



Full Application for

2015 Gold Medal for International Corporate Achievement in Sustainable Development

Submitted to

World Environment Center

Submitted by

CH2M HILL

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1. Executive Summary

As an industry-leading environmental engineering firm, CH2M HILL offers an extensive breadth of services to support the full lifecycle of projects for clients in government, industrial, water, environmental, nuclear, transportation, and energy sectors. Our clients are collectively building the foundation for human progress, and each interaction affords us the opportunity to align with our values and offer sustainable solutions to our clients' most pressing challenges. For these reasons, CH2M HILL is committed to excellent corporate citizenship, promoting practices toward positively affecting the environment, society, and the economy. Sustainability is a cornerstone of this business approach as we seek to help our clients meet their present needs while creating a healthy and vibrant future for coming generations. In short, we solve the world's complex problems in water, transportation, energy, environment, and development by promoting economic growth and social inclusion through service to our clients and each other. As an employee-controlled company, CH2M HILL's leadership in sustainability comes from our people (past and present), who are both our investors and our greatest assets, individuals committed to a legacy of making the world a better place.

This commitment has led to international recognition of our firm's leadership across a spectrum of sustainable practices, from social responsibility and ethics to key environmental issues. Verdantix, an independent analyst firm focused on sustainable business issues, has named CH2M HILL **a U.S. leader in sustainability consulting** (2013). Additionally, in 2013, CH2M HILL was ranked first for innovation and social responsibility in the engineering and construction industry, on **FORTUNE's** list of **World's Most Admired Companies**. And the **Ethisphere Institute** has recognized CH2M HILL as one of the **World's 100 Most Ethical Companies** for 6 consecutive years.

Our work business practices are underscored by our belief in the integrity of conducting our work (internally and with our clients) in alignment with our values. Toward these ends, we promote transparency and excellence in our sustainable business practices, developing comprehensive annual sustainability reports for the Global Reporting Initiative (GRI) for the past 7 years. For our most recent report, submitted this year, we served as a GRI pioneer for sustainability reporting, as one of only 84 companies in 38 countries who reported under the new rigorous G4 reporting standards. **With our efforts, we are leading the way to increased accessibility, transparency, and relevance in sustainability reporting, sharing our lessons learned and mapping the way forward for clients who face these same important challenges.**

Indeed, CH2M HILL's ability to help clients find ways to achieve their sustainability goals, addressing current issues and planning for the long-term vitality of people, infrastructure, and ecological systems, helps us also change the way that engineers, scientists, and policymakers address business as usual. **CH2M HILL actively advances existing knowledge, stimulates ideas, and supports a framework for sustainable resource management.** We lead by example, following internal practices that align with the sustainable solutions we promote for our clients.

Pioneering the GRI G4 reporting guidelines is but one way we are paving the way for positive changes in global business practices. We also serve in industry-leading positions that develop new technologies, raise awareness of issues, and guide policy development. We promote sustainable office practices, including a preeminent focus on safety, diversity, and ethical conduct, and recently committed to reduce our carbon footprint by 25 percent by 2017. We also contribute financially and through volunteer time to organizations that are helping to protect critical resources for future generations.

In these pages, you will find details about our commitment to and recent accomplishments in sustainability. You will find that we emphasize a systems-thinking approach to sustainability, strengthening the connection between the work we do and the way we do it, and recognizing sustainability as a critical factor in our overall business approach. The sections are ordered as follows.

High Points in Application

Section 2: Overarching sustainability policy, client commitment, CH2M HILL Foundation

Section 3: Targets for sustainability, environmental management systems, CH2M HILL Materiality Chart

Section 4: Global nonprofit work, commitment to UN Global Compact Principles, Global and Local Water Tools, WaterMatch, Valuing Natural Capital Initiative, Natural Capital Business Hub

Section 5: Leading by example, environmental stewardship, flood control and water quality, Greenroads rating system, Envision™ rating system, engaging our supply chain, net zero energy facilities

Section 2: Sustainability Policy and Commitment. Our sustainability policy is the foundation of our firm’s commitment. It comprehensively addresses our services and operations, from clients and stakeholders to our supply chain. Our company is organized into markets that address our clients’ needs in the water, transportation, environmental, and energy sectors. We exist to solve our clients’ most demanding and challenging problems...not only through our commitment to people and the planet, but also by considering our clients’ long-term best interests. Our policy also includes a commitment to our stakeholders, which include the communities where we do work. Through the CH2M HILL Foundation, we work with local schools to advance science, technology, and math (STEM) concepts and donate and volunteer with nonprofit organizations like Engineers Without Borders and Water for People. We also financially support and share our technical expertise and knowledge with important peer organizations, like the Green Business Executive Network.

The breadth of services that we provide, across many markets and communities, and throughout the project lifecycle, helps us offer sustainable solutions for people, infrastructure, and the planet.

Section 3: Implementation and Application. By taking a systems-thinking approach to sustainability, we address factors such as worker safety and human rights in every corner of the world, diversity and inclusion, infrastructure in developing countries, and environmental compliance and green infrastructure design and construction. Our highest priorities are ethics, health and safety, environmental compliance, and investing in our people. This section includes a materiality chart that shows which economic, social, and environmental issues are priorities for our stakeholders and our business, and how they overlap. The chart reflects critical intersections of sustainability factors. For example, not only is climate change risk and resilience a key driver for our infrastructure business, but climate change also imperils global health and economies. Such intersections reflect our business priorities as well as where we donate our time, expertise, and money.

Our highest priorities are ethics, health and safety, environmental compliance, and investing in our people.

Section 4: International Sustainability Leadership. With projects in more than 100 countries or sovereign states, we are committed to global collaboration as central to our business approach. Working with the World Business Council for Sustainable Development, we developed the free [Global Water Tool](#), which has become the internationally accepted tool for companies to account for water use within their operations and supply chains. CH2M HILL also developed [WaterMatch](#), a free Web site that uses social networking and geospatial mapping to connect water generators with water users. With more than 21,000 water resources mapped in 42 countries, WaterMatch continues to grow. Additionally, we are promoting work practices that address “natural capital,” which refers to the value that ecosystems provide in the form of goods, such as clean water, metals and minerals, and services (such as flood protection). CH2M HILL provides natural capital and green infrastructure solutions to our clients through the Corporate Eco Forum’s [Valuing Natural Capital Initiative](#), which demonstrates the business value of nature, galvanizes action, and drives investment in natural infrastructure around the world. We also helped initiate the [Natural Capital Business Hub](#) in concert with over 40 global companies, The Nature Conservancy, and the Corporate Eco Forum.

CH2M HILL’s Global Water Tool is a free, internationally used tool to help companies account for their water use.

Section 5: Signature Contribution. As a leader in the engineering and program management sector, CH2M HILL is helping to transform our industry into one that is accountable for its own impacts. At the same time, we drive sustainability into industry-wide partnerships that help lift our clients’ aspirations and sustain our planet. We lead by example as we ourselves improve our own practices, helping our clients become better environmental stewards by implementing environmental management systems, transforming our relationships to water, and building better infrastructure. We also promote safety, diversity, and human rights. Our commitment to sustainability is visible throughout our value chain, from employees and clients to community stakeholders and our supply chain. Throughout our work and business operations, we are committed to a culture of innovation and responsibility that benefits people, the economy, and the planet.

We are committed to an innovative and responsible culture that benefits people, the economy, and our planet.





2. Sustainability Policy and Commitment

CH2M HILL's Sustainability Policy, adopted in 2000, governs environmental, social, and economic approaches that capture our mission of sustainable development and corporate citizenship. The policy is signed by our CEO, Jacque Hinman, and fully endorsed by our Board of Directors. Elisa Speranza, our Chief Communications Officer and Executive Sponsor for Sustainability, actively provides our policy to the firm's many stakeholders. The policy specifically addresses the services we provide to clients, our own operations, and engagement with stakeholders in the communities where we do work. It covers our supply chain while recognizing the regulatory and social context within which we operate. Because of the policy, CH2M HILL's leaders set goals for improvement in sustainability and have published the results annually since 2005 on our external Web site, accessible to all employees, clients, and stakeholders.

At our core, we recognize engineering services as the foundation for human progress: adequate water supply, sanitation, transportation, and infrastructure are required to foster economic and social conditions that allow people to be lifted out of poverty and participate in the global community. Additionally, we partner with a number of organizations around the globe to expand our positive impacts on sustainability.

Partnering with Our Clients

Many of our clients envision a more sustainable world, responding to the same global trends that drive CH2M HILL's business. To meet basic human needs like energy, potable water, sanitation systems, and transportation, cities around the world need to invest more than US\$50 trillion in infrastructure between now and 2030. This does not include funding required by climate change, population growth, and changes in the water cycle.

At the same time as we face these dynamics, the public expects responsible corporate behavior that meets human needs without damaging the environment. Our clients are looking for solutions that support society and nature and are smart for business. Combining these challenges has led us to develop an industry-leading green and sustainable infrastructure offering, as well as strategic sustainability services. We help clients create a comprehensive sustainability strategy and implementation framework that enables them to manage environmental and socioeconomic risks, improve operational performance and competitive positioning, and successfully engage employees, customers, and investors.

The way facilities and infrastructure are designed and constructed is just as relevant as the needed funding. Did the design team have the benefit of diverse perspectives, multidisciplinary problem-solving, and a variety of cultural experiences? Did everyone go home safely? Were contracts structured to benefit local economies or drive a market for sustainable materials?

Beyond infrastructure, we and our clients face challenges with the use and allocation of natural and economic resources. Our private-sector clients are trying to deliver their products and services while preserving limited resources, protecting or improving the environment, and using sustainability as a platform for innovation and discovering new business opportunities. We partner with these clients to help them answer foundational questions. For example, where is the best place to invest limited funding? How can public and private entities, together, create an abundant world for future generations? How do sustainability initiatives align with the core value proposition of the business today and 10 years from now?

Sustainability and Corporate Citizenship Policy

In the service of our clients, we will:

- Provide the best counsel available on the application of sustainable practice to help our clients meet their objectives
- Commit ourselves to the pursuit of continuous learning and mastery of new technologies and methods to make sustainable solutions feasible and practical
- Partner with clients wherever possible to share the learning gained from new sustainable solutions and apply that learning to the difficult challenges our clients face
- Develop solutions for clients that balance environmental and social benefits while managing costs and risks in accordance with the U.N. Global Compact's precautionary principle

2. Sustainability Policy and Commitment

While pondering these questions during the past year, we have affirmed that the work we do for our clients is inseparable from the way we do it. In the environmental arena, our clients recognize the imperative to act now by moving beyond just being environmentally compliant into a paradigm of implementing projects that mitigate future risks. Here are a few examples of how we've helped clients navigate this process:

- After Superstorm Sandy struck the northeastern United States in 2012, we helped The Nature Conservancy develop natural and traditional infrastructure alternatives for coastal engineering as part of the [Howard Beach Coastal Protection Study](#). Our cost-benefit analyses concluded that hybrid strategies (such as sea walls and sea gates) can offer significant protection from major storm events. Green infrastructure and natural capital provide cost-effective solutions with lower upfront investment and operations and maintenance burdens, create public benefits, and facilitate compliance with regulatory frameworks.
- Because natural capital is so critical to the future of infrastructure, we worked with the Corporate Eco Forum and The Nature Conservancy to help initiate the [Natural Capital Business Hub](#) in concert with more than 40 global companies, including CH2M HILL clients like Dow and Shell. This initiative helps companies evaluate business cases for action and partner with peers on natural capital projects.
- We successfully manage industry and cross-industry collaborations that address complex global sustainability challenges. For example, we are working with 18 fashion and sports brands on the [Zero Discharge of Hazardous Chemicals Programme](#). These forward-thinking companies include some of the largest fashion and sportswear brands in the world, which have each committed to eliminating the use of 11 classes of hazardous chemicals from textile production by 2020.

Walking the Talk in Our Own Operations

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

Given global trends, risks, and opportunities, as well as factors specific to our sector, the top sustainability topics most relevant to our organizational strategy are ethics, health and safety, environmental compliance, economic performance, climate change and carbon emissions, and investing in our communities and supporting development of our people. These sustainability issues are important to CH2M HILL and our stakeholders. For example, not only is climate resilience a key driver for our infrastructure business, but it also affects global health and economies. Similarly, worker welfare poses more than a business or reputational risk: it is a critical human rights issue. Although each of these issues is managed under separate leadership, these functions communicate and collaborate through our overall governance and corporate citizenship management approach. Each of these topics is reflected in the language of our Sustainability and Corporate Citizenship policy.

Promoting Environmental Stewardship with Our Stakeholders

CH2M HILL considers several groups to be stakeholders: clients, employees, business and joint venture partners, suppliers and subcontractors, professional and nonprofit organizations, and the communities where we do work all have a stake in our future. We know that working with these various stakeholders on sustainability goals at each link in the value chain helps to improve performance for everyone.

Sustainability and Corporate Citizenship Policy

In the operation of our firm, we will:

- Seek economically feasible opportunities to apply sustainable development concepts to reduce the use of toxic materials and energy, conserve natural resources and water, and minimize waste and emissions
- Encourage the adoption of sustainable practices by our suppliers and seek partnerships with those suppliers that share our objectives
- Create workplaces for our employees that are safe, healthy, and functional and that embody diversity, fairness, and the highest level of ethical business conduct
- Develop, adopt, and continuously improve metrics to measure and monitor our progress in achieving our goals, including application of a formal Environmental Management System (EMS) in multiple regions and as appropriate



Working closely with our clients and partners, we believe we are in a position to make a positive difference in every community in which we live and work. CH2M HILL has concrete policies in place to respect and protect the human rights of those who work on our projects. These rights include zero tolerance for human trafficking and child labor. The company monitors engagement of suppliers and contractors for human rights abuses. As we continue to grow internationally, we recognize the importance of our employees understanding the complexities of labor conditions around the globe. We are enhancing our internal education campaign to include infographics, news stories, informational sessions, and other measures to raise awareness on human rights issues and CH2M HILL's ability to effect change.

Beyond the fundamentals of protecting human rights, we partner with organizations through the [CH2M HILL Foundation](#) to develop sustainable communities and inspire the next generation of socially and environmentally responsible leaders. For example, at the elementary school level, we partner with the Summer Engineering Experience for Kids ([SEEK](#)) program in Denver, which involves more than 300 kids in designing, building, testing, and troubleshooting various project toys. At the middle school level, we support the [Future City Competition](#), a project-based learning experience that allows students to imagine, design, and build cities of the future. As students approach the crossroads of major career decisions in high school, [the DREAM program](#) at Rice University encourages students from socioeconomically disadvantaged high schools in Houston, Texas, to pursue degrees and careers in engineering fields.

Our partnerships to promote environmental stewardship include support of two organizations that provide access to clean water and develop sustainable communities in Africa, Asia, and Latin America: [Water For People](#) and [Engineers Without Borders USA](#). Together, both groups improve the lives of millions of people annually by providing access to clean water; building bridges that link communities to education, healthcare facilities, and markets; and providing energy to power schools and health clinics.

CH2M HILL engages with a multitude of other stakeholders, such as professional societies, nongovernmental organizations, and communities and governments where we work. In these activities, we provide financial support and technical expertise, as well as learn from others about how we might improve our organization and approach. One of these is the Green Business Executive Network, a peer-to-peer organization for sustainability directors in multiple industries who learn from one another and innovate new approaches for taking sustainability to the next level.

Sustainability and Corporate Citizenship Policy

In collaboration with our stakeholders, we will:

- Seek opportunities to advance the principles of sustainability as we work with communities, governments, and nongovernmental and professional organizations
- Volunteer time, donate funds, and contribute in-kind gifts to support worthy causes in the communities where we live and work
- Supply leadership and executive guidance to help strengthen and sustain charitable organizations
- Encourage the next generation of sustainability problem-solvers in the areas of science, technology, engineering, and math





3. Implementation and Application

While we are proud of our company’s commitment and track record, there is always more progress to make. The more we work around the world, the more we see a growing need to improve ecological sustainability, provide sustainable communities, and promote cultural diversity. By taking this journey with visionary partner clients and organizations, we hope to influence a global dialogue through massive collaboration. In 2014 and beyond, we are implementing several actions and targets:

- Reduce [water](#) and [energy use](#) at our Denver headquarters by the end of 2014, based on remodeling and retrofits done in 2013.
- Expand use of The Guideline, our confidential hotline for [ethics and other issues](#), and continue communication with employees about our business conduct.
- Strive toward Target Zero incidents and accidents by re-energizing our [workplace safety](#) campaign and providing more avenues for employees to become personally engaged with safety, health, and wellness.
- Incorporate the value of nature into solutions for clients by sharing at least five high-impact green infrastructure projects through the Natural Capital Business Hub, media, publications, and events to build awareness and promote [green infrastructure solutions](#).
- Continue to improve sustainability metrics at the [facilities we operate on behalf of clients](#). At the 104 wastewater facilities we manage in North America, we helped clients beneficially reuse 8.06 billion gallons of effluent, representing 14 percent of the total wastewater treated. We also helped clients reduce chemical use by 465,000 gallons and divert 22,000 tons of waste from landfills.
- Partner with The Nature Conservancy by forging an unprecedented, long-term alliance between two global leaders— one for-profit, one nonprofit. Our collaboration aims to catalyze a shift in how infrastructure solutions are designed and implemented in North America and globally by improving the feasibility of combining conventional engineered solutions with natural habitat restoration and environmental conservation.
- Continue to foster long-term [economic growth](#) through deep focus on our clients’ current needs and future challenges.

Commitment to Sustainable Practices

In 2013, [CH2M HILL was named a leader in the U.S. sustainability consulting market](#) by independent analyst firm Verdantix in its Green Quadrant® Sustainability Consulting (U.S.) 2013 report. The report assessed 16 sustainability consultancies against 49 criteria and reflected the views of 15 buyers of sustainability consulting services. In prior years, Verdantix named CH2M HILL a U.S. leader in 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. As an employee-controlled professional services company, CH2M HILL is not eligible for ranking on most popular sustainability indexes, so we rely on evaluations specific to our sector. For the past 3 years, we have ranked in the top ten of Engineering News-Record’s Top 100 Green Buildings Design Firms, and for the past 7 years, we have ranked as the number-one environmental engineering firm.

CH2M HILL conducts regular benchmark assessments comparing our performance against our competitors. Our conclusions have been consistent with Verdantix’s findings in its September 2013 report, *How Can Services Firms Improve Internal Sustainability?* Of the 16 firms evaluated in the Green Quadrant report for U.S. sustainability consulting services, only 4 provide full sustainability reports, and only a couple of those have a robust program for internal sustainability goals and tracking.

Verdantix Green Quadrant® Sustainability Consulting (US), 2013



Verdantix is an independent analyst research firm focused on sustainability issues. Visit them at www.verdantix.com
Verdantix Green Quadrant® Sustainability Consulting (US), 2013

Mirroring Our Clients' Actions and Priorities

Rather than focusing on just what our sector is doing, we choose to mirror our clients' actions and priorities. One of the most profound moments in our carbon inventory was not when we discovered that business travel was dwarfed by facility energy use, although that was surprising given the focus by others in our sector on business travel initiatives. The most profound moment was when an engineer on our in-house team said she felt greater empathy for her clients' struggles to conduct inventories within their organizations. She now knows first-hand what it is like to walk in her clients' shoes after facing the same challenges in our company. While our impacts are quite different from many of our clients, the implementation and application of our management systems for safety, ethics, and environmental preservation are the same.

Creating and Maintaining a Safe, Ethical Work Environment

We pledge to maintain and enhance a safe, ethical work environment where we focus on fostering employee excellence as our greatest asset. On the [safety](#) front, we ended the year with no occupational fatalities. Our employee recordable incident and lost-time incident rates increased slightly; however, they are still lower than the U.S. industry averages. We plan to build on recent improvements to our wellness programs, creating robust leading indicators for employee health. In 2013 we added two new employee [diversity](#) networks (to total eight), fostering increased employee engagement.

Reducing Our Carbon Footprint

We made a critical step toward preserving the environment by committing to reducing our [carbon footprint](#) by 25 percent by 2017, a reduction of 5 percent annually. Our [environmental management systems](#) expanded to new countries, and regions select targets that exceed local regulations and represent opportunities to improve. Across the board, we work to reduce materials purchased, use fewer disposable goods, and make our office layouts more efficient. We achieved most targets, but missed a few. For example, in North America, we exceeded our goal and [reduced paper use](#) by 5 percent—saving 454 trees, energy to power 8 homes, and carbon emissions equal to 11 fewer cars per year—but we did not meet our recycled paper purchasing goal. Unmet targets reflect our dedication to choosing challenging goals and learning as we go.

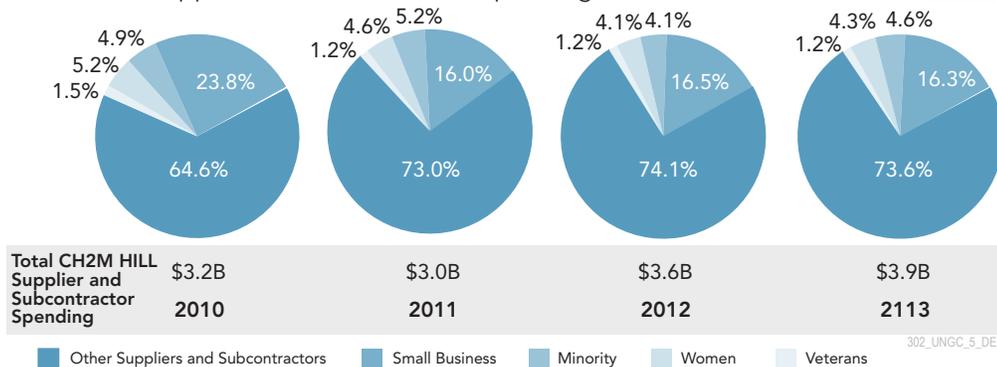
Steady Carbon Reduction Commitment



Promoting a Green Supply Chain

On the shared path to a sustainable future, we learn from our partners. We have systems in place to evaluate suppliers' sustainability performance for the products and services we purchase [for ourselves](#) and [our clients](#). Three years ago, we added a sustainability questionnaire to our bidder list for materials and services purchased on behalf of clients. Our Office of Supplier Diversity and Small Business Program has an internal awards program that recognizes employees who go the extra mile in providing small business opportunities for subcontracting, [nurturing relationships](#), and enhancing small and diverse businesses' skills to compete for larger scopes of work.

CH2M HILL Supplier and Subcontractor Spending

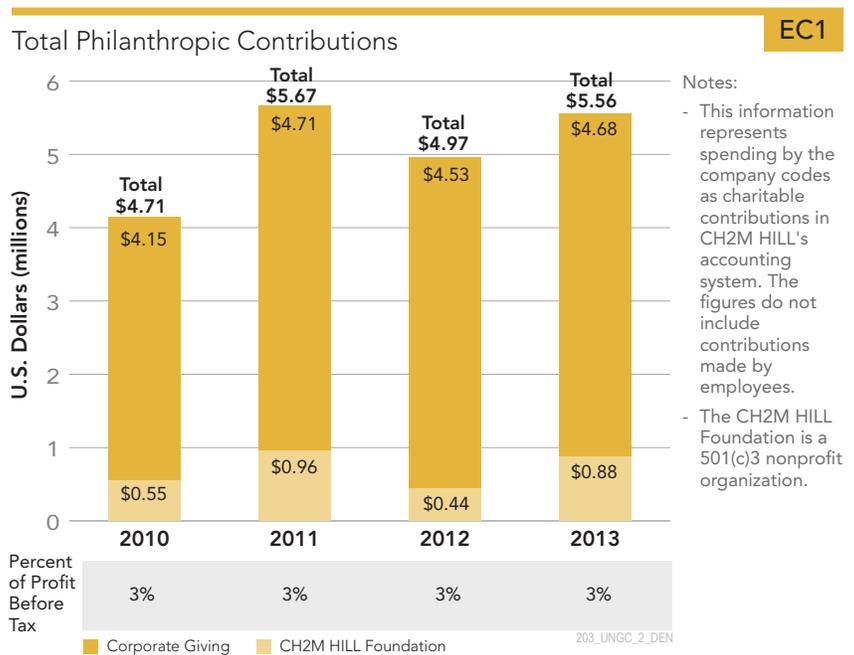


Note: Total CH2M HILL Supplier and Subcontractor Spending is inclusive of client project spend, indirect procurement spend, and miscellaneous non-project categories. Client project spend totaled US\$2.5 billion in 2011.

Investing in Community and Employee Engagement

While working closely with visionary clients, subcontractors, suppliers, and joint venture businesses, we are also engaging our communities to promote environmental education, ensure worker welfare and human rights, and develop sustainable communities. In 2013, we re-launched the [CH2M HILL Foundation](#) with a fresh mission and doubled giving from 2012. Thanks to the Foundation's [Employee Travel Grant program](#), our employees have visited 25 countries and rolled up their sleeves to help communities improve water, energy, transportation, and sanitation systems globally.

Employee engagement, transparency, and communication are central to any efforts to improve sustainability. When we moved the Sustainability Report to a fully online platform in 2011, the report received a Silver Award from the League of American Communication Professionals. Likewise, our internal employee engagement campaigns received APEX Excellence Awards in 2009 and 2014 and a Bronze Beacon Award from the International Association of Business Communicators in 2014. We offer employees many opportunities to get engaged with sustainability through communities of practice that focus on technical elements of sustainability (for example, climate change resilience or sustainable remediation). We also use our internal social networking site to share news, innovations in the field, and ways to include sustainable principles in our work.



CH2M HILL Materiality Chart



Designing Our Practices Around the Newest Sustainability Reporting Guidelines

This year, we joined with leading companies in the Global Reporting Initiative (GRI) G4 Pioneer Program, adopting the newest reporting guidelines in the industry. Our materiality chart indicates the areas tracked in our program and included in reporting, and for which we establish goals for improvement.



4. International Sustainability Leadership

As a global company, CH2M HILL completes projects around the world that represent best-in-class sustainability performance. We are actively working in [more than 100 countries or sovereign states](#) around the world and one-third of CH2M HILL's revenues come from operations outside of the United States. For example, CH2M HILL was a delivery partner on the 2012 London Olympics, widely recognized as the most sustainable games to date. While any company in our sector could point to milestone projects like this to exemplify their commitment to sustainability, our commitment goes beyond client service and is an integral part of our work in the world. By disseminating important information for global collaboration and participating in professional and civic organizations, CH2M HILL actively seeks to advance existing knowledge, stimulate ideas, and support a framework for sustainable resource management. We serve in industry leadership positions that encourage developing and using innovations in water technologies, raise awareness of water challenges, guide policy development, encourage green infrastructure, enhance the synergies between natural and engineered systems to solve problems, and positively effect change.

Protecting and Enhancing Resources for Future Generations

CH2M HILL's professionals continuously look to protect and enhance resources for future generations. We do this professionally, by offering financial support and expertise to worthy organizations, and personally as our employees donate their own time and money. Toward these goals, we invest professional expertise, volunteer time, and financial resources in organizations and events, such as Water For People, United Nations (UN) World Water Day, [World Water Monitoring Challenge™](#), and WaterAid. Using frameworks such as the UN Global Compact's CEO Water Mandate, our client projects, and the participation of our employees in civil society organizations, CH2M HILL contributes to collective efforts aimed at positively mitigating global water challenges through policy.



As previously mentioned, our long-standing [CH2M HILL Foundation](#) partners with organizations to develop sustainable communities and inspire the next generation of socially and environmentally responsible leaders. We focus our support in three strategic areas: science, technology, engineering, and math (STEM) education; environmental stewardship; and employee engagement. Our commitment to environmental stewardship is demonstrated through our support of [Water For People](#) and [Engineers Without Borders USA](#).

Promoting Access to Clean Water

As a signatory to the UN Global Compact, CH2M HILL ensures that our business policies incorporate and support the [UN Global Compact Principles](#). As part of our firm's commitment to the UN Global Compact, our CEO Jacque Hinman endorses the CEO Water Mandate to help address the global water crisis. Since 1993, the UN has designated March 22 as "World Water Day." The "Water and Energy" theme invites people to consider both the importance of fresh water to daily life and the critical relevance of the sustainable management of energy. Water and energy are two of the world's most precious resources, and they are closely intertwined and interdependent. In honor of World Water Day, CH2M HILL shared an [infographic](#) to illustrate the water-energy nexus, which is critical for our client and volunteer efforts in sustainability, showing how we are contributing to solutions by addressing the amounts of energy required to deliver clean water, as well as reducing the amounts of water required to generate energy.

In conjunction with the World Business Council for Sustainable Development, CH2M HILL led development of the [Global Water Tool](#) (GWT), which assists companies in mapping their water use and assessing risks relative to their global operations and supply chains. Since launching in 2007, the GWT has become the internationally accepted tool for companies to account for water use in their operations, calculate water metrics, and identify areas of high water risk through external mapping. More than 300 companies worldwide have used this tool to report their water use. With our partners, we released the [Local Water Tool](#) in 2012 to provide guidance on local, site-specific water risks, impacts, and opportunities. CH2M HILL provided supporting nomenclature, data continuity, and software codes to ensure compatibility between the Global and Local Water Tools and the user's ability to transfer data between the tools. We are now updating the original GWT with the latest datasets and maps to provide even more effective services.

[These free tools continue to be enhanced with new, customized versions](#), including those for the oil and gas industry and power utilities. In 2013, we launched a new version of the tool, allowing cement companies to assess the risk of operating in water-stressed regions and helping them manage water use more efficiently and sustainably by producing maps and charts that identify water scarcity and biodiversity hotspots. The Global and Local Water Tools facilitate collaboration across sectors and among stakeholders in a particular watershed. Such collaborations are vital to helping businesses adapt to the changing climate and use resources in the most effective and sustainable ways. CH2M HILL's [WaterMatch](#), a grassroots, goodwill initiative that promotes the beneficial reuse of municipal effluent for industrial and agricultural use at local levels, is continuing to expand through [collaborations with companies and universities around the world](#). WaterMatch is a free Web site that uses social networking and geospatial mapping to connect water generators with water users. It helps multi-sector organizations and individuals make connections and take action on water. The WaterMatch Map has more than 21,000 water resources, mapped in 42 countries, and continues to grow.

Protecting the Earth's Natural Capital

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

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

In 2013, we expanded our focus beyond water to energy management, emissions and waste minimization, and ecosystem enhancement by helping to initiate the [Natural Capital Business Hub](#) in concert with over 40 global companies, The Nature Conservancy, and the Corporate Eco Forum. A collaborative online platform, the hub helps companies evaluate the business case for action and learn from and partner with peers on natural capital projects. For 2014, we commit to incorporating the value of nature into solutions for clients across our entire company. Each year, we will communicate at least five high-impact green infrastructure projects through the Natural Capital Business Hub, media, publications, and events to build awareness and promote green infrastructure solutions.

The free Global Water Tool, developed by CH2M HILL in conjunction with the World Business Council for Sustainable Development, has been used by **more than 300 companies worldwide** to account for water use within their operations, calculate water metrics, and identify areas of high water risk.



5. Signature Contribution



CH2M HILL's vision for sustainability is to help solve the world's complex problems in water, energy, environment, transportation, and development by promoting environmental stewardship, economic growth, and social inclusion through service to our clients and each other. From the earliest days of our sustainability program, with a serious introspective view, we first addressed our own operations as we worked and built our capability to assist clients with their challenges.

We believe our signature contribution is to be a leader in the engineering and program management sector by providing transformational services that help make our industry accountable for its own impacts. At the same time, we drive sustainability into industry-wide partnerships that help lift our clients' aspirations and sustain our planet. This is how we incorporate this approach throughout the triple bottom line:

- **Environment: adopting environmental management strategies in the office and on projects.** Environmental management of office operations is often cited as “too difficult in leased spaces” or “inconsequential compared to our clients' impacts.” But we've found that supporting and enhancing a culture of environmental stewardship creates an environment where people think about sustainability first in the office and also on their projects, fostering innovative solutions.
- **Society: leading the way on ethics, safety, and diversity and inclusion.** Our performance in these areas is proven by the awards we've received. CH2M HILL was the first firm in our industry to receive the Catalyst Award, honoring innovative organizational approaches that advance women in the workplace. The Ethisphere® Institute has named CH2M HILL one of the World's Most Ethical Companies for six consecutive years. Our safety performance is standout, and we have received safety awards from governments and clients around the world.
- **Economy: building a business model on solving demanding and challenging problems within the context of sustainability.** Embedded throughout our business strategy are opportunities to solve our clients' problems across their value chain and throughout a project's life cycle. We help clients by participating in industry-shifting partnerships that change the way engineers and scientists approach business as usual, and we bring our supply chain along for the ride.

In 1978, founder and former CH2M HILL President James Howland wrote some employee guidelines to capture the firm's values. Those quotations became the basis for our “**Little Yellow Book**.” The values demonstrated in the **Little Yellow Book** are as valid today as they were back then. CH2M HILL remains based on a strong foundation of doing the right thing, by our clients AND our employees, and such values thankfully never go out of style. Many of those values are what we call sustainability today: helping others, preserving the environment, and holding high ethical standards. These values apply both internally and externally.

Environmental Stewardship from the Inside Out

In 2005, with the publication of our first Sustainability Report, we launched our Environmental Management System (EMS), which sets and meets targets for monitoring and reducing the firm's global footprint. Traditionally used in manufacturing sectors, an EMS applied to an office setting in the service sector was a completely new approach. Not only did the EMS create a bottoms-up program to capture and match the grassroots enthusiasm of our employees, but it also served as a model to help our clients expand their EMS programs beyond the shop floor and into the head office.

“Log on to CH2M HILL's Web site and you'll quickly learn just how important sustainability is to the firm....What stands out to me is that in all instances, the firm notes its internal practices before those it performs for its clients. Most civil and environmental engineering firms—regardless of size—focus more on what they do for clients and less about what they do internally when it comes to sustainable practices. **This is a philosophy firms should rethink...**The adage “lead by example” rings true once again.”

—Shanon Fauerbach, PE, *CE News*,
November 2010



5. Signature Contribution

Building on our employees' dedication, a culture of environmental stewardship was deliberately nurtured as an expression of the firm's core business purpose. This culture is lived out through initiatives like using durable kitchen goods, reducing paper use, and promoting teleworking and flexible schedules to reduce employee commuting.

Transforming Our Relationship with Natural Resources

As mentioned in "International Sustainability Leadership," CH2M HILL is an active member of the Corporate Eco Forum's *Valuing Natural Capital* initiative. We committed to promoting natural capital in our operations and client work by improving water stewardship through green infrastructure solutions across the project lifecycle.

On the forefront of green infrastructure planning, design, and implementation for over 30 years, CH2M HILL is playing a leading role in adapting innovative approaches to wet-weather water quality and flood control challenges around the world. Back in 1991, we pioneered the concept of regional low-impact development (LID) approaches in *Guiding Growth: Building Better Communities and Protecting our Countryside*, dispelling the myths of porous pavement durability with our initial installations that date back to 1983.

More recently, we have been leading development of innovative approaches to gaining regulatory acceptance of green infrastructure for communities affected by combined sewer overflow (use of a single pipe for stormwater run-off and sewerage). We also are using LID techniques to deploy sustainable stormwater management practices that maximize the hydrologic functionality of a site's landscaping, such as impervious area minimization, absorbent landscaping, infiltration facilities, rainwater capture and reuse, and green roofs.

Building Better Infrastructure

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

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

Another transformation in sustainable infrastructure is occurring now with the Institute for Sustainable Infrastructure (ISI) Envision™ rating system. Envision is a collaboration between the Zofnass Program for Sustainable Infrastructure at the Harvard University Graduate School of Design and ISI, which is a joint project of the American Society of Civil Engineers, the American Council of Engineering Companies, and the American Public Works Association. The rating system is the first to accurately provide a holistic, cost-effective framework for evaluating and rating the environmental, community, and economic benefits of large infrastructure projects and recognizes projects that incorporate sustainability throughout the project lifecycle. Envision provides the missing link to economically, environmentally, and socially assessing natural capital. As a charter member and co-developer for Envision, we have found that the rating system allows planners and engineers to more completely account for the tangible and intangible outcome of promoting green and sustainable infrastructure.

“The emergence of sustainability within CH2M HILL is practically a textbook example of innovation diffusion. From the insights and passion of a handful of sustainability innovators dispersed across the firm, spreading to more and more early adopters, attaining sufficient institutional buy-in and credibility to be formally recognized as an actual practice group, becoming part of the firm's official policy, and moving toward becoming part of the way the practice is conducted, sustainability as a social construct is growing stronger within the culture and worldview of CH2M HILL.”

—Brian Nattrass and Mary Altomare,
Dancing with the Tiger: Learning Sustainability Step by Natural Step, 2002



Inclusivity and Community Engagement

Women, Hispanics, and African-Americans make up the bulk of the future workforce, yet are often underrepresented in STEM fields. Several employee network groups foster employee engagement and help employees share information, ideas, experiences, and resources. Network groups include women, young professionals, ethnic groups, and staff with various life experiences. Each group has a senior executive sponsor to guide these efforts and provide mentoring to staff who may not otherwise have access to senior leadership. Through these network groups, we provide a corporate environment that is fully inclusive and respecting of individuals.

Working for Communities Every Drop of the Way

As 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, this work has enabled us to implement unique, site-driven sustainability programs across these facilities and sites. Our onsite teams work closely with the client and community and participate in day-to-day decision-making. These award-winning sustainability programs leverage the passion and ingenuity of our project employees to develop site-specific sustainability goals such as efficiency improvements, community projects, and wildlife habitat improvements.

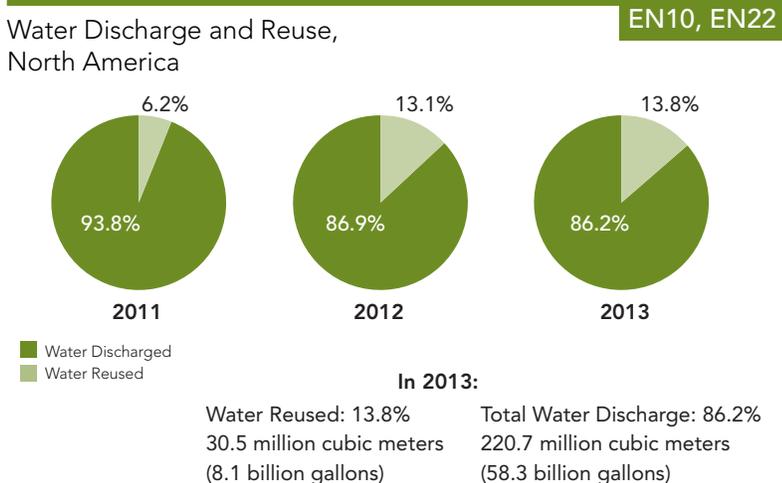
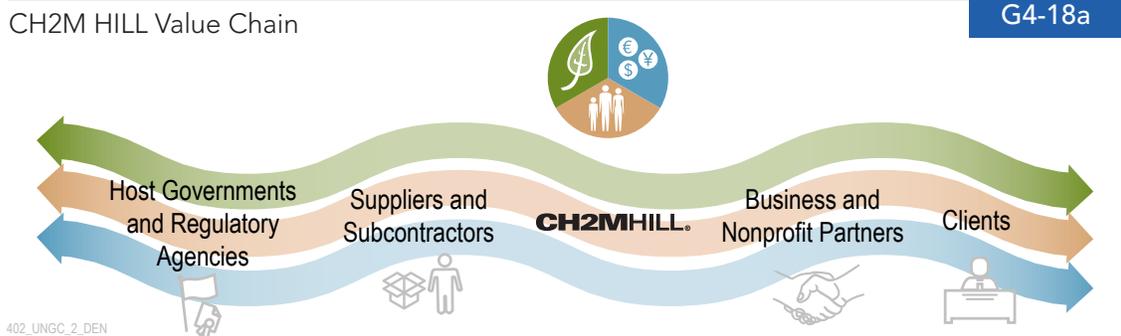
While the total portfolio impact of our water quality and reuse programs is substantial, the impact our efforts make at each site and the surrounding community, for each client we partner with, tells a greater story. For example, in Ave Maria, Florida, we've used sustainable operations and maintenance techniques to reduce the site's operational footprint in addition to lowering the economic burden on our client, the Ave Maria Utility Company, which in turn trickles down to the community it serves.

Beyond efficiency, water quality, reduced chemical use, and dollars saved, the site-driven sustainability programs have transformed the industry by broadening the definition of a sustainability program.

Through our Operations Management sustainability programs, we have reached 1,985 students through water education programs, completed 36 ecosystem enhancement projects, and contributed more than 6,850 volunteer hours.

Transforming the Industry through Our Business Model

There is an old mantra in engineering: "Build it strong, build it stout, using things you know about." But times have changed, and the complex requirements of the 21st century call for a more comprehensive and innovative approach to problem solving. In a resource-limited world, with growing concerns about climate change and waste, traditional solutions are often too limited in scope. Our engineers and scientists must create new solutions that incorporate partners throughout our value chain, as demonstrated below.



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

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For us, this means encouraging our people to go beyond the traditional ways of thinking and reframing the underlying questions. With water, we need to think not just in terms of reducing the amounts we use but also find ways to reuse water and to design better ways to protect the natural water systems. With transportation and infrastructure, we need to think not only in terms of safety and cost but also about environmental health and what works best for the life of the community, now and into the future. We have opportunities to shape the future by working with clients to achieve the best possible solutions. We try to bring the same kinds of integrated solutions and future thinking wherever we work, whether it's in designing a shoe factory in Vietnam, cleaning up a polluted lake in New York, planning the infrastructure for new city in Oregon, or managing facility development programs for global sporting events. The ability to coordinate the work of an array of experts and subcontractors has become increasingly important. Our responsibility is to make sure the technical resources we bring to projects, as well as the subcontractors who work with us, are all focused on pushing the envelope to achieve the best outcome each step of the way—from the initial planning and construction to sustaining the project or program over time.

This way of thinking begins at home. Our sustainability program is an ongoing conversation with management, staff, and stakeholders. Creativity, openness to change, and awareness of new developments in tools or technology that can improve existing processes or reduce current impacts continue to be essential to our success.

Engaging Our Supply Chain

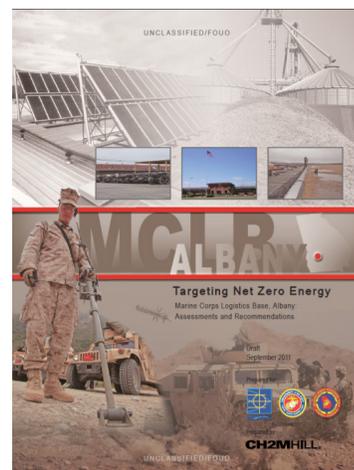
We have systems in place to evaluate suppliers' sustainability performance for the products and services we purchase [for ourselves](#) and [our clients](#). We began tracking the environmental impacts of the products we purchase for ourselves in 2003, published in our first sustainability report in 2005. Our procurement organization separates management of direct (client) project firmwide agreements from indirect (overhead) procurement firmwide agreements.

We historically focused on indirect procurement because we have substantial control over these agreements rather than acting through client contracts. 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. Since 2010, all CH2M HILL indirect Tier 1 and 2 suppliers have been screened for environmental criteria and are required to respond to questions about their sustainability programs and demonstrate continuous improvement.

Our standard bid solicitation includes a product sustainability profile questionnaire that addresses recycled content, the presence of hazardous and polluting materials, natural resource conservation, embodied carbon, and product performance. Each question has a range of answers that allow us to rate the performance. This permits us to establish a graded rating with which we prequalify suppliers and subcontractors and select potential bidders who have a more robust sustainability program.

Transforming the Facility + Energy Equation

Facilities require energy, right? Not always. CH2M HILL earned a sustainability award from the Society of American Military Engineers for the NetZero Energy plan at the Marine Corps Logistics Base (MCLB) Albany. In support of MCLB's quest to be the most energy-efficient installation in the U.S. Marine Corps, the Base implemented a rigorous net-zero energy program by evaluating renewable energy alternatives, capturing the current energy reduction plan, and developing a master plan to conserve energy and comply with federal energy-related mandates. We assisted the MCLB Albany program by conducting net zero energy planning, preparing energy and renewable energy project documentation, and performing energy audits and retro-commissioning services. The resulting Net Zero Energy Report, the first such document completed for the Marine Corps, establishes a roadmap by identifying the necessary milestones, renewable energy production opportunities, and projected energy savings up to the year 2020. This project has created a model for distributed energy that means a higher level of security and independence from local energy sources for military installations.



The Net Zero Energy Report provided a roadmap for MCLB Albany for becoming the most energy-efficient installation.