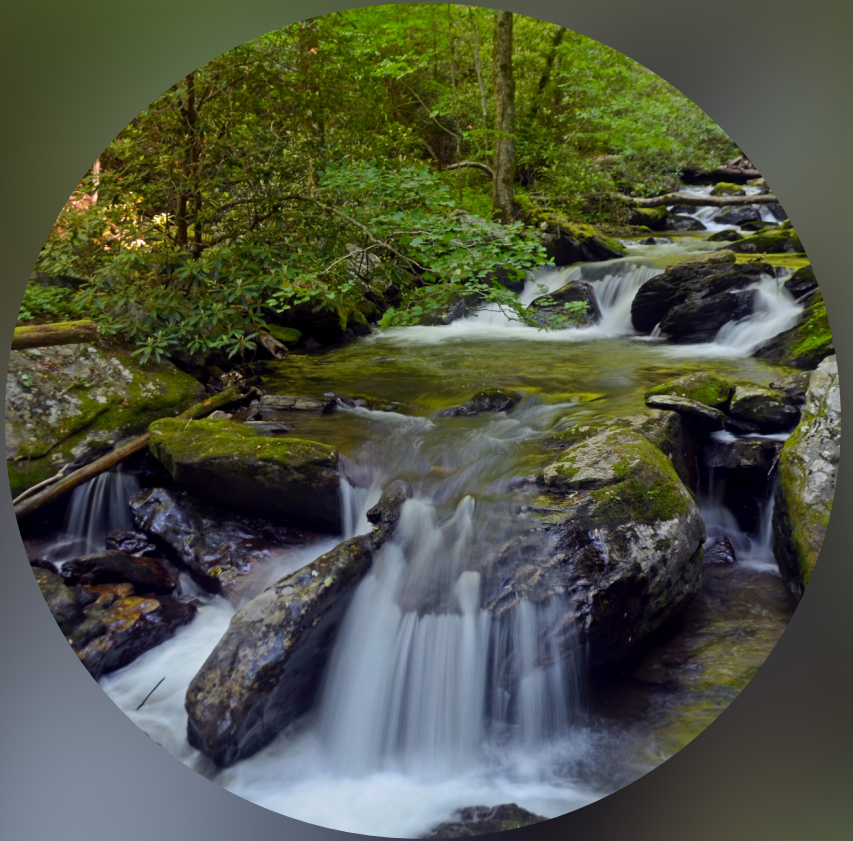




Sustainability and Corporate Citizenship Report



July 2015

Ten Years of Progress!



2015 Sustainability & Corporate Citizenship Report

2005: We became one of the first in our industry to share our progress in a Sustainability Report.

We began by transforming our operations:



Adopted green office finishes and furniture, power-saving fixtures, and sustainable landscaping

Saved 3+ million gallons of water on landscaping at our headquarters

Eliminated most bottled water and replaced paper and plastic with durable kitchen goods

Drinking water from the tap could save 17+ million barrels of oil per year in the US, enough to power 190,000 homes

Switched to recycled paper and defaulted to double-sided printing and copying

Saved 5,722+ trees

Greened our supply chain through sustainability criteria

Spent US\$570+ million with sustainable suppliers

Implemented recycling in offices—from paper to furniture

Recycled 529,970+ pounds (240,390 kilograms) of electronic waste

Now, we're engaging with employees, clients, and partners to lay the foundation for human progress:

Investing in the Earth:

- Working on **200+** natural infrastructure projects
- Reduced paper use by nearly **90 tons**—the weight of 22 elephants—in 2014
- Beneficially reused **4,200+ tons** of biosolids at wastewater treatment facilities in 2014

Bringing more voices to the table:

- Increased the women on our Board of Directors to **27 percent**
- Recognized as 2020 Women on Boards Winning Company
- Held first-ever diversity summit with **140 employees from 12 countries and 8 employee network groups**

Set—and meeting—our science-based carbon reduction goal

- Award winning goal to **reduce our footprint 25%** by 2017
- Recognized by the White House for leadership in greenhouse gas management



Treasuring water: a precious resource:

- Joining voices to support the Value of Water Coalition
- Raised nearly US\$2 million** for Water for People

Next, we'll change the game and build a sustainable future:

- Collaborate with The Nature Conservancy to establish the business case for natural infrastructure
- Invest in STEM* education, especially for underserved populations, such as our partnership with the Social Mobility Foundation in the UK
- Create a safer and more just world by raising the bar with our clients and partners on workplace safety, ethics, and worker welfare standards
- Share our expertise through webinars, presentations, social media and conferences
- Engage in skills-based volunteerism

For more information, read the complete [2015 Sustainability & Corporate Citizenship Report](#).

*STEM: science, technology, engineering, and math

Building Bridges in 2014

Built a 45-meter suspension bridge in just **8 days** through a partnership with Bridges to Prosperity (**11 CH2M employees**)

Created safe access for **200 people** to schools, medical clinics, markets, and farmland in **15 minutes** instead of a 4-hour round-trip walk

Granted **US\$50,000** to Bridges to Prosperity's Panama Bridge Training Program

Download a PDF version of [Ten Years of Progress!](#)

Contents

Section	Page
1. Our Pledge	1-1
1.1 Corporate Citizenship and a Sustainable Future	1-1
1.2 Message from Senior Leadership	1-2
1.2.1 Our Focus in 2014	1-3
1.2.2 Our Strategy for the Future	1-4
1.3 Sustainability Strategy	1-5
1.3.1 Key Sustainability Impacts and Effects	1-5
1.3.2 Sustainability Trends, Risks, and Opportunities	1-8
1.3.3 CH2M’s Performance and Plans in Key Sustainability Areas	1-9
1.4 Ethics and Business Conduct.....	1-10
1.4.1 Employee Reporting and Communications	1-11
1.4.2 Anti-corruption Policies and Procedures	1-12
1.4.3 Government Participation and Lobbying.....	1-13
1.4.4 Global Engagement.....	1-13
1.5 Human Rights.....	1-14
1.6 Economic Performance.....	1-16
2. Fostering Employee Excellence	2-1
2.1 Cover Story: Bridging Distances	2-1
2.2 Health and Safety.....	2-4
2.2.1 Injury Rates	2-5
2.2.2 Health and Safety Awards.....	2-6
2.3 Workforce Distribution	2-6
2.3.1 Workplace Culture	2-7
2.4 Workforce Diversity, Equality, and Inclusion.....	2-8
2.4.1 Bringing Diverse Groups Together for the First Time	2-11
2.5 Employee Turnover.....	2-12
2.5.1 Integrating New Staff.....	2-14
2.5.2 AlumniConnect	2-14
2.6 Training and Development	2-15
2.6.1 Training	2-15
2.6.2 Career Development Reviews.....	2-17
3. Our Planet	3-1
3.1 Environmental Compliance.....	3-1
3.1.1 Environmental Spills	3-1
3.2 Environmental Management	3-2
3.2.1 North American EMS	3-2
3.2.2 Europe EMS.....	3-3
3.2.3 Asia-Pacific EMS.....	3-4
3.2.4 Middle East, North Africa, and India (MENA) Region EMS.....	3-4
3.2.5 Latin America EMS.....	3-5
3.3 Water Use	3-7
3.3.1 Corporate Headquarters.....	3-7
3.3.2 Water Use in Europe.....	3-8
3.3.3 Water Conservation Strategies for Clients	3-9
3.4 Community Water Preservation and Engagement.....	3-10

Section	Page
3.4.1	Helping Clients Help Communities 3-10
3.4.2	Engaging Global Communities 3-11
3.4.3	Providing Industry Leadership..... 3-11
3.5	Paper Consumption..... 3-14
3.5.1	North America Paper Consumption 3-14
3.5.2	Europe Paper Consumption 3-16
3.5.3	Middle East Paper Consumption..... 3-16
3.5.4	Australia Paper Consumption..... 3-17
3.5.5	Latin America Paper Consumption..... 3-17
3.6	Recycling..... 3-17
3.6.1	Recycling in North America 3-17
3.6.2	Recycling in Europe 3-18
3.6.3	Recycling in the Middle East, Australia, and Asia Pacific 3-19
3.6.4	Recycling in Latin America..... 3-19
4.	Preserving the Environment4-1
4.1	Cover Story: Changing the Industry with Nature as Our Partner..... 4-1
4.1.1	How is Green Infrastructure Different? 4-2
4.1.2	What is Natural Capital? How Do We Account for Ecosystem Services?..... 4-3
4.1.3	How Do We Bring it All Together? What Does the Future Hold? 4-4
4.2	Carbon Emissions and Energy Use 4-5
4.2.1	Global Carbon Emissions Inventory..... 4-5
4.2.2	Boundary and Methodology 4-8
4.2.3	North American Energy Management and Carbon Emissions 4-8
4.2.4	Europe Energy and Carbon Emissions..... 4-9
4.2.5	Australian Carbon Emissions 4-11
4.2.6	Middle East Carbon Emissions 4-11
4.2.7	Electrical Use in Argentina 4-11
4.3	Carbon Emissions Reduction Target..... 4-12
4.3.1	Our Progress..... 4-13
4.3.2	Our Management Approach 4-14
4.3.3	Revised REC Accounting for Net Zero Power Consumption..... 4-14
4.4	Business Travel..... 4-15
4.4.1	Air and Ground Business Travel 4-15
4.4.2	Employee Commuting..... 4-17
4.4.3	Teleworking and Flexible Work Schedules..... 4-19
4.5	Client Services Footprint 4-19
4.5.1	Mitigating the Environmental Impacts of Our Services 4-19
4.5.2	Green Projects..... 4-19
4.5.3	Assisting Clients with Facility Operations Management..... 4-20
4.5.4	Institute for Sustainable Infrastructure Envision™ Rating System..... 4-20
4.6	Natural Capital..... 4-21
5.	Our Partners5-1
5.1	Stakeholders, Memberships, and Partnerships 5-1
5.2	Supply Chain: Purchasing for CH2M Operations..... 5-3
5.3	Supply Chain: Procurement for Client Projects..... 5-4
5.4	Business Partnerships: Local and Diverse Spending..... 5-6
6.	Engaging Our Communities.....6-1
6.1	Cover Story: Engaging Social Mobility 6-1

Section	Page
6.2	CH2M Foundation and Giving..... 6-3
6.3	Science Technology Engineering and Mathematics (STEM) Education..... 6-4
6.3.1	Inspiring Students 6-4
6.3.2	Enabling Teachers 6-5
6.4	Sustainable Communities 6-6
6.5	Employee Engagement 6-7
7. Our Approach and Report.....	7-1
7.1	Meet CH2M..... 7-1
7.2	Awards 7-2
7.3	Governance and Corporate Citizenship 7-5
7.3.1	Sustainability and Corporate Citizenship Leaders 7-6
7.3.2	Management Systems 7-10
7.4	Report Profile..... 7-10
7.5	Report Index 7-11
7.5.1	General Standard Disclosures..... 7-11
7.5.2	Specific Standard Disclosures 7-13
7.5.3	UN Global Compact Principles 7-18

1 Our Pledge

1.1 Corporate Citizenship and a Sustainable Future

Every year, when we begin to prepare this report, we take time for a bit of introspection. Especially now, at our 10-year anniversary of reporting, 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's culture, commitment, and passion.

As an industry leader and one of the first in our sector to publish a sustainability report in 2005, CH2M 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 our public and private sector clients, we find that each client engagement affords an opportunity to infuse business with our values by offering sustainable solutions to our clients' most pressing infrastructure and natural resource 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 a signatory to the UN Global Compact, CH2M is committed to ensuring that our business policies incorporate and support the UN Global Compact's Ten Principles. This report also serves as our 2014 UN Global Compact Communication on Progress report; our commitment to the ten principles is included in the [Report Index: UN Global Compact Principles](#). In addition, as part of our firm's commitment to the UN Global Compact, CH2M Chief Executive Officer (CEO) and Chair 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.

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 infrastructure and natural resource challenges by promoting economic growth and social inclusion through service to our clients and each other.

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1.2 Message from Senior Leadership

Our clients face many uncertainties and opportunities. In this time of global transformation, we are called to change the game and be more creative than ever before in helping our clients meet their critical infrastructure and natural resource needs. Working with our clients, we use state-of-the-art climate models to predict the infrastructure needed to protect communities, and we are integrating ecosystem services and natural capital to reduce costs, foster conservation outcomes, and improve the resiliency of engineering solutions. We've established policies to maintain the highest level of human dignity on any project we touch. We're continuing to hold fast to the core values that have contributed to our success, including safety, ethics, and the advancement of diverse talent in our workforce.

As we celebrate 10 years of sustainability and corporate citizenship reporting and transparency in our operations, we know that the journey to lay the foundation for human progress is just beginning. Walking side by side with our clients, we have learned together how to account for our environmental footprint and have made commitments to reduce those impacts. For example, in 2014 we set an ambitious goal to reduce our carbon footprint 25 percent by 2017, regardless of business growth, and we're happy to report we are making solid progress towards that goal. Collectively, we are all working to reduce impacts while expanding economic opportunities.

For the next 10 years, our collective mission is to move from footprints to handprints: to create economic, social, and environmental value from our work. That's why we engaged world-renowned fair labor expert, Verité, to help develop a global Worker Welfare Policy, which applies to our operations and suppliers. We cannot solve this problem alone. Systemic change must occur at an industry level, so we openly share our policy, toolkit, and best practices with our competitors and clients. We also regularly collaborate with stakeholders across the public, private, and nongovernmental sectors to improve worker conditions.

The same holds true for other sustainability and citizenship initiatives. We're working with outstanding nonprofit collaborators, including The Nature Conservancy (TNC), Water For People, Engineers Without Borders, and Bridges to Prosperity, to strengthen global communities, create opportunity, and improve environmental outcomes by designing infrastructure in the context of ecosystems. Most important, we work every day with outstanding clients who continue to challenge us with complex and dynamic problems. Solving these problems means we need to create a seat for everyone at our shared table.

As communities and corporations face the challenges associated with climate change, failing infrastructure, and not enough money to fix it all, we are working with skilled, visionary partners to change the way we approach infrastructure solutions across the board. This approach toward green infrastructure, which uses natural capital and engages nature as a partner, is a complex undertaking and departure from standard engineering practice. We started on this path 30 years ago with pioneering work in permeable pavements, and we have not quit innovating. We are founding members of both the Institute for Sustainable Infrastructure (creators of the Envision™ green infrastructure rating system) and the Natural Capital Business Hub, which is part of the Valuing Natural Capital Initiative sponsored by the Corporate Eco Forum and TNC. We pledge to continue leading engineering practice in green infrastructure and natural capital.



CH2M Chairman & CEO Jacque Hinman (right) with Chief Communications Officer & Enterprise Sustainability Sponsor Elisa Speranza

1.2.1 Our Focus in 2014

As indicated in [this report last year](#), one of our 2014 initiatives was to restructure the sustainability and corporate citizenship approach from the top down. This resulted from the materiality analysis and suggestions made by a Corporate Citizenship Task Force, a group of CH2M employees convened specifically to address materiality and better define our overall strategy. The company's commitment to our Sustainability Policy remains a critical component of our culture, our structure, and our business approach.

Through a corporate citizenship business approach, we have created sustainable outcomes for our company and clients to measure economic, environmental, and social progress. Our company's leadership sets this tone at the top level, and the commitments permeate our culture and global organization. Our accomplishments in 2014 include the following:

- **Reorganizing the way we approach sustainability:** At the Board of Directors level, the Governance Committee was rechartered at the end of 2014 as the "Governance and Corporate Citizenship Committee," to more robustly engage the board in all aspects of CH2M's sustainability and corporate citizenship strategy. To assist the board in its duties, a Sustainability and Corporate Citizenship Advisory Council will be convened in 2015. This council will represent the various functions engaged in the social and environmental aspects of sustainability and corporate citizenship, as reflected in this report.
- **Pledging our commitment:** At CH2M, our pledge is to maintain and enhance a safe, ethical work environment where we focus on fostering employee excellence as our greatest asset. The Ethisphere[®] Institute named us one of the World's Most Ethical Companies for the seventh consecutive year. On the safety front, we ended the year with no occupational fatalities. Our employee recordable incident and lost-time incident rates decreased and are still about 50 percent lower than U.S. industry averages. Beyond those lagging indicators, our Health and Safety and Human Resources teams partnered in 2014 on communications to bolster participation in our wellness program. We plan to carry this momentum forward through 2015, creating strong leading indicators for employee health.
- **Protecting human rights:** Last year, news outlets and activist groups identified CH2M as having a role in worker welfare in Middle Eastern countries where non-native workers are recruited into the country, enduring hardship in their journey to secure work and send money to their families back home. Even though CH2M does not recruit or employ construction workers in the Middle East, worker welfare and safety have been and continue to be fundamental company values and we have long recognized that we have a role to play in promoting human rights. As we advise clients on how to meet international labor standards and collaborate with key stakeholders to improve conditions in our role as engineering consultants, we also recognize that we cannot do this alone. With guidance from well-respected advocates, we developed a global Worker Welfare Policy, toolkit, screening, and engagement and awareness plan to better work with our partners and push for human rights anywhere we operate, even in the absence of contractual control.
- **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; our carbon emissions reduction goal earned a Climate Leaders Award from the U.S. Environmental Protection Agency (EPA). Our environmental management systems have continued to expand, 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 far exceeded our goal and reduced paper use by 22 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's Office of Supplier Diversity and Small Business Program's internal awards program 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 also engage our communities in promoting environmental education and developing sustainable communities. While we made many noteworthy achievements in 2014, one of our biggest impacts came from construction of a 45-meter-long pedestrian footbridge to serve the residents of La Conga, Panama. The bridge was built by 11 CH2M employee-volunteers, in collaboration with our newest strategic partner Bridges To Prosperity, and the residents of La Conga. In addition, we invested in science, technology, engineering, and math (STEM) education, most notably with expansion of our support for the Social Mobility Foundation (SMF) in the United Kingdom (UK). Summer 2014 saw the arrival of 25 teenagers to our London office, all of whom spent 1 week away from family and friends to learn about engineering as a career choice through CH2M mentors and experiential learning.
- **Investing in our staff; celebrating our strengths.** Despite a restructuring program to strengthen our economic sustainability that reduced our total number of staff in 2014, we continued to invest in our people as our greatest asset. For example, per-employee training hours in 2014 did not drop below 2012 levels. Last summer, CH2M held the first-ever joint summit of all our diverse network groups to allow employees to learn from each other, develop strategies to increase network members, and be inspired to make a difference in and out of the office, as a unified team. Emphasizing diversity, inclusivity, and equality from both the company and client perspective, the summit reinforced our belief that our company's success is built on the strength and diversity of our peers and colleagues. We increased the number of women on our Board of Directors to 27 percent and were recognized as a [2020 Women on Boards Winning 'W' Company](#) for the 2014 year.

1.2.2 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 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.

Main Challenges and Targets in 2015

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 2015 and beyond, we are implementing several actions and targets to meet these challenges:

- 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, health, and wellness campaign and reduce our recordable incident rate by 10 percent to 0.30.
- Return to solid, profitable financial performance in the next 3 to 5 years through our restructuring efforts, improved operational efficiency, recovery efforts on our problem projects, and leveraging our strengths in our core markets.
- Make progress towards our 25 percent carbon emissions reduction goal for our global operations from 2012 to 2017, and maintain our all-green ranking on U.S. federal government supplier carbon emissions scorecard.
- 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 clients and partners, we hope to influence a global dialogue through constructive 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.



Jacqueline Hinman
President and Chief Executive Officer



Elisa M. Speranza
Chief Communications Officer,
Executive Sponsor for Sustainability

1.3 Sustainability Strategy

From a business perspective, sustainable development presents a range of issues and risks. It also brings the opportunity to offer new value, services, and improved delivery systems and technologies to our clients. Our employees infuse CH2M 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.

1.3.1 Key Sustainability Impacts and Effects

CH2M'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 lines between our

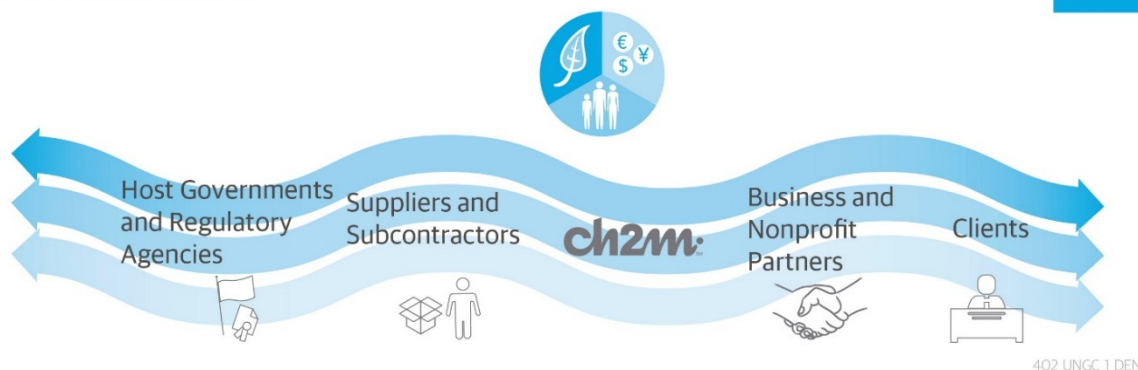


sustainability impacts and effects, and those of our clients, are blurred. We incorporate sustainability principles, such as ethics, human rights, and resource efficiency, as a routine part of doing business. However, the results of this work, particularly reporting for waste, energy, and resource savings, belong with client organizations.

CH2M'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 Value Chain

G4-18a



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 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. To make connections among players in our value chain and uncover opportunities to improve sustainability, we ask questions like:

- 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?

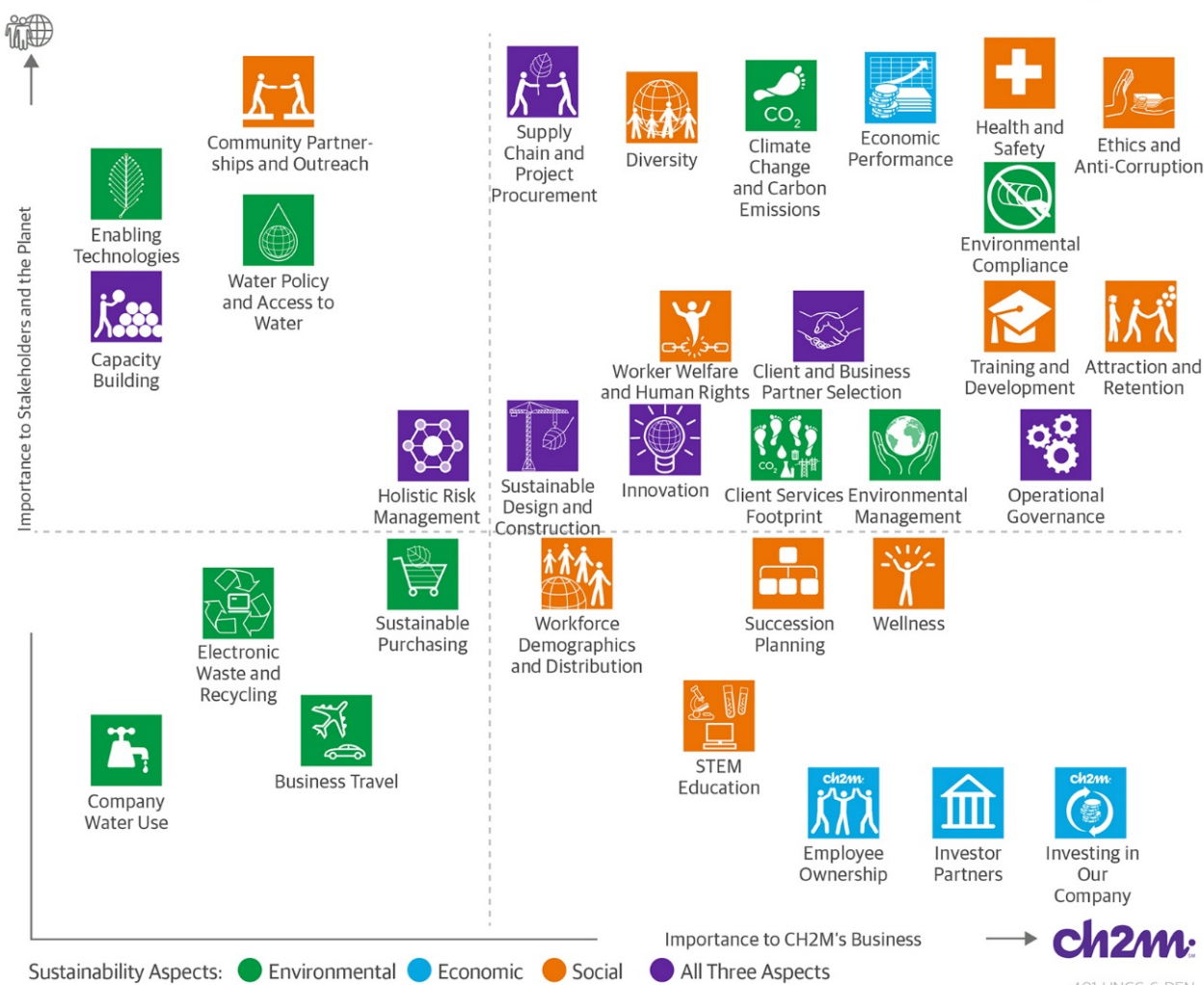
Asking these questions and taking a systems-thinking approach to our value chain means that we engage many different disciplines when prioritizing our sustainability challenges and opportunities. In early 2014, we convened a Corporate Citizenship Task Force to take a fresh look at our sustainability 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's operational governance. The objectives of the task force were as follows:

- Look at CH2M'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 and our stakeholders. For example, climate change risk and resilience are key drivers for our infrastructure business and critical issues for preserving global health and economies. Similarly, worker welfare could affect future business opportunities and is 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, our employees, and our clients.

CH2M Materiality Chart

G4-19



Our progress on these aspects and impacts is summarized overall in the section [2015 in Brief](#), with details about targets and progress provided in each section of this report. 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](#).

1.3.2 Sustainability Trends, Risks, and Opportunities

The world is at a critical juncture. As global population growth combines 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. The global economy is still recovering slowly, though not equitably. Debates continue about 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 about being a good corporate citizen, of course. And it's 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 often 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 develop tools and systems that creatively address 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, we work to improve CH2M's own financial performance, manage risk, and achieve our company's strategic goals.

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, the functional teams communicate and collaborate through our overall governance and corporate citizenship management approach, which reflects the interconnectedness of these topics. These top sustainability topics are listed in the following table, along with what we have learned during the past year and the actions we plan to take going forward.

1.3.3 CH2M'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	The Ethisphere® Institute named CH2M as one of the World's Most Ethical Companies for the seventh consecutive year. Continued increased use of The Guideline speaks to greater employee awareness of CH2M's expectations in ethics and compliance.	We plan to revise our anti-corruption policies and promote greater awareness of our role in combatting corruption where we operate. We will implement new protections for corporate and personal data, increase our ethics and compliance resources, and engage in more in-person training and review of our operations. We will also continue to increase our ability to communicate with employees through featured news stories, e-mails, reminders, links, and in-house social media.
Health and Safety	No CH2M company had any occupational fatalities, whether of employees or subcontractors, in 2014. Our employee recordable incident rate (recordable incidents per 200,000 hours worked) was reduced to 0.33, an 8 percent decrease from the 2013 rate of 0.36. This rate is 53 percent lower than the U.S. industry average of 0.7. Our 2014 lost-time incident rate (lost-time incidents per 200,000 hours worked) likewise was reduced to 0.14, an 18 percent decrease. This rate is 53 percent lower than the U.S. industry average of 0.3.	Our goal is to continue the downward trend in incidents and strive toward Target Zero incidents and accidents. In 2015, we plan to improve performance by re-energizing our employees through our Target Zero personal safety campaign by providing them more avenues to become personally engaged with safety, health, and wellness. Our 2015 goal is to reduce our recordable incident rate by 10 percent to 0.30.
Environmental Compliance	On CH2M projects in 2014, 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 includes a goal for zero adverse environmental incidents and impacts. We will continue to drive to zero by reducing our reportable environmental spills by 10 percent each year.
Economic Performance	In 2014, we saw consistent, strong performance in our core water, transportation, and environment and nuclear markets, including strong performance from our 2014 acquisition, TERA Environmental Consultants. Write-downs on major engineering-procurement-construction projects in the energy business affected our financial performance, but in 2014 we decided to exit this business and believe these project write-downs are now largely behind us. In 2014, we also incurred US\$70.4 million in costs related to a restructuring program. We expect to see approximately \$120 million in annual savings from the restructuring beginning in 2015, although the timing of these savings is not certain.	We expect to return to solid, profitable financial performance in the next 3 to 5 years based on our restructuring efforts, improved operational efficiency, recovery efforts on our problem projects, and leveraging our strengths in our core markets. CH2M's leadership team is committed to improved performance and is optimistic about our plans and potential to grow revenues and earnings. 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 will continue to carefully select clients and business partners, manage risk, deliver excellent services, and achieve strong financial returns.

Key Sustainability Topics	Performance and Lessons Learned during this Reporting Period	Objectives and Goals for Improvement Over the Next 3 to 5 Years
<p>Climate Change and Carbon Emissions</p>	<p>We restated our 2012 and 2013 global carbon emissions in 2014 to account for acquisitions, methodology changes including the new Greenhouse Gas (GHG) Protocol Scope 2 Guidance, and revised or newly available data records. After incorporating these changes, our 2014 absolute global Scope 1 and Scope 2 GHG emissions (before applying carbon offsets and renewable energy certificates [RECs]) dropped 12 percent from 2013 and 14 percent from 2012, as a result of reducing our office footprint and streamlining operations. Including the carbon offsets and RECs that we purchased and retired for our base year as well as subsequent years, we have reduced our net carbon footprint by 15 percent as compared to the 2012 base year.</p> <p>The EPA named CH2M as a Climate Leader for goal setting (in early 2015).</p>	<p>CH2M set a goal of a 25 percent reduction in our absolute GHG footprint from 2012 to 2017, and we are on track to achieve this reduction.</p> <p>In early 2015, the White House set a goal to reduce the federal government’s GHG emissions by 40 percent, in part by outsourcing to low-carbon suppliers like CH2M. The Obama Administration also released a new scorecard to publicly track self-reported emissions disclosure and progress for all major federal suppliers. We plan to maintain our all-green ranking on this carbon emissions scorecard. As a leading provider of climate mitigation, adaptation, and carbon management solutions, we are positioned well to provide assistance to our federal supplier clients, and we expect to gain competitive advantage on other types of contracts because of the federal government’s reduction goal as well as our own emission reductions.</p>
<p>Attraction and Retention, and Training and Development</p>	<p>Because our people are CH2M’s greatest resource and most valued asset, we carefully analyze our employee turnover. Much of the increased turnover in 2014 happened in locations where projects ended or we chose to end operations. To retain employees, we have launched internal recruiting programs to connect employees with promotion opportunities.</p> <p>We began rolling out integrated talent management technology solutions, which incorporate our recruiting, performance, compensation, learning, and other processes, and will improve our ability to manage resources starting from recruiting and continuing throughout an employee’s career. We also increased our online learning by 178%.</p>	<p>We will build and connect internal and external talent pools to gain a competitive advantage; develop current employee skills to retain and promote current staff; and include greater emphasis on informal and experiential learning. Our new talent development programs will include robust career development tools, a mentoring program, a front-line manager development program, and leadership development programs.</p> <p>We will implement an employee engagement survey and a learning management system designed for virtual learning to increase our ability to develop a diverse and globally dispersed employee population. Integrated talent management technology solutions will give CH2M better insights into employee availability, development, performance, and mobility, which will increase retention and reduce costs from recruiting and attrition.</p>

1.4 Ethics and Business Conduct

CH2M was founded by remarkable professionals who put honesty and integrity above all else. Each generation since has built on that solid footing, as new companies have joined the CH2M family. CH2M’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’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 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. 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 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, 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 our [Web site](#). The Ethics and Compliance group, within our Corporate Legal function, is responsible for program implementation.

For our suppliers, subcontractors, and business partners, we established and implemented a set of ethics and conduct principles that complement the employee ethics and conduct principles in 2011. *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. 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*.

1.4.1 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 2014, the total number of hotline contacts received (246 contacts) was 5 percent higher than our rolling 5-year average of 234 contacts. Contacts are categorized by concern, such as ethics and integrity, accounting and fraud, human resources, safety, and other.

In 2014, CH2M, like many companies, saw more reports related to human resources than any other category (this includes subcategories of bullying, discrimination, retaliation, and workforce violence). To ensure that we promptly and appropriately respond to these reports, the Ethics and Compliance 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 does business with integrity and by including open discussions about the importance of ethics and integrity for CH2M, 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 has declared May as “Ethics Month,” and we take the opportunity through increased communication to heighten ethics awareness among our employees. As CEO and Chairman 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 is our Ethics Ambassador program, launched in 2010. This program 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. In May 2015, we’ll relaunch the Ethics Ambassador program during Ethics Month to even better reflect our operations. The relaunch will include a new training program and a new group of Ethics Ambassadors covering 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 for compliance.



Biannually, 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 they believe CH2M is serious about its commitment to ethics and integrity.

1.4.2 Anti-corruption Policies and Procedures

CH2M has operations in about 90 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 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'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 a combination of Web-based and in-person training. 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.

1.4.3 Government Participation and Lobbying

Public policy creates business opportunities and challenges that affect CH2M and our customers. Our Government Relations team promotes the business and professional interests of CH2M, its employees, and its 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 firmwide 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.

We are actively engaged in staff-level briefings and consultations in the U.S. 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 Relations team actively tracks key legislation and regulatory efforts in the areas of water, wastewater, and water resources, among other important issues. Our employees also serve in leadership positions in professional organizations that take positions on these issues.

The Government Relations 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.

1.4.4 Global Engagement

To promote ethics principles as our business imperative and to provide industry leadership on this important issue, CH2M 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 one of the World's Most Ethical Companies for the seventh consecutive year.



Additionally, in 2012, CH2M 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 December 2014, Covalence ranked CH2M in the top 5 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. 21 among the 581 other companies, and No. 1 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).

1.5 Human Rights

CH2M 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.

We recognize that our ability to help deliver major infrastructure programs relies on the construction workers who turn our clients’ visions into realities. On some projects, no local laborers are available, so non-native workers must be recruited into the country. These people often endure hardship in their journey to secure work and send money to their families back home. CH2M rarely recruits or employs construction workers. However, in our role as program manager and engineering consultants, we exert our influence by advising clients on how to meet international labor standards and collaborating with key stakeholders to improve conditions for workers.





CH2M's ability to deliver large-scale projects relies on the people who help make our clients' visions a reality.

On some projects there is little to no local construction labor, so non-native workers must be recruited into the country. These individuals often endure hardship in their journey to secure work and send money to their families back home. While we do not recruit or employ construction workers in the Middle East, and rarely elsewhere, CH2M is committed to

maintaining the highest level of health, safety, and human dignity on any project we touch. Thus we are taking concrete steps and collaborating with key stakeholders to improve conditions for these migrant workers, including the development and implementation of our global Worker Welfare Policy.



Download our migrant worker welfare [infographic](#).

In 2014, we took the following actions to [respect and protect human rights](#):

- **Policy:** We engaged a world-renowned fair labor expert, [Verité](#), to help develop a global Worker Welfare Policy. This policy applies to CH2M operations and suppliers. We also provide the policy to clients and partners to guide their worker welfare best practices.
- **Toolkit:** [Verité](#) further assisted CH2M in developing a toolkit of practical resources for implementing the new policy, including detailed worker accommodation standards, pre-qualification questionnaires, auditing checklists, and key performance indicators.
- **Screening:** We are incorporating comprehensive worker welfare screening questions into our supplier pre-qualification process. CH2M has relationships with more than 30,000 suppliers, adding hundreds of new suppliers each month. As a part of the improved process, to be considered for work with CH2M, prospective new suppliers are evaluated based on their responses to the worker welfare questionnaire.
- **Engagement:**
 - **Business** – We cannot solve this problem alone. Systemic change must occur at an industry level, so we openly share our policy, toolkit, and best practices with our peer companies. CH2M is also working with a leading supply chain monitoring firm to develop a new tool that incorporates fair labor metrics into the due diligence process.
 - **Clients** – CH2M strives to provide our clients with best practices in worker welfare based on international labor standards. We regularly share our knowledge and experience to help drive positive change to improve the conditions of construction workers.
 - **Nongovernmental Organizations** – CH2M engages with leading human rights organizations, including [Amnesty International](#), [Human Rights Watch](#), and [Humanity United](#), to stay abreast of

best practices and share our progress. These relationships have led to new partnerships and enhanced employee education.

- **Government** – CH2M engages with U.S. and foreign government officials to discuss challenges related to worker welfare. We believe that governments should fully enforce and enhance labor laws to improve conditions for workers.
- **Connectivity:** CH2M signed a memorandum of understanding with [ICTQatar](#) and other major organizations operating in Qatar’s construction sector to provide access to the Internet and technology tools and training for migrant workers. This “Better Connections Program” will help improve the workers’ digital literacy and ability to communicate with their families back home.
- **Awareness:** In 2014, we launched an internal employee education campaign aimed at informing staff of worker welfare challenges and what to do if abuses are observed. This includes regular news stories, visuals, and targeted trainings; it is incorporated into CH2M’s annual ethics training, which reaches over 25,000 employees worldwide.

On joining CH2M, 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 does business. 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 infographics, news stories, informational sessions, and other measures to raise awareness about human rights issues and CH2M’s ability to effect change.

As part of our training, we empower 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.



1.6 Economic Performance

In 2014, the gross revenue of all CH2M companies was US\$5.4 billion, excluding joint ventures. Including the CH2M portion of revenues from unconsolidated joint ventures, the total gross revenue was US\$5.5 billion. Approximately 30 percent of CH2M’s 2014 revenues were from operations outside of the United States. Operational financial data are available in the company’s 10-K and relevant [Security Exchange Commission \(SEC\) filings](#).

CH2M is principally an [employee-owned company](#) with an internal stock market. Retirees and other former employees also own some of the company’s stock. After debuting on the FORTUNE 500 list at 436 in 2009, CH2M ranked 437 in 2014 (down from 415 in 2013).



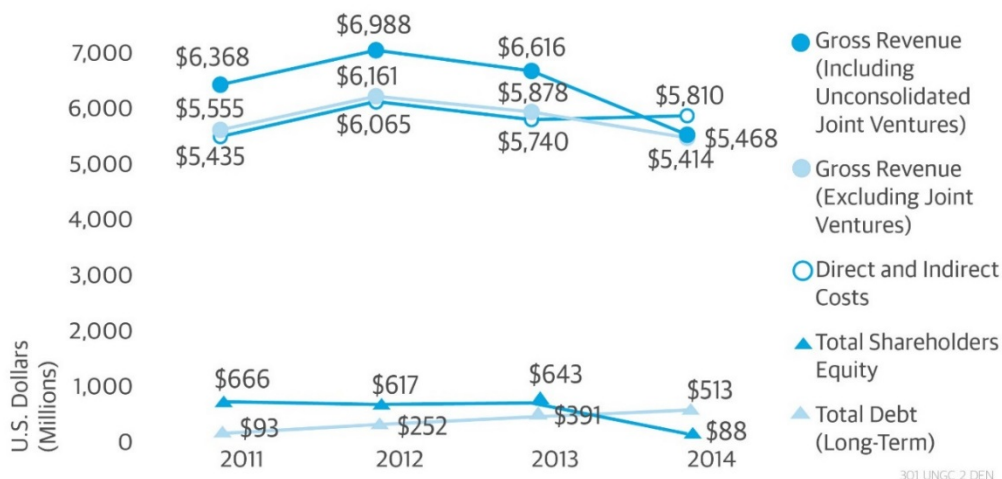
Write-downs on major engineering-procurement-construction projects in the energy business affected our financial performance in 2014, but we believe these project write-downs are now largely behind us. We are taking aggressive action to limit losses and recover costs from these projects, and we are beginning to see progress. In 2014, we decided to exit the power business and also undertook a restructuring program (including a voluntary retirement program, workforce reductions, and facilities consolidations). We incurred US\$70.4 million of costs related to the restructuring program, and we anticipate annualized cost savings of approximately US\$120 million.

Highlights in 2014 included consistent, strong performance in our core water, transportation, and environment and nuclear markets, including the strong performance of our 2014 acquisition, TERA Environmental Consultants. We expect to return to solid, profitable financial performance in 2015 based on our restructuring efforts, improved operational efficiency, recovery efforts on our problem projects, and leveraging our strengths in our core markets. CH2M's leadership team is committed to improved performance, and optimistic about our plans and potential to grow revenues and earnings.

CH2M's financial management approach is described in the Governance section of our [Web site](#). Portfolio risk management is conducted by CH2M's Risk Committee, which focuses on the company's risk at large and proactively anticipates and mitigates material risks that may affect CH2M'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's Compensation Committee, also appointed by the Board of Directors, has overall responsibility for approving and evaluating all compensation plans, policies, and programs as they affect the CEO and the senior executives. The Compensation Committee also reviews employee benefit plans and employee stock programs.

Financial Data: CH2M Family of Companies

EC1



2 Fostering Employee Excellence

2.1 Cover Story: Bridging Distances

Turning challenge into opportunity—it's what we do. So when CH2M connects with organizations who share our goals and values, we partner to create lasting change—not only in physical infrastructure like bridges and wells, but also in offering opportunities for professional and personal growth for our employees.

Felicita's 50-year-old son drowned while attempting to cross the Trinidad River in Panama many years ago. During the rainy season, the river floods for days, making it impossible for La Conga and La Florida residents to cross. In summer 2014, [11 CH2M employees built a 45-meter-long suspension bridge](#) that connected these communities and created safe passage for 200 people to access schools, medical clinics, commercial markets, and farmland in 15 minutes instead of 4 hours round trip.

The [CH2M Foundation's](#) collaboration with the nonprofit [Bridges to Prosperity](#) is helping isolated rural communities build footbridges over impassable rivers, improving community access to services, markets, and jobs. Although CH2M employees volunteered on earlier projects in El Salvador and Guatemala, in 2013, the foundation formalized our commitment through a US\$50,000 grant for [Bridges to Prosperity's](#) Panama Bridge Training Program. This donation supports construction of two long-span cable-supported pedestrian bridges.

According to the World Bank, more than 900 million people lack year-round, reliable road access, and 300 million lack access to the rest of their country. Basic services are often located far from where people live and, during rainy seasons, river crossings can become perilous or even life threatening, requiring travelers to find another route. Since travel by foot is most common, it may take hours to reach necessary services.



It takes a village to build a bridge together. The collaborative work began before our team arrived in Panama. [Many of the community members donated their time and materials and completed the side tower foundation pours beforehand.](#) For our part, we didn't just send money and walk away. In addition to our financial support, our employees from across the globe shared their technical expertise on the ground with the local people and [Bridges to Prosperity's](#) employees and volunteers through an Employee Travel Grants program.

As CH2Mers, we want to make a difference. We are literally helping to *build bridges to people's futures* by engaging our employees in skills-based volunteerism that creates a sustainable future for poverty-stricken rural areas.

The project offered far more to the volunteers than the chance to try out technical skills—they built a suspension bridge from approximately 115 wooden boards, 45 crossbeams, 90 rebar suspenders, and 800 meters of steel cable, in just 8 days under continuously changing conditions.

Beyond the technical challenges, bringing together worldwide team members to a Spanish-speaking Central American country involved sharing different cultures and backgrounds. Team members spoke of the humbling experience of working with the local communities and the pleasure of being able to give back. [They faced day-to-day challenges,](#) such as plentiful bugs, roosters who crowed at 3:15 a.m. every morning, high humidity and rain downpours, and uncooperative trees.

"Empirical evidence proves that when employees have the opportunity to share their skillsets and passion for helping others, they generate pride in themselves and in their employer."

Ellen Sandberg, Executive Director, CH2M Foundation

CH2MHILL FOUNDATION **Bridging distances**



Reece Bishop
Calgary
Project Manager

Kimberly Weston-Martin
Toronto
Safety Manager

Tomas Garcia
London
Construction Manager

Luisa Gonzalez
London
Supporting team

Karen Huxley
Warrington, England
Logistics support

Andrew McRae
London
Videographer

Eric Vilce
Anchorage
Supporting team

Robert DeShurley
Houston
Supporting team

Lilly Acuna
Los Angeles
Communications

Tessa Anderson
Denver
Foundation & Program Manager

Blake Scott
Denver
Logistics support

Haluk Camcigil
Sharjah, UAE
Supporting team

Emily Dowling
Sydney
Supporting team

Team Alternates

Marlon Smoker
Washington D.C.

Erin Kitzmiller
Philadelphia

The CH2M HILL Foundation is partnering with Bridges to Prosperity to build a 45-metre pedestrian suspension bridge in Panama

Follow the CH2M HILL team supporting Bridges to Prosperity at our blog www.ch2mhillfoundation.org

Beyond the rewarding aspects of providing safe access for the villagers in this life-changing experience, employees built their leadership, teamwork, project management, design, and construction skills. They also improved their communication, networking, and Spanish proficiencies.

On July 5, 2014, 90-year-old Felicita, honorary grandmother of La Conga, had the distinction of cutting the ribbon, marking the official opening of the bridge. After hearing her personal stories and learning how her son died trying to cross the river, our team was deeply honored to play a role in giving her the early birthday gift of knowing that her children, grandchildren,



Felicita, aged 90, cutting the ribbon on opening day



Volunteer team with the completed bridge

and community will never be in danger again crossing the Trinidad River. Her two daughters-in-law took Felicita's arms and led her across the bridge that she never thought she would see in her lifetime.

"The CH2M Foundation promotes lasting and life-sustaining infrastructure by supporting global not-for-profit organizations that work side by side with local communities to build, maintain, and scale their critical water and transportation projects."
— Elisa Speranza, Board President CH2M Foundation



“In my entire life, I have never been a part of a team as amazing as the Bridges to Prosperity-La Conga volunteer team. We had people from the US, Canada, England, Australia, UAE, Panama, and Nicaragua with different skills and languages--kind, fun, passionate, and genuinely wonderful people who understood the impact we were going to have on the lives of those in La Conga. This made my role as the project manager as easy as it could have been. No matter how mundane the task, everyone was willing to get to work and do whatever was needed to ensure we left the people of La Conga with a safe path to a more prosperous future.” --Project Manager Reece Bishop, Calgary, Alberta, Canada

Project Manager Reece Bishop on the building site

In Their Own Words

Backbreaking work, a tight schedule, and more than a few challenges along the way. But would they do it again?



Lilly Acuña with young friends

“Do I look at my pictures constantly? Do I watch the videos over and over? Do I maintain contact with my teammates? Do I toss in ‘Panama this’ and ‘Panama that’ in every conversation? Yes...because that day I couldn’t wait for and the experience I won’t ever forget are now forever etched into my daily reality.”

– Lilly Acuña, Los Angeles, CA, USA



Luisa Gonzalez prepared to work

“Se podrían señalar muchos momentos: La intriga ante lo desconocido, el encuentro con Andrew y Tomás en Heathrow, la reunión de todo el grupo en Panamá, la confianza que se puede llegar a adquirir con ‘extraños’ en siete días compartiendo camping, duchas, comidas, juegos de cartas a la noche... Momentos que han servido para trabajar en equipo, descubrir habilidades, afrontar miedos, ampliar conocimientos técnicos, construir con tus manos lo que está sobre el papel...”

– Luisa Gonzalez, London, UK



Tessa Anderson trying out a local travel mode

“I had the privilege of witnessing teamwork, collaboration, and leadership at their best. This team had two missions—to build a bridge and to build relationships. They accomplished both.”

– Tessa Anderson, Denver, Colorado



Haluk Camcigil working on the bridge

“I feel really proud to work for a company that sets aside a budget for community development projects like this. It really makes me happy and proud to work for CH2M.”

– Haluk Camcigil, United Arab Emirates



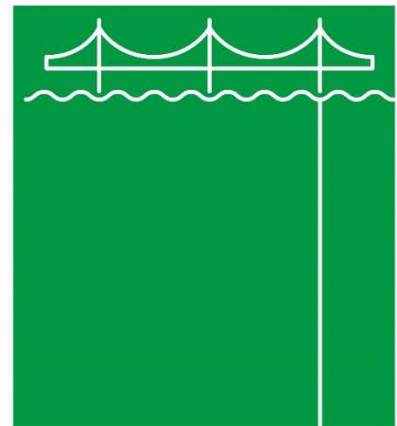
Jake Moriarty in Panama

“We created something pretty amazing.”

– Jake Moriarty, B2P Program Manager, Panama

Read more...

Read more testimonials on the [Bridges to Prosperity blog](#) and [CH2M Foundation blog](#).



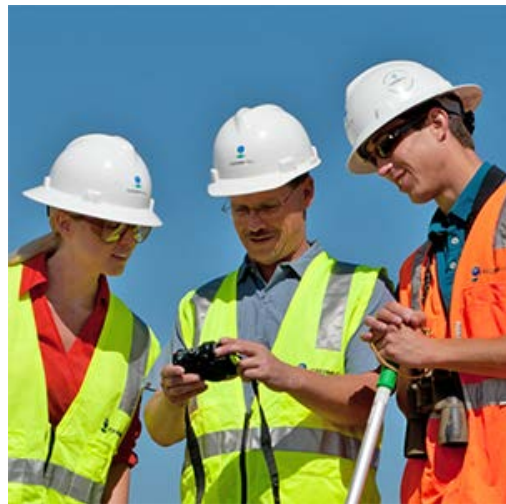
The 45-meter-long La Conga suspension bridge will never grace the history books, but it is incredibly important to the 200 community members who now have a safe, efficient way to reach school, health clinics, and commercial markets. Every team member who played a small role in building the bridge has been touched deeply by this experience. Not only did it stretch them outside their comfort zones and bridge new relationships, but it will also be one of the most meaningful projects in their careers.

And in 2015, we'll head to another part of the world to build two more bridges! In June, nine volunteers and a technical mentor will head to Gasabo-Gasura, Rwanda, to build a 60-meter-long suspension bridge, and in August another team of 10 will build a 50-meter-long suspension bridge in Rancheria, Nicaragua.

2.2 Health and Safety

Everyone comes home safely, every day on every project — that's the standard we set for ourselves. We look out for each other, capturing our people's hearts and minds through an intensive, nonstop focus on safety, well-being, security, and environmental impacts, in the office or out in the field, at work and at home.

Demonstrated by our executive leadership commitment to our health, safety, and environment (HSE) policy; a management systems approach to implementing health and safety; and continual promotion of a culture of health and safety throughout our firm, we expect employees to value these principles and take responsibility for their own behavior and 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. The [management systems map](#) illustrates additional safety management systems and the status of conformance and compliance throughout regional operations.

Target Zero is our educational and operational program to make it real. Target Zero is deeply embedded in our training and in every project we take on, and its name says it all: we strive for zero safety incidents, zero injuries, and zero adverse environmental impacts. By infusing our culture of awareness and incident prevention into all our projects, we help manage risk for our employees and our clients, too.

We continually support Target Zero culture through our HSE communications program by producing and distributing communications that highlight our progress with key programs, such as office safety, ergonomics, and environmental compliance. All employees are empowered and expected to provide feedback on our health and safety program. Every June, we celebrate Safety Month. For 2014, we partnered with Human Resources and Security on emergency preparedness, and with our Wellness group on prescription safety, and produced weekly communications on health, safety, and wellness topics. We publish short summaries of incidents, including near misses, called "Lessons Learned," so that our employees can apply the information in a timely way and prevent similar occurrences. To reach a wide audience or target specific groups of employees, we use a combination of Intranet stories, posters, videos, and e-mails. We maintain a library of communications on the HSE Web site to help our employees 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 each of our 125 North American offices, a trained office safety coordinator conducts a comprehensive monthly audit to ensure that regulatory compliance and minimum physical standards are met. Outside of

North America, office safety coordinators are either office staff or health and safety team members. Verification of these measures is tracked with a comprehensive master HSE task tracking log. Office safety coordinators 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. In conjunction with geographic facilities managers, coordinators also help with office moves and reconfigurations, select subcontractors, request safety plans, and carry out training and oversight during such events.

Additionally, our office emergency responders, typically 10 percent of an office population, are trained in first aid, cardiopulmonary resuscitation, and the use of automated external defibrillators. They serve as both medical first responders and fire wardens.

Ergonomics is another important aspect of our health and safety efforts. To promote employee awareness, communications are published throughout the year. Employees may request ergonomics support at any time through an online evaluation form, or they may call the 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.

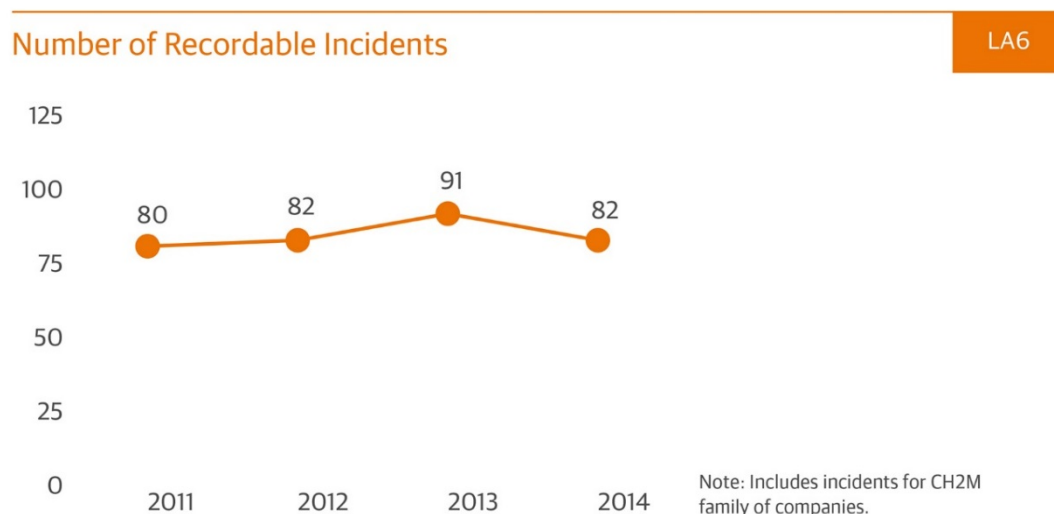
In 2014, we performed more than 4,000 ergonomics evaluations, eliminating nearly 1,200 ergonomics risk factors. The goals are to avoid or eliminate discomfort related to an employee's work station and enhance employee health and safety, work productivity, and quality.

2.2.1 Injury Rates

The 2014 employee recordable incident rate (recordable incidents per 200,000 hours worked) for CH2M's global family of companies was 0.33, which is 53 percent lower than the U.S. industry average of 0.7 (based on 2013 data published by the U.S. Department of Labor, Bureau of Labor Statistics for Engineering Services North American Industry Classification System Code 541330).

The 2014 employee lost-time (days away and restricted duty cases) incident rate (lost time incidents per 200,000 hours worked) for CH2M's global family of companies was 0.14, which is 53 percent lower than the U.S. industry average of 0.3. No CH2M company had any occupational fatalities, whether of employees or subcontractors, in 2014.

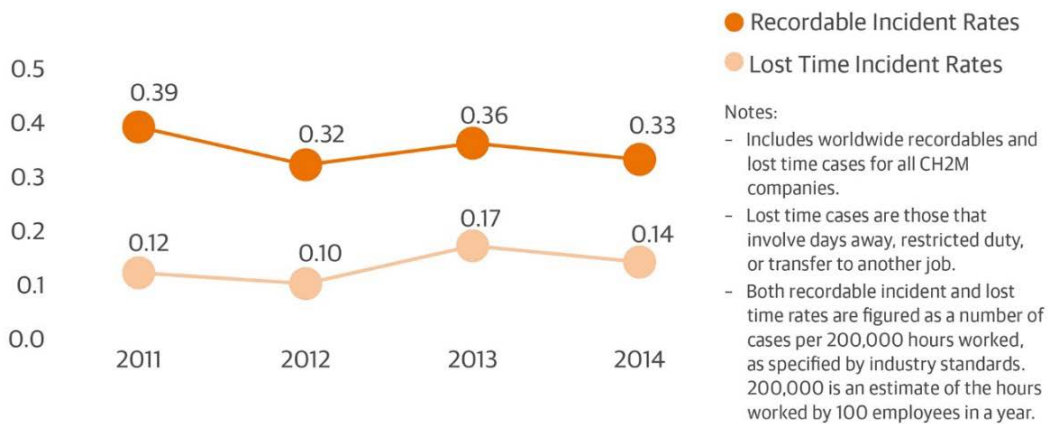
CH2M applies U.S. Occupational Safety and Health Administration recordkeeping standards in calculating global incident rates.



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Employee Recordable and Lost Time Incident Rates

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2.2.2 Health and Safety Awards

CH2M received a number of awards for safety performance in 2014. These are listed in the [Awards section](#).

2.3 Workforce Distribution

The scope of this report includes the entire CH2M 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'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.

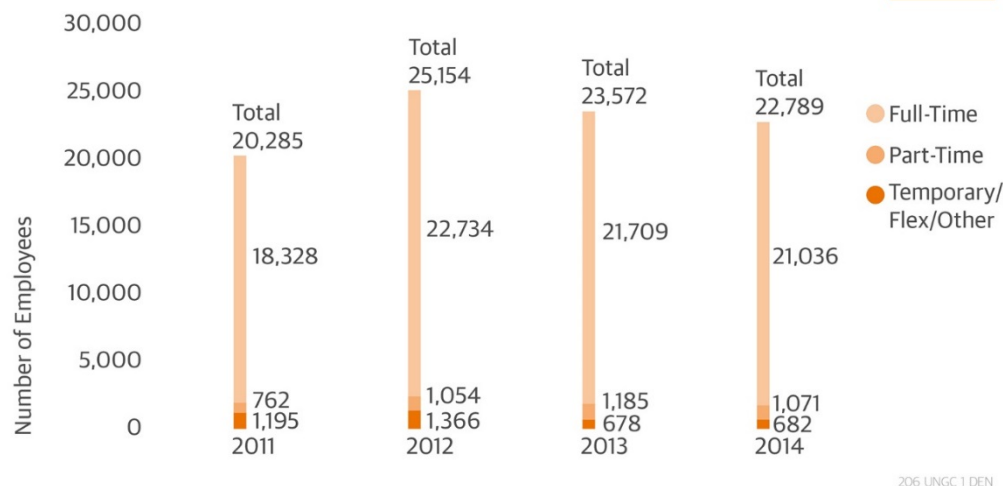
In 2014, our employee population saw growth in the first half of the year, but in order to achieve business objectives through the second half of the year, CH2M conducted a restructuring program. The restructuring led to a decline of approximately 1,200 staff members through a voluntary retirement program for eligible U.S. staff and staff reductions worldwide.

In 2014, CH2M's total employee population of 22,789 (excluding joint ventures and contractors) included approximately 3,000 direct-hire craft employees. Of these craft employees, approximately 10 percent are represented by unions. Most of the employees covered by collective bargaining agreements are found in CH2M's joint venture partnerships, which were created to manage specific projects. Including our joint venture population, we have 4,088 craft employees, about 34 percent of whom are represented by unions.



Total Number of Employees by Employment Type and Contract

G4-10



2.3.1 Workplace Culture

Throughout our history, culture has helped shape CH2M—our beliefs, actions, attitudes, and reputation. Back in 1978, our cofounder Jim Howland created the Little Yellow Book to capture the cultural beliefs on which the firm was built. And it's why we are as committed as ever to our guiding principles—safety and wellness, sustainability, inclusivity, integrity, and ethics. They are infused into our brand and our core values and behaviors.

Culture is the backbone—and the connective tissue—supporting and reinforcing our goals, from our business to brand strategy. Because a strong company culture increases employee loyalty, fosters greater teamwork, boosts productivity, encourages creativity, and reinforces positive behavior. It helps CH2M attract and retain the best talent, leading to greater commitment, increased employee satisfaction, and better client relationships. Most important, it brings us together as one company.

We want to ensure that our culture remains strong for generations to come, honoring the company's heritage while providing the flexibility needed for future growth and expansion. It is through our shared values, and how we live them through our everyday behavior, that we make our culture real.

From the voices of teammates all across our company, we created the following cultural behaviors to help activate and cultivate our values in a way that feels right:

- **Respectful:** We treat people the way they deserve to be treated and always do the right thing.
- **Collaborative:** Working together, we encourage diverse opinions, backgrounds, and ideas.
- **Entrepreneurial:** We have confidence in our abilities to make the right decisions and have a strong sense of ownership.
- **Compassionate:** We care deeply about the well-being of people—teammates, clients, and the members of the communities where we work.
- **Positive:** We genuinely enjoy our work, encouraging those around us to do the same, and make a point to smile every day.

2.4 Workforce Diversity, Equality, and Inclusion

At CH2M, we believe that our differences make us extraordinary, and we are deeply committed to continuously creating a culture of inclusion that inspires us to make meaningful contributions to our team and our clients as we lay the foundation for human progress together. Global diversity, equality, and inclusion are integral parts of our culture, supporting our business growth while allowing us to attract, develop, engage, and retain the best talent and 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. In 2014, we increased the number of women on our Board of Directors to 27 percent and were recognized as a [2020 Women on Boards](#) Winning 'W' Company for 2014.



Board of Directors Demographics

LA12

Category	2011	2012	2013	2014
White or Caucasian	10 Male, 3 Female	10 Male, 3 Female	9 Male, 3 Female	9 Male, 3 Female
Hispanic or Latino	1 Male	1 Male	—	—
Black or African American	1 Male	1 Male	1 Male	1 Male
Asian	—	—	—	—
American Indian or Alaska Native	—	—	—	—
Two or More Races	—	—	—	—
Hawaiian or Pacific Islander	—	—	—	—

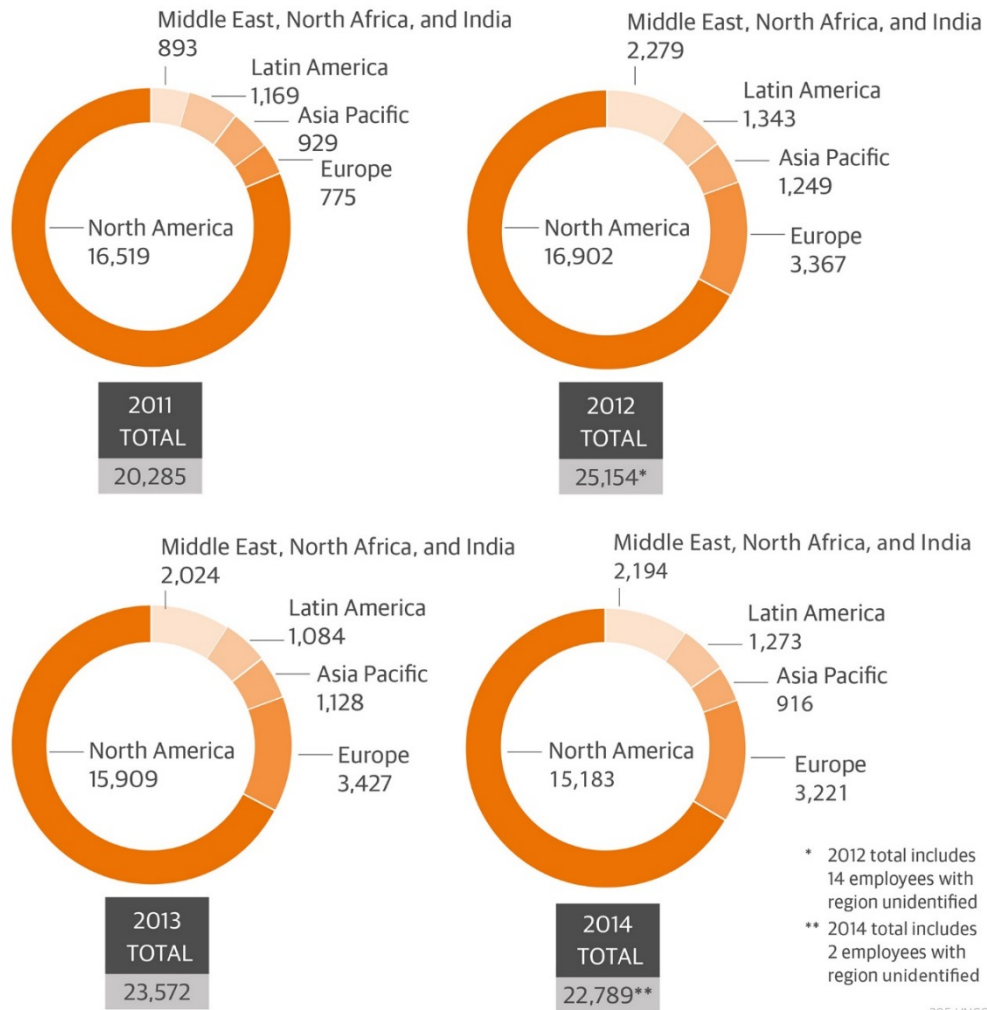
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CH2M tracks gender and age for all its employees. In 2014, 40 percent of our workforce was made up of non-U.S. employees. For our U.S. employees (which compose 60 percent of our global workforce), we also track race for hiring and attrition. By understanding these metrics, we can actively put outreach strategies in place to more effectively attract, engage, and retain women, people of color, and individuals of many ages and life experiences.

The following graphics compare the diversity of CH2M employees from 2011 through 2014, including analysis of employees across regions, by gender, age groups, and racial demographics in the United States.

Total Number of Employees by Region

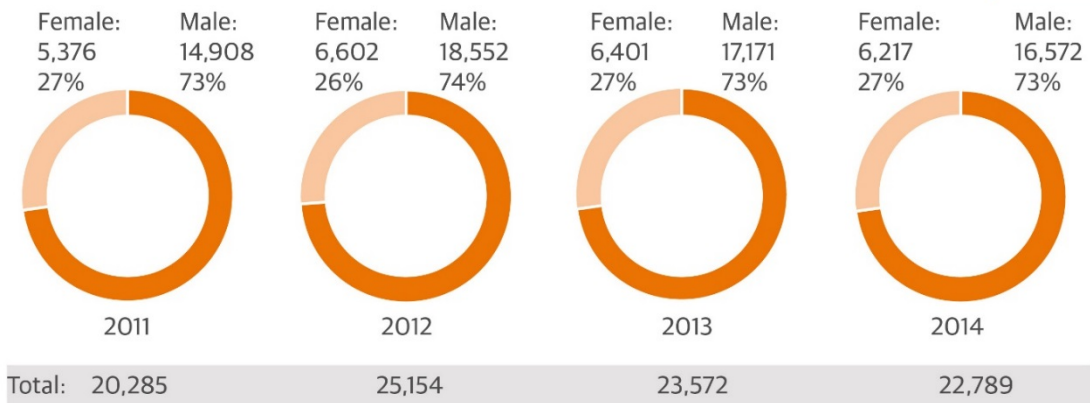
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Percent of Employees by Gender

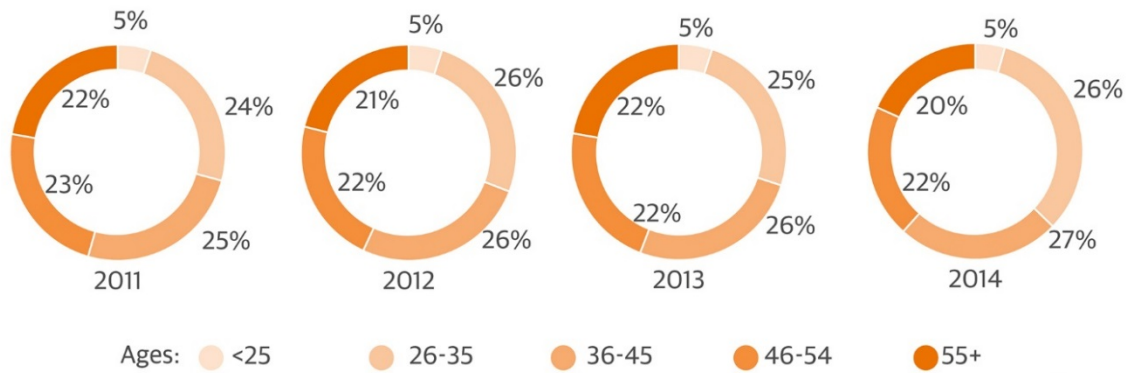
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Percent of CH2M Employees by Age Group

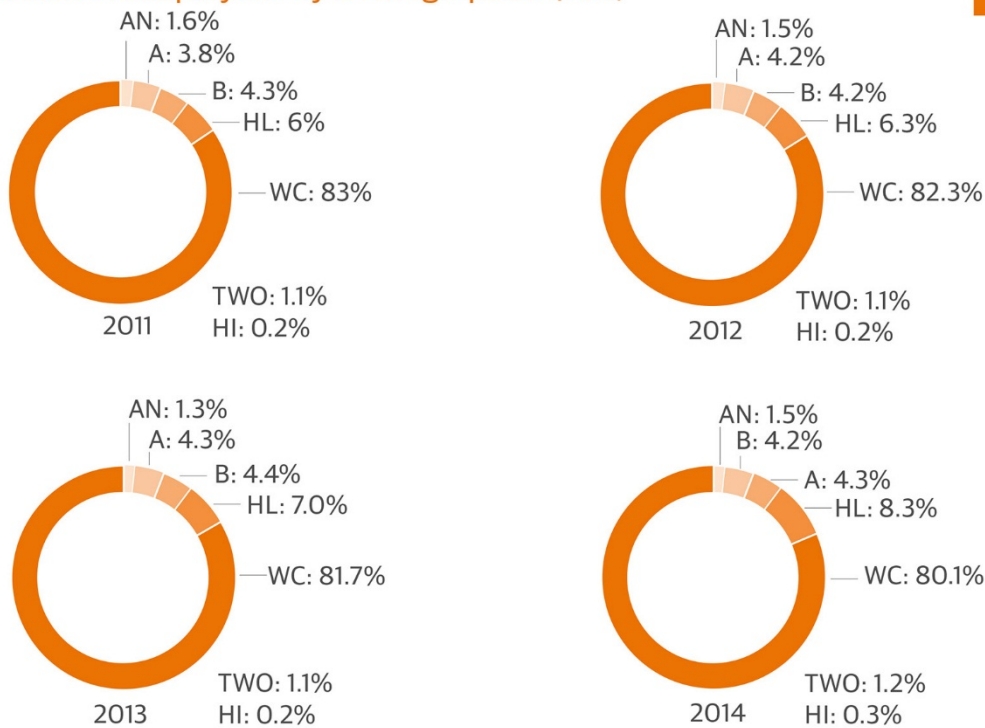
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Percent of Employees by Demographics (U.S.)

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(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

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CH2M has eight employee network groups that 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. They are:

- Harambee (“working together” in Swahili) - Black employee network
- Enlace (“link” in Spanish) - Hispanic/Latino employee network

- LIFE (Leadership Inspiring Full Equality) - Gay, lesbian, bisexual, transgender, and allies employee network
- SHARE (Sharing Across Respective Ethnicities) - Employee network for employees of all ethnicities to collaborate and learn from one another
- Women’s Employee Network
- A.C.E. (Assist.Connect.Educate.) - Employee network providing support for those with disabilities and caregivers
- VetNet – Employee network for veterans
- JuMP – Junior and mid-level professionals network

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.

CH2M has always focused on hiring the best and brightest; actively recruiting diverse talent is an instrumental part of that process. Our recruiters are accountable for sourcing and maintaining active pipelines of diverse candidates, with their performance evaluations tied to measurable goals. Recruitment managers are also provided with monthly diversity hiring reports to monitor the progress in meeting our recruitment goals, enabling them to consult with their teams and make adjustments as needed throughout the year.

Diversity outreach is a key focus of CH2M. In 2014, the firm increased its spending by 20 percent on more than 28 advertising channels that are specifically targeted toward individuals from underrepresented groups. Each year, we carefully evaluate the overall effectiveness of these channels and adjust investments to maximize outreach results. We go significantly beyond government-mandated good-faith efforts to attract diverse candidates to the company.

In addition, we remain actively involved with the National Society of Black Engineers, Society for Hispanic Professional Engineers, Women’s Transportation Seminar, Society of Women Engineers, and Conference for Minority Transportation Officials. Our emphasis with these and other strategic organizations is to build deeper and more meaningful partnerships that can continually improve our ability to develop the most diverse workforce possible.

CH2M has been recognized as a leading employer in diversity, equality, and inclusion, as evidenced by the honors listed in the [Awards](#) section.

2.4.1 Bringing Diverse Groups Together for the First Time

In August 2014, CH2M held the first-ever joint summit of all our network groups to allow employees to learn from each other, develop strategies to increase network members, and be inspired to make a difference in and out of the office, as a unified team. Representing the United Kingdom, Italy, France, Singapore, Australia, Argentina, Brazil, Mexico, Canada, Qatar, United Arab Emirates (UAE), and the United States, and spanning our business groups, more than 140 global employees attended the event in Denver, Colorado.

The event theme, *All In: Inspiring Success through Diversity*, emphasized diversity, inclusivity, and equality from both the company and client perspective. “Aside from creating a healthy work environment where all employees feel safe and respected as individuals, these programs are also strategic business imperatives extremely important to our success,” said Faye Tate, Director of Diversity, Equality, and Inclusion. Bringing representatives from all eight employee network groups together with key clients and influencers at a single event underscored the importance of diversity to both employee satisfaction and the long-term success of our business.

Eric Hiraga, Denver International Airport Chief of Staff and Executive Vice President, when participating in a client panel discussing how diversity has inspired success in their own organizations, commented, “I look out into this audience and feel like I am addressing the United Nations.”

The Joint Summit reinforced our belief that our company’s success is built on the strength and diversity of our peers and colleagues. Considered a networking success, the event motivated and inspired our colleagues around the world.

“The summit was an amazing opportunity to refocus attention and energy on our clients’ needs. As our CEO mentioned, if we don’t listen to our clients, we can be sure our competitors will,” said Edgar Ortusiastigue, member of the CH2M Enlace network.

“The All In Joint Summit was respectful, collaborative, rewarding, educational, enlightening, and very powerful from both a personal and company perspective,” said Kurt Knapp, member of CH2M LIFE network.



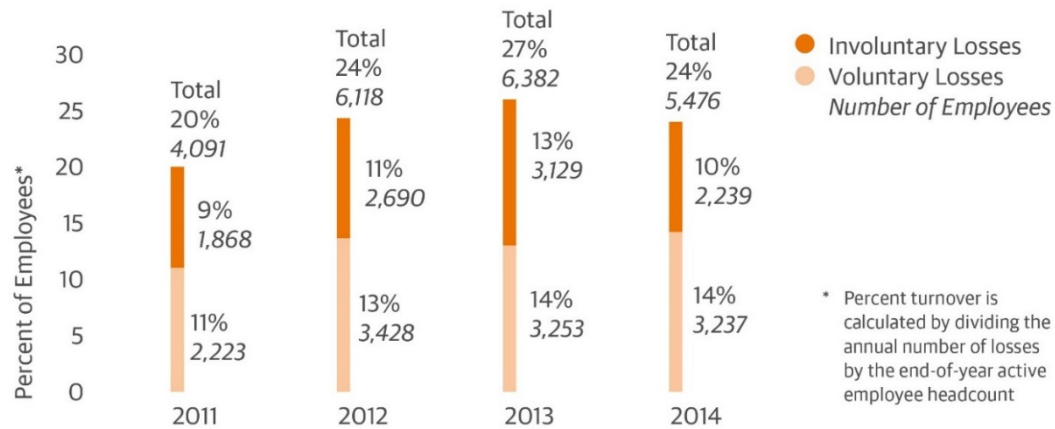
August 14 - 16, 2014
Denver, Colorado

2.5 Employee Turnover

By closely measuring our employee turnover rates across the company, we work hard to understand the fluctuations of voluntary and involuntary turnover to better support our employees’ and company’s success. CH2M’s overall employee turnover decreased to 24 percent in 2014, despite offering a voluntary retirement program to qualifying individuals in the United States and staff reductions across the world to achieve business objectives. This resulted in a decline of approximately 1,200 staff members through both restructuring actions. Additional factors also play a part in turnover fluctuations, including acquisitions, changing demographics of the workforce, and changes to our target markets and geographies.

Total Number and Rate of Employee Turnover

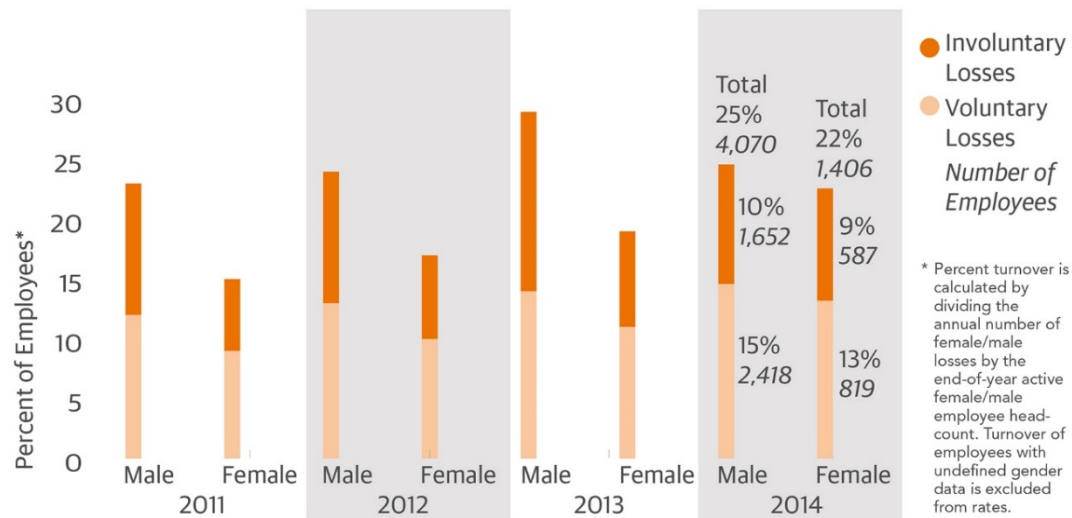
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Employee Turnover by Gender

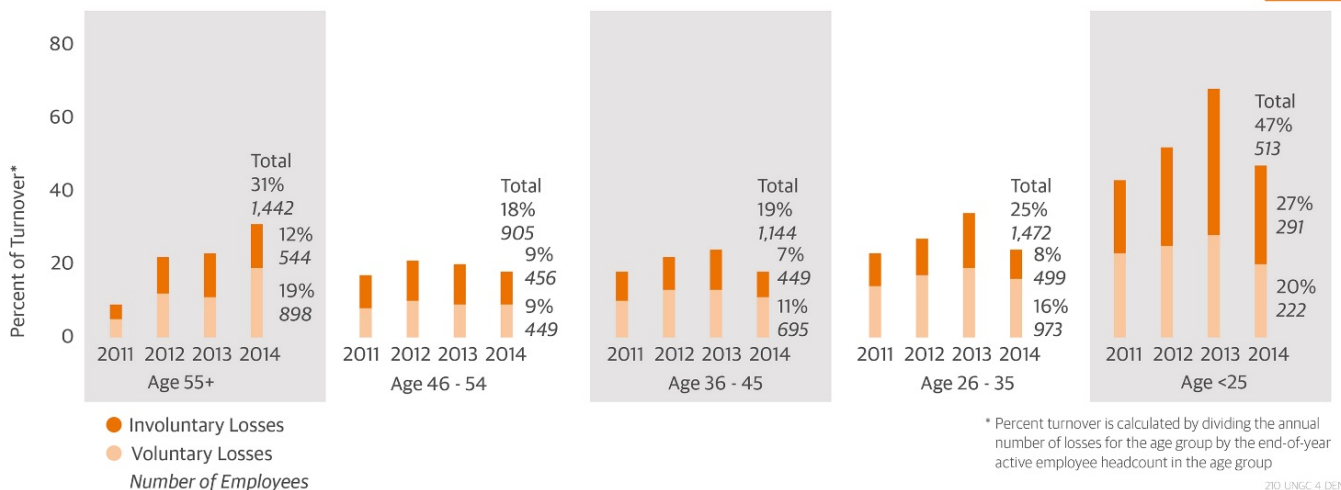
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Employee Turnover by Age Group

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2.5.1 Integrating New Staff

To reduce employee turnover and support engagement and job satisfaction, CH2M is committed to providing stellar early experiences for new employees. We integrate new employees by preparing them to join the company, orienting them once they have started working, and integrating them into their teams and the firm.

Preparing – As soon as candidates accept their offers of employment, a dedicated coordinator assists their transition into the company and makes sure everything is ready for them on their first day. This person then stays connected with them through the first month to help make sure they settle in well.

Orienting – When joining a new company, there is always a lot to learn. We believe it is vital that all employees receive proper orientation so that no matter their location or project, they feel connected to the entire company. We offer a variety of orientation options, depending on location. Employees have access to at least one orientation opportunity, including a self-exploratory new employee Web site, a self-guided orientation presentation, and in-person orientation sessions when possible.

Integrating – To help supervisors welcome and integrate new employees, we equip them with essential tools, like checklists and templates. Supervisors prepare integration plans designed to set clear expectations; identify key people, training, resources, and tools to help new employees be successful; and provide a framework for early career development conversations.

Results from our supervisor and new employee 2-week and 2-month surveys indicate a high degree of satisfaction with the program overall. The feedback helps us focus on opportunities where we can make our new employee experiences even better. We have been able to directly correlate new hire satisfaction in these surveys with longer-term employee engagement. Our efforts to provide a great new employee experience from day one translates into more satisfied employees in the long term and, thereby, more satisfied clients.

2.5.2 AlumniConnect

Finding the right talent to work on our clients' projects is essential for CH2M's future. As the talent shortage grows, this becomes an even greater challenge. Knowing how difficult finding new talent can be, we are investing in keeping connected with the talent we already know. Our Alumni and Retiree Relations Program fosters this connectivity as it engages with alumni and retirees through our online talent community, AlumniConnect. The community invites former employees and retirees to participate. The AlumniConnect site offers members a private, social media experience where they can keep up to date on company and people news, view open job positions, and stay connected with former colleagues, friends, and mentors. The AlumniConnect community has almost 3,500 members, including visitors from 108 countries and territories.

The alumni talent community is anticipated to become an increasingly more important and cost-effective alternative to traditional, expensive sourcing options, like job boards. Research also shows that rehiring alumni improves efficiency and reduces costs, ultimately increasing productivity and profitability for the organization. Alumni hires are already familiar with the company's culture and processes, so they are easily integrated back into the organization. They bring knowledge, skills, and abilities already tailored to CH2M's and our clients' needs. Former employees also bring valuable experience from their work outside of the firm. Many of our most successful employees have been rehired after leaving the firm for a period of time.

2.6 Training and Development

CH2M’s Talent Management and Development team is devoted to building tomorrow’s talent today. We recognize that our employees are our most important assets and that each of us must grow and learn or we—as individuals and as a company—risk falling behind. Our mission is to engage, develop, and empower our employees to advance their careers through targeted development opportunities and innovative learning systems and solutions in alignment with and in support of achieving our business strategy.

Career development and learning at CH2M is a shared responsibility between employees and their managers, but employees ultimately own their careers. We believe career development is essential for job satisfaction, as well as enhancing relationships and experiences with our clients, colleagues, and communities. We encourage employees to choose to learn every day, and they are supported by a learning community comprising a vast network of colleagues. Employees can take many different paths to career development. At CH2M, we encourage employees to learn through experiences on the job, supplemented by mentoring, coaching, and formal learning.



We also conduct succession planning and talent reviews to identify employees for potential critical leadership roles, building a talent pipeline for our future needs. We now extend talent reviews deeper into the business to get the right people in the right roles at the right time. We consider both performance and potential for advancement, taking a proactive approach to engaging and retaining our critical talent.

2.6.1 Training

CH2M continually expands its learning program to meet employees’ needs as they strengthen their skills and guide their careers. We give employees training that is aligned to the company’s values and customer focus.

Employees have access to thousands 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.

Governed by executive leadership, our “CH2M Schools” provide structured learning opportunities in four areas: client solutions and sales, project delivery, technology and innovation, and leadership and management. The schools foster a company-wide culture of career growth for all employees and use a leader-as-teacher model in which employees serve as on-the-job faculty. The program’s formal structure dates back to our history of providing opportunities for employees seeking career development in their current discipline or who would like to cross into new specialties. Employees at all levels of the organization move up, down, and across to gain experience and round out their capabilities. As we progress our programs, we continue to expand the balance of formal and informal learning to include experiential, on-the-job, social, and nontraditional forms of learning to engage our diverse and globally dispersed employees.

2.6.1.1 Leadership Development

Through the School of Leadership & Management, our leadership development efforts focus on preparing leaders at all levels to meet the unique challenges of their roles. These high-potential leaders are a particularly crucial piece of our leadership pipeline. Our Leadership Excellence through Accelerated Development program identifies and accelerates development of our high-potential leaders. It prepares them to avoid the pitfalls that lead to failure, take on senior leadership roles, and realize their promise as drivers of CH2M's future success. The following are goals of the program:

- Create a strong bench of well-prepared leaders
- Enhance organizational effectiveness through our leaders
- Encourage participants to experience personal leadership opportunities that are outside their comfort zones
- Expose participants to new experiences that help build their resume and personal network
- Develop, retain, and provide long-term career engagement of participants

2.6.1.2 Individual Development Plans

As part of our online Performance Enhancement Process (PEP), employees are strongly encouraged to complete an Individual Development Plan (IDP) each year to identify learning and development needs and opportunities aligned to their goals and the company's strategy. Each employee completes a PEP and creates an IDP with support from his or her supervisor and selected peers, who serve as performance observers, coaches, sponsors, and mentors.

2.6.1.3 e-Learning

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 support for engineers who use a wide variety of complex, automated engineering design tools.

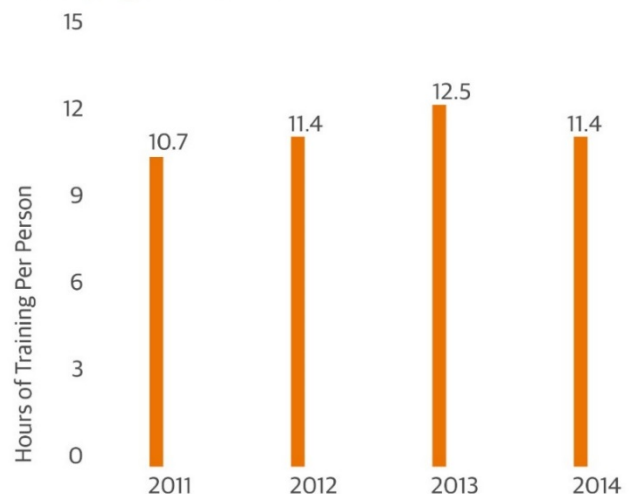
2.6.1.4 Environmental and Health & Safety Training

Our environmental training program includes courses related to field and construction services, as well as stormwater, chemicals, waste, air, wetlands, and natural and cultural resources management. Field project managers are required to take the CH2M environmental program awareness course, at a minimum, and office employees are encouraged to take environmental management system (EMS) awareness training. Our HSE training courses range 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. We completed 61,400 hours of HSE training in 2014.

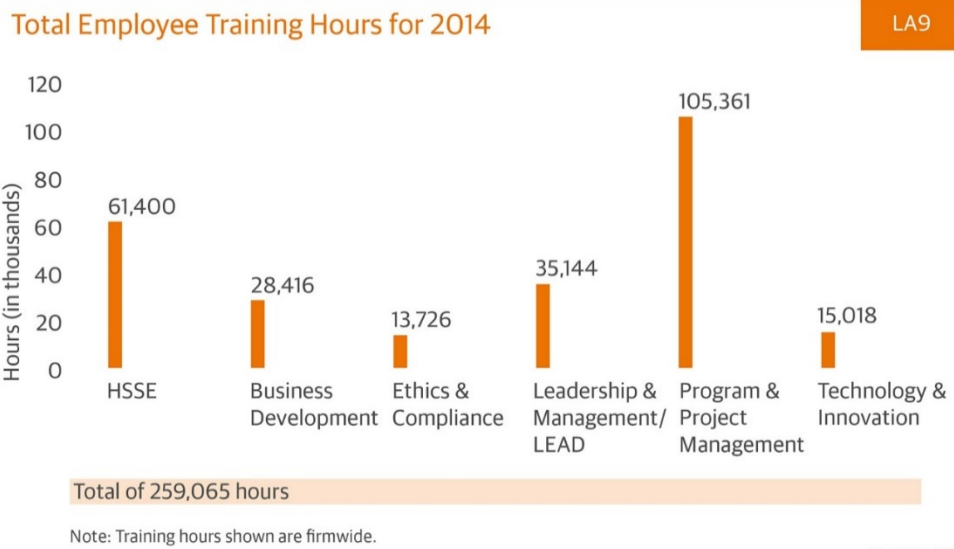
In 2014, CH2M employees received an average of 11.4 hours of training each, representing 259,065 hours logged through our CH2M Schools curriculum and business unit-aligned courses. CH2M's executive team actively supported this level of investment, despite overall pressure on the company's financial performance, demonstrating our unwavering commitment to promoting learning and development.

Average Hours of Training Per Employee Per Year

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2.6.1.5 Sustainability Training

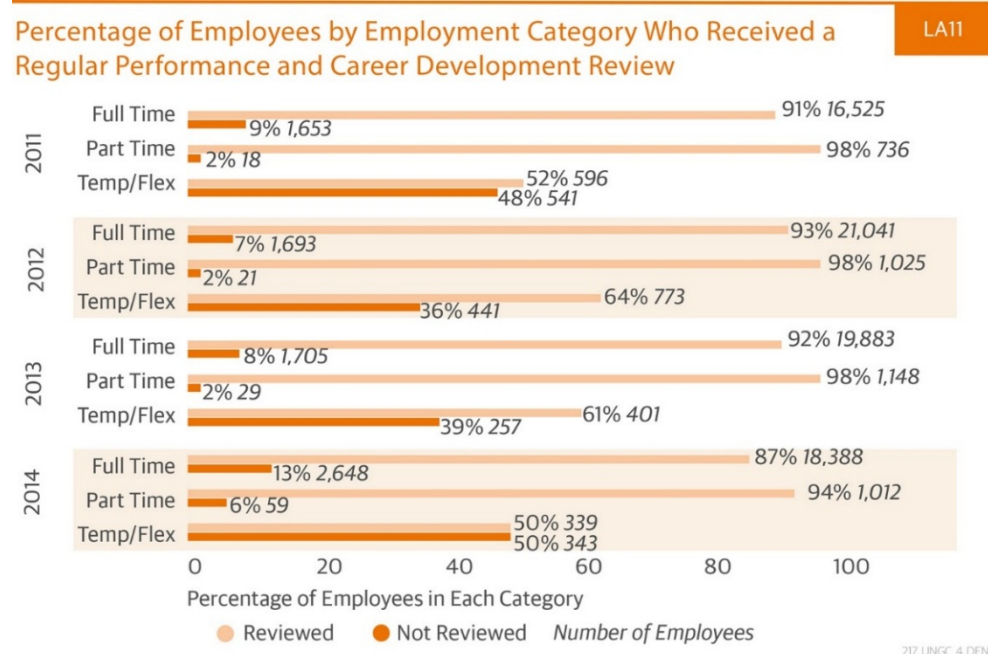
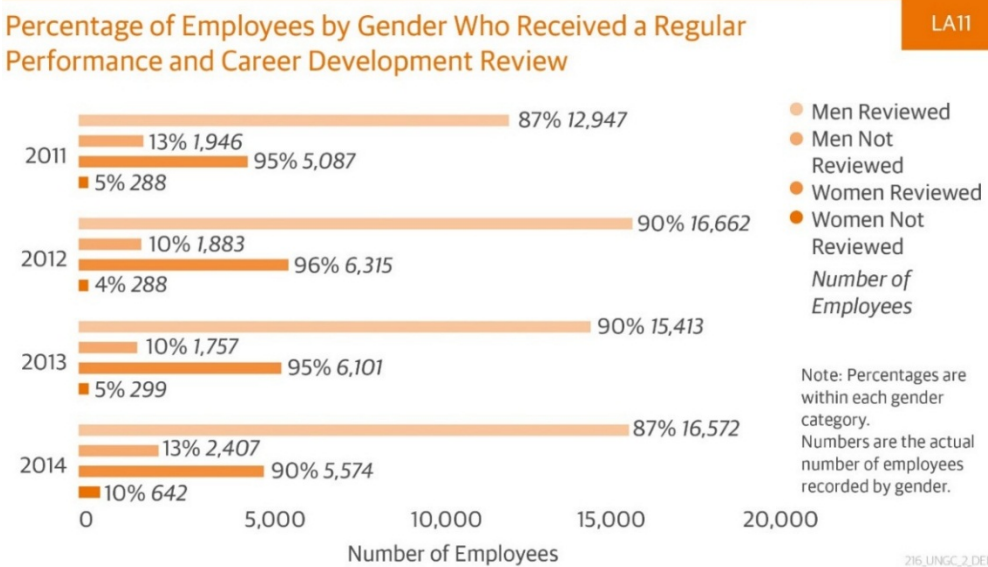
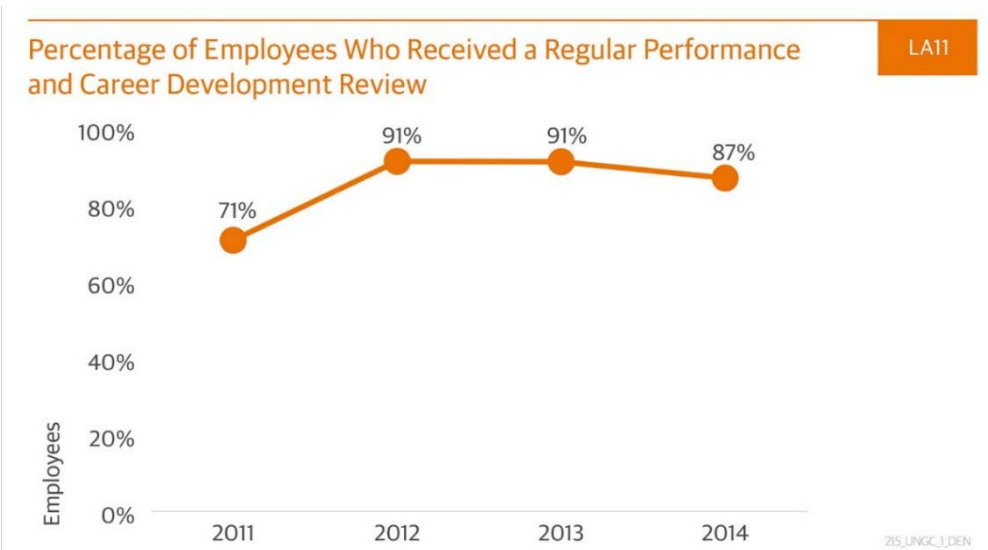
CH2M's focused employee engagement program for sustainability includes training for staff. Training is offered through the HSE curriculum for both EMS ISO 14001 and environmental stewardship at work and at home. EMS training is required for staff members with implementation responsibilities; it is available 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 sponsor communities of practice within and across multiple disciplines. These communities sponsor learning opportunities, where subject matter experts inside and outside the company are invited to share innovations and new ideas with interested staff. This gives people the opportunity to expand learning and personal networks and become engaged in offering sustainable solutions to our clients. 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.

As described in the [Client Services Footprint section](#), we are committed to embedding sustainability throughout our infrastructure practices. For example, as part of our membership with the Institute for Sustainable Infrastructure (ISI), we committed to enrolling 100 of our employees in the ISI Envision™ Sustainability Professionals (ENV SPs) credentialing program. These ENV SPs plan and evaluate the sustainability aspects of infrastructure projects using the rating system. CH2M also invested in Envision Verifier training, which provides an in-depth understanding of credit interpretations and the award verification process. All of this training and awareness then extends to colleagues and clients when our ENV SPs share information and perspectives about infrastructure sustainability. Our efforts continue into 2015 as we support ENV SP credentialing for our employees and invest in additional advanced training to become Approved Envision Trainers. These trainers will be able to train internally and externally as interest in Envision grows.

2.6.2 Career Development Reviews

CH2M has a goal for 100 percent participation in annual PEP, which culminates in a formal review discussion between supervisors and each of their employees. In 2014, 87 percent of employees completed PEP evaluations with their supervisors. We continually strive to improve participation and the quality of the review conversations. Given the diversity of our organization, a more condensed version of the PEP tool makes sense for some categories of workers, such as craft workers. 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.



3 Our Planet

3.1 Environmental Compliance

As an industry-leading environmental company, CH2M places a high value on protecting the environment. 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 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’s environmental performance has been exceptional, especially considering the variety and complexity of the projects we deliver. In 2014, CH2M had zero environmental fines or penalties.



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.

3.1.1 Environmental Spills

CH2M 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 (CERCLA). On CH2M projects in 2014, we had 3 significant spills: 100 gallons (0.38 cubic meter) of 12 percent sodium hypochlorite solution, 125 gallons (0.47 cubic meter) of 12 percent sodium hypochlorite solution, and a large undetermined quantity of creosote-contaminated groundwater. Although classified as “significant,” the spills had no critical impact to the environment.

3.2 Environmental Management

CH2M'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; Italy; Hong Kong; Australia; Argentina; Mexico; the Middle East (Dubai, Sharjah, Abu Dhabi, and Doha) and India (Noida, Mumbai, and Hyderabad). The [management systems map](#) illustrates our EMS programs and the status of conformance and compliance throughout regional operations. The majority of CH2M employees are included within the scope of the EMS programs in these geographies. Throughout the world, 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'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's global operations.



3.2.1 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 2014, the North American EMS set targets to reduce the footprint of our internal office operations, as well as for the operations management services we provide to our clients. Internally, we surpassed our goal for paper consumption and reduced paper use by 89 tonnes (98 tons) or 22 percent. We did not meet our goal for recycled paper purchasing, although we maintained a stable level as compared to 2013. 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. We exceeded the water reduction goal by nearly 60 percent, reducing our annual potable water consumption at our global headquarters by 517,000 gallons (1,957 cubic meters) since 2012. We did not meet our corporate

CH2M 2015 EMS Targets: North American Offices

Internal CH2M Footprint

- Decrease paper purchasing by **36 tonnes (40 tons)** and increase recycled paper purchase rate to **82%** in 2015
- Establish paper recycling at **100%** of CH2M area offices in North America
- Maintain electricity consumption at **8,706 MWh** at our company headquarters in 2015
- Reduce CH2M's Scope 1 and 2 carbon footprint by **25%** compared to our 2012 baseline by the end of 2017*

External Projects and Services

- Through our Operations Management sustainability program, reduce fuel consumption by 20,000 gallons (75 cubic meters) and energy consumption by 3 million kWh on behalf of our clients.

*We have made this commitment to reduce our absolute GHG footprint globally.

120 UNGC.7.DEN

headquarters energy reduction goal and are striving to stabilize energy consumption in 2015. In the work we do for our clients, approximately 12 percent of effluent water was reused. As described in the [Client Services Footprint](#) section, our operations management sustainability program continues to achieve measurable outcomes for our clients.

Our 2015 targets illustrate how we plan to manage our environmental program going forward for both our internal footprint and externally on our projects and services. The targets to reduce paper use have been increased, and we are striving to establish paper recycling at all of our North American area offices and stabilize energy consumption at our corporate headquarters. The targets for carbon emissions reduction are set at the corporate level and administered by the North American EMS team. Externally, our Operations Management sustainability program continues to support client projects in reducing fuel and energy consumption. Our 2015 targets include reducing fuel consumption by 20,000 gallons (75 cubic meters) and energy consumption by 3 million kilowatt-hours (kWh) on behalf of our clients.

3.2.2 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 over a 3-year period from 2013 to 2015. To understand and manage our environmental impacts, we have ISO 14001-certified EMS programs in place at our offices in the United Kingdom, Ireland, Italy, and Romania, as shown on the [management systems map](#). The footprint for the certified EMS in Europe has grown, and in February 2014, we added ISO 14001 certification for our Italian operation.

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 continues to improve.

We understand our direct environmental impacts well and our indirect environmental impacts less well. In 2015, we will continue to focus on improving our understanding of our indirect environmental impacts associated with procurement. As the demand for our services grows in the region, we will face challenges in containing environmental impacts associated with business travel. We will look to grow in ways that promote more sustainable outcomes and are sensitive to the environment.

In the UK, CH2M will be affected by the Energy Savings Opportunity Scheme (ESOS) Regulations. The ESOS Regulations 2014 bring into force Article 8 of the European Union Energy Efficiency Directive and mandate that all large businesses in the UK undertake comprehensive assessments of energy use and energy efficiency opportunities at least once every 4 years. The deadline for the first compliance period is December 5, 2015. Compliance with the ESOS requirements will be met via either mandatory ESOS energy audits or through an ISO 50001-certified energy management system. ISO 50001:2011 specifies requirements for establishing, implementing, maintaining, and improving an energy management system, which would further enable CH2M in the UK to follow a systematic approach toward achieving continual improvement of energy performance, including energy efficiency, energy use, and consumption.

Throughout 2014, we continued to work on the environmental objectives that we rolled out in 2013:

- Reduce carbon emissions for our office-based activities by 5 percent by the end of 2015
- Decrease 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)
- Decrease 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 100 percent, an increase from last year's score.

We continue to measure and report on environmental and sustainability measures, including reporting to our clients in order to help them better understand their own supply chain sustainability. Examples of this include the use of the Strategic Alignment Review Tool (StART) used by the Highways Agency. In 2015, we will also support the Environment Agency in its supply chain sustainability analysis program using Trucost's data collection portal.

3.2.3 Asia-Pacific EMS

Our Asia-Pacific region has ISO 14001-certified programs in Australia and Hong Kong, as shown on the [management systems map](#).

3.2.3.1 Australia EMS

Australia holds external ISO 14001 certifications for both CH2M Australia (since 2007) and CH2M HILL Australia Constructors Pty Ltd (since 2010). In 2014, the external auditors reviewed the work conducted by Halcrow Pacific (a business we acquired a few years ago) and extended the certification to that business entity. 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 2014, external surveillance audits reconfirmed compliance.

The Australia EMS office program continued to recycle batteries, mobile phones, and fluorescent light tubes; minimize energy consumption; and make responsible paper purchases. Similar initiatives are in place on established project sites. Project HSE plans address environmental aspects and impacts relevant to the work.

3.2.3.2 Hong Kong EMS

Our Hong Kong business operations have held ISO 14001 certification since 2007 for our consulting, engineering design, planning, and project management services. Projects continued to be delivered in accordance with ISO 14001, as verified by internal audits and the annual external third-party surveillance audit.

3.2.4 Middle East, North Africa, and India (MENAI) Region EMS

In the MENAI region, CH2M has EMS programs in four of our Middle Eastern and three Indian regional operational offices. An external assessment of our EMS programs on UAE and Qatar projects and in regional offices in late 2014 resulted in the Middle East region being recommended for certification for ISO 9001 (Quality), OHSAS 18001 (Health & Safety), and ISO 14001 (Environment). This proves to our clients and other parties that our management systems meet rigorous standards.

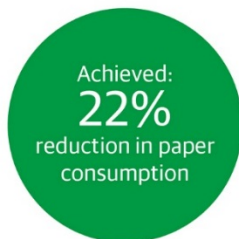
The external auditors commented on our "evident culture of health, safety, environment, and quality (HSEQ)," noting that many of our systems go over and above the requirements of the standard. They continued, "It is obvious that you take HSEQ very seriously within your organization and that your systems are integrated as part of your business operations."

In 2014, we set EMS targets at the beginning of the year to improve performance and implement best practices across Dubai, Abu Dhabi, and Sharjah in the UAE, and Doha in Qatar.

MENAI EMS 2014 Targets

CH2M

Target: Reduce paper consumption by 5%



Target: Increase paper waste recycling by 5%



Target: Increase purchase of recycled paper by 10%



Target: Send 100% of waste cartridges to recycling



Target: Reduce electricity consumption by 5%



India offices are not included in the 2014 EMS targets

127_UNGC_4_DEN

By the end of 2014, we achieved the targets by reducing paper consumption by 22 percent, from 38.6 kilograms (85 pounds) per person to 30 kilograms (66 pounds) per person; increasing paper waste recycling (versus consumed) from 29 to 52.3 percent (an increase of 23 percent over 2013); purchasing, on average, 28.7 percent of our paper with recycled content (an increase of 17 percent over 2013); sending 100 percent of printer cartridges to recycling facilities (except for the Doha office, which did not have this service available locally); and reducing electricity consumption from 3,020 kWh per person to 2,671 kWh per person (12 percent reduction over 2013). In addition, the Middle East offices recycled 16,858 kilograms (37,165 pounds) of paper waste; 1,677 kilograms (3,697 pounds) of cardboard; 292 kilograms (644 pounds) of plastic; 140 kilograms (309 pounds) of metal and glass; 213 computers; 15 laptop batteries; and 842 printer cartridges.

Offices continued to account for carbon dioxide (CO₂) emissions from company vehicles (leased and owned) at each of the EMS offices. In 2014, company vehicles in these offices (26 sedans and 11 sport utility vehicles as of the end of 2014) accounted for 244 tonnes (269 tons) of carbon dioxide equivalent (CO₂e), compared to 289 tonnes (317 tons) of CO₂e in 2013 with 14 sedans and 18 sport utility vehicles.

In addition, we launched an EMS program in our India offices (Noida, Mumbai, and Hyderabad) in the third quarter of 2014. EMS initiatives and data recording efforts were focused on setting printers to double-sided printing, promoting turning off the lights, and implementing waste segregation and recycling programs.

3.2.5 Latin America EMS

Our Latin America region began work on its EMS in early 2012 and successfully launched the program in Buenos Aires, Argentina, in 2013. In November 2013, the office received an external ISO 14001:2004 certification, confirming the success of its waste recycling program, which includes electronic devices, plastic, paper, glass, and printer toners. Through 2014, external surveillance audits reconfirmed compliance.

In 2014, the Latin America EMS continued an aggressive rollout in the rest of the region, achieving external ISO 14001:2004 certification in our Campana, Argentina; Bahia Blanca, Argentina; and Mexico City offices.

In 2014, the Latin America EMS focused on office activities and environmentally responsible delivery of projects, such as:

- Included environmental aspects of design in our training plans as a step forward in the scope of our EMS. In our first stage of implementation, we focused only on office activities; we have included project delivery in the second phase, starting in Argentina and Mexico.
- Held an introductory course in concepts of sustainability and Leadership in Energy and Environmental Design (LEED®) certification for project managers and technical managers in the Mexico office. The training was divided into two sessions, theoretical and practical. Held during “Sustainability Month” in April, our trainers explained green building, its benefits, why we should design with sustainability criteria, the basic principles of sustainable design (systemic thinking, life cycles, closed systems, life cycle assessment, and life cycle cost), and categories and design strategies of LEED certification. We also conducted an eco-charrette, a workshop focused on generating intensive brainstorming at the beginning of a project to define goals and integrated solutions for project design.



Latin America EMS campaign slogan: “Three norms, one system.”

- Arranged a visit from ECO CARE Company to explain the problems from hazardous waste and the special handling required for toners and printer cartridges (sponsored by the Mexican Green Team).
- Featured articles about sustainability and the environment in regular newsletters to raise awareness.
- Shared our EMS evaluation process with an increasing number of clients from different markets, which are including EMS requirements as an important part of their evaluations.



Our EMS campaign slogan: “14001 reasons to care for the planet.”

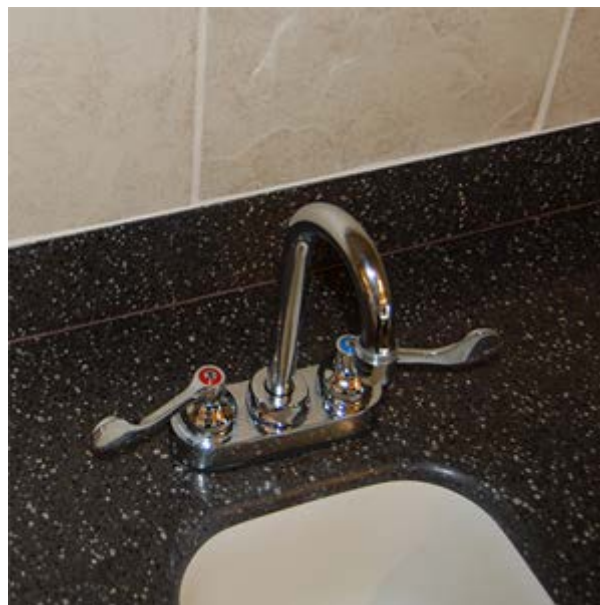
We have the following offices under certified systems:

- Argentina–Buenos Aires Office: Certification ISO 9001, ISO 14001, and OHSAS 18001.
- Argentina–Campana and Bahia Blanca Offices: Certification ISO 9001 and ISO 14001. We are in process of achieving the safety certification for OHSAS 18001. The certification audit will be held late October 2015.
- Mexico–Mexico City Office: Certification ISO 9001 and ISO 14001. We are in process of achieving the safety certification for OHSAS 18001. The certification has two steps, including a pre-audit in April 2015. We plan to accomplish the process in the second half of 2015.
- Brazil – Sao Paulo Office: Certification ISO 9001. We are working on planning activities to launch the EMS during the first quarter of 2016.

3.3 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.

Consistent with the firm's commitment to conserve natural resources and water, as stated in the [CH2M Sustainability Policy](#), we continue to track and report on water consumption for facilities that CH2M owns or operates on behalf of its clients. As a service provider, CH2M'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 it is difficult to implement conservation technologies or quantify the results of water conservation efforts. We do, however, directly measure water use when we can, such as at our corporate headquarters in Denver, Colorado, where we operate our facilities as part of leasing terms.



CH2M views conservation as an ongoing process. We will continue to incorporate advancements in water-efficient technology in decision-making for our direct operations. CH2M 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. We have also 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 systems, which we design and construct every day and do not require the use of additional resources.

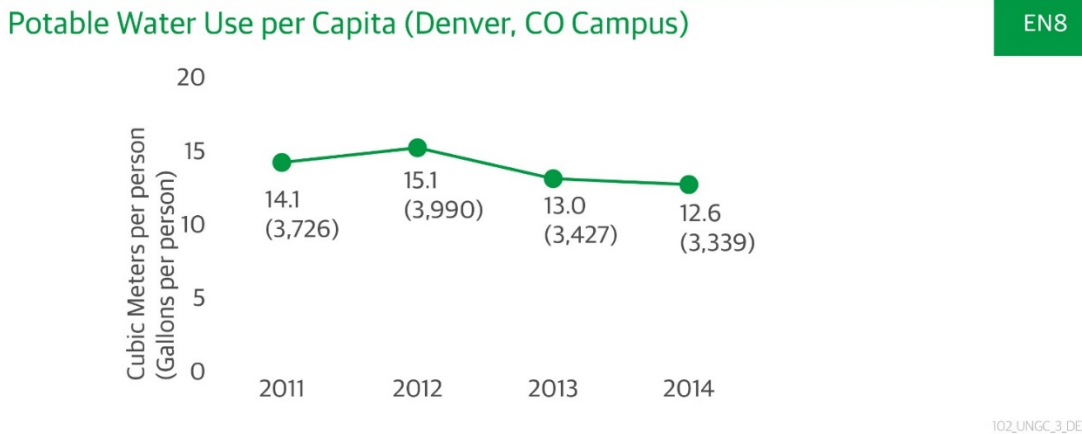
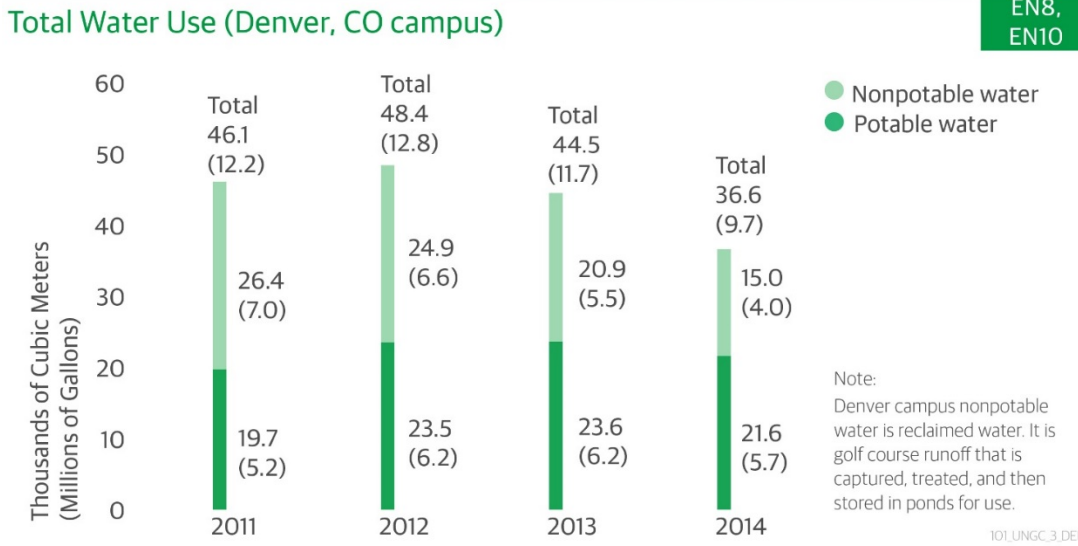
3.3.1 Corporate Headquarters

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

Water use at the corporate headquarters in Denver, Colorado, has been documented since 2008. In 2012, the North America EMS set a target to reduce water use by 325,000 gallons (1,230 cubic meters) by the end of 2014. Between 2012 and 2014, total water consumption decreased by 3,113,000 gallons (11,784 cubic meters). Of this reduction, 517,000 gallons (1,957 cubic meters) is attributed to potable water, greatly surpassing the goal. In spring 2013, all urinals in the men's restrooms across campus were replaced from conventional 1-gallon-per-flush systems to pint-flush urinals (0.125 gallon per flush). Compared to 2013, the Denver campus reported an 18 percent decrease in total water consumption. Potable water consumption was reduced by approximately 9 percent. Although the average employee population decreased on campus, the per-capita potable water consumption also decreased from 2013 by 3 percent. Without accounting for water consumed by building cooling, we saw a reduction of 131 gallons (0.5 cubic meter) per person.

In an arid climate like Denver, Colorado, implementing creative water-saving irrigation solutions is imperative. Reusing reclaimed water for irrigation reduces demand on surface water and groundwater

supplies. We also continue to replace landscaping with low-water-consuming plants when replacement is necessary. In 2014, nonpotable water consumption decreased by 28 percent as compared to 2013. Much of this decrease can be attributed to the cooler and wetter summer in 2014.



3.3.2 Water Use in Europe

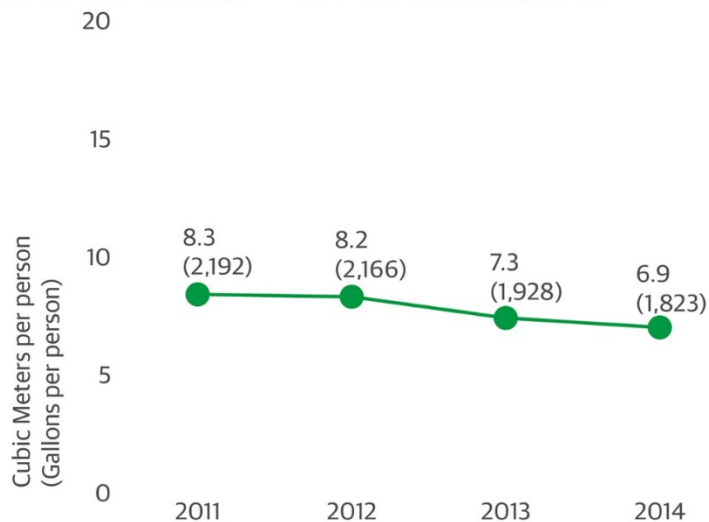
In Europe, our objective is to reduce water consumption, following good practice guidance, and monitor both actual absolute reductions and the ratio of water per employee. Our overall target is to reduce water consumption per employee to less than 6 cubic meters (1,585 gallons) by the end of 2015.

In the UK, 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’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.

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 figure was further reduced to 6.9 cubic meters (1,823 gallons) in 2014. This means that our 2014 consumption was 0.1 cubic meter (26 gallons) above industry benchmarks. We will endeavor to make further improvements in 2015.

Potable Water Use per Capita (United Kingdom)

EN8



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3.3.3 Water Conservation Strategies for Clients

Beyond our office facilities, CH2M’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 provides full-service operation, maintenance, and management to municipal and industrial sites, treating approximately 6.4 million cubic meters (1.7 billion gallons) of water and wastewater every day through our Operations Management group. Recognizing the importance of developing best management practices for sustainable operations, CH2M 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 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, we expanded the sustainability program across our Operations Management North American portfolio.

3.3.3.1 Water Reuse, Discharge, and Quality

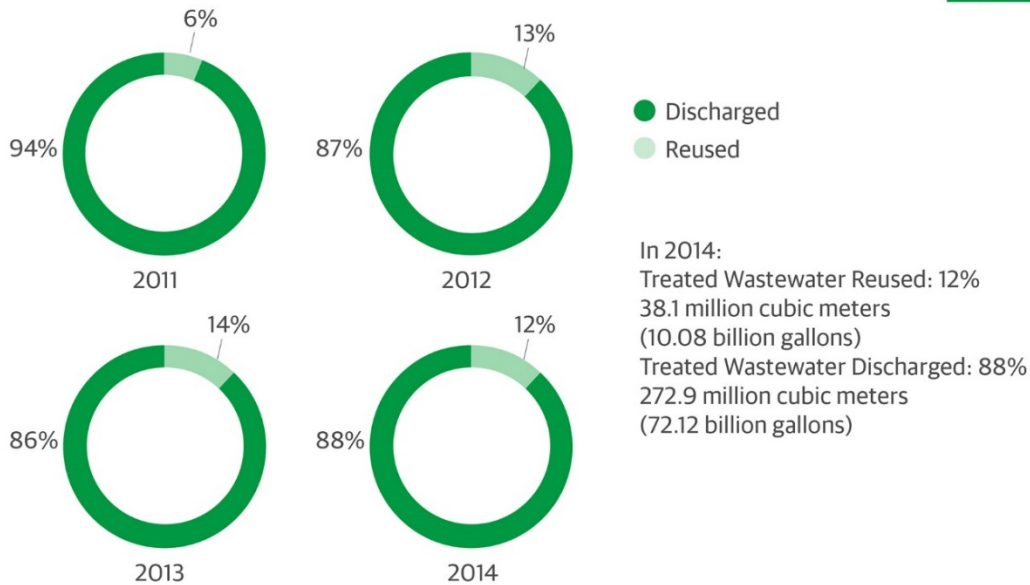
We continued to track wastewater treatment performance across the operations management portfolio of projects. A comprehensive look at the overall quantity and quality of wastewater treated in 2014 at the 90 client wastewater facilities managed throughout North America shows that we treated 311 million cubic meters (82.2 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 2014 was 98 percent, benchmarking our treatment averages at 13 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 2014 was 98 percent, putting our treatment averages at 13 percent above the NPDES national averages. Additionally, 38.1 million cubic meters (10.08 billion gallons) of this effluent was beneficially reused, representing 12 percent of the total wastewater treated in 2014.

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.

Treated Wastewater Discharged and Reused (North America)

EN10,
EN22



Notes:

- These data are collected from wastewater treatment facilities managed by CH2M's Operations Management Services.
- The data includes 90 facilities in North America discharging to a variety of water bodies.

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3.4 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.

3.4.1 Helping Clients Help Communities

One of the most important ways that CH2M 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.

3.4.2 Engaging Global Communities

CH2M'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, 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 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 Sustainable Development," focuses on the importance of water to health, nature, urbanization, industry, energy, food, and equality. 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 announced publication of a report for the Energy Water Initiative (EWI), *U.S. Onshore Unconventional Exploration and Production Water Management Case Studies*, which includes 12 case studies that represent a cross section of EWI member companies in Arkansas, New Mexico, Ohio, Pennsylvania, Texas, Utah, and Wyoming. The objectives of the case studies were twofold: (1) to illustrate the diverse, regional water resource challenges the industry faces; and (2) to share innovative strategies and lessons learned from individual companies to help continually evolve stewardship practices with EWI's members and stakeholders.

3.4.3 Providing Industry Leadership

By disseminating important information for global collaboration and participating in professional and civic organizations, CH2M actively seeks to advance existing knowledge, stimulate ideas, and support a framework for sustainable water management. In late 2013, CH2M helped launch the [Value of Water Coalition](#), which seeks to educate the public about the importance of water and water-related infrastructure. We offer innovative, free tools in collaboration with our partners. These include the Global and Local Water Tools, which help businesses value water. Additionally, we raise issues and share innovations about water on communication and social media platforms, such as our [Access Water blog](#) and [WaterMatch](#), to engage broader audiences in the water dialogue. 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.

3.4.3.1 Value of Water Coalition

As one of the founders of the [Value of Water Coalition](#), CH2M has been an active partner in educating the public about the importance of water as an essential and invaluable shared resource, and building the case for investment in water infrastructure and water resources. During 2014, the coalition grew, as many of CH2M's clients joined the organization from the public and private sector. The primary goal of the coalition is to educate the public and elevate the level of discourse around water quality, availability, reliability, and pricing. The coalition also seeks to convene public, private, and nonprofit leaders to accelerate the pace of thought leadership on water issues, as well as to cultivate new partnerships, collaborations, and champions for the value of water.

The Value of Water Coalition aggregates news and publishes blogs on its website, sharing the content through various social media outlets. CH2M invites our stakeholders to follow the Coalition on Twitter ([@TheValueofWater](#)), YouTube ([The Value of Water Coalition](#)), Google+ ([The Value of Water Coalition](#)), and SlideShare ([Value of Water](#)).

3.4.3.2 Global and Local Water Tools

Developed in conjunction with the World Business Council for Sustainable Development (WBCSD), the [Global Water Tool \(GWT\)](#), which launched in 2007 and was updated in March 2015, assists companies in mapping their water use and assessing 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](#), released in 2012, provides guidance on local, site-specific water risks, impacts, and opportunities. CH2M 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.

The free tools continue to be enhanced with [new, customized versions](#), including those for the oil and gas industry and power utilities. Together with the International Petroleum Industry Environmental Conservation Association and the WBCSD, CH2M is developing the updated sectorial customization for the oil and gas industry. In 2013, we 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.

3.4.3.3 WaterMatch

CH2M's [WaterMatch](#), a grassroots, goodwill 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.

3.4.3.4 Access Water Blog

CH2M'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's water experts, our clients, and members of the public 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 \(@CH2M\)](#). 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 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.

3.4.3.5 Individuals Making Differences

Our staff includes innovative, driven people who really care about making a difference. Whether supporting the strategic pillars of STEM education; environmental stewardship; or personal community interests, CH2M

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.

The following highlights showcase a few noteworthy employees who are exhibiting leadership in addressing the critical and intertwined challenges that face everyone who influences or is influenced by the water cycle.

Duyen Tran, regional business manager and director of sustainable operations, won the prestigious National Association of Water Companies 2014 Living Water Award, recognizing exemplary private water industry professionals. Duyen, who calls herself “green before green was cool,” puts it this way: “I’m passionate about water and wastewater. I didn’t recognize the importance of clean water until I actually worked in the wastewater field and understood how what we do helps prevent pollutants from entering our drinking water. So I made it my passion not only to make a difference in my career, but also to help young professionals who want to make wastewater their career choice.” Duyen has been a member of the Water Environment Federation (WEF) since 1990 and speaker of WEF’s House of Delegates. She’s also served as president of the Arkansas Water Environment Association (AWEA) and received AWEA’s Arthur Sidney Bedell Award in 2014. She’s also been named wastewater manager of the year by both AWEA and the Northwest District of the Arkansas Water Works & Water Environment Association (Little Rock).



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 representative to the Standards Council and will serve his second term on the Water Science and Research Division.

Larry Schimmoller, global technology leader for water reuse, is contributing significantly to the water reuse industry. One of his [blog posts](#) 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 35-year career at CH2M 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 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 American Water Works Association’s George Fuller Award in 2000 for his commitment to professional society activities.

Dr. Glen Daigger, retired senior vice president and chief water technology officer, completed his second term as International Water Association President in 2014. In this capacity, he provided 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. Glen was selected to join the University of Michigan’s faculty as Professor of Engineering Practice in the Department of Civil and Environmental Engineering, College of Engineering. Glen is doing a bit of teaching, but is primarily engaged in activities to help the university advance the practice of water. He leads significant research efforts in the College of Engineering and across the university. Glen retired from CH2M in December, but continues to serve as a special advisor on water projects. Currently, Glen is assisting with an indirect potable reuse project in Brazil.



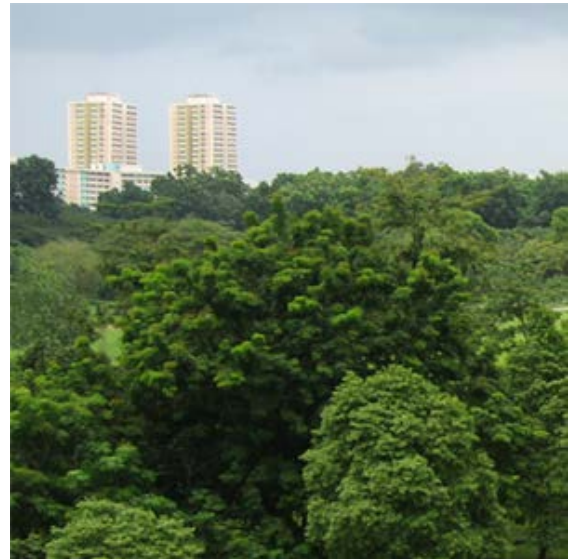
Linda Macpherson, vice president and reuse principal technologist, serves on the board of directors of the WateReuse Association, focusing on public education, research advisory, and instrumental participation of international and executive committees. The overall goals of this work are to improve water quality and increase local water supply. Linda’s work uses words and graphics and images to change thinking—opening hearts and 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 UN Water with the “Water for Life” Best Practices Award 2014.

3.5 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’s materials consumption. Paper consumption includes primarily white paper for use in copiers and printers. We are committed to using technology to reduce paper use, which represents much of the solid waste and material consumption in our offices.

3.5.1 North America Paper Consumption

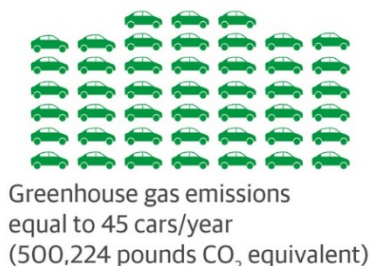
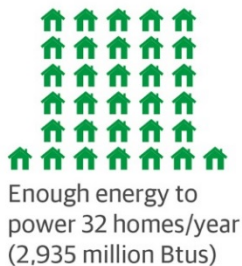
The North America EMS has been tracking paper consumption since 2008. For the last couple of years, we have been taking active measures to reduce paper consumption and increase purchase of paper with recycled content. In 2014 we set a target to decrease paper consumption by 27 tonnes (30 tons) and increase purchase of paper with recycled content to 82 percent. We surpassed our paper reduction target and achieved an 89-tonne (98-ton) reduction, or 22 percent as compared to 2013. Paper use reduction was accomplished through various activities, including continued communication within the firm about reducing paper use, ongoing focus on communication with reprographics centers, and requiring personal identification numbers to be used on multifunction printers to reduce waste from printed pages that are never retrieved by the sender. In 2015 we are striving for an additional 36-tonne (40-ton, or 12 percent) reduction in the amount of paper we purchase. Reducing our paper consumption resulted in significant reductions in wood use, net energy, and GHG emissions.



Impacts Avoided through Reduced Paper Consumption in 2014 (North America)

CH2M

By using 89 tonnes (98 tons) less paper in 2014 as compared to 2013, CH2M reduced impacts* by:



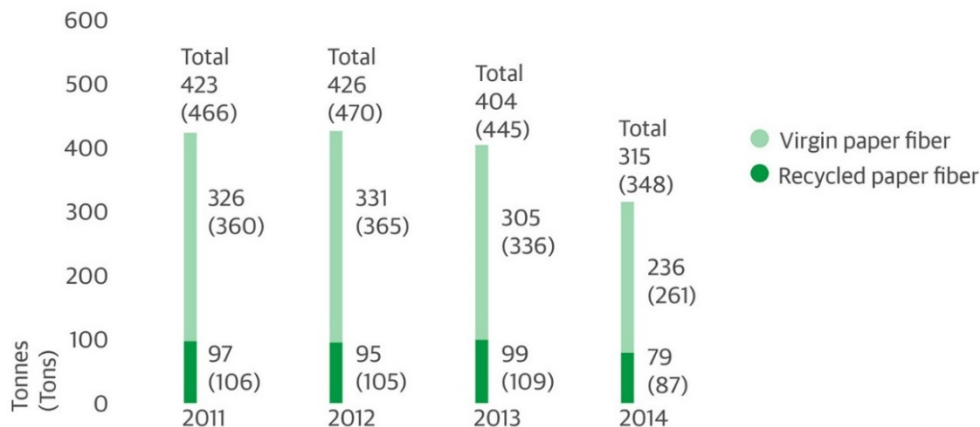
* We used the Environmental Paper Network Paper Calculator Version 3.2 to estimate environmental impacts. For more information visit www.papercalculator.org.

108_UNGC_4_DEN

In North America, we purchase approximately 90 percent of our paper through a firmwide master contract. The remaining 10 percent, obtained from myriad regional and local suppliers, is not tracked systematically for reporting. In 2014, our goal was for 82 percent of all our paper used to have recycled content. Recycled paper purchases represented 78 percent of all paper purchased in 2014, falling short of the 82 percent target, yet remaining stable compared to 2013.

Total Paper Purchased and Recycled Content by Weight (North America)

EN1, EN2

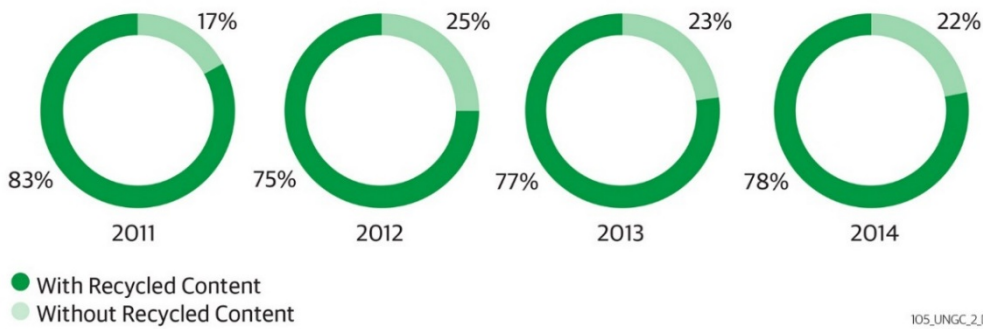


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The actual post-consumer recycled content in the various kinds of recycled paper purchased by CH2M ranges from 30 to 100 percent. In 2014, we purchased a total of 315 tonnes (348 tons) of paper, which contained 79 tonnes (87 tons) of recycled fiber by weight.

Recycled Paper Purchased (North America)

EN2



3.5.2 Europe Paper Consumption

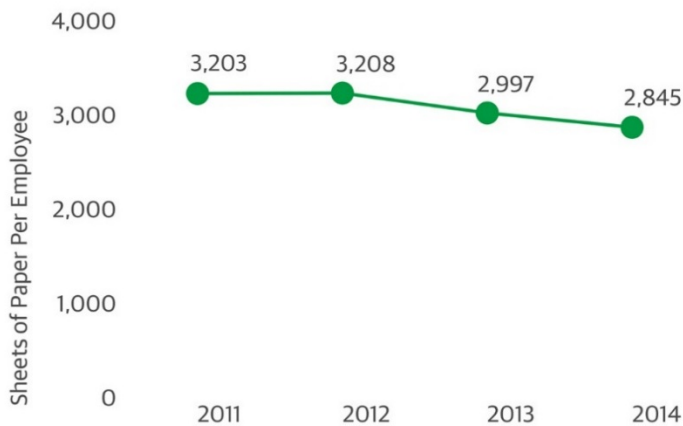
Our objective in Europe was to reduce paper consumption, following good practice guidance, and to monitor both actual absolute reductions and the ratio of paper use per employee.

In the UK, 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’s operational control guidelines. In 2014, we saw a decline in UK paper consumption of 5 percent compared with 2013. Our average of 2,845 sheets per employee is below the good practice industry benchmarks of 3,500 sheets.

Paper reductions in the UK 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 the UK and mainland Europe, we also rolled out a print management system, which contributed to the efficiencies achieved in paper use in 2014. Across the UK and mainland Europe, paper consumption was 2,907 sheets per employee in 2014.

Paper Use Trend (United Kingdom)

EN1



3.5.3 Middle East Paper Consumption

The paper reduction and procurement initiatives in 2014 focused on the Dubai, Abu Dhabi, and Sharjah (in the UAE), and Doha (in Qatar) offices. All printers are set up for default double-sided printing. By the end of 2014, we achieved the targets by reducing paper consumption down to 30 kilograms/person (66 pounds); increasing paper waste recycling (versus consumed) to 52 percent; and purchasing, on average, 29 percent of our paper with recycled content.

3.5.4 Australia Paper Consumption

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 2014 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.

3.5.5 Latin America Paper Consumption

The paper reduction initiatives in 2014 focused on the Argentina offices and Mexico. We aimed to reduce consumption per employee by eliminating excessive and unnecessary printed paper, encouraging double-sided printing and enabling printing-on-demand features.

3.6 Recycling

3.6.1 Recycling in North America

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. 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 2014:

- With a consolidation of two locations, the **Atlanta, Georgia**, office recycled over 6 tonnes (7 tons) of paper, donated 4 truckloads of binders and office supplies to local churches and schools, saved over 1,920 paper boxes by using reusable rental crates to relocate belongings, and liquidated 158,000 square feet of furniture through a refurbishment reseller. The office also recycled 821 items of computer equipment and 612 phones (7,617 pounds in total) via CloudBlue and all of its security and data cabling. As a result of the recycling and reuse efforts, the office diverted the following from landfills: 167 tonnes (184 tons) of concrete, wood, metal, carpet, plastic, insulation and paper; 1,900 fluorescent bulbs; and over 680 kilograms (1,500 pounds) of electronic ballasts. New space was constructed with environmentally friendly products including sustainable flooring, paint, and cabinetry; Energy Star rated appliances; energy-efficient lighting fixtures and bulbs with motion sensors; and reuse of doors and structural materials. Sustainable design practices included limiting drywall, laminate, and tile waste; extensive use of glass to allow natural light to flood the space to the core; limited use of printed material in-house by design team; and use of digital redlines and correspondence.
- Staff in **Cape Canaveral, Florida**, who have been taking recyclables home for pickup with their residential recyclables, were finally given relief after years of volunteering for this greening effort. In 2014, the office’s landlord designated an area for recyclables at the building.
- The **Spartanburg, South Carolina**, office didn’t start recycling comingled materials (glass, plastic, aluminum and paper) until 2013. Electronic waste was the only formal recycling program. In the first quarter of that year, the office created a recycling room and encouraged staff to bring in recycling from home as well as recycling items in the office. Spartanburg now recycles mixed paper as well as batteries, pens, lightbulbs, and cardboard. In 2014 the office conducted several cleanup sessions, recycling many years’ worth of drawings, binders, and office supplies, and targeting some supplies for reuse in the office or donation to a local Title 1 school.



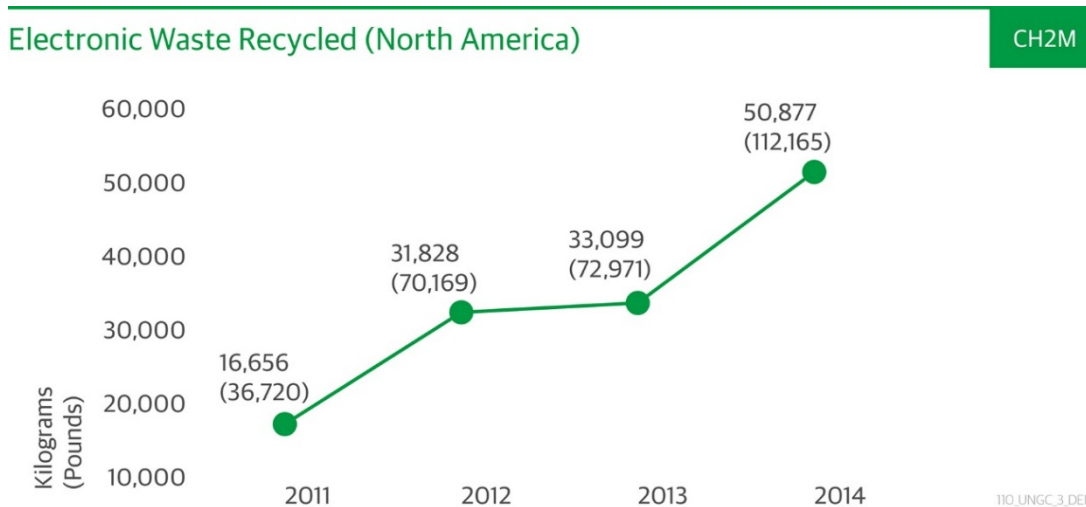
While municipalities across the United States have various types of recycling available, our policy is to recycle whatever we can where we work. Currently, 92 percent of our offices recycle paper and provide shredding services (which subsequently recycle). In 2015 we are striving to recycle paper at 100 percent of our North American offices. In addition, several of our offices make composting available so employees can take compost home for their gardens. With more than 1,300 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 offer composting from the café kitchen out to the cafeteria. Sodexo also provides compostable to-go containers that make composting easier for staff. 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 2014, our North American offices recycled 1,496 kilograms (3,300 pounds) of batteries.
- **Pens:** Old pens, highlighters, and markers are collected and shipped to TerraCycle for plastic recycling. For each item recycled, CH2M receives US\$0.02, which is donated to Engineers Without Borders USA, one of our strategic nonprofit partners. In 2014, we continued to increase the number of offices participating and recycled 7,116 writing instruments (an increase from the 4,022 writing instruments recycled in 2013). The pen recycling program raised an additional \$142 for Engineers Without Borders.

3.6.1.1 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 Information technology (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 2014, we achieved electronic waste recycling in 100 percent of our North American area offices. In total, 50,877 kilograms (112,165 pounds) of electronic waste were recycled, a significant increase in electronics recycling over 2013. This increase can be largely attributed to office closures and consolidations. Using a global vendor for IT asset disposal helps to ensure our service, security, reporting, and quality.



3.6.2 Recycling in Europe

In 2014, we continued to encourage 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 for trash bins at each desk, replacing them with waste and recycling hubs at central office locations. We also have a program to promote recovery and recycling of toner cartridges. Our Europe area offices recycled 12,884 kilograms (28,405 pounds) of electronic waste.

3.6.3 Recycling in the Middle East, Australia, and Asia Pacific

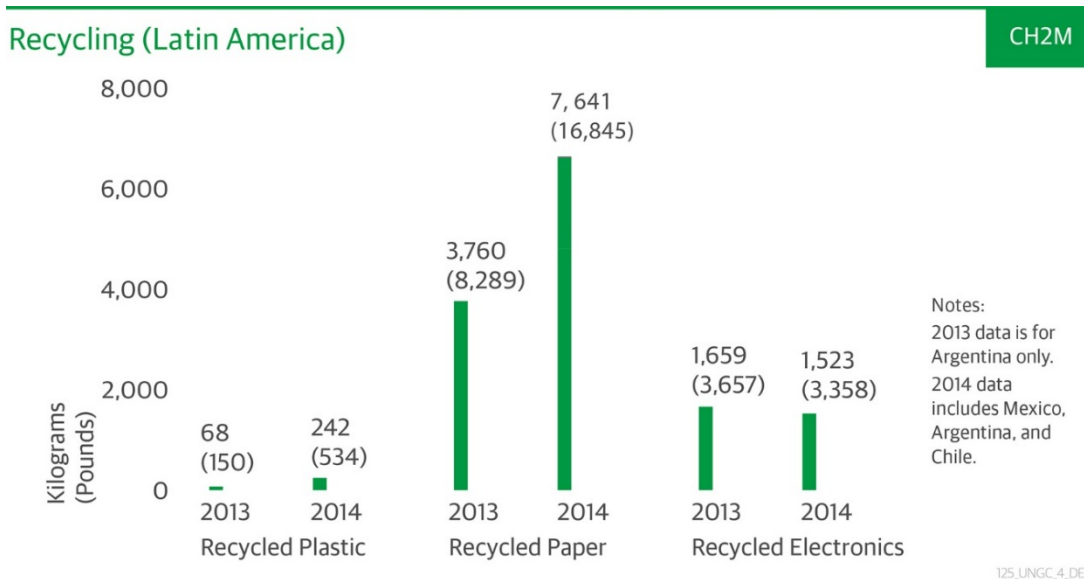
By the end of 2014, the Middle East offices recycled 16,858 kilograms (37,165 pounds) of paper waste; 1,677 kilograms (3,697 pounds) of cardboard; 292 kilograms (655 pounds) of plastic; 140 kilograms (309 pounds) of metal and glass; 213 computers; 15 laptop batteries; and 842 printer cartridges (resulting in 2,952 kilograms [6,508 pounds] of electronic waste). We increased paper waste recycling (versus consumption) to 52.3 percent and sent 100 percent of our printer cartridges to recycling facilities (except for the Doha office, which did not have this service available locally).

The Australia EMS office program continued recycling paper, batteries, mobile phones, and fluorescent light tubes. Australian area offices recycled approximately 113 kilograms (250 pounds) of electronic waste. Similar initiatives are in place on established project sites. Project HSE plans address environmental aspects and impacts relevant to the work.

Asia Pacific area offices (in China, Hong Kong, Malaysia, Philippines, and Thailand) recycled 2,497 kilograms (5,506 pounds) of electronic waste.

3.6.4 Recycling in Latin America

During 2012, we began recycling paper, toner cartridges, ink cartridges, and electronic waste by segregating waste, which is then removed by cleaning staff. We separate nonrecyclables, recyclables, computer waste, electronic waste, and print cartridges (ink and toner). In 2014, we recycled 242 kilograms (534 pounds) of plastics, 7,641 kilograms (16,845 pounds) of paper, and 1,523 kilograms (3,358 pounds) of electronic waste.



4 Preserving the Environment

4.1 Cover Story: Changing the Industry with Nature as Our Partner

Designing infrastructure that engages nature as a partner: it makes perfect sense and is perfectly confounding in its complexity, whether focusing on green infrastructure, natural capital, or ecosystem services. Through collaborations with visionary clients, communities, and organizations, we've fearlessly set out to transform engineering practice overall. Our transformative systems will work with and protect nature for all.

In a classroom in Boulder, Colorado, CH2M Global Sustainability Director [Brandy Wilson](#) helped MBA students create a [sustainability challenge](#): how to help the fictional coastal city of Matthews, Maryland, adapt to flooding and storm surges caused by rising sea levels and more frequent and intense storms, and how to make the city more resilient with ever-constrained funding.



Brandy Wilson

“Unfortunately, for many of our clients, this is not an academic exercise. It’s keeping corporate facility managers and civic public works professionals up at night,” said Wilson. “We asked the students to look at the financial impacts and benefits—as well as the funding potential—for alternatives ranging from traditional gray infrastructure solutions like seawalls to green infrastructure solutions like coastal wetlands and oyster reefs. Several students told me they had no idea about this issue or the challenges communities and companies face.”

For more than [30 years](#), CH2M has played a leading role in adapting innovative approaches to water quality, flood control, and stormwater management challenges around the world. Back in 1991, we pioneered the concept of regional low-impact development approaches in *Guiding Growth: Building Better Communities and Protecting our Countryside*, dispelling the myths of porous pavement durability with our initial installations that date back to 1983.

Now, as the need for resiliency and infrastructure reinvestment escalates and global economic challenges continue, we must change the game more quickly and include ecosystems as a part of engineering design, alongside visionary partners, collaborators, and forward-thinking clients in all sectors.

“Finding infrastructure solutions that appropriately balance our environmental, economic, and social needs has never been more challenging. So planners and engineers have never had a greater opportunity to contribute their ingenuity,” said [Dr. John Mogge](#), Director of Technology, Practices, and Design. “In the last 4 years, green and sustainable infrastructure is changing from a novel idea to an emerging technical practice.”



Dr. John Mogge

Natural Capital Timeline

The timeline is a vertical scroll with three main sections. Each section has a header icon and three text boxes. The first section has a water drop icon. The second section has a globe icon. The third section has a house icon. The fourth section has a sun icon.

1983: Began testing porous pavements as an innovative approach to wet-weather water quality and flood control challenges.

1991: Pioneered the concept of regional low-impact development and infrastructure approaches in *Guiding Growth: Building Better Communities and Protecting our Countryside*, dispelling the myths of porous pavement durability.

1990s: Gained regulatory acceptance of green infrastructure in multiple communities affected by combined sewer overflow pollution; this work continues today.

2007: Launched the Global Water Tool in conjunction with the World Business Council for Sustainable Development. The GWT has assisted more than 300 companies worldwide in mapping their water use and assessing risks relative to their global operations and supply chains.

2010: Developed the Greenroads™ rating system, in partnership with the University of Washington. Greenroads is the first and only independent third-party rating system for roadways in operation worldwide.

2012: Launched WaterMatch, a grassroots, goodwill initiative that promotes the beneficial reuse of municipal effluent for industrial and agricultural use at local levels. WaterMatch is a free Web site that uses social networking and geospatial mapping to connect water generators with water users.

2011: Awarded EPA’s “Model Green Infrastructure Community” for the Onondaga County, New York, green infrastructure implementation plan. Developed in less than a year, the program helps achieve 95 percent volume capture and is much more desirable to the community than previously proposed regional treatment facilities. The project was featured in a Bloomberg Businessweek feature on Innovative Urban Solutions and won the 2013 US Water Prize for innovation.

2011: Became a charter member of the Institute for Sustainable Infrastructure, who developed and maintains a sustainability rating system for civil infrastructure, called Envision.

2012: 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.

2013: Helped initiate the Natural Capital Business Hub in concert with over 40 global companies, The Nature Conservancy, and the Corporate Eco Forum.

2014: Set and met a commitment with the Natural Capital Business Hub to communicate at least five high-impact green infrastructure projects to build awareness and promote green infrastructure solutions.

2014: Entered into an unprecedented Collaborative Agreement with The Nature Conservancy to promote innovation and accelerate positive change in green infrastructure and natural capital.

Download the [Natural Capital Timeline](#)

4.1.1 How is Green Infrastructure Different?

In the early 20th century, dilution was the solution for water quality issues. As that approach failed and riverine ecosystems suffered from untreated wastewater loads, engineers innovated chemical and mechanical treatment systems and defended communities against flooding with levees. That’s when our industry adopted the engineers’ mantra: “Build it strong, build it stout, using things you know about.”

Strong-and-stout gray infrastructure solutions are embedded in our consciousness and our regulations: we know exactly how many acre-feet of water a reservoir holds and how many gallons per day of water we can treat. But we’re still discovering how much water storage is in a healthy forest, the treatment capacity of a

wetland, or the storm-absorbing potential of a constructed oyster reef. Beyond strong and stout, integrating green infrastructure offers cost-effective solutions that carry lower capital investment and operations and maintenance burdens, provide public benefits, and protect ecosystems.

As Dr. Mogge describes in [Investment Grade Green and Sustainable Infrastructure](#), we can either view the US\$1.2 trillion, 5-year infrastructure funding shortfall in the United States as a challenge, or view it as an opportunity and seek “additional opportunity to tap into an emerging and very interested set of private investors who see the multiple outcomes of green and sustainable infrastructure as worthy of their investment resources.”

We’re jumping on that opportunity through our collaborative agreement with The Nature Conservancy (TNC), a global nonprofit leader in science and conservation. By investing together in projects and thought leadership opportunities that will establish the business case for natural infrastructure, we plan to transform engineering practice. We presented these natural infrastructure and business collaboration ideas to a packed house at [A Community on Ecosystem Services conference](#) in Washington, D.C., with fellow panelists from The Dow Chemical Company, The Coca-Cola Company, The Global Environment Technology Foundation, and the World Wildlife Fund.

Green infrastructure relies on harnessing the power of ecosystem services—work that nature has historically provided for “free”—like filtering stormwater in a healthy riparian area or working with an oyster reef that reduces coastal erosion, filters contaminated seawater, and provides food and income to communities. Of course, these services never really were “free,” they just were not included in our accounting systems.

4.1.2 What is Natural Capital? How Do We Account for Ecosystem Services?

“Directly or indirectly, all companies use natural capital, which is the earth’s stock of air, land, water, and biodiversity, to support their business. This reliance on natural capital, and benefits provided in the form of ecosystem services, represents some level of business risk, today and in the future,” said CH2M Principal Ecologist Jonathon Weier. “By identifying ecosystem service dependencies and the value of nature to their business, companies can identify natural capital constraints and opportunities and employ strategies to address them.”



Jonathon Weier

Consideration of the value of ecosystem services helps project proponents make better decisions around natural capital, reducing their environmental footprint, sustaining access to resources that they need, and identifying opportunities for preservation and enhancement that can improve their relationship with stakeholders and offset their environmental impacts. Spanning CH2M’s project portfolio, we quantify environmental and business costs and benefits and integrate that information into business decision-making. Similarly, CH2M evaluates public investments to support decisions that make efficient use of scarce tax dollars.

The realization that our shared natural capital is finite and not being replenished at the current use rate is driving new behaviors that will help sustain the resources we rely upon for subsequent generations. Increasingly, business and government are considering the value of nature and the effects of their actions. “It is a rapidly growing area of focus and we are proud to be involved in a significant way,” said Weier.

“Some of the companies in the Natural Infrastructure Business Solution, like CH2M, have a lot of experience in this area and are sharing their knowledge, methodologies, and tools with others – while the companies that are at the start of the journey benefit from the experience of others to overcome internal and external hurdles. This cross-fertilization is an important part of the business solution, and we appreciate CH2M’s support in progressing the business solution.”

— Violaine Berger, Director
Ecosystems & Agriculture, WBCSD

Along these lines, we helped launch the [Natural Capital Business Hub](#), which is part of the Valuing Natural Capital Initiative sponsored by the Corporate Eco Forum and TNC. As a member of the hub, we committed to take natural capital and green infrastructure solutions to our clients and provide broad-based education and information for at least five projects, as described in the [Natural Capital section](#).

In another collaboration, we partnered with other WBCSD member companies to launch the [Natural Infrastructure Action Platform](#), an alliance of 30 companies and nonprofits that will protect and restore natural ecosystems and demonstrate their business benefits. This means articulating ecosystem services in terms of natural capital, and understanding and integrating the bottom-line benefits of a healthy environment.

We are also developing a *Business Guide for Natural Infrastructure*, which will be launched at the WBCSD Council meeting in December 2015.

“Some of the companies in the Natural Infrastructure Business Solution, like CH2M, have a lot of experience in this area and are sharing their knowledge, methodologies, and tools with others – while the companies that are at the start of the journey benefit from the experience of others to overcome internal and external hurdles. This cross-fertilization is an important part of the business solution, and we appreciate CH2M’s support in progressing the business solution.”
– Violaine Berger, Director, Ecosystems & Agriculture, WBCSD

4.1.3 How Do We Bring it All Together? What Does the Future Hold?

“We need to figure out how to let the water do the work,” says Natural Treatment Systems Technology Fellow [Jim Bays](#), who presented at an international conference on wetland systems for pollution control, held in Shanghai, China, last year. “To tackle the increased pressure to reduce demand for water and energy, combined with the need for a less expensive way to treat and recycle polluted water, all of us as scientists and engineers, policy makers, industrialists, and others in the field met to explore how constructed wetlands can address this complex issue.”

Some of the solutions sound downright futuristic, like using floating wetlands to reduce nitrogen in water bodies. Some gain inspiration from the past by recreating ecosystem functions that were lost to development, such as designing new treatment wetlands around the [Venice Lagoon](#) to help Venice, Italy, cope with modern pollutant loads. Others rely on applying the right technology for the right problem, like the work Bays is doing to help TNC address [wastewater pollution in the Coral Triangle](#). In this case, reef resiliency depends on a suite of solutions that can be scaled to meet the needs of different populations, from small villages lacking basic sanitation, to large destination resorts, to cities where wastewater infrastructure has lagged behind population growth.

Moving from strong-and-stout gray infrastructure to ecosystem-based green infrastructure and hybrid solutions requires a shift in thinking, which means sharing technical expertise. To help our client decision-makers understand the benefits of natural infrastructure solutions and identify potential natural infrastructure solutions at their sites, we gave a webinar for 120 Dow staff engineers in January 2014. Our experts presented the business case for investing in natural infrastructure solutions, as well as technologies that could be applied for water treatment, land remediation, and climate change mitigation. We plan to conduct similar webinars in 2015 with clients from other sectors.



Jim Bays



Left to right: Charley Weschler, Elise Ferguson, and Laura Williams from the CU Boulder NICC team; Brandy Wilson and Ellen Sandberg from CH2M; and Anna Hughes from the CU Boulder NICC team

We're investing in natural infrastructure in our projects and partnerships, as well as our corporate citizenship programs, like in that classroom in Boulder, Colorado. The case study the students developed with Wilson became the focus of the Net Impact Case Competition (NICC), an opportunity for 200 MBA students around the world to solve a sustainability business challenge, engage with professionals in the field, and win cash prizes. As the NICC sponsor this year, the CH2M Foundation challenged students to calculate the value of green infrastructure and determine how to fund improvements that create jobs, preserve the environment, and partner with nature to benefit the whole community.

Working with visionary partners and forward-thinking young people like these students, we're out to prove what Clair A. Hill said in 1971: "As guardians of lands and waters, engineers are the true environmentalists."

4.2 Carbon Emissions and Energy Use

CH2M 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. Some regions began tracking emissions as early as 2003, as reflected in [previous sustainability reports](#). This section contains energy use and carbon reduction programs from the following CH2M geographies:

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

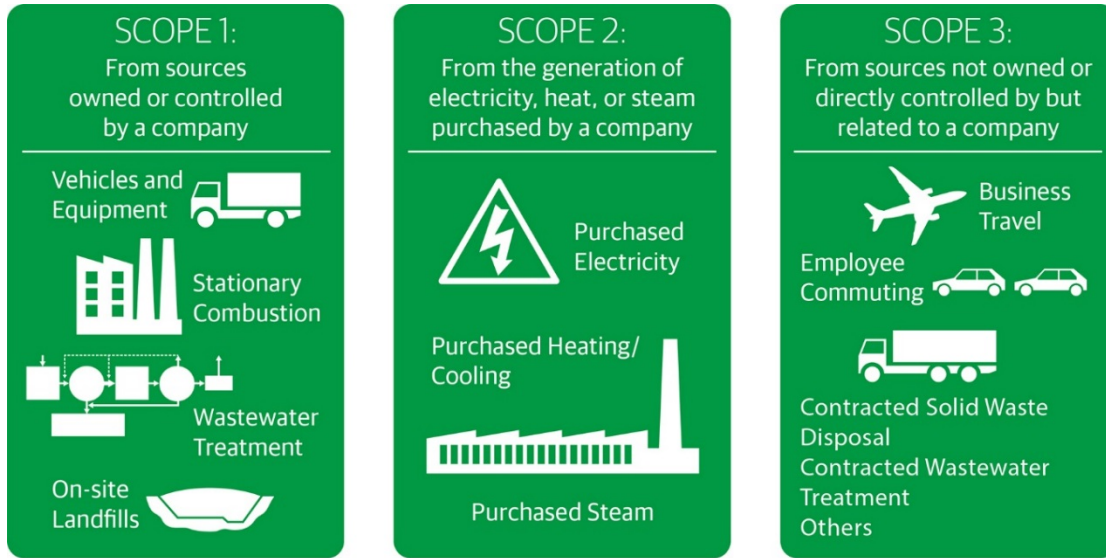
4.2.1 Global Carbon Emissions Inventory

CH2M completed its first global GHG emissions inventory to assess our company-wide 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 value chain impacts.

Through the process of tracking our carbon footprint, we chose to establish 2012 as our baseline year for assessing performance on company-wide emissions. In 2014, CH2M [endorsed a new strategic commitment](#) to reduce our absolute Scope 1 and Scope 2 GHG footprint by 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.



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 with information to develop future strategies for managing resources.

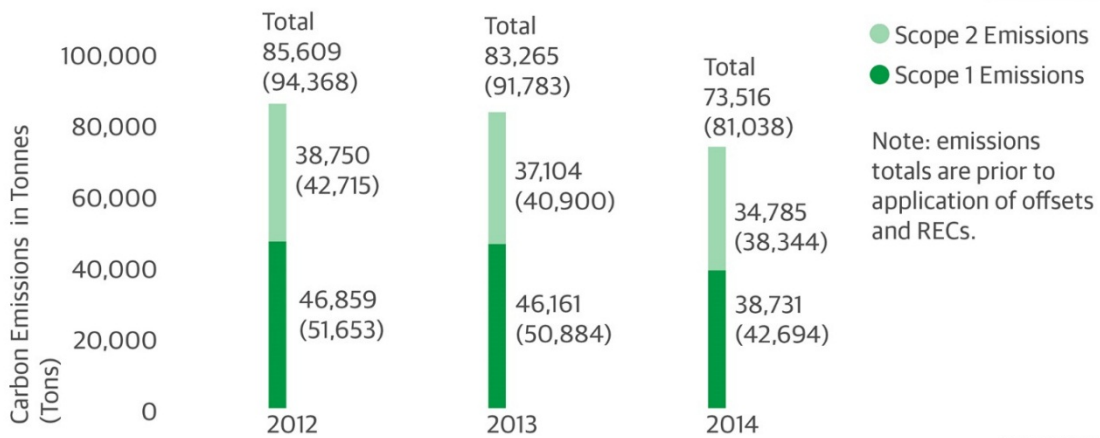
Although we cannot directly measure and quantify the benefits of our facilities' energy conservation programs, we nonetheless actively manage our energy use. As a matter of policy, CH2M purchases Energy Star-certified equipment and electronics for our North American offices. For our offices in other 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 LEED-certified headquarters campus and regularly assess our energy conservation practices. In locations where CH2M has an EMS in place, we implement procedures to reduce energy used in offices and have active "turn it off" campaigns.

In accordance with the World Resources Institute and the WBCSD's *Greenhouse Gas Protocol Initiative—A Corporate Accounting and Reporting Standard* (revised edition, 2004) guidance (GHG Protocol), we are restating our previously reported 2012 and 2013 global carbon emissions in 2014 to account for business acquisitions, including TERA Environmental Consultants; methodology changes, including the new GHG Protocol Scope 2 Guidance (amendment January 2015); and revised or newly available data records.

Based on these changes, CH2M's absolute global GHG emissions for Scope 1 direct and Scope 2 indirect combined prior to application of carbon offsets and RECs were 85,609 tonnes (94,368 tons) for 2012, 83,265 tonnes (91,783 tons) for 2013 and 73,516 tonnes (81,038 tons) for 2014. This represents approximately a 12 percent decrease in total Scope 1 and Scope 2 emissions from 2013, and a 14 percent decrease in total Scope 1 and Scope 2 emissions from 2012. Our company-wide strategies for achieving additional emissions reductions to meet our target are discussed in the [Carbon Emissions Reduction Target](#) section. Specific, additional actions taken by each of the regions are described in the remainder of this section.

CH2M Global Carbon Emissions

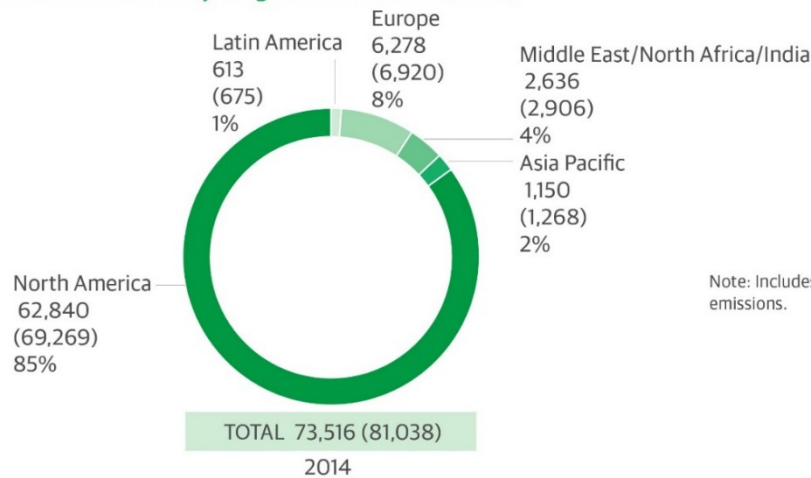
EN16



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Carbon Emissions by Region in Tonnes (Tons)

EN16

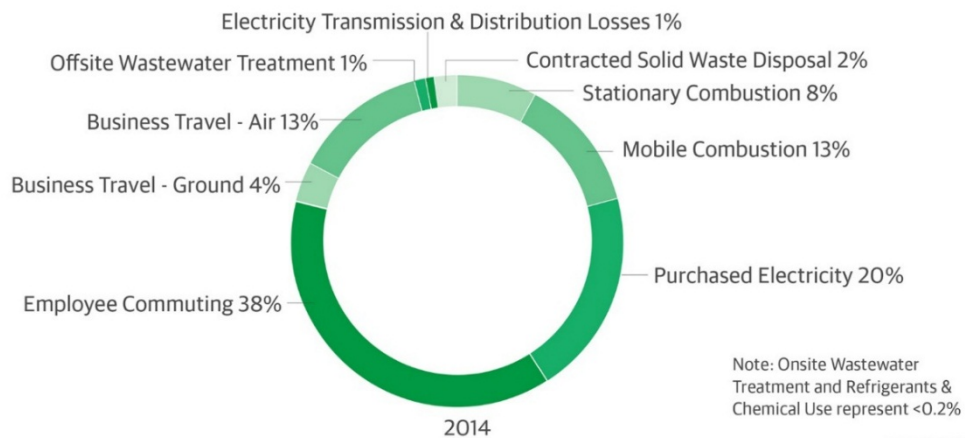


122_UNGC_3_DEN

In 2014, the largest single source of emissions included in our inventory (38 percent of the total Scope 1, Scope 2, and Scope 3 emissions) was employee commuting. The second highest (20 percent of the total) was electricity consumption in facilities. As a result, CH2M 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 GHG Emissions by Emission Type

EN 15, EN16, EN17



121_UNGC_2_DEN

4.2.2 Boundary and Methodology

Using the GHG Protocol 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 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’s Scope 1 emissions decreased by approximately 16 percent and Scope 2 electricity emissions decreased by 6 percent from 2013 to 2014. The decrease in Scope 1 emissions primarily results from a reduction in mobile and stationary fuel consumption at several large project sites. 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 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.

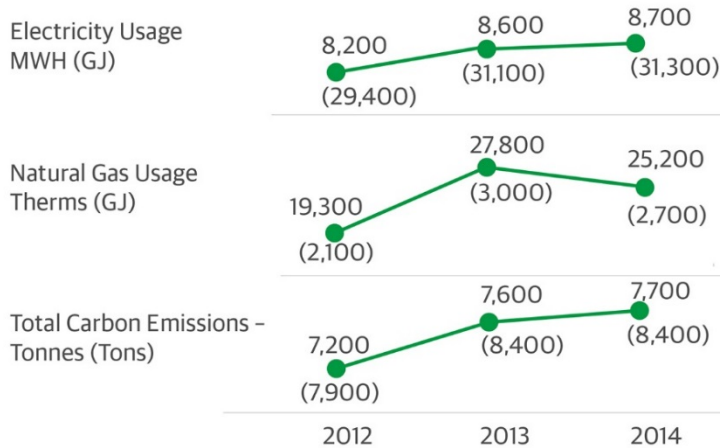
4.2.3 North American Energy Management and Carbon Emissions

In our North American offices, energy-conscious employees, managers, and landlords take steps to reduce our carbon footprint. In 2014, 24 percent of our U.S. 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. It also 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.

Energy Use and Carbon Emissions
(Denver, CO Campus)

EN3, EN6,
EN15-16, EN19



Note: Headquarters campus has a total of 39,121 square meters (421,103 square feet) of space being used by CH2M employees. 2014 values as of 3/19/2015.

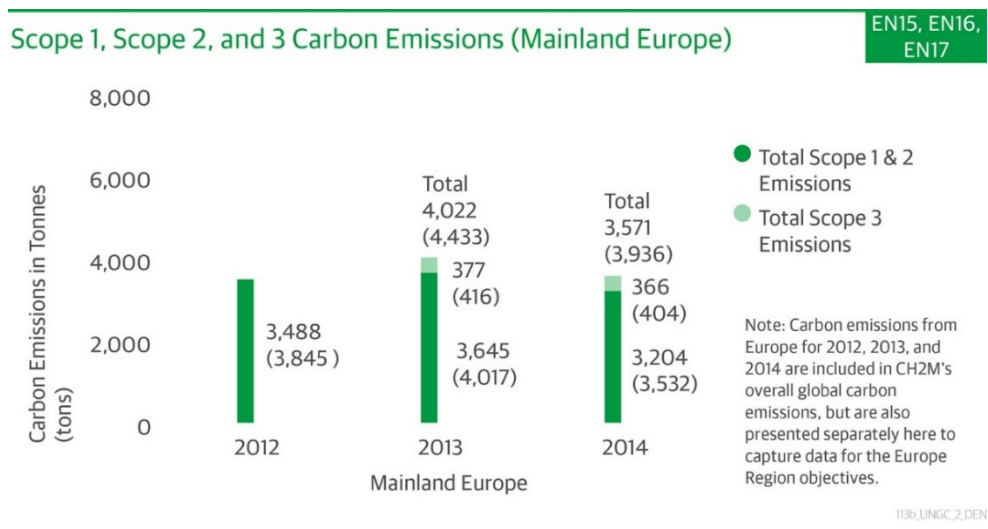
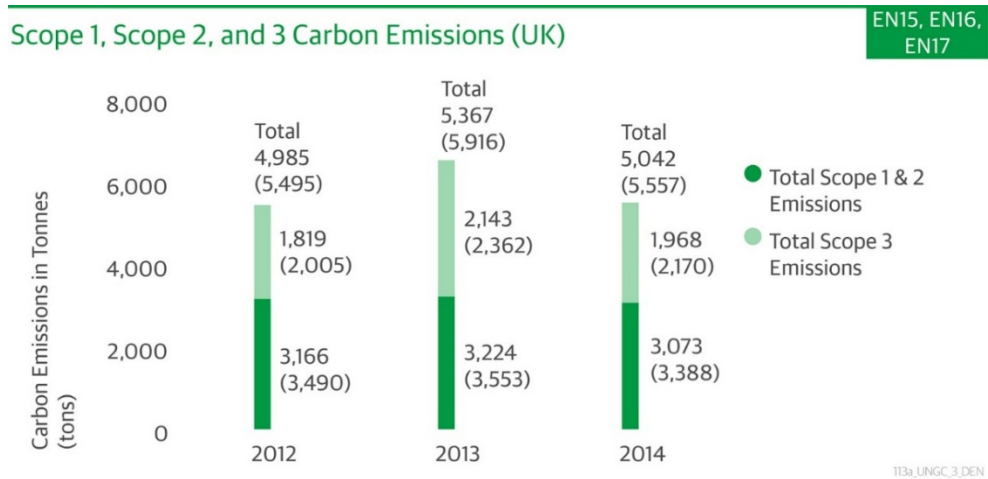
We view energy conservation as an ongoing process. Historically, we have been able to reduce energy consumption in our Denver campus buildings. In 2014, electricity usage increased by 5 percent while natural gas usage decreased by 9 percent. Electricity usage increases most likely resulted from a temporary increase in power consumption from retrofits occurring in our data center that are expected to decrease overall power consumption in the future. Natural gas usage decreases primarily resulted from a decrease in space heating as reflected in lower heating degree days. The Denver campus continues to look for opportunities to reduce energy consumption and will continue to implement energy-efficiency projects going forward.

4.2.4 Europe Energy and Carbon Emissions

In Europe, 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 2014, we also collected and analyzed data for the rental vehicles used on our UK projects.

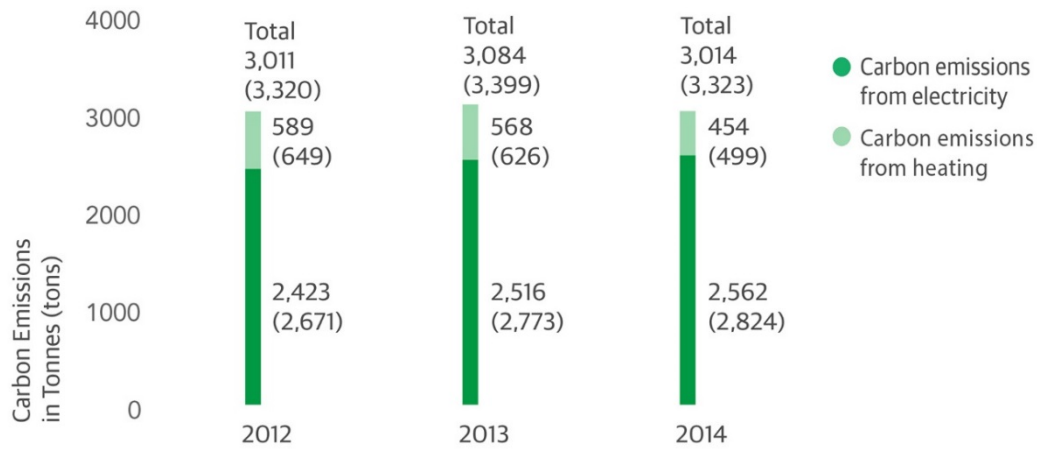
In the UK, electricity consumption at our area offices decreased by approximately 234,000 kWh, or 5 percent, between 2013 and 2014. Heating consumption decreased by approximately 495,000 kWh, or 20 percent, compared to 2013.

Despite the actual decreases in energy consumed at our offices, we have seen an increase in carbon emitted per employee in the UK from 1.3 tonnes per employee in 2013 to 1.4 tonnes in 2014, an increase of approximately 7 percent. The increase per capita is a result of a reduced headcount in 2014, having more office space available than was being used, and an increase in the UK Department for Environment Food & Rural Affairs per kWh emission factor, which is used to calculate electricity emissions. In 2014, we implemented some of our plans to provide for a more efficient usage of our office space, which will continue in 2015. We expect to realize benefits from this program during 2015.

In the UK, our total Scope 1, 2, and 3 carbon emissions decreased by 6 percent.

Carbon Emissions from Heating and Electrical Sources (UK)

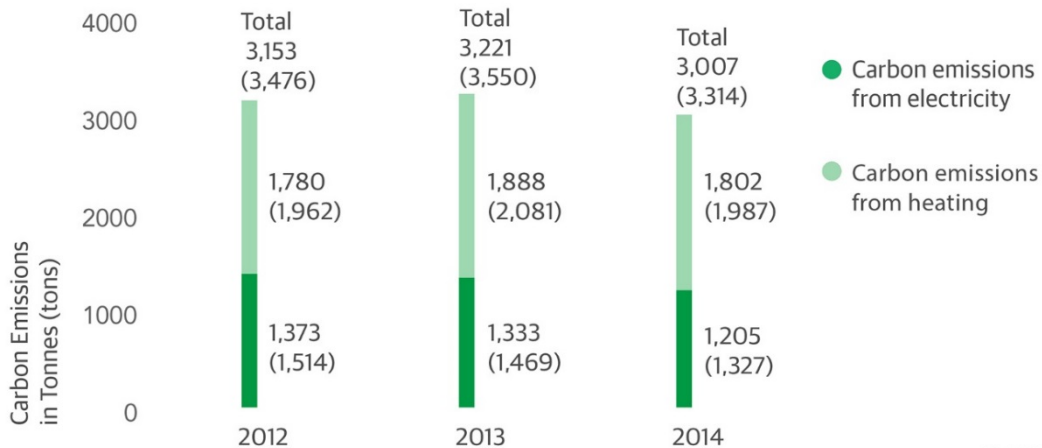
EN15,
EN16



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Carbon Emissions from Heating and Electrical Sources (Mainland Europe)

EN15,
EN16



115b_UNGC_2_DEN

4.2.5 Australian Carbon Emissions

Similar to North America, our Australian EMS team has long tracked and managed the carbon footprint of our operations. The carbon impacts of activities continued to be measured in 2014, with the main carbon contributors being air travel, office electricity consumption, and business travel in vehicles.

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. A hire car policy of selecting small, fuel-efficient cars rather than larger vehicles continued to deliver reduced carbon impacts.

Air travel miles represent a significant contribution to GHG 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. Our prudent travel approval process aims to eliminate nonessential air travel.

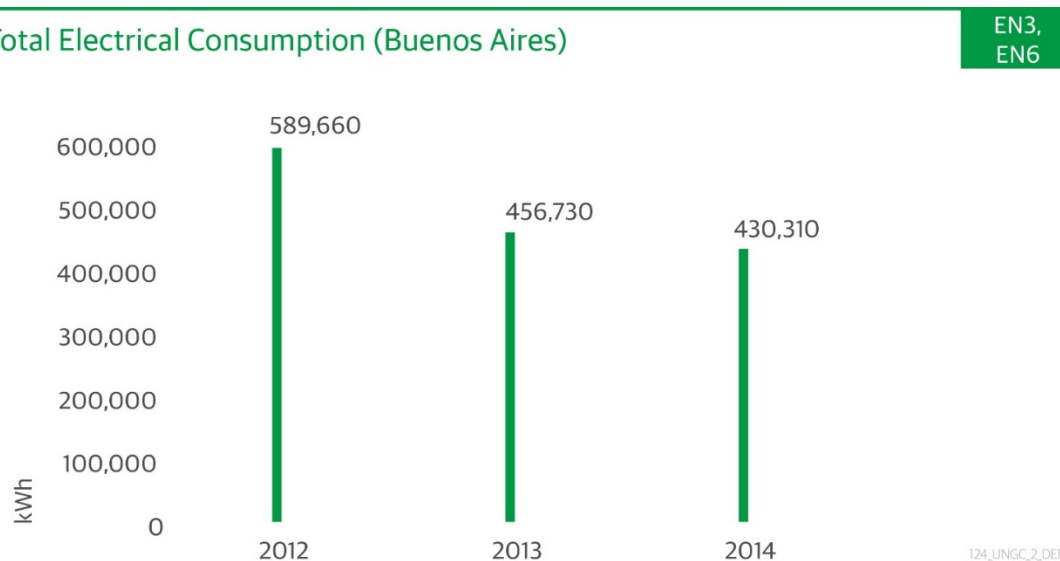
4.2.6 Middle East Carbon Emissions

The Middle East offices continued to account for CO₂ emissions from company vehicles (leased and owned). In 2014, company vehicles in the region accounted for 260.5 tonnes (287.2 tons) CO₂e, compared to 394.5 tonnes (434.9 tons) CO₂e in 2013.

4.2.7 Electrical Use in Argentina

We continue to reduce electrical energy consumption in Buenos Aires, Argentina. We began in 2012 by asking employees to turn off their computers after they finish work 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 430,310 kWh in 2014.

Total Electrical Consumption (Buenos Aires)



4.3 Carbon Emissions Reduction Target

Climate change is driving changes in infrastructure worldwide; among other effects, it challenges CH2M’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 helping communities adapt through climate risk and resilience services and natural capital solutions, we also wanted to set a meaningful internal climate action goal to do our part in mitigating climate impacts.

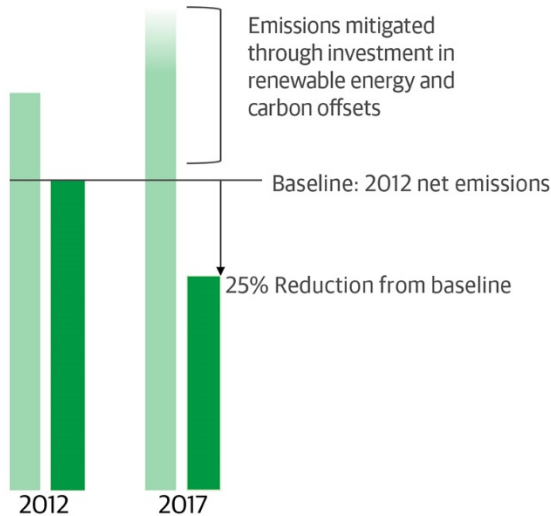
As a result, in 2014 we committed to reduce our carbon footprint 25 percent by 2017 for carbon emissions from fuel and electricity (Scopes 1 and 2). We will mitigate or reduce our footprint an average of 5 percent per year for 5 years, starting with a baseline year of 2012. We have made this commitment to reduce our absolute carbon footprint despite our forecast for growth of our operations over the goal period. Our goal is larger than it seems, since we are basing it on 2012 net emissions—after the purchase of offsets and RECs—rather than total emissions. During our baseline year, we mitigated 18 percent of our 2012 carbon footprint by purchasing carbon offsets and RECs. Therefore, our 2017 goal actually represents a 39 percent reduction from our 2012 total carbon emissions.



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

CH2M's Carbon Reduction Commitment

EN19



- Total carbon emissions
- Net carbon emissions

CH2M's commitment is to reduce absolute Scope 1 and 2 carbon emissions 25% by 2017, starting from our baseline year in 2012 and regardless of company growth. To stay on track, we pledge to reduce emissions by about 5% annually through reduction projects and investment in carbon offsets and renewable energy credits.

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We chose to make a 5 percent annual commitment because a [recent study](#) by the Carbon Disclosure Project and the World Wildlife Fund indicated 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 GHG emissions in 2020 by 1.2 gigatons of CO₂e from 2010 levels. Since CH2M has such a high stake in the future health of cities and infrastructure worldwide, we believe a 5 percent commitment better matches our values.

U.S. Government Gives Carbon Reduction Commitment a Thumbs Up!

In early 2015, the U.S. government recognized our commitment to reducing our carbon emissions:



The U.S. Environmental Protection Agency **recognized CH2M for excellence in GHG management** in the fourth annual Climate Leadership Awards program, in collaboration with the Association of Climate Change Officers, the Center for Climate and Energy Solutions, and The Climate Registry. The Excellence in Greenhouse Gas Management – Goal Setting Certificate recognizes organizations that publicly report and third-party verified, organization-wide GHG inventories and publicly commit to aggressive GHG emissions reduction goals.



We participated in the White House Roundtable on Greenhouse Gas Reductions, part of President Obama's initiative to address climate change. The roundtable spotlighted companies like CH2M that are demonstrating leadership by committing to reduce their GHG emissions. President Obama issued a new Executive Order that will cut the federal government's GHG emissions 40 percent over the next decade from 2008 levels and increase the share of electricity the federal government consumes from renewable sources to 30 percent. Together, the combined results of the federal government actions and supplier commitments will reduce GHG emissions by 26 million metric tons by 2025 from 2008 levels, the equivalent of taking nearly 5.5 million cars off the road for a year.



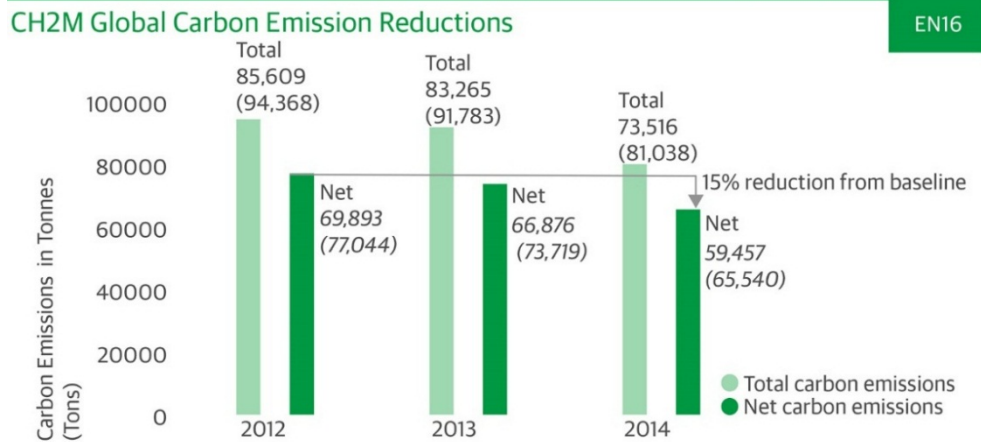
To encourage continued progress across the federal supply chain, the Obama Administration released a **new scorecard to publicly track self-reported emissions disclosure** and progress for all major federal suppliers, who together represent more than \$187 billion in federal spending and account for more than 40 percent of all federal contract dollars. Designed to assist federal agencies in preferentially selecting low-carbon contractors, the scorecard lists contractors with more than \$1 billion in federal business and shows their level of commitment to emissions reductions in classic stoplight style: red is no commitment, yellow is on the way to one, and green is success! In our sector, we are one of only a couple of contractors who have two green dots.

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Links in this graphic can be found on the [Sustainability and Corporate Citizenship Report Web site](#)

4.3.1 Our Progress

CH2M is firmly on track to meet our 25 percent carbon emission reduction goal by 2017. Both total Scope 1 and 2 emissions and net emissions have declined since 2012. Our net emissions, the focus of our carbon reduction goal, declined 15% from 2012.



Total Scope 1 and 2 emissions have declined since 2012. To achieve our goals, we invested in carbon offsets and renewable energy credits to reduce net emissions have by 15% from our 2012 baseline.

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Our total carbon emissions have declined every year since 2012 as we have consolidated our business' physical footprint and implemented direct carbon emissions reduction programs. Since our goal is to sustain net carbon reductions regardless of fluctuations in our business size, we have continued to invest in carbon offsets and RECs to make annual progress towards our 2017 goal. In 2013, our carbon offset and renewable energy investments resulted in a total emission offset of 16,388 tonnes of CO₂e (18,065 tons), or 20 percent of CH2M's total Scope 1 and 2 emissions for that year. In 2014, offsets and RECs resulted in a total emission offset of 14,059 tonnes CO₂e (15,498 tons), or 19 percent of total emissions.

The year-over-year effect of the reduction in total emissions, plus the additional investments in offsets and RECs that decrease our annual net emissions, results in the 15% progress towards our overall goal.

4.3.2 Our Management Approach

CH2M's [energy use and carbon emissions](#) continue to be managed both globally and locally, as each region sets goals for reductions through its own programs. The most significant driver for our Scope 1 and 2 emissions is leased floor space in our offices; therefore, our carbon footprint generally tracks with company growth. Directly reducing energy use—and measuring the results of those reductions—is difficult in leased facilities where we lack management control and do not pay for power separately from the lease. As a matter of policy, we proactively work with landlords to participate in turn-it-off programs and purchase Energy Star or comparable appliances, electronics, and other equipment to reduce emissions associated with energy use, even though we cannot measure the results of doing so.

We apply three general methods to reduce our footprint:

- Direct reductions in facilities we own or operate
- Investment in a portfolio of carbon mitigation projects
- Investment in renewable energy

Direct reductions. At our corporate headquarters in Denver, Colorado, we track and report energy use. The entire campus is Energy Star certified and we have recently remodeled to increase daylighting, improve building automation systems, and upgrade light fixtures. Likewise, at our facilities on the North Slope in Alaska, we have implemented a number of projects to reduce energy use and fuel consumption, and more are planned. These local and regional efforts are described further in [Energy Use and Carbon Emissions](#).

Carbon mitigation projects. To make sure that carbon-reducing programs are implemented globally and achieve our goals, we invest in a diverse portfolio carbon mitigation projects that align with our business. We currently invest in three different projects in the United States and internationally:

- Verified Carbon Units for the **Afognak Island Forest Conservation** project in Alaska. The 10-year project, located 200 miles southwest of Anchorage, protects more than 8,000 acres of pristine coastal habitat and is also near our primary oil and gas business.
- Verified Carbon Units from a fuel-switching project from fossil fuels to biomass in **La Providencia, Argentina**.
- 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.

Renewable energy. To address energy use, we purchased 2014 vintage RECs from Green-e certified wind power facilities in the United States and purchased green power through Bullfrog Power in Canada.

4.3.3 Revised REC Accounting for Net Zero Power Consumption

With the 2014 GHG Protocol Scope 2 guidance, World Resources Institute and other organizations have abandoned the “avoided emission” concept that historically has driven REC accounting. Consistent with the new guidance, the unbundled REC purchases are now combined with an equal quantity of grid power

purchases to yield a “net zero” power consumption. For transparency, we apply our RECs to reduce net power consumption at our largest offices in the continental United States, beginning with our largest power consumption location and working down, regardless of grid power intensity for those locations.

Scope 1 and Scope 2 Carbon Emissions and Offsets and RECs

Year	Total Scope 1 and 2 Emissions Tonnes (Tons)	Carbon Offsets Tonnes (Tons)	Renewable Energy Purchased MWhs (Gigajoules)	Renewable Energy Emission Reductions Tonnes (Tons)	Total Scope 1 and 2 Emissions after Offsets and RECs Tonnes (Tons)
2012	85,609 (94,368)	5,285 (5,826)	15,044 (54,157)	10,431 (11,498)	69,893 (77,044)
2013	83,265 (91,783)	7,436 (8,197)	11,819 (42,547)	8,952 (9,868)	66,876 (73,719)
2014	73,516 (81,038)	4,512 (4,974)	13,143 (47,316)	9,547 (10,524)	59,457 (65,540)

MWhs: megawatt hours

4.4 Business Travel

As our business expands, so does our travel footprint. CH2M 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, which seeks to bring technical experts to projects all over the world, travel is a difficult metric to shift. 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 suite of videoconferencing and virtual meeting tools, we have 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 executives use Microsoft Lync regularly, and CEO and Chairman 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 sponsor a 1-week awareness campaign every year on alternative transportation modes, along with a bike-to-work day. Additional, region-specific measures are described in the remainder of this section. CH2M’s efforts to minimize business travel fall into two main categories: air and ground business travel and employee commuting, which includes teleworking.

4.4.1 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 track business travel, and the EMS teams work to raise awareness of when travel is appropriate and when virtual meeting technologies could be applied effectively.

The CH2M Travel Department continues to promote awareness and responsible choices through program communication, company policies, and integration of suppliers that employ sustainable business practices. During 2014 we rolled out our Global Travel Program to Latin America. We have the UK, Ireland, Germany, Italy, Poland, Romania, UAE, Qatar, and India in our travel program. In 2015 we hope to finish our rollout by bringing on Asia Pacific. When our global program is complete, we will be able to exchange information that could improve current practices.

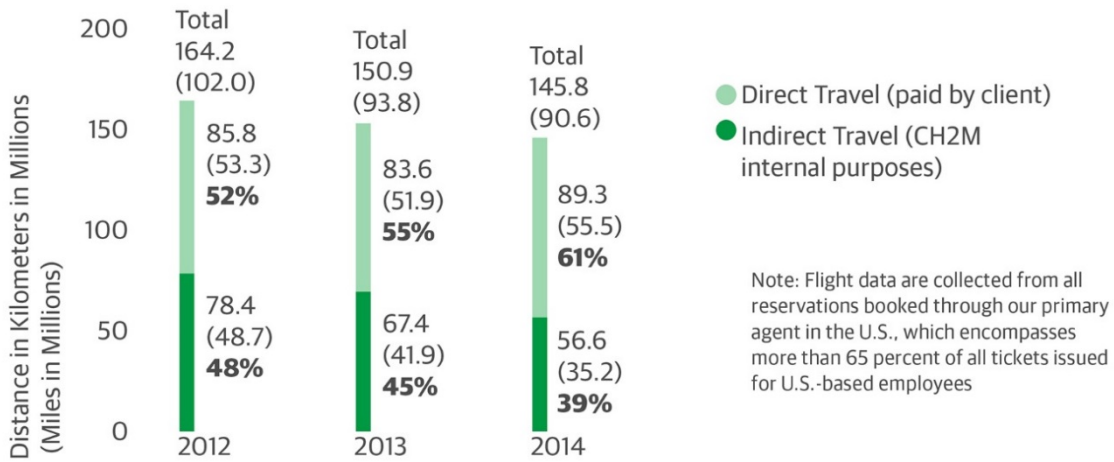
4.4.1.1 North America

The CH2M 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; these encompass more than 65 percent of tickets issued to U.S. employees. Travel by employees might be to U.S. or international destinations.

In 2014, we realized a decrease in total air travel. Indirect travel, trips selected by the company rather than dictated by client project needs, totaled 56.6 million kilometers (35.2 million miles), a decrease of 10.8 million kilometers (6.7 million miles), or 16 percent, over the previous year.

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

EN16, EN17, EN19



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Carbon Emissions from U.S.-based Air Travel

EN16, EN17, EN19



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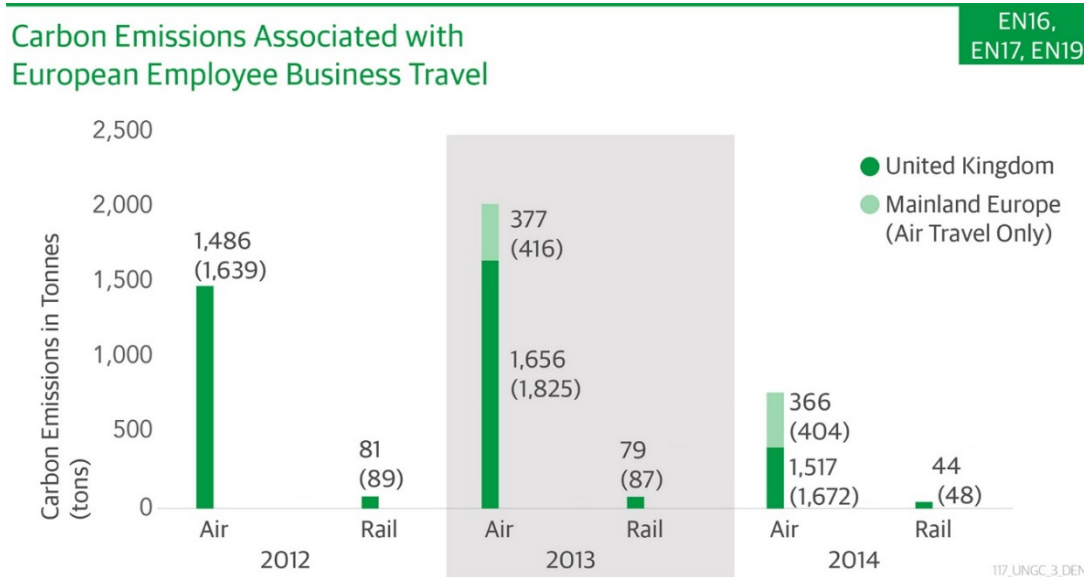
In 2011, CH2M began collecting data on U.S. employee business rental car travel. Data were not available to differentiate between indirect and direct travel purposes, so both are included. Business ground travel by

North American employees for 2014 totaled 22.6 million kilometers (14 million miles) and 5,572 tonnes (6,142 tons) of CO₂e. Business ground travel mileage increased by 1.5 million kilometers (0.9 million miles), or 7.2 percent, over the previous year, which resulted in carbon emissions increasing by 7 percent.

4.4.1.2 Europe

In 2014 we continued tracking carbon emissions related to business travel across Europe to compare with the 2013 baseline. In 2014, we continued to report carbon emissions associated with employee business travel in the UK, recording air, rental car, and rail miles. We also extended our recording to include air miles flown by employees in our mainland Europe offices.

In the UK, we saw a reduction in business travel carbon emissions of 8 percent between 2013 and 2014, as a result of less client-related and office-to-office business travel.



4.4.1.3 Australia

In 2009, we began collecting data for indirect and direct business air and ground travel by employees in Australia. In 2013, detailed tracking and trending of air travel GHG contributions were suspended, but they recommenced in 2014 after a common company platform for consistent and regional reporting was established through the Enviance information management system.

4.4.2 Employee Commuting

CH2M's fourth annual employee commuting survey was conducted in 2013 in 295 offices globally (a large increase from 41 offices in 2012). Even with the survey expansion to more offices, during the 4 survey years we observed that commuting habits and preferences have not changed significantly. The survey results showed that the top three alternative forms of transportation are public transit, teleworking, and carpooling. Therefore, we stepped back in 2014 to re-evaluate our approach and program. We've learned that commuting choices vary significantly depending on local availability of transit options and facilities, as well as family obligations (such as caring for children or elders), both of which contribute to highly individual choices. As we make plans for program revisions in 2015, we will evaluate additional opportunities to partner with local organizations that can offer benefits such as a guaranteed ride home for emergencies. We will also look at integrating more strongly with our employee wellness programs and determine the appropriate frequency and methodology for employee commuting surveys.

Two Wheels and a Thousand Miles

CH2M holds an alternative transportation “Try-It Week” to encourage employees to experiment with different commuting modes. Our sixth annual Try-It Week culminated in Bike-to-Work Day on Friday, May 16, 2014. A total of 13 employee teams in 11 offices participated in Bike-to-Work Day, logging 2,414 kilometers (1,500 miles). More than half of those who participated were not regular bicycle commuters; these newbies logged 1,066 miles. Since 2009, CH2M Bike-to-Work Day teams have cumulatively ridden 12,613 miles, which is just over half of the distance around the equator!

4.4.2.1 North America

While more than 60 percent of employees surveyed in the United States commute by single-occupancy vehicle, 35 percent of employees chose to commute using the top three alternative forms of transportation: teleworking, public transit, and carpooling. All U.S. employees have access to an alternative transportation assistance program to use pretax dollars to pay for transit passes. Employees who commute via bicycle also have access to a bicycle benefits program, which allows enrolled U.S. employees to receive a voucher for US\$10 to \$20 per month for bicycle-related equipment or repairs.

In 2014, the team decided to approach employee commuting by supporting the volunteer employee transportation coordinators working on office alternative commuting programs, to see which types of programs are most effective before setting goals and targets. Several of our larger offices already have 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.

4.4.2.2 United Kingdom

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

While the majority of employees in the UK commute by single-occupancy vehicle, the top three alternative forms of transportation are using the train/underground, carpooling, and bicycling. Several of our employees use more sustainable forms of commuting, with our London office topping the list because of the wide variety of mass transit options available in that urban location. Our Swindon office also has a large amount of its employees choosing more sustainable forms of commuting, despite its rural location. The top forms of sustainable commuting for employees in Glasgow are using the train, carpooling, or bus. Employees in the CH2M office in Worcester choose to bicycle, walk, or carpool to commute to the office.

During 2014 in the Glasgow office, the green travel plan provided a mechanism for eligible employees to obtain discounted bus and rail tickets. The subsidy for bus and rail users commuting to the Glasgow office affirms our staff’s commitment to help the environment by using public transport, which reduces our overall carbon footprint.

We offer all employees the chance to lease a bike (of a value up to £1,000) on attractive terms through the UK government’s Cycle to Work scheme. This allows employees to pay for the leases from their pre-tax salaries and benefit from reduced tax and National Insurance charges (a UK Social Security tax). If they do not need new bikes, they can use the arrangement to purchase safety equipment. Two schemes are open at any one time and the company currently has 127 colleagues taking part.

Employees’ bicycle commuting efforts avoid 3,000 car journeys and save almost 5 tonnes of CO₂ each month, based on empirical evidence supplied by the scheme vendor.

4.4.3 Teleworking and Flexible Work Schedules

CH2M strongly promotes full-time and part-time teleworking to reduce our environmental impact. In 2014, we added 142 additional teleworkers, reducing our leased footprint and saving energy. We also offer flexible work schedules, allowing employees to work full-time hours in fewer days and reduce their commuting hours. In 2014, we decreased our permanent leased office space by 3,712 square meters (39,955 square feet), and our potential additional square-foot reduction from new teleworkers is 2,518 square meters (27,100 square feet).

Some offices are designed to support teleworkers and a mobile workforce. These offices feature unassigned work spaces, like hoteling or touch-down stations, which allow employees a place to work when they come into the office.

4.5 Client Services Footprint

4.5.1 Mitigating the Environmental Impacts of Our Services

In collaboration with our clients, CH2M 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 the [CH2M 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 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.

4.5.2 Green Projects

After many years of successful green building design, we established a database in 2010 to document our green projects and track their progress toward third-party certification. CH2M ranked number nine on the Engineering News-Record Top 100 Green Design Firms list in 2014, based on the revenue of the projects registered with a third party. We include projects that have received green building certifications such as LEED, Building Research Establishment Environmental Assessment Methodology, Greenroads™, GreenMark, 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.

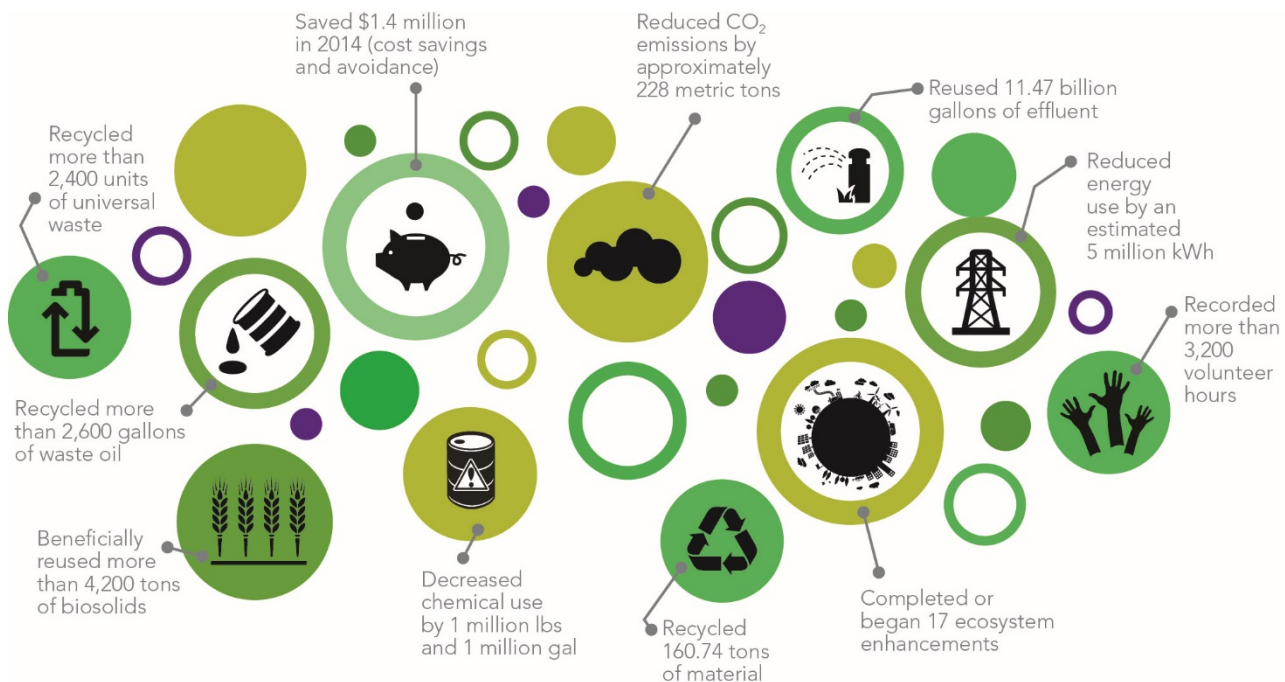
For the last 3 years, we have been working in partnership with the U.S. Green Building Council (USGBC) and a consortium of global manufacturing companies (Manufacturing User Group) to develop pathways for compliance with the LEED rating system standards. Using this internationally recognized rating system has allowed the manufacturing sector to not only gain recognition for the green building strategies implemented on its projects, but also to provide a standard method for determining building performance across an

industry portfolio. CH2M is proud to be a founding member of the LEED User Group for the Industrial Facilities Building Sector and to play a pivotal role in advancing our understanding of how industrial facilities affect the greening of the built environment. In 2014, we developed alternative compliance paths for meeting the Minimum Energy Performance Standards and a water budgeting methodology for documenting water savings on industrial sites.

4.5.3 Assisting Clients with Facility Operations Management

CH2M 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 sixth year of implementation, we have tallied our annual results and captured our key successes in infographic form.



4.5.4 Institute for Sustainable Infrastructure Envision™ Rating System

Another transformation in sustainable infrastructure is occurring now with the Envision™ rating system. In today's environment, the conditions and constraints under which infrastructure must perform are increasingly challenging. Envision is a collaboration between the Zofnass Program for Sustainable Infrastructure at the Harvard University Graduate School of Design and the Institute for Sustainable Infrastructure (ISI). The rating system is the first to provide a holistic, cost-effective framework for evaluating and rating the environmental, community, and economic benefits of large infrastructure projects; it recognizes projects that incorporate sustainability throughout the project lifecycle. The system applies to all types of infrastructure planning and design: energy, water, waste, transportation, landscape, and information.

CH2M has been a key player in developing Envision since the inception of the Zofnass Program in 2008. Our company leaders and employees helped to shape the rating system by contributing to early concepts, participating in the initial working groups that addressed the potential and feasibility of such a system, and providing industry expertise that supported the rating system's official launch in 2012. As a founding

member of the Zofnass Program’s Sustainable Infrastructure Advisory Board, we also became a charter member of ISI after it was formed, continuing our commitment to embed sustainability throughout our infrastructure practices. Through our in-depth involvement with Envision, we have found that the rating system helps leaders, planners, and engineers more completely account for the tangible and intangible outcome of promoting green and sustainable infrastructure. It provides the missing link to economically, environmentally, and socially assessing natural capital.

4.6 Natural Capital

Natural capital provides valuable ecosystem services 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 uses nature’s systems to help address water quality, climate adaptation, environmental remediation, and resource challenges, and it offers a way to benefit from natural capital and make economic investments more efficient. CH2M offers a wide range of green infrastructure solutions, including natural water filtration systems, stormwater engineering, treatment wetlands, green roofs, and rain gardens.

CH2M has designed infrastructure within the context of ecosystems for many years and now we are helping to transform our industry into one that is accountable for its own impacts. At the same time, we drive sustainability into industry-wide partnerships that help lift our clients’ aspirations and sustain our planet. On the forefront of green infrastructure planning, design, and implementation for over 30 years, CH2M is playing a leading role in adapting innovative approaches to wet-weather water quality and flood control challenges around the world.



In 2012, CH2M 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, and we have increased our commitment every year since. This initiative demonstrates the business value of nature, galvanizes action, and drives investment in natural infrastructure around the world. In 2014, we helped launch the [Natural Capital Business Hub](#) in concert with over 40 global companies, TNC, and the Corporate Eco Forum.

In 2014, we set and met our goal to incorporate the value of nature into solutions for clients across our entire company. To demonstrate our commitment, we pledged to communicate at least five high-impact green infrastructure projects each year, through the Natural Capital Business Hub, media, publications, and events, to build awareness and promote green infrastructure solutions. The following five projects and partnerships represent a fraction of the efforts undertaken by CH2M annually.

1. **Howard Beach Flood Protection Study, Queens, New York.** In collaboration with TNC and a wide variety of stakeholders, we analyzed multiple approaches to protecting coastal communities from intense storms. Our task was to develop natural and traditional gray infrastructure alternatives for coastal engineering after Superstorm Sandy struck New York City in 2012. In 2014, we conducted cost-benefit analyses to compare alternatives. We concluded that, compared to an all-gray option, a hybrid option (including green and gray components) can provide the same projected flood control benefit, cost less, and create additional economic benefits. These benefits include wildlife observation and other outdoor recreation opportunities, water quality improvements, and passive use value from creating wildlife habitat.

TNC has presented this work at several conferences, expanding the reach of the information, and we have shared the study often with other communities facing similar challenges. Last year, the CH2M Foundation sponsored the [Net Impact Case Study Competition for MBA students](#) around the globe, challenging them to create financial models for green infrastructure. We used the Howard Beach Flood Protection Study as a model case to fuel students' creativity in turning financial challenge into community opportunity.

2. **Natural Infrastructure Business Solution, WBCSD.** As a long-time member of WBCSD, CH2M has actively contributed to the organization's water and ecosystems work. In 2014, we worked with other WBCSD member companies to launch the [Natural Infrastructure Business Solution](#), which is an alliance of companies and nonprofits that will invest in protecting and restoring natural ecosystems and demonstrate the business benefits of doing so. The goal of the Natural Infrastructure Business Solution is that by 2020, investing in natural infrastructure will no longer be just a good idea; it will be common practice across industry sectors worldwide.

With several other WBCSD member companies, we committed to integrating natural infrastructure in decision-making processes, as an alternative or a complement to gray infrastructure, and to investing in natural infrastructure when it makes business sense. We also committed to building, testing, and providing global standard decision support tools and assessments that can be tailored to any business, in addition to creating environments that enable natural infrastructure (for example, by taking a joint position in public policy debates). Meeting in Washington, D.C., in September 2014, the Natural Infrastructure Business Solution members discussed green infrastructure solutions, available tools and initiatives launched in partnerships with nonprofits, and collaborative opportunities among business, financial institutions, nonprofits, and academic institutions. We developed an ambitious work program focusing on four major areas:

- A capacity-building program for business
- A dynamic helpdesk for WBCSD member companies
- Collective action for demonstration natural infrastructure projects in specific geographies
- Ongoing communication and advocacy for natural infrastructure solutions

We are developing a Business Guide for Natural Infrastructure as a component of the capacity-building program for business in collaboration with TNC, which will be launched at the WBCSD meeting in December 2015.

3. **Land Materiality Screening Tool.** In 2014, WBCSD and the Economics of Land Degradation (ELD) initiative selected CH2M to develop a Land Materiality Screening Tool for Business. The ELD initiative is raising awareness about the impacts of land degradation and importance of land-based ecosystems from an economic perspective. At the same time, WBCSD member companies have identified land degradation as an urgent challenge that business should address. Joining forces, the ELD Initiative and WBCSD are strengthening the business case for sustainable land management and catalyzing companies' action toward implementing sustainable land management projects and land restoration initiatives at scale.

The two organizations identified the need for companies to better understand why and how land matters to their business and for a business toolkit to help companies make decisions and take action. The Land Materiality Screening Tool is a component of the toolkit. We are developing the screening tool, which can help companies better assess their impacts and business risks related to land use, in collaboration with other WBCSD companies. We've worked with over ten WBCSD companies to identify their business requirements, collect their input, and tailor the tool to sector-specific needs. The next phase will include pilot testing of the tool, which will be launched at the WBCSD meeting in December 2015.

4. **Engineering Natural Solutions Webinar for Dow.** To educate decision-makers on the benefits of natural infrastructure solutions and bolster effectiveness at identifying potential opportunities for natural infrastructure solutions at Dow sites, CH2M provided a webinar for more than 120 Dow staff engineers in January 2014. Our experts presented the business case for investing in natural infrastructure solutions and provided information on the economic, environmental, educational, and operational and maintenance benefits of these solutions. We also covered different natural infrastructure technologies, which could be applied for water treatment, land remediation, and climate change mitigation. The webinar was well received by the client audience, and we are planning to conduct similar webinars in 2015 with clients from other sectors.
5. **Collaborative Agreement with TNC.** This game-changing collaboration brings together a global nonprofit leader in science and conservation with a global for-profit leader in innovative engineering design. This agreement requires both CH2M and TNC to invest together in seeking projects and thought leadership opportunities that will transform engineering practice by establishing the business case for natural infrastructure. During the first 6 months of the collaboration, we put three projects in motion. They represent a variety of areas where we work:
 - CH2M and the Alabama and Louisiana TNC coastal teams are developing natural infrastructure solutions for erosion control at pipeline intersections for a large oil company, establishing a corporate business case.
 - TNC's strategy, *Hope for Reefs: The Case for Reducing Waste*, was missing one component: an understanding of how to treat wastewater at scales ranging from multi-million-dollar resorts to small villages lacking basic services. We are providing a technical briefing on a variety of technologies that will work in the Caribbean and western Pacific's Coral Triangle. And we are sharing the results publicly, such as at a recent [webinar by our principal technologist, Jim Bays](#).
 - TNC and CH2M staff are working together to restore intertidal marsh habitat in Mobile Bay and reduce erosion through design and installation of 6,000 feet of oyster reef. Throughout final design and construction planning, we intend to develop methods that could engage TNC volunteers in the construction of the structure.

Beyond the projects, our collaboration combines the power of our connections and allows us to engage in thought leadership. For example, CH2M is a founding, charter member of the [Institute for Sustainable Infrastructure](#), creators of the Envision green infrastructure rating system, which may connect to our shared work with TNC. Since adoption of the CH2M-TNC Collaborative Agreement, our two organizations have made joint appearances at several conferences and events and have received [press coverage](#) from GreenBiz, among others.

In 2013 we joined forces with Encourage Capital (formerly, EKO Asset Management) to bring new financing solutions to communities seeking natural infrastructure or hybrid solutions for environmental issues like stormwater management. Through Green Path Partners, we're breaking new ground in looking at innovative public-private financing for these projects.

Green Path Partners matches financial investments to projects that support natural systems and creative designs to deliver adaptive and resilient (green and sustainable) infrastructure. As the green infrastructure evolution continues, Green Path Partners seeks to harness and drive this new "pattern language" for infrastructure solutions forward. Green Path Partners links up investors from foundations, family offices, pensions, and endowments to support natural infrastructure as a way to deliver public-private partnerships.

5 Our Partners

5.1 Stakeholders, Memberships, and Partnerships

CH2M 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, global sustainability director, 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 [Key Sustainability Impacts and Effects](#). Many of CH2M's high-profile projects and clients require reporting on sustainability progress as a part of the bidding process. Many more clients neither make such information a requirement for bidding nor score it, but they do request it to ensure that bidders' 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 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 our 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 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 Bridges to Prosperity and the SMF, are described in [Fostering Employee Excellence](#) and [Engaging Our Communities](#). Many of these partnerships inform improvements to CH2M's approach to sustainability. Our partner organizations include:

- UN Global Compact
- The Nature Conservancy
- Water For People
- Engineers without Borders USA
- Global Reporting Initiative
- Business Roundtable
- World Business Council for Sustainable Development
- Business Council for Sustainable Development, UK
- 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 engages with the communities where we have offices and where we complete projects. Avenues for engagement include our efforts in sustainable communities. CH2M selects and engages with stakeholders using a variety of methods appropriate to the group and the relationship. 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'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. We had planned to undertake a more formal engagement process in 2014, asking targeted stakeholder groups for feedback on our materiality analysis and sustainability report. Because of our focus on restructuring our approach to sustainability and corporate citizenship in 2014 (described in [Governance and Corporate Citizenship](#)), the initiative was not completed; however, it has been carried over to 2015. Once we have engaged with our partners, the feedback will be incorporated into our next report.

5.2 Supply Chain: Purchasing for CH2M Operations

CH2M actively manages our 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 suppliers that 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 our most important indirect supply chain relationships and are the focus of our management approach.

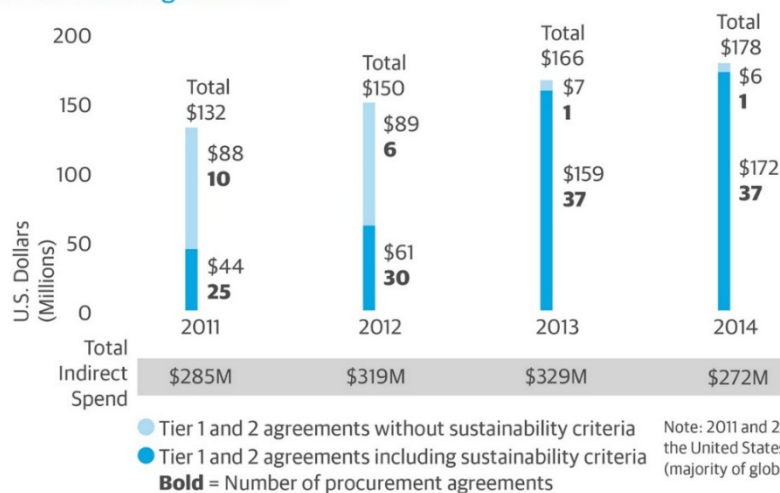
Since 2010, 100 percent of Tier 1 and 2 suppliers have been screened for environmental criteria and are required to respond to questions about their sustainability programs and demonstrate continuous improvement. We use four sets of sustainability metrics of increasing rigor with our Tier 1 and Tier 2 suppliers. In the future, we intend to measure their performance against the contracted metrics as part of our supplier performance management system.

In 2014, our indirect spend with Tier 1 and 2 suppliers, with sustainability metrics in their agreements, was US\$171.8 million, an increase of US\$13.3 million over the previous year.



Total Spend on Enterprise Indirect Procurement Agreements

EN32



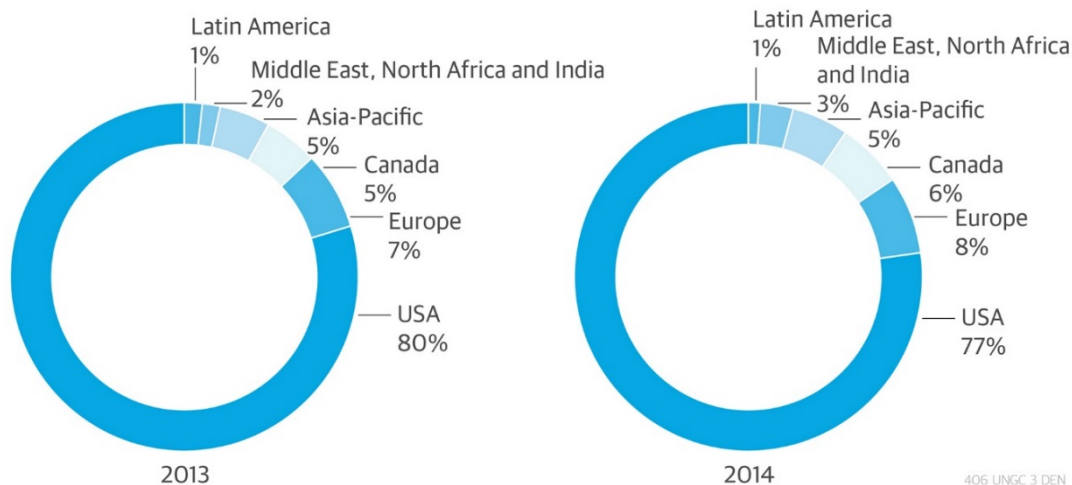
5.3 Supply Chain: Procurement for Client Projects

As is typical in the engineering and construction industry, the supply chain for CH2M projects consists of suppliers and subcontractors that provide a wide variety of goods and services that varies from project to project, and may include materials, engineered equipment, fabricated products, professional and technical services, and construction services. The supply chain required varies based on the market business mix, project location, scope of procurement, design specifications, project objectives, client requirements, and other factors. 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, brokers, and others. Our supply chain database includes over 22,000 registered vendors, approximately 5,351 which are tied to our automated ranking system, and a total contract value of US\$2.1 billion annually. We have suppliers in all regions where we operate.



Regional Commitment on Procurement for Client Projects

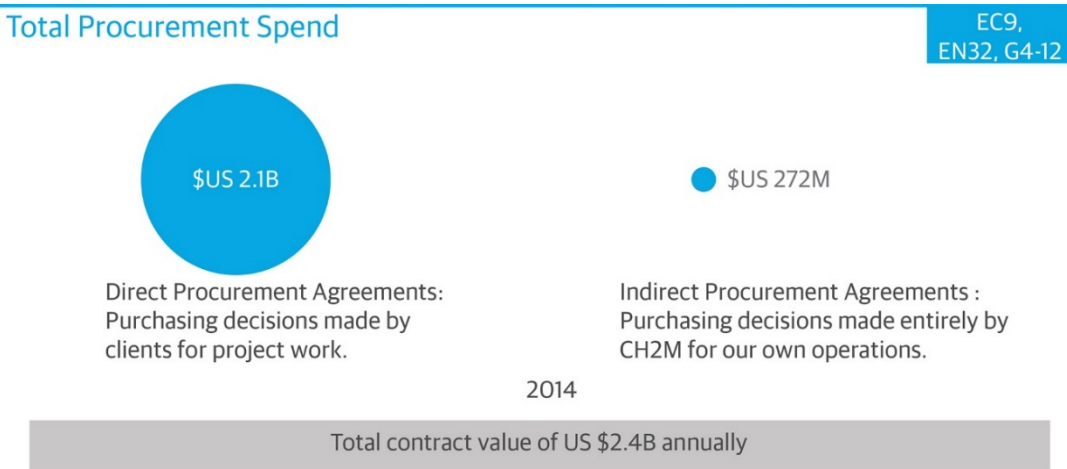
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Procurement provides a valuable tool for us to lessen our environmental impact and influence supplier behavior. For our company operations, we have committed to working with supply chain partners to reduce impacts and create markets for sustainable goods and services. For our client projects, we have established a methodology and toolset for identifying and selecting suppliers and subcontractors that have robust sustainability programs, suppliers that have products that achieve project sustainability targets, and subcontractors that will implement acceptable sustainability solutions on our construction sites. We expect 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; most of our suppliers are screened for compliance with the ethics and business conduct principles.

CH2M'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 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 spending is in subcontracting, which involves equipment and labor. Approximately one-third of our spending is on services, and the remainder of our spending is composed of equipment, materials, and other categories. The majority of CH2M’s procurement spend lies within direct procurement agreements.



CH2M’s direct procurement sustainability solution supports the ever-changing supply chain and can be implemented for procurement and construction of our projects. Our solution builds on the supply chain sustainability strategy of promoting the selection of suppliers and subcontractors that consider sustainability important, have more robust sustainability programs, and provide more sustainable products and services. The direct procurement sustainability solution includes procedures, automated and manual tools, communications, training, and metrics for reporting implementation progress.

Our supplier qualification system addresses factors promoted by authorities, such as the WBCSD, Pollution Prevention Resource Center, World Resources Institute, and the Electric Utility Industry Sustainable Supply Chain Alliance, as well as CH2M’s own sustainability program. The environmental responsibility questions in the set address a supplier’s environmental management system and policy, as well as policy, procedures, and targets for use and tracking of recycled materials, energy efficiency, natural resource conservation, waste management, GHG reduction, and various emissions reductions. The corporate and social responsibility questions in the set address compliance with the principles of the UN Global Compact, contribution to social and economic development, fair employment practices, employee professional development, and compliance with human rights and labor practice laws, including ethics, discrimination, anti-corruption, and human trafficking.

While all our suppliers are screened for compliance with CH2M’s ethics and business conduct principles, at least 25 percent of our registered supply chain base have completed the additional sustainability questionnaire since we incorporated it into the bid solicitation in 2011. 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. We send suppliers an annual reminder to update their questionnaire; that way, we can increase the number of suppliers responding to the questionnaire and continue to prequalify where appropriate.

Sequence of Supply Chain Activities

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Our supplier qualification system was recently upgraded and will ultimately allow 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 2015, 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.

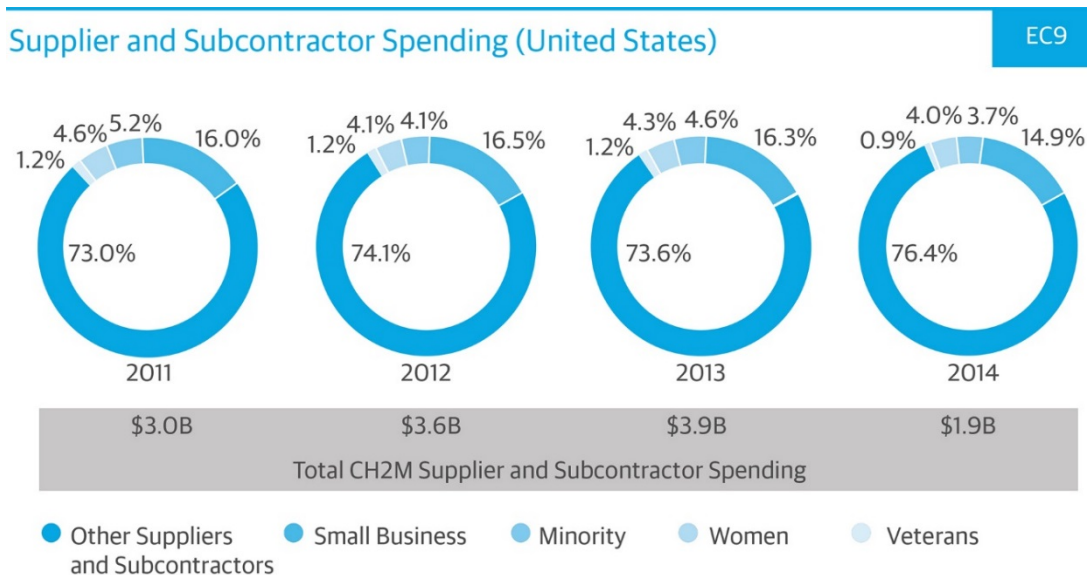
5.4 Business Partnerships: Local and Diverse Spending

The CH2M 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.

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



Note: Total CH2M 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.

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In 2014, the CH2M 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:** Lisa Forrest
- **Advocate of the Year Award — Contract/Subcontract Administrator:** Jonathan Davis, Prime Contract Administrator, EPA Region 5, RAC 2; and Rageena Rosatelli, Subcontract Administrator, PG&E Program



Jonathan Davis

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 & 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: Fort Campbell, Baton Rouge Sanitary Sewer Overflow Program, and CH2M Academy Services, LLC)



Rageena Rosatelli

CH2M 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, to nominate its best and brightest small business subcontractors for national recognition. Since 1996, CH2M has nominated 39 small business subcontractors for this award.

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

6 Engaging Our Communities

6.1 Cover Story: Engaging Social Mobility

We are working to foster social mobility for economically disadvantaged people. Our commitment to supporting STEM education and career success will create role models whose positive influence will cascade into future generations.

Paige and Kwame were both exceptional students in math, biology, chemistry, and physics. Paige's family came from the northeast UK and Kwame's family from Yorkshire. Both areas have suffered from high levels of unemployment. Beyond perhaps becoming teachers, neither of them knew what real possibilities existed for them by focusing on academics. So they were thrilled to be accepted into [SMF's Engineering Residential Programme](#), where bright youth from disadvantaged families in the UK (often the first in their families to attend university) receive the guidance and support they otherwise would not get.

In partnership with the [SMF](#), we offer networking opportunities, mentoring, and education to high-achieving students from low-income backgrounds across the country to expand career prospects and life chances for all. The Engineering Residential Programme is a cornerstone of our support.

Kwame and Paige were among the 25 exceptional students who composed the inaugural group of the 12-month program. Paired with [professional-engineer mentors](#) for 30 minutes each week throughout the year, they received assistance with academics, developing curriculum vitae, and looking for universities. The students also headed to our London office for a week.

The programme gave Kwame, Paige, and 23 other young people the skills and connections they need to succeed in STEM fields. After this seminal year, Kwame intends to study aerospace engineering and has been conditionally accepted (after receipt of final marks) at three universities. Paige has been conditionally accepted to study architecture at four universities, including the University of Cambridge.

By providing training, mentoring, internship, and career skill building for people from economically disadvantaged backgrounds, we promote a balanced and resilient workforce for the UK. We look forward to mentoring more STEM young professionals like Paige and Kwame in the years to come, and we've [re-invested US\\$50,000 per year](#) through the CH2M HILL Foundation to keep this programme going.

In addition to participating in the Engineering Residential Programme, CH2M is one of the headline sponsors of the SMF's [Speaker's Parliamentary Placements Scheme](#), a 9-month paid internship programme for people interested in political careers but who aren't able to work without pay. The scheme offers mentoring, training, and [internships to participants](#). We also support the [Aspiring Professionals programme](#) by volunteering as e-mentors. Beyond our financial and volunteer support of these SMF programs, we recently became a formal signatory of the UK's [Social Mobility Business Compact](#).

In Western countries, one of the biggest barriers to social mobility for young people from low-income backgrounds is having a lack of role models with degrees and successful careers in high-achieving fields. Role models offer maps for how to move forward academically and professionally. And they offer contacts to help bright young people get into good schools and careers. Programs like SMF were created as businesses and leaders in the UK recognized that true social mobility is linked, in large part, to [who you know](#).

"We are delighted to be receiving such a generous investment from the CH2M Foundation. This is the second year we have received this grant from CH2M, following the successful Engineering Residential Programme last summer. We are grateful not only for the financial investment but also the time donated by CH2M employees who act as mentors for these young people who may not have otherwise received such opportunities."

– David Johnston, CEO of the SMF

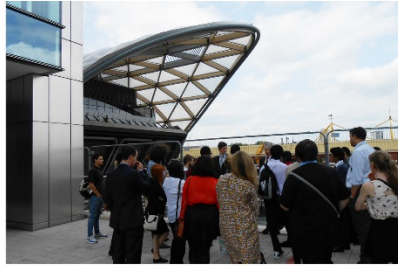
A 40-hour Work Week in the Life of an Engineer

The year-long Engineering Residential Programme ended with the students spending 5 days at CH2M's London office, where a packed work week was planned. This week allowed the students to shadow their mentors and see their work. They also toured several project sites, learning about engineering challenges and solutions, having opportunities to ask questions, and being challenged to craft their own projects.



After touring our Thames Tideway project, the students created their own desktop water networks with pipes, with the challenge of conveying water from one end to the other without losing a single drop.

"[The activity] allowed us to think of the problems engineers face and how to tackle them. It was then balanced well with a presentation giving us an overview of the company project."
- A 2014 Student



In small groups led by a senior project engineer, students visited the Crossrail project, which includes a new rail line, a 42-kilometer-long tunnel, and Canary Wharf, a new station constructed in water. Small groups allowed for easy conversation and lots of questions.

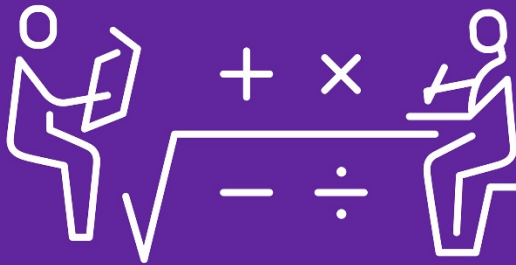


Hearing from two engineers who had volunteered with Bridges to Prosperity (bridgestoprosperty.org) to build the La Conga Suspension Bridge in Panama helped students understand the importance of global citizenship and giving back. Afterward, they were given index cards, paper clips, and sticky tape, with the ultimate challenge of constructing model bridges that could withstand the weight of two notebooks.

"It was great to see the impact that just a bridge could have on a community." - A 2014 Student

"The students started the week as shy, reticent teens who had no ideas of what careers they could gain from STEM education besides teaching. At the end of the week, they showed themselves as bright, bubbly, and engaged teens who want to be aeronautical engineers, architects, bridge engineers, and environmental engineers and know how to make those goals happen."

- Catherine O'Sullivan, European Corporate Communications Manager and Lead Coordinator of the Engineering Residential Programme



Students rounded out their work week with speed networking sessions, where they interviewed staff members, apprentices, and recent graduates who provided advice and insights on next steps. They also learned how to create a memorable 30-second elevator pitch (one student even sang his!).

"[Elevator pitch] feedback allowed us to improve our communication skills. I felt that this would help for both university and job interviews including the way you talk, present yourself, and the information to include. Although it was challenging to speak in front of people it was very beneficial." - A 2014 Student

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"CH2M is an integral and valued supporter of SMF's Speaker's Parliamentary Placement Scheme. Through its practical support and financial sponsorship we have been able to pay everyone on the scheme a proper wage, removing an important financial barrier to their participation. I think that speaks volumes about the values and ethos of CH2M and its commitment to improving social mobility and supporting young people. Doing good is good business, and I am delighted that businesses such as CH2M are leading the way in making corporate social responsibility part of their mainstream business model."

- The Rt Hon Hazel Blears MP

For more information, contact [Jonathan Refoy](#), Director of European Corporate Affairs.

6.2 CH2M Foundation and Giving

Ever since the CH2M Foundation was relaunched in 2013 as a strategic global funder in STEM education, sustainable communities, and employee engagement, the impact of our philanthropy is being felt from Canada, to the UK, to the UAE. Now more than ever, the foundation is committed to deeper, longer partnerships, enabled by a cadre of talented employee-volunteers who promote human progress by turning challenge into opportunity. We manage charitable giving through strategic partnerships with organizations in our operating countries that develop sustainable communities; promote STEM education; and foster employee engagement. While we made many noteworthy achievements in 2014, we made the biggest impact with construction of a [45-meter-long pedestrian footbridge](#) to serve the residents of La Conga, Panama. The bridge was built by 11 CH2M employee-volunteers, in collaboration with our newest strategic partner Bridges To Prosperity, and the residents of La Conga.



As always, our passion for building lasting, life-changing infrastructure is demonstrated through our support of two long-standing partner organizations that provide access to clean water and develop sustainable communities in Africa, Asia, and Latin America: [Water For People](#) and [Engineers Without Borders USA](#). Together, both groups improve the lives of millions of people each year 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.

In the area of STEM education, the foundation supported a wide range of programs in 2014, 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 is committed to developing and fostering a diverse and robust talent pipeline.

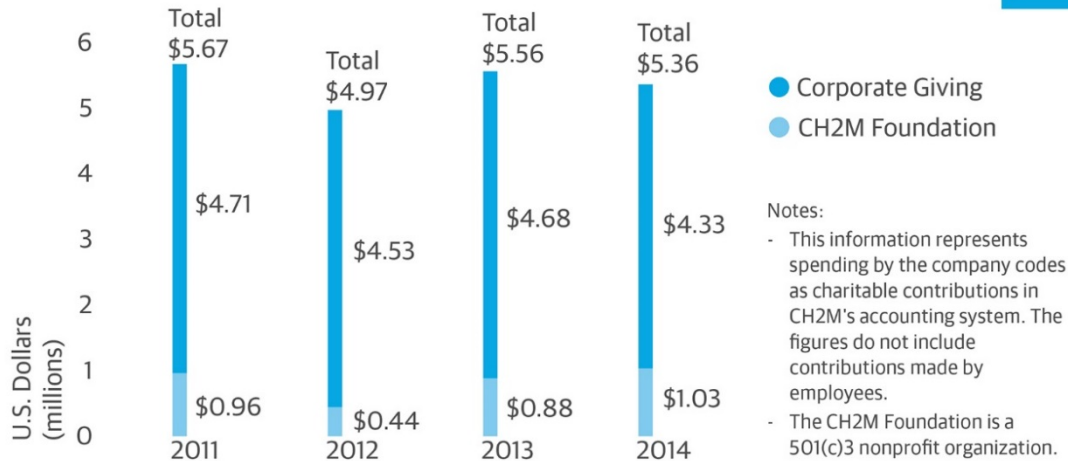
Most notable of these investments was the expansion of our support for STEM education efforts in the [UK with the SMF](#). The [summer of 2014](#) saw the arrival of 25 teenagers to London, all of whom spent 1 week away from family and friends to learn about engineering as a career choice through CH2M mentors and experiential learning. Each student got exposed to education and mentoring that had not been part of their experience, thus opening their eyes to new possibilities for future employment.

We appreciate the passion that our employees bring to work every day and the spirit of service they demonstrate as community volunteers. 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 Bridges to Prosperity, Water For People, and Engineers Without Borders USA.

The foundation's Board of Directors, which includes employees from around the world, is honored to be entrusted with funding from CH2M 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 continues to meet the challenges of our increasingly complex world.

Total Philanthropic Contributions

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6.3 Science Technology Engineering and Mathematics (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. CH2M supports innovative programs to inspire students and enable teachers around the world.

6.3.1 Inspiring Students

Founded by a professor and three of his students, CH2M has a long-standing passion for supporting innovative education programs. Students of all ages receive support from CH2M 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 encouraging 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 National Society of Black Engineers, 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 up to 50 college mentors who guide the students and serve as role models. A CH2M Foundation grant helped provide stipends for the mentors who are majoring in STEM fields, thereby reinforcing the connection between their studies to the workforce opportunities that can come their way.

- **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. Across Canada, [Let's Talk Science](#) is an educational outreach program that creates and delivers unique learning programs and resources free-of-charge to more than 175,000 Canadian youth annually. A CH2M Foundation's grant supports the Let's Talk Science Challenge competitions in Calgary and Ottawa for students in grades 6 through 8 for the second consecutive year. At these annual day-long events, 3,100 students compete in science trivia and work in teams to complete a surprise science challenge (for example, designing a chemical rocket or a tsunami-proof structure). CH2M employees serve as competition judges and give keynote remarks.
- **High school:** London-based SMF aims to help high-achieving young people from low-income backgrounds enter top professions, including engineering, business, law, and politics. A 2015 CH2M Foundation grant builds on the success of the first engineering residential program offered in August 2014. The initial grant supported one-on-one mentoring between students and engineering professionals, a free structured 1-week onsite work placement in our London office during summer 2014 for 20 16- and 17-year-olds, and support for skills workshops on networking, CV writing, presentations, and interviews. One of the 2014 student participants noted of her experience, "It's inspired me to want to become an engineer and made me realize that you can do anything regardless of what background you're from if you are willing to work hard enough. This whole experience has helped me a lot with understanding what I need to do to be successful."

6.3.2 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 Foundation established two new partnerships in 2014 to achieve this goal.

- **Teach First:** Dynamic, passionate individuals are recruited from across the UK to raise the achievement, aspirations, and access to opportunity for students from low socioeconomic backgrounds. Its trainees join the Leadership Development Program, which involves teaching for a minimum of 2 years in a school in challenging circumstances, achieving a postgraduate certificate in education, and wider leadership skills training. Since 2002, over 5,000 teachers have been recruited, trained, and supported by [Teach First](#)—half of these to teach STEM subjects. Teach First works with universities, businesses, government, and third-sector organizations to narrow achievement gaps and increase university graduation rates of young people from low-income areas in England and Wales. The CH2M Foundation's grant supports high-quality STEM teachers in disadvantaged secondary schools across England and Wales by recruiting and placing up to 12 STEM teachers in classrooms to prepare 2,000 students for university placements and STEM careers.
- **Camp Invention:** Developed by the organization Invent Now and led by local teachers in more than 1,200 schools nationwide in the United States, [Camp Invention](#) is a week-long summer program, with curricula focused on developing creativity, inventive thinking, and problem-solving skills through hands-on STEM content. Camp Invention incorporates history, arts, and entrepreneurship along with collaboration and teamwork – learning skills essential to success in the global workforce of the 21st century. To date, Camp Invention has helped more than 71,000 teachers or counselors and 723,000 children. Each Camp Invention site has the capacity to serve as many as 110 children and 14 teachers and counselors. Funds from the CH2M Foundation support teachers, counselors, and camp participation for low-income children in Chicago, Illinois, and Atlanta, Georgia.

6.4 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 our strategic markets, the CH2M Foundation supports nonprofit, community-based organizations that provide access to clean water, develop sustainable communities, or protect or enhancing our planet through environmental stewardship:

- Energy:** Houston, Texas, is home to hundreds of our employees who support the successful businesses of our valuable oil and gas clients. To ensure that Houston, the region, and the nation has a STEM-capable workforce ready to take on the needs of our businesses, the CH2M Foundation supports Houston-based [Rice University's DREAM Mentorship Program](#). The goal of the DREAM program is to encourage high school students from socioeconomically disadvantaged Houston high schools to pursue degrees and, consequently, careers in engineering fields. To achieve this, 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.
- Environment:** Each year, CH2M's Junior and Mid-Level Professionals (known as JuMPers) select community organizations to support that promote cleaner, healthier environments. In 2014, the JuMPers from CH2M's Environmental & Nuclear business group in the U.S. selected [Earth Force](#), which reaches 15,000 youth annually through inquiry-based, hands-on learning. Through a grant to Earth Force from the CH2M Foundation, the JuMPers will volunteer throughout 2015 for Earth Force's Keep It Clean program, which facilitates local urban water education by linking wastewater management with schools located near parks with waterways. The program engages youth as leaders within their communities by building their capacity to identify water-quality issues and then solving those problems.
- Transportation:** Through our decade-long support of [Engineers Without Borders](#), the CH2M Foundation is helping to bring basic infrastructure solutions to developing communities. In Sajcuin, Guatemala, the foundation provided US\$15,000 to help construct a 45-foot-long pedestrian bridge across the Pasaguay River, enabling important access to schools, clinics, and markets for 5,000 people. The prior crossing prevented access from one side to the other during the rainy season and, therefore, stalled economic, health and educational growth in the communities. Over the course of several years, CH2M engineers Anthony Lewis, Mike Paddock, and Dan Salazar used Foundation's Employee Travel Grants program to share their professional skills on the project. Today, the crossing receives significant traffic and allows for year-round trade in the farming community, access to schools, and access to hospitals.
- Water:** Complementing CH2M's work in the water sector, our partner [Water For People](#) brings clean, safe drinking water and sanitation to developing communities. Through our annual fundraising campaign and CH2M Foundation contributions, we have raised nearly US\$ 2 million for Water For People. The CH2M Foundation's Employee Travel Grants program enable employees to share their technical expertise in the field. Civil and environmental engineer Olver Obagi traveled to Jinotega,

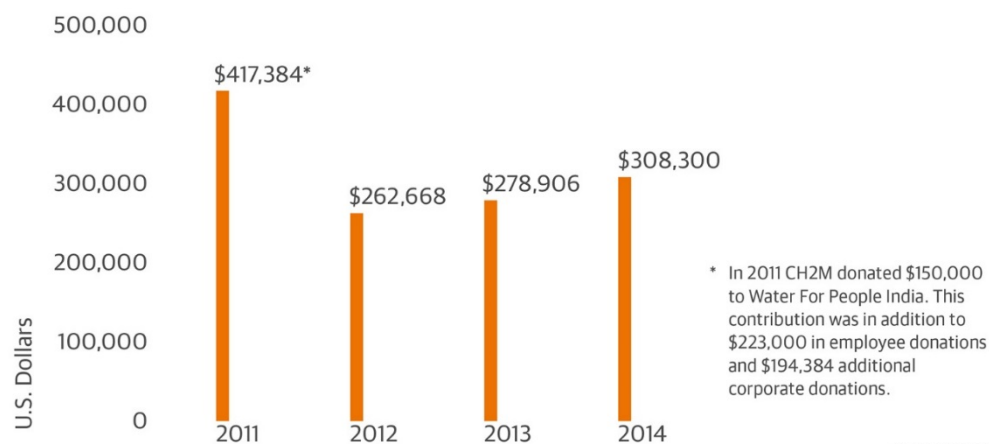


Nicaragua, a community 3 hours outside of the capital city of Managua. As a World Water Corps volunteer, Olver helped the water utility of Jinotega, Nicaragua, to locate natural springs and creeks that could serve as sources for a continuous flow of clean, safe drinking water to the homes of 20 families. Water conveyance was accomplished by laying 2-inch flexible polyethylene pipe from the water source to each home via gravity. The field works entailed long hikes to water sources with local residents who played a crucial role because they knew the area and used machetes to clear the dense vegetation. Read about [Olver's experience](#) on our CH2M Foundation blog.

- **Sustainable Cities:** An important aspect of making cities more resilient is figuring out how to finance green infrastructure solutions in an era of reduced government investments. The CH2M Foundation incorporated sustainable cities and STEM education by sponsoring the [Net Impact Competition](#), hosted by the University of Colorado's Leeds School of Business for MBA students from around the globe, challenging them to create financial models for green infrastructure.

Combined Contributions to Water For People from CH2M and Our Employees

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6.5 Employee Engagement

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

Individual Impact: As evidenced throughout this report, our employees give generously of their time and technical expertise to strengthen nonprofit organizations around the world; they are supported through travel grants from the CH2M Foundation. 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. [Jeff Friesen](#) continued his commitment to Water For People in India by returning to West Bengal as a World Water Corps volunteer to study ways to reduce the down time of hand pumps that provide the clean, safe drinking water to a densely populated community.

Team Impact: In summer 2014, a team of 11 employee volunteers built a pedestrian footbridge across the Rio Trinidad in the community of La Conga, Panama, demonstrating the power of collaboration among our employees and the local residents who call the town—and now the bridge—their home. The CH2M Foundation provided a grant to Bridges To Prosperity to pay for the bridge construction costs and supported the travel expenses of the volunteer team of employees. Read more about this [inspirational story](#).

7 Our Approach and Report

7.1 Meet CH2M

As a global engineering and project delivery company, CH2M partners with public and private clients to tackle the world's most complex infrastructure and natural resource challenges. As a leader in the industry and one of the first in our sector to publish a sustainability report in 2005, CH2M 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, U.S.A., CH2M 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 about 90 countries or sovereign states around the world. We have formal EMS programs in the United States, Canada, the United Kingdom, Ireland, Romania, Italy, Hong Kong, Australia, Argentina; Mexico, the United Arab Emirates, Qatar, and India.

CH2M has long been recognized as an industry-leading firm in program management, construction management, operations, and design, as ranked by *Engineering News-Record* (2014). Verdantix, an independent analyst firm focused on sustainable business issues, has named CH2M a global leader in environmental health and safety technical services (2014) and 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'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.

7.2 Awards

CH2M has won a large slate of awards for its environmental excellence, sustainable solutions, and health and safety, including the following awards and rankings, which were earned from 2014 through spring 2015. (Unless indicated, these awards were received in 2014.)

Sustainability and Corporate Citizenship Awards

- **PR Daily Corporate Social Responsibility Award, Best Corporate-Nonprofit Partnership:** Bridges to Prosperity and CH2M Partnership, for building a 45-meter-long bridge in a remote community (2015)
- **EPA Climate Leadership Award, Excellence in GHG Management (Goal Setting Certificate):** for demonstrating that innovative actions to combat climate change are smart business decisions and show exemplary leadership in response to climate change (2015)
- **National Association of Water Companies Living Water Award Grand Prize:** Operations Management Sustainability Director Duyen Tran, recognized as the best in the water industry when it comes to providing excellent service or championing environmental stewardship
- **Corporate Eco Forum Leadership Development Program:** Global Sustainability Director Brandy Wilson was selected to attend this prestigious [Leadership Development Program](#) in Mexico
- **International Association of Business Communications, Bronze Beacon Award, Oregon Columbia Chapter:** 2013 Sustainability Month
- **APEX Award for Publication Excellence:** 2013 Sustainability Month

Workplace and Diversity Awards

- **2020 Women on Boards Winning Company:** recognizes importance of board diversity and those companies with women making up 20 percent or more of board of director positions (currently, 27 percent of our directors are women) (2015)
- **Career Communications Group, Inc., Top Supporter of Historically Black Colleges and Universities:** recognizes organizations that provide the most support to these schools
- **Catalyst Award:** CH2M 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
- **Conference of Minority Transportation Officials, Corporate Citizen of the Year Award, Philadelphia Chapter**
- **Diversity Careers Magazine, Best Diverse Company Award**
- **FORTUNE 500:** after debuting on the FORTUNE 500 list at 436 in 2009, ranked 437 in 2014
- **FORTUNE World's Most Admired Companies:** ranked first for innovation and social responsibility within the engineering and construction industry
- Listed as a best place to work in the United States six times since 2003
- **Martin Luther King Business Social Responsibility Award**
- **Minority Engineer Magazine Top 50 Employer (2014 and 2013)**
- **National Society of Black Engineers Top 50 Employer (2014, 2013, and 2012)**
- **National Society of Black Engineers, Golden Torch Award for Corporate Diversity Leadership:** recognized for our commitment and depth of diversity, equality, and inclusion programming, including diversity recruitment, to support our people and grow our business success (2015)

- **Oregon Association of Minority Entrepreneurs Corporate Award of the Year:** honors a major corporation providing distinguished support to minority- and women-owned small businesses
- **Society of American Military Engineer's J.W. Morris Sustaining Member Award**
- **Urban League Metro Denver Warrior Award**
- **U.S. Secretary of Defense Employer Support Freedom Award:** CH2M-WG Idaho; highest honor given to employers for support of National Guard and Reserve employees
- **Women Leaders in Transportation Design & Construction Glass Hammer Award:** honors organizations in the transportation industry with innovative programs and activities directed at successfully promoting women leaders
- **Women's Transportation Seminar International Employer of the Year Award, San Francisco Bay Chapter**
- **Women's Transportation Seminar International Employer of the Year Award, Philadelphia Chapter**
- **Women's Transportation Seminar International Employer of the Year, Puget Sound (Seattle) Chapter**
- **Workforce Diversity Magazine Top 50 Employer (2014, 2013, and 2012)**

Health and Safety Awards

- **American Association of State Highway and Transportation Officials President's Transportation Awards, Highway Traffic Safety:** awarded to North Dakota Department of Transportation's Local Road Safety Program Team for Highway Traffic Safety
- **American Water Works Association Wendell R. LaDue Utility Safety Award:** awarded to our Fort Campbell, Kentucky, team, which had zero recordable injuries in the last 72 months with 36 personnel and over 450,000 labor hours
- **British Safety Council International Safety Award of Distinction:** awarded to the Dounreay Site Restoration Ltd., recognized for excellent management of health and safety
- **British Academy Television Awards:** awarded the Thames Tideway Tunnel two sustainability film awards for [You Poo Too](#)
- **DuPont Supplier Safety Award:** recognizing CH2M's valuable contribution to the DuPont Corporate Remediation Group Safety Program
- **Green Organisation (UK), Silver Green Apple Award:** awarded to A-one+, a joint venture with Colas and Costain, for Environmental Best Practice
- **Highways Agency (UK), Supplier Recognition Scheme Awards for Safety, Health, and Well-being:** awarded to A-one+ Integrated Highway Services, a joint venture with Costain and Colas, for embedding occupational health and well-being as a core value and proactively promoting benefits with its road workers (2015)
- **National Safety Council (NSC) Corporate Culture of Safety Award:** honoring CH2M for receiving 40 safety awards
- **NSC Million Work Hours Award:** presented to our Environment and Nuclear group for achieving 9 million work hours without incurring an occupational injury or illness that resulted in days away from work or death
- **NSC Safety Leadership Award:** awarded to CH2M's project team in Dallas, Oregon, for achieving 5 consecutive years without an occupational injury or illness that resulted in lost employee work days or death

- **Shell Oil Company, Making the Difference Award:** awarded to employees at the Shell Technology Center Houston for their focus on working safely
- **U.S. Department of Defense, International Sector HSSE Achievement Award:** awarded to our team at Aviano Air Base, Italy
- **U.S. Department of Defense, 2014 Secretary of Defense Environmental Restoration Award:** awarded to Naval Facilities Engineering Command Atlantic for Installations on the Marine Corps Installations East - Marine Corps Base Camp Lejeune
- **U.S. Department of Energy, VPP Award, Star Status:** awarded to the Plateau Remediation Company at Hanford in Washington state

Sustainable Project Awards

- **American Academy of Environmental Engineers and Scientists (AAEES), Excellence in Environmental Engineering and Science Honor Award:** planning for the New York City Department of Environmental Protection Wastewater Resiliency Plan project
- **AAEES, Industrial Waste Management Grand Prize and W. Wesley Eckenfelder Industrial Waste Management medal:** Iron Mountain Mine Sediment Removal and Remediation project
- **American Association of Port Authorities, Environmental Improvement Awards:** awarded to Port Tampa Bay's major environmental project, the McKay Bay Restoration project, in the mitigation category
- **American Public Works Association, Arizona Chapter, Project of the Year:** awarded to the Tres Rios Water Reclamation Facility in Pima County, Arizona, in the environment category; the team employed sustainability principles to reuse and repurpose old facilities while lowering the facilities' overall energy use and carbon footprint for future generations
- **CEEQUAL Outstanding Achievement Award:** awarded to the White Cart Water Project team in the categories of "Relations with the Local Community and other Stakeholders" and "Ecology and Biodiversity" for significantly reducing the risk of flooding to businesses and over 1,750 properties in the south of Glasgow, avoiding potential flood damages in excess of £100 million
- **CEEQUAL Interim Client & Outline Design Award:** presented to National Grid Cable Tunnels team (UK), which received an "Excellent" rating (93.5%), the highest rating possible
- **Consulting Engineers of Alberta Showcase Award of Merit:** Jackpine Mine Integrated Closure, Conservation and Reclamation Plan
- **Engineering News-Record (Southwest) Best Projects Awards:** awarded to Pima County Regional Wastewater Reclamation Department's Agua Nueva Water Reclamation Facility
- **Environmental Business Journal and Climate Change Business Journal Business Achievement Awards for Environmental Excellence:**
 - Installation and operation of eight solar-powered bioreactor systems in five states and Puerto Rico
 - Coastal Change Adaptation Planning Guidance for the UK's Department for Environment, Food, and Rural Affairs
- **Global Water Intelligence, Global Water Awards, Wastewater Project of the Year:** awarded to Taboada in Callao, Peru, the largest water-treatment facility in South America, with a maximum capacity of 1.8 million cubic meters per day (constructing the plant transformed Lima into a sustainable leader by delivering 75 percent of the city's wastewater back into the water cycle as treated effluent)
- **Rocky Mountain Water Environment Association Sustainability Award:** awarded to our New Mexico Region's Sustainability Team, recognizing wastewater treatment utilities that embrace the principles of

sustainability through systems thinking, design practices, management practices, and infrastructure systems that not only sustain the utility, but also sustain society

- **United Nations Water, “Water for Life” Best Practices Award:** awarded to Singapore Public Utility Board’s brand of recycled water, NEWater, for its public communications and education efforts to share best practices that are helping to ensure the long-term sustainable management of water resources
- **WoodWorks National Wood Design Awards:** awarded to Oxnard Advanced Water Purification Facility for demonstrating ingenuity in design or engineering, as well as attributes of wood (such as cost-effectiveness, sustainability, and structural performance)

Ethics

- **Ethisphere Institute, World's Most Ethical Companies (2015, 2014, 2013, 2012, 2011, 2010, and 2009):** recognized as one of the World's 100 Most Ethical Companies for 7 years in a row

Local Sustainability Awards

- **Breathe California of Los Angeles County Breath of Life™ Awards, Innovation Award Honoree:** recognized for successful leadership in supporting clean air and healthy lungs, for committing to reduce CO₂ emissions and reducing paper and water usage
- **San Diego iCommute Gold Tier Award:** awarded to San Diego Employee Transportation Coordinator Julie Wang for promoting alternative commuting choices in the workplace (2015)
- **Tennessee Society of Professional Engineers, Innovation Award, Outstanding Employer of the Year:** recognized for volunteer efforts of more than 170 Tennessee employees who work with local schools with the annual World Water Challenge, as well as the firm’s policies to promote professional licensing and training for its engineering staff, and recruiting and promotion policies for women and minorities

7.3 Governance and Corporate Citizenship

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

As indicated in this report last year, one of our 2014 initiatives was to restructure the sustainability and corporate citizenship approach from the top down. This resulted from the materiality analysis and suggestions made by the Corporate Citizenship Task Force that was convened specifically to address materiality and better define our overall strategy. The company’s commitment to our [Sustainability Policy](#) remains a critical component of our structure and business approach.

At the Board of Directors level, the Governance committee was rechartered in 2014 as the “Governance and Corporate Citizenship Committee,” to more robustly engage the board in all aspects of CH2M’s sustainability and corporate citizenship strategy. This committee met for the first time in early 2015. To assist the board in its duties, a Sustainability and Corporate Citizenship Advisory Council will be convened in 2015. This council will represent the various functions engaged in the social and environmental aspects of sustainability, as well as community economic issues (such as philanthropy).

Management of and authority over economic aspects of CH2M’s financial 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 Board of Directors, Chad Holliday, has also been active in CH2M’s sustainability program. As 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](#).

Our Enterprise Sustainability group, led by Global Sustainability Director Brandy Wilson, is responsible for coordinating among CH2M'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 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.

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). 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.

7.3.1 Sustainability and Corporate Citizenship Leaders

7.3.1.1 Jacqueline Hinman, Chairman and Chief Executive Officer

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 EPA and other consulting firms, but most of her career has been at CH2M. She thrives on high-profile, extremely complex projects and programs, such as the EPA Superfund Program, London 2012 Olympic and Paralympic Games, the Panama Canal Expansion, and the MASDAR sustainable city in Abu Dhabi...major programs that have raised CH2M's sustainability profile. She has held a wide variety of executive leadership positions and led CH2M'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 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.

In 2014, [Jacque became Chairman and Chief Executive Officer of CH2M](#), a Fortune 500 company with approximately \$5.5 billion in annual revenue and 25,000 employees (including contractors and joint ventures) operating in approximately 90 countries. [WorldDenver](#) honored Jacque at its International Women's Day event; she was featured in [STEMconnector](#)[®], a book showcasing [100 Diverse Corporate Leaders in STEM](#); she delivered the [commencement address at her alma mater](#), the Penn State College of Engineering; and the American Road and Transportation Builders Association honored CH2M with the

Women Leaders in Transportation Design & Construction Council's [2014 Glass Hammer Award](#), which honors organizations in the transportation industry that have innovative programs and activities directed at successfully promoting women leaders.

Jacque is known as a leader who walks the talk, and she feels a personal passion for triple bottom line sustainability: environmental, social, and economic. 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's success.

7.3.1.2 Elisa Speranza, Chief Communications Officer and Executive Sponsor for Sustainability

Elisa Speranza is CH2M's corporate sponsor for sustainability. As CH2M's chief communications officer, Elisa oversees the firm's brand, communications, corporate affairs, government relations, and community investment functions. She also serves as an elected employee-director on the company's board of directors and as president of the CH2M Foundation.



She also serves as executive sponsor for a number of company programs and client accounts, including our partnerships with The Nature Conservancy and Encourage Capital.

"At CH2M, our focus on sustainability, diversity and inclusion, and corporate citizenship reflects our clients' priorities," Elisa says. "Throughout my career, I've tried to align my professional work with my personal values. I've had several different leadership roles in the company, and in all of them I've been passionate about putting our values to work for our clients, our people, and the planet every day."

Before her current role, Elisa was president of the firm's Operations Management Business Group and held multiple leadership positions in the Water Business Group. Because she started her career as a client, she keeps that client perspective foremost in whatever role she plays. She is also former board chair for the global nongovernmental organization (and our strategic partner) Water For People, and a passionate advocate for coastal resources and resilient cities.

Elisa tweets about sustainability and corporate citizenship at [@ElisaSperanza](#).

7.3.1.3 Brandy Wilson, Global Sustainability Director, LEED AP O+M

Brandy Wilson truly embraces environmental stewardship and knows that there is an art to sustainability. Brandy serves as our Global Director of Sustainability, responsible for helping the firm and our clients improve sustainability performance. She also serves as the program manager for CH2M's collaborative agreement with TNC.



Brandy's 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'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. In 2014, Brandy completed an MBA in sustainable business, bringing a more robust financial perspective to sustainability challenges. Her capstone topic was materiality in the context of the Global Reporting

Initiative™ (GRI) G4, and she completed a benefit-cost analysis for her local community on the [economic impact of preserving open space](#).

Last year, Brandy was selected by the Corporate Eco Forum to attend the [Leadership Development Challenge](#) in Chiapas, Mexico. This experience strengthened Brandy’s commitment to green infrastructure and natural capital. “I discovered a forest acting like a sponge to preserve and protect water sources, and saw governments, nonprofits, and for-profit corporations bonding together to protect it,” said Brandy. “Corporations, particularly, were changing the game and viewing conservation as part of their long-term water security strategy, and working hand-in-hand with local residents to incorporate sustainable land use practices and support livelihoods. I know we can replicate this model elsewhere by seeing nature as a collaborator and designing infrastructure within the context of ecosystems.” Brandy wrote about her experience in [Chasing Water in Chiapas](#).

Brandy tweets about sustainability at [@Brandy_M_Wilson](#).

7.3.1.4 Ellen Sandberg, Executive Director, CH2M 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 unstructured charitable giving programs into cohesive corporate social responsibility platforms. Her current role as executive director of the CH2M 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 promote sustainable communities through lasting, life-changing infrastructure.



Ellen played a leading role in transitioning the CH2M 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: promoting STEM education, building sustainable communities, and fostering employee engagement. “At CH2M, corporate citizenship is demonstrated in how we combine our entire portfolio of strengths, including our employees, our expertise, and our economic impact, to lay a sustainable foundation for human progress,” notes Ellen.

In 2014, the CH2M Foundation granted just over US\$1 million to nonprofit organizations across the globe that promote STEM education and sustainable community development. Now more than ever, the foundation is committed to deeper, longer partnerships for greater impact and meaningful skills-based volunteerism opportunities for employees. While the foundation made many noteworthy achievements in its second full year of operations, most significant was the [45-meter-long footbridge](#) built by 11 CH2M employee-volunteers. The employees worked with the residents of La Conga, Panama, in collaboration with our newest strategic partner, Bridges to Prosperity. “This transfer of skills from CH2M engineers to the local residents means that hundreds of people have safe crossing to schools, hospitals, and jobs, and can maintain their own bridge for generations to come,” said Ellen. “The foundation is committed to promoting lasting and life-sustaining infrastructure by supporting global not-for-profit organizations that work side by side with local communities to build, maintain, and scale their critical water and transportation projects.”

7.3.1.5 William H. (Bill) Brierly, Chief Ethics and Compliance Officer

Bill Brierly joined CH2M in October 2012 to ensure that our ethics and compliance program has the tools and focus necessary to meet the challenges of our global growth strategy. As Chief Ethics and Compliance Officer, Bill oversees our award-winning ethics and compliance programs in about 90 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, 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 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 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 and productive 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.”

7.3.1.6 Katherine Johnson, Vice President, Global Human Resources (HR) 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 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 Way.”



Katherine began her 22-year career with CH2M 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 deployment, talent management and development, compensation and benefits, workforce planning and analytics, diversity, equality and inclusion, global service centers, and HR project management offices. In 2014, her team was proud to support the SEEK 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’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.”

7.3.1.7 Valencia (Faye) Tate, Director of Global Diversity, Equality, and Inclusion

In the 14 years Faye Tate has been CH2M’s Director of Global Diversity, Equality, and Inclusion, she has transformed the way the company focuses on these issues. In the past several years, Faye has helped to establish employee network groups for employees who are black; lesbian, gay, bisexual, and transgendered (LGBT) and allies; Hispanic/Latino; differently abled; women; veterans; and junior and mid-level professionals. In 2014, 150 employees representing eight of these employee networks gathered in Denver to collaborate on diversity, equality, and inclusion.



Faye has played a vital role in making CH2M a global industry leader in supporting LGBT employees. Her leadership has helped create a culture of inclusion, a strong nondiscrimination policy, and domestic partnership benefits. In fact, the firm has found its domestic partnership benefits so beneficial

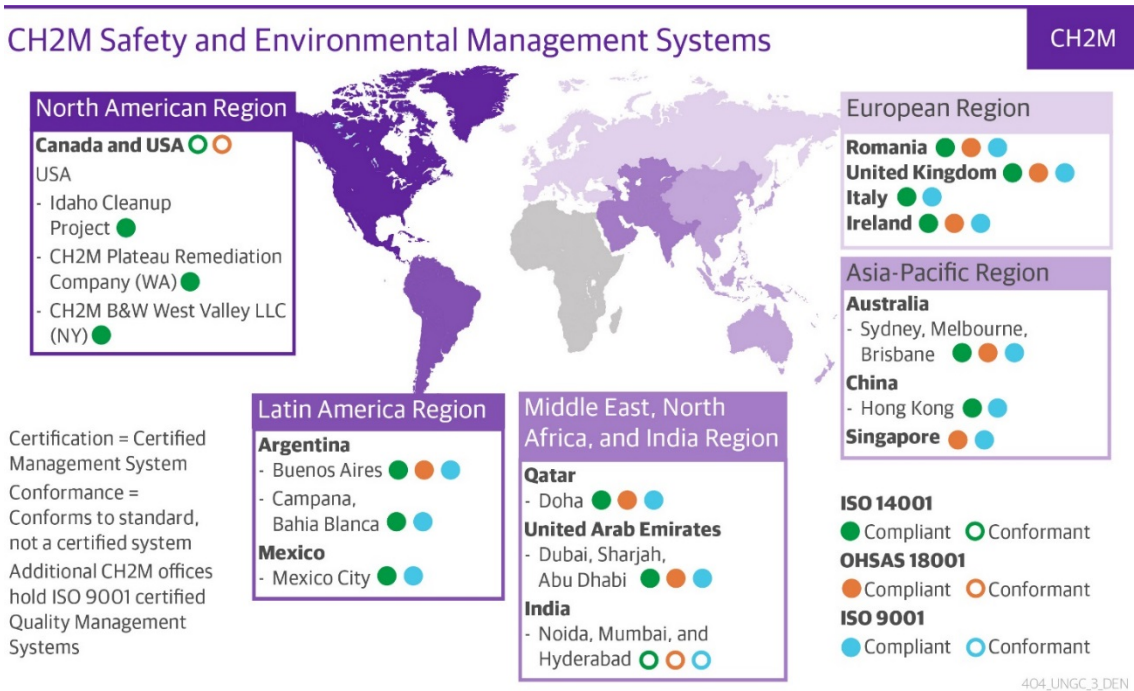
that representatives testified at the Colorado State Capitol on their positive impacts to company culture and the bottom line. In 2012, [One Colorado honored Faye](#) and three other individuals with “Ally Awards” for all they do to change the hearts and minds of Coloradans.

Giving back to the community is an important part of Faye’s life. She serves on the national board of directors for the Human Rights Campaign, a national organization that focuses on LGBT equality, and on several local boards of directors. In 2012, the Colorado Women’s Chamber of Commerce named Faye as one of the 25 most powerful women in Colorado, and in 2013 she received the Whitney M. Young Jr. Award from the Denver Urban League. She has received much recognition for her work in the community: “Woman of Distinction” from the Girl Scouts of America; Leadership Denver and Distinguished Community Leader and Trailblazer by the National Council of Negro Women; finalist for Frances Weimar Jacobs award, recognizing women who are leaders in philanthropy; and the Outstanding Women in Business Award from the Colorado Black Women for Political Action.

In recent years, Faye has been working with CH2M project teams and employee groups to establish a culture of respect and tolerance on their teams. She traveled to the United Kingdom to assist with diversity, equality, and inclusion issues related to the London 2012 Olympics and Paralympics. In addition, she has assisted with business development endeavors for various business groups in the firm.

7.3.2 Management Systems

CH2M’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.



7.4 Report Profile

This 2015 Sustainability and Corporate Citizenship Report focuses on activities and performance from January 1 to December 31, 2014. In addition, 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 July 2014. As reflected in previous sustainability reports, tracking for some of our sustainability metrics extends back as far as 2003. Forward-looking statements for 2015 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. Neither 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, HR, 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. 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.

Our current report provides data trends for the past 4 years, where available, and is updated annually. The following CH2M sustainability reports are available for download:

- [CH2M Sustainability and Corporate Citizenship Report 2014](#)
- [CH2M Sustainability Report 2013](#)
- [CH2M Sustainability Report 2012](#)
- [CH2M Sustainability Report 2011](#)
- [CH2M Sustainability Report 2009](#)
- [A World of Ingenuity: 2007 Sustainability Report](#)
- [Engineering a Sustainable Future: 2005 Sustainability Report](#)

7.5 Report Index

CH2M is proud to issue this GRI G4 report in accordance with G4 core reporting guidelines. In some cases, we have adjusted our reporting approach to reflect more accurately CH2M’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.

7.5.1 General Standard Disclosures

General Standard Disclosures		Location	External Assurance
Strategy and Analysis			
G4-1	Letter from senior leadership	• Message from Senior Leadership	None
G4-2	Sustainability impacts, risks, opportunities, and performance	• Sustainability Strategy	None

General Standard Disclosures		Location	External Assurance
Organizational Profile			
G4-3	Organization name	<ul style="list-style-type: none"> • Meet CH2M 	None
G4-4	Primary brands, products, and services	<ul style="list-style-type: none"> • Meet CH2M 	None
G4-5	Headquarters location	<ul style="list-style-type: none"> • Meet CH2M 	None
G4-6	Countries of operation	<ul style="list-style-type: none"> • Meet CH2M 	None
G4-7	Ownership nature and legal form	<ul style="list-style-type: none"> • Meet CH2M • Employee Ownership 	None
G4-8	Markets served: geographies, sectors, and customers	<ul style="list-style-type: none"> • Meet CH2M • Capabilities 	None
G4-9	Scale of organization	<ul style="list-style-type: none"> • Meet CH2M • About Us 	None
G4-10	Workforce distribution	<ul style="list-style-type: none"> • Workforce Distribution 	None
G4-11	Collective bargaining agreements	<ul style="list-style-type: none"> • Workforce Distribution 	None
G4-12	Supply chain description	<ul style="list-style-type: none"> • Sustainability Strategy 	None
G4-13	Supply chain significant changes	<ul style="list-style-type: none"> • Procurement for Operations • Procurement for Client Projects • Business Partnerships: Local and Diverse Spending 	None
G4-14	Precautionary principle	<ul style="list-style-type: none"> • Sustainability Strategy 	None
G4-15	Charters, principles, and initiatives	<ul style="list-style-type: none"> • Stakeholders, Memberships, and Partnerships 	None
G4-16	Memberships and partnerships	<ul style="list-style-type: none"> • Stakeholders, Memberships, and Partnerships 	None
Identified Material Aspects and Boundaries			
G4-17	Organizations listed in financial statements and report scope	<ul style="list-style-type: none"> • Meet CH2M 	None
G4-18	Report content definition and boundaries	<ul style="list-style-type: none"> • Sustainability Strategy • Report Profile • Report Index 	None
G4-19	Material aspects identified	<ul style="list-style-type: none"> • Sustainability Strategy 	None
G4-20	Aspect boundary for each aspect	<ul style="list-style-type: none"> • Report Index • DMAs for each aspect 	None
G4-21	Aspect boundary outside of the organization	<ul style="list-style-type: none"> • Report Index • DMAs for each aspect 	None
G4-22	Effect of restatements of information	<ul style="list-style-type: none"> • Report Profile 	None
G4-23	Changes from previous reporting period in scope and boundaries	<ul style="list-style-type: none"> • Report Profile 	None





General Standard Disclosures		Location	External Assurance
Stakeholder Engagement			
G4-24	Stakeholder groups	<ul style="list-style-type: none"> • Stakeholders, Memberships, and Partnerships 	None
G4-25	Identification and selection of stakeholders	<ul style="list-style-type: none"> • Stakeholders, Memberships, and Partnerships 	None
G4-26	Approach to stakeholder engagement	<ul style="list-style-type: none"> • Stakeholders, Memberships, and Partnerships 	None
G4-27	Key topics and concerns raised through stakeholder engagement	<ul style="list-style-type: none"> • Stakeholders, Memberships, and Partnerships 	None
Report Profile			
G4-28	Reporting period	<ul style="list-style-type: none"> • Report Profile 	None
G4-29	Most recent report date	<ul style="list-style-type: none"> • Report Profile 	None
G4-30	Reporting cycle	<ul style="list-style-type: none"> • Report Profile 	None
G4-31	Report contact	<ul style="list-style-type: none"> • Report Profile • Contact Us 	None
G4-32	GRI index and “in accordance” statement	<ul style="list-style-type: none"> • Report Index 	None
Governance			
G4-34	Governance structure of organization	<ul style="list-style-type: none"> • Governance and Corporate Citizenship • Governance 	None
G4-35	Delegation process	<ul style="list-style-type: none"> • Governance and Corporate Citizenship • Governance 	None
G4-38	Governing body diversity	<ul style="list-style-type: none"> • Workforce Diversity, Equality, and Inclusion 	None
Ethics and Integrity			
G4-56	Values, principles, and behaviors	<ul style="list-style-type: none"> • Ethics and Business Conduct 	None
G4-57	Mechanisms for seeking advice on ethical behavior	<ul style="list-style-type: none"> • Ethics and Business Conduct 	None
G4-58	Mechanisms for reporting ethics concerns	<ul style="list-style-type: none"> • Ethics and Business Conduct 	None

7.5.2 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’s value chain, as described in [Key Sustainability Impacts and Effects](#). CH2M reports on material aspects relevant to our sector that go beyond the GRI G4 list; these are identified with the prefix “CH-” in this index.

CH2M Aspect Boundary Icons

G4-18b







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

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Economic Material Aspects

	Indicators	Location in Report	Omissions	Boundary	External Assurance
DMA	Economic performance	<ul style="list-style-type: none"> • Economic Performance 	None		None
EC1	Economic value generated and distributed	<ul style="list-style-type: none"> • Economic Performance • CH2M Foundation and Giving 	For competitive reasons, CH2M chooses not to disclose wages nor benefits publicly. Regional reporting was determined to not be significant.		Accounting audits
DMA	Procurement Practices	<ul style="list-style-type: none"> • Supply Chain: Purchasing for CH2M Operations • Procurement for Client Projects 	None		None
EC9	Spending on local suppliers	<ul style="list-style-type: none"> • Business Partnerships: Local and Diverse Spending 	None		None

Environmental Material Aspects

	Indicators	Location	Omissions	Boundary	External Assurance
DMA	Environmental Aspect: Overall Management	<ul style="list-style-type: none"> • Environmental Management 	None		Varies by region; explained in text
DMA	Materials	<ul style="list-style-type: none"> • Paper Consumption 	None		None
EN1	Materials used by weight, volume	<ul style="list-style-type: none"> • Paper Consumption 	None		None
EN2	Recycled-input materials	<ul style="list-style-type: none"> • Paper Consumption 	None		None
DMA	Energy	<ul style="list-style-type: none"> • Carbon Emissions and Energy Use 	None		None
EN3	Internal energy consumption	<ul style="list-style-type: none"> • Carbon Emissions and Energy Use 	None		None

	Indicators	Location	Omissions	Boundary	External Assurance
EN6	Reduction of energy consumption	<ul style="list-style-type: none"> Carbon Emissions and Energy Use 	None		None
DMA	Water	<ul style="list-style-type: none"> Water Use 	None		None
EN8	Water consumption	<ul style="list-style-type: none"> Water Use 	None		None
EN10	Reused or recycled water	<ul style="list-style-type: none"> Water Use 	None		None
CH-02	Community water preservation and engagement	<ul style="list-style-type: none"> Community Water Preservation and Engagement 	None		None
DMA	Emissions	<ul style="list-style-type: none"> Carbon Emissions and Energy Use 	None		Verification in progress
EN15	Direct carbon emissions	<ul style="list-style-type: none"> Carbon Emissions and Energy Use 	None		Verification in progress
EN16	Indirect carbon emissions	<ul style="list-style-type: none"> Carbon Emissions and Energy Use 	None		Verification in progress
EN17	Other indirect emissions	<ul style="list-style-type: none"> Carbon Emissions and Energy Use 	None		Verification in progress
EN19	Reduction of carbon emissions	<ul style="list-style-type: none"> Carbon Emissions and Energy Use 	None		Verification in progress
DMA	Effluents and waste	<ul style="list-style-type: none"> Environmental Compliance Environmental Management 	None		
EN22	Total water discharge	<ul style="list-style-type: none"> Water Use 	None		None
EN24	Significant spills	<ul style="list-style-type: none"> Environmental Compliance 	Spill locations are not disclosed, to protect client confidentiality		None
CH-03	Recycling, waste management	<ul style="list-style-type: none"> Recycling 	None		None
DMA	Products and services	<ul style="list-style-type: none"> Client Services Footprint 	None		None
EN27	Environmental impact mitigation	<ul style="list-style-type: none"> Client Services Footprint Natural Capital 	None		None
DMA	Compliance	<ul style="list-style-type: none"> Environmental Compliance 	None		None
EN29	Monetary value of fines, sanctions	<ul style="list-style-type: none"> Environmental Compliance 	None		None
DMA	Supplier environmental assessment	<ul style="list-style-type: none"> Supply Chain: Purchasing for CH2M Operations Procurement for Client Projects 	None		None
EN32	Percentage of new supplier screening	<ul style="list-style-type: none"> Supply Chain: Purchasing for CH2M Operations 	None		None




Social Material Aspects

Labor Practices and Decent Work








	Indicators	Location	Omissions	Boundary	External Assurance
DMA	Employment	<ul style="list-style-type: none"> • Workforce Distribution 	None		None
LA1	New employee hires, turnover	<ul style="list-style-type: none"> • Employee Turnover 	None		None
DMA	Occupational health and safety	<ul style="list-style-type: none"> • Health and Safety 	None		Varies by region; explained in text
LA5	Health and safety committees	<ul style="list-style-type: none"> • Health and Safety 	None		None
LA6	Rates of injuries, lost days, fatalities	<ul style="list-style-type: none"> • Health and Safety 	We do not report by region or by gender; CH2M 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	<ul style="list-style-type: none"> • Training and Development 	None		None
LA9	Training statistics	<ul style="list-style-type: none"> • Training and Development 	CH2M currently does not collect training information by gender and employee category		None
LA10	Skills management, learning programs	<ul style="list-style-type: none"> • Training and Development 	None		None
LA11	Performance reviews, career development	<ul style="list-style-type: none"> • Training and Development 	None		None
DMA	Diversity and equal opportunity	<ul style="list-style-type: none"> • Workforce Diversity, Equality, and Inclusion 	None		None
LA12	Governance bodies, employee diversity	<ul style="list-style-type: none"> • Workforce Diversity, Equality, and Inclusion 	None		None

Human Rights

	Indicators	Location	Omissions	Boundary	External Assurance
DMA	Human rights	<ul style="list-style-type: none"> • Human Rights 	None		None
HR2	Human rights training	<ul style="list-style-type: none"> • Human Rights 	None		None
DMA	Nondiscrimination	<ul style="list-style-type: none"> • Human Rights • Workforce Diversity, Equality, and Inclusion 	None		None
HR3	Discrimination incidents, corrective actions	<ul style="list-style-type: none"> • Ethics and Business Conduct 	None		None

	Indicators	Location	Omissions	Boundary	External Assurance
DMA	Child labor	<ul style="list-style-type: none"> • Ethics and Business Conduct 	None		None
DMA	Forced or compulsory labor	<ul style="list-style-type: none"> • Ethics and Business Conduct 	None		None
HR6	Risk for compulsory labor	<ul style="list-style-type: none"> • Ethics and Business Conduct 	CH2M 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	<ul style="list-style-type: none"> • CH2M Foundation and Giving 	None		None
CH-01	Community partnerships	<ul style="list-style-type: none"> • CH2M Foundation and Giving 	None		None
DMA	Anti-corruption	<ul style="list-style-type: none"> • Ethics and Business Conduct 	None		None
S03	Corruption risk	<ul style="list-style-type: none"> • Ethics and Business Conduct 	CH2M assesses risks of all global operations, including certain geographies at greater risk for corruption, as ranked by Transparency International; because of legal protections, however, we cannot disclose our methodology for conducting such assessments nor reveal the details of such assessments		None
S04	Anti-corruption training	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Ethics and Business Conduct 	To the extent that any such incidents might occur at CH2M, we would collect this information internally and for legal reasons could not report specifics		None
DMA	Public policy	<ul style="list-style-type: none"> • Ethics and Business Conduct • Community Water Preservation and Engagement 	None		None

Product Responsibility

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

7.5.3 UN Global Compact Principles

No.	Principles/CH2M Commitment
1 – 5	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. <ul style="list-style-type: none"> • Human Rights
6	The elimination of discrimination in respect of employment and occupation. <ul style="list-style-type: none"> • Workforce Diversity, Equality, and Inclusion • Ethics and Business Conduct
7	Businesses should support a precautionary approach to environmental challenges. <ul style="list-style-type: none"> • Sustainability Strategy
8	Undertake initiatives to promote greater responsibility. <ul style="list-style-type: none"> • Environmental Management
9	Encourage the development and diffusion of environmentally friendly technologies. <ul style="list-style-type: none"> • Sustainability Strategy • Client Services Footprint
10	Businesses should work against all forms of corruption, including extortion and bribery. <ul style="list-style-type: none"> • Ethics and Business Conduct

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