# Sustainability Report 2013





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## **About This Report**

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

#### **Commitment to the United Nations Global Compact**

As a signatory to the United Nations (UN) Global Compact, CH2M HILL ensures that our business policies incorporate and support the UN Global Compact's 10 principles. CH2M HILL's Board of Directors supports our actions to uphold sustainability goals and endorses the plans described in this report. This report also serves as our 2013 UN Global Compact Communication on Progress report. As part of our firm's commitment to the UN Global Compact, CH2M HILL's Chief Executive Officer (CEO) Lee McIntire endorses the CEO Water Mandate to help address the global water crisis. CH2M HILL makes 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.

#### **Conformance with the Global Reporting Initiative**

We continue to use the Global Reporting Initiative<sup>™</sup> (GRI) indicators version 3.0 for sustainability reporting, because these indicators constitute a familiar, globally accepted standard for reporting to our stakeholders. In some cases, we have adjusted our reporting approach to reflect more accurately CH2M HILL's business model and the way we work. 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 an effect on the world. For a full explanation of the GRI guidelines, visit www.globalreporting.org. Our GRI index is at Sustainability Performance Indicators.

### **Scope**

CH2M HILL does business through many legal entities around the globe and is headquartered in Denver, Colorado, USA. This report covers the business operations and activities of CH2M HILL Companies, Ltd. and its largest subsidiaries but not its joint ventures with other companies, unless otherwise noted. The largest subsidiaries of CH2M HILL Companies, Ltd. contributing to the content reported within the 2013 Sustainability Report are as follows:

- CH2M HILL, Inc.
- CH2M HILL Companies, Ltd.

- CH2M HILL Constructors, Inc.
- CH2M HILL Energy, Ltd.
- CH2M HILL Engineers, Inc.
- CH2M HILL International, Ltd.
- CH2M HILL International BV
- CH2M HILL International Services, Inc.
- Halcrow, a CH2M HILL Company
- Operations Management International, Inc.
- NORCON, Inc.

This 2013 Sustainability Report focuses on activities and performance during the 2012 calendar year. Additionally, historical data for the past 4 years are included as appropriate and available to demonstrate trends. As reflected in previous sustainability reports, tracking for some of our sustainability metrics extends back as early as 2003. Forward-looking statements for 2013 and beyond are provided to indicate our goals in helping to create a sustainable future.

In November 2011, CH2M HILL completed the acquisition of Halcrow Holdings, Ltd. Halcrow's operations were integrated into the CH2M HILL family of companies throughout 2012. Throughout the report, information for both CH2M HILL and Halcrow, a CH2M HILL Company, have been combined except where noted otherwise.

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

#### **Process for Determining Report Content**

CH2M HILL has a significant impact upon the world, both in terms of the work we deliver in collaboration with our clients and in the way we manage our own operations. We determine report materiality based on the level of control, management, and ownership of our sustainability impacts; therefore, we report extensively and transparently on our own footprint and apply a project sector approach to our work with clients to determine materiality.

To determine our reporting priorities for the aspects of our organization that we directly control, we involve the employees responsible for each of those functions, such as facilities, human resources, safety, information technology, employee training, corporate legal, travel, and others. Representatives from each of the administrative 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 macroscale developments and trends that might impact CH2M HILL. We apply a ranking system and, as a group, rate each of the indicators based on relevance to employees, clients, legal issues, and impact on the natural world and the communities where we work. We calculate each of these factors to determine an overall ranking, and this informs our goal setting and reporting strategies.

To understand the impact of the work we do globally, we segregate materiality for reporting based on the level of control and influence we have from a contractual perspective and the type of work that is completed. For the vast majority of our design and construction work, we incorporate sustainability principles as a routine part of doing business. However, savings that are achieved through this work and reporting for waste, energy, and resource savings belong with the client organization. Examples of sustainable projects delivered throughout our service portfolio can be found on our <u>Sustainable Solutions</u> Web site. Our Operations Management Business Group (OMBG), which is the sector of our company that operates facilities on behalf of our clients, serves in a different capacity and can more directly capture and report upon sustainability improvements. The contracts vary significantly from those that incentivize resource conservation and provide a high level of budget discretion to make longterm investments, to those that are more limited in scope. Nonetheless, throughout the report, we track impacts through our OMBG Sustainability Program by meeting our clients where they are and adopting a continuous improvement mentality, in keeping with the principles of the Malcolm Baldridge Award the business unit won in 2000.

For most of our other business groups, we advise and consult our clients, but they ultimately own both the budget and the footprint of the resulting project, plan, or program, including taking credit for any carbon emissions reductions or other resource conservation. We have identified some areas where we can track performance and assess progress, for example, in the green projects sector, which are certified by third parties (such as Leadership in Energy and Environmental Design [LEED<sup>®</sup>] and Building Research Establishment Environmental Assessment Method [BREEAM] as described in the Client Services Footprint section.

#### **Stakeholder Engagement**

CH2M HILL's two primary stakeholder groups are our employees and our clients. As an employeeowned company, our employees are our investors and the driving force in sustainability. Employees are actively engaged in sustainability through a network of volunteer green teams in our offices, as well as providing direct comments and suggestions to our executive sponsor for sustainability (*Elisa Speranza*), sustainability program manager (Brandy Wilson), business group sustainability leaders, and regional health, safety, and environment teams. CH2M HILL's environmental management system is part of the firm's overall quality management system, which uses an online corrective action and preventative action (CAPA) system. Employees can submit a CAPA for sustainability or environmental-specific performance improvements and suggestions.

Our clients seek to improve their supply chain sustainability, and as dedicated partners with them, we strive for disclosure and transparency in metrics important to our customers. Many of our clients are concerned about their carbon footprint, and in response to their requests, we expanded our Scope 1 and 2 Carbon Emissions and Energy Use in 2011 to include our global operations. CH2M HILL's client service managers across multiple business groups have been trained in sustainability concepts so that they can better understand our client's challenges and what our customers expect from us in this space.

CH2M HILL engages with a multitude of other stakeholders, such as professional societies, nongovernmental organizations (NGOs), and our communities. In these activities, we provide financial support and technical expertise, as well as learn from others how we might improve our organization and approach. Examples of our partnerships, such as with Water For People and Engineers Without Borders USA, are described in Community Partnerships and Outreach and Community Water Preservation and Engagement.

Top-level partnerships particularly applicable to sustainability include our membership in the following organizations:

- UN Global Compact
- GRI Organizational Stakeholder
- U.S. Green Building Council

- Business Council for Sustainable Development, United Kingdom
- Green Business Executive Network
- Corporate EcoForum
- Zofnass Program for Sustainable Infrastructure, Harvard Graduate School of Design
- Business Roundtable
- Institute of Environmental Management and Assessment (IEMA)
- Chartered Institution of Water and Environmental Management (CIWEM)
- Verdantix, an independent analyst firm focused on sustainable business issues

Additional organizations are cited throughout the report where relevant.

#### **Report Cover Photography by Alan Howe, CH2M HILL**

Alan Howe captured Crater Lake, Oregon, at sunrise, inspired his coworkers, and applied his considerable photography skills to help others. After Alan won the 2012 CH2M HILL photography contest, he offered prints of this beautiful image to raise money to support a fellow employee whose son had significant medical challenges. Thanks to support from Alan and many others, the fund helped the family deal with costs not covered by insurance, like travel for surgeries and frequent therapies, and now the child has gone back to school and is excited to finally be able to be a kid again. For Alan, inspiring his coworkers and paying it forward springs from others who inspired his art.

"I was inspired years ago by a local photographer to see and photograph Crater Lake in the winter," said Alan. "Since then, I've researched routes, worked on my backcountry know-how and honed my camera skills. Last year, I watched for the right weekend to hopefully have good snow and a break in the cloud cover. This photo is especially dear to me because my wife was the brave soul that joined me for this snowshoe hike in the dark that required an 'alpine start' to reach this location at sunrise. I didn't see a single cloud the entire hike, but rather a sky full of stars. When we arrived, there was a cloud bank on the horizon just waiting to put on a show."

Alan is a design technician and project automation lead with CH2M HILL's Water Business Group in CH2M HILL's Corvallis, Oregon office. He has site civil and process and mechanical design experience in multiple industries, including water and wastewater, petrochemical, and semiconductor.

### A Message from Senior Leadership



Elisa Speranza President, Operations Management Business Group; Executive Sponsor for Sustainability CH2M HILL

Lee McIntire Chief Executive Officer CH2M HILL

The North Hudson Sewerage Authority (NHSA) serves four cities in New Jersey, and all of them felt the full wrath of Hurricane Sandy as it made landfall in October 2012.

CH2M HILL has provided operations management services to NHSA for 23 years, with a staff of 42 employees operating two wastewater treatment plants. During that time, we have witnessed the renaissance of the Hudson River waterfront, thanks in large part to the cleaner water. It's our job to keep the plants running, even in the worst of circumstances—and it doesn't get much worse than this. Nearly 10 feet of storm surge engulfed the Hoboken treatment plant, flooding and disabling equipment. The team had to get the plant back online fast and repair the extensive damage throughout the NHSA system.

We got the plant back up and running in record time.

When we do our jobs well—when we design and build infrastructure, revitalize cities, restore damaged land, or operate water and wastewater treatment systems—our work is most transformative when nobody notices it. When people interact seamlessly with what we create, our work is a stable platform that allows people to do their very best work, which sustains and enriches our global society.

Based on predictive modeling, climate change and events like Hurricane Sandy will continue to stress global infrastructure. From dealing with storm events to supplying clean water and energy, we are called upon to create new solutions that rely less on concrete and steel and more upon natural systems. For example, in Singapore, we worked with our partners to convert waterways from concrete channels to natural riverbanks that convey floodwaters and also integrate seamlessly with restorative wetlands and parks that develop economic opportunity. The new parks contribute to a healthier lifestyle as people enjoy outdoor activities. Beyond human needs, in just one restored section, biodiversity increased 30 percent before construction was even completed.

To come up with more sustainable solutions, we are prompted to think in much broader terms collecting information about current infrastructure, future modeling, and collaborative, cross-industry opportunities. This type of systems thinking doesn't come naturally, and we have developed tools to help us, our clients, and the communities where we do work to assess and balance an array of possible futures. Only by recognizing the connections among possible actions can we achieve benefits for the environment, society, and economy.

Doing well by doing good extends to how we manage our own footprint, our work with partners such as Water For People and Engineers Without Borders, and our support for science, technology, engineering, and mathematics (STEM) education. We helped Water For People develop a human-

needs sustainable business model that empowers people to take control of their own water supply, allows people to earn a living, and creates a healthy and lasting drinking water source that does not require ongoing charitable intervention.

Sustainability is integral to our operational excellence, and it is a key component of our company's strategic plan. We strive to weave sustainability through the fabric of our work. We continue to support the UN Global Compact principles, and we measure and report our performance annually. We're expanding this measurement to engage more robustly with our suppliers and subcontractors around the world. With our global presence and diversity of thought, we are excited to apply our technical expertise to solve some of the world's most complex challenges.

Many people look at sustainability challenges and see gaps in infrastructure and adaptation, efficiency, and power and water supplies. We see creativity in solutions that blend engineering and our scientific understanding of nature. This challenge brings out the best in our people, and we feel privileged that our business helps bridge aspirations and outcomes, formulating solutions for today and tomorrow.

lecamento Elisa M. Speranya

## **Improving Company Effects on Sustainability**

Our company's effects on the environment, people, and the economy result from two distinctly separate spheres of activity: the conduct of our internal operations (facilities, procurement, and other functions) and the delivery of client projects.

#### **Internal Operations: Risks and Opportunities**

The environmental effects of our internal operations are managed primarily through Environmental Management System (EMS) programs based on International Organization for Standardization (ISO) 14001 guidelines. Currently, CH2M HILL has established formal EMS programs in North America, Europe, Australia, and Middle East-North Africa regions. The North American EMS has the most robust data set for the greatest number of employees, because North America has the greatest percentage of our operations, including our corporate headquarters in Denver, Colorado, USA. The EMS team includes members from each major administrative unit within the company and reports to the sustainability program manager and our executive sponsor for sustainability. Throughout this Sustainability Report, each region around the globe provides information as data are available.

Each EMS team uses the ISO 14001 process to set goals at the beginning of the year, document progress, and assess performance at regular intervals. A continuing challenge is managing our environmental impacts within the context of leased office spaces, where direct measurement is difficult and improvement depends on the cooperation of property managers. Meeting these challenges in a collaborative way—within CH2M HILL, with our suppliers and subcontractors, and in the communities where we work—fosters lively discussions and helps to create new agreements that further the sustainability of our operations.

We manage our company with the highest ethics in alignment with our Sustainability Policy, donate to organizations that align with our mission, encourage diversity and inclusiveness, support volunteer organizations that matter to our employees, and strive to make an economic difference in the communities where we live and work. The entire industry is challenged with encouraging

women and diverse populations to engage in science and engineering, and we address this challenge by providing networks within our business to support various groups and by reaching out to schools and universities to support STEM programs.

#### **Client Project Delivery: Risks and Opportunities**

Since 1995, CH2M HILL has pursued the sustainable solutions market through our Sustainability Leadership Board (SLB), whose mission is to facilitate the integration of sustainability into business strategy and project solutions. The Board 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.

While improving the sustainability of our own operations expresses our values, improving the sustainability of the projects we deliver for clients offers the potential to address global issues in a much more powerful way. 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 that which carries the lesser impact. Our people are energized by these opportunities to make the world a better place. In the last decade, we have attracted and trained talented people who offer expertise along the full spectrum of sustainable solutions—from organizational sustainability strategy and planning to natural water treatment, from energy and carbon management to climate adaptation, from lean manufacturing to solar energy, and from green buildings to social impact analysis.

The current global economy poses a significant challenge for our clients who want to integrate sustainability into their projects and for our staff who want to help them achieve their sustainability goals. Often the design choice and materials selection can come down to cost, even when the business case can be made for positive return on investment over time with the more sustainable solution. We work closely with our clients to work within their economic constraints, while also maximizing their return on investment.

Another challenge associated with the rapidly evolving sustainability market is staying at the forefront of technical developments. Consequently, we invest in our people to attend courses, present papers, and participate in technical forums and professional committees such as the U.S. Environmental Protection Agency's Sustainable Remediation Forum; the U.S. Green Building Council, which oversees LEED® accreditation; the United Kingdom's Sustainable Remediation Forum (SuRF-UK); and the Business Council for Sustainable Development United Kingdom. Both CH2M HILL and Halcrow served key roles starting up the Zofnass Program for Sustainable Infrastructure, a privately funded initiative at the Harvard Graduate School of Design to develop a widely accepted rating system for measuring the holistic sustainability of major infrastructure projects. In addition, we collaborate with our clients to work within challenging design constraints and develop specialized technical solutions.

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

#### **Sustainability Management Strategy**

From a business perspective, sustainability trends present a range of issues and risks, as well as the opportunity to bring new value, services, and improved delivery systems and technologies to our clients. We infuse CH2M HILL with the sustainability-inspired principles, knowledge, technologies, tools, and methods that will lead to better management of our company and better long-term solutions for our clients—solutions that respond to critical global issues, the business realities of our clients, and the values important to stakeholders.

Our long-standing commitment to environmental stewardship has earned us a reputation for responsible and savvy treatment of environmental issues. Our executive sponsor for sustainability ensures the firm's commitment to our Sustainability Policy. The SLB 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 team also includes members from our EMS programs, which seek to reduce our own environmental footprint and are implemented by a multidisciplinary internal team. The SLB and EMS programs both report to a program manager for sustainability, and this function, along with the executive sponsor for sustainability, are responsible for fostering two-way communication of sustainability initiatives, goals, and progress with the company's Joint Council, Board of Directors, and our CEO and Chairman of the Board, Lee McIntire.

During the last quarter of 2012, members of the SLB, our EMS program, and the executive sponsor for sustainability met with our Lead Outside Director, Chad Holliday, to hone our sustainability strategy. As the former Chairman and CEO of DuPont and a former Chairman of the World Business Council for Sustainable Development (WBCSD), Chad coauthored a book called *Walking the Talk: The Business Case for Sustainable Development*. The strategy we developed will be adopted in 2013 and implemented by the SLB and a new Sustainability Advisory Board that will be convened to serve as a cross-functional home for internal sustainability initiatives. Read more about Chad's perspective on the importance of corporate sustainability governance in this Thompson Reuter's article.

### **Future Outlook**

The world is at a critical juncture. As we observe global population growth combined 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 those generations coming after us.

Our clients face uncertainty in many areas. Not only is the global economy still recovering, but in the past few years, we have seen increasing debates about our how to fuel our energy future as the price of oil increases. 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?

Solving these critical, interconnected questions requires courageous leadership, creativity, and technical innovation. Governments, businesses, nongovernmental organizations, and civil society all play important roles and must be active partners in maintaining and improving people's quality of life. A shared vision and willingness to invest are essential to solve the challenges facing the world today.

CH2M HILL is helping clients address these interconnected challenges by applying our whole systems approach and technical expertise to turn sustainability strategy at the corporate board level into action. By integrating sustainability principles into each step of the project life cycle—from planning, design, construction, and operations to sustaining the project or program over time—we help our clients develop creative ways to solve complex challenges and benefit their communities for the long term.

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

Whether remediating and revitalizing blighted neighborhoods and cities, designing buildings and infrastructure, developing carbon management plans for industries, identifying new sources of clean water, or developing creative ways to manage natural resources, CH2M HILL continues to apply our integrated technical solutions to solve the world's most complex challenges.

### **Profiles**

The people of CH2M HILL help our clients imagine, design, and build a better world while living that vision in our offices and on our project sites. CH2M HILL's people are the firm. They demonstrate a personal commitment to sustainability every day and are dedicated to solving environmental, social, and economic challenges at work, in service to our clients, and outside the office. A few examples follow.

Sustainability Governance	Ethics and Diversity	Community Partners and CH2M HILL Foundation	Sustainability Practitioners
Lee McIntire	William H. (Bill) Brierly	Judith Ibarra-Bianchetta	Samantha Connolly
Elisa Speranza	Neil Holt	Francois (Didier) Menard	Jayne Swift
Brandy Wilson	Faye Wilson Tate	Diana Frost	Ed Pieterick
Lindsay Ritter			
Mark Browning			

### **Sustainability Governance**



#### Lee McIntire

CH2M HILL Chairman and CEO Lee McIntire did not take the typical route to management. While fighting oil fires in Saudi Arabia after earning his civil engineering degree, he never imagined he would someday lead one of the largest global employee-owned companies with over 25,000 employees and annual revenue of US\$7 billion. Lee grew up working construction in Nebraska with his father. His passion for travel took him all over the world, working construction and odd jobs. He spent time building business at Bechtel, becoming partner and board director. He retired, founded a

sustainable bank in San Francisco, taught college, and joined CH2M HILL.

Throughout his career, he has designed and managed major projects worldwide, such as chemical and nuclear weapon facility closures, the Channel Tunnel rail link, and United Arab Emirates nuclear program. Lee looks for projects that improve quality of life and bring sustainable benefits, such as improving a blighted area in London for the 2012 Olympics or expanding the Panama Canal. He is energized by CH2M HILL's ability to bring new ideas to the environmental challenges facing the world.

Lee's passion for corporate citizenship is visible in his words and actions. In 2011, he received the Woodrow Wilson Award for Corporate Citizenship, recognizing his work to improve the quality of life of those around him. He lends his leadership to the Business Roundtable; World Economic Forum; World Business Council on Sustainable Development; National Petroleum Council; Council on Competitiveness; Aspen Institute's Commission on the Arctic; National Academy of Construction; and, U.S.-Brazil CEO Forum.

Former U.S. Secretary of State Madeleine Albright traveled to the Arctic with Lee on a trip to assess the damage of global warming. She commends Lee for being one of the group's major intellectual contributors because of his "real determination to run a company that is built on sustainability."



#### Elisa Speranza

All over the world, people are taking notice that water scarcity is a universal issue affecting all societies, at all levels. Elisa Speranza is no stranger to global water challenges. As CH2M HILL's Executive Sponsor for Sustainability, President of the OMBG, and former board chair for Water For People, Elisa has been on the frontline of developing solutions for clean and safe water and sanitation access for communities everywhere from North America to Africa. For more than 25 years, Elisa has helped clients address issues

affecting water and wastewater utilities challenged with aging infrastructure and on the road to sustainable asset management. While serving on the Water For People board, she traveled to some of the 11 developing countries that the global nongovernmental organization assists with creating sustainable water and sanitation solutions. Elisa is also the president of the CH2M HILL Foundation, allowing her to apply her guiding principles of respect, integrity, and service into action to help build a better and more sustainable world.

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

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



#### **Brandy Wilson**

Brandy Wilson truly embraces environmental stewardship and knows there's an art to sustainability. Since joining the firm 17 years ago, Brandy has witnessed the evolution of sustainable engineering at CH2M HILL and has led adoption of sustainability practices in daily operations. Today, Brandy serves as our Enterprise Sustainability Program Manager, responsible for helping the firm and our clients to improve sustainability performance. For several years she served in the role of EMS Program Manager, monitoring the firm's progress against

sustainable business criteria. This role grew out of Brandy's natural interest in sustainability and environmental preservation, along with support from colleagues who share her passion. She was instrumental in piloting the company's EMS program and helping to make CH2M HILL the first in our industry to establish such a program. She helped start one of the firm's first green teams in 1995, raising awareness of sustainability issues and encouraging environmental stewardship in our offices.

Brandy manages the complex production of CH2M HILL's Sustainability Report, which 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, such as *Embracing Environmental Stewardship* in *livebetter* magazine. She is a LEED® O+M Accredited Professional, and 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.

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



#### **Lindsay Ritter**

Lindsay is an experienced consultant focused on sustainability program development, planning, and mobilization. As the Sustainability Director for CH2M HILL's OMBG, Lindsay catalogs best practices, develops stakeholder awareness, and integrates sustainable solutions into our delivery of operations services at 180-plus client facilities across North America. She developed and

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leads the company's OMBG sustainability program that empowers CH2M HILL employees to enhance the environment and generally improve the operational efficiency of their facilities. To date, the program has cut energy consumption by 22 million kilowatt hours (kWhs), diverted 9,605 tonnes (10,588 tons) of waste from landfills, beneficially reused 64.4 million cubic meters (17 billion gallons) of effluent, and identified \$US4.7 million dollars of savings. Under her direction, the program earned the 2011 National Association of Water Companies Innovations Award. In April 2012, Lindsay shared her tactics in "How to Capture Employee Passions to Address Sustainability Goals" in CH2M HILL's Access Water blog.

Lindsay serves on CH2M HILL's SLB, a cross-discipline group chartered with building sustainable solutions business and delivering complex sustainability projects. When Lindsay first joined CH2M HILL, she served as facilities manager for the City of Johns Creek, Georgia, where CH2M HILL provided a wide range of municipal services. She gained first-hand facilities management experience overseeing the design, construction, and management of the newly formed city's facilities.

"As we've learned in all our sustainability efforts across CH2M HILL, involving employees in all aspects of the planning and implementation process is critical to achieving success. By harnessing our employee's passion and integrating sustainability into business processes, sustainability becomes a distinct and tangible thing that delivers rich results."



#### **Mark Browning**

As our Environment and Sustainability Manager for Europe, Mark Browning is supported by an extensive and committed network of environmental managers and coordinators. For more than 20 years, Mark has assisted organizations worldwide to become more environmentally sustainable and socially responsible, advising on how to mainstream sustainability thinking into organizational decision-making to create value and remove risk.

Mark believes science and engineering have a pivotal role in equipping us to

address sustainability challenges and improving the quality of people's lives overall. "Over my career, I have seen business sectors change beyond recognition, becoming more environmentally sustainable using engineering and science know-how to understand sustainability issues and risks and develop solutions," notes Mark. "I know achieving more environmentally sustainable outcomes is possible; it can take time but it can be done. It is important to look back and understand how and why we have achieved more sustainable outcomes and the path taken to achieve this. Often it is not just one thing that has leads to change but a suite of actions by people working together to make a difference."

Mark is interested in business and sustainability and does not see these as two separate areas—they are bound to each other and interconnected. "It is great to work with people and organizations like CH2M HILL who see sustainability as a game changer, recognize the importance in having a forward-thinking sustainability program, and are committed to making a difference."

Mark recently spent 2 years working with his local community to develop a neighborhood plan in line with new UK government legislation. The plan empowers local communities to identify their short- and long-term needs and work with local government and citizens to prepare their own neighborhood plan detailing housing, education, amenity, and recreational needs, as well as measures to create community cohesion and well-being.

#### **Ethics and Diversity**



#### William H. (Bill) Brierly

Bill Brierly joined CH2M HILL in October 2012 to ensure that our ethics and integrity program has the tools and focus necessary to meet the challenges of our global growth strategy. As Chief Counsel for Ethics and Business Conduct, Bill oversees our ethics and integrity programs in more than 75 countries.

Bill applies his passion for lifelong learning and teaching to find creative ways to integrate his understanding of economics and the law. He brings real-world,

collaborative solutions to ethical issues facing international businesses. Before joining CH2M HILL, he served in a variety of executive roles at TeleTech, where he and his teams developed several ethics and compliance initiatives that guided and empowered TeleTech's employees to make sound, ethical decisions.

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



#### **Neil Holt**

A chartered banker with more than 20 years of experience in corporate and international banking, Neil Holt is an internationally recognized figure in the areas of business ethics and compliance.

While working for international consulting firm Halcrow, Neil led the development and implementation of an ethical compliance policy and program. This included the external publishing and promotion of Halcrow's business principles in 2003, at a time when many engineering and construction

companies were unwilling to openly discuss corruption in their markets. Halcrow's ethical risk management processes subsequently became recognized as industry leading.

When Halcrow was acquired by CH2M HILL, Neil was appointed as Director, Ethics and Business Conduct – International Operations, with geographic responsibility for CH2M HILL's and Halcrow's combined operations worldwide, with the exception of North and South America.

Neil was an early member of the World Economic Forum's Engineering and Construction anticorruption working group, which led to development of the forum's current Partnering Against Corruption Initiative (PACI). The initiative now has more than 140 corporate signatories worldwide. Neil remains an active member of the PACI working group. Neil is a trustee and nonexecutive director of Transparency International (UK), the UK Chapter of the global coalition against corruption, and is also a member of the UK Government-appointed Export Guarantee Advisory Council. He is also a founding member of the UK Anti-Corruption Forum, which has become one of the principal consultative interfaces between UK government and business on anti-corruption matters.

"Ethics is something that affects us all, but I believe that as with health and safety, ethical behavior should be so embedded in the way that we work, that it becomes second nature—put simply, it is about doing the right thing, for the right reason."



#### **Faye Wilson Tate**

In the 12 years Faye Tate has been working as CH2M HILL's Vice President and Director for Diversity 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 African-American; lesbian, gay, bisexual, and transgendered (LGBT) and allies; Hispanic; differently enabled; women; and junior professionals. In 2012, four of the network groups held face-to-face summits in addition to their regular conference calls. A diversity council is made up of the leads of the

employee network groups, their executive sponsors, and several Human Resources executives.

Faye has played a vital role in making CH2M HILL 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 Coloradoans.

"I am a passionate advocate for diversity, equality, and inclusion and have witnessed their positive impacts on our business and our people," Faye said. "Focusing on employee and supplier diversity is a strategic business imperative for CH2M HILL."

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 LGBT rights, 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. She has received much recognition for her work in the community with several organizations: "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 HILL 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 issues related to the London 2012 Olympics and Paralympics.

#### **Community Partners and CH2M HILL Foundation**



Judith Ibarra-Bianchetta

Growing up in a small town in South Texas (Laredo) at the border with Mexico, Judith excelled at math and science studies. Several people recommended that she become an engineer, but she never understood what engineers did until she learned about engineering through community investment programs. Because of that outreach, giving back has always been one of her highest personal and professional responsibilities. Now she is excited to be able to give back by serving on the CH2M HILL Foundation board of directors.

As Area Manager for our south Texas offices, Judith is responsible for area branding, government affairs, representing the firm, implementing corporate giving and employee volunteerism programs, and coordinating with local media and public relations. She also serves as the operations lead, manages projects, and is involved in multiple civic and nonprofit organizations in the area, such as the San Antonio Chamber of Commerce and Hispanic Chamber of Commerce, Texas Floodplain Management Association, and San Antonio Mobility Coalition. She is also the chair of Enlace, CH2M HILL's network for Hispanic employees.

When she joined CH2M HILL in 2007, one of the first things she noticed about the firm was the culture of commitment to community investment. The culture, combined with her personal and professional goals of giving back, provides a positive synergy that is truly indescribable. She is proud to lend her expertise to the Women's Transportation Seminar, Society of Hispanic Professional Engineers, American Society of Civil Engineers, and American Council of Engineering Companies. As part of her work with Women in Transportation, she participate and coordinates outreach to local middle and high schools to provide hands-on activities and discussions regarding the importance of science, technology, engineering, and math careers.

"CH2M HILL's investment programs offer opportunities to combine our everyday work with the community to get a real understanding of how the work we do affects others. Interaction with our communities reinvigorates that spark in me that led me to engineering in the first place," notes Judith. "This powerful combination is summarized best by Sir Winston Churchill, 'We make a living by what we get, but we make a life by what we give.'"



#### Francois (Didier) Menard

Didier began his career as an intern at CH2M HILL 15 years ago, and now he is the central and northeast Florida Area Manager and Vice President and Geographic Market Lead in the Water Business Group. He specializes in traffic analysis, noise modeling, data collection, costing, and public involvement for transportation projects, but what he enjoys most about CH2M HILL is its volunteer spirit.

Didier walks his talk by serving on several nonprofit boards: the CH2M HILL Foundation Board, where he can marry his love for the firm and the communities it serves; the board of directors of United Cerebral Palsy of Central Florida, which provides services to special needs kids who have cerebral palsy, autism, and other development challenges; and as vice chair of the Goodwill board of directors, whose mission is to put people back to work through the donations received by the local community.

"From the day I started working here 15 years ago, CH2M HILL has always stressed and supported the notion of working and being very active in the communities we serve," notes Didier. "This has enabled me and countless other employees to be engaged in our communities. That's why I'm so honored to serve on our foundation."



#### **Diana Frost**

Water engineer Diana Frost is passionate about improving the standard of living in developing countries by contributing her expertise with water systems. Through funding from the CH2M HILL Foundation, in February 2012 Diana travelled to Rwanda as a member of a seven-person volunteer team with Water For People. She worked on the Rulindo Challenge

project, which aims to provide 100 percent water coverage to residents before December 2014. Rulindo's residents often have to walk more than 2 kilometers to reach water.

Diana and her team helped design expansion of Rulindo's existing water systems. They also helped build the capacity of the local Water For People and Rwandan teams so they could continue design and construction after the volunteer team left the country. Given the short duration of the visit, the engineering work proved to be highly challenging—especially with the limited power supply. One night, while they were testing for bacteria (which takes 24 hours at a specific temperature), they had a 4-hour power outage. The next time she brought the samples to her hotel room, which had a generator.

"I had done quite a bit of water quality testing in developing countries, so I took on the water quality aspect of the work," notes Diana, who showed a local engineer how to take samples, where to take them, and what to test for. "I was immensely impressed with Rwandans, who were dedicated to learning all they could to improve their nation's clean water access. Most of the professionals speak three languages and are willing and keen. It was so nice to work people who are excited about their jobs."

As a teenager, Diana lived in Gabon for 6 years, which shaped how she sees the world. "Watching women carrying water, babies, and wood along the road to my high school every morning opened my eyes to issues in developing countries," says Diana. She has a long history of working to improve access to drinking water in South America, Haiti, and Africa. She also lived in Peru for 2 years, working as a volunteer to optimize water and sanitary sewer systems. Still, Rwanda surprised her.

"Given the history of genocide, I expected the country to be less organized. I was surprised driving through rural areas to see new roads, schools, and clinics—all recently built. Lots of people had moved their households to be closer to these amenities, too. In Canada, we move on a whim because we can afford it. We have more resources and support systems than any individual in Rwanda. For them to pick up and rebuild a house is huge. That shows me how confident they are in their government, and that is unique."

#### **Sustainability Practitioners**



#### Samantha Connolly

Samantha Connolly, Sustainability Technologist, represents the new generation of sustainability practitioners who bring knowledge, passion, and innovation to the complex sustainability projects CH2M HILL is implementing around the world.

In 2012, she was named one of the United Kingdom's "Top 50 Rising Stars of Sustainability" by *Building* magazine. Based on client nomination, the

recognition highlighted Samantha's accomplishments as sustainability assurance manager for the London 2012 Olympic and Paralympic Games program—widely touted to be the "greenest games ever." She has since taken her knowledge to advise other major sporting events around the world how they can deliver sustainable construction.

Samantha worked on the London 2012 Olympic and Paralympic Games program from 2008 to 2011, managing and implementing a challenging sustainability strategy into some of the largest, most high-profile buildings in the park. In particular, she helped establish the Velodrome as the park's most sustainable, energy-efficient venue with achievements including the following:

- A 32 percent improvement in energy conservation (Part L, UK Building Regulations 2006 baseline)
- A 75 percent reduction in potable water use (2006 baseline)
- Use of 100 percent sustainable, legal timber for track and external cladding
- BREEAM Excellent

"The development for the London 2012 Olympic and Paralympic Games provided an opportunity for the UK construction industry to rise to the challenge of delivering sustainable construction," noted Samantha. "By taking on and delivering this challenge, the industry is now more knowledgeable and capable of delivering complex engineering projects sustainably."

Samantha was also selected as a London 2012 Learning Legacy Ambassador, responsible for disseminating lessons learned through online case studies, presentations, and workshops. Samantha is a Chartered Environmentalist (CEnv) and Full Member of the Institute of Environmental Management and Assessment (MIEMA).

Learn more about sustainability at the London 2012 Olympic and Paralympic Games program.



#### Jayne Swift

As project manager at a wastewater treatment plant in Crestview, Florida, Jayne Swift is actively working with her client to organize and present a local community environmental fair with a sustainability poster contest, in addition to investigating opportunities to implement renewable energy onsite at the plant. In DeFuniak Springs, Florida, Jayne and her staff helped organize a similar event. The DeFuniak Springs project staff handed out wildflower bookmarks to children and showed live microorganisms under the microscope, a huge hit with attendees. In addition, staff showed the effects of grease being dumped down

the drain and lobbied with the nearby biodiesel vendor to show alternative methods of disposal.

In her 20 years in the water and wastewater industry, Jayne has worked at various facilities over the years, each providing its own environmental impact challenges. She has enjoyed looking for ways to implement groundwater remediation, water reclamation facilities in the desert, biosolids drying beds, anaerobic digesters producing gas for engines, sprayfield effluent disposal, zero discharge programs, and of course zeriscapes. "I owe my CH2M HILL sustainability involvement to Grega St. John, who provided me opportunities for growth and advancement by electing me as her region's sustainability champion," notes Jayne. "Sustainability has become part of my project's business plans and renewal strategies now. We let our clients know how they can implement small changes to save electricity and disposal costs and improve recycling efforts."

Jayne has worked in several places around the United States. "Living and working in different climates has taught me several lessons in trying to sustain gardens and conserve energy of different varieties. I am an avid vegetable gardener, and I have successfully gardened in deserts, cold climates, and wet climates." Jayne also raises chickens, collects rainwater for irrigation, and raises a pig – Harley – who loves the veggies as much as the rest of the family.



#### **Ed Pieterick**

As Sustainable Practice Leader for CH2M HILL's Government, Facilities & Infrastructure group, Ed Pieterick is intimately familiar with the full spectrum of sustainable services offered by the firm. A LEED<sup>®</sup> accredited architect with more than 33 years of experience in facility design, Ed also knows that LEED<sup>®</sup> design is often at the forefront of our minds when it comes to sustainable design, but it's only a small fraction of what sustainability means for a firm like CH2M HILL, which has been recognized as a global leader in sustainability.

Ed has been instrumental in sharing innovations in sustainable design practices throughout the design industry, where he frequently lectures and writes about sustainable design. While helping to achieve LEED Silver<sup>®</sup> certification for more than 30 buildings and LEED Gold<sup>®</sup> certification for more than 20 buildings, he leverages lessons learned and best practices from his own award-winning and LEED<sup>®</sup>-certified buildings to improve the quality of sustainable design at CH2M HILL. In 2009, Ed helped pioneer the firm's green building database that currently houses nearly 390 green building projects as a resource for the internal CH2M HILL design community. Since then, he has helped to expand the contents of the database and make it an even more valuable resource in the future delivery of green buildings.

"Sustainable design has become mainstream, and third-party certification, such as LEED<sup>®</sup>, has been instrumental with that. However, it is important to understand that sustainable design practice

means more than just LEED<sup>®</sup> certification. We have people out there doing everything from marshland waste treatment, to biofuel production, to environmental cleanup—those things aren't addressed by LEED<sup>®</sup>. But these are all significant contributions to making our world livable," Ed says.

"Within CH2M HILL there has always been a proud commitment to sustainability but a modest record of our achievements. Hopefully, the green building database provides an opportunity for everyone to see the extent of our achievement with information we can easily share with others."

## **Awards and Ratings**

CH2M HILL has won a large slate of awards for its environmental excellence and sustainable solutions, including the following awards and rankings earned from 2009 to 2012. Numerous additional awards are mentioned throughout this report.

#### **Industry Recognition**

Verdantix, an independent analyst firm focused on sustainable business issues, has named CH2M HILL a U.S. leader in sustainability consulting (2013), environmental services (2012), sustainable engineering (2010), and climate change consulting (2009). These recognitions exemplify our commitment to sustainable practices in our internal operations, our project delivery, and the communities we serve.

#### Workplace Awards

CH2M HILL has long been recognized as a most-admired and leading employer and has been named a top workplace in the United States six times since 2003. We have received many other prominent honors for our commitment to creating a great workplace for all of our employees:

- We have been named as a top workplace in the United States six times since 2003.
- FORTUNE 500: After debuting on the FORTUNE 500 list at 436 in 2009, CH2M HILL ranked 440 in 2012.
- Business Insider: In February 2013, CH2M HILL debuted on the list of "50 Best Employers in America" as No. 32. As the first annual list of the best American employers by PayScale and Business Insider, this ranking of FORTUNE 500 companies evaluates companies by both pay and happiness. CH2M HILL employees reported high rates of relaxation and meaningfulness, in addition to flexibility and satisfaction.

Since 2009, a variety of organizations have honored CH2M HILL as a great place to work:

- Canada's Top 100 Employers (2009 and 2010)
- Apertura Employer of Choice (Argentina, 2009)
- Best Employers Study in Poland (2009)
- Woman Engineer Magazine Top 50 Employers (2009)
- Top Employers for Canadians Over 40 (2010)
- Dallas Business Journal: Top Environmental Consulting Firms (2012)
- Best Employers for New Canadians (2012)
- Oregon Business magazine: 100 Best Companies to Work for in Oregon (2012)
- Oregon Business magazine: 100 Best Green Companies to Work For (2012)
- Colorado Biz magazine: Best Companies to Work For in Colorado
- Florida Trend magazine: Best Companies to Work For in Florida

Alberta, Canada's Top 60 Employers (2013)

#### **Diversity Awards**

- *Minority Engineer* magazine: Top 50 Employers
- Workforce Diversity for Engineering and IT Professionals magazine: Top 50 Employers
- Colorado Human Rights Campaign's Equality in Business Award
- Women's Transportation Seminar (Greater New York) Employer of the Year (2011)
- Catalyst Award: CH2M HILL was the first firm in the engineering and construction industry to receive this award honoring innovative organizational approaches that advance women in the workplace. We received the award in 2009 as a one-time recognition of achievement.

#### **Health and Safety Awards**

- Occupational Hazards magazine: America's Safest Companies
- Occupational Safety and Health Administration (OSHA): Voluntary Protection Program (VPP) Star Award
- Workplace Safety and Health Council: Silver Performance Award
- British Safety Council: British Safety Council Sword of Honour awarded to Dounreay Site Restoration, Ltd., for the third consecutive year, the highest honor for occupational safety
- U.S. Army Corps of Engineers, Alaska District: Multiyear Project Safety Award
- OSHA: VPP Star Award for confidential project in Ohio
- Royal Society for the Prevention of Accidents (RoSPA): Occupational Health and Safety Gold Award, CH2M HILL Singapore Office
- RoSPA: Highly Commended Award in commercial and business sector (Halcrow)
- National Safety Council (NSC): Corporate Culture of Safety Award, honoring the firm for receiving more than 50 NSC awards (CH2M HILL received 216 NSC awards for 126 different projects, business groups, or individuals)
- NSC: Million Work Hours Award, Environmental Services Business Group (worked 2 million hours without injury or illness)
- Thames Water: AMP5 (Asset Management Plan for 2010-2015) Excellence in Health and Safety Initiative of the Year, Beckton Site Integration (United Kingdom) for visual standards manual developed in partnership with Thames Water and contractors; also recognized as a runner-up for the Best Practice Health and Safety Collaboration Award
- Celanese Ticona: Plant Star Safety Award, Florence, Kentucky
- Workplace Safety and Health Silver Performance Award (Singapore)
- State of Tennessee: Governor's Award of Excellence for Workplace Safety and Health, Fort Campbell
- AstraZeneca: Injury-Free Achievement Award (3 million safe hours) (Asia)
- NSC: Safety Leadership Award, Fayetteville, Arkansas

- American Road and Transportation Builders Association: Contractor Safety Award
- Association for Project Safety: Highly Commended Award for the Engineering Project of the Year, River Nene Infrastructure Improvements (UK)
- Prince Michael International: Road Safety Awards for A-one+, a joint venture with Halcrow, Colas, and Costain, for its work in the field of road worker safety (United Kingdom)

#### **Sustainable Project Awards**

- OMBG Award-Winning Results
- The Green Organisation: National Green Apple Environment Award, Thames Water Crossrail Utilities
- American Water Intelligence: Environmental Project of the Year
- U.S. Department of Energy: Environmental Management Sustainability Award
- WateReuse International Award, Gippsland Water Factory (Australia)
- Excellence on the Waterfront Honor Award, Kallang River-Bishan Ang Mo Kio Park (Singapore)
- The Green Organization Partners in Conservation Award, Colorado River Basin Water Supply Demand Study
- American Water Award, Environmental Project of the Year: Lake City Nature Preserve and East Jesters Creek, Georgia
- Environmental Initiative of the Year, Western Regional Conveyance Tunnel, Kentucky
- Be Inspired Special Recognition Award, Sustaining Our Environment category, Northern Treatment Plant, Colorado
- U.S. Green Building Council: Greenbuild Green Exhibitor Award
- Institute of Civil Engineering: Greatest Contribution to London Award and Infrastructure Award for the Thames Water's Lee Tunnel
- Washington Industrial Energy Leaders Award, Spokane County Regional Water Reclamation Facility
- 2012 Arkansas Business City of Distinction for Green/Energy Conservation Initiative, City of Fayetteville, Arkansas
- Institute of Transportation Engineers: Transportation Achievement Award for Operations, City of Centennial, Colorado
- Special Districts Association of Oregon: Project of the Year Award, Roseburg Urban Sanitation Authority, Oregon
- American Council of Engineering Companies Gold Award and American Academy of Environmental Engineers and Scientists Grand Award (sustainability category), Belfair Water and Wastewater Reclamation Facilities, Washington
- U.S. Water Alliance: U.S. Water Prize Award, Onondaga County (New York) Save the Rain Program

#### **Ethics**

World's Most Ethical Companies (2013, 2012, 2011, 2010, and 2009): The Ethisphere Institute has recognized CH2M HILL as one of the World's 100 Most Ethical Companies for 5 years in a row.

#### **Local Sustainability Awards**

- Diamond Ring Award for Outstanding Leadership, the highest commute reduction recognition award was presented by EnterpriseSeattle (Washington), to honor CH2M HILL's recurring years as a Diamond Ring Award winner (more than 70 percent of employees in our Puget Sound-area offices use a form of alternative transportation at least once a week).
- 2012 Best Workplace for Waste Prevention and Recycling was presented by King County to CH2M HILL's office in Seattle, Washington, for the sixth consecutive year—for showing exceptional commitment to reducing the amount of waste we send to the landfill.
- Platinum Level Transportation Champion, May in Motion Campaign—Ada County Highway District, recognized our office in Boise, Idaho, which encouraged staff to try an alternative means of commuting for a month and tracked their progress.



### **Environment Overview**

With climate change, population growth, and water and energy supply issues, the environmental effects of unsustainable practices are discussed daily around the world. Sustainability has become an integral part of many of our clients' operations and decision-making processes. Our company's effects on the environment result from two distinctly separate spheres of activity: the delivery of client projects and the conduct of our internal operations (facilities, procurement, and other functions).

CH2M HILL is working with our clients to find simple solutions amidst complex issues. While water supply, energy needs, climate change, and land development are each leverage points in themselves, solutions that address all four aspects in tandem have the potential to create a multiplier effect, with greater sustainable returns over the long term.

In addressing the environmental impacts of our own operations, we are working toward continuous improvement in our materials use and services, facilities management, carbon footprint, and water use. Within these broad categories, we address a range of day-to-day activities in our service-oriented business around the world.

### **Environmental Compliance**

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

CH2M HILL's environmental performance has been exceptional, especially considering the variety and complexity of the projects we deliver. In 2012, CH2M HILL paid zero environmental fines.

Our commitment to Target Zero and full implementation of our environmental program starts with leadership. Each business group president and designated senior leaders 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 exceptional environmental performance is the result of our educated, equipped, and empowered employees who care about Target Zero and protecting the environmental.

#### **Environmental Spills**

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

Significant spills are defined as those that exceed regulatory reporting thresholds as established by the U.S. Comprehensive Environmental Response, Compensation, and Liability Act. In 2012, we had only three significant spills: 0.719 cubic meters (190 gallons) of 12 percent sodium hypochlorite solution, 0.439 cubic meters (116 gallons) of 10 percent sodium hypochlorite solution, and 0.007 cubic meters (2 gallons) of free-phase creosote in untreated groundwater. Although classified as "significant," the spills were contained and had no critical impact to the environment.

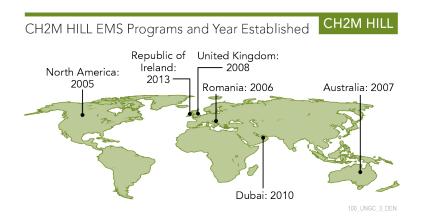
### **Environmental Management**

CH2M HILL's environmental performance is managed, monitored, and improved through formal EMS programs, guided by ISO 14001, in the following locations: North America (United States and Canada); 16 offices in the United Kingdom; Ireland; Romania; Australia; and our Dubai office in the Middle East-North Africa region. Approximately 75 percent of CH2M HILL employees are included within the scope of the EMS programs in these geographies. Throughout the world, environmental stewardship is encouraged and championed by informal green teams that address sustainability issues in their offices and communities, while environmental regulatory compliance is addressed through our firmwide HSE team.

The overall performance and scope of each formal EMS program is described within this section, with specific information about how these programs address our environmental aspects provided throughout the Environment section of this report (refer to navigation bar to the left). Two programs are managed at a corporate level by the North American EMS team but have relevance across our global operations:

- The carbon emissions inventory includes CH2M HILL operations and projects where we have operational control, as defined by international protocols for analyzing greenhouse gas emissions and our carbon footprint.
- The green projects database captures the impacts from CH2M HILL projects that have been certified or are eligible for certification under third-party programs, such as LEED<sup>®</sup>, BREEAM<sup>®</sup>, Estidama, or Greenroads<sup>™</sup>.

Most data in this report are from CH2M HILL's North American EMS program and the United Kingdom EMS developed by Halcrow, which is now a CH2M HILL company. Any variances that exist between the two programs in terms of reporting are noted within those specific, regional sections.



#### **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 67 percent of our employees as well as our largest single office—our company headquarters.



"My job is to make the complicated, interconnected, often highly scientific concepts around sustainability clear to people so that we can make better decisions."

-Brandy Wilson, Enterprise Sustainability Program Manager

The North American EMS reflects the division in our environmental footprint between the impacts of our internal operations and those of our projects. Historically, the EMS has focused on the footprint of our offices, including such metrics as paper use, employee commuting, and sustainable procurement. Over the past 2 years, we expanded the scope to include areas where we can accurately capture environmental impacts and metrics across selected portfolios of projects and programs. In 2010, we began with two service areas:

- Green buildings and projects. We collect these projects into a green buildings database and gather information on the energy, water, and other environmental savings generated by green buildings across this portfolio to assess the work we have done—the impacts of our product—in collaboration with our clients.
- Water conservation and reuse and sustainable services in Operations Management: We
  established a formal procedure within the EMS for tracking water conservation at OMBG sites,
  and we administer a sustainability program that is outside the scope of the EMS but includes
  year-over-year tracking in site-specific sustainability measures.

In 2011, we added another area that bridges the divide between operations and projects: our carbon emissions inventory. Our inventory includes the areas where we have operational control, from our offices to our business group operations.

The North American EMS program met many of its targets for 2012. We achieved targets for reducing paper use, enhanced our Direct Procurement Sustainability Tool, and increased teleworkers by 24 percent. The 2013 targets for the North American EMS illustrate how we plan to manage our environmental program in the future. The target for conducting and expanding the carbon emissions inventory is a firmwide goal set at the corporate level and administered by the North American EMS team.

Within North America, we also have EMS programs that were developed specifically for projects. The CH2M HILL Plateau Remediation Company (CHPRC) supports U.S. Department of Energy sustainability initiatives through an Integrated Safety Management System and EMS program consistent with ISO 14001. The CHPRC team is engaged in safely and sustainably protecting the

#### North American Offices **INTERNAL EXTERNAL CH2M HILL Footprint Projects & Services** Service and Materials Achieve no net increase Recycle 134 tonnes in paper purchasing and (148 tons) of material increase recycled paper in Operations purchase rate to 80% Management Business Group (OMBG) facilities in 2013 **Carbon Footprint** Reduce energy use by 100,000 MWh and Reduce energy use by 16.4 million kWh related greenhouse gas through decrease and emissions by avoidance in OMBG 753 tonnes (830 tons) facilities of CO<sub>2</sub>e by the end of 2014 Water Use Reduce water use by Reuse 23.8 million cubic 1,230 cubic meters (325,000 gallons) by the meters end of 2014 (6.3 billion gallons) of effluent in OMBG facilities in 2013

CH2M HILL 2013 EMS Targets

environment and the public while meeting the goals of cleaning up

the Hanford Central Plateau and ensuring protection of the Columbia River. This EMS includes activities such as purchasing environmentally preferred products; enhancing recycling programs; conducting pollution prevention opportunity assessments; remodeling or constructing buildings to save energy and water; and reducing gasoline, paper, and toner consumption. To achieve these environmental and safety goals, CHPRC works collaboratively with the site contractors, regulatory agencies, Tribal Nations, stakeholders, and the public.

#### United Kingdom EMS

CH2M HILL's London office achieved ISO 14001 certification in November 2010 and successfully implemented a full waste recycling program that includes cardboard, mobile phones, plastics, paper, glass, and printer toners. In late 2011, CH2M HILL acquired Halcrow, which already had ISO 14001certified EMS programs in place at 16 offices throughout the United Kingdom since 2004. We also have certified ISO 14001 EMS in place for our offices in Ireland and Romania. Our EMS programs throughout Europe are developed around both our office activities and environmentally responsible delivery of projects. Over time, these activities have been reviewed and continual improvement has been achieved by adapting to organizational changes throughout the years.



"It is important to look back and understand how and why we have achieved more sustainable outcomes. Often it is not just one thing that leads to change but a suite of actions by people working together to make a difference."

-Mark Browning, Environment and Sustainability Manager for Europe

Our United Kingdom EMS allows us to manage and continually improve our internal environmental impacts, while maintaining our license to operate with clients who routinely request confirmation that we have a certified, operational EMS in place.

In 2012, in most of our UK offices, our environmental objectives were to reduce carbon emissions by 10 percent when compared with 2008; reduce paper consumption to 3,500 sheets per person per year; reduce water use to 6.8 cubic meters (1,796 gallons) per person per year (following the Environment Agency for England and Wales good practice benchmark); reduce landfill waste by 50 percent, compared with 2012, where the office is directly responsible for waste disposal; and improve recycling rates and recycle 100 percent of paper and toner cartridges.

We use our EMS programs to keep our employees involved in environmental management and help them understand how environment relates to both home and work, office or project. We have regular external audits from our certifying body, BSi, 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. We are proud of our most recent audit performance from Achilles Verify where we achieved a score of 95.1 percent, a rise from last year's achievement. As with most years, in 2012 we provided internal training for our office environmental managers in the UK and in Ireland, explaining our objectives, discussing performance, and sharing best practices related to office environmental performance.

#### **Australia EMS**

Australia holds external ISO 14001 certifications for both CH2M HILL Australia (since 2007) and CH2M HILL Australia Constructors Pty Ltd (since 2010). The system addresses the environmental management requirements for offices and projects, with project implementation of environmental requirements achieved through the project delivery system. The Australian EMS implements policies to manage business efforts to reduce and recycle paper; manage electronic waste; and reduce energy use and carbon emissions, including both internal and project business travel. Through 2012, external surveillance audits reconfirmed compliance.

In 2012, the Australia EMS added battery, mobile phone, and fluorescent light tube recycling services to the office program. In 2012, the program underwent a transition with the combining of Halcrow and CH2M HILL offices in Melbourne and Sydney. Positive environmental practices continued, although the changes have meant that numerical trending of power and paper usage and recycling will need to be re-baselined for reporting.

#### **Dubai Office EMS, United Arab Emirates**

CH2M HILL's Dubai office launched its EMS in March 2010. The program is called "TakleeL—Eco Challenge," because the word "TakleeL" is the Arabic word for "reduce." The EMS is wellimplemented in the Dubai office, which in the first year purchased reusable stainless-steel water bottles for the employees; began recycling; set up printers for default double-sided printing; began pursuing suppliers for Forest Stewardship Council (FSC)-certified and recycled-content paper; purchased and began using durable kitchen items in lieu of disposables; began recycling electronic waste (e-waste); and instituted a "switch-it-off" campaign to conserve energy. Following the acquisition of Halcrow, CH2M HILL had two offices in Dubai. In September 2012, the Dubai office merged with the former Halcrow office. Before merging with the Halcrow office, the Dubai office saw a 15.6 percent decrease in paper consumption compared with 2011; purchased 100 percent of its paper with recycled content; and recycled 360 kilograms (794 pounds) of paper waste, 67 kilograms (148 pounds) of metal and glass, 113 mobile phones, and routine recycling of batteries and printer cartridges.

In early 2013, EMS initiatives and data recording have begun in the expanded Dubai offices, in addition to offices in Sharjah and Qatar. Efforts will focus on purchasing recycled-content or FSC-certified paper, replacing disposable cups with durable ones, setting printers to double sided, promoting turning off the lights, and implementing waste segregation and recycling programs.

### 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.

#### Water Use at CH2M HILL Facilities

As a service provider, CH2M HILL's direct water use comprises the water consumed in our corporate headquarters and the area offices from which we operate worldwide. Our ability to monitor and report our water use depends on the office location. In most of our leased space, for example, we do not directly pay water bills or manage the facilities, so 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.

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

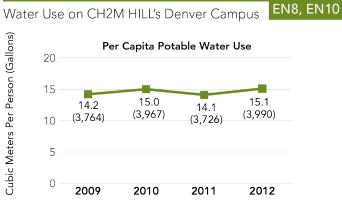
#### **Corporate Headquarters**

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

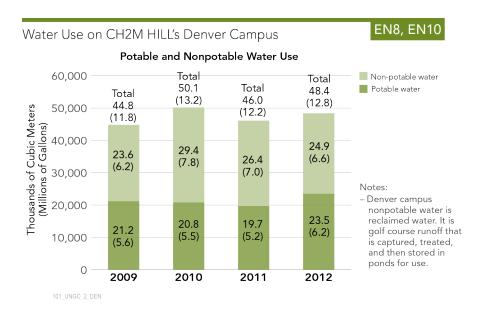
Water use at the Denver campus has been documented since 2008. For the 2012 reporting period, historical data were regenerated to address data gaps and ensure consistency in the methodology applied for analysis. At our corporate headquarters, our potable water use per capita and total potable water use has followed a steady trend. Facility improvements have been implemented, including promoting responsible water use as part of our corporate culture, installing low-flow

fixtures, and equipping the restrooms in all buildings with dual-flush toilets to reduce the amount of water used for sanitation.

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



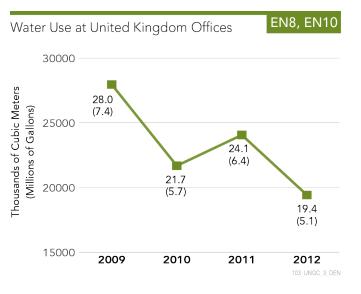
In January 2013, the water consumption data from 2008 to 2011 for the Denver Campus was re-compiled using monthly data from Energy Star and water utility bills provided by Facilities. Updated employee data also resulted in updates to the per capita estimates.

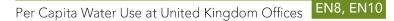


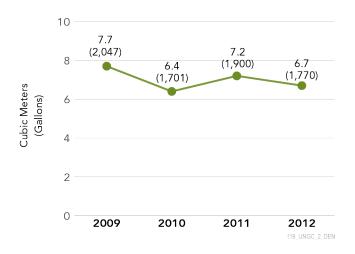
#### Water Use in the United Kingdom

Water consumption data were recorded at 20 base offices (out of a total of 21). Water consumption decreased by approximately 4,600 cubic meters (1.215 million gallons), or 19.3 percent, between 2011 and 2012, as a result of office closures, fewer water leaks, and more reliable data from our office network.

We do not use large volumes of water compared with other business sectors, and we have reduced our consumption per employee from 7.2 cubic meters (1,902 gallons) in 2011 to approximately 6.7 cubic meters (1,770 gallons) in 2012. This means that our 2012 consumption was slightly below the good practice benchmark developed by the Environment Agency and Waste & Resources Action Programme, and we will seek to make further improvements in 2013.







#### Water Conservation Strategies for Clients

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

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



"A strong focus on sustainable operations and maintenance can yield great results with little investment."

-Lindsay Ritter, Sustainability Director, Operations Management Business Group

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. Therefore, our program is focused on engaging passionate CH2M HILL employee champions at each facility, working with clients to find ways to improve operations in whatever area is most appropriate for that site. The National Association of Water Companies recognized our program with a first place Innovation Award in 2011. Building off the initial successes of this program, the OMBG expanded the sustainability program across its North America portfolio.

#### Water Reuse, Discharge, and Quality

CH2M HILL set a target in 2012 to engage 20 percent of our OMBG clients in discussions regarding water stewardship improvement opportunities. We exceeded this target by engaging 25 percent of our clients in water stewardship goals and activities.

We also continued to track wastewater treatment performance across the operations management portfolio of projects. Taking a comprehensive look at the overall quantity and quality of wastewater treated in 2012 at the 104 client wastewater facilities managed throughout North America, we treated 283 million cubic meters (74.95 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 2012 was 98.1 percent, benchmarking our treatment averages at 13 percent above the NPDES national average.

Water Discharge and Reuse, North America

Water Reused: 13% 37.5 million cubic meters (9.9 billion gallons) Total Water Discharge: 87%

283.7 million cubic meters (74.95 billion gallons)

Notes:

104\_UNGC\_3\_DEN

EN10, EN21

<sup>-</sup> These data are collected from wastewater treatment facilities managed by CH2M HILL's Operations Management business group.

<sup>-</sup> North America includes 104 facilities that discharge to a variety of water bodies.

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 2012 was 97.9 percent, putting our treatment averages at 13 percent above the NPDES national averages. Additionally, 37 million cubic meters (9.9 billion gallons) of this effluent was beneficially reused.

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.

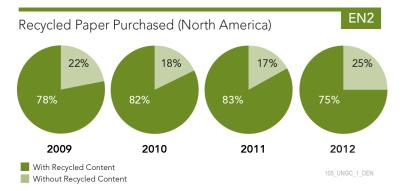
# **Paper Consumption**

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

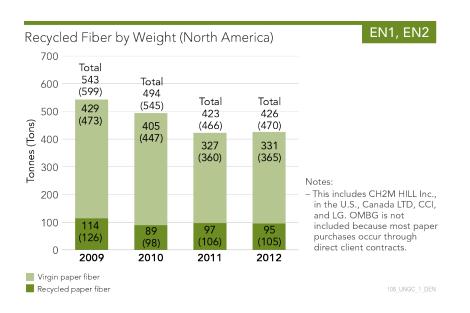
## **North America**

### **Paper Purchasing**

In North America, we purchase approximately 80 percent of our paper through a firmwide master contract. The remaining 20 percent is obtained from a myriad of regional and local suppliers and is not tracked systematically for reporting. In 2012, we switched to a new combination of vendors and lost some of the ground that we had gained. Our recycled-content paper purchasing rate dropped from 83 percent for 2011 to 75 percent in 2012. We have evaluated a number of causes for this reduction, from confusion about what to order from the new vendors to challenges in securing paper stock that met business needs. We will redouble our efforts in 2013 to work with our suppliers, identify papers that would meet the requirements, and educate office staff about what papers to order.

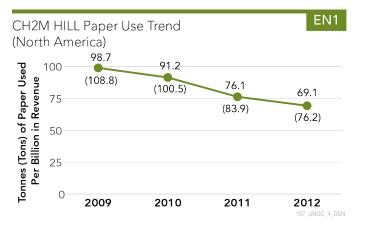


Of the recycled-content paper purchased, the actual content of recycled fiber in the paper varies from 30 percent to 100 percent. In 2012, we purchased a total of 426 tonnes (470 tons) of paper, which contained 95 tonnes (105 tons) of recycled fiber by weight.



#### **Paper Consumption**

The 2012 goal for our North American operations was to decrease paper use, as compared with gross revenue, by 6 percent compared with 2011. We increased our consumption by 3 tonnes (3.3 tons) in 2012, but revenue also increased. We therefore exceeded our target and decreased paper use by 9 percent compared with revenue. We were able to surpass our target by continuing our communication about recycled-content paper use; emphasizing the use of electronic deliverables; employing duplexing and other printer technology controls; and adopting new document templates with narrower margins, tighter line spacing, and default duplex formatting.

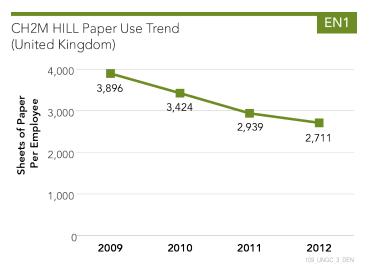


## **United Kingdom**

In the UK, paper consumption data were recorded at 20 base offices (out of a total of 21). While the North American EMS normalizes paper use as compared with revenue, the UK offices normalize paper use by number of employees. Our UK operations saw a decline in paper consumption in 2012 by 20 percent compared with 2011, partly because of four office closures and a reduction in headcount. Our average of 2,711 sheets per employee is still below the good practice benchmark developed by Envirowise of 3,500 sheets, and through a continuing campaign to reduce paper use,

we reduced it by 7.8 percent compared with 2011. Since 2008, our UK operations have seen a decrease in paper use of approximately 7 million sheets of paper per year, or a reduction of 47 percent. This has been brought about by green office campaigns to raise awareness of this issue and also linking these with our internal cost reduction and waste minimization programs—good management of resources makes good business sense.

Our aim in 2013 is to change our measurement to how much paper we purchase rather than measuring copier clicks for use, since we believe this will provide a better reflection of our environmental impacts by capturing the entirety of paper uses and identify further efficiency measures.



## **Dubai Office, United Arab Emirates**

Most of the paper reduction and procurement initiatives within the Middle East-North Africa region in 2012 focused on the Dubai office. In 2010, the Dubai office set up printers for default doublesided printing and began pursuing suppliers for FSC-certified and recycled-content paper. After seeing an increase in paper consumption from 2010 to 2011, from January to September 2012 Dubai saw a 15.6 percent decrease in total paper consumption of 610 kilograms (1,345 pounds). This translates to a per-person reduction of or 16.1 kilograms (36 pounds) compared with the similar time period in 2011.

## Australia

The Australia EMS team set a goal of purchasing 100 percent of its paper stocks as 100 percent recycled-content or carbon-neutral paper. The team achieved its goal in 2012 and will continue to purchase all of its standard, white office paper with 100 percent recycled content.

# Recycling

Recycling is a key element of our corporate culture; most of our North American offices have formal recycling programs for general items, such as paper, aluminum, and glass, and 100 percent have materials reuse programs. Our offices and employees are aware of our commitment to expand our "Reduce, Recycle, and Reuse" program wherever possible. Examples of outstanding recycling success stories in 2012 include the following:

- Two Canadian offices were recently decommissioned and used Herman Miller's repurpose program to dispose of furnishings. About 62 tonnes (68 tons) of surplus assets, valued at over US\$13,000, were diverted from the landfill and redistributed to seven nonprofit organizations in the area. This waste diversion program resulted in a reduction of 175 tonnes (192.6 tons) of carbon dioxide equivalent, equal to saving 74 cubic meters (19,588) gallons of gasoline or the environmental benefit of 4,480 trees grown for 10 years.
- Denver, Colorado, corporate headquarters recycled over 300 cubicles and other office components as part of its remodeling project. The facilities team also sold 4,173 tonnes (4,600 tons) of metal to a scrap metal recycler. Recycling will continue as the office remodel progresses in 2013.
- The office in Virginia Beach, Virginia, has donated several hundred gently used three-ring binders to local schools over the past 2 years, putting into place a new best practice that is in line with CH2M HILL greening initiatives and directly benefits our local community partners.

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

- Batteries: Recycling batteries keeps heavy metals out of landfills and mitigates potential groundwater contamination. It also saves resources, because recovered plastic and metals are used to make new batteries. In 2012, our North American offices recycled 1,559 kilograms (3,436 pounds) of batteries.
- Pens: Old pens, highlighters, and markers are collected and shipped to TerraCycle for plastic recycling. For each item recycled, CH2M HILL receives US\$0.02, which is donated to one of our strategic nonprofit partners, Engineers Without Borders USA. In 2012, we recycled over 6,500 writing instruments, resulting in US\$133 donated to Engineers Without Borders USA. TerraCycle remanufactures the discarded pens into trash cans.

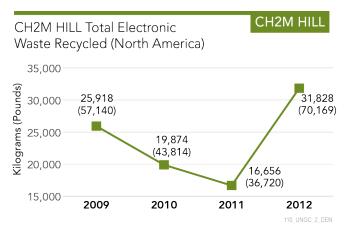
With more than 1,500 employees and an onsite cafeteria, our corporate campus has a unique opportunity to implement larger-scale recycling programs. For example, in cooperation with food supplier Sodexo and a food recycling company, we expanded composting from the café kitchen out to the cafeteria. Sodexo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

Media attention on recycling has focused on electronic waste, but there is a story behind paper recycling as well. More than one-half of paper collected for recycling in the United States is collected in comingled bins and shipped overseas for sorting and recycling, thus depriving U.S. paper mills of valuable raw material and jobs. Working collaboratively with our paper suppliers, the Denver office participates in a program to collect white paper separately from the comingled recycling stream and use a third-party recycler to transport it directly to paper mills, where it is de-inked and converted into process chlorine-free recycled-content papers, which are, in turn, sold back to the customer.

CH2M HILL was an early adopter of this closed-loop recycling approach. This program helps to reduce transportation impacts from recycled papers and supports communities that depend on pulp mills for economic health.

## **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 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 of our offices, so employees can easily dispose of these smaller electronic waste products. In 2012, we achieved electronic waste recycling in 100 percent of our offices. As shown in the following data point, 31,828 kilograms (70,169 pounds) were recycled, which contributed to an increase in electronics recycling. The bulk of the increase in 2012, however, resulted from a one-time replacement of equipment during an acquisition to create a common platform for the company. To boost our electronic waste recycling rates and make the program available more widely, we identified a certified e-Stewards<sup>®</sup> electronics recycling supplier for global information technology asset disposal. The program was rolled out to North America in 2011 and was expanded to several other regions in 2012, and it has significantly boosted our recycling program.



## Recycling in the United Kingdom, Australia, and Dubai

In 2012, our UK offices had a system in place to record and report office waste arising as part of our EMS and environmental performance objectives. At our larger UK offices we have worked with our waste contractors to install containers that allow greater segregation and recycling of waste in the office, including plastics, glass, batteries, and newspapers. In parallel with this, many of our UK offices have now removed the need to have trash bins at each desk, replacing them with waste and recycling "hubs" or "station points" at central locations within the office. We also have a program to promote recovery and recycling of all toner cartridges. In 2013, we will encourage our local offices to set their own waste reduction and recycling targets.

In 2012, the Dubai office in the United Arab Emirates recycled 360 kilograms (794 pounds) of paper waste, 67 kilograms (148 pounds) of metal and glass, 113 mobile phones, 12 mobile batteries, 13 printer cartridges, and 51 laptop batteries.

In Australia, electronic waste and obsolete equipment are directed to reuse or recycling services. In 2012 this was extended to accept employees' batteries and phones, and used fluorescent lights were directed to a specific recovery service. Office waste is segregated and recycled as appropriate for the local municipalities' programs.

## Procurement

Procurement provides a valuable leverage point for CH2M HILL to lessen its environmental impact and influence supplier behavior, and we are committed to working with partners throughout our supply chain to reduce impacts and create markets for sustainable goods and services.

CH2M HILL's procurement organization separates management of direct (client) project enterprise agreements from indirect (overhead) procurement enterprise agreements. This separation allows us to assess the environmental performance of our key suppliers more robustly and improve our sustainability decision-making for the goods and services that we purchase for ourselves (indirect), such as paper, office supplies, and furnishings. This method also allows us to assess the robustness of the sustainability programs of our suppliers and subcontractors, and it provides our engineers and construction design professionals with tools to use with clients in selecting more sustainable construction materials, equipment, and services.

### **Indirect Procurement**

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

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

Tier 1 and Tier 2 agreements reflect those supplier relationships with significant spend, transaction volume, and business impact. Accordingly, these are CH2M HILL's most important indirect supply chain relationships and have become the focus of the Indirect Procurement group's sustainability program.

In 2010, we began requiring suppliers 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. We measure their performance against the contracted metrics as part of our supplier performance management system. In 2012, we plan to evaluate the performance of six such suppliers.

In 2012, our indirect spend with Tier 1 and Tier 2 suppliers with sustainability metrics in their agreements was US\$61.1 million, an increase of US\$16.9 million over the previous year. Out of our total indirect spend, about 19 percent is with Tier 1 and 2 suppliers with sustainability metrics. Sustainability metrics are added to new and renewing Tier 1 and Tier 2 supplier agreements so that, over time, we move toward a majority of our indirect spend with sustainable suppliers.



When procuring office products and other supplies, the Indirect Procurement group places a priority on selecting green products ("eco" mark products). CH2M HILL purchased US\$557,000 in recycled products in 2012. Our percentage of recycled purchases decreased from 40 percent in 2011 to 38 percent in 2012 because we brought a new, global supplier online that displaced other regional suppliers. This created some confusion among staff over what items to purchase; part of this result is reflected in the decrease in recycled paper purchasing as well. In 2013, we will continue to work with our supplier to improve the sustainability program by making sustainable purchases the default selection and tracking the results of our purchases.

In addition to indirect procurement activities in North America, our London office worked with a local stationary provider to increase the range of green office products. The Dubai office integrated a sustainable procurement procedure into administration department processes; employees now purchase most office items from local markets to reduce their carbon footprint.

### **Direct Procurement**

In 2011, CH2M HILL's Direct Procurement group began incorporating sustainability into the design, procurement, and construction of our projects by promoting the selection of suppliers and subcontractors who consider sustainability to be important. In 2012, we established a supply chain sustainability strategy for evaluating and selecting products, complete with procedures, tools, communications, training, and metrics for reporting implementation progress.

Because no industry standard is currently available, CH2M HILL pioneered developing a direct procurement sustainability solution for the environmental consulting industry. Our concept for direct procurement addresses factors promoted by authorities such as the World Business Council for Sustainable Development, Pollution Prevention Resource Center, World Resources Institute (WRI), and the Electric Utility Industry Sustainable Supply Chain Alliance, as well as CH2M HILL's own sustainability program. Our solution is integral to our standard procurement process, permitting sustainability to be implemented with minimum additional effort.

We have enhanced our supplier qualification system to allow us to rank suppliers and subcontractors based on their response to a set of sustainability questions. The sustainability aspect of our qualification system is still relatively new, but over 39 percent of our registered supply chain base has now completed the sustainability questionnaire. Our toolset and these data now permit us to establish a graded rating from A through E, with which we can prequalify suppliers and subcontractors and select potential bidders who have a more robust sustainability program. As we gather more information, we plan to identify areas where it makes sense to set targets for working with suppliers and subcontractors to improve performance.

Our toolset is now also configured to enable our staff to work with clients in selecting more sustainable products from our suppliers. As an integral part of our standard procurement process, sustainability data requirements can be obtained for quoted products as part of the bid solicitation process and then captured and considered as part of the product evaluation and selection process. Our standard bid solicitation includes a mandatory questionnaire that addresses recycled content, the presence of hazardous and polluting materials, natural resource conservation, embodied carbon, and product performance. Each question has a range of answers that allow us to rate the answers on a graded scale from A through E. The ratings of each question are then averaged to establish an overall rating for each quoted product. Our toolset permits us to collect and report sustainability metrics for purchased products on projects that have sustainability as an objective.

In 2013, our focus will be on implementing the direct procurement sustainability solution, enhancing our toolset based on lessons learned, incorporating any newly emerging concepts, improving our metrics, and modifying our automated tools to further enhance data transfer efficiencies, enterprise data collection, and reporting capability.

# **Carbon Emissions and Energy Use**

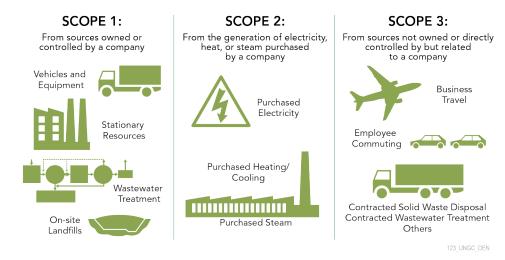
CH2M HILL has invested the resources to understand, manage, and report on its energy use and carbon footprint. We plan to inventory carbon emissions annually to calculate and document emissions that fall within CH2M HILL's organizational and operational boundaries.

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

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

### **Global Carbon Emissions Inventory and Reduction Program**

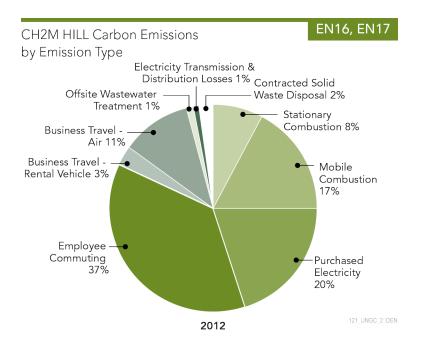
CH2M HILL completed its first global greenhouse gas emissions inventory to assess our carbon footprint for Scopes 1 and 2 and selected Scope 3 emissions in 2011. The Scope 3 emission estimates include air business travel, rental car business travel, employee commuting, electricity transmission and distribution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



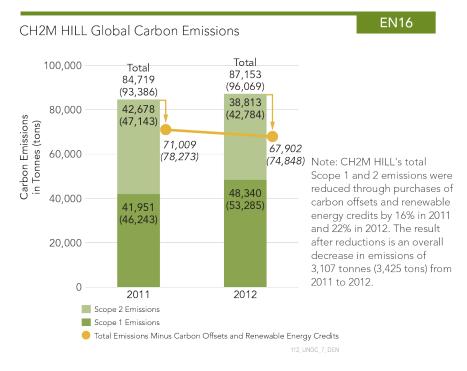
Like most service-based businesses that occupy leased offices, we do not manage those buildings nor directly meter nor pay for power. We face challenges in reporting our energy use and related carbon emissions, yet we find value in understanding our emissions and how we can be most effective in reducing our footprint. CH2M HILL's policies and practices support the need to report carbon emissions. The carbon emission inventory provides CH2M HILL with information to develop future strategies for managing resources. We intend to use the results of the inventory to continue developing strategies for managing carbon issues in the future, including development of policy and emission reduction goals.

Although we cannot directly measure and quantify the benefits of our facilities energy conservation programs, we nonetheless actively manage our energy use. As a matter of policy, CH2M HILL purchases Energy Star-certified equipment and electronics for our North American offices; for our offices in other regions, we purchase equipment that uses less energy and that is certified under programs endorsing 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 HILL has an EMS in place, we implement procedures to reduce energy used in offices, although we cannot directly measure the results, and have active "Turn It Off" campaigns.

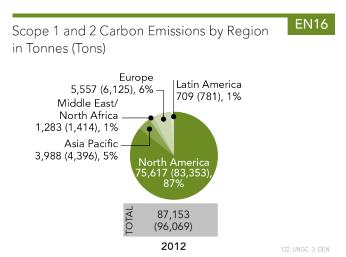
In 2012, the largest single source of emissions currently included in our inventory, accounting for approximately 37 percent of the total, is employee commuting, and the second highest (accounting for 20 percent of the total) is electrical consumption in facilities. CH2M HILL has strongly promoted alternate work schedules and full-time and part-time teleworking as methods to reduce our footprint through reductions in facility emissions and employee commuting.



CH2M HILL's global 2011 greenhouse gas (GHG) emissions for Scope 1 direct and Scope 2 indirect combined were 84,719 tonnes (93,386 tons). CH2M HILL's absolute global 2012 GHG emissions for Scope 1 direct and Scope 2 indirect combined were 87,153 tonnes (96,069 tons). This represents approximately a 3 percent increase in total Scope 1 and Scope 2 emissions from 2011. Because of our acquisition of Halcrow, the 2011 estimate was rebaselined to reflect the change to our business, as discussed in the Boundary and Methodology section.



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CH2M HILL has increased the purchase of carbon offset and renewable energy credits (RECs). In 2011, the carbon offsets and RECs purchased resulted in a total emission reduction of 13,710 metric tonnes of carbon dioxide equivalent (15,113 tons), or 16 percent of CH2M HILL's total Scope 1 and Scope 2 emissions. In 2012, the total carbon offset and RECs purchased resulted in a total emission reduction of 19,251 metric tonnes carbon dioxide equivalent (21,221 tons), or 22 percent of CH2M HILL's total Scope 1 and Scope 2 emissions.

We purchased Climate Action Reserve-certified carbon offsets from a forestry project, a wastewater treatment facility project, and a landfill gas utilization project. The forestry project was an improved forest management (IFM) project in the Van Eck Forest of California. This project promoted sustainable forestry practices in an area that would otherwise have been extensively logged. The IFM resulted in increased sequestration of carbon in the forest while maintaining sensitive wildlife habitat.

We purchased RECs from Green-e certified wind, biomass, and low-impact hydropower projects that were established in the Emissions and Generation Resource Integrated Database (eGRID) Midwest Reliability Organization West subregion. Carbon benefits of RECs are evaluated based on the carbon intensity of grid power in the region where the renewable energy was generated (that is, based on the carbon intensity of the power that the renewable generation is theoretically displacing). The region from which these RECs were sourced has high-grid emission intensity.

### **Boundary and Methodology**

Using WRI and the World Business Council for Sustainable Development (WBCSD) *Greenhouse Gas Protocol Initiative—A corporate accounting and reporting standard* (Revised Edition, 2004) as guidance, we applied the "operational control" approach in defining our organizational boundaries for reporting. Operational control refers to the authority to develop and carry out the operating or HSE policies of an operation or a facility. With 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.

Consistent with this guidance, we updated our 2011 emission inventory to add estimated 2011 emissions associated with the acquisition of Halcrow; when companies acquire or divest businesses, this rebaselining procedure is used to avoid artificial increases or decreases to the inventory.

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

CH2M HILL's Scope 1 stationary combustion and Scope 2 electricity emissions decreased by 16 and 9 percent, respectively, from 2011 to 2012. The decreases in stationary combustion and electricity emissions results from consolidation of duplicate facilities as Halcrow and CH2M HILL combined operations. However, CH2MHILL's Scope 1 mobile combustion emissions increased by 40 percent from 2011 to 2012.

Conducting an inventory allows an entity to better understand emission sources and refine data collection processes. Most of the mobile combustion emissions increase results from improvements made to the inventory and continuous progress in data-capture methods for mobile sources. Although CH2M HILL might have underestimated mobile source emissions in 2011, no data are available to support better emission estimates for 2011. CH2M HILL continues to refine the inventory and data collection processes and anticipates continual enhancements as more staff are aware of the importance of keeping accurate data records for emission sources.

## North American Energy Management and Carbon Emissions Reduction Program

In our North American offices, energy-conscious employees, managers, and landlords take steps to reduce our carbon footprint. In 2012, 29 percent of our leased offices were located in Energy Star-certified buildings. In 2011, we developed an *Energy Conservation Best Practices* document. This consolidated guide includes ways to conserve energy in our offices, featuring specific practices, a guide for talking with landlords about energy conservation, and examples and success stories from various offices.

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

We view energy conservation as an ongoing process. Historically, we have been able to reduce energy consumption in our Denver campus buildings. In 2012, electricity usage increased by 2 percent, while natural gas usage decreased by 14 percent. The net result was a slight increase in carbon emissions for this location. Electricity usage increases most likely resulted from an increase in cooling degree days from 2011 and 2012 because of the unusually hot summer in Denver, while natural gas usage decreases most likely resulted from a decrease in heating degree days from 2011 and 2012 because of the unusually hot summer in Denver, while natural gas usage decreases most likely resulted from a decrease in heating degree days from 2011 and 2012. The Denver campus continues to look for opportunities to reduce energy consumption and will continue to implement energy efficiency projects going forward. In 2013, we plan two additional energy reduction projects: retrofitting the lighting in our parking lot and installing an automated building management system.

Headquarters Campus, Denver, CO — EN4-5, EN7 Energy Use and Carbon Emissions EN16-18								
Electricity Usage MWH (GJ)	<b>2011</b> 8,800 (31,680)	<b>2012</b> 9,000 (32,400)						
Natural Gas Usage Therms (GJ)	25,700	22,100 (2,332)	Notes: - Headquarters campus has a total of 44,419 square meters (478,123 square feet).					
Total Carbon Emissions - Tonnes (Tons)	7,500 (8,300)	7,600 (8,400)	<ul> <li>The EGRID electricity emission factor was updated in 2012 based on 2009 data.</li> <li>114_UNGC_1_DEN</li> </ul>					

## **United Kingdom Energy and Carbon Emissions Reduction Program**

Our UK operations have measured Scope 1 and Scope 2 carbon emissions since 2008 by applying a tiered approach to deriving and collating consumption data. Most of our data are derived from actual measurement and, where this is not possible, from third parties such as landlords or utility companies. Consumption data were recorded at 20 base offices (out of a total of 21).

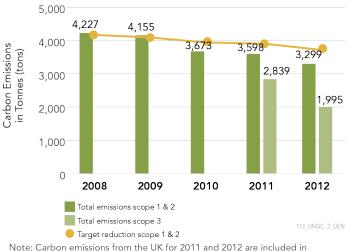
We reduced our carbon emissions by 22 percent. This reduction in emissions was associated with running our offices and use of our own car fleet over 5 years against a public pledge we made to reduce our emissions by 10 percent over 5 years and from a 2008 baseline. Some of the reduction has been brought about by employing fewer people and closing some offices, but not all. Programs related to energy reduction and optimum use of office space also played a part in reducing our footprint overall. We also reduced our own company car fleet over this period. We have seen a reduction in the amount of per-employee carbon emitted, which has dropped from 1.19 tonne (1.31 tons) per employee in 2008 to 1.14 tonne (1.26 tons) in 2012. Last year we actually saw a rise in the ratio of carbon emitted per employee (approximately 6 percent), which may have occurred as fewer people occupied the same office space. This ratio is a key metric for us, and is an area we will continue to monitor across our European network. Over time, our methods of deriving and collating carbon data have become more accurate, and we have identified that in the past we have slightly over-reported our impacts in this area.

In 2011, we began reporting carbon emissions associated with our UK business travel, which represents approximately 40 percent of our UK carbon reporting footprint. We saw a reduction in business travel carbon emissions of 30 percent between 2011 and 2012, driven by technologies such as video and Web conferencing (which reduced the need to travel) and a cost control program, which asked employees to think before they travelled. Our employee numbers also reduced in 2012, and this probably also contributed to a reduction in carbon associated with employee travel. We intend to roll out our carbon program throughout our European network during 2013.

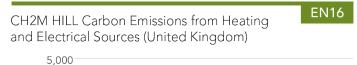
Electricity consumption decreased by approximately 370,000 kWhs, or 6.9 percent, between 2011 and 2012. Heating consumption increased by approximately 115,000 kWhs, or 4.2 percent, because of much colder temperatures in 2012.

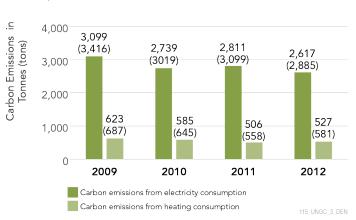
Over 75 percent of the electricity used in our UK offices is from green energy sources, which are secured by our energy providers from eligible renewable sources in the UK.





Note: Carbon emissions from the UK for 2011 and 2012 are included in CH2M HILL's overall global carbon emissions, but are also presented separately for a 5-year period to capture progress towards carbon reduction goals that were established before Halcrow joined the CH2M HILL family of companies.





## **Australian Carbon Emissions Reduction Program**

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

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

Air travel miles and their carbon contributions increased 22 percent over 2011 levels, primarily because of increased domestic and international travel to Western Australia associated with Power and Transportation Business Group activities.

No project site carbon emissions were accounted to CH2M HILL in 2012, because clients or site controllers retained responsibility for these.

## **Business Travel**

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

By offering a full suite of videoconferencing and virtual meeting tools, CH2M HILL has sought to reduce travel, find ways to build effective teams while controlling travel costs, and improve work-life balance by allowing employees to travel less. CH2M HILL executives are using Microsoft LiveMeeting on a regular basis, and CEO Lee McIntire and other executives offer quarterly updates using video conferencing. Throughout our offices in all regions, we have increased usage of Microsoft Communicator to reduce the necessity of travel for meetings. We also collaborate with clients to cost-effectively manage meetings by evaluating together when face-to-face meetings are needed and when technology tools could meet the same need.

With all of the project and community variables, it is difficult for us to measure the effectiveness of our efforts surrounding business travel. However, we can track our air miles traveled and create a culture of environmental consciousness surrounding the impacts of travel. For example, our air travel booking tool displays the emissions associated with each flight when U.S. employees book travel online with our travel service provider.

Likewise, employee commute modes vary significantly in different countries around the world and in different communities within the same country. At a global level, we conduct annual commuting surveys, conduct a 1-week awareness campaign every year on alternative transportation modes, and sponsor a firmwide bike-to-work day. Employee commuting emissions were 80,107 tonnes of carbon dioxide equivalent (88,303 tons). We have corrected our 2011 emissions as a result of improvements in our survey and data collection process; therefore, our actual emissions are greater than previously described in our 2012 *Sustainability Report*. In 2012, commuting emissions for all employees decreased by 11 percent and totaled 71,059 tonnes of carbon dioxide equivalent (78,329 tons). Additional, region-specific measures are described in the remainder of this section.

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

#### **Two Wheels and a Thousand Miles**

CH2M HILL holds an alternative transportation "Try It Week" to encourage employees to experiment with different commuting modes. Our fourth annual Try-It Week culminated in Bike-to-Work Day on Friday, May 18, 2012. A total of 92 employees in 14 offices participated in Bike-to-Work Day and logged 2,206 kilometers (1,371 miles). More than half of those who participated are not regular bicycle commuters.

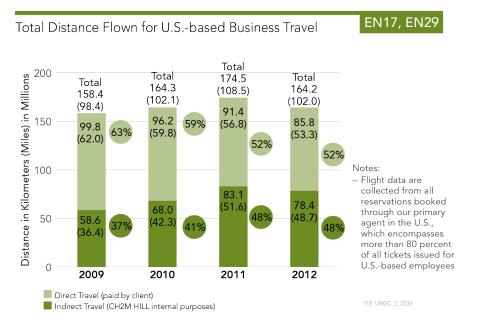
#### **Air and Ground Business Travel**

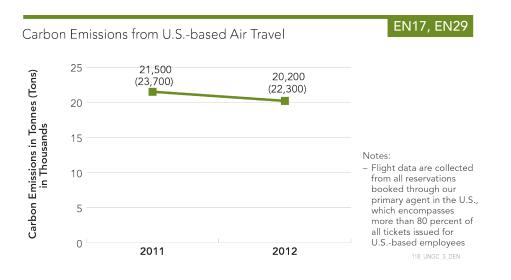
As we bring technical specialists to projects all over the world, we need to balance the need to bring the right person to the job with the reality of the footprint from corporate air travel. Both the North America and Australia EMS programs have tracking systems in place for travel, and the EMS teams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

#### **North America**

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

In 2012, we realized a decrease in total travel while growing business. Indirect travel totaled 78.4 million kilometers (48.7 million miles), a decrease of 4.8 million kilometers (3 million miles), or 6 percent, over the previous year.





In 2011, CH2M HILL began collecting data on U.S. employee business ground travel. Data were not available to differentiate between indirect and direct travel purposes, so both are included. Business ground travel by U.S. employees for 2012 totaled 19.5 million kilometers (12.1 million miles) and 4,867 tonnes carbon dioxide equivalent (5,365 tons carbon dioxide equivalent). Although business ground travel mileage increased slightly, 0.5 million kilometers (0.3 million miles), or 3.1 percent, over the previous year, carbon emissions decreased by 1 percent. Emissions were reduced by increasing rentals for smaller, more fuel-efficient vehicles while decreasing rentals for larger, less fuel-efficient vehicles.

The CH2M HILL Travel Department continues to promote awareness and responsible choices through program communication, company policies, and integration of suppliers that employ sustainable business practices. In 2012, our Information Technology group provided new on-demand, short training videos for videoconferencing and other collaboration tools to help expand the adoption and use of the technology. New collaboration platforms are planned for 2013 that should make it easier for employees to use advanced conferencing technologies.

### **United Kingdom**

In 2011, our UK operations began reporting carbon emissions associated with employee business travel, which represents approximately 40 percent of our UK carbon footprint. We saw a reduction in business travel carbon emissions of 30 percent between 2011 and 2012, driven by a focus on increasing the use of technologies such as video and Web conferencing, which reduced the need to travel, coupled with a cost control program asking employees to think before they travel. Our employee numbers also reduced in 2012, and this probably also contributed to a reduction in carbon associated with UK employee business travel.



#### Australia

In 2009, CH2M HILL began collecting data for indirect and direct business air and ground travel by Australia employees. In 2011, total miles flown by Australia employees were 5.1 million kilometers (3.1 million miles), resulting in 626 tonnes of carbon dioxide equivalent (690 tons). Because of increases in client-related business travel in 2012, total miles flown by Australia employees was 6.3 million kilometers (3.9 million miles), resulting in 754 tonnes of carbon dioxide equivalent (831 tons).

In 2011, Australian hire car business ground travel totaled 0.1 million kilometers (0.08 million miles), resulting in 27 tonnes of carbon dioxide equivalent (30 tons). Because of increases in client-related business travel in 2012, the total distance in hire cars increased by 40 percent. In 2012, Australian hire car business ground travel totaled 0.2 million kilometers (0.1 million miles), resulting in 42 tonnes of carbon dioxide equivalent (46 tons).

## **Employee Commuting—North America**

CH2M HILL expanded its third annual employee commuting survey, increasing it from about 20 offices to a total of 95 offices (grouped in to 41 office areas) in North America that are either located in areas with impaired air quality, participate in local transit management programs, or provide a more diverse regional representation of the various types and locations of offices (city, suburban, and rural). A selection of 71 offices were determined to be representative of our mix of offices as a whole and were used to calculate greenhouse gas emissions representative of our entire profile of offices.

While more than 60 percent of employees commute by single-occupancy vehicle, the top three alternative forms of transportation are teleworking, public transit, and carpools. All U.S. employees have access to a program to use pretax dollars to pay for transit passes, and in 2011, bicycle benefits were added to the program. The program allows enrolled employees who commute by bicycle to receive a voucher for US\$10 to \$20 per month for bicycle-related equipment or repairs.

In 2011, CH2M HILL began estimating carbon emissions associated with employee commuting data collected in North America. In 2011, North American employee commuting emissions for all employees were 74,347 tonnes of carbon dioxide equivalent (81,953.5 tons). We have corrected our 2011 emissions as a result of improvements in our survey and data collection process; therefore, our actual emissions are greater than previously described in our 2012 *Sustainability Report*. In 2012, North American commuting emissions for all employees decreased by 20 percent and totaled 58,522 tonnes of carbon dioxide equivalent (64,509 tons).

The EMS alternative transportation leaders set a target to reduce vehicle miles traveled (VMT) in two offices by 5 percent; however, the target was not implemented successfully. In 2012, the team decided to try a different approach by supporting ETCs for alternative commuting programs in five offices to see which types of programs are most effective before setting targets for VMT reductions. Several of our larger offices already have volunteer ETCs in place who work with local transportation management associations to provide commuter information and benefits, such as a "free ride home" program if employees miss public transit or have an emergency.

#### **Teleworking and Flexible Work Schedules**

CH2M HILL has strongly promoted full-time and part-time teleworking as a method to reduce our environmental impact. Last year, we increased teleworkers by 24 percent beyond 2011, ending the year with a total of over 1,000 teleworkers, which reduces our leased footprint and saves energy. CH2M HILL also offers flexible work schedules, allowing employees to work full-time hours in fewer days and reduce the amount of commuting. In 2012, CH2M HILL reduced 14,910 square meters (160,490 square feet) of permanent leased office space, and the portion of that attributable to teleworking is 4,261 square meters (45,865 square feet).

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

# **Client Services Footprint**

## **Mitigating the Environmental Impacts of Our Services**

In collaboration with our clients, CH2M HILL offers sustainable design services that improve our built environment. For more information about these services, the projects where we have actively helped our clients reduce their impacts on the built environment, and the people who make it possible, visit Sustainable Solutions. We offer sustainable solutions across a broad range of services, from remediation to climate change adaptation, and work throughout the energy-waterfood 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



"The development for the London 2012 Olympic and Paralympic Games provided an opportunity for the UK construction industry to rise to the challenge of delivering sustainable construction. By taking on and delivering this challenge, the industry is now more knowledgeable and capable of delivering complex engineering projects sustainably."

-Samantha Connolly, Sustainability Technologist

environmental impacts and metrics accurately across a portfolio of projects and programs. We also report on projects and programs where we have operational control.

In this section, we explain the sustainability impacts of our green building design and construction practice and facility operations and maintenance, as well as tools that help our clients and others to evaluate sustainability for Greenroads<sup>™</sup> and sustainable highways.

#### **Documenting Green Projects**

After more than 10 years of successful green building design, we established a database in 2010 to document our green projects. CH2M HILL ranked number 9 on the ENR Top 100 Green Design Firms list in 2012, and we have gathered these projects into a database to assess our environmental performance across this portfolio of services. We include projects that have received green building certifications such as LEED<sup>®</sup>, BREEAM<sup>®</sup>, Greenroads<sup>™</sup>, and Estidama, or 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.



"It is important to understand that sustainable design practice means more than just LEED certification. We do a lot of LEED-certified design work, but that's a small part of the sustainable work we do."

–Ed Pieterick, Sustainable Practice Leader, Government, Facilities & Infrastructure Group

## **Assisting Clients with Facility Operations Management**

CH2M HILL continued implementing our unique, site-driven sustainability program across the facilities, water treatment, and wastewater treatment sites we operate and maintain on behalf of our clients, separate from our North American EMS. Since we operate these facilities, we have a unique opportunity to be part of the day-to-day decision-making at varying levels of responsibility based on the contract. This award-winning 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.

Now in its third year of implementation, our employees' efforts yielded significant positive impacts that advance CH2M HILL and our clients' environmental, social, and economic goals. Highlights from 2012 included 3,276 tonnes (3,611 tons) of waste diversion, 37 cubic meters (9.9 billion gallons) of beneficial effluent reuse, 16.4 million kilowatt-hours of electricity use reductions or avoidance, 10 ecosystem enhancements completed or under way, more than 2,400 community volunteer hours, and US\$3.4 million in forecasted savings and cost avoidance during the next 4 years for our clients and our company.

While the total portfolio impact is substantial, the impact our efforts make at each site, for each client we partner with, tells a greater story. For example, at our site in Ave Maria, Florida, we've used sustainable operations and maintenance (O&M) techniques to reduce the site's operational footprint in addition to lowering the economic burden on our client, the Ave Maria Utility Company.

The treatment facilities were designed and built to serve a new residential and business development using prerecession projections. When the economic downturn hit, the facilities had unplanned excess treatment capacity and lower-than-expected water and wastewater revenues. By approaching daily O&M with a sustainable lens, we have been able to lower chemical use, reduce the operational carbon footprint, and conserve water, all while saving our client money.

*Water Conservation Strategies for Clients* provides more information about the significant steps CH2M HILL has taken to conserve and reuse water in our U.S. operations.



"Sustainability has become part of my project's business plans and renewal strategies now. We let our clients know how they can implement small changes to save electricity and disposal costs and improve recycling efforts."

--Jayne Swift, Wastewater Treatment Plant Project Manager, Operations Management Business Group

#### **Award-Winning Results**

A few examples from the OMBG follow; a full list of sustainable project awards is provided in the *Awards and Ratings* section.

#### **Energy Innovation**

The Spokane County Regional Water Reclamation Facility (SCRWF) was recognized in 2012 with the Washington Industrial Energy Leaders Award for its innovative energy management. The Washington Industrial Energy Leaders Award was created to identify and recognize Washington industries that demonstrate energy efficiency leadership and commitment. The Leadership in Innovation Award recognizes highly innovative energy projects, including emerging technologies, use of existing technologies in a new way, or a unique change to a process that saves significant energy.

CH2M HILL designed, built, and is now operating and maintaining the SCRWF. The facility's sustainable design allows energy recovered through digester gas production and cogeneration systems to produce electricity to help run the facility. All nonprocess buildings are designed to meet LEED Silver<sup>®</sup> criteria.

In a partnership with Avista Utilities and Spokane County, CH2M HILL developed near-term and longer-term energy-saving components for the project, including a compact site footprint, use of treated effluent for site irrigation and process operations, LEED Silver<sup>®</sup> certification of the three main buildings, onsite production of energy (heat and electricity) for internal plant operations, and incorporation of high-efficiency post-aerobic digesters, aeration blowers, and motors.

For example, the facility uses waste heat from the primary screening room and routes it directly to the primary clarifiers via fiberglass-reinforced ducts for the purposes of preventing ice formation on the underside of the clarifier covers. Another innovation involves the management of digester gas at the SCRWRF, which incorporates a cogeneration system that captures biogas from the anaerobic digesters, stores it, and then transfers it to a gas conditioning and microturbine system that generates electricity and hot water for process and utility needs.

Because this project used design-build delivery, designers worked closely with the construction team to consider energy and life-cycle costs of the facilities and implement solutions that provided

these energy and electricity savings. The Design-Build Institute of America gave the project its National Award, recognizing the team's excellent, integrated approach to deliver design and construction services under one contract with a single point of responsibility. Spokane County's decision to procure the project using design-build delivery ultimately saved about 15 percent in overall budget and schedule.

#### City of Distinction for Green/Energy Conservation Initiative

In 2012, our operations team responsible for managing the City of Fayetteville, Arkansas' two wastewater treatment plants helped the City of Fayetteville earn recognition as a 2012 Arkansas Business City of Distinction for Green/Energy Conservation Initiative (population more than 20,000 category). The award recognizes Arkansas cities, large and small, for their commitment to improving the lives of their citizens and the health of their communities.

CH2M HILL operates and maintains Fayetteville's two wastewater facilities and is a long-time partner on the community's sustainability programs. Together, Fayetteville and CH2M HILL have implemented a wide variety of sustainability improvements, from community collaboration and physical improvements at the wastewater plants to environmental improvements at the grounds. Overall, the improvements have decreased emissions, lessened fossil fuel use, diminished waste, and reduced annual operating costs for the City.

Over the years, disposing of the wastewater plants' biosolids proved to be a costly endeavor that was using limited landfill space. The City and CH2M HILL researched other options for biosolids disposal to reduce operating costs (including hauling and landfill fees), provide a stable, long-term disposal method, and make a long-term, positive environmental impact.

After considering a variety of options, the City and CH2M HILL determined that a combination of solar and thermal drying of the wet biosolids was the best course of action. The City invested in a Parkson Solar House and Fenton Thermal Drying technology to dewater its biosolids to produce a high-quality, beneficial reuse material. Benefits of drying biosolids include fewer trips to landfills and a final, dried biosolids product available for beneficial reuse through land application or fertilizer production. The biosolids can even be sold—bringing the City revenue—and the biosolids still going to landfills are reduced in quantity and weight, saving money in transportation and landfill fees.

The Fayetteville-CH2M HILL partnership has been recognized with numerous honors, several focusing specifically on sustainability efforts, including awards from the U.S. Conference of Mayors, the National Council for Public-Private Partnerships, and the Siemens Sustainable Community Awards program.

### **Other Facility Operation and Maintenance Awards**

- Institute of Transportation Engineers Transportation Achievement Award for Operations, City of Centennial, Colorado, for the city's Optimized Snowplow Routing Project, which developed an innovative approach to snow removal that integrates route optimization. CH2M HILL reduced the amount of time required for a single truck to complete its route by 28 percent, effectively increasing the fleet size by one-third with the same number of vehicles. Comparable communities average 40 kilometers (25 miles) per snowplow, while Centennial's average 108 kilometers (67 miles) per plow (2012).
- Special Districts Association of Oregon Project of the Year Award, Roseburg Urban Sanitation Authority (RUSA), Oregon, for RUSA's natural treatment system, for which CH2M HILL provided

permitting, design, and construction services, in addition to ongoing operations and maintenance services. The natural treatment system involves constructed wetlands, irrigation, and restoration of historical natural wetlands to reduce river pH levels and restore water quality. Effluent discharge from the wastewater treatment facility, which CH2M HILL has maintained since 1984, is conveyed to the constructed wetlands that ultimately removes about 45 kilograms (100 pounds) per day of phosphorus from effluent that previously had been discharged to the South Umpqua River (2013).

Society for Marketing Professional Services (SMPS), Colorado Chapter Marketing Excellence Award, CH2M HILL, for the OMBG's sustainability communications. We were recognized in the Shoestring Budget category for Trailblazer, the operations management monthly sustainability newsletter. Trailblazer aims to keep employees informed on the latest sustainability happenings around the business group, provoke thought on how to apply sustainability concepts at readers' projects, and recognize successful project teams and project sustainability champions (2012).

## Greenroads<sup>™</sup> to the Future

As one way to measure and mitigate the impacts of one our primary service areas (transportation infrastructure), CH2M HILL developed the Greenroads<sup>™</sup> rating system, in partnership with the University of Washington. Greenroads<sup>™</sup> quantifies sustainable practices associated with the design and construction of roads. A Greenroad<sup>™</sup> is defined as roadway project that has been designed and constructed to a level of sustainability that is substantially higher than current common practice.

The Greenroads<sup>™</sup> system can be used by anyone to accomplish the following:

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

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

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



## **Society Overview**

If the goal of sustainability is to deliver a healthy planet into the hands of future generations, then the social aspect of sustainability is an essential dimension for action. At the global level, increased population growth and urbanization are putting added pressure on the environment. At the same time, heightened public awareness has led to a proliferation of organizations that address climate change and other sustainability issues. We are seeing unprecedented levels of volunteerism and personal engagement with the issues, both within our own ranks and in the communities where we work.

As a corporation, we support the social well-being of communities in developing parts of the world through nonprofit organizations such as Water For People and Engineers Without Borders USA. As part of our consulting work, we are helping communities and companies around the globe identify forward-looking, low-impact ways to plan and construct infrastructure and meet natural resource needs. Some of our most rewarding projects involve helping communities work through conflicting agendas and bewildering technical options to plan a path to the future.

Yet wherever our work takes us, we follow our company's core values for ethics and integrity, including a zero-tolerance policy on business corruption and human trafficking.

As a leading, ethical employer, we put a strong emphasis on health, safety, and wellness, and we encourage diversity and equal opportunity for all staff throughout the enterprise in their career development.

# **Health and Safety**

CH2M HILL is committed to promoting a culture of safety throughout our firm. We expect employees to value safety and to take responsibility for their own behavior and for the behavior of every employee around them.

Our formal HSE management system is integrated into our business and project delivery processes. Our Target Zero culture is found throughout all levels of CH2M HILL: everyone strives for zero injuries and illnesses, as well as zero adverse environmental impacts. All employees are empowered and expected to provide feedback on our health and safety program.

We continually promote our Target Zero culture through our HSE communications program. We produce and distribute communications that highlight our progress with key programs such as Office Safety, Ergonomics, and Environmental Compliance. Every June, we celebrate Global Safety Month with a video message from CEO Lee McIntire, followed by weekly communications on current health and safety topics. We publish short summaries of incidents, called "Lessons Learned," including near misses, so that our employees can apply the information in a timely way and prevent a similar occurrence. To reach a wide audience or to target specific groups of employees, we use a combination of Intranet stories, posters, videos, and e-mails. We have developed and maintain a library of communications on the HSE Web site to provide our employees with information on a

variety of topics that they can use to help them stay informed and maintain their focus on safety. To herald our Target Zero achievements, we honor exemplary HSE performance by individuals, groups, and projects by presenting HSE awards and sharing these accomplishments throughout the company in Intranet articles.

Halcrow was officially acquired as part the CH2M HILL family of companies in November 2011. During 2012, efforts began to integrate the Halcrow health and safety program into the CH2M HILL management system. As part of the UK CH2M HILL office, Halcrow received an Occupational Health and Safety Advisory Services (OHSAS) 18001 registration. All international regions operate within a joint Halcrow/CH2M HILL team approach, including employee health and training, induction and immersion into the CH2M HILL way and safety culture, and consistent enterprise health and safety tools and processes. The integration is expected to be completed by the end of 2013. Highlights of the health and safety integration efforts with Halcrow in 2012 include the following:

- Participated in the CH2M HILL Global Safety month with emphasis on communicating Policy 205: Distracted Driving – Wireless Devices
- Presented the CEO Life Saving Award to a Halcrow employee for saving a life following the reading of a safety briefing about drowning
- Received the CH2M HILL Gold Achievement award for attaining 10 million work hours without a recordable incident, which contributed to lowering the CH2M HILL injury and illness total recordable rate (TRR) and days away, restricted, or transfer (DART) rates
- Ordered 35 automated external defibrillators (AEDs) for 17 Halcrow offices worldwide and trained 114 employees as AED responders

In each of our 153 North American offices, a trained office safety coordinator conducts a comprehensive monthly audit to ensure that regulatory compliance and minimum physical standards are met. Verification of these measures is tracked by completing a comprehensive master HSE task tracking log. Additionally, these office safety coordinators are responsible for emergency preparedness at each office location, which includes verifying that at least 10 percent of office personnel are trained in frontline safety measures and conducting various quarterly emergency preparedness drills. Office safety coordinators also coordinate office moves and reconfigurations, select the subcontractors, request the safety plans, and carry out training and oversight during such events.

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

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

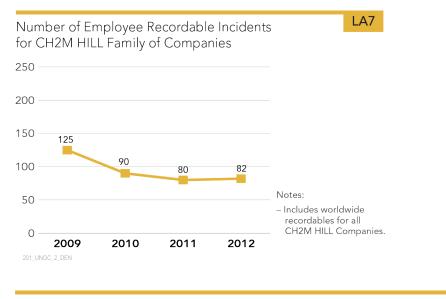
In 2012, more than 2,500 ergonomics evaluations were performed, with nearly 2,000 ergonomics risk factors eliminated. The goals are to eliminate employee discomfort related to the employee's work station and enhance employee productivity and work quality.

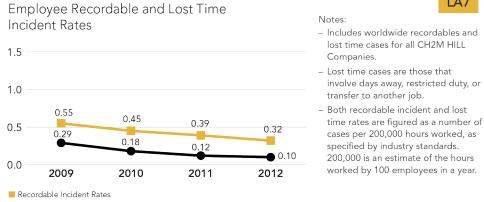
#### **Injury Rates**

Our recordable and lost-time incident rates continue to decline. The 2012 employee recordable incident rate for CH2M HILL's global family of companies was 0.32 incident per 200,000 hours worked, which is 68 percent lower than the U.S. industry average of 1.0 (based on the 2011 data published by the U.S. Department of Labor, Bureau of Labor Statistics for Engineering Services North American Industry Classification System code 541330, which includes most CH2M HILL companies).

The 2012 employee lost-time incident rate for CH2M HILL's family of companies worldwide was 0.10 incident per 200,000 hours worked, which is 75 percent lower than the U.S. industry average of 0.4. No CH2M HILL company had any occupational fatalities, whether employees or subcontractors, in 2012.

CH2M HILL applies OSHA standards and best safe work practices, as well as local required standards, in all countries where we do business, although these standards are required only in the United States.





Lost Time Incident Rates

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## **Health and Safety Awards**

CH2M HILL has received a number of awards for the company's safety performance in 2012. A few examples of these awards follow:

- The Transportation Business Group won the American Road and Transportation Builders Association Contractor Safety Award.
- NSC Corporate Culture of Safety Award was presented to CH2M HILL, honoring the firm for receiving more than 50 NSC awards. In all, CH2M HILL received 216 NSC awards for 126 different projects, business groups, or individuals.
- RoSPA Occupational Health and Safety Gold Award was presented to CH2M HILL's Singapore office for its commitment to accident and illness prevention.
- Halcrow received the Highly Commended Award in the commercial and business sector by RoSPA.
- Halcrow received the Highly Commended Award for the Engineering Project of the year for River Nene Infrastructure Improvements at the Association for Project Safety (APS) National CDM Awards 2012. Halcrow was the project designer.
- A-one+, a joint venture with Halcrow, Colas, and Costain, received Highly Commended recognition at the Prince Michael International Road Safety Awards for its work in the field of road worker safety.
- The CH2M HILL Beckton Site Integration team won the Thames Water Health and Safety Initiative of the Year Award for their visual standards manual developed in partnership with Thames Water and other contractors. The CH2M HILL team was also recognized as a runner-up for the Best Practice Health and Safety Collaboration Award. The AMP5 Excellence in Health and Safety Awards recognize those who work for or on behalf of Thames Water and have achieved excellence in health and safety over the past year.
- The CH2M HILL Singapore office was awarded Silver Awards for Workplace Safety and Health (WSH) Performance Awards 2012. Presented by the WSH Council and supported by the Ministry of Manpower, the awards recognize organizations and individuals who have contributed to achieving excellence in workplace safety and health.

## **Ethics**

<ul> <li>Employee Reporting and Communications</li> </ul>		<ul> <li>Government Participation and Lobbying</li> </ul>		
٠	Anti-corruption Policies and Procedures	٠	Global Engagement	

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

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

Our *Employee Ethics & Business Conduct Principles* is a living document that is periodically updated to reflect our changing business and evolving regulatory environment. It combines all CH2M HILL ethics and compliance policies and offers tools and practical advice on what to do when an employee encounters all too common ethical dilemmas in the workplace. Both new and seasoned employees, wherever they are based, are required to review the *Principles* annually and take a training course and quiz on the key components embedded in the document. As a condition of employment at CH2M HILL, our employees are also required to affirmatively attest their commitment to follow these *Principles*. The standards encompassed in the *Employee Ethics & Business Conduct Principles* are published in the nine languages most commonly used by CH2M HILL employees and are available on our intranet and on our Web site.



"Operating at all levels of our business with ethics and integrity is central to our success 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 Brierly, Chief Counsel, Ethics and Business Conduct

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

## **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.

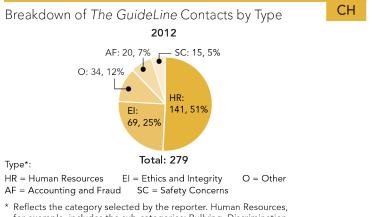
*The GuideLine,* our confidential hotline, is a versatile phone- and Web-based tool that employees and members of our supply chain can use to seek guidance, discuss ethical concerns, or report potential violations or laws or policies. *The GuideLine* is available 24 hours a day, 7 days a week, 365 days a year, anywhere in the world and offers users the choice of complete anonymity without fear of reprisals. The Web-based hotline tool is also available in a smart-phone mobile app version and 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.

Between 2010 and 2012, the total number of hotline contacts increased 59 percent (175 in 2010 versus 279 in 2012). On a year-to-year basis, total reports increased 21.7 percent in 2011 and 31 percent in 2012. We see three important drivers that account for the increased usage of *The GuideLine* since 2010:

- Since the introduction of our Ethics Month in 2010, we have actively continued to promote use of *The GuideLine*.
- The acquisition and integration of the Halcrow operations into CH2M HILL had added a significant number of employees outside of North America who are now using *The GuideLine* to report their concerns.
- Incorporation of special purpose entities, like the CHPRC, into our hotline process added to our population and permitted us to track enterprisewide trends.

In 2012, we saw more reports related to Human Resources than any other category. As a result, the Ethics and Integrity Team and Human Resources Team now hold weekly meetings to review the reports received, status of investigations, and lessons learned.



for example, includes the sub-categories: Bullying, Discrimation, Employee Relations, Retaliation, and Workforce Violence.

By increasing employee awareness of our expectations regarding how CH2M HILL does business with integrity and by including open discussions about the importance of ethics and integrity as a marketplace differentiator for CH2M HILL, we are seeing greater employee engagement all over the world. This is evidenced by an increase in the use of *The GuideLine*, for example, to report concerns and ask questions on the best way to address ethical challenges. We are encouraged by these increases, as they speak to greater awareness among our employees about CH2M HILL's 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 making sound decisions before any action is taken, instead of expending time and energy on damage control after a wrong decision is made.

Regular messaging from senior leaders in the firm about our business ethics—including featured news stories, reminders, links, in-house social media, and face-to-face and direct, e-mail communications—keeps our ethics program highly visible every day. In addition, CH2M HILL has

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Ethics Ambassado

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declared May as Ethics Month, and we take the opportunity through increased communication to heighten ethics awareness among our employees. As CEO Lee McIntire has said, "How we do business is just as important as how much business we do."

Another important component of the ethics program at CH2M HILL is our Ethics Ambassador program, launched in December 2010. It provides employees with direct access to local senior leaders who understand how business is done in local geographies and are able to translate our

expectations about doing business with integrity into the local commercial context. Our Ethics Ambassadors are respected by their local peers and are perceived as safe and reliable sources of information and guidance. Today we have more than 175 of these critically important subject matter experts who serve in more than 90 locations throughout our vast international footprint. They are present in every major office and project site and are an additional resource for ethics questions and guidance, offering a reliable way to connect our employees in the field to the home office, where ethics policies are set and preventive measures are enforced to ensure compliance.

## **Anti-corruption Policies and Procedures**

CH2M HILL has operations in more than 50 countries on 5 continents, where we support private and public customers and do work for the United States and other national and local governments. Since 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*, and we train our employees and educate our supply chain on how to avoid corruption pitfalls that are common in many places around the globe.

Wherever our work takes us, we follow our company's core values for ethics and integrity. As a matter of principle, we neither seek nor are interested in attracting business through corrupt means. CH2M HILL conducts rigorous legal, ethical, and risk-based assessments as part of our standard procurement selection process. Our procurement procedures and policies on gifts, entertainment, and hiring political consultants govern how we engage with anyone who potentially 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.



"Ethics is something that affects us all, but I believe that as with health and safety, ethical behavior should be so embedded in the way that we work, that it becomes second nature—put simply, it is about doing the right thing, for the right reason."

-Neil Holt, Director, Ethics and Business Conduct-International Operations

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 training and providing easy access to tools and advice. For those business units with extensive project commitments in countries known for high corruption risk, we perform specialized training and periodic audits. We routinely engage with our business units in open and frank communication about the risk of corruption, how to recognize red flags that might be evidence of possible corrupt business activities, and what to do when employees become aware of corruption risk. CH2M HILL's anti-corruption policies are reviewed and updated periodically to reflect the latest developments in

laws and best practices on the subject. This is particularly important in countries that rank high on the Transparency International Corruption Perceptions Index.

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

When a corruption-related allegation is reported through *The GuideLine* or other tools, it is investigated by a multidisciplinary team that includes representatives of legal, internal controls, and when necessary, forensic accounting staff. The investigation team obtains the relevant facts through document review, in-person interviews, and review of available computer data and 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.

## **Government Participation and Lobbying**

Public policy creates business opportunities and challenges that affect CH2M HILL and our customers. Our Government Affairs team promotes the business and professional interests of CH2M HILL and its employees and customers both in the United States and abroad at national (including U.S. federal), state, provincial, and local levels. The team focuses on our business interests, important issues to the engineering and construction industry, and issues that affect the general quality of our communities. These government affairs professionals are responsible for managing 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.

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

The Government Affairs team, in coordination with the Legal Department, carefully evaluates all political consultants with whom the company partners. We are cautious and conservative when selecting individuals to 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.

## **Global Engagement**

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



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

In 2012, CH2M HILL qualified for inclusion in a global, Geneva-based, ethics and reputation analysis service that provides monthly reports and rankings on multinational companies.

Using six major international treaties as its framework—including the U.N. Global Compact and the Organization for Economic Cooperation

and Development's Guidelines for Multinational Enterprises—and applying 45 criteria ranging from lobbying and political contributions to community volunteerism and financial support, Covalence tracks 581 of the world's largest companies.

In June, CH2M HILL was ranked in the top 20 percent of the global companies for its ethics and integrity and steadily climbed in the rankings through the end of the year. The firm ended the year ranked No. 48 among the 520 other companies, and No. 5 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 research-based Ethisphere<sup>®</sup> Institute).



# **Human Rights**

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

We have developed special protocols to screen our labor brokers and vet the members of our supply chain to reduce our risks of inadvertently enabling human rights violations, including child or forced



labor situations. If a CH2M HILL business unit contemplates engaging a supplier, contractor, or labor broker in a high-risk geographic location as part of project chartering, then we emphasize our expectations on acceptable labor practices and mandate that those who work with us acknowledge their acceptance of our requirements.

Our *Employee Ethics & Business Conduct Principles* includes specific policies about fair labor practices and against the practice of trafficking in persons. We will not knowingly do business with subcontractors, business partners, or suppliers who do not share our standards in this important and challenging area.

CH2M HILL continues to build on our proven track record of doing business in a manner that treats labor fairly. We are working with customers to ensure that international labor standards are met through strategic procurement, contracting, and performance monitoring systems. We use innovative processes and tools, including mandatory contract language and assurance protocols, to address workers' deployment and utilization standards on our projects. In all of these efforts, CH2M HILL strives to lead by example. As we look for new and sustainable solutions to achieve fair labor practices on large infrastructure programs, CH2M HILL is engaging with key stakeholders in the human rights and customer communities around the world.

On joining CH2M HILL, our new employees receive a copy of our *Employee Ethics & Business Conduct Principles*, which clearly outlines our expectations about fair labor practices, trafficking in persons, and other important ethics principles of how CH2M HILL does business. As a condition of employment at CH2M HILL, our employees are required to review the *Employee Ethics & Business Conduct Principles* annually and recommit themselves to these rules of engagement by taking an ethics quiz and affirmatively signing an acknowledgement that they will abide by our *Ethics & Business Conduct Principles*, including fair treatment of labor on our projects. In 2011, in furtherance of our human rights and labor practices expectations, we distributed to our major suppliers an updated *Supply Chain Ethics & Business Conduct Principles*, a companion document to our *Employee Ethics & Business Conduct Principles*.

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

Read more about Employee Reporting and Communications at CH2M HILL.

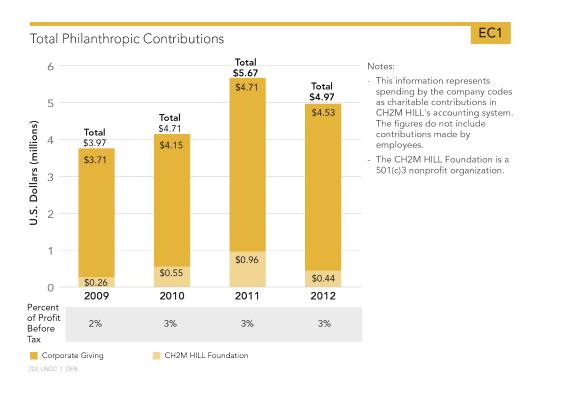
# **Community Partnerships and Outreach**

٠	Corporate Philanthropy	٠	Educational Outreach
•	Engineers Without Borders USA	٠	Engineers Week and Engineering Month
٠	Dollars for Doers (Employee Engagement Action Grants)	٠	Community Outreach Examples

## **Corporate Philanthropy**

Executing projects to improve quality of life is only part of CH2M HILL's commitment to build and improve our communities. The other part, which is not seen in technical reports or engineering drawings, takes shape in the hands and hearts of our employees. We volunteer time, donate funds, and contribute in-kind gifts to support worthy causes in the communities where we live and work.

CH2M HILL manages charitable giving through the CH2M HILL Foundation and other programs. In 2012, we revisited our giving strategies. In 2013 we are relaunching the Foundation with a new board, more focused mission, and a higher level of effectiveness to make sure we target our giving where we can do the most good and use our talents wisely.



## **Engineers Without Borders USA**

Engineers Without Borders USA is a nonprofit organization helping to build sustainable infrastructure and improve the lives of people in developing communities around the world, while training future engineers to be socially responsible and culturally aware. CH2M HILL has supported Engineers Without Borders USA since 2003.

CH2M HILL and Engineers Without Borders USA maintain a shared commitment to deliver sustainable solutions while training a new generation of socially responsible and globally aware engineers. CH2M HILL is a founding sponsor of Engineers Without Borders USA, and we take an integrated approach to our partnership by providing financial, in-kind, and leadership support. Since 2003, CH2M HILL's financial support has totaled more than US\$1 million and has helped implement water, sanitation, energy, transportation, and other basic engineering projects.

More than 120 CH2M HILL employees volunteer with local student and professional chapters and participate in CH2M HILL's internal Engineers Without Borders USA community of practice, which provides a forum to share ideas and lessons learned on projects. These individuals contribute countless hours to help grow the Engineers Without Borders USA organization, mentor students, serve as public speakers and ambassadors, and bring sustainable engineering projects to life in countries such as Guatemala, Honduras, Mali, and Rwanda.

Since 2010, CH2M HILL awarded 22 US\$5,000 scholarships to university students involved with Engineers Without Borders USA. The scholarships can be used to support students' academic studies or Engineers Without Borders USA project work. The intent of the scholarships is to support directly the engineering education of future technical talent.

In addition to Engineers Without Borders USA, CH2M HILL is forging partnerships with Engineers Without Borders organizations in other countries as well, including Panama, Canada, and Brazil.

## **Dollars for Doers (Employee Engagement Action Grants)**

CH2M HILL promotes a culture of service that encourages employees to become active members in the communities where they live and work. To recognize and thank our professionals for their outstanding commitment to community service, we developed a program to support the nonprofit organizations directly with our employees who volunteer their time to serve. Dollars for Doers matches an employee's volunteer time with a financial contribution from the company to the organization that the employee supports. Dollars for Doers grants have been awarded on behalf of employees in the United States, Canada, Ireland, Italy, Panama, Brazil, and Mexico City.

Each local office has its own unique culture, community needs, and employee interests. CH2M HILL professionals in local offices support the environmental, educational, and engineering causes that are important to their communities.

In early 2013, Dollars for Doers was renamed Employee Engagement Action Grants to reflect the global reach of the program.



"CH2M HILL has always prided itself on being a contributing member of the communities where we serve. I look forward to continued service and to help others through our foundation."

-Didier Menard, Area Manager and Vice President and Geographic Market Lead in the Water Business Group

## **Educational Outreach**

CH2M HILL partners with local primary and secondary schools as well as universities as part of our year-round educational outreach in the areas of science, technology, engineering, and math. Through global educational outreach efforts, CH2M HILL works with local schools to foster interest in engineering careers and promote environmental sustainability by addressing critical issues, like access to clean, safe drinking water.



"Interaction with our communities reinvigorates that spark in me that led me to engineering in the first place."

-Judith Ibarra-Bianchetta, Water Engineer and Area Manager

## **Engineers Week and Engineering Month**

Engineers Week (EWeek) aims to increase public understanding of engineering as well as boost precollege interest and enthusiasm in the profession. Founded in the United States by the National Society of Professional Engineers in 1951, the program is now governed by a steering committee of more than 20 professional engineering societies and sponsored by more than 50 corporations.

CH2M HILL employees in the United States have supported EWeek since 1997. Each February, hundreds of employees from CH2M HILL offices across the country volunteer their time to serve as mentors, teachers, and judges in a variety of activities, including engineering competitions, technology and science fairs, classroom presentations, and project site visits. By engaging students in activities that help them understand how science, math, and technology can be used to solve

real-world problems and make a difference in society, CH2M HILL is helping to inspire the next generation of engineers.

Similar to EWeek in the United States, Engineering Month in Canada promotes the field of engineering as an exciting and fulfilling career choice. Employees from CH2M HILL offices across Canada engage in hands-on activities with local youths to show how engineering involves a lot of problem solving—and a lot of fun.

### **Community Outreach Examples**

Several examples of our global community outreach projects follow. By no means is this an extensive list, but it is an excellent indicator of our employee's dedication to making a difference where they live and work:

- Mexico City employee support year-long Adopt-a-School program
- Philadelphia's Bikes for Kids Program exceeds 2,000 bikes milestone
- The Dayton, Ohio, office donates US\$10,000 to add 100 bike racks
- Halcrow engineer volunteers to help bring water to Pakistan desert
- World Water Monitoring Challenge in Puerto Rico
- New York staff gives generously to Toys for Tots

#### Mexico City employees support year-long Adopt-a-School program

In March 2012, employees in CH2M HILL's Mexico City office adopted a local elementary school, Josefina Rodriguez Solis Gudiño. A group of dedicated employee volunteers – Alejandra Andrade, Beatriz Delgado, Jesús Barajas, Irma Velázquez, Sara Galloso, Eduardo Hernández, Eduardo Cruz, and Yadira Muñoz – formed a committee, led by Edith Garcia, to identify ways to support the school and engage employees in service.

The group's first project involved providing desks for the school libraries. CH2M HILL employees Pedro Cadena, Alejandro Martinez, and Gustavo Orozco aided in planning, selecting, and delivering the desks. Later, Information Technology personnel visited the school to check and repair computers and projectors in six classrooms. Technical staff from the Mexico City office, including Adrian Bravo, Martin Correa, and Juan Sanchez, also visited the school to diagnose and repair computers and related equipment.

In support of CH2M HILL's Ethics Month in May, the local office Ethics ambassador, Alejandro Martinez, gave a speech to fourth, fifth, and sixth grade students on "How to avoid bullying."

Employees also donated more than 320 toys to the school children, through a committee led by Marisela Villegas, Alejandro Martínez, and Rafael Cortez. In July and September, a second donation program collected more than 300 books for the school. Funds raised from these donation events also helped provide a mesh sunscreen for the campus, to protect children from the heat of the sun.

In 2012, Galloso, a mechanical engineer with the Mexico City office, donated her time and expertise to tutoring a fifth-grade boy who struggled with reading. "This was a challenging task, but I'm doing my best to help him reach his goals." said Galloso. By the end of the year, the boy was able to read fluently and was catching up quickly in his other subjects.

In November, teachers and staff at Josefina Rodriguez Solis Gudiño visited the CH2M HILL Mexico City office, bringing with them letters of thanks written by the students. Employees were thrilled to read the kind words from the children who had become so important to them. School staff also

shared photos of new, brightly colored and imaginatively decorated trash and recycling cans, donated, together with painting supplies, by CH2M HILL employees as a way to teach children about trash separation and to encourage recycling.

On December 3, a grand celebration was held at the school to mark the closing of the Adopt-a-School program. The "Coro Monumental de las Escuelas Anexas de la BENM" chorus performed for parents, staff, students, and CH2M HILL employee guests. "It was a great day," said Edith Garcia, "and a very joyful and emotional ending to our Adopt-a-School program."



In 2012, employees from CH2M HILL's Mexico City office adopted a local elementary school, a project that led to a year-long giving and volunteering campaign.

#### Philadelphia's Bikes for Kids program exceeds 2,000 bikes milestone

More than 9 years ago, CH2M HILL's Philadelphia office established the Bikes for Kids program by raising funds to provide new bicycles to disadvantaged children in Philadelphia for the holidays. With the 300 bikes distributed during the 2012 holiday season, the office's Bikes for Kids program has donated a total of 2,225 bicycles to children in Philadelphia; Camden, New Jersey; Lancaster, Pennsylvania; and Wilmington, Delaware.

Employees organize and participate in Bikes for Kids fundraising events throughout the year and receive substantial support from clients, vendors, and subcontractors. The keynote fundraiser is the annual Bikes for Kids Golf Outing in September, which netted an unprecedented US\$25,000 in 2012. Bikes are purchased from Philadelphia Neighborhood Bike Works, a local nonprofit organization that offers educational opportunities for urban youth through cycling and promotes cycling as an environmentally friendly means of transportation.

The end-of-year bike distribution events are hosted by strategic clients and local government officials—including the mayors of Philadelphia, Camden, and Wilmington; members of the Philadelphia City Council; the Pennsylvania State Senate; the Philadelphia Regional Port Authority; and the City of Lancaster.

The program puts smiles on the faces of very deserving disadvantaged kids in the communities where we work and live.

CH2M HILL's Bikes for Kids program began in 1999 thanks to the dedication and inspiration of a single contracts manager in the firm's Atlanta office who challenged her coworkers to raise money to purchase 100 new bikes and helmets for local underprivileged children. Since 1999, the program has grown to include several CH2M HILL offices across the United States, including Pittsburgh Philadelphia, Montgomery, Austin, Houston, Dallas, New Orleans, and Jacksonville.



Rami Raad/PHL and Lauren Fahnestock/PHL finalize preparations for a bike distribution event at the City/County building in Wilmington, Delaware.



CH2M HILL donated 300 bikes during the 2012 holiday season, including those shown here, provided to needy children in the City of Lancaster, Pennsylvania.

#### The Dayton, Ohio, office donates US\$10,000 to add 100 bike racks

The Dayton, Ohio, office donated US\$10,000 toward a project that has located 100 new bike racks strategically throughout downtown Dayton and the Oregon District. Currently, bicyclists rely heavily on poles and trees as places to lock their bikes, but the new project provides spaces for 200 bicycles

downtown. The project aims to make trips downtown faster, easier, and more convenient than walking or driving.

"This project is so much more than about bike racks," comments Ned Pennock, CH2M HILL Vice President and Area Manager. "It's been fun, rewarding, and helps to grow our local brand. From an office perspective, it gives us a sense of identity in the community by leading one of many small yet converging efforts that are helping us to rebuild and revitalize our city. From a corporate perspective, it connects us to our core values of healthy living and sustainability. And from a local perspective, it links us to Dayton's Immigrant Friendly City Initiative by supporting biking, an important mode of transportati3on for many of our non–native (and native) residents."

CH2M HILL's logo is included on the bike racks, and in the future, there are plans for local artists to provide designs for more bike racks. The project is the result of collaboration among the City of Dayton, Downtown Dayton Partnership, Culture Works, Dayton Visual Arts Center, K12 Gallery for Young People, and local artists.

"Supporting active transportation is essential to attracting and sustaining the next generation of entrepreneurs and investors to the City of Dayton," said City Commissioner Nan Whaley. "The City of Dayton is thankful to CH2M HILL for their commitment to this vision and welcomes their energy and enthusiasm for the betterment of downtown Dayton."

The downtown bike rack project is just one example of the City's commitment to providing facilities and amenities that support active transportation downtown. Through this and other projects that the City of Dayton and its partner organizations are working on throughout the community, the city hopes to earn a Platinum Bike Friendly Certification by 2020—the top standard of bike-friendliness in the country.

The US\$10,000 donation was the result of combined funding from the CH2M HILL Dayton Area Manager, the Water Business Group, and Community Investment. The Dayton office also has supported local bike-to-work efforts, bike helmet give-aways, a local yellow-bike program, and a bicycle safety program for kids.



The Dayton, Ohio, office donated US\$10,000 toward a project that provided 100 new bike racks throughout the downtown area.

#### Halcrow engineer volunteers to help bring water to Pakistan desert

For the past 3 years, Jonathan Appleby, a senior engineer with Halcrow, a CH2M HILL company, has been volunteering as project manager with Christian Engineers in Development to improve access to water for 5,000 people living in the drought-stricken, vulnerable communities of the Thar Desert in Pakistan. The £145,000 Pakistan project is funded by the Scottish government to construct 1,600 underground water storage tanks and 25 wells and storage ponds.

Additionally, the organization is introducing "kitchen gardens" and planting trees to combat desertification and provide grazing for livestock. Follow this project on Jonathan's blog.



Colleagues and villagers in Pakistan measure a small underground storage tank.



Newly installed kitchen gardens provide residents with fresh vegetables.

#### World Water Monitoring Challenge in Puerto Rico

The San Juan, Puerto Rico, office joined the World Water Monitoring Challenge for the sixth consecutive year. The effort was directed through the office's ongoing Community Outreach Program. Employees and family members teamed up with Girl Scout Troop No. 416 of Rio Piedras Heights (San Juan). A total of 22 scouts, ranging in age from 4 to 11 years old, took part in the event.

The goals of the World Water Monitoring Challenge event were to educate the girls on water and environmental issues, promote water conservation, and explain CH2M HILL's work in water resource management and infrastructure.

A sampling point at the Rio Piedras River near the Metropolitan University was selected. The office provided the sampling kits, materials, and refreshments. At the end of the event, a Certificate of

Participation and CH Caribe goodies were distributed to each participant. It was a great learning experience both for the scouts and the employees who participated in the event.



*Employees from the San Juan, Puerto Rico, office joined forces in 2012 with local Girl Scout Troop No. 416 for the World Water Monitoring Challenge.* 



Jorge Flechas of the San Juan, Puerto Rico, office lends a hand for the World Water Monitoring Challenge.

#### New York staff gives generously to Toys for Tots

The New York City office team opened their hearts to children in need during the 2012 holiday season. Employees gave generously, donating more than 100 toys to the local Toys for Tots chapter. The mission of the U.S. Marine Corps Reserve Toys for Tots Program is to collect new toys during the holiday season each year, and distribute those toys as Christmas gifts to less fortunate children in the community.

"This was a great opportunity for the New York team to give a little something back to the community," said Rick Hirsekorn, New York City Area Manager. "We were all so happy to participate in spreading some holiday cheer to kids in need."



New York employees donated more than 100 toys to the local Toys for Tots chapter.

## **Community Water Preservation and Engagement**

CH2M HILL's employees are committed to engaging global communities in dialogue, learning, and collaborative problem-solving centered on the water issues facing today's world. We accomplish this in a number of ways. We invest our professional expertise, volunteer time, and financial resources in organizations and events such as Water For People, World Water Monitoring Challenge<sup>™</sup> (WWMC), Engineers Without Borders USA, and WaterAid. We leverage innovative communication tools and techniques to engage a broader audience in the water dialogue, such as the Access Water Blog and WaterMatch. CH2M HILL contributes to collective efforts aimed at positively impacting global water challenges through policy, 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.

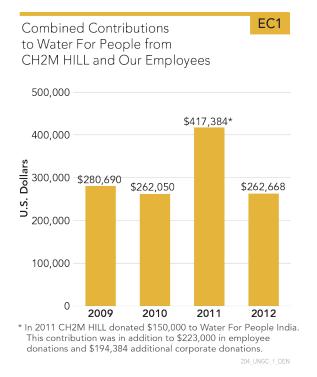
#### **Community Engagement**

As water professionals, we continuously look to protect and enhance resources for future generations. We do this professionally by offering financial support and expertise to worthy organizations, as well as personally as our employees donate their own time and money to support access to clean, safe water supplies.

#### Water For People

CH2M HILL has supported the international nonprofit organization Water For People since its founding in 1991. Water For People helps the most impoverished people in the world improve the quality of their lives by supporting locally sustainable drinking water, sanitation, and health and hygiene projects. Currently, the nonprofit focuses on providing meaningful and sustainable programs in 10 countries, with a commitment to its "Everyone, Forever" approach. Every house, every school, every clinic works toward access to water and sanitation, and Water For People monitors for a period of at least 10 years to make sure the programs are sustainable. The organization was recently recognized with grants from the Bill & Melinda Gates Foundation in 2010 and the Skoll Foundation in 2011.

Elisa Speranza, CH2M HILL OMBG President, recently completed her term as Board Chair for Water For People, and she has helped the organization evolve into a global thought leader on water and sanitation development. Additionally, CH2M HILL has hosted an annual giving campaign benefitting Water For People since 2003 and has raised more than US\$1,450,000 to date, including nearly US\$263,000 in 2012.



CH2M HILL employees also volunteer as members of Water For People's World Water Corps<sup>®</sup>. The World Water Corps<sup>®</sup> program matches the specific needs and requirements of Water For People's 10 country programs in Central and South America, Africa, and India with the skills and passion of individuals who want to enhance the impact of the organization's work. CH2M HILL employees have assisted with projects such as mapping to provide baseline data for development, monitoring the functionality of past projects, and evaluating overall program effectiveness.



"I was immensely impressed with Rwandans, who were dedicated to learning all they could to improve their nation's clean water access. Most of the professionals speak three languages and are willing and keen. It was so nice to work people who are excited about their jobs."

—Diana Frost, Volunteer with Water For People

#### World Water Monitoring Challenge

WWMC, formerly known as World Water Monitoring Day, is an international education and outreach program that builds public awareness and involvement in protecting water resources around the world by engaging citizens to help monitor local water bodies. Hosted by the Water Environment Federation and the International Water Association, WWMC offers a fun and engaging way to educate students about our water resources and the role the students play as environmental stewards. Monitoring kits test four basic parameters of water quality: pH, temperature, turbidity, and dissolved oxygen. CH2M HILL has supported WWMC since 2003.

In 2012, CH2M HILL employees across the globe partnered with local schools and community groups to develop WWMC activities. Employees in CH2M HILL's office in San Juan, Puerto Rico, coordinated with the Junior Girl Scouts to promote the importance of protecting the environment and to learn about resource conservation specific to water. The girls enjoyed the hands-on nature of the event, which inspired their interest in the sciences and environmental conservation.

#### WaterMatch

CH2M HILL's WaterMatch, a grassroots, goodwill initiative that promotes the beneficial reuse of municipal effluent for industrial and agricultural use at the local level, is continuing to expand through collaborations with companies and universities around the world. WaterMatch, a free Web site that uses social networking and geospatial mapping to connect water generators with water users, helps multisector organizations and individuals make connections and take action on water.

Recognizing the importance of water reuse, and the low rates of implementation around the world, corporations and universities are partnering with WaterMatch to promote reuse and sustainable water management through a variety of actions. Intel and Arizona State University are working with local municipalities in Arizona and the U.S. Southwest to populate the WaterMatch Map and associated wastewater treatment plant profiles, as well as are conducting research into the uses and benefits of WaterMatch. Also helping to populate the map and grow the user base are SGS, concentrating on Poland; British Water in the United Kingdom; and ConocoPhillips, working in Indonesia.

To tap into the energy and creativity of students, as well as offer them real-world learning experiences that support local community and economic development while protecting the environment, in 2012, WaterMatch launched the WaterMatch Makers University Program in collaboration with Net Impact. Net Impact is a global nonprofit that supports a new generation of leaders to work for a more sustainable world.

The WaterMatch Map now has more than 21,000 new water resources mapped in 42 countries and is growing daily. The *Environmental Business Journal* Industry Leadership Award was presented in 2012 in honor of the launch of the WaterMatch Web site.

#### The Global and Local Water Tools

Since its launch in 2007, the CH2M HILL-developed Global Water Tool has become the globally accepted tool for use by companies to account for their water use within their operations, calculate their water metrics, and identify areas of high water risk through external mapping. This tool has been used by over 300 companies worldwide to report their water use. In 2012, the Local Water Tool was released to provide guidance on local, site-specific water risk, impacts, and opportunities. CH2M HILL provided supporting nomenclature, data continuity, and software codes to ensure compatibility between the Global and Local Water Tools and the user's ability to transfer data between the tools.

The free tools continue to be enhanced with new, customized versions, including those for the oil and gas industry and power utilities. The Global and Local Water Tools facilitate the multisector, multistakeholder collaborations that we believe are vital to help businesses adapt to the changing climate and use resources in the most effective and sustainable way. The Local Water Tool was recognized with a 2012 *Environmental Business Journal* Business Achievement Award for Social Contribution.

#### **Access Water Blog**

CH2M HILL's Access Water is an ongoing program, launched in late 2009, designed to "provide innovation and insight on all things water all year long." Access Water provides a unique forum for idea exchanges between CH2M HILL's water experts, our clients, and the public at-large. This exchange occurs via blogs, videos, a quarterly client newsletter, and reader commentary. New blogs are marketed through a number of social media channels, including our Facebook<sup>™</sup> page and Twitter<sup>™</sup> account (@CH2M HILL). Access Water has successfully increased awareness and generated productive dialogue on a variety of water issues, proven to help staff with career growth and development opportunities, and created business opportunities for CH2M HILL through our client readership.

Access Water was recognized with the 2012 Environmental Communications Honor Award from 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.

#### **Industry Leadership**

CH2M HILL actively seeks to advance the existing body of knowledge and support a framework for sustainable water management through our employees' participation in professional and civic organizations. Our employees participate in hundreds of different professional, civic, and social organizations that address water issues globally and locally. 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 impact change.

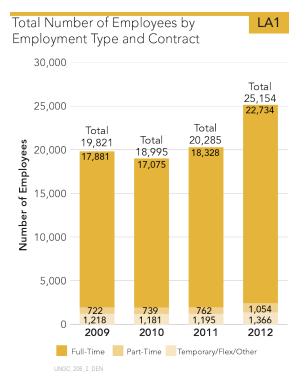
A few noteworthy examples of CH2M HILL employees providing leadership in addressing the pressing, intertwined challenges that face everyone who influences or is influenced by the water cycle include the following:

- Bob Bailey, CH2M HILL Global Water Business President, serves on the Global Agenda Council on Water Security. He also serves on the Water Steering Board of the World Economic Forum, which focuses on the threat water insecurity poses to the economic development and security of numerous counties and advises how decision makers can meet the world's future water, energy, food, and industrial demands within the confines of tightening water constraints. In addition, he is a member of the International Advisory Panel of the Institute of Water Policy, Lee Kuan Yew School of Public Policy, National University of Singapore, the Steering Board for the U.S. Water Partnership, and the Advisory Board of the University of Florida's Engineering School of Sustainable Infrastructure and the Environment.
- Dr. Glen Daigger, CH2M HILL Senior Vice President and Chief Water Technology Officer, serving his second term as International Water Association President, providing 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.
- Bill Bellamy, CH2M HILL Senior Vice President, serving on the U.S. Environmental Protection Agency Science Advisory Board as part of the Homeland Security Advisory Committee to advise on how best to protect against the environmental and health consequences of terrorism.
- Dr. Russell Ford, CH2M HILL Water Infrastructure Global Service Leader, serving on the U.S. Environmental Protection Agency Science Advisory Board Drinking Water Committee to provide advice on the technical aspects of the organization's national drinking water standards program.

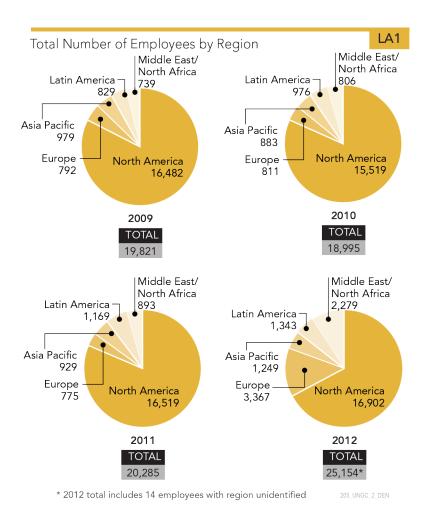
- Paul Swaim, CH2M HILL Deputy Leader of Global Water Infrastructure, serving as President of the International Ultraviolet Association to guide the organization in providing a global forum for all scientific and technological issues that relate to the use of ultraviolet light, including the regulatory issues and application of ultraviolet disinfection for drinking water, water reuse, and wastewater applications.
- Linda Macpherson, CH2M HILL Vice President and Reuse Principal Technologist, serving on the board of directors of the WateReuse Association with a focus on public education, research advisory, and instrumental participation of international and executive committees with the overall goal of improving water quality and increasing local water supply.
- Bryan Harvey, CH2M HILL, Vice President, serving on the International Water Association Basins of the Future Panel, focusing on cities and the competing water demands in their river basins centered on the practical reality of managing the nexus of water, food, and energy.

## **Workforce Distribution**

The scope of this report includes the entire CH2M HILL family of companies, as shown in the total employee distribution numbers. Our workforce numbers stayed relatively steady from 2009 to 2011, and increased in 2012 as a result of CH2M HILL's acquisition of Halcrow.



The Halcrow acquisition also changed our location mix. By the end of 2011, employees in the United States and Canada accounted for just over 81 percent of our total global staff. Following the acquisition of Halcrow, employees in the United States and Canada made up 67 percent of our total staff.



#### **Workplace Culture**

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

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

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

These values on which the firm was built are captured in CH2M HILL's *Little Yellow Book*, written in 1978 by founder James Howland. This book is handed out to every employee worldwide on their first day and is available in nine different languages: Arabic, English, French, German, Mandarin, Polish, Portuguese, Russian, and Spanish. Our employees stay at CH2M HILL for four reasons:

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

## **Workforce Diversity and Inclusion**

CH2M HILL's diversity vision is to foster fairness and respect for all employees, value the differences and similarities in employees' backgrounds and skills, and maximize each individual's potential.

Diversity statistics are available only for CH2M HILL, Inc., in the United States and for the Board of Directors. U.S. employees represent 75 percent of our global staff. We track diversity metrics of gender, age, and race for hiring and attrition. By understanding these metrics, we can more effectively attract, engage, and retain women, people of color, and individuals of many ages and life experiences.

Several employee network groups share information, ideas, experiences, and resources. These groups provide peer support, career development, and mentoring, as well as raise awareness through a variety of discussion groups and activities that are open to all:

- African American Professional Network Harambee
- Hispanic Employee Network Enlace
- LIFE—Leadership Inspiring Full Equality (Gay, Lesbian, Bisexual, Transgender, and Allies Employee Network)
- SHARE—Sharing Across Respective Ethnicities (for employees of all ethnicities to collaborate and learn from one another)
- Women's Network
- A.C.E. Assist, Connect, Educate—Disabled Employee Network Group

Each of these groups has a senior executive sponsor to guide and reinforce the importance of these efforts and provide mentoring to staff who may not otherwise have access to senior leadership. CH2M HILL is also actively involved with the Hispanic Engineer National Achievement Awards Corporation, the National Society of Black Engineers, the Society for Hispanic Professional Engineers, the Women's Transportation Seminar, and the Society of Women Engineers.



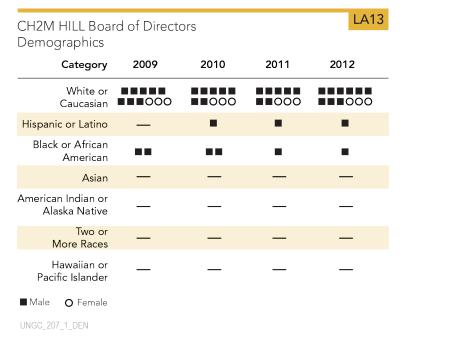
"I am a passionate advocate for diversity, equality, and inclusion and have witnessed their positive impacts on our business and our people! Focusing on employee and supplier diversity is a strategic business imperative for CH2M HILL."

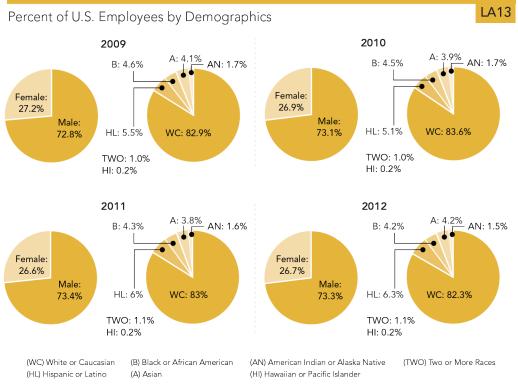
-Faye Wilson Tate, Vice President and Director for Global Diversity and Inclusion

CH2M HILL has been fortunate to be recognized as a leading employer in diversity and inclusion, as follows:

- The Black Collegian Top 100 Employers for the Class of 2010.
- Minority Engineer's List of Top 50 Employers, recognized as providing a positive working environment for members of minority groups. CH2M HILL debuted on the list at No. 5 (2012).

 Best Jobs USA Select 50 Diversity Employers of Choice: Recognizing our commitment to hire candidates from a diverse range of backgrounds and dedication to providing opportunities to all regardless of race, sex, creed, or sexual orientation (2010 and 2011).





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## **Employee Turnover**

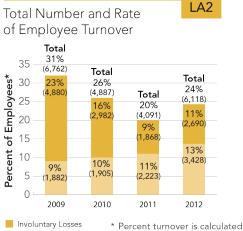
CH2M HILL keeps a close watch over our turnover rates. These rates peaked in 2009, due in large part to the economic pressures facing our clients across the globe. This is consistent with what other companies in our industry are experiencing.

As depicted in the chart, the mix between voluntary and involuntary turnover has been changing since 2007. Many factors play a part in this fluctuation. Acquisitions, the changing demographics of the workforce, and changes to our target markets are a few of these factors.

We expect to see a small portion of the employee population of an acquired company voluntarily leave after the ownership change. Despite the best integration efforts, most companies experience this loss. CH2M HILL respects and understands these personal decisions.

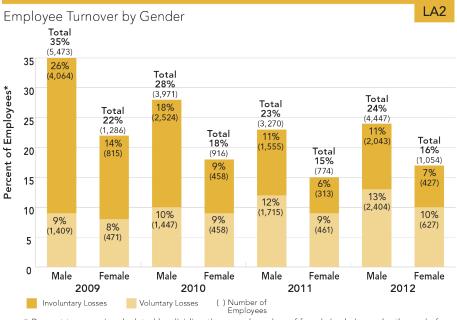
For a certain number of employees, career development might mean leaving one company for another. Rarely do employees spend their entire careers with one employer anymore. This desire to broaden experience and obtain a new perspective drives a part of this voluntary turnover.

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

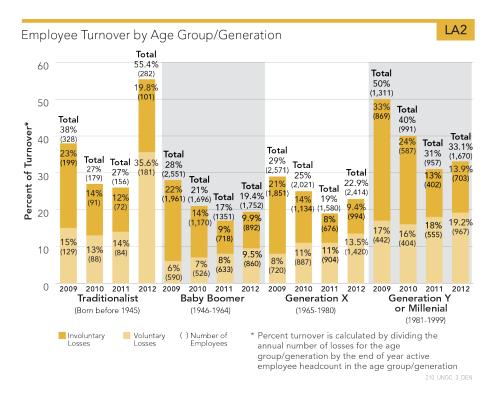


Voluntary Losses
 Number of Employees

by dividing the annual number of losses by the end of year active employee headcount 209 UNGC 2 DEN



\* Percent turnover is calculated by dividing the annual number of female/male losses by the end of year active female/male employee headcount. Turnover of employees with undefined gender data is excluded from rates. 211\_UNGC 3 DEN



#### AlumniConnect

CH2M HILL has implemented an Alumni and Retiree Relations Program to keep in contact with its retirees, Emeritus employees, and alumni employees. Alumni are defined as nonretired former CH2M HILL employees. The program's new Web site and online community, AlumniConnect, has attracted attention worldwide, with 32,467 visits to the site, including visitors from 108 countries

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

#### **Emeritus Program**

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

CH2M HILL has a community of more than 550 employees eligible to participate in the Emeritus Program, and nearly half of those are actively engaged through either active employment or enrollment in our Web site and online community, AlumniConnect. Our Emeritus Program has engaged members at all levels, including receptionists, reprographics specialists, facilities staff, major project and program managers, chief financial officers, and business group presidents.

## **Training and Development**

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

Learning and development at CH2M HILL is a daily experience of individual choice, supported by a learning community comprising a vast network of colleagues and the enterprise. Employees have access to hundreds of technical and professional e-learning courses, virtual classrooms, and traditional instructor-led opportunities, and we continue to build upon this important educational platform. The real and challenging conditions, stretching skills by providing people assignments outside their comfort zone, guided by their colleagues across the organization who mentor and coach, is the richest and most rewarding learning experience. It happens over the course of the employee's career. All combined, this is the cultivating environment that is CH2M HILL University.

Formally, the University is governed by executive leadership, and its mission is to provide structured learning opportunities and foster a companywide culture of career growth for all employees; informally, it is driven by each individual as well as engaged employees serving as on-the-job "faculty." Its formal structure is built on a sturdy foundation dating back to our roots of providing opportunities for employees who are personally seeking career development in their current discipline or by crossing over into new territory. Commonly, employees at all levels of the organization move up, down, and laterally to gain experience and round-out their capabilities.

A building block of career development is knowing the business of our business. Understanding the company's goals and objectives and the financial engine that makes all things possible is directly relevant to every employee, regardless of role or rank. This greater awareness helps employees as

they guide their personal development through our online Performance Enhancement Process (PEP) tool, which is used to track annual goal setting and performance. Equally important, employees are strongly encouraged to complete an Individual Development Plan (IDP) annually to help identify learning and development needs and opportunities specific to their short- and long-term goals and aligned to the company's strategy. Both PEP and IDP are created by the individual employee, with support from his or her supervisor, and the engagement of selected peers, who serve as performance observers, coaches, sponsors, and mentors.

#### Training

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

- Technology and Innovation
- Ethics and Compliance
- Business Development
- Health, Safety, and Environment
- Leadership and Management
- Project Management
- Program Management
- Business and Risk Management
- Procurement

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

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

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

#### New in 2012

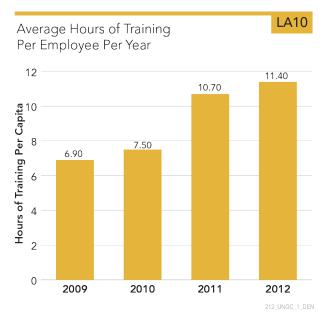
At the beginning of the year, CH2M HILL University launched a series of short, inspirational, informative videos. The series further underscores the importance of taking personal responsibility for one's own career development, to "learn every day," and to take advantage of all that is offered through the University and the network of 30,000 employees around the world. The series also introduces a new set of Career Development Frameworks, which illustrate specific roadmaps along which employees can guide their careers within five broad functional areas that define the work of the enterprise. The videos are housed on the regularly enhanced University's Web site, which

includes a link to a new Career Portal that has the frameworks and the complete set of leadership competencies and associated resources aligned to the five levels of leadership defined within the firm.

Also new in 2012 was the release of a set of videos created by our executive leadership team for our School of Business and Risk Management. The videos are consistently featured on the firm's intranet, and the aim is to inspire employees and attract them to the University site for more learning.

In 2012, CH2M HILL employees received an average of 11.4 hours of training, representing more than 216,500 hours logged through our University curriculum and business unit-aligned courses. These total hours are nearly identical to the number of hours delivered in 2011, but they came with a monetary investment of US\$1 million more than the prior year. This level of investment was actively supported by CH2M HILL's executive team, despite overall pressure on the company's financial performance, demonstrating their unwavering commitment to promote learning and development as a strategic differentiator for the firm.

The year 2012 also saw CH2M HILL target an additional training and development investment to integrate the approximately 6,000 new colleagues from our acquisition of Halcrow. Halcrow staff logged more than 70,200 hours of training focused on a curriculum designed specifically to orient them to the strategy and culture of CH2M HILL; to acquaint them with the essential systems, business processes, and tools to deliver the work of the firm; and to support their ongoing technical discipline and leadership development.





- Training hours shown are firmwide.

#### **Sustainability Training**

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

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

#### **Career Development Reviews**

CH2M HILL has a goal for 100 percent participation in the annual PEP process, which culminates in a formal review discussion between the supervisor and each of his or her employees. In 2012, more than 93 percent of employees completed their PEP evaluations with their supervisors, representing all of our divisions or business groups, a 13 percent improvement over 2011. We continually strive to improve participation and the quality of the review conversation that our staff and managers conduct. Given the diversity of our organization, there are some categories of workers, such as craft workers, for whom it makes sense to use a more condensed version of the PEP tool. By tailoring the enterprise process to the specific needs of our workforce, we are able to engage all of our employees in this most important process, which is designed to benefit our employees' performance and our company's continued success.



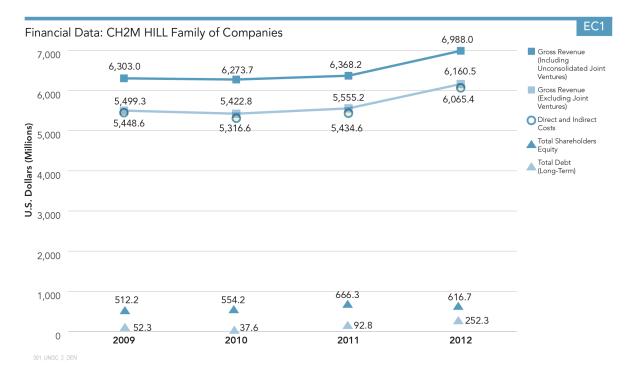
## **Economy Overview**

While people have been harvesting the resources of the natural environment since the dawn of humankind, we are just beginning to recognize that "ecosystem services" have a quantifiable value. The growing focus on sustainability is reshaping our understanding of economics, revealing how value flows between natural systems and infrastructure, describing new opportunities for business, and redefining how value is measured.

CH2M HILL's work encounters all of these changes. We are helping clients to factor the value of natural resources into business, industrial, and community planning to find exciting solutions that support the environment, the social fabric, and the bottom line. As we work in this dynamic space, we consciously distribute economic value through donations and community investments, as well as through subcontracting arrangements and partnerships that support emerging businesses.

## **Economic Performance**

In 2012, the gross revenue of all CH2M HILL companies was US\$6.2 billion, excluding joint ventures. Including prorated revenues from joint ventures, the total gross revenue was US\$7 billion, an increase of US\$0.6 billion over the total gross revenue in 2011. After debuting on the FORTUNE 500 list at 436 in 2009, CH2M HILL ranked 440 in 2012. Information on charitable giving is contained in Corporate Philanthropy.

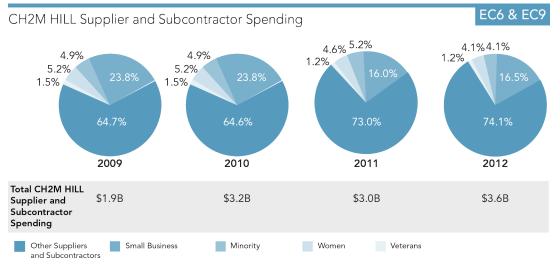


The CH2M HILL family of companies has a long-standing commitment to fostering relationships with small and diverse businesses. We promote participation by partnering with local small business firms and providing business opportunities, training, mentoring, and other resources to help them develop and grow. We make inquiries with local chambers of commerce and minority, women, veteran, LGBT, and small business professional organizations to increase the number of small and diverse businesses in our supplier database. 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 "grow up" and no longer qualify as small businesses according to the U.S. Small Business Administration definition.

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



"Supporting small businesses is an integral element of our business strategy. This commitment enables us to deliver projects for our clients through inclusive project delivery, and as a result, make a positive contribution to many areas of business and our communities" Lee McIntire, CEO



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

In 2012, the CH2M HILL Office of Supplier Diversity and Small Business Program recognized individual employee and project accomplishments:

- Two 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: Teresa Platin, Vice President, Transportation Business Group

- Advocate of the Year Award–Contract/Subcontract Administrator: Steve Heiman, Program Subcontracts Manager, Arctic Research Support and Logistics Services Program
- Three levels of project and/or program recognition (Diamond, Platinum, and Administrator's Awards) recognize project teams for meeting or exceeding their contractual small business subcontracting goal requirement:
  - Diamond Award—Meets or exceeds all small business subcontracting goals (presented to nine projects or programs for clients such as the U.S. Air Force, Navy, U.S. Environmental Protection Agency, Federal Highway Administration, U.S. Department of Defense, and National Aeronautics and Space Administration; and Pacific Gas and Electric Company)
  - Platinum Award—Meets or exceeds all but one small business subset subcontracting goal (presented to seven projects or programs for clients such as the U.S. Army, U.S. Navy, and National Aeronautics and Space Administration; Babcock & Wilcox Technical Services Group; and General Service Administration)
  - Administrator's Award—Various circumstances prevent meeting the small business criteria, but performance is still exemplary (presented to two projects for the U.S. Air Force Civil Engineer Center and CH2M HILL Academy Services, LLC)

CH2M HILL also participates in the U.S. Small Business Administration's awards program to recognize our great subcontractors. The U.S. Small Business Administration's Small Business Subcontractor of the Year awards program allows large business contractors, such as CH2M HILL, to nominate its best and brightest small business subcontractors for national recognition. Since 1996, CH2M HILL has nominated 35 small business subcontractors for this award. For 2012, we recognized the following:

- ECLS, Inc.
- High Desert Underground, Inc.
- Parratt Wolff, Inc.
- Pro-West Associates, Inc.
- Singley Environmental and Remediation Services

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

#### Georgia African American Chamber of Commerce recognizes CH2M HILL as "Corporate Partner of the Year"

The Georgia African-American Chamber of Commerce presented the Corporate Partner of the Year Award to our Atlanta office's Mentor-Protégé (M-P) Program, CH2M HILL's first such effort not linked directly with one specific client or project pursuit. Instead, CH2M HILL set out to mentor a number of small businesses while focusing on a regional, multiclient, and multibusiness group approach. The M-P Program and community involvement has



CH2M HILL employees and M-P Program participants at the graduation ceremony

included more than 50 elected officials, K-12 schools, colleges and universities, nonprofit organizations, and the faith-based community.

"The success of the Atlanta M-P Program is a testament to how CH2M HILL and protégé firms benefit from sharing each others' best practices and specialized capabilities," noted Georgia Area Manager Greg Wilson, who accepted the award on behalf of the firm. "The working relationships we've cemented through this effort will benefit CH2M HILL, our protégé partners, and our clients for years to come."

The M-P Program, implemented in partnership with the Atlanta Business League, developed trusting and mutually beneficial relationships to provide meaningful opportunities for the protégé firms to grow and prosper. In turn, CH2M HILL benefits by furthering relationships with firms whose highquality individuals and broad range of talents help our teams provide quality services to our clients.

The program was completed in seven classroom segments held over 4 months, with topics ranging from business planning, alternative financing, contracts, risk management, procurement, project management, quality, health and safety, and proposals. The program culminated in a formal graduation celebrating the program's success. Six local Atlanta firms are participating in the program: Engineering Design Technologies, Corporate Environmental Risk Management, B&E Jackson, River 2 Tap, BenchMark Management, LLC, and Bryson Constructors.

"CH2M HILL has long been a part of the fabric of the metro-Atlanta area," Executive Sponsor Elisa Speranza noted. "The M-P Program is one way for us to strengthen our bonds with the local business community and to help build capacity. We're proud and privileged to work with such a talented group of business people in metro Atlanta."

In the second phase of the program, CH2M HILL and the protégé firms are working in partnership with local organizations by taking part in various community activities such as environmental education, career days at local schools, and youth programs to promote academic skills in science and engineering.

"This award is a great tribute to public-private partnership with local governments and our communities at-large," concluded Greg Wilson. "As responsible corporate citizens, we always strive to become part of the community fabric and invest in the communities where we work and live. This award helps demonstrate ways that our company values are consistent with the needs of the broader community. It also helps validate our core belief that *sustainability* involves increased capacity for small businesses, enhanced STEM skills for future engineers, and vested public-private partnerships for economic development."

#### **Strengthening Local Communities**

CH2M HILL works to build local economies by strengthening small or minority-owned companies. The following is just one example demonstrating our commitment to local communities and small and disadvantaged businesses.

#### Partnership with the Cherokee Nation

Typically when CH2M HILL's portfolio references relationships with other nations, thoughts of far-off lands such as Djibouti, Korea, or Afghanistan are the first that come to mind. As it turns out, CH2M HILL is deeply involved with a nation much closer to home, the Cherokee Nation. The Cherokee Nation, whose capital is in Tahlequah, Oklahoma, is the federally recognized government of the



Cherokee people and has inherent sovereign status recognized by treaty and law. With more than 300,000 citizens, over 8,000 employees, and a variety of tribal enterprises ranging from aerospace and defense contracts to entertainment venues, Cherokee Nation's economic impact in Oklahoma and surrounding areas is more than US\$1.5 billion per year. The Cherokee Nation, one of the largest

employers in northeastern Oklahoma, is the largest tribal nation in the United States.

CH2M HILL and the Cherokee Nation have been working together for the past several years. Together, the team has performed projects from Dover, Delaware, to Kandahar, Afghanistan, and generated over US\$25 million in revenue. The relationship has allowed the Cherokee Nation to expand its construction services business group to include a self-performing mechanical division, which employs more than a dozen personnel in Dover, Delaware; contribute to the mission of the



Cherokee Nation Construction Services and CH2M HILL Constructors, Inc., as part of a community service project, provided and installed four new basketball goals at Welsh Elementary School on Dover Air Force Base, which educates the children of our servicemen and women stationed at the base. Shown here are subcontractors pouring one of the pole bases.

Cherokee Nation by providing educational opportunities and health services to its citizens; and support organizations, such as the Society of American Military Engineers, local schools, and tribal initiatives. The team is in the process of setting up a formal mentor-protégé program through the U.S. Small Business Administration. The U.S. Small Business Administration's mentor-protégé program is intended to enhance the capability of small businesses to compete more successfully for federal contracts. CH2M HILL's role as a mentor is to provide assistance with the following:

- Technical services and management
- Business development
- Health and safety and quality programs

Although the formal mentor-protégé relationship is still under review with U.S. Small Business Administration headquarters, CH2M HILL has long provided mentoring support in a variety of ways. This support, which helped strengthen the construction capabilities of Cherokee Nation Construction Services, has contributed to the decision by the Cherokee Nation government to keep the construction of a new hospital and several medical clinics in house. This decision builds the community by providing local jobs during design and construction, medical field jobs, and long-term medical services to the Cherokee Nation citizens. It also broadens the portfolio of Cherokee Nation Construction Services, providing opportunities for larger, more complex projects.

"Cherokee Nation Construction Services' relationship with CH2M HILL has had an extremely positive impact on the growth of our business units," said Rick Rogers, General Manager, Cherokee Nation Construction Services. "As we continue to grow, it is exciting that we have a partner with CH2M HILL's experience and expertise to help us with our rapid growth. Even though we do not yet have a formal mentor-protégé program, CH2M HILL has been great to mentor our company. The Cherokee Nation looks forward to a long and prosperous business relationship with CH2M HILL."

As CH2M HILL and the Cherokee Nation move together toward the future, we share similar goals: to deliver safe, high-quality projects that contribute to our clients' missions and provide long-term, sustainable opportunities not only for our employees, but also citizens of many nations, including the Cherokee Nation.



Our company's effects on the environment, people, and economy result from two distinctly separate spheres of activity: the conduct of our internal operations (facilities, procurement, and other functions) and the delivery of client projects. In both arenas, and as a signatory to the UN Global Compact, our executive leadership is fully committed to ensuring that our business policies incorporate and support sustainability goals for the environment, people, and economy.

As a leader in the industry and one of the first engineering and construction companies to publish a sustainability report in 2005, CH2M HILL continues a tradition of excellence and transparency in reporting on internal operations related to sustainability. We report to GRI 3.0, Level C.

This summary index contains a list of GRI indicators and additional, industry-specific indicators that we measure (labeled "CH2M HILL"), followed by the section of this report (shown in italics) in which the reader can find more information. While some of our metrics extend back to 2003, others are new this year. Our Web site lists performance for the past 4 years, where available, and is updated annually. Following are CH2M HILL Sustainability Reports available for download on our Web site at www.CH2M HILL.com/sr:

- CH2M HILL Sustainability Report 2013, text version
  - CH2M HILL Sustainability Report 2013 Overview (US)
  - CH2M HILL Sustainability Report 2013 Overview (A4)
- CH2M HILL Sustainability Report 2012, text version
- CH2M HILL Sustainability Report 2011, text version
- CH2M HILL Sustainability Report 2009
- A World of Ingenuity: 2007 Sustainability Report
- Engineering a Sustainable Future: 2005 Sustainability Report

#### Environment

GRI No.	Indicator
EN2, EN1	Materials used by weight or volume and percentage of materials used that are recycled input materials Paper Consumption
EN4, EN5, EN7	Indirect energy consumption by primary source, energy saved through conservation and efficiency improvements, and initiatives to reduce indirect energy consumption <i>Carbon Emissions and Energy Use</i>
EN16, EN17, EN18	Total direct and indirect greenhouse gas emissions, other relevant indirect greenhouse gas emissions, and initiatives to reduce emissions <i>Carbon Emissions and Energy Use</i> and <i>Business Travel</i>
EN10, EN21, EN25	Percentage and total volume of water recycled and reused, total water discharge by quality and destination, and water bodies and habitats affected by water discharge and runoff <i>Water Reuse, Discharge, and Quality</i>

#### Environment

GRI No.	Indicator
EN23, EN28	Compliance with environmental laws and regulations and total number and volume of significant spills Environmental Compliance
EN29	Significant environmental impacts of transporting products and other goods and transporting members of the workforce <i>Business Travel</i>
CH2M HILL	Environmental management of our internal operations and projects Environmental Management
CH2M HILL	Recycling a wide variety of materials, including electronic waste <i>Recycling</i>
CH2M HILL	Expanding relationships with sustainable suppliers through purchasing agreements <b>Procurement</b>

#### Society

GRI No.	Indicator
HR2, HR3, HR6, HR7	Human rights screening on suppliers and contractors, operations identified as having significant risk for incidents of child labor violations, operations identified as having significant risk for incidents of forced or compulsory labor, and human rights training for employees Human Rights
HR4	Incidents of discrimination and actions taken Employee Reporting and Communications
LA1	Total workforce by employment type, employment contract, and region Workforce Distribution
LA2	Employee turnover rates by region and according to indicators of diversity Employee Turnover
LA6, LA7	Workforce representation in health and safety committees and injury rates Health and Safety
LA10, LA11, LA12	Employee training, programs for skills management and lifelong learning, and percentage of employees receiving regular performance and career development reviews Training and Development
LA13	Composition of governance bodies and employees according to indicators of diversity Workforce Diversity and Inclusion
SO2, SO3	Business units analyzed for risks related to corruption and training for employees in anti- corruption policies and procedures Anti-corruption Policies and Procedures
SO4	Actions taken in response to incidents of corruption Employee Reporting and Communications
SO5	Participation in public policy development and lobbying Government Participation and Lobbying
CH2M HILL	Participation in international organizations to improve conditions for people, as well as local community partnerships Community Partnerships and Outreach

#### Economy

GRI No.	Indicator
EC1	Economic value distributed, revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and
	governments
	Economic Performance
	Corporate Philanthropy
EC6, EC9	Policy, practices, and proportion of spending on locally-based suppliers and description of significant indirect economic impacts <i>Economic Performance</i>

### **UN Global Compact Principles**

No.	UN Global Compact Principles/CH2M HILL 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. Human Rights
6	The elimination of discrimination in respect of employment and occupation. Workforce Diversity and Inclusion Employee Reporting and Communications
7	Businesses should support a precautionary approach to environmental challenges. Improving Company Effects on Sustainability Client Services Footprint
8	Undertake initiatives to promote greater responsibility. Environmental Management
9	Encourage the development and diffusion of environmentally friendly technologies. Improving Company Effects on Sustainability Client Services Footprint
10	Businesses should work against all forms of corruption, including extortion and bribery. <i>Ethics</i>

#### **GRI Profile Disclosures**

No.	GRI Profile Disclosure
1.1	Statement from the most senior decision-maker of the organization.
	A Message from Senior Leadership
2.1	Name of the organization.
	About This Report and Scope
2.2	Primary brands, products, and/or services.
	About This Report and Scope
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.
	About This Report and Scope
2.4	Location of organization's headquarters.
	About This Report and Scope
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.
	Worldwide
	About This Report and Scope
2.6	Nature of ownership and legal form.
	Employee Ownership
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).
	Markets
	Services
2.8	Scale of the reporting organization.
	About This Report and Scope
	Workforce Distribution
2.9	Significant changes during the reporting period regarding size, structure, or ownership.
	About This Report and Scope
2.10	Awards received in the reporting period.
	Awards and Ratings
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.
	About This Report and Scope
3.2	Date of most recent previous report (if any).
	Sustainability Performance Indicators
3.3	Reporting cycle (annual, biennial, etc.)
	Sustainability Performance Indicators
3.4	Contact point for questions regarding the report or its contents. Contact Us
	Profiles

No.	GRI Profile Disclosure
3.5	Process for defining report content.
	About This Report and Scope
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).
	About This Report and Scope
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).
	About This Report and Scope
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.
	About This Report and Scope
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).
	About This Report and Scope
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.
	About This Report and Scope
3.12	Table identifying the location of the Standard Disclosures in the report.
	Sustainability Performance Indicators
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.
	Improving Company Effects on Sustainability
	Governance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.
	Governance
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or nonexecutive members.
	Governance
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.
	Governance
4.14	List of stakeholder groups engaged by the organization.
	About This Report and Scope
4.15	Basis for identification and selection of stakeholders with whom to engage.
	About This Report and Scope

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