growing fleet and the expectations of shareholders, employees, and the public at large.

## **Economic Performance**

EMCOR Group is one of the largest electrical and mechanical construction and facilities services firms in the United States, the United Kingdom, and the world, with a client list that includes 75% of the Fortune 500 and beyond. We provide services to a broad range of commercial, industrial, utility and institutional customers through more than 75 operating subsidiaries and joint venture entities. Our strong financial position has enabled us to attract and retain top talent, to undertake and complete the most ambitious projects, and to shape the future of the construction and facilities services industry.

In 2010, EMCOR had revenues of approximately \$5.1 billion and employed more than 24,000 people. Of our 2010 revenues, approximately 86% were generated in the United States and approximately 14% were generated internationally. Approximately 42% of 2010 revenues were derived from new construction projects, 19% from renovation and retrofit of customer's existing facilities, and 39% from facilities services operations.

EMCOR's leadership continually focuses on increasing the value of EMCOR for the benefit of shareholders and creating competitive advantages through a strategy of maintaining diversity in the services the company provides, the industries it serves, and the geography it spans—as well as by diligently managing costs, risk, and cash. The company also looks for opportunities to promote service

offerings and select projects that balance economic attractiveness with social and environmental responsibility. These strategies have resulted in a company that is built for the long term and has a stable platform for sustained results. They have also led to EMCOR's recognition as one of the most admired and best-managed companies in its industry by *Fortune*, *Forbes*, *Barron's*, and many other leading business and trade publications.

For detailed information on EMCOR's financial performance, please see:

[EMCOR Investor Relations](#)

[EMCOR 2010 Annual Report](#)

At EMCOR, our goal is to ensure that all employees have an equal opportunity to achieve their full potential in an environment that is safe, respectful, and challenging. Through an industry-leading combination of benefits and programs, we believe that we positively contribute to the well-being of our employees and the communities in which they live and work. We also provide a wide range of educational and development opportunities, from degree assistance to mandatory annual harassment training.

## **Employee Benefit Programs**

One of EMCOR's core values is its commitment to its employees. This commitment is embodied in our

competitive benefits package, which includes medical, dental, and vision coverage, as well as flexible spending accounts, life insurance, disability income, an Employee Stock Purchase Plan, 401(k) Savings Plans, and Employee Assistance and Wellness Programs. Together, these benefits help protect employees and their dependents, while giving them tax-advantaged ways to save for retirement and establish long-term financial security. This package of programs also contains options and flexibility in order to meet the unique needs of each individual in our diverse organization.

## **EMCOR Scholarship Program**

One of the ways in which EMCOR invests in the future of our youth is through the EMCOR



Scholarship Program, which provides one-year scholarships to the children of full-time EMCOR employees when they begin their freshman year of college. The scholarship is renewable for three years, as long as the recipient demonstrates satisfactory academic performance and the recipient's parent remains actively employed at EMCOR. Since the program's inception in 2004, EMCOR has granted more than 200 scholarships. EMCOR intends to grant from 100 to 200 additional scholarships by the year 2016.

## **Degree Assistance Program**

At EMCOR, we know that continuing education has a positive impact on our employees' contribution to our

company. Under a program launched in 2008, we support our employees' educational efforts by reimbursing them for certain expenses associated with their efforts to continue their formal education at accredited institutions.

### **Learning Management System (LMS)**

EMCOR's Learning Management System provides employees with online courses and a variety of interactive webinars. These programs enable employees to work more effectively with their coworkers, perform their responsibilities more successfully, and reduce stress levels. The program consists of more than 250 courses and, on average, serves more than 1,300 learners per month.

### **EMCOR Manager Certificate Program**

EMCOR supervisors and managers participate in the EMCOR Manager Certificate Program, which teaches participants key management skills, including effective interviewing and communication skills and workplace conflict management. The program consists of 20 classes taken over a 12–18 month period.