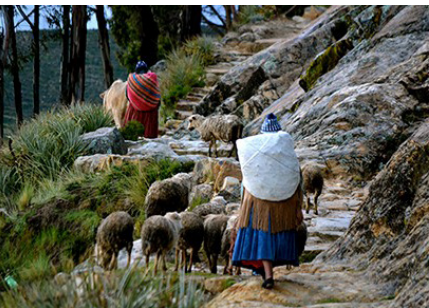


CH2MHILL®

2014 Sustainability and Corporate Citizenship Report



JULY 2014

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1. Highlights

CH2MHILL. 2014 Sustainability and Corporate Citizenship Report Highlights
In 2013, CH2M HILL continued to make strides in our sustainability journey. Follow along to celebrate our successes.

How We Walk Our Talk

Our Pledge Maintain and enhance a safe, ethical working environment, fostering employee excellence



Safety: Low recordable incident rate (0.36 per 200,000 hours worked), **55% lower** than U.S. industry average of 0.8

Inclusion: Added two new employee groups, for a total of **8 employee diversity organizations**





Ethics: Won two ethics awards and was ranked in the in the **top quintile** of 581 companies by ethics and reputation analyst Covalence

Our Planet Solve the world's complex problems in water, energy, environment, and development by promoting economic growth and social inclusion

Reduced carbon emissions from fuel and electricity use by **5%** from 2012



Reduced paper use by **24 tons**



We saved*:

-  100  100  100  100  54 = 454 trees (70 tons of wood)
-  8 = Enough energy to power 8 homes/year (732 million Btus)
-  11 = Greenhouse gas emissions equal to 11 cars per year (124,799 pounds of CO₂ equivalent)

Recycled **72,971 pounds** of electronic waste and implemented electronic waste recycling in all offices



Reduced total water use at company headquarters by **1 million gallons**



Our Partners Engage others in promoting environmental education, worker welfare, and human rights, and developing sustainable communities

Clients: Completed **200+ green infrastructure projects** across the world



Helped initiate the **Natural Capital Business Hub** with over 40 global companies, The Nature Conservancy, and the Corporate Eco Forum



Community: Sent employees to **25 countries** for critical infrastructure projects sponsored by Water For People and Engineers Without Borders USA



Became the first company to raise **\$1.5 million** for Water For People



Supply Chain: Increased percentage of **recycled office products** from 38% in 2012 to **45%** in 2013



26% of U.S. suppliers and subcontractors were **SDVE, MBE, and WBE****



CH2M HILL has committed to reducing our carbon footprint 25% by 2017.

* Environmental impact estimates were made using the Environmental Paper Network Paper Calculator Version 3.2. For more information visit www.papercalculator.org.

** Service-Disabled Veteran Enterprise (SDVE), Minority Business Enterprise (MBE), and Women's Business Enterprise (WBE)

2. Our Pledge

2.1 Corporate Citizenship and a Sustainable Future

Every year, when it comes time to put out this report, we take time for a bit of introspection. We ask ourselves why we work here instead of some other company. We ask ourselves why we work in this industry, serving clients who collectively are building the foundation for human progress. Our answers are reflected in this report and offer a glimpse into CH2M HILL's extraordinary culture, commitment, and passion.

As an industry leader and one of the first in our sector to publish a sustainability report in 2005, CH2M HILL continues a tradition of excellence and transparency in reporting on internal operations related to sustainability and corporate citizenship. Our goals are to manage the impacts of our own operations and apply our portfolio of services to help our clients' organizations become more sustainable. As we provide services that include management consulting, planning, design, program management, turnkey project delivery, and operations and maintenance to clients in the government, industrial, water, environmental, nuclear, transportation, and energy sectors, we find that each client engagement offers an opportunity to infuse our values and offer sustainable solutions to our clients' most pressing challenges.

The foundation of our corporate citizenship pledge is our [Sustainability Policy](#), which includes commitments for environmental stewardship and the United Nations (UN) Global Compact's precautionary principle, as well as corporate social responsibility.

As a signatory to the UN Global Compact, CH2M HILL ensures that our business policies incorporate and support the UN Global Compact's Ten Principles. This report also serves as our 2013 UN Global Compact Communication on Progress report; our commitment to the Ten Principles is included in the [Report Index: UN Global Compact Principles](#). As part of our firm's commitment to the UN Global Compact, CH2M HILL Chief Executive Officer (CEO) Jacque Hinman endorses the CEO Water Mandate to help address the global water crisis. We make it a priority to include transparency, anti-corruption, and good corporate governance as a part of our sustainability efforts. For more information about the UN Global Compact and the CEO Water Mandate, visit www.unglobalcompact.org.

2.2 Message from Senior Leadership

Our clients envision a more sustainable world, responding to the same global trends that drive CH2M HILL's business. To meet basic human needs like energy, potable water, sanitation systems, and transportation,

Sustainability is an expression of good **Corporate Citizenship**

Corporate Citizenship

is a business approach that supports positively affecting the environment, society, and the economy.



Sustainability

is meeting the needs of the present while creating a healthy and vibrant economy, society, and environment for future generations.

What we do: Solve the world's complex problems in water, energy, environment, and development by promoting economic growth and social inclusion through service to our clients and each other.

CH2MHILL.

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cities around the world need to invest more than US\$50 trillion in infrastructure between now and 2030. This amount does not include funding required by climate change, population growth, and changes in the water cycle. Our public and private sector clients are looking for ways to succeed in serving their own customers efficiently in the face of these dynamics.

The way infrastructure is designed and constructed is just as relevant as the needed funding. Did the design team have the benefit of diverse perspectives, multidisciplinary problem-solving, and a variety of cultural experiences? Did everyone go home safely at the end of the day? Were contracts structured to benefit local economies or drive a market for sustainable materials? How can the resulting project foster cultural, social, and economic growth?

Beyond infrastructure, we and our clients struggle with the use and allocation of natural and economic resources. Our private-sector clients are trying to deliver their products and services while preserving limited resources and protecting or improving the environment. We partner with these clients to help them answer foundational questions. For example, where is the best place to invest limited funding? How can public and private entities, together, create an abundant world for future generations?

While pondering these questions during the past year, we have affirmed that the work we do for our clients is inseparable from the way we do it. To deliver state-of-the-art solutions that address the impacts of climate change, we, ourselves, need to address the causes of climate change more robustly. The relevance of sustainability to our organization is at once subtle and obvious: the engineer crunching numbers on our internal carbon inventory has a keener sensitivity to the same task for a client—she knows where to expect challenges and how to deal with them. Therefore, in this report, we discuss both the ways we ourselves perform and the services we offer our clients.

2.2.1 Our Clients Are Connecting the Dots

It is easy to get discouraged by economic pressures and the changes required to meet worldwide needs. But rather than seeing a half-empty glass, CH2M HILL sees opportunities to work with clients who are as dedicated as we are to changing the game. In the environmental arena, our clients recognize the imperative to act now by moving beyond just being environmentally compliant into a paradigm of implementing projects that mitigate future risks. Examples of such projects include:

- After Superstorm Sandy struck the northeastern United States in 2012, we helped the Nature Conservancy develop natural and traditional infrastructure alternatives for coastal engineering as part of the Howard Beach Coastal Protection Study. Our cost-benefit analyses concluded that hybrid strategies (such as sea walls and sea gates) can offer significant protection from major storm events. Green infrastructure and natural capital provide cost-effective solutions with lower upfront investment and operations and maintenance burdens, create public benefits, and facilitate compliance with regulatory frameworks.
- Because natural capital is so critical to the future of infrastructure, we worked with the Corporate Eco Forum and The Nature Conservancy to help initiate the Natural Capital Business Hub in concert with more than 40 global companies, including CH2M HILL clients like Dow and Shell. The goals of this



CH2M HILL President & CEO Jacque Hinman (right) with Enterprise Sustainability Sponsor Elisa Speranza and Barley, a lab/golden retriever. Barley trained at Guide Dogs for the Blind and is now a “career change” dog. CH2M HILL employees participate in this program, which trains dogs to help people with vision impairments.

initiative are to help companies evaluate business cases for action and partner with peers on natural capital projects.

- We are working with 18 fashion and sports brands on the [Zero Discharge of Hazardous Chemicals Programme](#). These forward-thinking companies include some of the largest fashion and sportswear brands in the world, which have each committed to eliminating the use of 11 classes of hazardous chemicals from textile production by 2020.

2.2.2 Our Focus in 2013

In 2013, Verdantix, an independent analyst firm that focuses on sustainable business issues, named CH2M HILL a U.S. leader in sustainability consulting. We are proud of this accomplishment, but recognize it is a starting point, not an end in itself.

Through a corporate citizenship business approach, we have created sustainable outcomes for our company and our clients to measure economic, environmental, and social progress. Our company's leadership sets this tone at the top and the commitments permeate our culture and global organization. Our accomplishments in 2013 include the following:

- **Reorganizing the way we approach sustainability:** Instead of managing sustainability separately, we combined the internal and external sustainability programs into one organization, strengthening the connection between the work we do and the way we do it, and emphasizing a systems-thinking approach. Sustainability is a key factor in our overall business approach.
- **Pledging our commitment:** At CH2M HILL, our pledge is to maintain and enhance a safe, ethical work environment where we focus on fostering employee excellence as our greatest asset. Last year, the Ethisphere® Institute named us one of the [World's Most Ethical Companies](#) for the sixth consecutive year. On the [safety](#) front, we ended the year with no occupational fatalities. Our employee recordable incident and lost-time incident rates increased slightly; however, they are still lower than the U.S. industry averages. Beyond those lagging indicators, our Health and Safety and Human Resources teams partnered in 2013 on weekly communications to bolster participation in our wellness program. We plan to carry this forward through 2014, creating robust leading indicators for employee health.
- **Preserving our planet:** As we strive for zero injuries and illnesses, we link human safety with safety of the planet, promoting a relentless quest for zero adverse environmental impacts. Our performance on behalf of our planet has been exceptional, and we made a critical step toward preserving the environment by committing to [reducing our carbon footprint](#) by 25 percent by 2017, a reduction of 5 percent annually. Our [environmental management systems](#) expanded in 2013 to new countries, and regions have selected improvement targets that meet local management strategies and opportunities. Across the board, we strive to reduce materials purchasing, use fewer disposable goods in our office spaces, and make our office layouts more efficient to take advantage of daylighting and create more collaborative spaces. We did not meet all of our environmental targets in all regions. For example, in North America, while we exceeded our goal and reduced paper use by 5 percent, we did not meet our goal for recycled paper purchasing. However, unmet targets reflect our dedication to choosing challenging goals and learning along the journey.
- **Collaborating with our partners:** On the shared path to a sustainable future, we learn from [our partners](#). We have systems in place to evaluate suppliers' sustainability performance for the products and services we purchase for ourselves and our clients. Three years ago, we added a sustainability questionnaire to our bidder list for materials and services purchased on behalf of clients. CH2M HILL's Office of Supplier Diversity and Small Business Program has an internal awards program that recognizes employees who go the extra mile in providing small business opportunities for subcontracting, nurturing relationships, and enhancing small and diverse businesses' skills to compete for larger scopes of work.

- **Connecting with people.** While working closely with visionary clients, subcontractors, suppliers, and joint venture businesses, we are also engaging our communities to promote environmental education, ensure worker welfare and human rights, and develop sustainable communities. In 2013, we relaunched the [CH2M HILL Foundation](#) with a fresh mission, doubled giving from 2012, and expanded our business to key markets throughout the world. We sponsored significant science, technology, engineering, and math education events with young people in communities we serve. And thanks to the [CH2M HILL Foundation Employee Travel Grant program](#), our employees have visited 25 countries and rolled up their sleeves to help communities improve water, energy, transportation, and sanitation systems in partnership with Water For People and Engineers Without Borders.

2.2.3 Our Strategy for the Future

We are proud of our company's commitment and track record, but there is always more work to do. Our vision for sustainability is to help solve the world's complex problems in water, energy, environment, transportation, and development by promoting economic growth and social inclusion through service to our clients and each other. Our highest priorities for corporate citizenship include ethics, health and safety, environmental compliance, economic performance, climate change and carbon emissions, and investing in our communities and supporting development of our people. These sustainability issues are important to CH2M HILL *and* our stakeholders. For example, not only is climate resilience a key driver for our infrastructure business, but it also affects global health and economies. Similarly, worker welfare poses more than a business or reputational risk: it is a critical human rights issue.

Another way we are doing our part is by breaking new ground in sustainability reporting. This year's sustainability report follows new international reporting guidelines, the Global Reporting Initiative (GRI) G4. Ever since our first report, we have followed GRI standards, and we are proud to now be part of the GRI G4 Pioneer Program. We look forward to sharing the experience we have gained throughout this process and continuing this journey with our forward-thinking clients and partners.

2.2.3.1 Main Challenges and Targets in 2014

Global challenges in economic recovery, infrastructure development, and climate risk require us to look at sustainability and client service in new and innovative ways. Because projects and assignments are often interconnected, we must take a holistic approach to meeting clients' needs. This means not just performing effectively on each project, but also examining the entirety of what each client is facing. It means connecting clients to each other when they have similar challenges. It means showing clients how to assess their entire value chain and focus on their best overall solutions for energy, infrastructure, and the environment—to do the right thing as citizens of the world.

In 2014 and beyond, we are implementing several actions and targets to meet these challenges:

- Set targets to reduce water and energy use at our Denver headquarters by the end of 2014, based on remodeling and retrofits done in 2013.
- Plan to expand use of *The Guideline*, our confidential hotline for ethics and other issues, and continue communication with employees about our business conduct.
- Strive toward Target Zero incidents and accidents by re-energizing our workplace safety campaign and providing more avenues for employees to become personally engaged with safety, health, and wellness.
- Incorporate the value of nature into solutions for clients by sharing at least five high-impact green infrastructure projects through the Natural Capital Business Hub, media, publications, and events to build awareness and promote green infrastructure solutions.

The more we expand our work around the world, the more we see growing global awareness and action to improve ecological sustainability, as well as sustainable communities, economic growth, gender and cultural diversity, and social tolerance. By taking this ride with visionary partner clients and organizations, we hope to influence a global dialogue through massive collaboration. We are walking our talk as a company, working

to create a safer, more sustainable world with unlimited opportunities for future generations. We hope to inspire our partners to do the same.

2.3 Sustainability Strategy

From a business perspective, sustainable development presents a range of issues and risks, as well as the opportunity to bring new value, services, and improved delivery systems and technologies to our clients. We infuse CH2M HILL with the sustainability-inspired principles, knowledge, technologies, tools, and methods needed to achieve better management of our company and better long-term solutions for our clients. Such solutions respond to critical global issues, business realities of our clients, and values that are important to employees and partner organizations.

2.3.1 Key Sustainability Impacts and Effects

CH2M HILL's business is planning, designing, building, and managing the infrastructure that touches human lives daily. We support clients in creating public infrastructure for water, transportation, urban planning, and energy; commercial projects that provide goods and economic vitality while using energy and other resources; and global sporting events with state-of-the-art facilities. Often, the line between our sustainability impacts and effects, and those of our clients, are blurred. We incorporate sustainability principles, such as ethics, human rights, and resource efficiency, as a routine part of doing business. However, the results of this work, particularly reporting for waste, energy, and resource savings, belong with client organizations. Examples of sustainable projects delivered throughout our service portfolio can be found on our [Sustainable Solutions](#) Web site.

CH2M HILL's value chain, from the regulatory setting, suppliers, and subcontractors upstream of our work, to the business partners and clients downstream of our organization, involves a range of [stakeholders](#) and a multitude of social, environmental, and economic issues. When we enter into an agreement with a client to set tough goals and make investments for resource efficiency and worker welfare, we create opportunities for innovative partnerships, increasing career opportunities and development for our employees, raising expectations throughout the supply chain, and showcasing new possibilities for doing work with host governments and regulatory agencies. Ultimately, these actions create a better place for the client's constituents, customers, and communities.

CH2M HILL Value Chain

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Considering sustainability throughout our value chain, even when we cannot directly track, measure, or take credit for those impacts or benefits, constitutes a systems-thinking approach to our footprint. This means that CH2M HILL often engages in spirited and productive dialogues with clients on how to drive sustainability improvements throughout the value chain, particularly on large projects and programs. We ask questions to make connections among players in our value chain and uncover opportunities to improve sustainability:

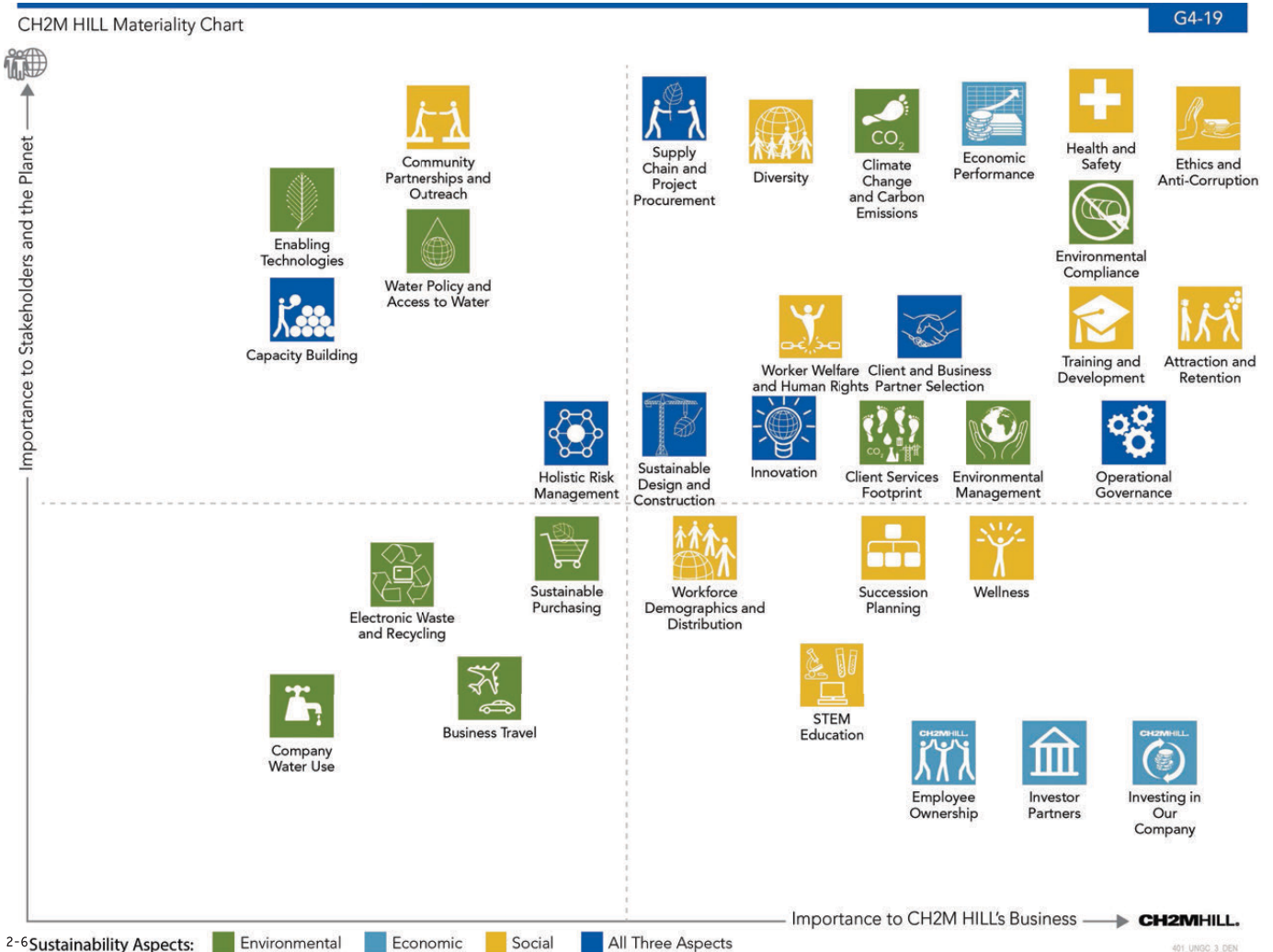
- To what extent can we ask suppliers and contractors to enter into agreements that reach beyond the regulatory, governmental, and cultural context?

- What roles do our business, joint venture, and nonprofit partners play in our culture, and in driving sustainability change with us?
- How does our company culture affect or influence everyone else in our value chain? How does our clients' culture influence us?

Asking these questions and taking a systems-thinking approach to our value chain means that we engage many different disciplines when prioritizing our sustainability challenges and opportunities. For this report, we convened a Corporate Citizenship Task Force to take a fresh look at our sustainability aspects and operational governance for sustainability. Task force members included people who have direct management of sustainability and citizenship functions, perspectives on client requests for sustainability and corporate citizenship, and insights into CH2M HILL's operational governance. The objectives of the task force were as follows:

- Look at CH2M HILL's value chain components from suppliers, through operations, to clients.
- Identify and assess significant related impacts on the environment, society, and economy.
- Prioritize those impacts, and renew our commitment to tracking and reporting on them as part of our corporate citizenship and sustainability initiatives going forward.

Our scope included examining many aspects of the company, including worker safety and human rights in every corner of the world, diversity and inclusion, infrastructure in developing countries, and environmental compliance and green infrastructure design. The task force created our materiality chart, showing the priorities for the world, as we understand them from our [stakeholders](#), and for the operation of our business. Our highest priorities include topics like ethics, health and safety, environmental compliance, and



investing in our people (attraction and retention, and training and development). Issues in the upper right quadrant reflect dual importance to CH2M HILL and our stakeholders. For example, not only is climate change risk and resilience a key driver for our infrastructure business, but also climate change imperils global health and economies. Similarly, worker welfare issues could constrain future business opportunities and are critical to human rights. All of the aspects listed on the materiality chart are included in our sustainability reporting because they have been identified as important to CH2M HILL, our employees, and our clients.

Previously, we managed sustainability as two separate spheres of influence: our internal operations and the work we perform for clients. During 2013, the internal-facing and external service delivery sustainability programs were combined into one organization, strengthening the connection between the work we do and the way we do it, and emphasizing a systems-thinking approach. Throughout the report, the main processes in place to manage and address performance are described for each sustainability aspect. Our overall performance is monitored through our Enterprise Sustainability group, as described in [Governance and Corporate Citizenship](#).

2.3.2 Sustainability Trends, Risks, and Opportunities

The world is at a critical juncture. As we observe global population growth combining with crumbling and nonexistent infrastructure, increasingly scarce natural resources, demands for energy and water, and the potentially devastating effects of climate change, it becomes increasingly clear that everything in our world is connected. Businesses and governments must work together, across boundaries and jurisdictions, to create a thriving green economy that will sustain a safe world for the generations coming after us.

Our clients face uncertainty in many areas. Not only is the global economy still recovering, but in the past few years, we have seen increasing debates about our how to fuel our energy future. How will we ensure that people have access to plentiful, clean water? In the face of funding gaps and pressing demands, how will we repair our deteriorating infrastructure in developed countries and build new infrastructure in the developing world? How will we manage the effects of climate change on water, energy, food supplies, infrastructure, and the environment?

Sustainability is not only about being a good corporate citizen, but also about risk mitigation and economics, helping communities and organizations develop practical actions that save money, support economic development, and benefit the environment at the same time. Some of our most rewarding projects involve helping distressed communities work through conflicting agendas and bewildering technical options to create infrastructure, manage natural resources, design green buildings, reduce flooding risk, and achieve environmental mitigation that meets everyone's needs.

When it comes to delivering solutions that involve the interconnected issues of water, energy, and food, traditional approaches no longer apply or have become too costly to use. Together with our clients, we have an opportunity to look at each challenge from an entirely new perspective and to develop tools and systems that creatively solve the issues at hand.

[In partnership with our clients](#), we can help reduce the energy and fuel consumption of major civil works and industrial facilities, curtail carbon emissions, optimize efficiency in manufacturing and other processes to reduce material resource consumption, redesign processes to eliminate the use of toxic or hazardous substances, restore damaged lands and ecosystems, find beneficial uses for waste, and revitalize urban areas. Using proven practices and innovative technology, we are also helping our clients plan, design, and build sustainable cities and manage their operations over time.

In delivering these sustainable solutions, we help generate positive financial metrics for our clients, provide long-term social benefits, and act in accordance with the precautionary principle, which means that when confronted with a choice that affects the environment, we choose the option that carries the lesser impact. At the same time, CH2M HILL improves its own financial performance, manages risk, and achieves our corporate vision.

Given these trends, risks, and opportunities, as well as our materiality analysis, the top sustainability topics most relevant to our organizational strategy are ethics and anti-corruption, health and safety, environmental compliance, economic performance, climate change and carbon emissions, and the linked issues of attraction and retention of employees along with their training and development. Although each of these issues is managed under separate leadership, these functions communicate and collaborate through our overall governance and corporate citizenship management approach. These top sustainability topics are listed on the following table, along with what we have learned during the past year and the actions we plan to take going forward.

CH2M HILL's Performance and Plans in Key Sustainability Areas		
Key Sustainability Topics	Performance and Lessons Learned during this Reporting Period	Objectives and Goals for Improvement Over the Next 3 to 5 Years
Ethics and Anti-Corruption	We were named one of the World's Most Ethical Companies for the sixth consecutive year by the Ethisphere® Institute. Increased calls to <i>The Guideline</i> speak to greater awareness among our employees about CH2M HILL's expectations in ethics and compliance and the confidence employees have in our confidential reporting system.	We plan for expanded use of <i>The Guideline</i> , continued visibility as an ethical company, and continued communication with employees about our business ethics—including featured news stories, e-mails, reminders, links, in-house social media, annual completion of business conduct training, and face-to-face and direct communications.
Health and Safety	No CH2M HILL company had any occupational fatalities, whether of employees or subcontractors, in 2013. Although the 2013 employee recordable incident rate trended slightly upward in 2013, to 0.36 incident per 200,000 hours worked, this rate is 55 percent lower than the U.S. industry average of 0.8. Our lost-time incident rate likewise increased slightly, to 0.17 incident per 200,000 hours worked, but is 58 percent lower than the U.S. industry average of 0.4.	Our goal is to reverse the slight upward trend in incidents and strive toward Target Zero incidents and accidents. In 2014, we plan to improve performance by re-energizing our workplace safety campaign and providing more avenues for employees to become personally engaged with safety, health, and wellness.
Environmental Compliance	In 2013 on CH2M HILL projects, three spills occurred that were classified as "significant" from a reportable regulatory perspective, but the spills were contained and had no critical impact on the environment.	Our Target Zero culture extends beyond health and safety, with a goal for zero environmental incidents and impacts. Environmental stewardship will be promoted in concert with re-energizing the workplace safety campaign, which will feature new communications to employees every 2 weeks. CH2M HILL's management views safety, health, wellness, and environmental stewardship as interconnected topics for management.

CH2M HILL's Performance and Plans in Key Sustainability Areas		
Key Sustainability Topics	Performance and Lessons Learned during this Reporting Period	Objectives and Goals for Improvement Over the Next 3 to 5 Years
Economic Performance	We provide services to a diverse customer base. Our customers and the markets in which we compete to provide services are likely to experience periods of economic decline. In particular, the recent global economic downturn and governmental tax revenue declines resulted in a slowdown in demand for our services in state and municipal clients. Revenues peaked in 2012 following the sizeable Halcrow acquisition in late 2011. The decrease in revenue during the year that ended on December 31, 2013, resulted from reduced revenue on three projects. Additionally, lower demand for new power plants in the United States, and U.S. federal government budget reductions led to lower revenues in 2013.	Demand for our engineering and other services is affected by the general level of economic activity in the markets in which we operate, both in and outside the United States. In the coming years, CH2M HILL will continue to carefully select clients and business partners, manage risk, deliver excellent services, and achieve strong financial returns.
Climate Change and Carbon Emissions	CH2M HILL began tracking companywide carbon emissions in 2011. With more robust and complete data collection processes in place after that initial inventory, we set 2012 as the baseline year for measuring our performance. In 2013, our pre-offset emissions dropped substantially, reflecting both a decrease in business volume for the year and proactive carbon reductions from some parts of our business.	The company has set a goal of a 25 percent reduction in our absolute greenhouse gas footprint from 2012 to 2017, with interim reductions of approximately 5 percent per year during this period. We plan to achieve this reduction through creating more efficient workspaces, remodeling during retrofit projects at our corporate headquarters, and purchasing carbon offsets and renewable energy credits that align with our business and its impacts.
Attraction and Retention, and Training and Development	Our people are CH2M HILL's greatest resource and most valued asset. We have carefully analyzed our increasing turnover in 2013, and it generally aligns with locations where projects have ended or the company has chosen not to continue operations. The average hours of training per employee increased in 2013, even as revenues decreased.	Offering opportunities to cross-train for new projects or different markets provides individual career growth as well as better retention rates to benefit the company and its clients. We plan to expand training in innovation, technology, and sustainable project delivery to enhance career development and improve client service and offerings.

2.4 Ethics and Business Conduct

CH2M HILL was founded by remarkable professionals who put honesty and integrity above all else. Each generation since has built on that solid footing. CH2M HILL's unwavering commitment to management with integrity and corporate responsibility dates back to the early days of our history, when the company's cofounder, Jim Howland, authored the *Little Yellow Book*. The *Little Yellow Book*, known and beloved throughout the organization for its commonsense advice and simplicity, is legendary among CH2M HILL's current and former employees. Its simple wisdom is often quoted in company meetings and casual conversations as a way to confirm the core values of how CH2M HILL does business.

As a companion to the *Little Yellow Book*, we developed our *Employee Ethics & Business Conduct Principles* (our employee code of conduct). This work builds on the simple and lasting concepts of the *Little Yellow Book* and translates them into clear policies and aspirational, values-based guidance for the behavior that is expected from those who work for CH2M HILL. The principles guide our employees through complex ethical decisions that must be made every day in the ever-changing global marketplace.

Our *Employee Ethics & Business Conduct Principles* is a living document, which is periodically updated to reflect our changing business and evolving regulatory environment. It combines all CH2M HILL ethics and compliance policies and offers tools and practical advice. Both new and seasoned employees, wherever they are based and from top to bottom in the organization, are required to review the principles annually and take a training course and quiz on the key components embedded in the document. As a condition of employment at CH2M HILL, our employees are also required to affirmatively attest to their commitment to following these principles. The standards encompassed in the *Employee Ethics & Business Conduct Principles* are published in the nine languages most commonly used by employees and are available on our Intranet and on our Web site. The Ethics group, within our Corporate Legal function, is responsible for program implementation.

For our suppliers, subcontractors, and business partners, in 2011, we established and implemented a set of ethics and conduct principles that complement the employee ethics and conduct principles. *Our Supply Chain Ethics & Business Conduct Principles* and a companion *Supplement for U.S. Government Work* serve as the standard of expectations for entities that wish to work with CH2M HILL. Our suppliers, subcontractors, and business partners must agree to comply with *Our Supply Chain Ethics & Business Conduct Principles* when registering and submitting their qualifications as potential business affiliates. The terms and conditions of agreements to perform work with us for our U.S. government customers directly incorporate the policies in *Our Supply Chain Ethics & Business Conduct Principles*.

2.4.1 Employee Reporting and Communications

Knowing that vigilance, transparency, access without fear of retribution, and oversight are imperative to ensuring that our employees around the world have the information and support they need to make difficult ethical decisions, we have instituted a variety of tools and educational programs.

The GuideLine, our confidential hotline, is a versatile phone- and Web-based tool that employees and members of our supply chain can use to seek guidance, discuss ethical concerns, or report potential violations of laws or policies. *The GuideLine* is available 24 hours a day, 7 days a week, 365 days a year, anywhere in the world, offering users the choice of complete anonymity without fear of reprisals. The Web-based hotline tool can be accessed in more than 75 languages. All contacts through *The GuideLine* are investigated and addressed by a team of trained professionals whose objective is to make sure that the company does the right thing and delivers services to our clients with integrity.

During 2013, the total number of hotline contacts increased 25 percent over our 5-year average (210 5-year average versus 263 in 2013). Contacts are categorized by concern, such as ethics and integrity, accounting and fraud, human resources, safety, and other.

In 2013, CH2M HILL, like many companies, saw more reports related to human resources than any other category (this includes sub-categories of bullying, discrimination, retaliation, and workforce violence). To ensure that we promptly and appropriately respond to these reports, the Ethics and Integrity team and Human Resources team hold weekly meetings to review the reports received, status of investigations, and lessons learned.

By increasing employee awareness of our expectations regarding how CH2M HILL does business with integrity and by including open discussions about the importance of ethics and integrity for CH2M HILL, we are seeing greater employee engagement across all of our global operations. This is evidenced by an increase in the use of *The GuideLine*, for example, to report concerns and ask questions on the best ways to address ethical

challenges. We are encouraged by these increases because they speak to greater awareness among our employees about our expectations in the ethics and compliance arena and the confidence employees have in our confidential reporting system. Moreover, the rise in contacts to *The GuideLine* gives us an opportunity to assist our employees in proactively making sound decisions, instead of expending time and energy on a reactionary basis.

Senior leaders in the firm provide regular messages about our business ethics through featured news stories, e-mails, reminders, links, in-house social media, and face-to-face and direct communications, keeping our ethics program highly visible. In addition, CH2M HILL has declared May as “Ethics Month,” and we take the opportunity through increased communication to heighten ethics awareness among our employees. As CEO Jacque Hinman has said, “By continuing to emphasize our core value of respect for people, partners, and the planet, as well as our other *Little Yellow Book* values, we have the opportunity every day to serve our clients and communities with distinction.”

Another important component of the ethics program at CH2M HILL is our Ethics Ambassador program, launched in December 2010. It provides employees with direct access to local senior leaders who understand how business is done in local geographies and are able to translate our expectations about doing business with integrity into the local commercial context. Our ethics ambassadors are respected by their local peers and are perceived as safe and reliable sources of information and guidance. Today we have more than 175 of these important subject matter experts who serve in more than 90 locations throughout the world. Present in every major office and project site, they are an additional resource for ethics questions and guidance, offering a reliable way to connect our employees in the field to the home office, where ethics policies are set and preventive measures are enforced to ensure compliance.



On a biannual basis, we conduct an ethics survey to test our employees’ knowledge and familiarity with our training, awareness, and methods of receiving and handling employee reports received through *The GuideLine*. Our last survey, which was conducted in June 2013, indicated that the vast majority of our employees (over 90 percent) are familiar with our ethics materials and how to contact *The GuideLine*, and believe that CH2M HILL is serious about its commitment to ethics and integrity.

2.4.2 Anti-corruption Policies and Procedures

CH2M HILL has operations in more than 50 countries on 5 continents, where we support private and public customers and do work for the United States and other national and local governments. Because we do business in some of the most difficult places on the planet (as rated by Transparency International), our anti-corruption program is a cornerstone of our *Employee Ethics & Business Conduct Principles*. We train our employees and educate our supply chain on how to avoid corruption pitfalls that are common in many places around the globe.

Wherever our work takes us, we follow our company’s core values for ethics and integrity. As a matter of principle, we neither seek nor are interested in attracting business through corrupt means. CH2M HILL conducts rigorous legal, ethical, and risk-based assessments of our supply chain as part of our supplier qualification processes. Our procurement procedures and policies on gifts, entertainment, and hiring political consultants govern how we engage with anyone who could provide access or influence in helping us secure work. Before a political consultant is hired, we require thorough due diligence and senior executive review.

As part of our risk management process, we engage with each of our business units to keep them aware of the risks of corruption in jurisdictions where they work. This process includes providing training and easy access to tools and advice. For those business units with extensive project commitments in countries known for high corruption risk, we perform specialized training and periodic audits. We routinely engage with our business units in open and frank communication about the risk of corruption, how to recognize red flags

that might be evidence of possible corrupt business activities, and what to do when employees become aware of corruption risk. CH2M HILL's anti-corruption policies are reviewed and updated periodically to reflect the latest developments in laws and best practices on the subject. This is particularly important in countries that rank high on the Transparency International Corruption Perceptions Index.

We provide training on issues raised in the U.S. Foreign Corrupt Practices Act, United Kingdom's Bribery Act, and other similar anti-corruption mandates from jurisdictions where we do business through our in-house-produced *Battling Corruption* training video. Additional anti-corruption training is provided as part of our project-specific risk management and mitigation planning. All senior employees also receive training focused specifically on corruption, conflicts of interest, and ethics and compliance in general.

When a corruption-related allegation is reported through *The GuideLine* or other tools, it is investigated by a multidisciplinary team that includes representatives of legal, internal controls, and, when necessary, forensic accounting staff. After obtaining the relevant facts through document review, in-person interviews, and review of available computer data, the investigation team arrives at an independent, unbiased conclusion regarding the veracity of the complaint. Disciplinary and retraining actions are taken quickly by management, if necessary, based on the recommendations made by this specialist team.

2.4.3 Government Participation and Lobbying

Public policy creates business opportunities and challenges that affect CH2M HILL and our customers. Our Government Affairs team promotes the business and professional interests of CH2M HILL and its employees and customers, both in the United States and abroad at national (including U.S. federal), state, provincial, and local levels. The team focuses on our business interests, important issues to the engineering and construction industry, and issues that affect the general quality of our communities. These government affairs professionals are responsible for managing firm-wide legislative initiatives, educating our employees about our ethics and compliance programs associated with political advocacy, supporting business development, managing the company's political action committees, and working with leading professional societies and relevant nongovernmental organizations.

CH2M HILL is actively engaged in staff-level briefings and consultations in the United States and foreign legislatures; executive branch agencies; and state, provincial, and local governments to address the realities of resource limitations and sustainable solutions to our communities' needs. Our Government Affairs team actively tracks key legislation and regulatory efforts in the areas of water, wastewater, and water resources. Our employees also serve in leadership positions in professional organizations that take positions on these issues.

The Government Affairs team, in coordination with the Legal Department, carefully evaluates all political consultants with whom the company partners. We are cautious and conservative when selecting individuals who perform a lobbying or business development role on our behalf. We will do business only with those who share our zero tolerance policy for corruption.

2.4.4 Global Engagement

To promote ethics principles as our business imperative and to provide industry leadership on this important issue, CH2M HILL became a founding signatory of the World Economic Forum's Partnering against Corruption Initiative, a member of the UN Global Compact Working Group on the 10th Principle, and a member of the Construction Industry Ethics and Compliance Initiative.



As a testament to these proactive measures and the quality and ethical commitment of our dedicated employees, Ethisphere® Institute has named CH2M HILL one of the World's Most Ethical Companies for the sixth consecutive year.

Additionally, in 2012, CH2M HILL qualified for inclusion in a global, Geneva-based, ethics and reputation analysis service that provides monthly reports and rankings on multinational companies. Using six major international treaties as its framework—including the UN Global Compact and the Organization for Economic Cooperation and Development's Guidelines for Multinational Enterprises—and applying 45 criteria, ranging from lobbying and political contributions to community volunteerism and financial support, Covalence tracks 581 of the world's largest companies.

In June 2013, Covalence ranked CH2M HILL in the top 20 percent of the global companies for its ethics and integrity; we steadily climbed in the rankings through the end of the year. The firm ended the year ranked No. 40 among the 581 other companies, and No. 4 for the construction and materials sector.



Covalence was founded in 2001. Its director and cofounder, Antoine Mach, has been recognized as one of the world's 100 most influential people in business ethics (according to the research-based Ethisphere® Institute).

2.5 Human Rights

CH2M HILL has concrete policies in place to respect and protect the human rights of those who work on our projects. These rights include zero tolerance for human trafficking and child labor. The company monitors engagement of suppliers and contractors for human rights abuses.

Working closely with our clients and partners, we believe we are in a position to make a positive difference in every community in which we live and work. If a CH2M HILL business unit contemplates engaging a supplier or contractor in a high-risk geographic location as part of project chartering, then we emphasize our expectations on acceptable labor practices and mandate that those who work with us acknowledge their acceptance of our requirements.

CH2M HILL continues to build on our proven track record of doing business in a manner that treats labor fairly. We are working with clients to ensure that international labor standards are met through strategic procurement, contracting, and performance monitoring systems and we are encouraged by the progress to date. When we become aware that labor standards are not met, we take a proactive, multi-dimensional approach to correct the problem in a systemic manner that seeks to prevent the same problem from occurring again. We regularly develop and refine processes and tools, including mandatory contract language and multi-tiered inspection systems, to address workers' deployment and utilization standards on our projects. In all of these efforts, CH2M HILL strives to lead by example. We recognize that the wellbeing of workers who come to work on our projects affects their health and safety on site, and consider worker welfare not only an ethical issue but an extension of our deep commitment to health and safety. As we look for new and sustainable solutions to achieve fair labor practices on large infrastructure programs, CH2M HILL is engaging with key human rights, government, and client stakeholders around the world.

On joining CH2M HILL, our new employees receive a copy of our *Employee Ethics & Business Conduct Principles*, which clearly includes our expectations about fair labor practices, trafficking in people, and other important ethics principles related to how CH2M HILL does business. As a condition of employment at CH2M HILL, our



employees are required to review the *Employee Ethics & Business Conduct Principles* annually and recommit themselves to these rules of engagement by taking an ethics quiz and affirmatively signing an acknowledgement that they will abide by our *Employee Ethics & Business Conduct Principles*, including fair treatment of labor on our projects. In furtherance of our human rights and labor practices expectations, we distribute *Supply Chain Ethics & Business Conduct Principles*, a companion document to our *Employee Ethics & Business Conduct Principles*, to our major suppliers. Additional training on human rights is provided for employees who are likely to confront these issues in specialized ethics and compliance training; training hours are reported in [Training and Development](#).

As we continue to grow internationally, we recognize the importance of our employees understanding the complexities of labor conditions around the globe. We are enhancing our internal education campaign to include the development of infographics, news stories, informational sessions, and other measures to raise awareness on human rights issues and CH2M HILL's ability to effect change.

As part of our training, we empower our employees, at all levels, to seek guidance from senior management, directly or through our confidential hotline, and to report any suspected human rights violations without fear of retaliation.

Read more about [Employee Reporting and Communications](#) at CH2M HILL.

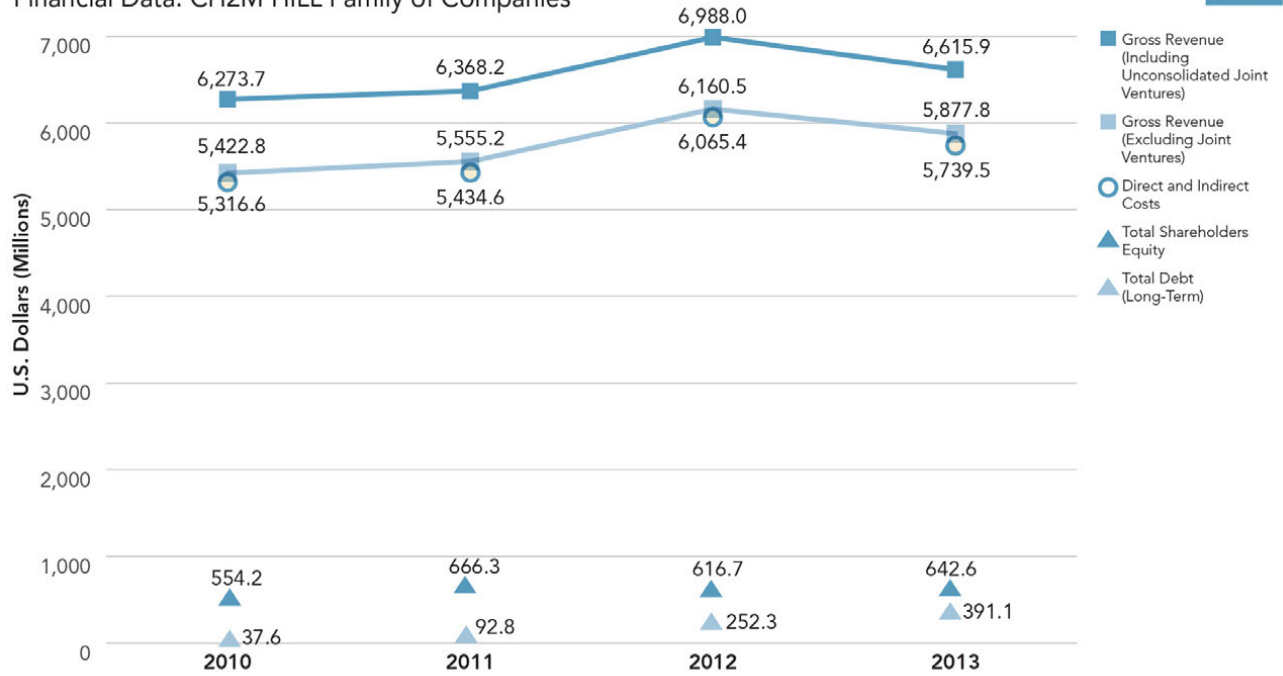
2.6 Economic Performance

In 2013, the gross revenue of all CH2M HILL companies was US\$5.9 billion, excluding joint ventures. Including the CH2M HILL portion of revenues from unconsolidated joint ventures, the total gross revenue was US\$6.6 billion. Approximately 33 percent of CH2M HILL's 2013 revenues were from operations outside of the United States. Operational financial data are available in the company's 10K and relevant Security Exchange Commission (SEC) filings.

CH2M HILL is an [employee-owned company](#) with an internal stock market. After debuting on the FORTUNE 500 list at 436 in 2009, CH2M HILL ranked 415 in 2013 (up from 440 in 2012).

CH2M HILL's financial management approach is described in the [Governance](#) section of our web site. Portfolio risk management is conducted by CH2M HILL's Risk Committee, which focuses on the company's risk at large and proactively anticipates and mitigates material risks that may affect CH2M HILL's business and its stockholder value. Our Audit Committee is appointed by the Governance Committee of the Board of Directors to oversee the integrity of our financial statements; the independence, qualifications, and performance of our independent auditor; and our compliance with legal and regulatory requirements. CH2M HILL's Compensation Committee, also appointed by the board, has overall responsibility for approving and evaluating all compensation plans, policies, and programs as they affect the CEO and the senior executive. The Compensation Committee also reviews employee benefit plans and employee stock programs.

Financial Data: CH2M HILL Family of Companies



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3. Fostering Employee Excellence

3.1 Water For People: Five Employees Travel to Bolivia

Excellence springs from creatively blending skills and commitment. When five CH2M HILL employees traveled to Bolivia to apply their water and sanitation infrastructure expertise, they made amazing discoveries about themselves and our shared world.



Melissa Mora, a CH2M HILL environmental engineer, in Bolivia

One of the best parts of working at CH2M HILL is collaborating every day with coworkers who are committed to making the world a better place. Skill-based volunteerism is one way that we work together to help children, communities, and the planet.

When environmental engineer Melissa Mora saw a posting on CH2M HILL’s Intranet about a volunteer service opportunity in Bolivia for [Water For People](#), she immediately thought of sharing it with her coworkers in Enlace, our global Latino/Hispanic employee network. By forwarding the opportunity to Enlace’s distribution list, she helped the posting reach more than 440 Spanish speakers. Enlace members shared the opportunity with other coworkers. Ultimately, five CH2M HILL employees received travel grants from the CH2M HILL Foundation to join Water for People’s efforts in Bolivia.



Water For People’s mission is to bring clean water and sanitation facilities to “every family, every school, and every clinic. Forever.” Going beyond project-based solutions, Water For People partners with local governments and leaders to implement and monitor solutions over the long term to ensure ongoing safe water services. Monitoring is critical to discerning how well systems are functioning in communities, which aspects of the systems need improvement, and whether local residents are fully equipped to maintain the projects.



In Bolivia, the five employee volunteers teamed with local Water For People staff and municipal employees to survey community members, schools, and health care centers in two rural areas and one peri-urban town. Using smart phones to capture data from hundreds of personal interviews, team members analyzed capacity and coverage of potable water use, and gathered information on sanitation facilities and habits. After spending days collecting data, the group of scientists and engineers from different disciplines spent evenings discussing and analyzing their observations. In this capacity, team members’ various skill sets became



Photos courtesy Melissa Mora

indispensable. Susana Struve, an environmental planner with extensive experience in conflict resolution and problem solving, emerged as a facilitator for the team, helping members determine whether findings were symptoms or causes of coverage issues.

Ultimately, the team wrote a 21-page report presenting their findings and providing recommendations. But the lessons the employee volunteers learned extended beyond those contained in the pages of the report. Working together with people from various specialties and levels of experience (including academia, social sciences, finance, engineering, and consulting) sparked a spirit of innovation, leading the team to better and more comprehensive results. The new and enriching perspectives that came from such collaboration are applicable to all kinds of work projects for CH2M HILL.

“This service volunteer opportunity provided a crash course in diverse team integration, communication, conflict resolution, leadership, and project implementation,” said Mora. Working to accomplish our goals in the field turned out to be an expedited learning opportunity. Now that I’m back in the office, I’ve been able to apply what I learned while volunteering with Water For People to my projects at CH2M HILL.”

These sorts of opportunities for volunteering and deepening perspectives are available for all CH2M HILL employees. The [CH2M HILL Foundation](#) offers travel grants for employees who can share their technical expertise in the service of others. For more information on our work in Bolivia, watch [the YouTube video](#).

3.2 Health and Safety

Health and safety is a core value at CH2M HILL, demonstrated by our executive leadership commitment to our health, safety, and environment (HSE) policy; a management systems approach to implementing health and safety; and continually promotion of a culture of health and safety throughout our firm. We expect employees to value health and safety and take responsibility for their own behavior and for the behavior of every employee around them.

Our formal HSE management system is integrated into our business and project delivery processes. Based on the American National Standard for Occupational Health and Safety Management System (ANSI Z10-2012), our HSE foundation is to promote the company’s health and safety culture.

Our Target Zero culture is evident throughout all the levels of CH2M HILL; everyone strives for zero injuries and illnesses, as well as zero adverse environmental impacts. All employees are empowered and expected to provide feedback on our health and safety program. [The management systems map](#) illustrates additional safety management systems and the status of conformance and compliance throughout regional operations.

We continually promote our Target Zero culture through our HSE communications program. We produce and distribute communications that highlight our progress with key programs such as office safety, ergonomics, and environmental compliance. Every June, we celebrate Global Safety Month. For 2013, we partnered with our Human Resources Wellness group to provide employees with an introductory video on how safety and wellness relate to injury and illness prevention, followed by weekly communications on timely health, safety, and wellness topics. We publish short summaries of incidents, called “Lessons Learned,” including near misses, so that our employees can apply the information in a timely way and prevent a similar occurrence. To reach a wide audience or to target specific groups of employees, we use a combination of intranet stories, posters, videos, and e-mails. We have developed and maintain a library of communications on the HSE Web site to provide our employees with information on various topics that they can use to help stay informed and maintain a focus on safety. To herald our Target Zero achievements, we honor exemplary HSE performance by individuals, groups, and projects by presenting HSE awards and sharing these accomplishments throughout the company in intranet articles.

In each of our 138 North American offices, a trained office safety coordinator conducts a comprehensive monthly audit to ensure that regulatory compliance and minimum physical standards are met. Verification of these measures is tracked by completing a comprehensive master HSE task tracking log. Additionally, these office safety coordinators are responsible for emergency preparedness at each office

location, which means that at least 10 percent of the coordinators are trained in frontline safety measures and conduct various quarterly emergency preparedness drills. Office safety coordinators also coordinate office moves and reconfigurations, select subcontractors, request safety plans, and carry out training and oversight during such events.

Additionally, we have office emergency responders who are trained in first aid, cardiopulmonary resuscitation, and the use of automated external defibrillators. They also serve as both medical first responders and fire wardens. They conduct severe weather drills, ensure that offices are prepared for emergency security situations, and make safety information and personal protective equipment available to employees and guests, thereby reducing the need to use state or local first responders.

Ergonomics is another important aspect of our health and safety efforts. To promote employee ergonomics awareness, communications are published throughout the year. Employees may request ergonomics support at any time through an online ergonomics self-evaluation worksheet, or they may call the ergonomics phone message system. Ergonomics requests are reviewed each day, with a goal of responding to employee requests within 24 hours. Employees receive assistance with adjustments to their work stations, obtain needed equipment, and receive information on alleviating any discomfort they may be having. They also complete periodic ergonomics evaluations.

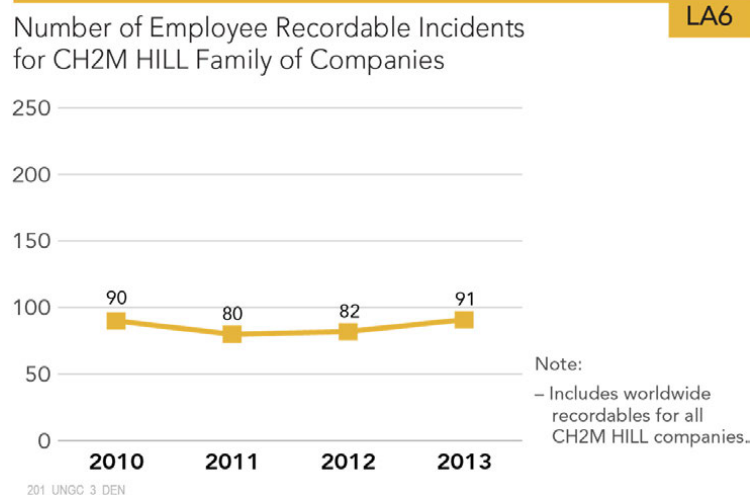
In 2013, more than 3,000 ergonomics evaluations were performed, with nearly 2,000 ergonomics risk factors eliminated. The goals of our efforts are to eliminate discomfort related to an employee's work station and enhance employee health and safety, work productivity, and quality.

3.2.1 Injury Rates

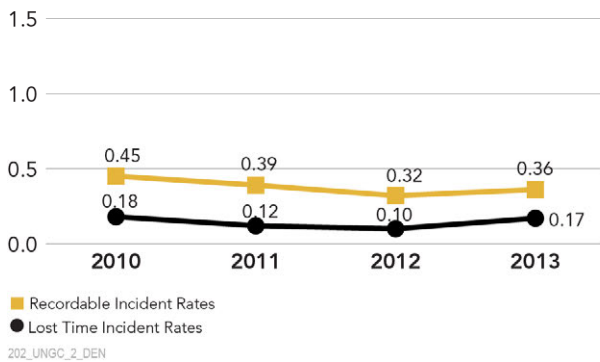
The 2013 employee recordable incident rate for CH2M HILL's global family of companies was 0.36 incident per 200,000 hours worked (this includes most CH2M HILL companies), which is 55 percent lower than the U.S. industry average of 0.8 (based on 2012 data published by the U.S. Department of Labor, Bureau of Labor Statistics for Engineering Services North American Industry Classification System Code 541330).

The 2013 employee lost-time incident rate for CH2M HILL's family of companies worldwide was 0.17 incident per 200,000 hours worked, which is 58 percent lower than the U.S. industry average of 0.4. No CH2M HILL company had any occupational fatalities, whether of employees or subcontractors, in 2013.

CH2M HILL applies U.S. Occupational Safety and Health Administration (OSHA) recordkeeping standards in calculating global incident rates.



Employee Recordable and Lost Time Incident Rates



Notes:

- Includes worldwide recordables and lost time cases for all CH2M HILL companies.
- Lost time cases are those that involve days away, restricted duty, or transfer to another job.
- Both recordable incident and lost time rates are figured as a number of cases per 200,000 hours worked, as specified by industry standards. 200,000 is an estimate of the hours worked by 100 employees in a year.

3.2.2 Health and Safety Awards

CH2M HILL received a number of awards for safety performance in 2013. A few examples of these awards are:

- **National Safety Council Corporate Culture of Safety Award**, honoring the firm for receiving more than 111 safety awards.
- **Site Safety Initiative Award and John Smart Road Safety Award**, presented to A one+, a joint venture between CH2M HILL and Colas and Costain, for the No Strikes Impact Protection Vehicle Awareness Training
- **Safety and Health Award**, for the Procter and Gamble Singapore Innovation Center project
- **Safety Award, Water Environment Federation**, for the Fort Campbell Project in Kentucky
- **Gold Medal, Britain's Royal Society for the Prevention of Accidents (in the UK and Singapore)**
- **2013 International Safety Award, British Safety Council (in the UK)**
- **2013 Association of Project Safety National Construction Design Management Award**, for work on Emirates Arena and the Sir Chris Hoy Velodrome in Glasgow, Scotland
- **OSHA Voluntary Protection Program Awards**, to three projects (GE Aviation, Rio Rancho, and Walla Walla)
- **Dow Chemical Company Health & Safety Recognition**, recognizing a multi-national team from Italy, France, United States, Canada, and the United Kingdom four times in the past year for health and safety

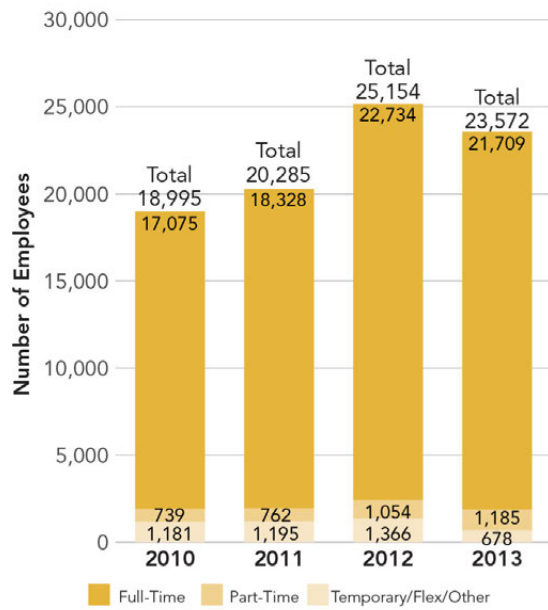
3.3 Workforce Distribution

The scope of this report includes the entire CH2M HILL family of companies, as shown in the total employee distribution numbers. Our workforce numbers stayed relatively steady from 2009 to 2011, and increased in 2012 as a result of CH2M HILL's acquisition of Halcrow. In 2013, we experienced staff reductions resulting from decreases in our temporary/flex staff as well as project demobilizations in various markets.

In 2013, CH2M HILL's total employee population of 23,572 included 2,738 direct-hire craft employees. Of these craft employees, about 13 percent are represented by unions. Most of the employees covered by collective bargaining agreements are found in CH2M HILL's joint venture partnerships that were created to

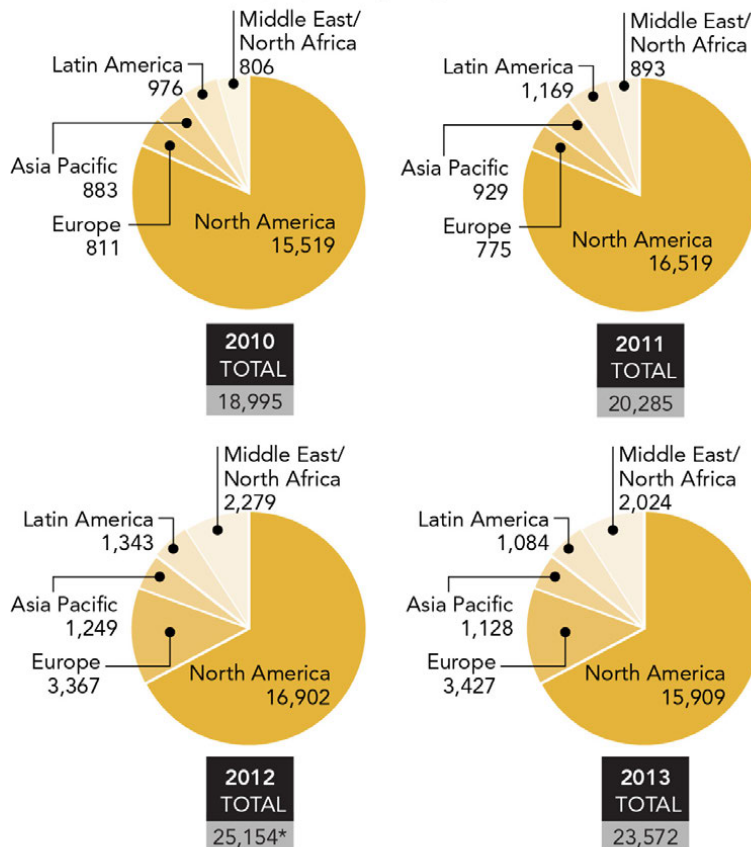
manage specific projects. Including our joint venture population, we have 3,970 craft employees, about 40 percent of whom are represented by unions.

Total Number of Employees by Employment Type and Contract **G4-10**



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Total Number of Employees by Region **G4-10**



* 2012 total includes 14 employees with region unidentified

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3.3.1 Workplace Culture

When asked how our workplace culture contributes to CH2M HILL's success, the answer is simple: we would not be winning the work we have if not for the values on which the company was founded, and the culture that our employees and leaders have created.

Our firm was established in 1946, and while we have entered new industries, markets, and geographies since then, our four founding values have remained the same:

- Stay true to our integrity and honesty
- Do right by employees
- Take care of clients
- Deliver great work

These foundational values are captured in CH2M HILL's *Little Yellow Book*, written in 1978 by cofounder James Howland. This book is given to all employees worldwide on their first day and is available in nine languages: Arabic, English, French, German, Mandarin, Polish, Portuguese, Russian, and Spanish.

The core values also contribute to the reasons that our employees stay at CH2M HILL. Such reasons include:

- They work with the industry's best professionals on great projects.
- They have numerous professional development opportunities.
- They are making a difference in the communities where they live and work.
- They come to work in a respectful environment where people are valued.

3.4 Workforce Diversity, Equality, and Inclusion

Global diversity, equality, and inclusion are integral parts of CH2M HILL's culture, supporting our business growth while allowing us to attract, develop, engage, and retain the best talent and to be able to serve the needs of an increasingly global and diverse customer base.

Diversity statistics are available for our global staff and Board of Directors. CH2M HILL tracks gender and age for all its employees. In 2013, 37 percent of our workforce was made up of non-U.S. employees. For our U.S. employees (which compose 63 percent of our global workforce), we also track race for hiring and attrition. By understanding these metrics, we can more effectively attract, engage, and retain women, people of color, and individuals of many ages and life experiences.

Several employee network groups foster employee engagement and help employees share information, ideas, experiences, and resources. These groups provide peer support, career development, and mentoring opportunities, in addition to raising awareness through a variety of discussion groups and activities that are open to all:

- Black Employee Network Group – Harambee, which means “working together” in Swahili
- Hispanic/Latino Employee Network – Enlace, which means “link” in Spanish
- LIFE – Leadership Inspiring Full Equality (gay, lesbian, bisexual, transgender, and allies employee network)
- SHARE – Sharing Across Respective Ethnicities (for employees of all ethnicities to collaborate and learn from one another)
- Women's Network
- A.C.E. – Assist, Connect, Educate (disabled employee network)
- Veterans Employee Network Group

- JuMP – Junior and Mid-Level Professional Network Group

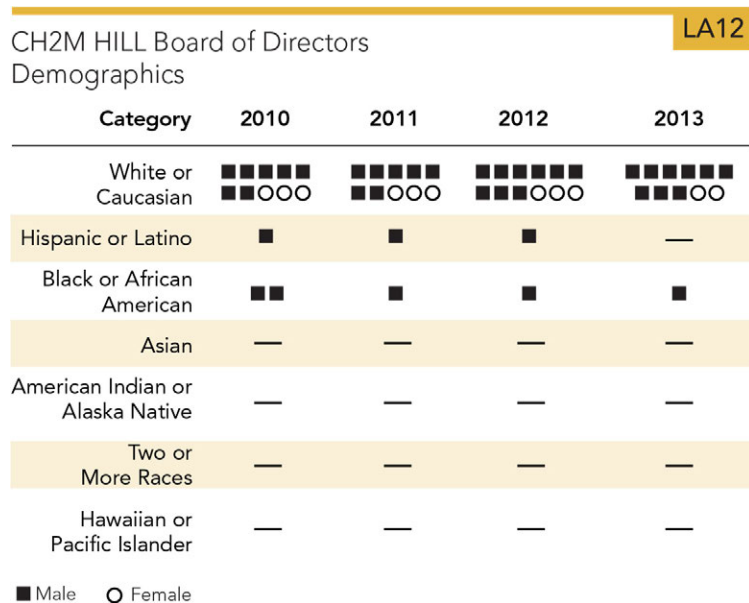
Each of these groups has a senior executive sponsor to guide and reinforce the importance of these efforts and provide mentoring to staff who may not otherwise have access to senior leadership. Through these network groups, we provide a corporate environment that is fully inclusive and respecting of individuals. This is sustained by a simple yet weighty strategy: when everyone’s opinion counts, we all have an enhanced ability to learn and contribute. The effects are far reaching and affect our clients, our employees, and the communities in which we operate.

CH2M HILL is also actively involved with the National Society of Black Engineers, the Society for Hispanic Professional Engineers, the Women’s Transportation Seminar, the Society of Women Engineers, and the Conference for Minority Transportation Officials.

CH2M HILL has been recognized as a leading employer in diversity, equality, and inclusion by the following organizations:

- **Universum IDEAL Employers for 2013:** Ranked in the top 100 of Universum IDEAL Employers based on a survey of nearly 66,000 undergraduate students
- **Black Collegian Top 100 Employers for the Class of 2010**
- **Minority Engineer’s Top 50 Employers:** Recognized as providing a positive working environment for members of minority groups; CH2M HILL debuted on the list at No. 5 (2012)
- **Woman Engineer’s List of Top 50 Employers:** Providing a positive working environment for women
- **Best Jobs USA Select 50 Diversity Employers of Choice:** Recognizing our commitment to hire candidates from a diverse range of backgrounds and our dedication to providing opportunities to all people, regardless of race, sex, creed, or sexual orientation (2010 and 2011)

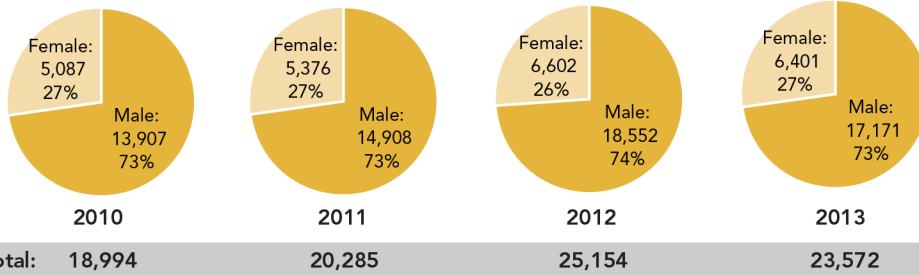
The following graphics compare the diversity of CH2M HILL employees from 2010 through 2013. The first chart indicates the gender and demographic categories of our Board of Directors. Subsequent charts show analysis of CH2M HILL employees overall, by gender, age, and racial demographics.



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Percent of CH2M HILL Employees by Gender

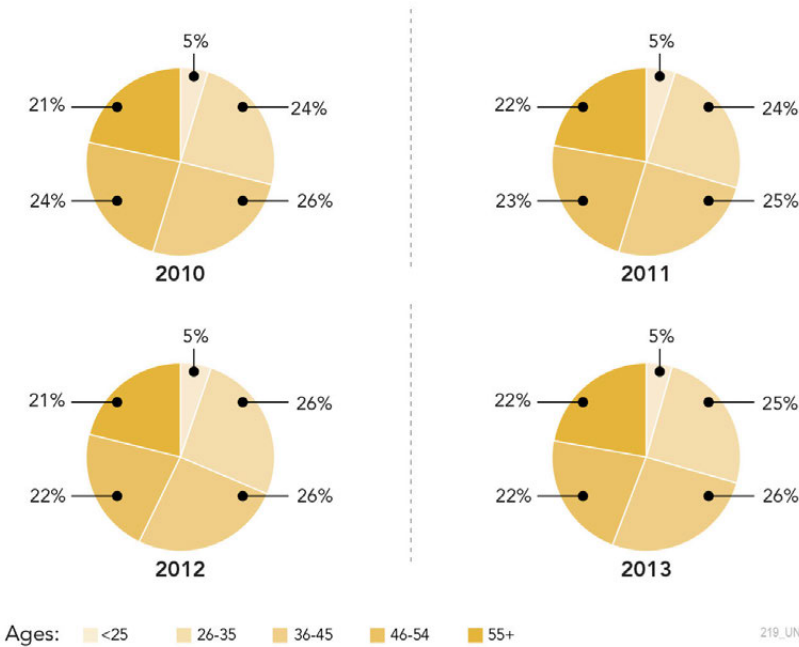
G4-10



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Percent of CH2M HILL Employees by Age Group

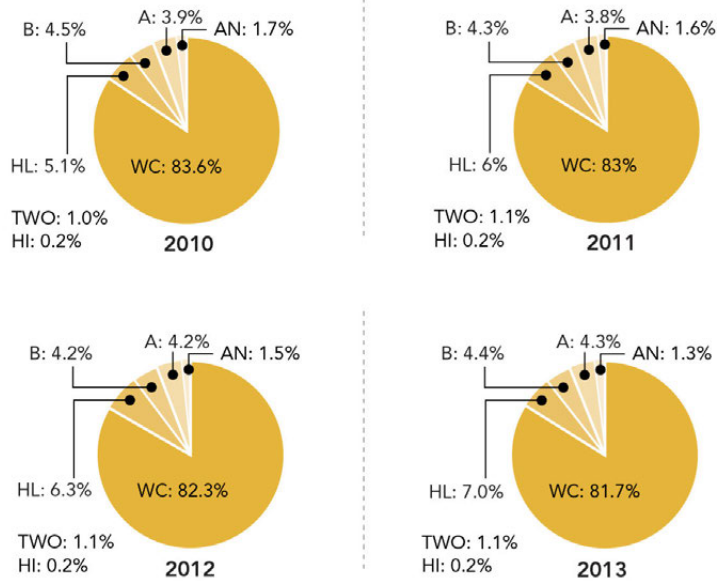
LA12



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Percent of U.S. Employees by Demographics

LA12



(WC) White or Caucasian (B) Black or African American (AN) American Indian or Alaska Native (TWO) Two or More Races
 (HL) Hispanic or Latino (A) Asian (HI) Hawaiian or Pacific Islander

208_UNGC_3_DEN

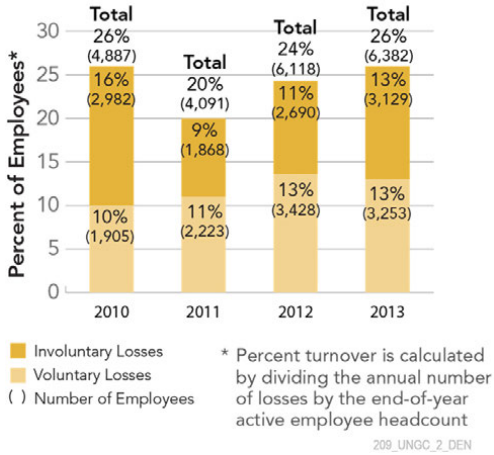
3.5 Employee Turnover

CH2M HILL keeps a close watch over our turnover rates. As depicted in the charts, the mix between voluntary and involuntary turnover has been changing since 2010, with voluntary turnover remaining flat from 2012 to 2013. Many factors play a part in this fluctuation, including acquisitions, the changing demographics of the workforce, and changes to our target markets.

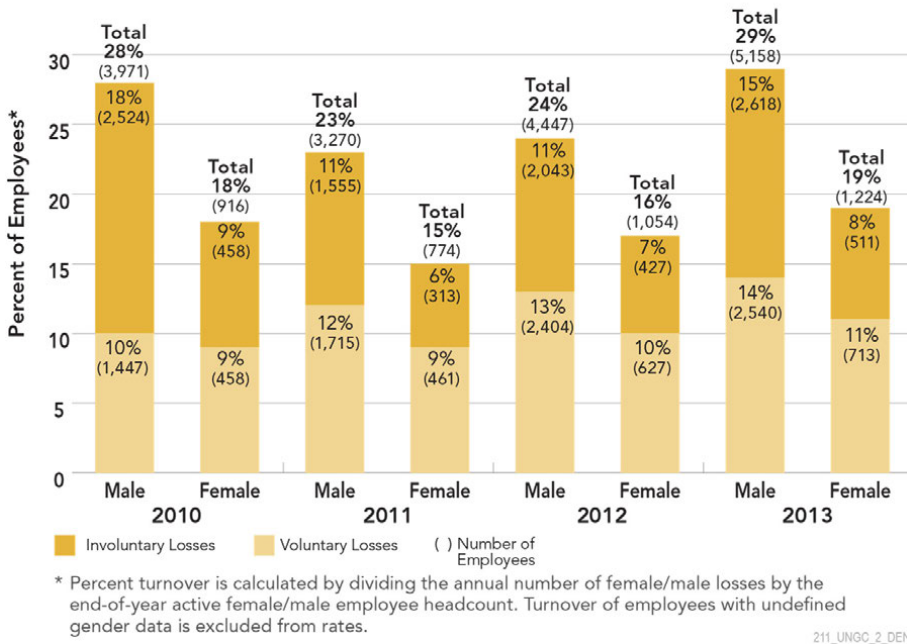
With the integration of our acquired staff, we continue to see a small portion of the employee population voluntarily leave. Despite the best integration efforts, change will drive the decision for some individuals to leave. For some employees, career development opportunities might mean leaving one company for another. Rarely do employees spend their entire careers with one employer anymore. This desire to broaden experience and obtain new perspectives drives a part of this voluntary turnover.

Another reason for voluntary turnover is our continued globalization as a company. As our emphasis moves from a North American–centric workforce to one that is more globally located, we are seeing some employees decide to change jobs rather than change work locations.

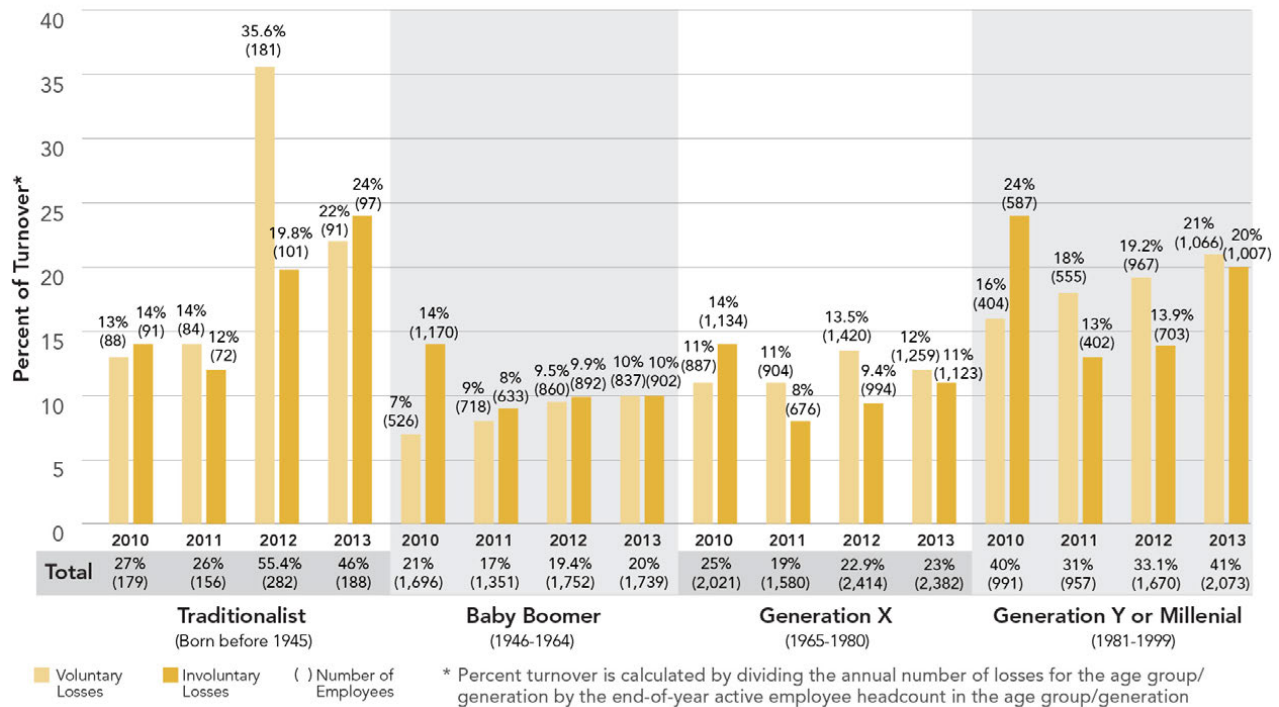
LA1
Total Number and Rate of Employee Turnover



LA1
Employee Turnover by Gender



Employee Turnover by Age Group/Generation



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3.5.1 New Staff Orientation

To manage voluntary turnover with a focus on employee engagement and retention, CH2M HILL has put a greater emphasis on welcoming and orienting new employees, beginning before a new employee’s first day. Our comprehensive orientation program starts with an onboarding coordinator, who provides personal connection and support for the new hire from offer acceptance through the first 30 days. The onboarding coordinator also works with the hiring manager, Information Technology (IT), Facilities, and others to ensure everything is ready for a positive and productive first day.

The most influential person in integrating new employees is the supervisor, so our program includes resources, such as a Quick Start Guide and an Integration Plan template, to help supervisors effectively orient their new team members. Supervisors are also responsible for selecting a buddy from within the work team to jump start the employee’s network and give him or her an early support system.

Our online orientation site helps connect new employees from around the globe to the entire CH2M HILL family, beyond the walls of an individual project, office, or part of the business. Covering topics such as global strategy and values, safety and security, building connections, and career development, the site helps new employees understand our culture and their part as a valued member of the organization, with opportunities to grow, learn, and thrive, as we all help our clients build a better and more sustainable world.

After new employees have been with the firm for 2 weeks and then again after 2 months, they are invited to fill out a new-hire survey to allow us to continually monitor and improve the new employee experience.

3.5.2 AlumniConnect

CH2M HILL has implemented an Alumni and Retiree Relations Program to keep in touch with our retirees, employees phasing into retirement, and alumni employees. Alumni are defined as nonretired former CH2M HILL employees. The program’s Web site and online community, AlumniConnect, has attracted attention worldwide, with more than 32,000 visits to the site, including visitors from 108 countries and

territories. Fifty-seven percent of our alumni members are actively engaged with this online community. We have found that rehiring alumni improves our efficiency and reduces costs. They are easily integrated back into the organization and bring knowledge, skills, and abilities already tailored to the organization's workplace. They also offer additional insights from their work outside of the firm. Many of our top executives have been rehired after periods away from the firm. These rehired employees tend to be strong performers and are likely to stay at CH2M HILL longer. AlumniConnect provides an excellent source of high-quality candidates and referrals.

3.5.3 Emeritus Program

In 2009, we instituted an Emeritus Program, which allows older employees to phase into retirement while mentoring the younger generations and continuing to contribute in their areas of expertise. The Emeritus Program gives employees who are nearing traditional retirement age more control over their work-life balance and additional time to invest in community activities, hobbies, and families, while still adding value to the firm. Phased retirement is especially important in CH2M HILL's industry, as highly specialized jobs are harder to fill and the number of engineering, math, and science graduates has decreased significantly in recent years.

More than 550 of our employees are eligible to participate in the Emeritus Program, and nearly half of those are actively engaged through current employment or enrollment in our Web site and online community, AlumniConnect. The program has members at all levels, including receptionists, reprographics specialists, facilities staff, major project and program managers, chief financial officers, and business group presidents.

3.6 Training and Development

Each of us must be better tomorrow than we are today, or we—as individuals and as a company—risk falling behind. Enter the CH2M HILL University, where the motto is, “Be curious, seek advice, think creatively; it's your journey, learn at every turn.”

Learning and development at CH2M HILL is a daily experience of individual choice, supported by a learning community comprising a vast network of colleagues. Employees have access to hundreds of technical and professional e-learning courses, virtual classrooms, and traditional instructor-led opportunities, and we continue to build on this important educational platform. Our employees tell us that their richest and most rewarding learning experiences come from the challenging conditions they face on projects, as they stretch outside their comfort zones and are guided by colleagues who mentor and coach them over the course of their careers. This is the environment we cultivate in CH2M HILL University.

Governed by executive leadership, CH2M HILL University's mission is to provide structured learning opportunities and foster a companywide culture of career growth for all employees. It is driven by each individual as well as engaged employees who serve as on-the-job “faculty.” Its formal structure dates back to our roots of providing opportunities for employees who are personally seeking career development in their current discipline or by crossing over into new territories. Employees at all levels of the organization move up, down, and across to gain experience and round out their capabilities.

A building block of career development is knowing the business of our business. Understanding the company's goals and objectives and the financial engine that makes all things possible is directly relevant to every employee, regardless of role or rank. This greater awareness helps employees as they guide their personal development through our online Performance Enhancement Process (PEP), which is used to track annual goal setting and performance. Equally important, employees are strongly encouraged to complete an Individual Development Plan (IDP) annually to identify learning and development needs and opportunities specific to their short- and long-term goals and aligned to the company's strategy. Each employee is responsible for completing PEP and creating an IDP, with support from his or her supervisor and selected peers, who serve as performance observers, coaches, sponsors, and mentors.

3.6.1 Training

CH2M HILL continually expands its learning program to meet the needs of employees as they strengthen their skills and guide their careers. CH2M HILL University gives employees access to curricula aligned to the company's values and customer focus. Extensive training is readily available in these disciplines:

- Technology and innovation
- Ethics and compliance
- Business development
- HSE
- Leadership and management
- Project and program management
- Business and risk management
- Procurement

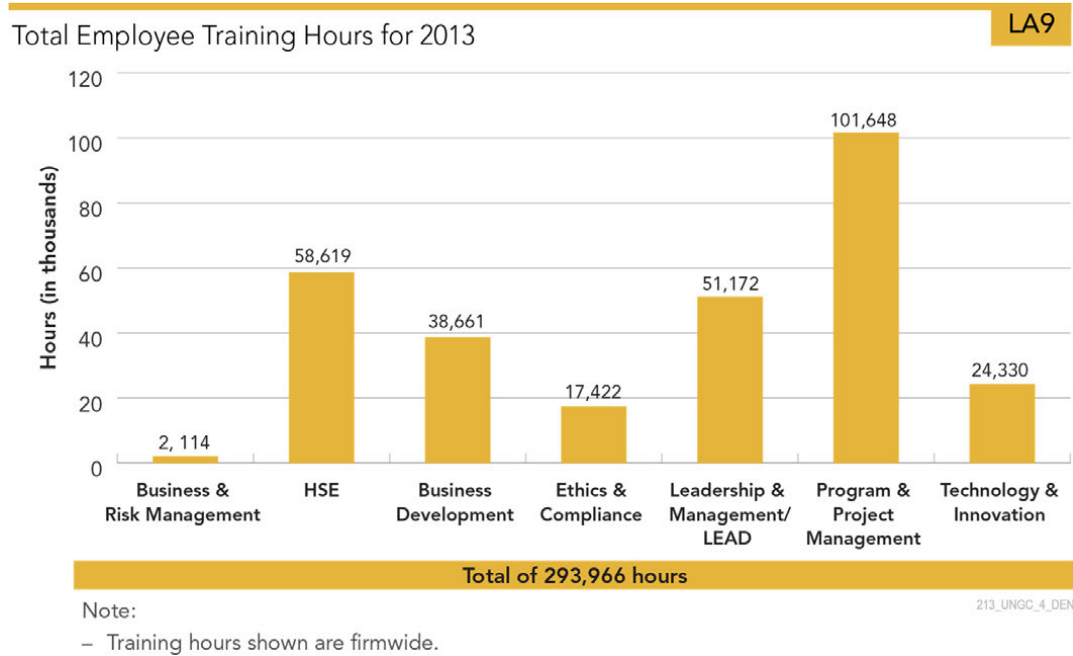
As an example of our growing e-learning portal, the "Automation Design Library" hosts more than 6,000 separate videos. This system provides just-in-time learning and performance support insights for engineers who use a wide variety of complex, automated engineering design tools.

We also have increased advanced leadership and management coursework for each level of leadership in the firm. Significantly more training is now available via e-learning, which is more efficient and accessible than traditional classroom sessions for employees worldwide.

Our environmental training program includes courses related to field and construction services, as well as in managing stormwater, chemicals, waste, air, wetlands, and natural and cultural resources. Field project managers are required to take the CH2M HILL environmental program awareness course, at a minimum, and office employees are encouraged to take environmental management system (EMS) awareness training. Our HSE training program offers courses ranging from construction site safety to ergonomics and behavior-based loss prevention. Some courses are mandated by regulation, while others exceed compliance, resulting in increased benefit for our employees.

In 2013, CH2M HILL employees received an average of 15 hours of training each, representing 293,966 hours logged through our CH2M HILL University curriculum and business unit-aligned courses. CH2M HILL's executive team actively supported this level of investment, despite overall pressure on the company's financial performance, demonstrating their unwavering commitment to promote learning and development in the firm.





3.6.2 Sustainability Training

CH2M HILL has a focused employee engagement program for sustainability that includes training for staff. Training is offered through the HSE curriculum for both the EMS ISO 14001 and environmental stewardship at work and at home. EMS training is required for staff members with implementation responsibilities and available to all employees who are interested.

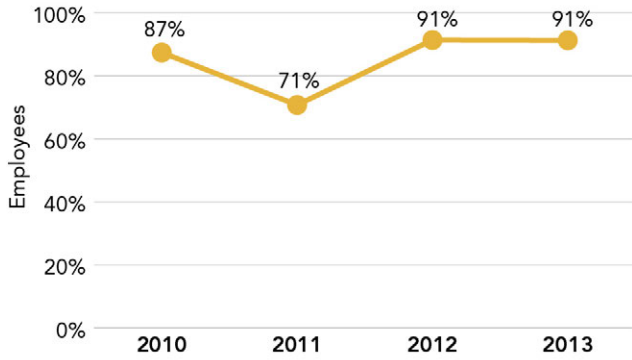
Among our employees, as in the world at large, people have different definitions of “sustainability.” To create a common understanding of how sustainability applies to our projects and the challenges our clients face in this space, we strategically selected leaders and champions throughout all of our market groups and professional disciplines to participate in sustainability training sessions. The approach is intended to bring sustainability back to each of the groups through more than 400 trained sustainability ambassadors. The lesson plan for this initiative was organized to give attendees an understanding of how to think about the work we do every day through a sustainability lens. This has helped to mature an ongoing process to drive sustainability throughout the fabric of all our work. By creating a deeper understanding of sustainability, we aspire to help clients operate more efficiently and sustainably from an economics perspective, while improving environmental and social performance.

3.6.3 Career Development Reviews

CH2M HILL has a goal for 100 percent participation in the annual PEP, which culminates in a formal review discussion between the supervisor and each of his or her employees. In 2013, 85 percent of employees completed their PEP evaluations with their supervisors, representing all of our divisions or business groups. We continually strive to improve participation and the quality of the review conversation that our staff and managers conduct. Given the diversity of our organization, there are some categories of workers, such as craft workers, for whom using a more condensed version of the PEP tool makes sense. By tailoring the process to the specific needs of our workforce, we are able to engage all of our employees in this important process, which is designed to benefit our employees’ performance and our company’s continued success.

Percentage of Employees Who Received a Regular Performance and Career Development Review

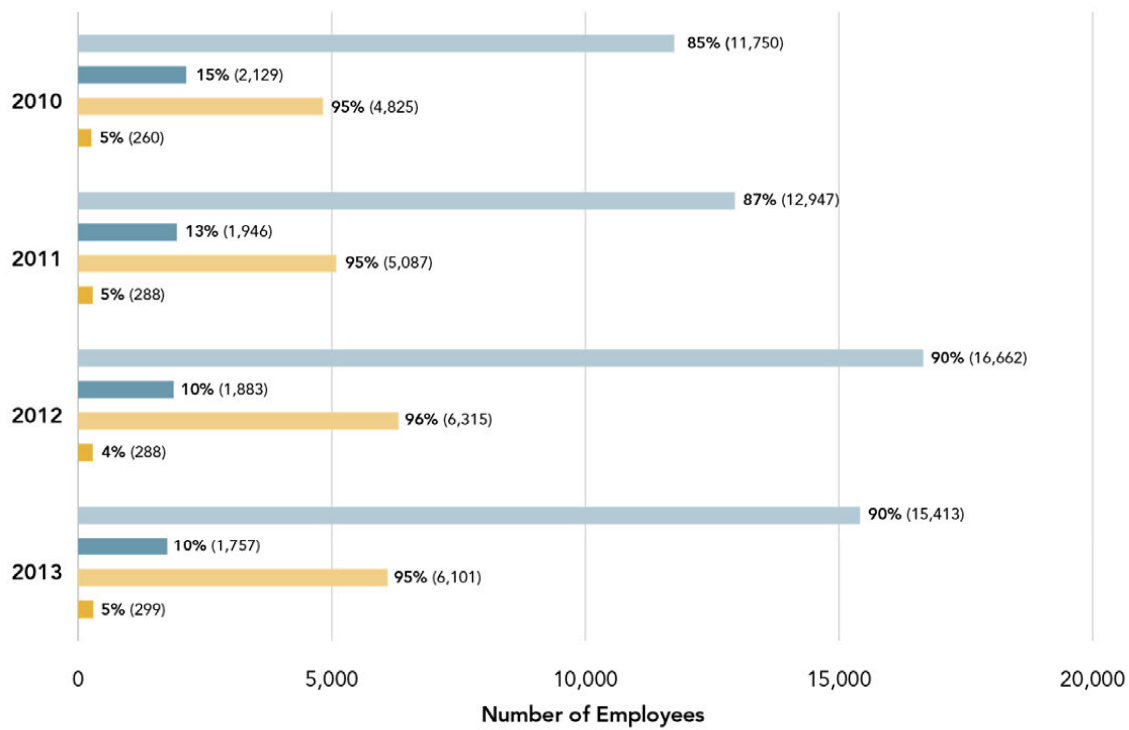
LA11



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Percentage of Employees by Gender Who Received a Regular Performance and Career Development Review

LA11

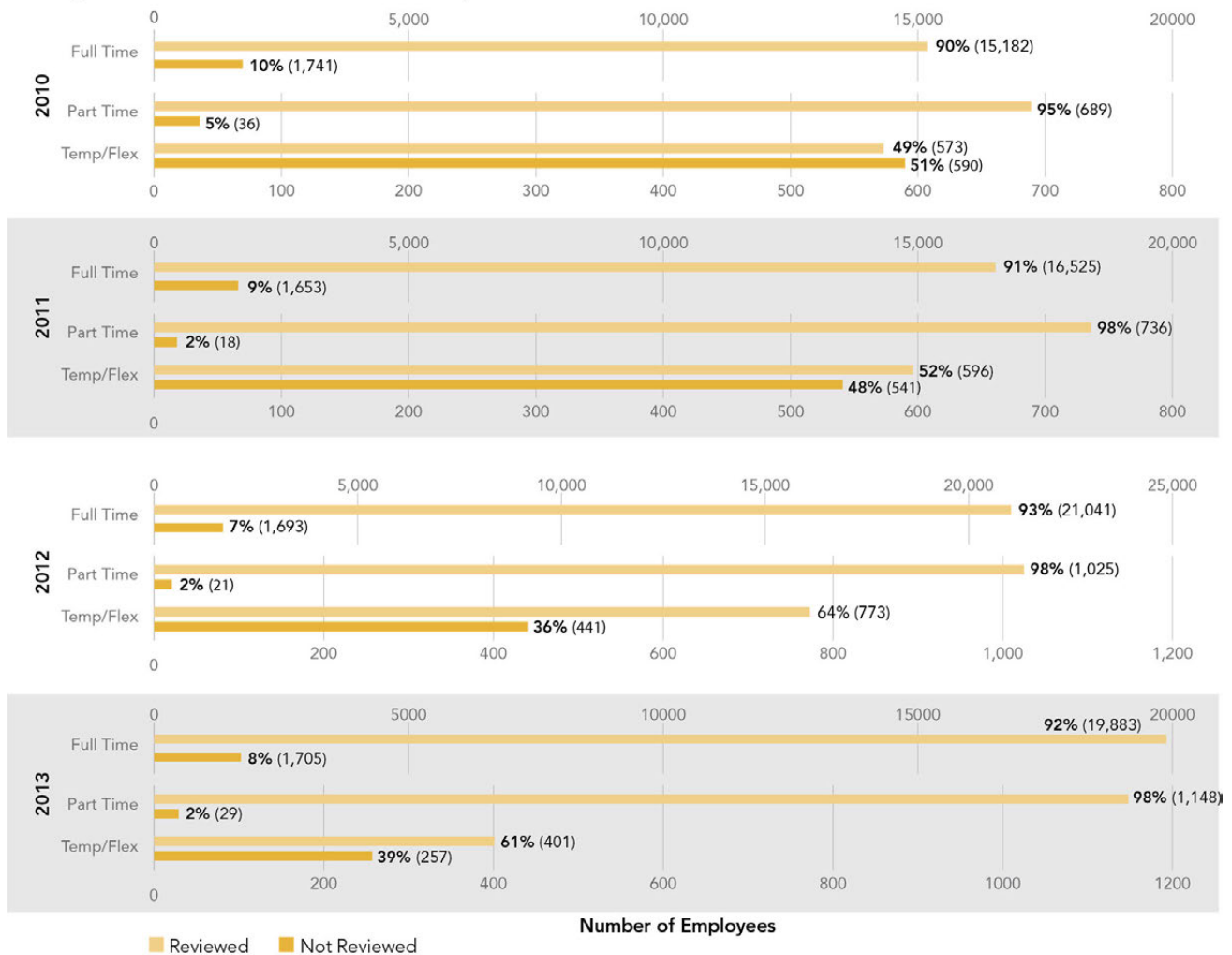


Men Reviewed Men Not Reviewed Women Reviewed Women Not Reviewed

Note: Percentages are within each gender category. Numbers are the actual number of employees recorded by gender.

216_UNGC_5_DEN

Percentage of Employees by Employment Category Who Received a Regular Performance and Career Development Review



Note: Percentages are within each employment category.
 Numbers are the actual number of employees recorded by employment category.

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4. Our Planet

4.1 Environmental Compliance

As an industry-leading environmental company, CH2M HILL places a high value on protecting the environment. As our HSE policy states, “It is our vision to create a culture that empowers employees to drive this value into all global operations and achieve excellence in HSE performance.” This is accomplished through our “Target Zero” culture, which includes a target of zero adverse environmental impacts from CH2M HILL operations. Through our project delivery system and HSE program, we implement systematic environmental risk management practices in a manner that adds value to our clients, firm, staff, and projects, with the ultimate goal of achieving Target Zero.

CH2M HILL’s environmental performance has been exceptional, especially considering the variety and complexity of the projects we deliver. In 2013, CH2M HILL paid only one environmental fine, which was US\$1,350 for operating a portable diesel generator without prior agency approval.

Our commitment to Target Zero and full implementation of our environmental program starts with leadership. Designated senior leaders from every business unit are trained on our environmental program and cascade Target Zero expectations throughout their organizations. With help from a network of environmental professionals around the globe, our environmental program provides tools, training, and resources to help projects and operations understand and comply with applicable environmental requirements wherever we work. Our environmental performance is the result of our educated, equipped, and empowered employees who care about achieving Target Zero and protecting the environment.

4.1.1 Environmental Spills

CH2M HILL uses a proprietary online tool called the Hours and Incident Tracking System (HITS) to internally report, track, and trend spills and near-misses. Subcontractor spills are also included. Most of the releases documented in HITS are small in volume and occur on impervious surfaces and within containment systems. Root causes and corrective actions are noted in HITS, and discussed and implemented by the project teams. For significant spills, our environmental managers investigate the cause and issue formal lessons learned statements to educate staff and prevent further incidents.

Significant spills are defined as those that exceed regulatory reporting thresholds, as established by the U.S. Comprehensive Environmental Response, Compensation, and Liability Act. On CH2M HILL projects in 2013, we had three significant spills: 807,000 gallons (3,055,000 liters) of untreated groundwater contaminated with ammonia (32 milligrams per liter), 604 gallons (2,290 liters) of 10 percent sodium hypochlorite solution, and 20 gallons (76 liters) of untreated groundwater contaminated with K022-listed waste (a U.S. Environmental Protection Agency [EPA] waste code designating distillation bottom tars from production of phenol/acetone from cumene). Although classified as “significant,” the spills had no critical impact to the environment.

4.2 Environmental Management

CH2M HILL’s environmental performance is managed, monitored, and improved through formal EMS programs, guided by ISO 14001, in the following locations: North America (United States and Canada); the United Kingdom; Ireland; Romania; Hong Kong; Australia; Argentina; and the Middle East (Dubai, Sharjah, Abu Dhabi, and Doha). The [management systems map](#) illustrates our EMS programs and the status of conformance and compliance throughout regional operations. Approximately 68 percent of CH2M HILL employees are included within the scope of the EMS programs in these geographies. Throughout the world, environmental stewardship is encouraged and championed by informal green teams that address sustainability issues in their offices and communities, while environmental regulatory compliance is addressed by our firmwide HSE team.

The overall performance and scope of each formal EMS program are described in this section. Most of CH2M HILL’s environmental aspects and impacts are managed through these programs in accordance with local regulations and opportunities, such as recycling and water conservation. For each environmental aspect, region-specific targets and markers of progress are identified. Select programs, like the carbon emissions inventory, are managed at a corporate level. Although each region sets its own reduction goals, the regional goals are rolled up into one carbon reduction target for CH2M HILL’s global operations.

4.2.1 North American EMS

Since 2005, the North American EMS team has worked toward continuous improvement throughout our United States and Canadian operations. The North American EMS includes annual targets for performance, as well as procedures for day-to-day operations, such as decreasing the amount of materials we use, increasing recycled content and improving other sustainability metrics on items we purchase, and seeking other ways to reduce our environmental footprint. The ISO 14001-conformant North American EMS includes our largest single office—our company headquarters.

In 2013, the North American EMS program set targets to reduce the footprint of our internal office operations, as well as for the operations management services CH2M HILL provides to its clients. Internally, we exceeded our goal for paper consumption and reduced paper use by 5 percent; however, we did not meet our goal for recycled paper purchasing. We set targets to reduce [water](#) and [energy use](#) at our headquarters campus by the end of 2014, based on remodeling and retrofits undertaken in 2013. For our clients, we set targets for total volume of material recycled, energy use, and water reuse at water treatment facilities. Setting these targets resulted in an important lesson learned: although we based the targets on achievements during the previous year, the volume of our work changed and the results for 2013 were lower than expected, causing us to miss those targets. As described in the [Client Services Footprint section](#), our operations management sustainability program continues to achieve measurable outcomes for our clients.

Our 2014 targets illustrate how we plan to manage our environmental program going forward. The targets to reduce paper use and increase recycled paper purchasing have been increased, and our targets to reduce water and energy consumption at our corporate headquarters are carried forward. Based on the lessons learned from 2013, we have set a normalized goal for water reuse in 2014. The targets for carbon emissions reduction and natural capital are firmwide goals, set at the corporate level and administered by the North American EMS team.

4.2.2 Europe EMS

In 2013, we launched and rolled out our environmental objectives across Europe, and we set targets to either decrease our impacts or improve our understanding of the environmental impacts we have. To understand and manage our environmental impacts, we have ISO 14001-certified EMS programs in place at our offices in the United Kingdom, Ireland, and Romania, as shown on the [management systems map](#). Our EMS programs throughout Europe are developed around both our office activities and environmentally responsible delivery of projects. All of our European offices now report on environmental impacts associated with their office activities and business travel, and our data accuracy has improved.

We understand our direct environmental impacts well and our indirect environmental impacts less well. In 2014, we will focus on improving our understanding of our indirect environmental impacts that are

CH2M HILL 2014 EMS Targets North American Offices

INTERNAL CH2M HILL Footprint	
Materials Purchase, Use, and Recycling	
Decrease paper purchasing by 30 tons and increase recycled paper purchase rate to 82% in 2014	
Energy and Carbon Footprint	
Reduce CH2M HILL's Scope 1 and 2 carbon footprint by 25% compared to our 2012 baseline by the end of 2017	Reduce energy use by 1,000 MWh and related greenhouse gas emissions by 830 tons of CO ₂ e by the end of 2014 at our company headquarters
Water Use	
Reduce water use by 325,000 gallons by the end of 2014 at our headquarters	
EXTERNAL Projects & Services	
Reuse 16 percent of effluent in Operations Management Services facilities in 2014	
Communicate at least five impactful and visible green infrastructure projects through the Natural Capital Business Hub, media, publications, and events to build awareness and promote green infrastructure solutions	

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associated with procurement. As the demand for our services grows in the region, we will face challenges in containing our environmental impacts that are associated with business travel. We will look to grow in ways that promote more sustainable outcomes and are sensitive to the environment.

In 2013, we rolled out our environmental objectives, which are to reduce our carbon emissions for our office-based activities by 5 percent by the end of 2015; reduce paper consumption to 3,500 sheets per employee per year; reduce water use to less than 6 cubic meters (1,585 gallons) per employee per year (following industry and government good practice benchmarks as a reference); and reduce office waste by allowing local waste reduction and recycling targets to be set in each office.

We use our EMS programs to keep our employees involved in environmental management and help them understand how environment relates to home and work, in the office and on projects. We have regular external audits from our certifying bodies to confirm certification. Additionally, we are audited by other external parties, such as Achilles Verify, who provide confirmation of our system's performance on behalf of our utility sector customers. In our most recent audit performance from Achilles Verify, we achieved a score of 97.2 percent, an increase from last year's score.

4.2.3 Australia EMS

Australia holds external ISO 14001 certifications for both CH2M HILL Australia (since 2007) and CH2M HILL Australia Constructors Pty Ltd (since 2010). The system addresses the environmental management requirements for offices and projects, with project implementation of environmental requirements achieved through the project delivery system. The Australian EMS implements policies to manage business efforts to reduce and recycle paper; manage electronic waste; and reduce energy use and carbon emissions, including both internal and project business travel. Through 2013, external surveillance audits reconfirmed compliance.

The Australia EMS office program continued the recycling of batteries, mobile phones, and fluorescent light tubes. In 2013, the program underwent a transition with the combining of Halcrow and CH2M HILL offices in Brisbane. Positive environmental practices continued, although the changes over the past 2 years have meant that numerical trending of power and paper usage and recycling will need to be rebaselined in 2014 for reporting.

4.2.4 Middle East EMS

In early 2013, the EMS was successfully launched in the newly consolidated Dubai office as well as the Sharjah and Doha offices. EMS initiatives and data recording occurred, with efforts focused on purchasing recycled-content or Forest Stewardship Council (FSC)-certified paper, replacing disposable cups with durable ones, setting printers to double-sided printing, promoting turning off the lights, and implementing waste segregation and recycling programs. In addition, after the major office relocation in Abu Dhabi, we launched the EMS in the third quarter of 2013 and collected EMS data at the end of 2013.

In 2013, our Middle East offices (Dubai, Abu Dhabi, and Sharjah in the United Arab Emirates, and Doha in Qatar) purchased, on average, 11.3 percent of their paper with recycled content and recycled 9,696 kilograms (21,376 pounds) of paper waste, 1,092 kilograms (2,407 pounds) of cardboard, 27 kilograms (59.5 pounds) of plastic, 11.5 kilograms (25.3 pounds) of metal and glass, 144 computers, and 452 printer cartridges. We also continued with routine recycling of batteries and printer cartridges.

In addition, the Middle East offices started to account for carbon dioxide (CO₂) emissions from company vehicles (leased and owned) at each of our EMS locations. This allowed us to align regional data records with other international regions and corporate reporting requirements. In 2013, company vehicles in our EMS offices (14 sedans and 18 sport utility vehicles) accounted for 261.1 tonnes (287.8 tons) of carbon dioxide equivalent (CO₂e).

We will launch an EMS program in India in 2014.

Offices in the Middle East region are in the process of achieving EMS certification for ISO 14001. The certification body conducted a pre-audit in early 2014. We plan to accomplish this process and obtain the certificate in the second half of 2014.

4.2.5 Latin America EMS

Our Buenos Aires, Argentina, office achieved ISO 14001:2004 certification in November 2013 and successfully implemented a waste recycling program that includes electronic devices, plastic, paper, glass, and printer toners. In addition to this achievement, Argentina has met the corresponding ISO 9001:2008 certification plan in every major office (Campana, all three Buenos Aires offices, and Bahia Blanca).



Our EMS campaign slogan: "We confirm our commitment."

Our EMS programs throughout Latin America focus on both our office activities and environmentally responsible delivery of projects. In our first stage of implementation, we are focusing on only the office activities, and we will include project delivery in the second phase.

It was a big effort for the region to develop and initiate the EMS program, but staff and leadership are highly supportive. An increasing number of clients from different markets are including EMS requirements as an important part of their evaluations. We hope to obtain ISO 14001 certification in México in 2014 and Sao Paulo, Brazil, in 2015.

4.3 Water Use

Our company history is built around clean water. The business started with clean water projects and continues to bring clean water to many communities across the globe. Given this history, we commit to conserving water in both spheres of our company's activities: the facilities that we manage ourselves for our own business needs and the water treatment or supply facilities that we operate on behalf of our clients.

4.3.1 Water Use at CH2M HILL Facilities

As a service provider, CH2M HILL's direct water use comprises the water consumed in our corporate headquarters and the area offices from which we operate worldwide. Our ability to monitor and report our water use depends on the office location. In most of our leased space, for example, we do not directly pay water bills or manage the facilities, so implementing conservation technologies and quantifying the results of water conservation efforts are difficult. We do, however, directly measure water use when we can, such as at our corporate headquarters in Denver, Colorado, where we operate our facilities.

CH2M HILL views conservation as an ongoing process. We will continue to invest in new technologies to achieve our water conservation goals, as well as incorporate advancements in water-efficient technology in the decision-making processes for our direct operations. CH2M HILL has long encouraged practices that use water wisely, which aligns with company values. As part of our environmental policies, we purchase water- and energy-saving appliances for our kitchen areas. Additionally, we eliminated bottled water in vending machines at our corporate headquarters, and we do not serve bottled water at meetings in our offices. We

seek to avoid the additional environmental footprint needed to package and transport water, and instead use the safe, healthy municipal water that does not require additional resources.

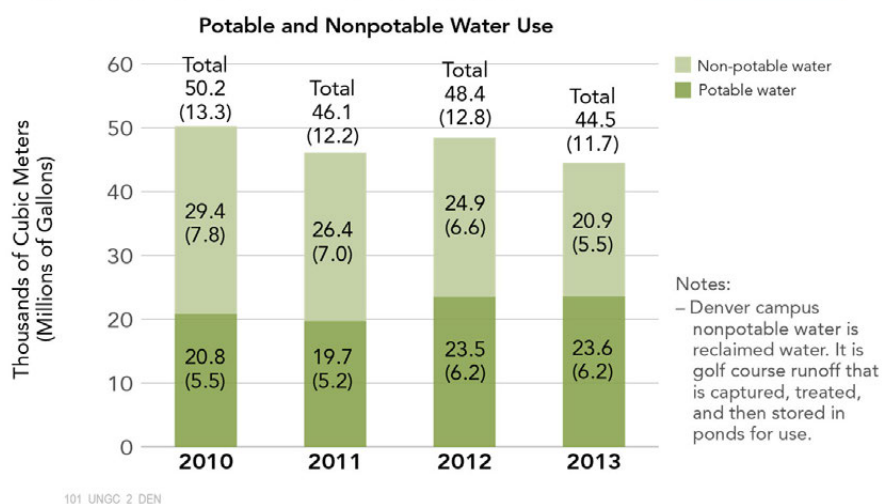
4.3.1.1 Corporate Headquarters

CH2M HILL uses both potable and reclaimed, nonpotable water to support the needs of our corporate headquarters. Potable water is used to meet human needs, while nonpotable water is used for irrigation and landscaping.

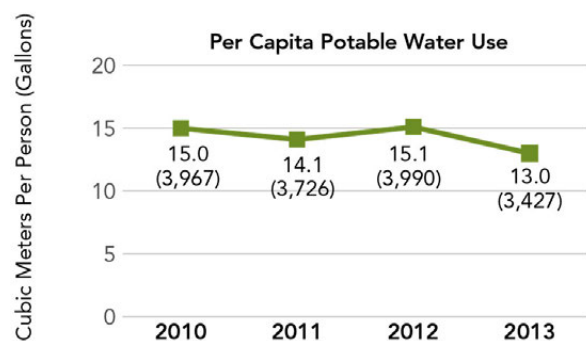
Water use at the Denver campus has been documented since 2008. At our corporate headquarters, our potable water use per capita and total potable water use has followed a steady trend. Facility improvements have been implemented, including promoting responsible water use as part of our corporate culture, installing low-flow fixtures, and equipping the restrooms in all buildings with dual-flush toilets to reduce the amount of water used for sanitation.

In an arid climate like Denver, Colorado, implementing creative water-saving irrigation solutions is imperative. Using reclaimed water for irrigation reduces demand on surface water and groundwater supplies. Additionally, we collaborate with the corporate business park management to assess opportunities for reducing overall landscape water consumption. At the corporate headquarters, an ongoing initiative is to replace landscaping, as needed, with low-water native plants.

Water Use on CH2M HILL's Denver Campus EN8, EN10



Water Use on CH2M HILL's Denver Campus EN8



In January 2013, the water consumption data from 2008 to 2011 for the Denver Campus were re-compiled using monthly data from Energy Star and water utility bills provided by Facilities. Updated employee data also resulted in updates to the per capita estimates.

4.3.2 Water Use in Europe

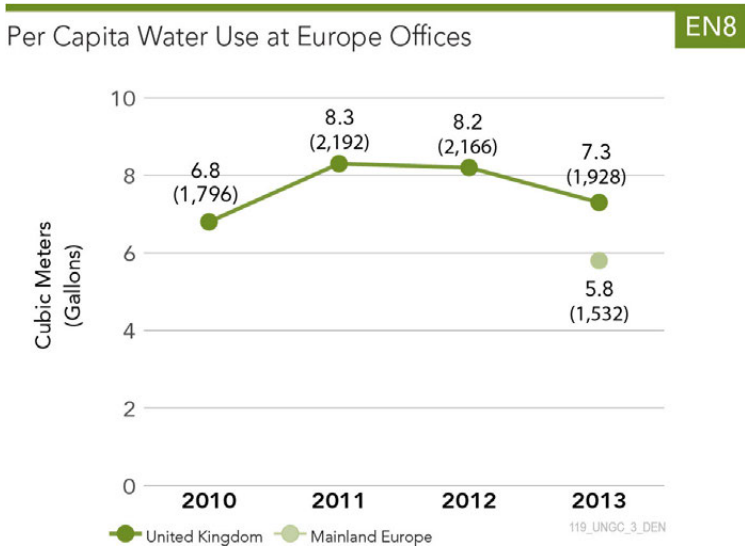
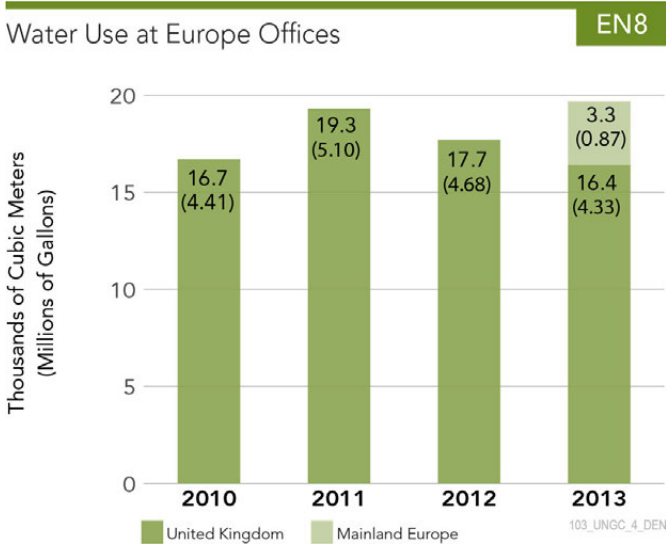
In Europe, our objective was to reduce water consumption following good practice guidance and monitor both actual absolute reductions and the ratio of water per employee. Our overall target is to reduce water consumption per employee to less than 6 cubic meters (1,585 gallons) by the end of 2015.

In the United Kingdom, we recorded water consumption data at 16 offices. Our data for 2010, 2011, and 2012 were rebaselined to exclude four joint venture offices, which are outside of CH2M HILL’s operational control guidelines. In 2013, we extended our recording to include our 11 offices in mainland Europe. Actual data were recorded at four of these offices and estimated at the remaining seven.

Water consumption in the United Kingdom decreased by 1,378 cubic meters (364,029 gallons), or 7.8 percent, between 2012 and 2013, as a result of fewer water leaks and more reliable data from our office network.

We do not use large volumes of water compared to other business sectors, and we have reduced our consumption per employee from 8.2 cubic meters (2,166 gallons) in 2012 to 7.3 cubic meters (1,928 gallons) in 2013, a reduction of 10 percent. This means that our 2013 consumption was 0.5 cubic meter (132 gallons) above industry benchmarks. We will endeavor to make further improvements in 2014.

In mainland Europe, total water consumption was approximately 3,268 cubic meters (863,314 gallons), which equates to 5.8 cubic meters (1,532 gallons) per employee.



4.3.3 Water Conservation Strategies for Clients

Beyond our office facilities, CH2M HILL's culture of sustainability reflects our approaches to delivering consulting, program management, design, construction, and operations solutions for our clients. Our water experts work with clients to develop proactive strategies for sustainable water management, including water supply, stormwater management, and sanitation. In partnership with our clients, we help optimize efficiencies in their processes to reduce material consumption and generate positive financial metrics as well as social benefits.

CH2M HILL provides full-service operation, maintenance, and management to municipal and industrial sites, treating more than 3.8 million cubic meters (1 billion gallons) of water and wastewater every day. Recognizing the importance of developing best management practices for sustainable operations, CH2M HILL integrates sustainability into our operations and maintenance processes to mitigate the environmental impacts of our services, enhance and protect ecosystems, and actively engage in the communities that we serve.

Our sustainability practices were formalized in 2010 with a sustainability pilot program focused on our North American Western Region facilities. Throughout these projects, we have varying levels of control of the operations, from simply "turning the dials" to implementing facility improvements and upgrades. Our program is focused on engaging passionate CH2M HILL employee champions at each facility, working with clients to find ways to improve operations in whatever area is most appropriate for that site. The National Association of Water Companies recognized our program with a first place Innovation Award in 2011. Building off the initial successes of this program, the Operations Management Business Group expanded the sustainability program across its North American portfolio.

4.3.3.1 Water Reuse, Discharge, and Quality

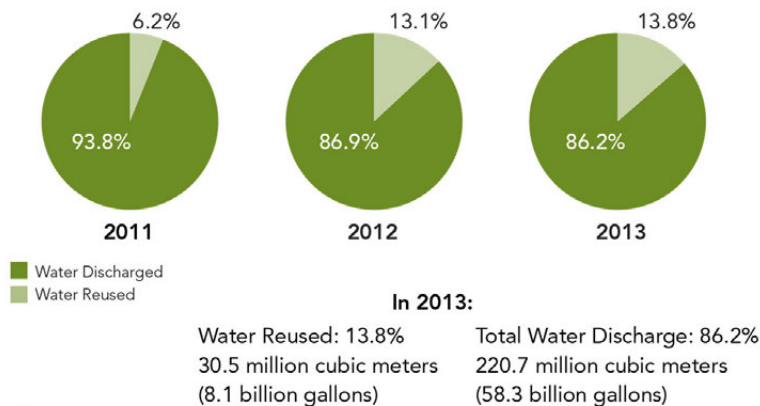
We continued to track wastewater treatment performance across the operations management portfolio of projects. A comprehensive look at the overall quantity and quality of wastewater treated in 2013 at the 104 client wastewater facilities managed throughout North America shows that we treated 220.7 million cubic meters (58.3 billion gallons) of wastewater for the entire year. National Pollutant Discharge Elimination System (NPDES) permits for site-specific treatment vary across our portfolio of facilities. Standard NPDES permits require that 85 percent of all biochemical oxygen demand (BOD, or organic matter) is removed in the treatment process to prevent oxygen depletion in the streams. The average BOD process removal for our client facilities in 2013 was 97 percent, benchmarking our treatment averages at 12 percent above the NPDES national average.

Standard NPDES permits mandate an 85 percent removal rate of all total suspended solids (TSS, or organic or inorganic solid material) during the treatment process to mitigate adverse impacts to aquatic life in receiving streams. The average TSS process removal for our client facilities in 2013 was 97 percent, putting our treatment averages at 12 percent above the NPDES national averages. Additionally, 30.5 million cubic meters (8.06 billion gallons) of this effluent was beneficially reused, representing 14 percent of the total wastewater treated in 2013.

Day-to-day treatment plant operation is conducted in collaboration with our clients, and we respond to their management and budget directives. In this shared operational control environment, we have rich opportunities to bring local innovations to a broader group of facilities across the United States, where these innovations fit with our clients and their communities.

Water Discharge and Reuse, North America

EN10, EN22



Notes:

- These data are collected from wastewater treatment facilities managed by CH2M HILL's Operations Management business group.
- North America includes 104 facilities that discharge to a variety of water bodies.

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4.4 Community Water Preservation and Engagement

We engage clients and communities in providing clean water and sanitation services, and improving water operations. We donate time, expertise, and funds to organizations and efforts that work to address world water issues. We also provide industry leadership toward collaboration and innovation for sustainability of people, systems, and the planet.

4.4.1 Helping Clients Help Communities

One of the most important ways that CH2M HILL changes the water landscape is by addressing global water challenges and increasing sustainability through our project work, supporting clients in changing their facilities. [We help our clients](#) make the best choices for their communities and ecosystems, and the environment overall. Our project work helps water systems operate more efficiently and cost effectively, emphasizing potential water reuse along with innovative energy options.

4.4.2 Engaging Global Communities

CH2M HILL's water professionals continuously look to protect and enhance resources for future generations. We do this professionally, by offering financial support and expertise to worthy organizations, and personally as our employees donate their own time and money to support access to clean, safe water supplies. Toward these goals, we invest professional expertise, volunteer time, and financial resources in organizations and events, such as Water For People, United Nations (UN) World Water Day, [World Water Monitoring Challenge™](#) (WWMC), Engineers Without Borders USA, and WaterAid. Using frameworks, such as the UN Global Compact's CEO Water Mandate, our client projects, and the participation of our employees in civil society organizations, CH2M HILL contributes to collective efforts aimed at positively affecting global water challenges through policy.

Highlight: UN World Water Day

Since 1993, the UN has designated March 22 as "World Water Day." This year's theme, "Water and Energy," invited people to consider both the importance of fresh water to daily life and the critical relevance of the sustainable management of energy. Water and energy are two of the world's most precious resources, and they are closely intertwined and interdependent.

In honor of World Water Day, CH2M HILL shared an [infographic](#) to illustrate the water-energy nexus, which is critical for our client and volunteer efforts in sustainability, showing how we are contributing to solutions by identifying ways to address the amounts of energy required to deliver clean water, as well as reduce the amounts of water required to generate energy.

4.4.3 Providing Industry Leadership

By disseminating important information for global collaboration and participating in professional and civic organizations, CH2M HILL actively seeks to advance existing knowledge, stimulate ideas, and support a framework for sustainable water management. We leverage innovative communication tools, such as the Global and Local Water Tools, and techniques, such as the Access Water Blog and WaterMatch, to engage broader audiences in the water dialogue. Also, our employees

participate in hundreds of different professional, civic, and social organizations that address water issues globally and locally; a few examples are provided in the remainder of this section. We serve in industry leadership positions that encourage developing and using innovations in water technologies, raise awareness of water challenges, guide policy development, and positively affect change.

4.4.3.1 The Global and Local Water Tools

Developed in conjunction with the World Business Council for Sustainable Development, the [Global Water Tool \(GWT\)](#), which launched in 2007, assists companies in mapping their water use and assess risks relative to their global operations and supply chains. The GWT has become the internationally accepted tool for companies to account for water use within their operations, calculate water metrics, and identify areas of high water risk through external mapping. This tool has been used by more than 300 companies worldwide to report their water use. The [Local Water Tool was released](#) in 2012 to provide guidance on local, site-specific water risks, impacts, and opportunities. CH2M HILL provided supporting nomenclature, data continuity, and software codes to ensure compatibility between the Global and Local Water Tools and the user's ability to transfer data between the tools. CH2M HILL is now updating the original GWT with the latest datasets and maps to provide even more effective services.

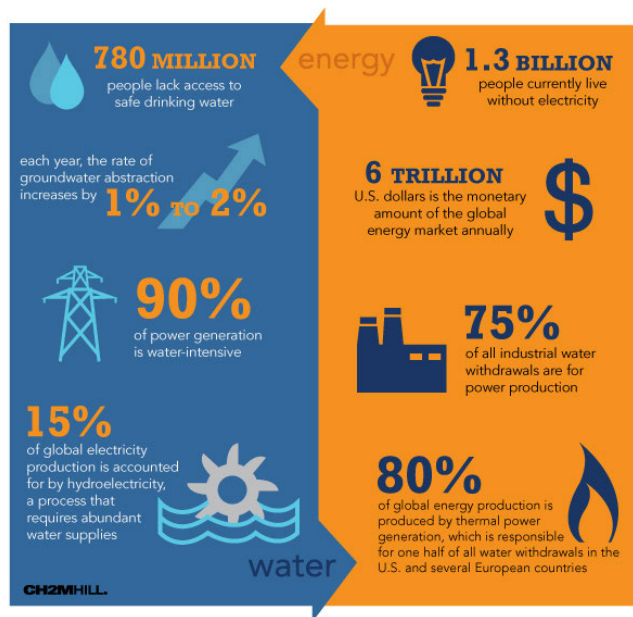
[The free tools continue to be enhanced with new, customized versions](#), including those for the oil and gas industry and power utilities. In 2013, CH2M HILL developed a new version of the tool for the cement sector. This tool allows cement companies to assess the risk of operating in water-stressed regions and helps them manage water use more efficiently and sustainably by producing maps and charts that identify water scarcity and biodiversity hotspots. The Global and Local Water Tools facilitate collaboration across sectors, and among stakeholders in a particular watershed. Such collaborations are vital to helping businesses adapt to the changing climate and use resources in the most effective and sustainable ways.

4.4.3.2 WaterMatch

CH2M HILL's [WaterMatch](#), a grassroots, good-will initiative that promotes the beneficial reuse of municipal effluent for industrial and agricultural use at local levels, is continuing to expand through [collaborations with companies and universities around the world](#). WaterMatch is a free Web site that uses social networking and geospatial mapping to connect water generators with water users. It helps multi-sector organizations and individuals make connections and take action on water. The WaterMatch Map has more than 21,000 water resources, mapped in 42 countries, and continues to grow.

WATER - ENERGY NEXUS

Water is needed to generate energy, and energy is needed to deliver and treat water.



4.4.3.3 Access Water Blog

CH2M HILL's Access Water is an ongoing program, launched in late 2009, designed to “provide innovation and insight on all things water all year long.” Access Water is a place to share best practices and exchange ideas within the water industry. CH2M HILL's water experts, our clients, and members of the public are able to process thoughts, share tools and innovations, and highlight banner projects. Exchanges occur through blogs, videos, a quarterly client newsletter, reader commentary, and social media channels, including our [Facebook™ page](#) and [Twitter™ account](#) (@CH2M HILL). Access Water has successfully increased awareness and generated productive dialogue on a variety of water issues, helped staff with career growth and development opportunities, and created business opportunities for CH2M HILL through our client readership and industry conference promotion.

Access Water has been recognized by the American Academy of Environmental Engineers for its innovation, effectiveness, and creativity in conveying important environmental messages, as well as for providing future value to the water engineering profession.

4.4.3.4 Individuals Making Differences

Our staff includes innovative, driven people who really care about making a difference. Whether supporting the strategic pillars of science, technology, engineering, and mathematics (STEM) education; environmental stewardship; or personal community interests, CH2M HILL water employees make a difference not only for the projects they contribute to daily while in the office, but also for organizations where they donate their time, talent, and resources.

Following are a few noteworthy examples of CH2M HILL employees who are showing leadership in addressing the critical and intertwined challenges that face everyone who influences or is influenced by the water cycle.

- **Dr. Russell Ford**, our Global Service Leader for drinking water infrastructure, is on the WaterReuse Research Foundation's (WRRF's) Board of Directors, working to advance the science of water reuse, recycling, reclamation, and desalination. Dr. Ford also serves as the American Water Works Association (AWWA) representative to the Standards Council and will serve his second term on the Water Science and Research Division.

- **Todd Wang**, Senior Program Manager, volunteers with [Bridges to Prosperity](#), an organization that empowers communities in creating access to essential health care, education, and



Todd with Jose, a young man he's been mentoring for 4 years to carry on the work without him

economic opportunities by building footbridges over impassable rivers. Todd, who has spent a good portion of his life working in developing countries around the world to implement basic infrastructure projects, serves three roles, volunteering on the Technical Advisory Board and serving as a senior mentor to university project teams, as well as developing and training new mentor volunteers.



Photos by Todd Wang

In addition to working directly with the university students, Todd enjoys working with the organization's executive director to continually improve the organization and help it achieve its vision of a world where poverty caused by rural isolation no longer exists. This year, Todd will mentor university teams in Nicaragua, facilitate two professional mentor training workshops, and begin a new U.S. Department of Defense program of integrating Bridges to Prosperity into humanitarian efforts in the Pacific region, specifically in the Philippines and Timor Leste.

“In 2013, I volunteered 600+ hours leading and mentoring university student teams, helping them plan, design, and construct pedestrian bridges for remote communities in the developing world,” said Todd. “The most rewarding experience was working with students from Colorado School of Mines and Notre Dame to complete two bridges in Nicaragua.” (Todd Wang)

Larry Schimmoller, Global Technology Leader for water reuse, is contributing significantly to the water reuse industry. One of his latest blogs on using a [triple-bottom-line analysis to avoid the costly overtreatment of reclaimed water](#) reflects his work to help the WRRF. He served as the principal investigator for the WRRF project, “The Cost of Over-treating Reclaimed Water.” Larry is a member of the WRRF’s Research Advisory Committee and the WaterReuse Association’s Potable Reuse Committee.



- **Tom Heinemann**, Program Manager, has spent his nearly 34-year career at CH2M HILL developing exceptional relationships and delivering differentiated and sustainable solutions for our clients. Throughout his career, he has managed numerous wastewater and water facility planning and design projects, including working as the program manager for an important series of projects in Omaha, Nebraska, to reduce combined sewer overflows and improve water quality for Omaha residents.



Under the [City’s Clean Solutions for Omaha](#) program, CH2M HILL is designing a wastewater treatment plant upgrade and expansion as part of a US\$2 billion Clean Solutions for Omaha initiative. The plant expansion will help improve and enhance nearby neighborhoods and significantly improve the quality of water in the Missouri River. For his leadership on this program and other projects, Tom was recognized with the firm’s CEO Excellence Award in 2013. He also received AWWA’s George Fuller Award in 2000 for his commitment to professional society activities.

- **Dr. Glen Daigger**, Senior Vice President and Chief Water Technology Officer, is serving his second term as International Water Association President. In this capacity, he provides leadership and guidance on its policy and programs, taking a key role in global water policy events, participating in global water initiatives, and acting as a global ambassador for sustainable water management.



- **Linda Macpherson**, Vice President and reuse principal technologist, serves on the board of directors of the WaterReuse Association, focusing on public education, research advisory, and instrumental participation of international and executive committees. The overall goals of this work are to improve water quality and increase local water supply. Linda’s work uses words and graphics and images to change thinking—opening hearts to open minds to new water supply possibilities. A product of her research, “Downstream,” [can be viewed on YouTube](#), and one of her projects (the NEWater Visitor Centre in Singapore) was recognized by United Nations Water with the “Water for Life” Best Practices Award 2014.



4.5 Paper Consumption

As a service-based business that depends on paper for countless communications, business proposals, and client deliverables, paper represents a significant portion of CH2M HILL’s materials consumption. Paper consumption includes primarily white paper for use in copiers and printers. We are committed to leveraging technology to reduce paper use, which represents much of the solid waste and material consumption in our offices.

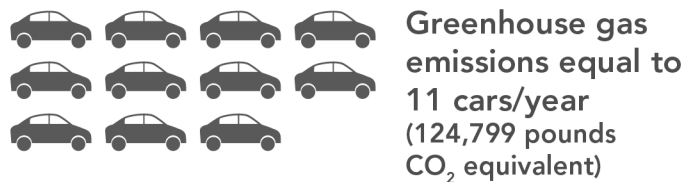
4.5.1 North America

4.5.1.1 Paper Consumption

Our 2013 goal was to have no net increase in total paper use compared to 2012. CH2M HILL surpassed this target, as total paper use in North American offices decreased by approximately 22 tonnes (24 tons), or 5.2 percent, from 426 tonnes (470 tons) in 2012 to 404 tonnes (445 tons) in 2013. The reduction in paper use was likely a function of several variables, including continued communication within the firm about reducing paper use, ongoing focus on communication with reprographic centers, and continued use of print-on-demand features on convenience devices to reduce waste associated with printed pages that are never retrieved by the sender. Reducing our paper consumption resulted in reductions in wood use, net energy, and greenhouse gas emissions.

Impacts Avoided as a Result of Reduction in Paper Purchased in 2013 (North America) **CH2M HILL**

By reducing paper purchased by 22 tonnes (24 tons) of paper in 2013 compared to 2012, CH2M HILL reduced impacts* by:

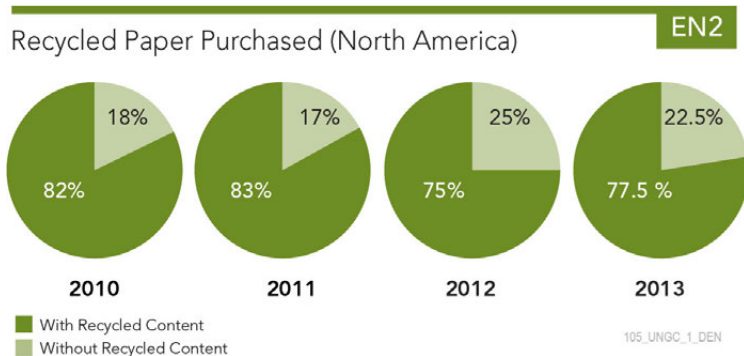


* Environmental impact estimates were made using the Environmental Paper Network Paper Calculator Version 3.2. For more information visit www.papercalculator.org.

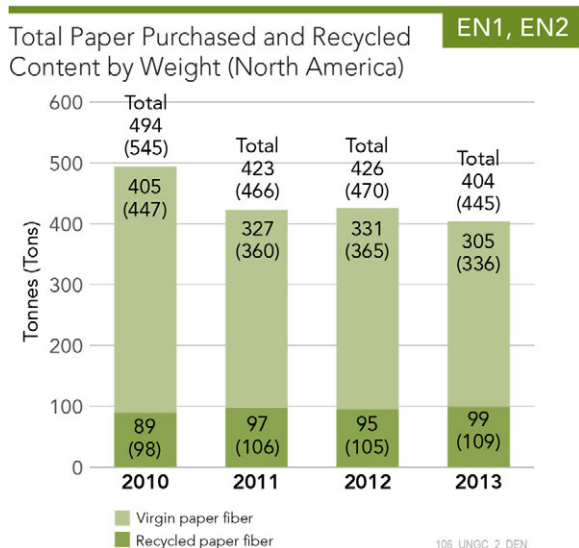
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4.5.1.2 Recycled Paper Purchasing

In North America, we purchase approximately 80 percent of our paper through a firmwide master contract. The remaining 20 percent is obtained from myriad regional and local suppliers, and is not tracked systematically for reporting. In 2013, our goal was for recycled paper to account for 80 percent of all paper used. Recycled paper purchases represented 77.5 percent of all paper purchased in 2013, falling short of the 80 percent target, but still representing a significant improvement over the 74.9 percent value reported for 2012.



The actual post-consumer recycled content in the various kinds of recycled paper purchased by CH2M HILL ranges from 30 to 100 percent. In 2013, we purchased a total of 404 tonnes (445 tons) of paper, which contained 99 tonnes (109 tons) of recycled fiber by weight.



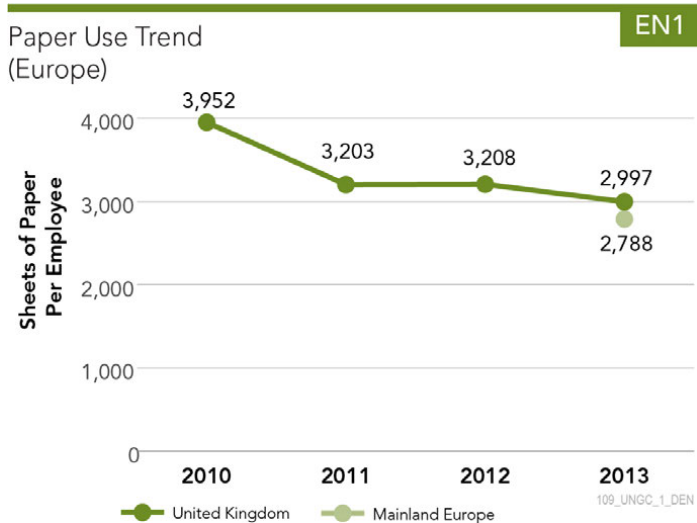
4.5.2 Europe

Our objective in Europe was to reduce paper consumption, following good practice guidance, and to monitor both actual absolute reductions and the ratio of paper use per employee.

In the United Kingdom, paper consumption data were recorded in 16 offices. The data for 2010, 2011, and 2012 were rebaselined to exclude four joint venture offices, which are outside of CH2M HILL's operational control guidelines. In 2013, we also extended our recording to include 11 offices in mainland Europe.

In 2013, we saw a decline in UK paper consumption of 4.2 percent compared with 2012. Our average of 2,997 sheets per employee is below the good practice industry benchmarks of 3,500 sheets, and through a continuing campaign, we have further reduced paper use by 6.6 percent compared with 2012. Since 2010, our UK operations have seen a decrease in paper use of approximately three quarters of a million sheets of paper per year (a reduction of 31 percent).

Paper reductions in the United Kingdom have been a result of green office campaigns to raise awareness and link these campaigns with internal cost reduction and waste minimization programs—good management of resources makes good business sense. In mainland Europe, we also recently rolled out a new print management system, which could bring about further efficiencies in paper use in 2014. In this region, paper consumption was 2,788 sheets per employee in 2013.



4.5.3 Middle East

The paper reduction and procurement initiatives in 2013 focused on the Dubai, Abu Dhabi, and Sharjah (in the United Arab Emirates), and Doha (in Qatar) offices. All printers were set up for default double-sided printing, and the region began pursuing suppliers for FSC-certified and recycled-content paper. In 2013, 33.47 tonnes (36.89 tons) of paper were consumed, which equates to 38.6 kilograms (85.1 pounds) per employee. The target for 2014 is to reduce paper consumption by 5 percent.

4.5.4 Australia

The Australia EMS team set a goal of purchasing 100 percent of its paper stocks as 100 percent recycled-content or carbon-neutral paper. The team achieved its goal in 2013 and will continue to purchase all standard, white office paper with 100 percent recycled content. Paper waste is minimized through awareness communications and enhanced copier functionality, and waste paper is recycled.

4.5.5 Argentina

In Argentina, we began recording paper purchasing in all offices in 2013. In 2014, we aim to reduce consumption per employee by eliminating excessive and unnecessary printed paper, encouraging double-sided printing, and enabling printing-on-demand features.

4.6 Recycling

Recycling is a key element of our corporate culture; most of our offices have formal recycling programs for general items, such as paper, aluminum, and glass, and 100 percent of offices have materials reuse programs. Our offices and employees are aware of our commitment to expand our “Reduce, Recycle, and Reuse” program wherever possible. The following are examples of outstanding recycling success stories in 2013:

- With an office remodel, the **Des Moines, Iowa**, office recycled or reused as much as possible, including workstations and chairs. We donated bookcases, bulletin boards, chairs, tables, file cabinets, binders, and miscellaneous items to local schools and nonprofits.
- As part of the **Denver, Colorado**, corporate headquarters remodel project, the office recycled 46 tons of metal. Donations to Habitat for Humanity included more than 70 cubic yards of carpet, nearly 100 cabinets, several appliances, over 100 pieces of office furniture, and glass and light fixtures. Approximately 70 percent of existing ceiling tiles and over 60 percent of carpet tiles were reused.
- The **Honolulu, Hawaii**, office donated 25 work stations to the Make-A-Wish foundation. Repurposing this furniture saved many items from ending up in the landfill, and saved on future storage costs.

While municipalities across the United States have various types of recycling available, our policy is to recycle whatever we can where we work. In addition, several of our offices make composting available so employees can take compost home for their gardens. We also have national agreements in place for recycling the following:

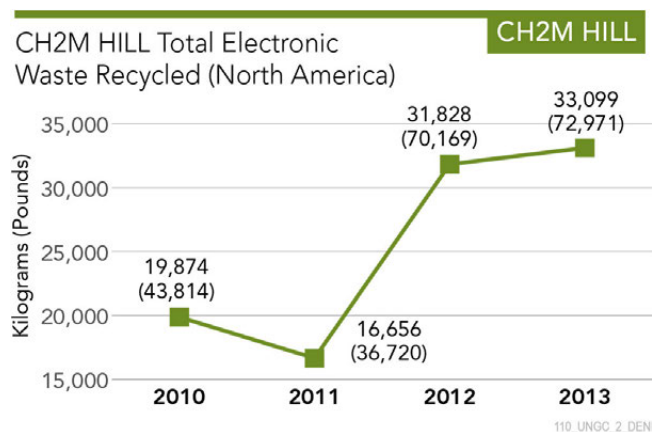
- **Batteries:** Recycling batteries keeps heavy metals out of landfills and mitigates potential groundwater contamination. It also saves resources, because recovered plastic and metals are used to make new batteries. In 2013, our North American offices recycled 1,501 kilograms (3,310 pounds) of batteries.
- **Pens:** Old pens, highlighters, and markers are collected and shipped to TerraCycle for plastic recycling. For each item recycled, CH2M HILL receives US\$0.02, which is donated to one of our strategic nonprofit partners, Engineers Without Borders USA. In 2013, we successfully increased the number of offices participating and recycled 4,022 writing instruments, raising an additional \$80 for Engineers Without Borders.

With more than 1,500 employees and an onsite cafeteria, our corporate campus has a rare opportunity to implement larger-scale recycling programs. For example, in cooperation with food supplier Sodexo and a food recycling company, we expanded composting from the café kitchen out to the cafeteria. Sodexo also began providing compostable to-go containers that make composting easier for staff.

4.6.1 Electronics Recycling

Electronics waste recycling presents a large problem on a global level and a business concern from a security perspective. For a number of years, our IT group has recycled large electronics, such as servers, desktops, and laptops. In 2007, we began an electronics recycling program in North America to capture compact discs, cords, mobile phones, and other small devices that were not included in our corporate computer leasing programs. Collection bins are placed in public areas in our offices, so employees can easily dispose of these smaller electronic waste products.

In 2013, we achieved electronic waste recycling in 100 percent of our surveyed offices. As shown in the following data point, 33,773 kilograms (74,457 pounds) were recycled, a modest increase in electronics recycling over 2012 (70,169 pounds or 31,828 kilograms). In 2013, we rolled out a firmwide electronic waste disposal service and collected a baseline on which to build for 2014. Using a global vendor for IT asset disposal helps to ensure our service, security, and quality.



4.6.2 Recycling in Europe

In 2013, we encouraged our local offices in Europe to set their own waste reduction and recycling targets. At our larger UK offices, we have worked with our waste contractors to install containers that allow greater segregation and recycling of waste, including plastics, glass, batteries, and newspapers. In parallel with this, many UK offices have now removed the need to have trash bins at each desk, replacing them with waste

and recycling hubs at central locations within the office. We also have a program to promote recovery and recycling of toner cartridges. In our Glasgow office, we had a “bag a free lunch” event, at which employees were asked to bring paper to recycle in exchange for a barbecue lunch. We recycled 4.5 tonnes (4.96 tons) of paper from 150 employees’ desks.

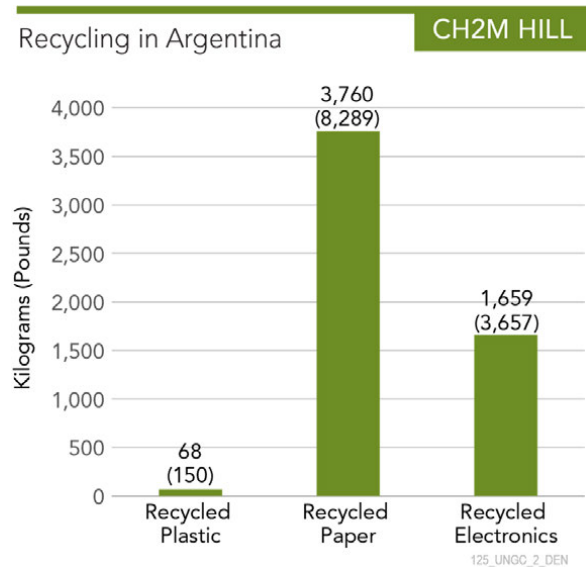
4.6.3 Recycling in the Middle East and Australia

In 2013, the Middle East offices recycled 9,696 kilograms (21,376) of paper waste, 1,092 kilograms (2,407 pounds) of cardboard, 27 kilograms (60 pounds) of plastic, 11.5 kilograms (25.4 pounds) of metal and glass, 144 computers, and 452 printer cartridges.

In Australia, electronic waste and obsolete equipment are directed to reuse or recycling services. In 2013, we continued to accept employees’ batteries and phones, and directed used fluorescent lights to a specific recovery service. Office waste is segregated and recycled as appropriate for the local municipalities’ programs.

4.6.4 Recycling in Argentina

During 2012, we began the process of recycling paper, toner cartridges, ink cartridges, and electronic waste by segregating the waste, which is then removed by cleaning staff. We distinguish nonrecyclable, recyclable, computer waste, electronic waste, and print cartridges (ink and toner). In 2013, we recycled 68 kilograms of plastics (150 pounds), 3,760 kilograms (8,289 pounds) of paper, and 1,659 kilograms (3,657 pounds) of electronic waste.



5. Preserving the Environment

5.1 CH2M HILL Pledges to Reduce Carbon Emissions 25 Percent by 2017

Climate change challenges our clients with the need to adapt to changing weather patterns. While we combine engineering expertise and science to solve their problems, we also look to science to help shape our commitment: a 25 percent reduction in our carbon footprint by 2017.

Climate change is driving changes in infrastructure worldwide; among other effects, it challenges CH2M HILL's clients with too little water in some places, too much water in other places, and the need to adapt to changing weather patterns. While we help communities adapt through [climate risk and resilience services](#) and [natural capital solutions](#), CH2M HILL also wanted to set a meaningful internal climate action goal to do our part to mitigate climate impacts.

As a result, we are now committing to reduce our carbon footprint by 25 percent by 2017 for carbon emissions from fuel and electricity (Scope 1 and 2).

We will mitigate or reduce our footprint an average of 5 percent per year for 5 years starting with a baseline year of 2012. We have made this commitment to reduce our absolute greenhouse gas footprint despite our forecast for substantial growth of our operations over the goal period. This commitment is especially significant in light of the fact that CH2M HILL mitigated 22 percent of our 2012 greenhouse gas footprint through the purchase of carbon offsets and renewable energy certificates (RECs); our 2017 goal is therefore a 42 percent reduction from our 2012 footprint prior to the external reductions achieved in that year.

Why 5 percent per year? As always, the answer is rooted in science.

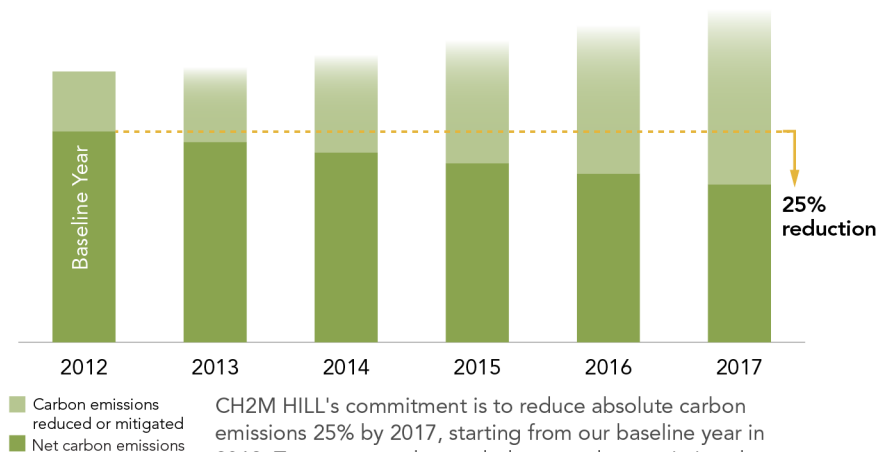
A [recent study](#) by the CDP and the World Wildlife Fund indicates that if each company in the U.S. corporate sector reduced its carbon footprint by an additional 3 percent each year, our global temperatures would stay below a 2 degree Celsius (°C) increase. Collectively, we would lower greenhouse gas emissions in 2020 by 1.2 gigatons of CO₂e from 2010 levels. Since CH2M HILL has such a high stake in the future health of cities and infrastructure worldwide, we believe a 5 percent commitment better matches our values. Details about the nature of our commitment are provided in the [energy use and carbon emissions](#) section of our report.



"Medicine Bow Sunrise" by Jason J. Hatfield
www.mountainskyphotography.com

Steady Carbon Reduction Commitment

EN19



CH2M HILL's commitment is to reduce absolute carbon emissions 25% by 2017, starting from our baseline year in 2012. To stay on track, we pledge to reduce emissions by about 5% annually through internal GHG reduction projects and purchase of carbon offsets and renewable energy credits.

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“Committing to carbon reduction is tough in a service industry like ours, where we lease office space and don’t directly manage, control, or pay the power bill for the majority of our square footage,” said Brandy Wilson, Enterprise Sustainability Program Manager. “We can only go so far through office efficiency measures, like improved layouts and teleworking, to get there. That’s why we’ve chosen to support diversified investments in renewable energy and carbon mitigation that align closely with our business.”

Most of CH2M HILL’s oil and gas business is located in Alaska where, as one of our diversified investments, we are helping protect more than 8,000 acres of pristine coastal habitat at the Afognak Island Forest Conservation project through our investment in carbon offsets from the project. Aligning with our belief that technology can help us move forward, CH2M HILL also invested in a project to reduce emissions of high global warming potential gases from industrial magnesium production in Canada, as well as a fuel-switching project from fossil fuels to biomass in La Providencia Argentina.

Additionally, we are supporting an industrial wastewater gas to energy project in the Midwest United States. In Larimer County, Colorado, near our corporate headquarters, we purchased Climate Action Reserve-certified offsets from a municipal solid waste landfill. Municipal landfills represent the second largest source of human-related methane emissions in the United States. To bring more renewable energy online, we selected renewable energy investments from regions that have high emissions intensity because of the prevailing fuel source.

As noted, CH2M HILL does not rely solely on purchases, but invests in the facilities we operate to achieve bottom-line reductions. The recent remodel of our headquarters campus in Denver, Colorado, was designed to increase daylighting and create more shared workspaces for collaboration and efficiency. During the remodel, CH2M HILL improved building automation systems and changed the parking lot lighting to low-energy light-emitting diodes (LEDs).

“Since including carbon emissions in our first sustainability report in 2005, we’ve explored many ways of evaluating and mitigating our footprint across different operations and regions” said Wilson. “Once we completed our first comprehensive, companywide inventory in 2011, that gave us the tools to understand our footprint and how best to address this global problem from a global perspective.”

CH2M HILL’s [energy use and carbon emissions](#) continue to be managed both globally and locally, as each region sets goals for reductions through its own [EMS](#) programs. Beyond that, we commit to investments that will help communities today and tomorrow.

5.2 Carbon Emissions and Energy Use

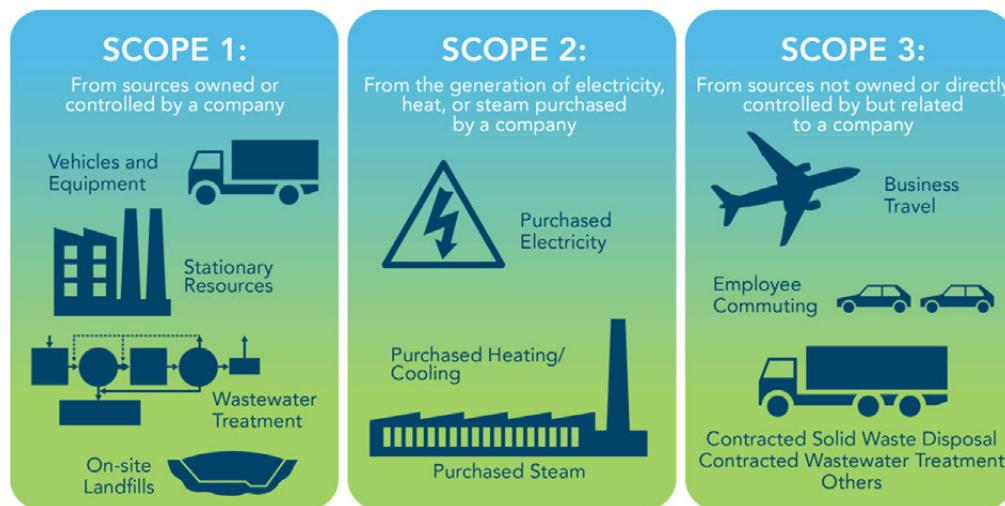
CH2M HILL has invested the resources to understand, manage, and report on its energy use and carbon footprint. We inventory carbon emissions annually to calculate and document emissions that fall within our organizational and operational boundaries.

In addition to the global carbon emissions inventory, individual regions track and manage their energy use and emissions through environmental management programs tailored to their locations and opportunities. This section contains energy use and carbon reduction programs from the following CH2M HILL geographies:

- Global operations
- North America (United States and Canada)
- United Kingdom
- Australia
- Middle East
- Argentina

5.2.1 Global Carbon Emissions Inventory and Reduction Program

CH2M HILL completed its first global greenhouse gas emissions inventory to assess our carbon footprint for Scopes 1 and 2, and selected Scope 3 emissions, in 2011. The Scope 3 emission estimates include air business travel, ground business travel, employee commuting, electricity transmission and distribution losses, contracted solid waste disposal, and offsite wastewater treatment. Additional Scope 3 emissions estimates might be included in the future as we better understand our supply chain impacts.



Like most service-based businesses that occupy leased offices, we typically do not manage those buildings, or directly meter or pay for power. We face challenges in reporting our energy use and related carbon emissions, yet we find value in understanding our emissions and how we can be most effective in reducing our footprint. Thus, for most of our leased space, we estimate energy consumption by using data published by the U.S. Department of Energy, which provides average energy use for various types of buildings across various climate zones. The carbon emission inventory provides CH2M HILL with information to develop future strategies for managing resources.

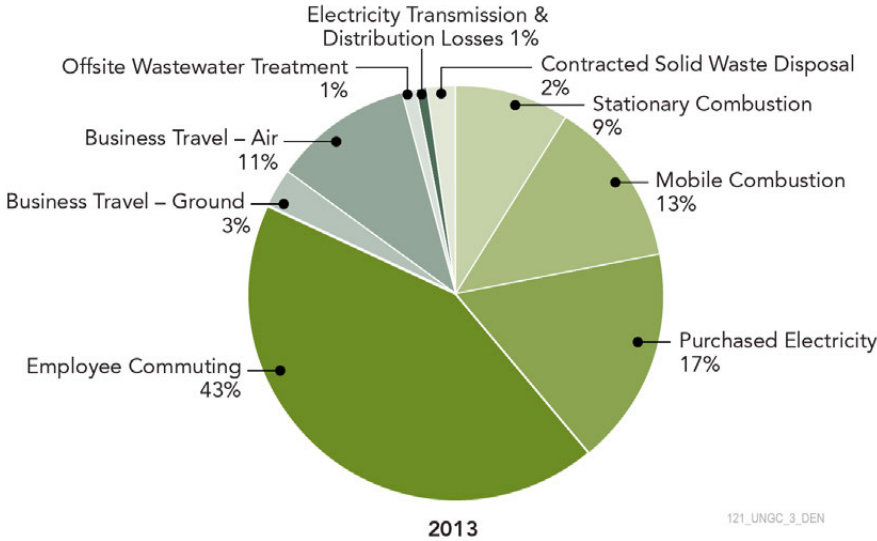
Although we cannot directly measure and quantify the benefits of our facilities' energy conservation programs, we nonetheless actively manage our energy use. As a matter of policy, CH2M HILL purchases Energy Star-certified equipment and electronics for our North American offices. For our offices in other regions, we purchase equipment that uses less energy and is certified under programs that endorse energy efficiency. Where we can, we implement direct programs to reduce energy use. We operate the four

buildings at our Leadership in Energy and Environmental Design (LEED®) certified headquarters campus and regularly assess our energy conservation practices. In locations where CH2M HILL has an EMS in place, we implement procedures to reduce energy used in offices and have active “Turn It Off” campaigns.

In 2013, the largest single source of emissions included in our inventory (43 percent of the total) was employee commuting. The second highest (17 percent of the total) was electricity consumption in facilities. As a result, CH2M HILL has strongly promoted alternative work schedules and full- and part-time teleworking as methods to reduce our footprint through reductions in facility emissions and employee commuting.

CH2M HILL Carbon Emissions
by Emission Type

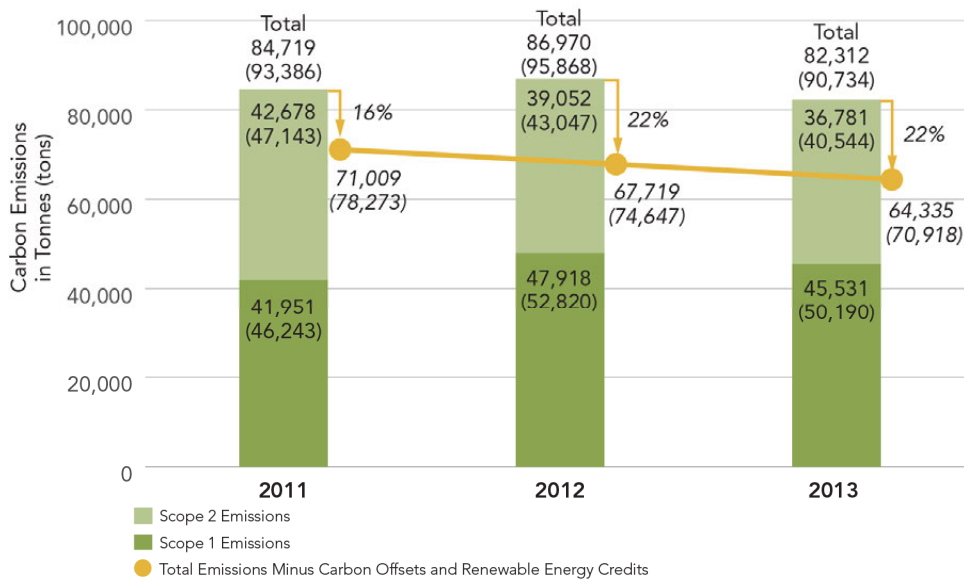
EN 15, EN16, EN17



CH2M HILL’s absolute global 2013 greenhouse gas emissions for Scope 1 direct and Scope 2 indirect combined were 82,312 tonnes (90,734 tons), prior to application of carbon offsets and RECs. This represents approximately a 4 percent decrease in total Scope 1 and Scope 2 emissions from 2012.

CH2M HILL Global Carbon Emissions

EN16

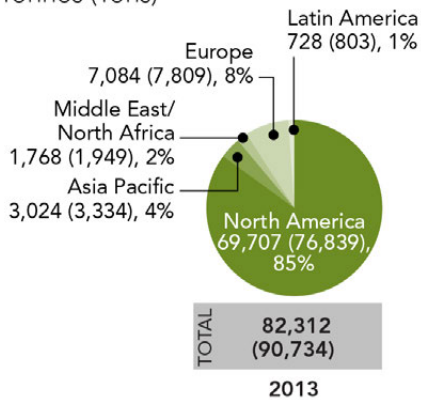


In 2013, we mitigated 22% of our global Scope 1 and 2 emissions through the purchases of carbon offsets and renewable energy credits. This resulted in a 3,384 tonne (3,730 ton), or 5%, reduction of our Scope 1 and 2 footprint from 2012 to 2013.

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Scope 1 and 2 Carbon Emissions by Region in Tonnes (Tons)

EN16



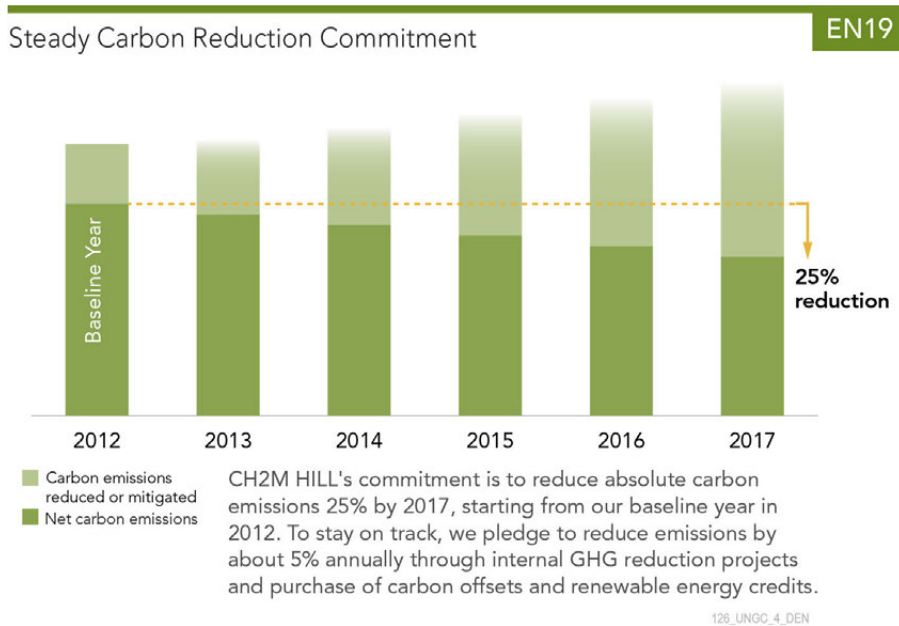
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CH2M HILL has again increased the purchase of carbon offset and RECs to mitigate our greenhouse gas emission footprint. In 2012, the carbon offsets and RECs purchased resulted in a total emission reduction of 19,251 metric tonnes of carbon dioxide equivalent (21,221 tons), or 22 percent of CH2M HILL’s total Scope 1 and Scope 2 emissions. In 2013, the carbon offset and RECs purchased resulted in a total emission reduction of 17,977 metric tonnes CO₂e (19,816 tons), or 22 percent of CH2M HILL’s total Scope 1 and Scope 2 emissions.

We also increased the diversification of our carbon offset portfolio and improved alignment with our business by purchasing offsets across a range of five different projects in the United States and internationally. We purchased Verified Carbon Units for the Afognak Island Forest Conservation project in Alaska. The 10-year project, located 200 miles southwest of Anchorage, protects over 8,000 acres of pristine coastal habitat and is located near our primary oil and gas business. We also purchased Verified Carbon Units from an SF6 conversion project for industrial magnesium production in Canada, an industrial

wastewater gas-energy project in the Midwest, and a fuel-switching project from fossil fuels to biomass in La Providencia, Argentina. Closer to home, we purchased Climate Action Reserve-certified offsets from a municipal solid waste landfill in Larimer County, Colorado. Municipal landfills represent the second largest source of human-related methane emissions in the United States, and Larimer County is located near our corporate headquarters.

We purchased 2013 Green-e vintage RECs from Green-e certified wind power facilities operating in the Midwest Reliability Organization West subregion. The carbon benefits of RECs are evaluated based on the carbon intensity of grid power in the region where the renewable energy was generated (that is, based on the carbon intensity of the power that the renewable generation is theoretically displacing). The region from which these RECs were sourced has high-grid emission intensity.



In 2013, CH2M HILL endorsed [a new strategic commitment](#) to a **reduction of our absolute Scope 1 and Scope 2 greenhouse gas footprint of 25 percent** from 2012 to 2017, regardless of company growth, by accomplishing reductions of approximately 5 percent per year during this period. This approach increases the level of our commitment to carbon emission reductions each year, and more closely aligns with what we believe is required to effectively combat climate change. A recent study authored by the World Wildlife Fund and CDP, *The 3% Solution: Driving Profits through Carbon Reductions*, indicates that U.S. corporations committing to 3 percent annual reduction program would be enough to keep society on track to stay below a 2°C increase in global temperatures. Because CH2M HILL has such a high stake in the future health of cities and infrastructure worldwide, we believed a 5 percent commitment would more appropriately match our client base and values.

5.2.1.1 Boundary and Methodology

Using World Resources Institute and the World Business Council for Sustainable Development *Greenhouse Gas Protocol Initiative—A Corporate Accounting and Reporting Standard* (Revised Edition, 2004) as guidance, we applied the “operational control” approach in defining our organizational boundaries for reporting. Operational control refers to the authority to develop and carry out the operating or HSE policies of an operation or a facility. Using this approach, our company accounts for 100 percent of emissions from operations over which we or our subsidiaries have operational control (including leased space and vehicles). We do not account for carbon emissions from operations in which we own an interest in but have no control.

CH2M HILL calculates emissions based on actual data, where available, and estimates emissions per standard protocol guidelines where data are incomplete or unavailable. We are continually working toward improving data quality to better understand our emissions and our ability to reduce those emissions.

CH2M HILL's Scope 1 emissions decreased by approximately 5 percent and Scope 2 electricity emissions decreased by 6 percent from 2012 to 2013. The decreases in Scope 1 emissions primarily results from a reduction in fuel consumption at several large project sites, resulting in reduced mobile combustion emissions. The decrease in Scope 2 emissions primarily results from consolidation of duplicate facilities and a decrease in overall business volume.

Conducting an inventory allows us to better understand emission sources and refine data collection processes. CH2M HILL continues to refine the inventory and data collection processes and anticipates continual enhancements as more staff are aware of the importance of keeping accurate data records for emission sources.

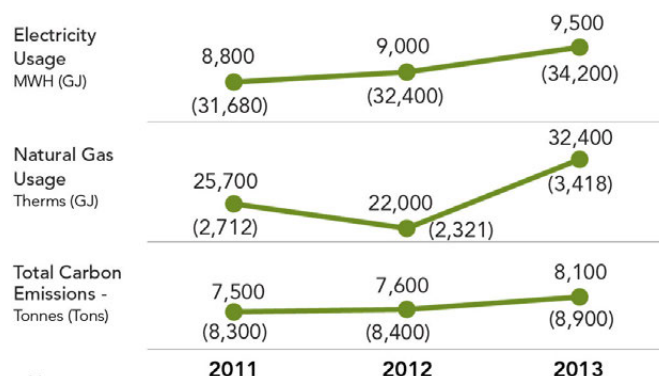
5.2.2 North American Energy Management and Carbon Emissions Reduction Program

In our North American offices, energy-conscious employees, managers, and landlords take steps to reduce our carbon footprint. In 2013, 26 percent of our leased offices were located in Energy Star-certified buildings. Our *Energy Conservation Best Practices* document gives us ideas for conserving energy in our offices and talking with landlords about energy conservation, and provides examples and success stories from various offices.

We directly manage the facilities at our corporate headquarters in Denver. As our largest single location, the Denver campus provides us the opportunity to take positive actions in managing our environmental footprint. All four of the Denver campus buildings are Energy Star rated and feature water-efficient fixtures, have motion sensors to control lighting, offer comprehensive recycling options, and use recycled and local building materials. We track our energy usage monthly in Energy Star's Portfolio Manager System.

We view energy conservation as an ongoing process. Historically, we have been able to reduce energy consumption in our Denver campus buildings. In 2013, electricity and natural gas usage increased by 6 percent and 47 percent, respectively. Electricity usage increases most likely resulted from a 28 percent increase in the number of employees at this location, while natural gas usage increases primarily resulted from an increase in heating degree days, particularly an unusually severe cold snap in December 2013. The Denver campus continues to look for opportunities to reduce energy consumption and will continue to implement energy-efficiency projects going forward. In November 2013, we completed two additional

Headquarters Campus, Denver, CO — EN3, EN6, EN15-16, EN19



Notes:

- Headquarters campus has a total of 44,419 square meters (478,123 square feet).

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energy-reduction projects: retrofitting the lighting in our parking lot with efficient LEDs and installing an automated building management system.

5.2.3 Europe Energy and Carbon Emissions Reduction Program

In the European region, our objectives are to:

- Reduce office carbon emissions by a target of 5 percent by the end of 2015 and monitor emissions as a ratio per employee
- Track business travel carbon emissions across Europe as a baseline for subsequent years, and implement a plan to realize reductions

Our UK operations have measured Scope 1 and Scope 2 carbon emissions since 2008 by applying a tiered approach to collecting consumption data. Most of our office data come from actual measurement and, where this is not possible, from third parties such as landlords or utility companies. Consumption data were recorded at 16 offices, and we continued to record emissions from our company car fleet. In 2011, we began reporting carbon emissions associated with UK business travel, which represents approximately 40 percent of our UK carbon footprint. In 2013, we extended our recording to include our 11 offices in mainland Europe and air miles flown by employees in these offices.

For 2013, we reconfigured our carbon reporting systems to be in line with CH2M HILL's global carbon standards. This led to slight changes in our calculation methodology. We have rebaselined our data for 2010 to 2012 to be in line with 2013 requirements.

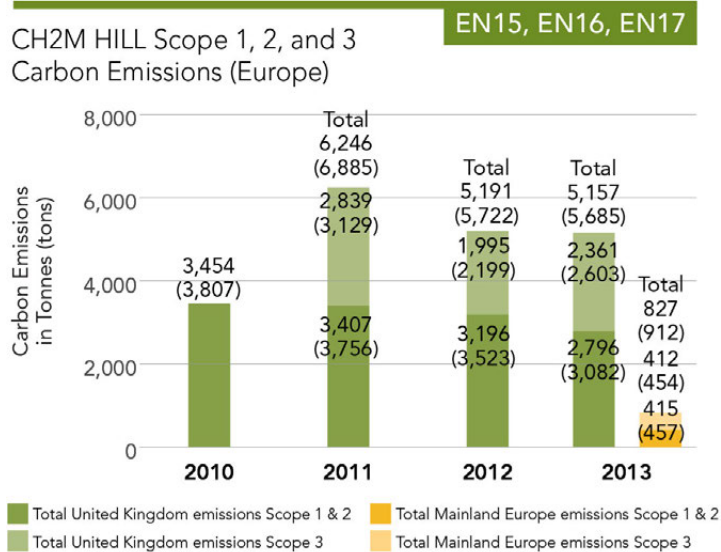
In the United Kingdom, electricity consumption decreased by approximately 120,000 kilowatt hours (kWhs), or 2.4 percent, between 2012 and 2013. Heating consumption increased by approximately 195,000 kWhs, or 7 percent (including consumption for one office where data were not available in 2012 and previous years). Some of this increase resulted from an unusually cold winter at the beginning of 2013 and a prolonged wet period at the end of 2013. In 2013, 80 percent of the electricity used in our UK offices was from green energy sources, which were secured by our energy providers from eligible renewable sources in the United Kingdom.

We also reduced the amount of office carbon emitted per employee in the United Kingdom from 1.4 tonnes per employee in 2012 to 1.27 tonnes in 2013, a reduction of 9 percent. In mainland Europe, office carbon emissions were 0.92 tonnes per employee in 2013. In 2013, we started planning more efficient usage of our office space, and we hope to realize benefits from this program during 2014 and 2015.

We saw an increase in UK business travel carbon emissions of 9.3 percent between 2012 and 2013, caused by more client-related business travel and a 2.5 percent increase in our employee numbers. Carbon emissions associated with employees in our mainland Europe offices represented 15 percent of the total business travel carbon footprint for Europe as a whole.

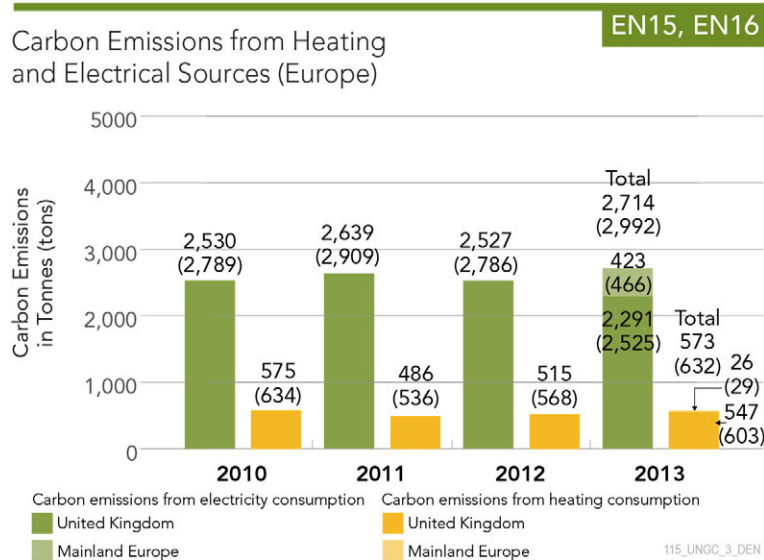
In the United Kingdom, our carbon emissions decreased slightly, by less than 1 percent.

CH2M HILL Scope 1, 2, and 3 Carbon Emissions (Europe)



Note: Carbon emissions from Europe for 2011, 2012, and 2013 are included in CH2M HILL's overall global carbon emissions, but are also presented separately here to capture data for the Europe Region objectives.

Carbon Emissions from Heating and Electrical Sources (Europe)



5.2.4 Australian Carbon Emissions Reduction Program

Similar to North America, our Australian EMS team has long tracked and managed the carbon footprint of our operations. The carbon impacts of activities continue to be measured in 2013, with the main carbon contributors being air travel, office electricity consumption, and vehicle rental.

As in previous years, electricity conservation measures have included removing unnecessary lights, selecting energy-saving IT hardware, and encouraging staff to switch off unnecessary lighting. Office relocations in 2012 and 2013, associated with combining CH2M HILL and Halcrow offices and changes to staff office occupancy, limited the value of 2013 usage analysis. A hire car policy of selecting small, fuel-efficient cars in preference to larger vehicles continued to deliver reduced carbon impacts.

Air travel miles represent a significant contribution to greenhouse gas emissions from the business. Changing work patterns and the growth of business activities in Western Australia and Northern Territory

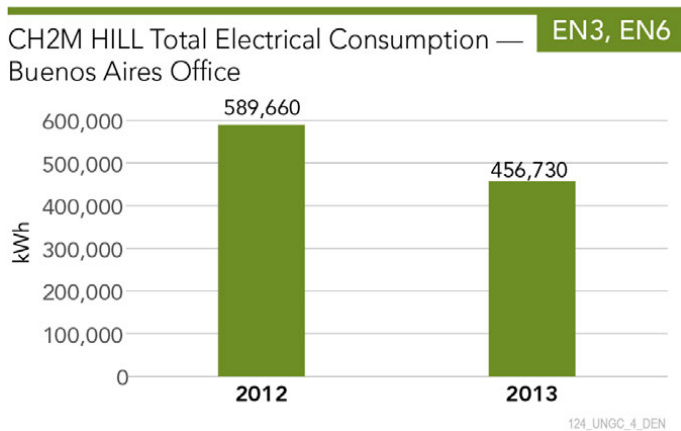
increased both domestic and international air travel. Opportunities for video and teleconferencing are maximized, and the travel approval process aims to eliminate nonessential air travel.

5.2.5 Middle East Carbon Emissions Reduction Program

The Middle East started to account for energy use and CO₂ emissions from company vehicles (leased and owned) at each EMS location (Dubai, Abu Dhabi, Sharjah, and Doha). This aligned our regional data records with other international regions and corporate reporting requirements. In 2013, the total electricity use in those four offices was 2,615,943 kWh. The total distance traveled by company cars was 912,689 kilometers, which resulted in approximate carbon emissions of 261.1 tonnes CO₂e.

5.2.6 Electrical Use in Argentina

We began reducing electrical energy consumption in Buenos Aires, Argentina, in 2012 by asking employees to turn off the computer after they finish their work day and turn off lights and air conditioners when leaving a meeting room or office. We have also trained maintenance staff to minimize lighting use. As a result, we decreased electrical consumption from 589,660 kWh in 2012 to 456,730 kWh in 2013.



5.3 Business Travel

As our business expands, so does our travel footprint. CH2M HILL employees commute to work and they travel to conduct both client and internal business—by personal vehicle, fleet and project vehicle, rental car, airplane, bus, ferry, rail, bicycle, and on foot. For an organization like CH2M HILL, which seeks to bring technical experts to projects all over the world, this travel is a difficult metric to assess. Travel that brings our best minds to global projects might actually produce a greater benefit to sustainability megatrends by developing new, more innovative sustainable solutions that arise from direct collaboration. Travel is an imperative and essential part of our business, but we continually question whether we can get the same collaborative and innovative work done in a different way.

By offering a full suite of videoconferencing and virtual meeting tools, CH2M HILL has sought to reduce travel, find ways to build effective teams while controlling travel costs, and improve work-life balance by allowing employees to travel less. CH2M HILL executives are using Microsoft LiveMeeting on a regular basis, and CEO Jacqueline Hinman and other executives offer quarterly updates using video conferencing.

Employee commute modes vary significantly in different countries around the world and in different communities within the same country. At a global level, we conduct annual commuting surveys, and sponsor a 1-week awareness campaign every year on alternative transportation modes along with a bike-to-work day. In 2013, commuting emissions for all employees increased by 26 percent and totaled 88,864 tonnes (97,956 tons) of CO₂e. Additional, region-specific measures are described in the remainder of this section.

CH2M HILL's efforts to minimize business travel fall into two main categories: air and ground business travel and employee commuting, which includes teleworking.

Two Wheels and a Thousand Miles

CH2M HILL holds an alternative transportation “Try-It Week” to encourage employees to experiment with different commuting modes. Our fifth annual Try-It Week culminated in Bike-to-Work Day on Friday, May 17, 2013. A total of 23 employee teams in 16 offices participated in Bike-to-Work Day and logged 4,506 kilometers (2,800 miles). More than half of those who participated are not regular bicycle commuters.

5.3.1 Air and Ground Business Travel

As we bring technical specialists to projects all over the world, we need to balance the need to bring the right person to the job with the reality of the footprint from corporate air travel. The North America and Europe EMS programs are tracking business travel, and the EMS teams work to raise awareness of when travel is appropriate and when virtual meeting technologies could be applied effectively.

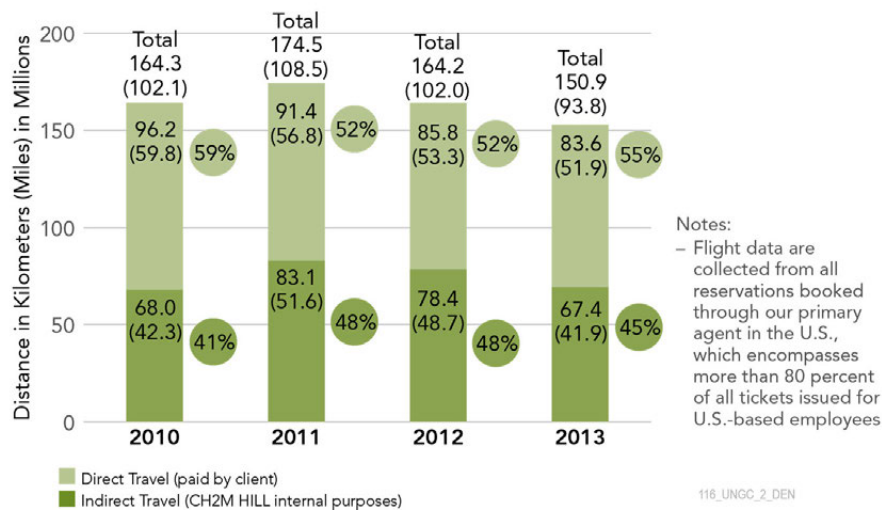
5.3.1.1 North America

The CH2M HILL Corporate Travel Department tracks both indirect (overhead) and direct (client-billable) miles flown for annual reporting. Flight data are collected from all reservations booked through our primary agent, which encompass more than 80 percent of tickets issued to U.S. employees. Travel by employees might be to U.S. or international destinations.

In 2013, we realized a decrease in total travel while growing business. Indirect travel, trips selected by the company rather than dictated by client project needs, totaled 67.4 million kilometers (41.9 million miles), a decrease of 10.9 million kilometers (6.8 million miles), or 14 percent, over the previous year.

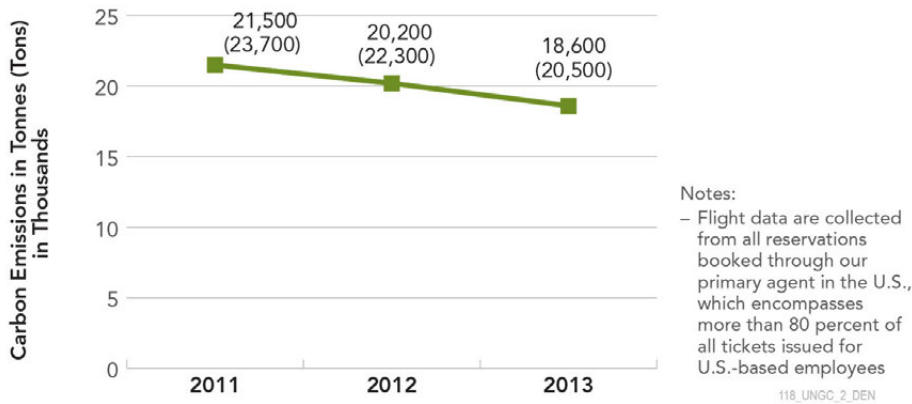
Total Distance Flown for U.S.-based Business Travel

EN16, EN17, EN19



Carbon Emissions from U.S.-based Air Travel

EN16, EN17, EN19



In 2011, CH2M HILL began collecting data on U.S. employee business ground travel. Data were not available to differentiate between indirect and direct travel purposes, so both are included. Business ground travel by U.S. employees for 2013 totaled 21.1 million kilometers (13.1 million miles) and 5,189 tonnes carbon dioxide equivalent (5,720 tons CO₂e). Although business ground travel mileage increased, 1.6 million kilometers (1.0 million miles), or 8.3 percent, over the previous year, carbon emissions increased by only 1 percent. Emissions were limited by increasing rentals for smaller, more fuel-efficient vehicles including hybrids, while decreasing rentals for larger, less fuel-efficient vehicles.

The CH2M HILL Travel Department continues to promote awareness and responsible choices through program communication, company policies, and integration of suppliers that employ sustainable business practices. During 2013 we rolled out our Global Travel Program to Canada, United Kingdom, Ireland, Germany, Italy, Poland, Romania, United Arab Emirates, Qatar, and India. In 2014, we will finish our rollout by bringing on Latin America and Asia Pacific. After we have our global program in place, we will be able to share information to improve current practices.

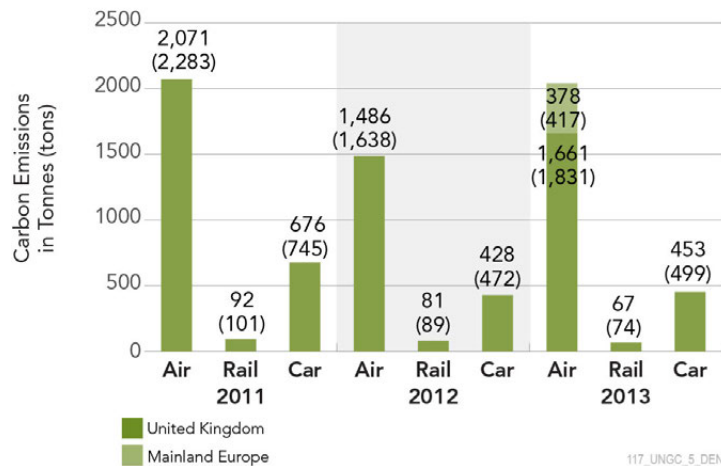
5.3.1.2 Europe

Our objective in 2013 was to track carbon emissions related to business travel across Europe and use this as a baseline for subsequent years. Also, we plan to use these data to identify how we might realize reductions in subsequent years.

In 2013, we continued to report carbon emissions associated with employee business travel in the United Kingdom, recording air and rail miles, together with the road miles employees drove in their own cars for business use. We also extended our recording to include air miles flown by employees in our mainland Europe offices.

In the United Kingdom, we saw an increase in business travel carbon emissions of 9.3 percent between 2012 and 2013, caused by increases in client-related business travel and an increase in our employee numbers of 2.5 percent. Carbon emissions associated with employees in our mainland Europe offices represented 15 percent of the total business travel carbon footprint for Europe as a whole.

Carbon Emissions Associated with European Employee Business Travel



5.3.1.3 Australia

In 2009, CH2M HILL began collecting data for indirect and direct business air and ground travel by Australia employees. In 2013, detailed tracking and trending of air travel greenhouse gas contributions were suspended, to be recommenced in 2014 after a common company platform for consistent and regional reporting is put in place.

5.3.2 Employee Commuting—North America

CH2M HILL's fourth annual employee commuting survey was conducted in 295 offices globally (a large increase from 41 offices in 2012). Many of these offices are either located in areas with impaired air quality or participate in local transit management programs. The survey results showed that the top three alternative forms of transportation are public transit, teleworking, and carpools. Survey results were adjusted according to accepted commuter survey protocols if the employee survey response rate was less than 70 percent.

While more than 60 percent of employees surveyed in the United States commute by single-occupancy vehicle, the top three alternative forms of transportation are teleworking, public transit, and carpools. All U.S. employees have access to a program to use pretax dollars to pay for transit passes and the bicycle benefits program, which allows enrolled U.S. employees who commute by bicycle to receive a voucher for US\$10 to 20 per month for bicycle-related equipment or repairs.

In 2011, CH2M HILL began estimating carbon emissions associated with employee commuting data collected in North America. In 2013, North American commuting emissions for all employees decreased by 2 percent and totaled 56,759 tonnes of CO₂e (62,566 tons).

The EMS alternative transportation leaders set a target to reduce the vehicle miles traveled in two offices by 5 percent; however, the target was not implemented successfully. In 2013, the team decided to try a different approach by supporting employee transportation coordinators for alternative commuting programs in five offices to see which types of programs are most effective before setting targets for reductions in vehicle miles traveled. Several of our larger offices already have in place volunteer employee transportation coordinators who work with local transportation management associations to provide commuter information and benefits, such as a guaranteed-ride-home program if employees have an emergency or unplanned change in their commute home on a day in which they commute using an alternative to single-occupancy vehicles.

5.3.3 Teleworking and Flexible Work Schedules

CH2M HILL has strongly promoted full-time and part-time teleworking as a method to reduce our environmental impact. Last year, we increased teleworkers by 17 percent beyond 2012, ending the year with a total of more than 1,279 teleworkers, which reduces our leased footprint and saves energy. CH2M HILL also offers flexible work schedules, allowing employees to work full-time hours in fewer days and reduce the amount of commuting time. In 2013, CH2M HILL reduced 4,082 square meters (43,946 square feet) of permanent leased office space, and the portion of that attributable to teleworking is 3,353 square meters (36,100 square feet).

Some offices are designed to support teleworkers and a mobile workforce exclusively. These offices feature a “touch-down” model, whereby employees do not have assigned work spaces. They work from home part of the time and come into the office occasionally for meetings.

5.3.4 Employee Commuting—United Kingdom

Four offices in the UK took part in the Employee Commuting Survey for the first time in 2013. These offices represent two-thirds of total UK employees.

While 58 percent of employees in the United Kingdom commute by single-occupancy vehicle, the top three alternative forms of transportation are train/underground, carpooling, and bicycle. Around 41 percent of employees use more sustainable forms of commuting, with our London office topping the list at 69 percent (because of the mass transit options available in that urban location), and our Swindon office achieving an impressive 15 percent despite its rural location. Around 24 percent of employees in Glasgow use the train, underground, or bus to commute to work; and, in our Worcester office, 11 percent cycle or walk to work, with a further 11 percent carpooling.

5.4 Client Services Footprint

5.4.1 Mitigating the Environmental Impacts of Our Services

In collaboration with our clients, CH2M HILL offers sustainable design services that improve our built environment. For more information about these services, the projects where we have actively helped our clients reduce their impacts on the built environment, and the people who make it possible, visit our [Sustainable Solutions](#) Web site.

We offer sustainable solutions across a broad range of services, from remediation to climate change adaptation, and work throughout the energy-water-food sustainability nexus. From all of that work, we have selected a few service areas to focus on in this report. We discuss specific service areas where we have implemented programs to measure our environmental impacts and metrics accurately across a portfolio of projects and programs. We also report on projects and programs where we have operational control.

In this section, we explain the sustainability impacts of our green building design and construction practice and facility operations and maintenance.

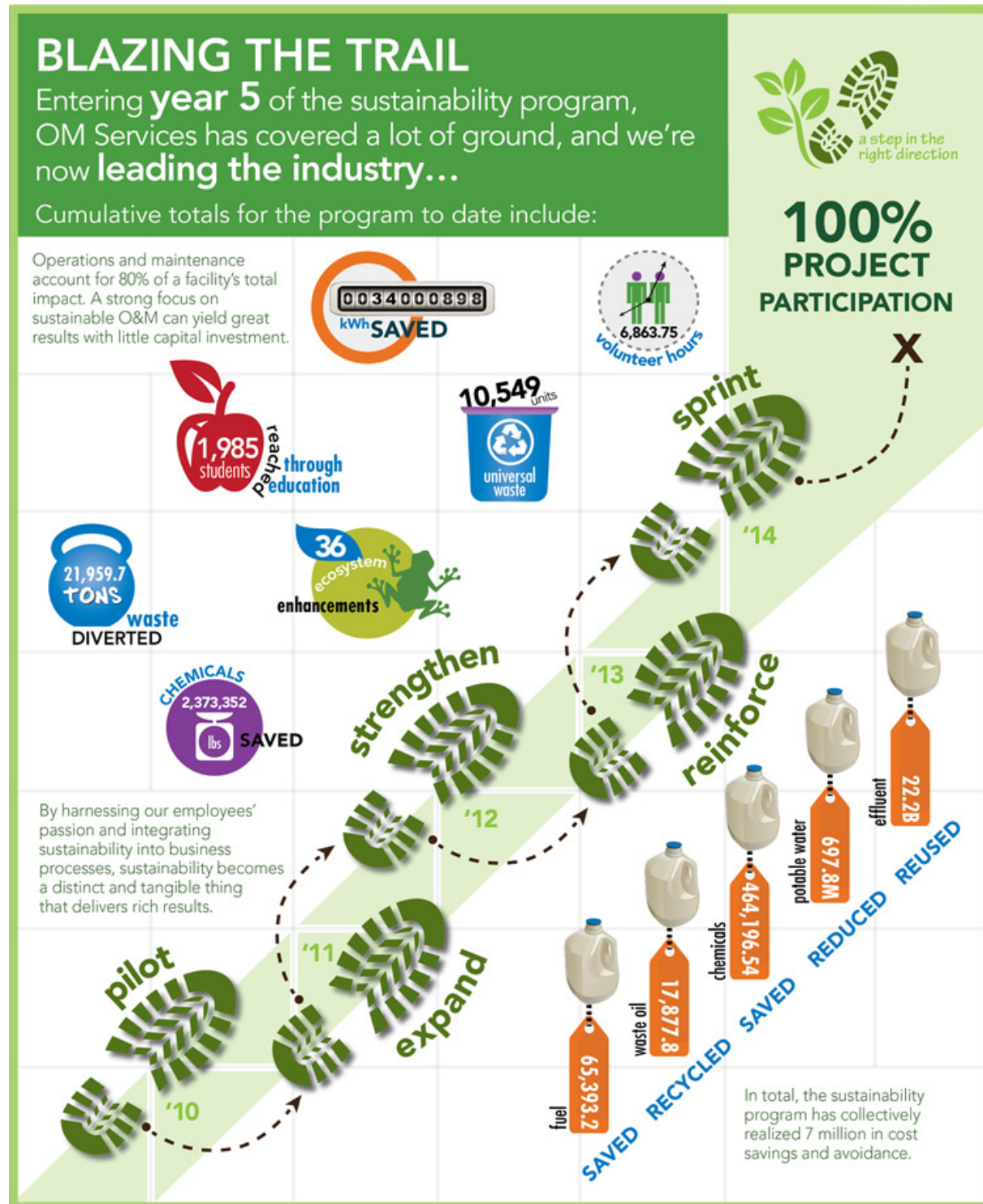
5.4.2 Documenting Green Projects

After many years of successful green building design, we established a database in 2010 to document our green projects. Based on the value of these projects, CH2M HILL ranked number six on the *Engineering News-Record* Top 100 Green Design Firms list in 2013. We include projects that have received green building certifications such as LEED, Building Research Establishment Environmental Assessment Methodology (BREEAM®), Greenroads™, and Estidama, as well as projects that conform to these standards but might not have achieved certification.

Beyond complying with checklists for green building, we take a holistic approach to building design and remodeling that enables better system performance suited to the local environment and building use.

5.4.3 Assisting Clients with Facility Operations Management

CH2M HILL continued implementing our unique, site-driven sustainability program across the facilities, and water and wastewater treatment sites that we operate and maintain on behalf of our clients, separate from our North American EMS. Because we operate these facilities, we have a rare opportunity to be part of the day-to-day decision-making at varying levels of responsibility based on the contracts. This award-winning sustainability program leverages the passion and ingenuity of our project employees to develop site-specific sustainability goals, such as efficiency improvements, community projects, and wildlife habitat improvements.



With 2014 marking the program's fifth year of implementation, we have tallied our results and captured our keys to success in infographic form.

5.4.4 Greenroads™ to the Future

As one way to measure and mitigate the impacts of one our primary service areas (transportation infrastructure), CH2M HILL developed the Greenroads rating system, in partnership with the University of Washington. Greenroads quantifies sustainable practices associated with the design and construction of roads. A "Greenroad" is defined as a roadway project that has been designed and constructed to a level of sustainability that is substantially higher than current common practice. The Greenroads system can be used by transportation planners and engineers to accomplish the following:

- Define what project attributes contribute to roadway sustainability.
- Provide a sustainability accounting tool for roadway projects.
- Communicate sustainable project attributes to project stakeholders.
- Manage and improve roadway sustainability.
- Grant "certification" based on achieving a minimum number of points.

Greenroads is the first, and currently only, independent third-party rating system for roadways in operation worldwide. It has a set of 48 sustainable ideas, called "credits," for roadway design and construction. Road projects can obtain points for achieving credits, and the entire project can be certified based on the number of points earned. The program is managed by the Greenroads Foundation, a nonprofit organization whose mission is to further best practices in sustainable roadways. Modeled conceptually on the LEED system, Greenroads is not meant to dictate design or trade-off decisions; rather, it provides a tool to help with such decisions.

The Greenroads Foundation has been involved in the United States, Canada, Ireland, South Africa, the Middle East, and Europe in helping develop rating systems, starting charter organizations, and conducting research. We expect roadway sustainability standards to evolve in many nations in the coming decade.

5.5 Natural Capital

"Natural capital" refers to the value that ecosystems provide in the form of goods, such as clean water, metals and minerals, and services (such as defense from storms, flood prevention, and protection from fires). Green infrastructure, using nature's systems to help address water quality and other resource issues, offers a way to better leverage natural capital and make economic investments more efficient. CH2M HILL offers a wide range of green infrastructure solutions, including natural water filtration systems, stormwater engineering, treatment wetlands, and rain gardens.

Beginning in 2012, CH2M HILL committed to providing natural capital and green infrastructure solutions to our clients through the launch of the Corporate Eco Forum's Valuing Natural Capital Initiative. This initiative aims to demonstrate the business value of nature, galvanize action, and drive investment in natural infrastructure around the world. We committed to engaging 20 percent of clients from our U.S. Operations Management group in [water stewardship improvements](#).

In 2013, we expanded our focus beyond water to energy management, emissions and waste minimization, and ecosystem enhancement by helping to initiate the [Natural Capital Business Hub](#) in concert with over 40 global companies, The Nature Conservancy, and the Corporate Eco Forum. A collaborative online platform, the hub helps companies evaluate the business case for action and learn from and partner with peers on natural capital projects.

For 2014, we commit to incorporating the value of nature into solutions for clients across our entire company. Each year, we will communicate at least five high-impact green infrastructure projects through the Natural Capital Business Hub, media, publications, and events to build awareness and promote green infrastructure solutions.

To date, we have completed more than 200 green infrastructure projects across the world, including feasibility studies, planning, permitting, financial analysis, design, construction, operations, maintenance, restoration, and remediation. We use a variety of natural resource economic models to support planning and design, compare the effects of alternatives, understand impacts, demonstrate value, scale mitigation to meet liabilities, support the monetization of natural resource assets, and increase the quality and amount of ecosystem services. We have also developed for natural capital and green infrastructure projects a wide range of tools, such as the Global Water Tool, WaterMatch, and the Greenroads rating system.

One of our recent green infrastructure projects was to develop natural and traditional “grey” infrastructure alternatives for coastal engineering after Superstorm Sandy struck New York City in 2012. We conducted cost-benefit analyses to allow a comparison of alternatives, concluding that hybrid strategies that integrate natural and grey infrastructure (for example, sea walls and sea gates) can offer significant protection to New York City from major storm events.

Green infrastructure offers our clients cost-effective solutions that require lower capital investment and lower operations and maintenance burdens, create public benefits, and facilitate compliance with regulatory frameworks.

6. Our Partners

6.1 Stakeholders, Memberships, and Partnerships

CH2M HILL considers several groups to be stakeholders in the company's future. These groups include clients, employees, business and joint venture partners, suppliers and subcontractors, professional and nonprofit organizations, and the communities where we do work. Based on our [value chain relationships](#), we know that working with these various stakeholders on sustainability goals helps to improve performance for everyone.

Our two primary stakeholder groups are our employees and clients. As an employee-owned company, our employees are our investors and the driving force in sustainability efforts. Employees are actively engaged in sustainability through a network of volunteer green teams in our offices, as well as by providing direct comments and suggestions to our Executive Sponsor for Sustainability; Enterprise Sustainability Program Manager; business group sustainability leaders; and regional HSE teams.

Our clients seek to improve their supply chain sustainability and, as dedicated partners with them, we strive for disclosure and transparency in metrics that are important to our customers. More information about our value chain and these relationships is provided in [Sustainability Aspects and Boundaries](#). Many of CH2M HILL's high-profile projects and clients require reporting on sustainability progress as a part of the bidding process. Many more clients do not make such information a requirement for bidding nor score it, but do request it to ensure that CH2M HILL's values align with theirs. In turn, we drive sustainability into our supply chain by assessing selected vendors and subconsultants for their safety, environmental, and ethics programs. We also work with joint venture partners and others, and often select these partners based on matching cultures and values.

CH2M HILL engages with a multitude of other stakeholders, such as professional societies, nongovernmental organizations, and communities and governments where we work. In these activities, we provide financial support and technical expertise, as well as learn from others about how we might improve our organization and approach.

Professional organizations are rich sources of partnerships to accomplish sustainability objectives in the marketplace outside of CH2M HILL's own operations. Working with organizations that promote green building and sustainable infrastructure—as well as with more traditional engineering and scientific societies that are beginning to embrace sustainability—is a critical area that the company recognizes and directs funding. Such organizations include:

- American Society of Civil Engineers, along with a multitude of other engineering and scientific professional associations
- Zofnass Program for Sustainable Infrastructure, Harvard
- U.S. Green Building Council
- Institute of Environmental Management and Assessment
- Chartered Institution of Water and Environmental Management
- Water Environment Federation
- American Water Works Association

We partner with nonprofits directly and through our [CH2M HILL Foundation](#), which focuses on environmental stewardship, global access to water and sanitation, and STEM education. Other nonprofit partnerships, such as corporate networks and compacts who share a mission of creating a safer, more abundant world for the next generation, are directly tied to sustainable business. Examples of our partnerships, such as with Water For People and Engineers Without Borders USA, are described in [Fostering](#)

[Employee Excellence](#) and [Engaging our Communities](#). Many of these partnerships inform improvements to CH2M HILL's approach to sustainability. Our partner organizations include:

- United Nations Global Compact
- The Nature Conservancy
- Water For People
- Engineers without Borders
- Global Reporting Initiative
- Business Roundtable
- World Business Council for Sustainable Development
- Business Council for Sustainable Development, United Kingdom
- Green Business Executive Network
- Business in the Community
- Corporate Eco Forum

The lists above are not exhaustive, but focus on the most prominent relationships in terms of the sustainability and corporate citizenship programs.

CH2M HILL engages with the communities where we have offices and where we complete projects. Avenues for engagement include our efforts in [sustainable communities](#) and [employee engagement](#). For example, CH2M HILL's Employee Action Grant program allows employees to funnel grant funds towards local charities and organizations that align with CH2M HILL's values based on the number of hours they volunteer.

CH2M HILL selects and engages with stakeholders using a variety of methods appropriate to the group and the relationship. For example, employees are regularly asked for feedback when considering new programs, such as Employee Action Grants. Employee ideas often result in additional actions in the EMS, such as development of the *Best Practices Guide for Reducing Bird Collisions with Office Windows* in 2013. Green Team activities in most CH2M HILL offices offer insight into employee priorities. Some focus on in-office education about environmental topics, such as water and energy conservation. Others focus externally, engaging in community clean-ups and volunteer projects. All activities support CH2M HILL's culture of environmental stewardship and community caring.

Clients drive several aspects of corporate citizenship through contractual requirements, supplier sustainability surveys, and bid document requests. Contractual requirements often align with high-level, global concerns, such as ethics, human rights, safety, and climate change and carbon emissions. Supplier sustainability surveys typically ask for information on a range of other citizenship issues, such as waste management, energy and water conservation, career development and training, volunteerism, philanthropy, and corporate governance. Many clients include these types of issues on requests for proposals. Client sustainability surveys and questionnaires are compiled and analyzed for issues that are important or emerging.

Our supply chain sustainability surveys enable a dialogue with key suppliers about sustainability to further the programs of both entities. In 2014, CH2M HILL plans to undertake a more formal engagement process, asking targeted stakeholder groups for feedback on our materiality analysis and sustainability report. This feedback will be incorporated into our next report.

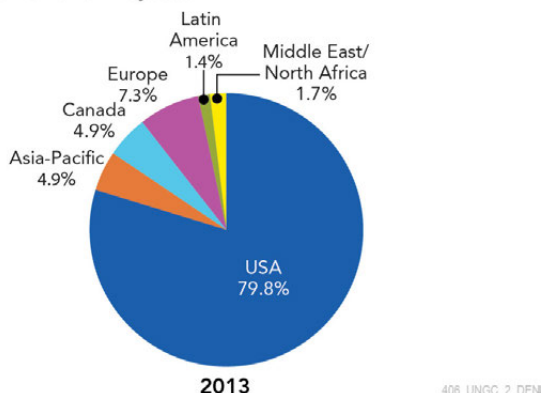
6.2 Supply Chain: Procurement for Client Projects

As is typical in the engineering and construction industry, CH2M HILL's supply chain consists of suppliers and subcontractors that provide a wide variety of goods and services. These goods and services differ from project to project and may include materials, engineered equipment, fabricated products, professional and technical services, and construction services. The required supply chain varies based on the market business

mix, project location, scope of procurement, design specifications, project objectives, client requirements, and other factors, as it is situated within CH2M HILL's overall [value chain](#). Strategic sourcing decisions are made at the project level and may include local, domestic, or global sourcing; large or small and disadvantaged business enterprises; and a variety of supplier types, such as manufacturers, fabricators, distributors, or brokers. Our supply chain database includes more than 4,700 registered, active companies, at a total contract value of \$2.5 to 3 billion annually. We have suppliers in all [regions](#) where we operate.

Regional Spending on Procurement for Client Projects

G4-12



Procurement provides a valuable leverage point for CH2M HILL to lessen its environmental impact and influence supplier behavior. CH2M HILL expects all members of our supply chain to endorse our values on business ethics, environmental sustainability, labor and employment, and fair-trade practices. Our [Supply Chain Ethics & Business Conduct Principles](#) outline our expectations for our suppliers and subcontractors.

CH2M HILL's procurement organization separates management of direct (client) and indirect (overhead) expenditures. Indirect Procurement implements sustainability screening on long-term, high-value agreements, such as technology, services, paper, office supplies, and furnishings; this screening is described in [Supply Chain: Purchasing for CH2M HILL Operations](#). Direct Procurement offers approaches to assist engineers and construction designers in selecting more sustainable construction materials, equipment, and services, in collaboration with clients and in consideration of budget constraints. Nearly half of our direct procurement spend is in subcontracting, which involves equipment and labor. Approximately one-third of our spend is on services, and the remainder of our spend is composed of equipment, materials, and other categories.

CH2M HILL's Direct Procurement Sustainability solution supports this ever-changing supply chain. Our solution promotes selection of suppliers and subcontractors that have robust sustainability programs internally and provide sustainable products and services. The Direct Procurement Sustainability solution includes procedures and tools, communications, training, and metrics for internal reporting on metrics, such as the number of suppliers who have provided sustainability qualifications. Our solution addresses factors that are promoted by authorities such as the World Business Council for Sustainable Development and World Resources Institute, as well as CH2M HILL's own sustainability program.

Sequence of Supply Chain Activities

G4-12



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Our standard bid solicitation includes a mandatory product sustainability profile questionnaire that addresses recycled content, the presence of hazardous and polluting materials, natural resource conservation, embodied carbon, and product performance. Each question has a range of answers that allow us to rate the performance. Forty-three percent of our registered supply chain base has completed the sustainability questionnaire since we incorporated it into the bid solicitation three years ago. This permits us to establish a graded rating with which we prequalify suppliers and subcontractors and select potential bidders who have a more robust sustainability program. Each year we send suppliers a reminder to update their questionnaire so that we can increase the number of suppliers responding to the questionnaire and continue to prequalify where appropriate.

Our supplier qualification system allows us to automatically rank suppliers and subcontractors based on their responses to a set of questions in the areas of environmental responsibility, investment in employees and the community, economic performance assurance, and corporate social responsibility.

In 2014, our focus will be on continuing to implement the Direct Procurement Sustainability solution on our projects, enhancing our toolset based on lessons learned, incorporating newly emerging concepts, and improving our reported sustainability metrics.

There have been no significant changes to the supply chain itself since 2012, either as a result of organizational changes or major acquisitions.

6.3 Supply Chain: Purchasing for CH2M HILL Operations

CH2M HILL actively manages its supply chain for environmental, social, and economic sustainability issues, as described in [Supply Chain: Procurement for Client Projects](#). Our procurement organization separates management of direct (client) project firmwide agreements from indirect (overhead) procurement firmwide agreements. For our environmental procurement program within our EMS, we focus on indirect procurement because we have substantial control over these agreements rather than acting through client contracts. These agreements are international and the scope of this disclosure is companywide.

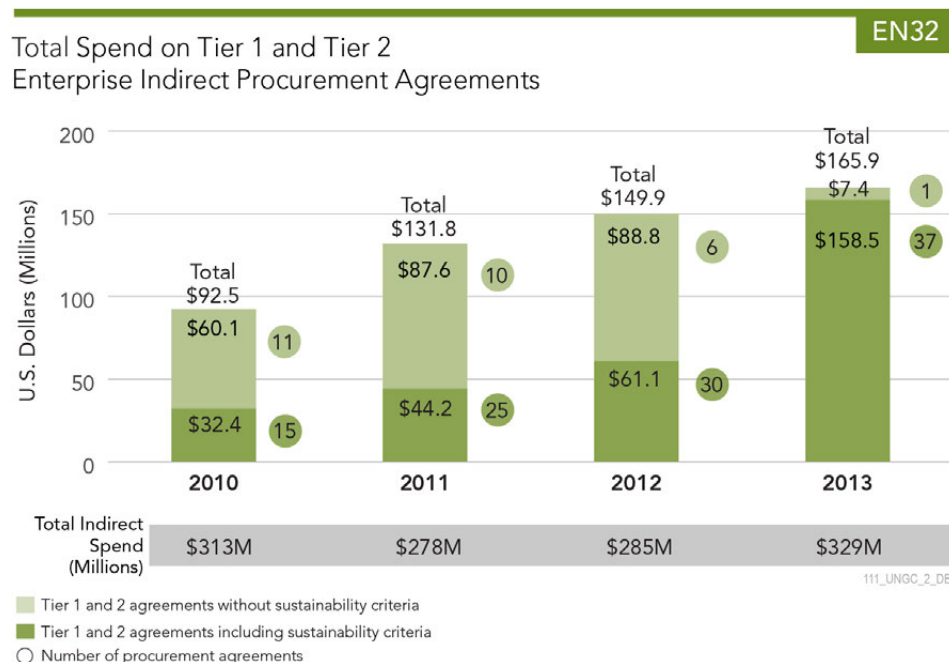
In a global supply chain, consisting of hundreds of supplier relationships, we start by focusing on those suppliers who are willing to partner with us to reduce our environmental impact. These suppliers work with us to establish meaningful, effective, and industry-relevant contractual metrics that define specific sustainability objectives. The Indirect Procurement group segments suppliers into four tiers:

- Tier 1 – Strategic: Long-term, high-volume agreements
- Tier 2 – Preferred: Long-term but lower-volume agreements
- Tier 3 – Value Add: Shorter-term, lower-volume agreements with infrequently used suppliers
- Tier 4 – Tactical: Typically a one-time procurement with no ongoing relationships or expenditures

Tier 1 and Tier 2 agreements reflect those supplier relationships with significant spend, transaction volume, and business impact. Accordingly, these are CH2M HILL's most important indirect supply chain relationships and are the focus of our management approach.

Since 2010, all Tier 1 and 2 suppliers have been screened for environmental criteria and are required to respond to questions about their sustainability programs and demonstrate continuous improvement. We use four sets of sustainability metrics of increasing rigor with our Tier 1 and Tier 2 suppliers. In the future, we intend to measure their performance against the contracted metrics as part of our supplier performance management system.

In 2013, our indirect spend with Tier 1 and Tier 2 suppliers that had sustainability metrics in their agreements was US\$158.5 million, an increase of US\$97.4 million over the previous year. Out of our total indirect spend of US\$329 million, about 48 percent is with Tier 1 and 2 suppliers with sustainability metrics.



When procuring office products and other supplies, the Indirect Procurement group places a priority on selecting green products (“eco” mark products). CH2M HILL purchased US\$695,000 in recycled products in 2013 versus US\$557,000 in 2012. Our percentage of recycled purchases increased from 38.3 percent in 2012 to 44.7 percent in 2013. We look forward to improving these numbers in 2014 and to continuing to lessen our impact on the environment.

6.4 Business Partnerships: Local and Diverse Spending

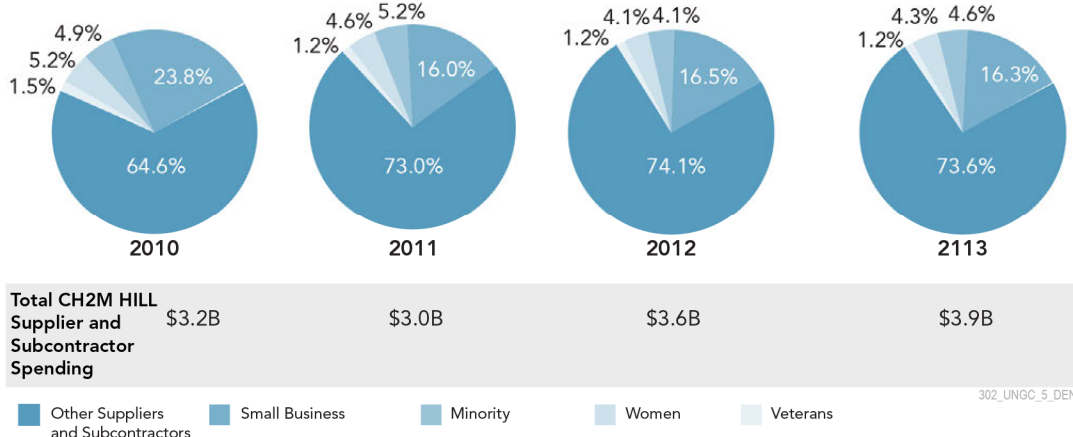
The CH2M HILL family of companies has a long-standing commitment to fostering relationships with small and diverse businesses. We promote participation by partnering with local, small, and diverse business firms and providing business opportunities, training, mentoring, and other resources to help them develop and grow.

CH2M HILL defines “local” as the site where a project is designed or constructed. As a global project delivery firm, we conduct short- and long-term projects in many locations. We make inquiries with local chambers of commerce and minority; women; veteran; lesbian, gay, bisexual, and transgender (LGBT); and small business professional organizations to increase the number of small and diverse businesses in our supplier database and foster partnerships where we have active projects. Numbers and percentages fluctuate from year to year because of our acquisition of other companies, the nature and amount of work that can be subcontracted, and the fact that some businesses expand and no longer qualify as small businesses according to the U.S. Small Business Administration.

Overall, CH2M HILL pursues subcontracting opportunities with small, disadvantaged, LGBT, minority, veteran-owned, and woman-owned enterprises for our commercial, industrial, U.S. federal, and municipal contracts.

CH2M HILL Supplier and Subcontractor Spending

EC9



Note: Total CH2M HILL Supplier and Subcontractor Spending is inclusive of client project spend, indirect procurement spend, and miscellaneous non-project categories. Client project spend totaled US\$2.5 billion in 2011.

In 2013, the CH2M HILL Office of Supplier Diversity and Small Business Program recognized individual employee and project accomplishments as follows:

- Three employee recognition awards (for program and project managers and contract and subcontract administrators) recognize employees that provide small business opportunities for subcontracting, nurturing relationships, and enhancing small and diverse businesses' skills to compete for larger scopes of work:
 - **Advocate of the Year Award – Project/Program Manager**
Craig Lenhart, Program Manager, Anacostia Waterfront Initiative
 - **Advocate of the Year Award – Contract/Subcontract Administrator**
Nicole Young, Contract Administrator, Ft. Campbell
Lisa Williams, Subcontract Administrator, Ft. Campbell
- Three levels of project or program recognition recognize project teams for meeting or exceeding their contractual small business subcontracting goal requirement:
 - **Diamond Award**—Meets or exceeds all small and diverse business subcontracting goals (presented to nine projects or programs for clients such as the U.S. Air Force, U.S. Navy, EPA, U.S. Department of Energy, National Aeronautics and Space Administration (NASA), National Science Foundation, and Pacific Gas and Electric Company)
 - **Platinum Award**—Meets or exceeds all but one small and diverse business subset subcontracting goal (presented to 10 projects or programs for clients such as the U.S. Army, U.S. Navy, NASA, Babcock & Wilcox Technical Services Group, Department of Homeland Security, and General Service Administration)
 - **Administrator's Award**—Various circumstances prevent meeting the small and diverse business criteria, but performance is still exemplary (presented to three projects for Fort Campbell, Baton Rouge Sanitary Sewer Overflow Program, and CH2M HILL Academy Services, LLC)

CH2M HILL also participates in the U.S. Small Business Administration's awards program to recognize our great subcontractors. The U.S. Small Business Administration's Small Business Subcontractor of the Year

awards program allows large business contractors, such as CH2M HILL, to nominate its best and brightest small business subcontractors for national recognition. Since 1996, CH2M HILL has nominated 39 small business subcontractors for this award. For 2013, we recognized the following:

- Full Circle Communications
- Jaster-Quintanilla
- Polar Field Services
- Strategic Economics, Inc.

We also maintain strong mentor-protégé relationships with minority and woman businesses under U.S. Department of Energy, EPA, and U.S. Small Business Administration programs, and we participate in more than 30 small business networking events each year.

7. Engaging Our Communities

7.1 Summer Education Program Reaches the Next Generation of STEM Leaders

Creating a future where our profession better reflects the communities where we work is the vision behind the Summer Engineering Experience for Kids program. By exposing young students to inspirational mentors from our diversity networks, we are fostering an inclusive future.

Today's children are tomorrow's leaders—this is a core tenet of sustainability. So, CH2M HILL understands the importance of investing in future generations and mentoring students to help them grow toward careers in engineering and science. In the summer of 2013, Harambee (CH2M HILL's Black employee network group), along with members of JuMP (CH2M HILL's Junior- and Mid-Level Professionals network) and other employees, participated in a 3-week summer program for nearly 300 young students with 50 college mentors, exemplifying our commitment to fostering job opportunities for traditionally under-represented individuals in STEM.

“Harambee” is a Swahili word meaning “working together in unity” and it was in this spirit that members of the two employee networks teamed with the SEEK program in Denver to introduce students to the dynamic and exciting fields within STEM. Developed by the National Society of Black Engineers (NSBE) in 2007, the SEEK program focuses its educational programming on children of color and



CH2M HILL sponsored a fun morning to teach kids about water filtration by having them design and assemble their own filter unit, and test what materials worked best. (Photo courtesy of Brian Grant of NSBE)



CH2M HILL's Karen Nakandakare with two college mentors and SEEK students thanking CH2M HILL for their support.

girls, and is promoted in schools with lower-income families. A number of CH2M HILL senior executives and staff played pivotal roles in bringing the SEEK program to Denver in 2013, initiating a partnership between NSBE, CH2M HILL, the City of Denver, and Denver Public Schools to make it happen.

Women, Hispanics, and African-Americans make up the bulk of the future workforce, yet are often underrepresented in STEM fields. Simultaneously, many better-paying jobs stand vacant because there are not enough qualified workers to fill them. John Madia, CH2M HILL's Chief Human Resources Officer, reflected on CH2M HILL's involvement in SEEK Denver: “For most kids, particularly children of color and girls, STEM learning opens minds and doors to careers where they have few role models. In helping to grow a diverse pool of future talent, our firm

reaps benefits by putting into practice our values of creating partnerships to help sustain and build better communities.”

SEEK Denver is offered at no cost to families and introduces students to engineering. The program relies on college-student teachers, many of whom are female or minorities majoring in STEM fields. The mentors guide students through the program and serve as role models. Over the course of 3 weeks in July, the college students mentored 275 children from third through fifth grades. The camp attendees spent Monday through Friday designing, building, testing, and troubleshooting various project toys. In the process, the kids developed math and science skills, learned teamwork and presentation skills, and were encouraged to go to college.

Working in small teams, the children designed and built mini solar cars, gliders, and gravity cruisers. Then they got to see how their efforts fared in team competitions for speed, distance, duration, and accuracy. Anxious and excited faces, cheers, and clapping abounded during the competitions. Gliders, launched with big rubber bands, soared overhead toward designated targets or the coveted goal of longest flight. The gravity cruisers, tower-like structures on wheels, used pulleys, weighted levers, fulcrums, and gravity to propel them. And, uniquely for the Denver program, CH2M HILL hosted a special activity for kids to build a mini water filtration unit. With names like “The Dream Team” and “Gravity Force,” teams practiced presentation skills before judges, using their project posters to show concepts and vocabulary they had learned.

We have committed to sponsor and help organize SEEK Denver over three summers (2013 through 2015). In addition, NSBE and CH2M HILL are cultivating other partners to continue the Denver program in future years.

7.2 CH2M HILL Foundation

The CH2M HILL Foundation is proud to partner with organizations to develop sustainable communities and inspire the next generation of socially and environmentally responsible leaders. We focus our support in three strategic areas: STEM education; environmental stewardship; and employee engagement. CH2M HILL first launched the Foundation in 1992 to honor [the firm’s founders](#) and to support their legacy of strengthening communities through engineering excellence and community engagement.

In January 2013, CH2M HILL relaunched the CH2M HILL Foundation with a fresh, relevant mission. We recruited a board of directors that includes employees, to better represent the firm’s diverse and global business. Today, the CH2M HILL Foundation is a robust philanthropic organization with strategic giving pillars and a full-time staff. In just one year, the Foundation doubled its giving from 2012 and expanded its reach to key markets in Argentina, Australia, Canada, Mexico, and the United Kingdom.

In the area of STEM education, the Foundation supported a wide range of programs in 2013, introducing elementary students to basic science and math concepts, sponsoring secondary student science and engineering competitions, and providing financial support and hands-on engineering experiences to keep university students engaged. As one of the world’s largest consulting firms, CH2M HILL is committed to developing and fostering a diverse and robust talent pipeline.

Our commitment to environmental stewardship is demonstrated through our support of two partner organizations that provide access to clean water and develop sustainable communities in Africa, Asia, and Latin America; these are [Water For People](#) and [Engineers Without Borders USA](#). Together, both groups



(Photo courtesy of Brian Grant of NSBE)

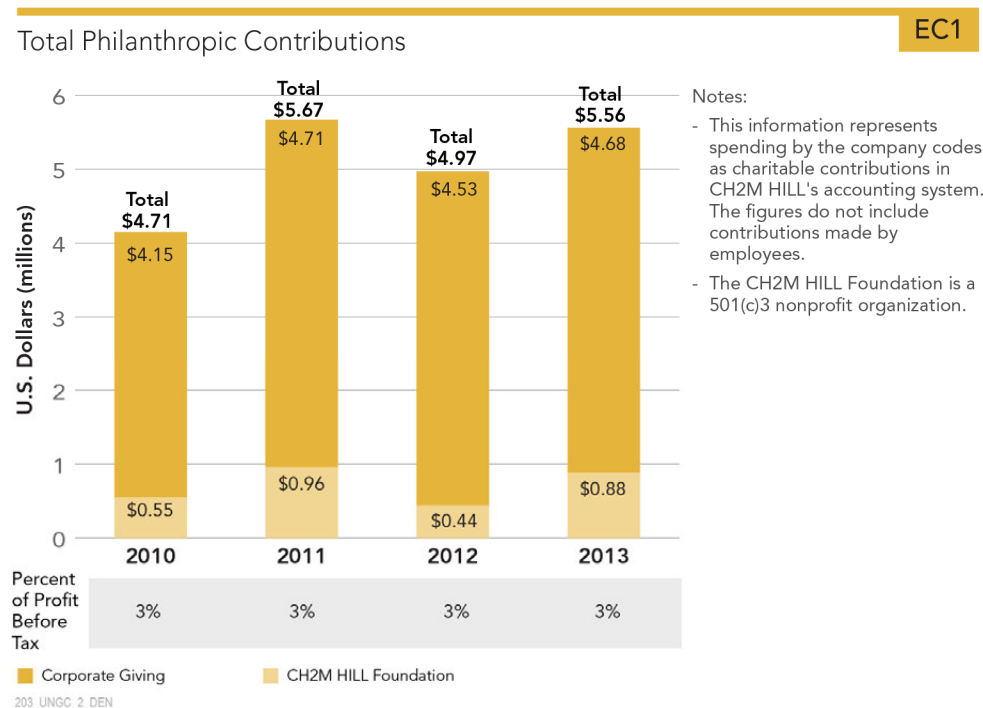
improve the lives of millions of people annually by providing access to clean water; building bridges that link communities to education, healthcare facilities, and markets; and providing energy to power schools and health clinics.

We appreciate the passion that our employees bring to work every day and the spirit of service they demonstrate as community volunteers. In 2013, employees logged over 18,000 volunteer hours by engaging in two signature programs of the CH2M HILL Foundation:

- Through the Foundation's **Travel Grants Program**, employees went to Africa, Asia, and Latin America to lend their technical expertise on critical infrastructure projects sponsored by Water For People and Engineers Without Borders USA.
- **Employee Action Grants** were also awarded to charitable organizations in recognition of the countless hours donated by employee volunteers in Canada, Europe, Latin America, and the United States.

The Foundation's Board of Directors, which includes employees from around the world, is honored to be entrusted with funding from CH2M HILL and is mindful about putting it to use in the most beneficial and strategic ways possible. In the coming years, the Foundation's impact will grow as CH2M HILL expands to meet the challenges of our increasingly complex world.

CH2M HILL manages charitable giving through the CH2M HILL Foundation and other programs focused primarily on STEM education, environmental stewardship, and employee engagement programs.



7.3 STEM Education

The two most critical ingredients for an effective STEM initiative are students and teachers. The magic happens when both are empowered with the tools to succeed. Read more about how CH2M HILL supports innovative programs to inspire students and enable teachers around the world.

7.3.1 Inspiring Students

Founded by a professor and three of his students, CH2M HILL has a long-standing passion for supporting innovative education programs. Students of all ages receive support from CH2M HILL to study STEM, as these topics are widely recognized as critical skillsets in solving the challenges facing our planet in the 21st

century. We focus on pulling students through the STEM pipeline by preparing young people for future workforce requirements at each level of schooling:

- **Elementary/primary school:** We team with programs that introduce students to the fun and diverse world of STEM. One such program is the [Summer Engineering Experience for Kids \(SEEK\) program](#) in Denver. Over a 3-week period, 300 kids in grades 3 through 5 spend Monday through Friday designing, building, testing, and troubleshooting various project toys. In the process, they develop their math and science skills. Developed by the NSBE, SEEK Denver is offered at no cost and introduces many students to a field to which they may not have had previous exposure. According to the National Science Foundation, a significant disparity persists in STEM participation among African-Americans. The program relies on 50 college mentors who guide the students through the program and serve as role models.
- **Middle school:** We look for programs that help students in middle school latch onto exploring a potential career path and hone their STEM skills by providing engaging, collaborative hands-on opportunities to stretch their creativity. [The Future City Competition](#), a project-based learning experience, allows students to imagine, design, and build cities of the future. Student teams work with educators and mentors to plan cities with SimCity™ software, research and write solutions to an engineering problem, and build tabletop scale models with recycled materials. Then, they present their ideas before judges at regional competitions. Regional winners advance to the national finals in Washington, D.C., where the winning team receives a cash prize and a week at NASA Space Camp. This year, CH2M HILL engineers mentored the winning Future City teams from the State of Washington. We also provided 60 volunteer judges at 23 regional competitions and the national finals, and sponsored the Most Holistic City award.
- **High school:** As high school students are at the crossroads of major career decisions, we support STEM organizations that help students take the next steps in college preparedness. For example, [the DREAM program](#) at Rice University encourages high school students from socioeconomically disadvantaged high schools in Houston, Texas, to pursue degrees and careers in engineering fields. The program sends a team of Rice University STEM undergraduates to mentor and teach students at select schools. Currently, 60 Rice University volunteer mentors are serving 140 mentees. Mentoring relationships are formed naturally, via small group design projects and competitions. Teams of students work on designs and then demonstrate them on DREAM Day at Rice University. The program runs in both fall and spring, providing continuity to the mentoring relationship and pre-engineering concepts being introduced throughout the academic year. The CH2M HILL Foundation's grant will support the DREAM program in the 2013-2014 academic year.

7.3.2 Enabling Teachers

When teachers are equipped with the knowledge and skills necessary to foster a new generation of STEM-enabled students, everyone wins. The CH2M HILL Foundation has partnered with two organizations to achieve this goal, the [Greater New Orleans STEM Initiative](#) and Seattle-based [Facing the Future](#):

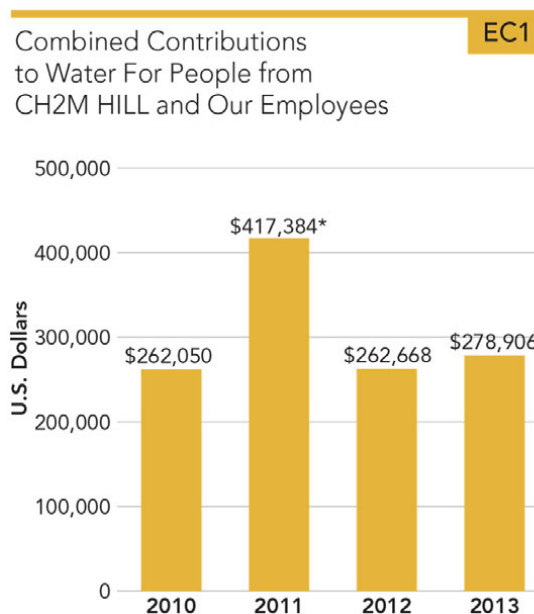
- **Greater New Orleans STEM Initiative:** High school physics and chemistry teachers attend a 2-week institute to learn how to use cutting-edge STEM curricula and technology that allow students access to hands-on, inquiry-based learning opportunities instead of the traditional textbook instructional model of lecturing and memorization. As a result, teachers return to the classroom more empowered and students benefit from new, more engaging teaching methods.
- **Facing the Future:** Global sustainability education is offered to 30,000 educators in 120 countries every year. The learning modules equip teachers with tools to foster critical and creative thinking in 1.8 million students every year about pressing global challenges and how to resolve conflicts between the sometimes competing goals of pursuing economic prosperity, environmental quality, and social equity.

7.4 Sustainable Communities

As the global population grows toward 9 billion by 2050, solutions for water, energy, infrastructure, and environmental challenges are becoming increasingly important to address in a holistic, sustainable manner. In CH2M HILL's strategic markets, the CH2M HILL Foundation supports nonprofit, community-based organizations that are providing access to clean water, developing sustainable communities, and protecting or enhancing our planet through environmental stewardship:

- Energy:** CH2M HILL employs over 2,200 in the oil and gas industry in Alaska, a state with an abundance of natural resources. To ensure that Alaska's students learn about the risks and rewards of their robust economy, the CH2M HILL Foundation supports [Alaska Resource Education](#), a statewide nonprofit organization that provides teachers with a STEM-focused resource education program. This course equips educators to teach about Alaska-specific mineral, energy, and forest resources.
- Environment and Nuclear:** Each year the [Anacostia Watershed Society](#) engages 3,000 Washington, D.C., and Maryland youth in its environmental education service-learning programs. Reflecting our commitment to a safer, cleaner environment, a grant from the CH2M HILL Foundation funds 300 students in STEM education and hands-on restoration of tributary streams near their schools. Through the Stream Stewards program, schools are connected to local waterways and students are empowered to become environmental stewards. Teachers use nearby tributaries as outdoor classrooms. The society provides professional development to classroom teachers, educates students about watershed protection issues, and engages them in conservation and restoration projects.
- Facilities and Urban Environments:** The CH2M HILL Foundation provided a \$50,000 grant to [Build Change](#), a nonprofit organization that designs earthquake-resistant houses in countries prone to seismic disasters. Build Change trains local builders, homeowners, engineers, and government officials to retrofit homes, making them safer for residents while giving the local workforce marketable skills. After 15,000 people in Indonesia, China, Haiti, Guatemala, and Bhutan have been trained in earthquake-resistant design and construction, they have built 20,000 safer homes for 80,000 people. Funds from the CH2M HILL Foundation will allow Build Change to expand its retrofit program to Indonesia and to train Build Change-Indonesia's local engineers (both men and women) in seismic retrofitting.
- Transportation:** Through our decade-long support of [Engineers Without Borders USA](#), the CH2M HILL Foundation is helping to bring basic infrastructure solutions to developing communities in 45 countries. In Guatemala, CH2M HILL provided \$10,000 to help construct a 250-foot-long pedestrian bridge across the Rio Motagua River, enabling important access to schools, clinics, and markets for 5,000 people. Transportation Engineer Mike Paddock assisted with design and construction of the suspension bridge, a joint effort between Engineers Without Borders USA and Bridges to Prosperity. The bridge receives significant traffic and allows farmers to grow more coffee, which can now be sold in the market across the river.

- Water:** Complementing CH2M HILL's work in the water sector, our partner [Water For People](#) brings clean, safe drinking water and sanitation to developing communities. The CH2M HILL Foundation's Employee Travel Grants enable employees to share their technical expertise in the field. Civil Engineer Jeff Friesen traveled to Malawi as a volunteer to help the water utility of Blantyre, Malawi's largest city, to locate multiple groundwater sources. With very little planned infrastructure, the city relies on surface water to supply its population of 850,000. With the data acquired by Jeff's team of volunteers, Blantyre residents now have hope for access to an even more abundant source of water for their growing city. Read about Jeff's experience in [this blog post](#).



* In 2011 CH2M HILL donated \$150,000 to Water For People India. This contribution was in addition to \$223,000 in employee donations and \$194,384 additional corporate donations.

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7.5 Employee Engagement

Recognizing employees for donating their time and talent and providing volunteer programs that foster pride, loyalty, and camaraderie are strong building blocks for employee engagement at CH2M HILL. The following examples demonstrate the positive impact we can have around the world.

- Individual Impact:** As evidenced throughout this report, individuals at CH2M HILL give generously of their time and technical expertise to strengthen nonprofit organizations around the world. [Todd Wang](#) devotes several weeks a year to Bridges to Prosperity, striving to ensure that residents in rural Nicaragua have safe passage to schools, clinics, and local marketplaces. [Mike Paddock](#) is a decade-long volunteer with Engineers Without Borders USA, mentoring dozens of university students in sustainable infrastructure for the developing world. [Melissa Mora](#) and Susana Struve spent two weeks in Bolivia with Water For People, monitoring water and sanitation systems.
- Team Impact:** Kishan Patel, a water engineer based in Wales, is passionate about STEM. As a volunteer for the Institution of Civil Engineers, Kishan organized a team of 10 CH2M HILL colleagues who spent 190 hours planning and executing the "2013 Engineering Team Challenge" for 450 students ages 12 to 15. Each student team designed and constructed a model earthquake-resistant building from limited materials. Not only did the students learn from an invaluable hands-on engineering project, but also the organization received a \$1,000 Team Employee Action Grant from the CH2M HILL Foundation in recognition of the time donated by Kishan and his coworkers. [Read Kishan's blog post](#).

8. Our Approach and Report

8.1 Meet CH2M HILL

CH2M HILL is an employee-owned consulting, design, design-build, operations, and program management firm. As a leader in the industry and one of the first in our sector to publish a sustainability report in 2005, CH2M HILL continues a tradition of excellence and transparency in reporting on internal operations related to sustainability. Our goals are to both manage the impacts of our own operations and apply our company's portfolio of services to help our clients' organizations become more sustainable—whether dealing in master planning, program management, facilities and land development, sustainable cities, water, waste, transportation, energy and carbon management, environmental work, site revitalization, industrial systems, or long-term operations and maintenance.

Headquartered in Denver, Colorado, CH2M HILL provides full-spectrum services that meet the specific needs of our clients and their communities. We deliver consistent focus and commitment on projects of all sizes and scope, anywhere in the world. At the present time, we are actively working in [more than 100 countries or sovereign states](#) around the world.

CH2M HILL, an employee-owned company, has long been recognized as an industry-leading firm in program management, construction management, and design, as ranked by *Engineering News-Record* (2013). Verdantix, an independent analyst firm focused on sustainable business issues, has named CH2M HILL a U.S. leader in sustainability consulting (2013), environmental services (2012), sustainable engineering (2010), and climate change consulting (2009). These recognitions exemplify our commitment to sustainable practices in our internal operations, our project delivery, and the communities we serve.

Our [ownership nature and legal form](#), and the [scale of the organization](#), enable us to offer a wide range of [services](#) to commercial, government, and nongovernmental clients throughout multiple [markets and sectors](#).

The following legal entities, listed in CH2M HILL's SEC filings, are within the scope of this report:

- CH2M HILL Alaska, Inc.
- CH2M HILL Canada, Limited
- CH2M HILL Companies, Limited
- CH2M HILL Constructors, Inc.
- CH2M HILL Engineers, Inc.
- CH2M HILL Global Holdings, S.a.r.l.
- CH2M HILL, Inc.
- CH2M HILL Netherlands Holding B.V. CHIHB, LP
- Halcrow Group Ltd.
- Halcrow Holdings Ltd.
- LG Constructors, Inc.
- Operations Management International, Inc.
- VECO Services, Inc.

8.2 Awards

CH2M HILL has won a large slate of awards for its environmental excellence and sustainable solutions, including the following awards and rankings earned from 2013 through spring 2014. Numerous additional awards are mentioned throughout this report.

Workplace Awards

- We have been listed as a [best place to work](#) in the United States six times since 2003.
- **FORTUNE 500:** After debuting on the FORTUNE 500 list at 436 in 2009, CH2M HILL ranked 415 in 2013.
- **Business Insider:** In February 2013, CH2M HILL debuted on the list of “50 Best Employers in America” as No. 32. As the first annual list of the best American employers by PayScale and Business Insider, this ranking of FORTUNE 500 companies evaluates companies by both pay and employee happiness. CH2M HILL employees reported high rates of relaxation and meaningfulness, in addition to flexibility and satisfaction.
- **FORTUNE World’s Most Admired Companies (2013).** After being ineligible the past several years (2009-2012) for this ranking (because of the revenue threshold), CH2M HILL was ranked first for innovation and **social responsibility** within the engineering and construction industry.
- **Alberta, Canada’s Top 60 Employers (2013).**

Diversity Awards

- *Minority Engineer* magazine: Top 50 Employers (2014)
- National Society of Black Engineers’ Annual Employee Preference (“NSBE 50” Survey) (2013)
- *Workforce Diversity for Engineering and IT Professionals* magazine: Top 50 Employers (2013)
- Catalyst Award: CH2M HILL was the first firm in the engineering and construction industry to receive this award honoring innovative organizational approaches that advance women in the workplace. We received the award in 2009 as a one-time recognition of achievement.

Health and Safety Awards

- **National Safety Council (NSC) Corporate Culture of Safety Award (2013)** honoring the firm for receiving more than 111 NSC awards.
- **NSC Safety Leadership Award**, Eldorado Area Water and Sanitation District, New Mexico (2013)
- **NSC Safety Leadership Award**, the Cities of Georgetown and Temple, Texas (2013)
- **Workplace Safety and Health Silver Performance Award (Singapore) (2013)**
- **United Kingdom Chartered Institute of Highways and Transportation:** John Smart Road Safety Aware for A-one+, a joint venture with CH2M HILL, Colas, and Costain, for its work in the field of road worker safety (2013)
- **Highways Magazine Excellence Awards (2013):** Site Safety Initiative Award for No Strikes IPV Awareness Training, A-one+
- **Water Environment Federation Safety Award:** Fort Campbell, Kentucky (2013)
- **WSH Performance Award, SHARP:** Procter & Gamble, Singapore (2013)
- **Britain’s Royal Society for the Prevention of Accidents: Gold Medal (sixth consecutive) (2013)**
- **British Safety Council: 2013 International Safety Award**
- **2013 Association of Project Safety National Construction Design Management (CDM) Awards:** CDM Coordinator of the year for Emirates Arena and the Sir Chris Hoy Velodrome (Glasgow)
- **OSHA Voluntary Protection Program** for three projects (GE Aviation, Rio Rancho, and Walla Walla)

Sustainable Project Awards

- **U.S. Water Alliance: U.S. Water Prize Award**, Onondaga County (New York) Save the Rain Program (2013)
- **Environmental Business Journal and Climate Change Business Journal 2013 Business Achievement Awards for Environmental Excellence:**
 - Installation and operation of eight solar-powered bioreactor systems in five states and Puerto Rico
 - Addressing impacts of climate change and weather events, with joint venture partner Hazen & Sawyer, on wastewater infrastructure for the New York City Department of Environmental Protection
 - Design, construction, and operation of the Agua Nueva Water Reclamation Facility in Pima County, Arizona
 - Establishing Green Path Partners, a strategic partnership with EKO Asset Management, to use private financing to develop green, resilient infrastructure
- **AAEES Excellence in Environmental Engineering and Science Honor Award:** Planning for the New York City Department of Environmental Protection Wastewater Resiliency Plan project (2014)
- **2013 Green Living Award:** CH2M HILL Plateau Remediation Company
- **Alliance of Hazardous Materials Professionals Excellence in Hazardous Materials Management:** CH2M HILL Plateau Remediation Company
- **Water and Energy Exchange Global Innovation Award:** Ejby Mølle Wastewater Treatment Plant, Denmark
- **American Academy of Environmental Engineers and Scientists 2014 Industrial Waste Management Grand Prize and W. Wesley Eckenfelder Industrial Waste Management medal:** Iron Mountain Mine Sediment Removal and Remediation project
- **Engineering News-Record 2013 “Best of the Best Projects”:** New York City Department of Environmental Protection Catskill-Delaware Ultraviolet Disinfection Facility
- **U.S. Air Force: Thomas D. White Award:** Beale Air Force Base, California
- **Robert O. Anderson Sustainable Arctic Award:** For outstanding contributions toward sustainable development in the Arctic (2013)
- **United Nations Water “Water for Life” Best Practices Award:** NEWater Visitor Centre, Singapore
- **Consulting Engineers of Alberta CEA Showcase Award of Merit:** Jackpine Mine Integrated Closure, Conservation and Reclamation Plan (2014)

Ethics

World's Most Ethical Companies (2014, 2013, 2012, 2011, 2010, and 2009): The Ethisphere Institute has recognized CH2M HILL as one of the World's 100 Most Ethical Companies for 6 years in a row.

Local Sustainability Awards

Diamond Ring Award for Outstanding Leadership: The highest commute reduction recognition award was presented by EnterpriseSeattle (Washington), to honor CH2M HILL's recurring years as a Diamond Ring Award winner (more than 70 percent of employees in our Puget Sound-area offices use a form of alternative transportation at least once a week).

8.3 Governance and Corporate Citizenship

Solid [corporate governance](#) enables CH2M HILL to implement the appropriate balance between the objectives and priorities of our employee-owners and other [stakeholders](#). CH2M HILL's [leadership](#) structure includes a CEO and President, [Jacqueline Hinman](#), as well as a [Board of Directors](#). Corporate citizenship is embedded within CH2M HILL's corporate and operational governance, with specific functions that address multiple facets of citizenship and sustainability.

Management of and authority over economic aspects of CH2M HILL's operations are described in [Economic Performance](#). For the social and environmental aspects of our operations, authority is delegated to our Executive Sponsor for Sustainability, [Elisa Speranza](#), who was named to the Board of Directors in early 2014. The lead outside director of the CH2M HILL Board of Directors, Chad Holliday, has been active in CH2M HILL's sustainability program. As the former Chair and CEO of DuPont and a former Chair of the World Business Council for Sustainable Development, Chad coauthored a book called *Walking the Talk: the Business Case for Sustainable Development*. Read more about Chad's perspective on the importance of corporate sustainability governance in this [Thompson Reuter's article](#).

Day-to-day management of sustainability and corporate citizenship is delegated to the departments most directly responsible for that aspect (for example, Corporate Affairs, Human Resources, or Health, Safety, and Environment). CH2M HILL is in the process of restructuring its organizational governance approach in 2014. The company's commitment to our [Sustainability Policy](#) will remain a critical component of our structure and business approach.

Our Enterprise Sustainability group, led by Program Manager [Brandy Wilson](#), is responsible for coordinating among CH2M HILL's sustainability and corporate citizenship functions to produce this report, expanding sustainability service offerings to our clients, managing our internally focused environmental program, and fostering a culture of environmental stewardship within the company. Her counterpart in corporate social responsibility is [Ellen Sandberg](#), Executive Director for the CH2M HILL Foundation and leader of our community partnership and philanthropy programs. [Bill Brierly](#), Chief Counsel for ethics and business conduct, oversees our ethics and integrity programs.

Enterprise Sustainability is home to the Sustainability Leadership Board (SLB), which functions at a level on par with other business-critical functions, such as health and safety, ethics and compliance, quality, and technology. The SLB's team charter includes identifying and managing sustainability project opportunities and risks; training staff to identify client challenges and propose sustainable solutions; and developing tools that provide breakthrough value for our clients. The SLB, active since 1995, includes representatives from all business units and operates under the executive operations and governance councils of the company. This collaborative approach enables us to deliver integrated sustainable solutions for our clients.

8.3.1 Sustainability and Corporate Citizenship Leaders

8.3.1.1 Jacqueline Hinman, President and CEO

Growing up in Maryland, Jacqueline Hinman was born to an engineer father and a biologist and teacher mother. She inherited their knack for creative problem-solving and interest in building sustainable communities.

Her father traveled the world extensively, and Jacque became fascinated with the many countries he visited. When her mother served on the local county council, Jacque recalls listening to her discuss siting and design for a new landfill. Not surprisingly, Jacque earned her bachelor's degree in civil/environmental engineering from Pennsylvania State University.



During the past 31 years, Jacque has worked for the U.S. Environmental Protection Agency (EPA) and other consulting firms, but most of her career has been at CH2M HILL. She thrives on high-profile, extremely complex projects and programs, such as the EPA Superfund Program, London 2012 Olympic and Paralympic

Games, the Rio 2016 Olympics, and the MASDAR sustainable city in Abu Dhabi...major programs that have raised CH2M HILL's sustainability profile. She has held a wide variety of executive leadership positions and led CH2M HILL's acquisition of Halcrow Group, a UK-headquartered engineering firm with US\$1 billion in annual revenue.

Jacque feels that the best part of her career has been working all around the world in different cultures, while being able to count on the consistent quality and values of CH2M HILL coworkers to deliver the best projects anywhere. She loves meeting clients who come up with creative solutions to protect our planet and she is inspired by people who promote sustainable communities, economic growth, gender and cultural diversity, and social tolerance.

She is known as a leader who walks the talk, and she feels a personal passion for sustainability. When she served as CH2M HILL's Executive Sponsor for Sustainability several years ago, she led an initiative to rid our Denver headquarters of plastic water bottles—not an easy task. Her goals for the firm are market leadership, balanced growth, and client stewardship. To achieve these goals, she has prioritized sustainability, safety, quality, technology, diversity, positive employee engagement, and the highest standards of ethical behavior as drivers for CH2M HILL's success.

8.3.1.2 Elisa Speranza, Executive Sponsor for Sustainability

All over the world, people are taking notice that water scarcity is a universal issue affecting all societies, at all levels. Elisa Speranza is no stranger to global water challenges. Elisa is CH2M HILL's Executive Sponsor for Sustainability, Chief Communications Officer, and former President of our Operations Management Business Group. Elisa has been on the frontline of developing solutions for clean and safe water and sanitation access for communities everywhere from North America to Africa. For almost 30 years, Elisa has helped clients address issues affecting water and wastewater utilities challenged with aging infrastructure and on the road to sustainable asset management. While serving on the Water For People board, she traveled to some of the 11 developing countries that the global nongovernmental organization assists with creating sustainable water and sanitation solutions. Elisa is also President of the CH2M HILL Foundation, allowing her to apply her guiding principles of respect, integrity, and service into action to help build a better and more sustainable world.



When asked where the line is between her professional work and her community service efforts, Elisa says there is no line, citing her passion for service and the core values shared between CH2M HILL and organizations like Water For People and the CH2M HILL Foundation. As a resident of New Orleans, and having grown up on the Massachusetts coast, she takes issues like climate change, coastal erosion, and the health of our oceans personally.

"The shifting demands of economies in crisis, poverty, climate change, and water scarcity create a dynamic push and pull between business-as-usual and trying something new. Creating a sustainable future doesn't mean going back, or viewing the world in terms of diminished capacity for health, economic opportunity, or an impoverished environment. Realists at heart, we strive to make sustainable solutions practical. We're committed to figuring out how to weave sustainability into the fabric of our lives and allow humanity to flourish within our ecosystem, capitalizing on our interconnectedness in new and fundamentally better ways," Elisa says.

8.3.1.3 Brandy Wilson, Enterprise Sustainability Program Manager, LEED AP O+M

Brandy Wilson truly embraces environmental stewardship and knows that there is an art to sustainability. Brandy serves as our Enterprise Sustainability Program Manager, responsible for helping the firm and our clients improve sustainability performance. Her career includes public outreach and technical documentation for environmental



remediation projects, environmental analysis and decision processes, and sustainability framework planning for businesses. Brandy finds that LEED O+M aligns strongly with much of the sustainability work she does, because it concerns ongoing environmental operations, such as waste reduction, communications, teleworking, commuting, and energy and water conservation. She helped start one of the firm's first green teams in 1998, raising awareness of sustainability issues and encouraging environmental stewardship in our offices.

Brandy manages the complex production of CH2M HILL's Sustainability Report, which has won two communications awards. She also provides sustainability framework consulting and environmental communication services for clients and publishes sustainability articles on behalf of the firm.

Like many of her cohorts, Brandy considers sustainability more than a professional responsibility; it's a personal commitment. "I am truly passionate about growing opportunities that let our people shine for the environment, every day in the office," Brandy notes. "My job, more broadly, is to make the complicated, interconnected, often highly scientific concepts around sustainability clear so that we, as a society, can make better decisions. I love to work with people from all backgrounds and political viewpoints to create a more sustainable world." Brandy served on her city's Planning and Zoning Commission for 8 years, currently serves on the Ada County Open Space and Parks Advisory Board, and recently earned her MBA in sustainable business.

8.3.1.4 Ellen Sandberg, Executive Director, CH2M HILL Foundation

Ellen believes that strategic giving and impact investing are the hallmarks of effective corporate philanthropy. Since 2001, Ellen has worked for three Fortune 500 companies to integrate a loose set of charitable programs into cohesive corporate social responsibility platforms. Her current role as Executive Director of the CH2M HILL Foundation is to strengthen and promote employee community engagement and bolster the firm's commitment to STEM-focused education programs that develop the world's 21st century workforce and contribute to global environmental sustainability.



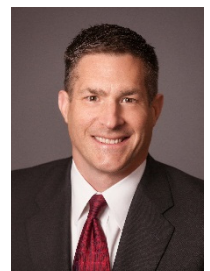
In 2013, Ellen played a leading role in transitioning the CH2M HILL Foundation, from a relatively small corporate foundation focused solely on funding grants at the university level, to a robust organization with an expanded global scope and a focus on three strategic areas of giving: environmental stewardship, STEM education, and employee engagement. "At CH2M HILL, corporate citizenship is demonstrated in how we combine our entire portfolio of strengths, including our employees, our expertise, and our economic impact, in order to lay a sustainable foundation for human progress," notes Ellen.

In its first year, the CH2M HILL Foundation granted more than US\$890,000 to more than 170 nonprofit organizations that promote STEM education and sustainable community development. More than \$250,000 was invested where employees volunteer their time and technical expertise around the world. For the first time, the CH2M HILL Foundation awarded grants to organizations in Australia, Argentina, Canada, Mexico and the United Kingdom. "As a global company with operations in over 60 countries, it is critically important that our corporate citizenship efforts reflect the diversity of our employees and clients. In 2013, the Foundation truly became a global giving partner," says Ellen.

8.3.1.5 William H. (Bill) Brierly, Chief Counsel for Ethics and Business Conduct

Bill Brierly joined CH2M HILL in October 2012 to ensure that our ethics and integrity program has the tools and focus necessary to meet the challenges of our global growth strategy. As Chief Counsel for ethics and business conduct, Bill oversees our award-winning ethics and integrity programs in more than 100 countries.

Bill applies his passion for lifelong learning and teaching to find creative ways to integrate his understanding of economics and the law. He brings real-world, collaborative solutions to ethical issues facing international businesses. Before joining CH2M HILL, he served in a variety



of executive roles, including as the Head of Legal Affairs, at TeleTech, a publicly-traded, global business process outsourcing company.

“Operating at all levels of our business with ethics and integrity is central to our success at CH2M HILL and forms the basis for our approach not only to large-scale engineering and construction projects but also in solving day-to-day issues in the workplace,” Bill notes. “From our founding in 1946 through today, CH2M HILL has a tradition and a reputation of doing business ethically and with integrity. This tradition is captured in our *Little Yellow Book*, written by one of our founders Jim Howland, which includes several tenets on how to run an ethical, productive, and ethical business. These tenets, such as “Integrity is the all-important prerequisite to employment; the person must be honest with himself and others or we have no foundation on which to build,” are woven into the fabric of our culture and guide the actions of our employees. According to Bill, “We cannot rest on our tradition of ethical business conduct; instead, we must view this tradition as foundation upon which we will continually improve our ethics program and enhance our reputation for integrity in our work and in our business practices.”

8.3.1.6 Katherine Johnson, Vice President, Global Human Resources Enterprise Services

Katherine’s natural passion for people and supporting other’s successes led her to a career in talent management. She recognizes that our 23,572 global employees are the foundation not only of our company success, but also in living our commitment to social responsibility. She applies her passions toward developing the programs that strengthen the foundation of our company’s success and foster the “CH2M HILL Way.”



Katherine began her 21-year career with CH2M HILL as a college intern and has lent her expertise to delivering strategic human resources leadership to an array of business markets, both domestically and internationally. She has also played a key role on projects, including one of the firm’s marquee programs: the Rocky Flats Closure Program, one of the firm’s strongest examples of environmental, economic, and social sustainability.

As vice president of Global HR Enterprise Services, Katherine leads, plans, and delivers strategic, global HR leadership and services. She is responsible for talent acquisition and management, compensation and benefits, workforce planning and analytics, diversity and inclusion, global service centers, and HR project management offices.

In 2013, her team was proud to support the [Summer Engineering Experience for Kids program](#) where university mentors introduced elementary students to engineering concepts. An outreach program of the National Society of Black Engineers, the summer camp sponsorship reinforced CH2M HILL’s commitment to diversity, university relations, and the company’s value of mentoring.

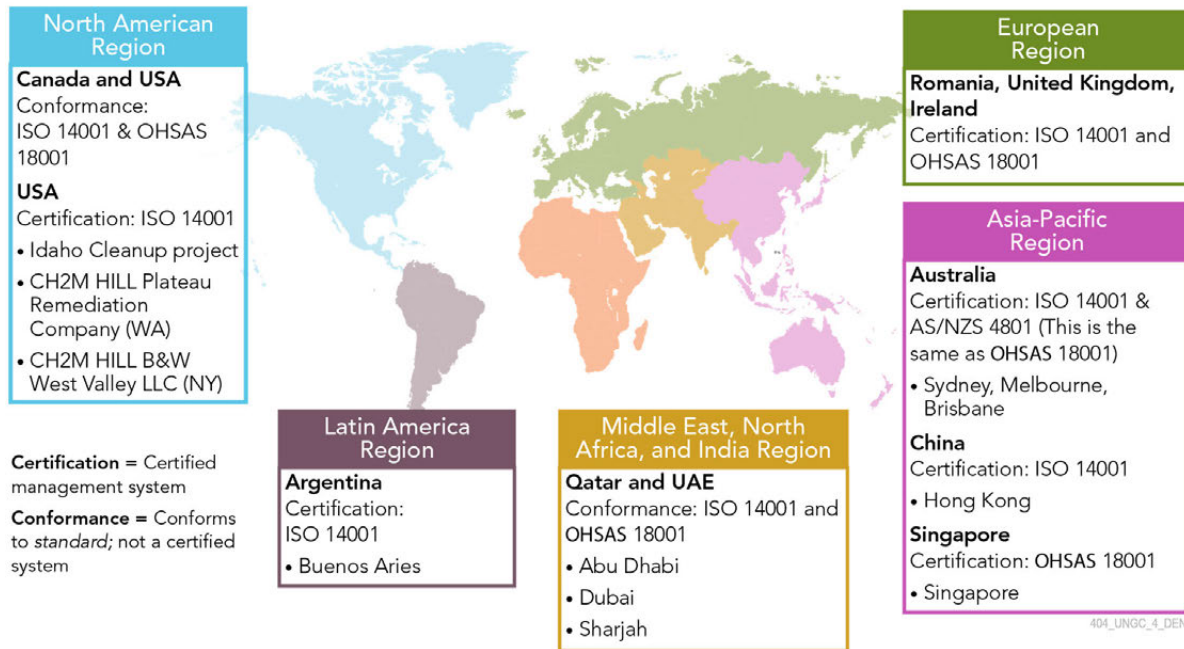
According to Katherine, “Our diverse and engaging employees are critical to our business success. We take pride in the investment we make in our people by establishing learning and talent as strategic differentiators for the firm.”

8.3.2 Management Systems

CH2M HILL’s safety and EMS programs are illustrated on the map below. As mentioned in “[Health and Safety](#),” our formal HSE management system is based on ANSI Z10-2012.

CH2M HILL Safety and Environmental Management Systems

CH2M HILL



8.4 Report Profile

This 2014 Sustainability Report focuses on activities and performance from January 1 to December 31, 2013. Additionally, historical data for the past 4 years are included, as appropriate and available, to demonstrate trends. We report annually, with the most recent report issued in June 2013. As reflected in previous sustainability reports, tracking for some of our sustainability metrics extends back as far as 2003. Forward-looking statements for 2014 and beyond are provided to indicate our goals in helping to create a sustainable future.

No significant restatements of information from previous reports are included in this report. None of our base years or periods have changed, nor did the nature of our business change. The scope and boundaries are noted for each aspect in the [Report Index](#) and did not significantly change from previous reports.

To determine our reporting priorities for the aspects of our organization that we directly control, we involve the employees responsible for each of those functions, such as Facilities, Human Resources, Safety, IT, Learning & Development, Corporate Legal, and Travel. Representatives from each of these functions meet annually to review the GRI performance indicators and industry-relevant metrics, determine if business changes have necessitated a change in reporting, and consider recent macro-scale developments and trends that might affect CH2M HILL. We apply a ranking system and, as a group, rate each of the indicators based on relevance to employees, clients, legal issues, and impact on the natural world and the communities where we work. We calculate each of these factors to determine an overall ranking, and this informs our goal setting and reporting strategies.

Unless otherwise noted, all monetary references are in United States dollars (US\$). Throughout the report, “tonne” refers to metric tons.

8.5 Report Index

CH2M HILL is proud to issue this Global Reporting Initiative™ (GRI) G4 report as a member of the GRI G4 Pioneer Program. This report is in accordance with G4 core reporting guidelines. In some cases, we have adjusted our reporting approach to reflect more accurately CH2M HILL’s business model and the way we work, and we have added reporting areas specific to our sector and what is material to our business and stakeholders. In all cases, we respond to the spirit of the GRI indicators and provide a transparent view of

both our achievements and our shortcomings. The indicators were selected because they apply to our business in a meaningful and challenging way and represent areas where we have effects on the world. For a full explanation of the GRI guidelines, visit www.globalreporting.org.

Disclosures on management approach (DMAs) are incorporated with the text for each aspect and disclosure, as appropriate. Each number, statement, or result is accompanied by a brief description of how the topic is addressed within our organization.

8.5.1 General Standard Disclosures

General Standard Disclosures		Location	External Assurance
Strategy and Analysis			
G4-1	Letter from senior leadership	Our Pledge: Message from Senior Leadership	None
G4-2	Sustainability impacts, risks, opportunities, and performance	Our Pledge: Sustainability Strategy 2014 Highlights	None
Organizational Profile			
G4-3	Organization name	Our Approach and Report: Meet CH2M HILL	None
G4-4	Primary brands, products, and services	Our Approach and Report: Meet CH2M HILL	None
G4-5	Headquarters location	Our Approach and Report: Meet CH2M HILL	None
G4-6	Countries of operation	Our Approach and Report: Meet CH2M HILL Locations Worldwide	None
G4-7	Ownership nature and legal form	Our Approach and Report: Meet CH2M HILL Employee Ownership	None
G4-8	Markets served: geographies, sectors, and customers	Our Approach and Report: Meet CH2M HILL Locations Worldwide Services Markets	None
G4-9	Scale of organization	Our Approach and Report: Meet CH2M HILL About Us	None
G4-10	Workforce distribution	Fostering Employee Excellence: Workforce Distribution	None
G4-11	Collective bargaining agreements	Fostering Employee Excellence: Workforce Distribution	None
G4-12	Supply chain description	Our Partners: Supply Chain	None
G4-13	Supply chain significant changes	Our Partners: Supply Chain	None
G4-14	Precautionary principle	Our Pledge: Sustainability Strategy	None
G4-15	Charters, principles, and initiatives	Our Partners: Stakeholders, Memberships, and Partnerships	None
G4-16	Memberships and partnerships	Our Partners: Stakeholders, Memberships, and Partnerships	None
Identified Material Aspects and Boundaries			
G4-17	Organizations listed in financial statements and report scope	Our Approach and Report: Meet CH2M HILL	None
G4-18	Report content definition and boundaries	Our Pledge: Sustainability Strategy, Report Profile, and Report Index	None
G4-19	Material aspects identified	Our Pledge: Sustainability Strategy	None
G4-20	Aspect boundary for each aspect	Our Approach and Report: Report Index DMAs for each aspect	None





General Standard Disclosures		Location	External Assurance
G4-21	Aspect boundary outside of the organization	Our Approach and Report: Report Index DMAs for each aspect	None
G4-22	Effect of restatements of information	Our Approach and Report: Report Profile	None
G4-23	Changes from previous reporting period in scope and boundaries	Our Approach and Report: Report Profile	None
Stakeholder Engagement			
G4-24	Stakeholder groups	Our Partners: Stakeholders, Memberships, and Partnerships	None
G4-25	Identification and selection of stakeholders	Our Partners: Stakeholders, Memberships, and Partnerships	None
G4-26	Approach to stakeholder engagement	Our Partners: Stakeholders, Memberships, and Partnerships	None
G4-27	Key topics and concerns raised through stakeholder engagement	Our Partners: Stakeholders, Memberships, and Partnerships	None
Report Profile			
G4-28	Reporting period	Our Approach and Report: Report Profile	None
G4-29	Most recent report date	Our Approach and Report: Report Profile	None
G4-30	Reporting cycle	Our Approach and Report: Report Profile	None
G4-31	Report contact	Our Approach and Report: Governance and Corporate Citizenship Contact Us	None
G4-32	GRI index and “in accordance” statement	Report Index	None
Governance			
G4-34	Governance structure of organization	Our Approach and Report: Governance and Corporate Citizenship Governance	None
G4-35	Delegation process	Our Approach and Report: Governance and Corporate Citizenship Governance	None
G4-38	Governing body diversity	Fostering Employee Excellence: Workforce Diversity, Equality, and Inclusion	None
Ethics and Integrity			
G4-56	Values, principles, and behaviors	Our Pledge: Ethics and Business Conduct	None
G4-57	Mechanisms for seeking advice on ethical behavior	Our Pledge: Ethics and Business Conduct	None
G4-58	Mechanisms for reporting ethics concerns	Our Pledge: Ethics and Business Conduct	None

8.5.2 Specific Standard Disclosures

Specific standard disclosures and DMAs in this index are accompanied by an icon indicating the boundary of the sustainability aspect. These icons, identified below, correspond to CH2M HILL’s value chain, described in [Key Sustainability Impacts and Effects](#). CH2M HILL reports upon material aspects relevant to our sector that go beyond the GRI G4 list; these are identified with the prefix “CH-” in this index.





CH2M HILL Aspect Boundary Icons

G4-18b







-  **CH2M HILL Enterprise-wide** (impact from CH2M HILL global activities; for example, carbon emissions and CH2M HILL Foundation work)
-  **CH2M HILL Regions** (impact is reported by region within CH2M HILL; for example, diversity is only reported for North America; recycling is reported in multiple, but not all, regions)
-  **CH2M HILL and Suppliers** (impact reported from CH2M HILL and its suppliers or subcontractors)
-  **CH2M HILL and Clients** (impact resulting from client projects and decision-making, while working with CH2M HILL)


















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Economic Material Aspects

	Indicators	Location in Report	Omissions	Boundary	External Assurance
DMA	Economic performance	Our Pledge: Economic Performance	None		None
EC1	Economic value generated and distributed	Our Pledge: Economic Performance Engaging our Communities: CH2M HILL Foundation	For competitive reasons, CH2M HILL chooses not to disclose wages nor benefits publicly. Regional reporting was determined to not be significant.		Accounting audits
DMA	Procurement Practices	Our Partners: Business Partnerships	None		None
EC9	Spending on local suppliers	Our Partners: Business Partnerships	None		None

Environmental Material Aspects








	Indicators	Location	Omissions	Boundary	External Assurance
DMA	Environmental Aspect: Overall Management	Our Planet: Environmental Management	None		Varies by region; explained in text
DMA	Materials	Our Planet: Paper Consumption	None		None
EN1	Materials used by weight, volume	Our Planet: Paper Consumption	None		None
EN2	Recycled-input materials	Our Planet: Paper Consumption	None		None
DMA	Energy	Preserving the Environment: Carbon Emissions and Energy Use	None		None
EN3	Internal energy consumption	Preserving the Environment: Carbon Emissions and Energy Use	None		None





	Indicators	Location	Omissions	Boundary	External Assurance
EN6	Reduction of energy consumption	Preserving the Environment: Carbon Emissions and Energy Use	None		None
DMA	Water	Our Planet: Water Use	None		None
EN8	Water consumption	Our Planet: Water Use	None		None
EN10	Reused or recycled water	Our Planet: Water Use	None		None
CH-02	Community water preservation and engagement	Our Planet: Water Policy and Leadership	None		None
DMA	Emissions	Preserving the Environment: Carbon Emissions and Energy Use	None		Verification in progress
EN15	Direct carbon emissions	Preserving the Environment: Carbon Emissions and Energy Use	None		Verification in progress
EN16	Indirect carbon emissions	Preserving the Environment: Carbon Emissions and Energy Use	None		Verification in progress
EN17	Other indirect emissions	Preserving the Environment: Carbon Emissions and Energy Use	None		Verification in progress
EN19	Reduction of carbon emissions	Preserving the Environment: Carbon Emissions and Energy Use	None		Verification in progress
DMA	Effluents and Waste	Our Planet: All Sections	None		
EN22	Total water discharge	Our Planet: Water Use	None		None
EN24	Significant spills	Our Planet: Environmental Compliance	Spill locations are not disclosed to protect client confidentiality.		None
CH-03	Recycling, waste management	Our Planet: Recycling	None		None
DMA	Products and Services	Preserving the Environment: Client Services Footprint	None		None
EN27	Environmental impact mitigation	Preserving the Environment: Client Services Footprint Preserving the Environment: Natural Capital	None		None
DMA	Compliance	Our Planet: Environmental Compliance	None		None

	Indicators	Location	Omissions	Boundary	External Assurance
EN29	Monetary value of fines, sanctions	Our Planet: Environmental Compliance	None		None
DMA	Supplier Environmental Assessment	Our Partners: Procurement: Purchasing for CH2M HILL Our Partners: Supply Chain: Serving Our Clients	None		None
EN32	Percentage of new supplier screening	Our Partners: Procurement: Purchasing for CH2M HILL	None		None








Social Material Aspects

Labor Practices and Decent Work



	Indicators	Location	Omissions	Boundary	External Assurance
DMA	Employment	Fostering Employee Excellence: Workforce Distribution	None		None
LA1	New employee hires, turnover	Fostering Employee Excellence: Employee Turnover	None		None
DMA	Occupational Health and Safety	Fostering Employee Excellence: Health and Safety	None		Varies by region; explained in text
LA5	Health and safety committees	Fostering Employee Excellence: Health and Safety	None		None
LA6	Rates of injuries, lost days, fatalities	Fostering Employee Excellence: Health and Safety	We do not report by region nor by gender. CH2M HILL has so few incidents it could be possible to identify individuals, which would conflict with our privacy policies and regulations in some countries of operation.		None
DMA	Training and Education	Fostering Employee Excellence: Training and Development	None		None
LA9	Training statistics	Fostering Employee Excellence: Training and Development	CH2M HILL currently does not collect training information by gender and employee category.		None






	Indicators	Location	Omissions	Boundary	External Assurance
LA10	Skills management, learning programs	Fostering Employee Excellence: Training and Development	None		None
LA11	Performance reviews, career development	Fostering Employee Excellence: Training and Development	None		None
DMA	Diversity and Equal Opportunity	Fostering Employee Excellence: Workforce Diversity, Equality, and Inclusion	None		None
LA12	Governance bodies, employee diversity	Fostering Employee Excellence: Workforce Diversity, Equality, and Inclusion	None		None

Human Rights

	Indicators	Location	Omissions	Boundary	External Assurance
DMA	Human rights	Our Pledge: Human Rights	None		None
HR2	Human rights training	Our Pledge: Human Rights	None		None
DMA	Nondiscrimination	Our Pledge: Human Rights Fostering Employee Excellence: Workforce Diversity, Equality, and Inclusion	None		None
HR3	Discrimination incidents, corrective actions	Our Pledge: Ethics and Business Conduct	None		None
DMA	Child labor	Our Pledge: Ethics and Business Conduct	None		None
DMA	Forced or compulsory labor	Our Pledge: Ethics and Business Conduct	None		None
HR6	Risk for compulsory labor	Our Pledge: Ethics and Business Conduct	CH2M HILL is in the process of developing global tracking systems to respond to this material indicator.		None

Society

	Indicators	Location	Omissions	Boundary	External Assurance
DMA	Supporting Communities Globally	Engaging our Communities: CH2M HILL Foundation	None		None
CH-01	Community partnerships	Engaging our Communities: CH2M HILL Foundation	None		None

	Indicators	Location	Omissions	Boundary	External Assurance
DMA	Anti-corruption	Our Pledge: Ethics and Business Conduct	None		None
S03	Corruption risk	Our Pledge: Ethics and Business Conduct	CH2M HILL assesses risks of all global operations, including certain geographies at greater risk for corruption as ranked by Transparency International. Due to legal protections, however, we cannot disclose our methodology for conducting such assessments nor reveal the details of such assessments.		None
S04	Anti-corruption training	Our Pledge: Ethics and Business Conduct	Regional and category breakdowns for anti-corruption training are not provided because all employees are trained as a condition of employment.		None
S05	Corruption incidences	Our Pledge: Ethics and Business Conduct	To the extent that any such incidents might occur at CH2M HILL, we would collect this information internally and for legal reasons could not report specifics.		None
DMA	Public Policy	Our Pledge: Ethics and Business Conduct Our Planet: Water Policy and Leadership	None		None

Product Responsibility

The product responsibility aspect is not material for CH2M HILL because our company does not manufacture consumer products.

8.5.3 UN Global Compact Principles

No.	Principles/CH2M HILL Commitment
1 – 5	<p>Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labor; the effective abolition of child labor.</p> <ul style="list-style-type: none"> • Our Pledge: Human Rights
6	<p>The elimination of discrimination in respect of employment and occupation.</p> <ul style="list-style-type: none"> • Fostering Employee Excellence: Workforce Diversity, Equality, and Inclusion • Our Pledge: Ethics and Business Conduct
7	<p>Businesses should support a precautionary approach to environmental challenges.</p> <ul style="list-style-type: none"> • Our Pledge: Sustainability Strategy
8	<p>Undertake initiatives to promote greater responsibility.</p> <ul style="list-style-type: none"> • Our Planet: Environmental Management
9	<p>Encourage the development and diffusion of environmentally friendly technologies.</p> <ul style="list-style-type: none"> • Our Pledge: Sustainability Strategy • Preserving the Environment: Client Services Footprint
10	<p>Businesses should work against all forms of corruption, including extortion and bribery.</p> <ul style="list-style-type: none"> • Our Pledge: Ethics and Business Conduct