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"We are proud of the progress we've made as a team this past year, and we will continue to work together—for the benefit of each other, our customers, and our communities around the world."

#### **Chairman's Letter**

The Parsons team rallies around six core values that reflect our purpose and serve as a guide for how we interact with our customers, partners, communities, and each other. As we look back on 2016, we are proud of how these values—safety, quality, integrity, diversity, innovation, and sustainability—have shaped our ongoing commitment to corporate social responsibility and have challenged us to reach even higher to ensure we are a responsible corporate citizen, employer of choice, good partner and neighbor, and a positive contributor to the world's economy.

For more than 70 years, Parsons has applied our *people, processes*, and *technologies* to accelerate solving some of the world's toughest challenges in order to have a positive impact on the environment, marketplace, workplace, and society. We understand that the basic needs of society remain constant. However, in a world of decreasing resources and increasing innovations, if we want to be able to meet society's needs we need to help our customers develop intelligent infrastructure solutions, including technologies that improve water delivery and expand the capacity of our rail and transit systems, roads and highways, etc. We also need to help our cities become Safe, Smart, and Resilient Cities built on three basic tenets:

- Connectivity Develop the tools and capabilities to connect agencies, citizens, and private partners with one another so that everyone can benefit from expanded information. Being connected is also about understanding how to leverage mobile communications to allow information to flow freely, encourage two-way discourse, and empower engineers, field crews, and citizens who interact every day with the infrastructure we build and maintain. Our One Parsons approach allows employees across our business units to take advantage of the mobile applications and innovative solutions that our telecommunications, asset management, and software engineers provide to empower our team and our customers as they implement and maintain complex infrastructure.
- Responsiveness In an age of radical and sometimes disruptive innovation, it is critical to remain sufficiently flexible in order to respond to change, rather than being locked into a fixed technical solution. Parsons' engineers, systems integrators, and cybersecurity experts are continually developing new strategies and enhancing existing systems for integrating autonomous vehicles, commercial drone applications, and data analytic capabilities into our civil and structural engineering solutions. By recognizing the need for innovation, we are making ourselves and our industry more responsive to the opportunities that lie ahead.

#### Innovation

Parsons is a member of Hyperloop One's Technical Advisory Board, as well as its newly launched Partner Program—the transportation industry's first program of its kind.



• Security – Although our industry makes excellent use of the vast Internet of Things that is available to improve our ability to monitor and maintain infrastructure, we also remain cognizant of how these technologies present a potential risk for our customers—and their customers—to threats from around the globe. As we become more receptive as a society to new technologies such as autonomous vehicles, electronic payment systems, and automated control systems, we simultaneously create vulnerabilities to new threats, which is why it is important for us to consider the risks of every infrastructure project from its earliest inception to its completed life cycle. Risk management is integral to all work we are engaged in at Parsons, and we are now taking our approach to the next level by integrating our advanced cybersecurity capabilities into our Smart City solutions.

As you will see in this report, developing intelligent infrastructure solutions is just one way that Parsons is working to build a sustainable world. We are also making the world a better place through our charitable contributions, in-kind donations, and employee volunteerism. As we look to the future, you will continue to see Parsons working with our customers to make sustainability a vital part of the solutions we deliver for our customers. We are also committed to ensuring that we are making our overall company operations even more sustainable, reducing our environmental/energy footprint, and managing our carbon intensity while remaining aligned with cultural and societal norms in the geographies where we operate.

Yes, Parsons will continue to champion a culture of inclusivity and diversity while making meaningful investments in our local communities to help them grow and thrive. We are proud of the progress we've made as a team this past year, and we will continue to work together—for the benefit of each other, our customers, and our communities around the world.

#### **Charles L. Harrington**

Chairman and Chief Executive Officer

#### By the Numbers: 2016 Facilities Energy Use

For this report, we included the electricity and natural gas metrics from our Pasadena, CA, corporate headquarters—our largest site in the United States.

5,130

Electricity Usage (kWh in 000s)

4,856

Normalized Electricity Usage\* (kWh in 000s)

42

Natural Gas Usage (therms in 000s)

57

Normalized Natural Gas Usage\* (therms in 000s)

Parsons: People. Planet. Progress.

<sup>\*</sup>NOAA National Climatic Data Center California Division 6 Annual

# **PARSONS**

# **Core Values**

Our six core values help us act as good stewards for our shareholders, employees, customers, suppliers, teaming partners, and the communities and environment in which we perform services. These values reflect our leading indicators that establish the foundation for future success (e.g., training our employees) and our lagging indicators that demonstrate where we have achieved this success (e.g., sustainability awards from customers). Our core values are well established and well known throughout Parsons because they define our character and the culture we practice.



#### Safety

As an industry-leading provider of high-value technical and management solutions, we are firmly committed to maintaining a safe and healthy environment in all of our offices and on each of our projects.



#### Quality

We are committed to providing high-quality services and products. We meet the mutually agreed-to requirements the first time and strive for continuous improvement of our work processes.



#### Integrity

We uphold our reputation for integrity in the marketplace and provide an ethical work environment for all of our employees. We do the right thing each time we face a tough decision.



### **Diversity**

We pursue diversity in our workforce, our markets, and our services because we recognize that optimum solutions require different backgrounds, new perspectives, and open minds. We leverage diversity through inclusion of employees, empowering them to shape the future of the corporation through collaboration and innovation.



#### **Innovation**

Through inventive processes and unique solutions, we provide unmatched value to our customers. We foster creative work environments where we always challenge ourselves to improve our processes and procedures.



## Sustainability

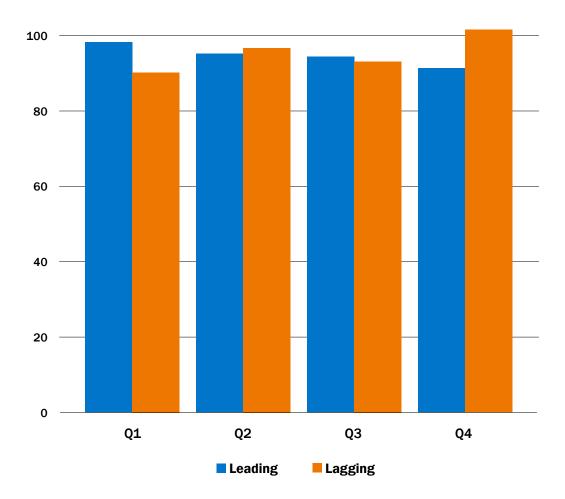
In all that we do, we are conscious of the impact that our work has on the environment. We help our customers do the same by providing clean, efficient, healthy, and effective solutions on all of our projects.



## **2016 Sustainability Core Value Metrics**

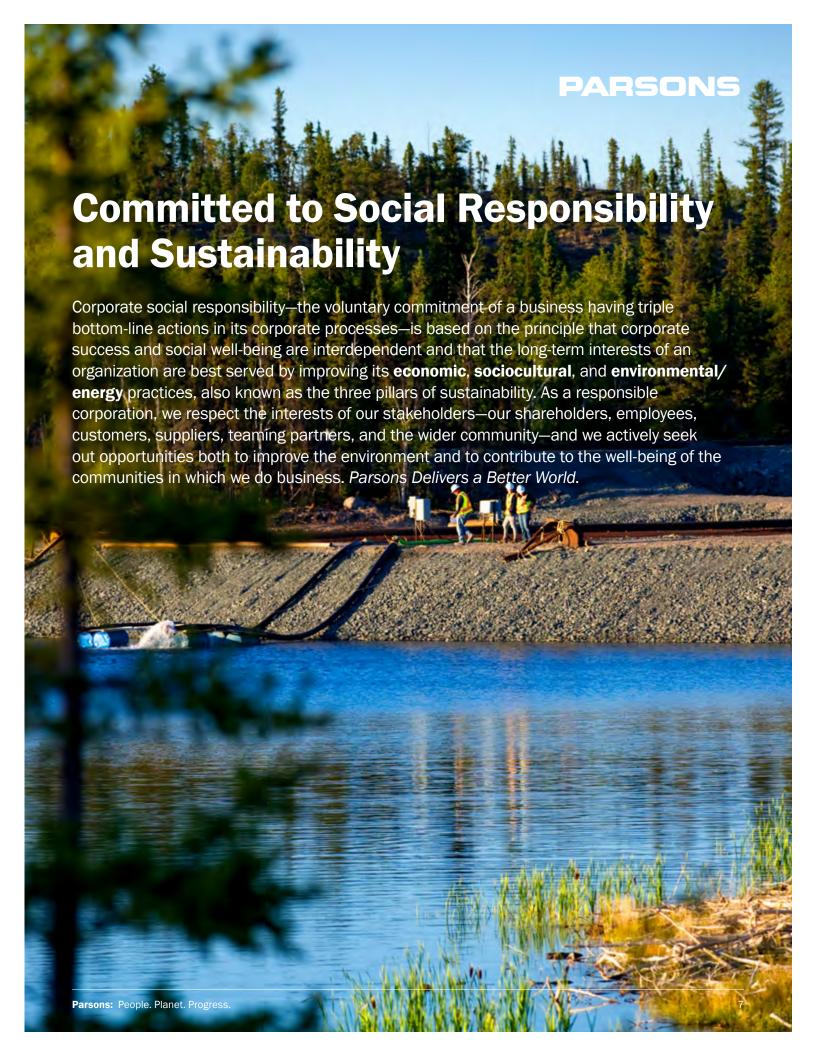
As one of Parsons' core values, sustainability is vital to our past, present, and future success. Therefore, we measure compliance with our Sustainability Handbook on a quarterly basis, and our goal is 100% conformance with the handbook.

120



#### **Result**

- Parsons has 250+ professionals with sustainability certifications/accreditations
- Parsons received 15 sustainability awards during 2016
- Nearly 90% of Parsons' projects have sustainability goals





Salt Waste Processing Facility, Aiken, SC

70+

#### **About Parsons**

For more than 70 years, Parsons has been delivering a better world through its people, processes, and technologies.

#### **About Parsons**

For more than 70 years, Parsons has been delivering a better world through its *people*, *processes*, and *technologies*. As a leader in diverse markets, we are focused on infrastructure, defense, security, and construction. And, as an engineering, construction, technical, and management services firm with 2016 revenues of \$3 billion, we are 100% owned by our Employee Stock Ownership Trust. We deliver design/design-build, program/construction management, and other professional services packaged in innovative, alternative delivery methods to federal, regional, and local government agencies, as well as to private industrial customers worldwide.

# **About This Report**

People, Planet, Progress documents the vital role of sustainability in our projects, an area where we make the greatest difference by providing innovative solutions to our customers. In addition, this report demonstrates our efforts to make our overall company operations even more sustainable, reduce our environmental/energy footprints, and manage our carbon intensity. This report also highlights our influence in social responsibility, safety, diversity, and in the communities where we do business. In addition to documenting our efforts, these metrics are submitted to the Global Reporting Initiative (GRI), a nonprofit, network-based organization that has developed the world's most widely used sustainability-reporting framework. As such, our 2017 corporate social responsibility report includes data from the previous 3 years (2014, 2015, 2016), unless otherwise indicated. The initial report referenced data beginning in 2010.

"Engender a culture of partnership with our customers and suppliers to achieve a shared vision."

#### **Corporate Responsibility Vision**

Parsons' strong vision of corporate responsibility increases the opportunity for long-term growth and provides for the creation and foundation of corporate self-regulation integrated into a desired business model. As a major component of our corporate social responsibility vision, sustainability is the practice of developing and implementing methods and behaviors that balance the consumption of resources with the impact of that consumption on the environment—in an economically viable manner and in a way that enhances the quality of life. At Parsons, striving for this balance is an integral part of everything we do. We build on our leadership position by providing innovative and sustainable solutions to our new and existing customers throughout our expanding business markets. To this end, our vision is clear:

- Provide our customers with cost-effective, safe, and socially responsible solutions on all our projects.
- Continually update our policies, procedures, practices, training, and offerings to reflect the most current information, technologies, and programs best suited for the business markets we serve.
- Engender a culture of partnership with our customers and suppliers to achieve a shared vision.
- Remain vigilant in managing and reducing the impact that our work has on the environment.
- Continue to seek ways to give back to the communities we serve, work in, and live in.

#### **Parsons Sustainability Policy Statement**

#### **Policy**

Sustainability is a Parsons core value. Parsons is committed to providing sustainable solutions for our customers and in our internal operations. Specific sustainability approaches and best practices will be considered and incorporated in all projects, offices, and facilities, whenever relevant, consistent with objectives and approved by the appropriate decision maker(s).

The Parsons Sustainability Handbook describes our corporate culture of sustainability, identifies best practices, and provides guidance for providing internal and client-sustainable solutions consistent with applicable objectives, needs, requirements, and approvals. The Parsons Sustainability Handbook will be used as Parsons' tool for developing and maintaining a sustainability culture and for driving continuous improvement in our sustainable approaches and practices.

#### **Scope**

This policy applies to Parsons Corporation and all Parsons' businesses and subsidiaries worldwide, including joint ventures and similar partnerships managed by Parsons.

#### **Definitions**

Parsons defines sustainability as the creation or enhancement of environmental, economic, and social balance as realized through client deliverables, business activities, employee actions, and community engagement.

#### Responsibilities

**Corporate Chief of Staff** is responsible for providing executive sponsorship, leadership, and direction through the Sustainability Working Group (SWG).

**SWG**, consisting of at least one member from each business unit and other appropriate organizations, is responsible for periodically reviewing this policy and for making recommendations to improve the effectiveness and impact.

**Business Units** and other appropriate organizations are responsible for supporting implementation of Parsons' sustainable approaches and for providing opportunities for sustainability orientation and training.

**Division, Regional, Sector,** and **Functional Managers** are responsible for ensuring that their direct reports are familiar with the *Parsons Sustainability Handbook,* practices, and checklists as they apply to general operations and project requirements.

**Business Development Managers** are responsible for being knowledgeable about Parsons' sustainability approach, practices, and accomplishments so they can promote our capabilities and experience to our customers.

**Project Managers** are responsible for ensuring that the client's sustainability goals are identified and met using relevant sustainability best practices. Project Managers, or their delegates, are responsible for collecting data and reporting progress on sustainability core value metrics on a quarterly basis.

**Engineers, Architects,** and **Technical Staff** are responsible for being knowledgeable about sustainable approaches, design features, materials, and waste minimization/reuse practices.

**Facility Managers** are responsible and accountable for consideration of sustainable approaches and best practices and for implementing all of those found to be relevant, cost-effective, and consistent with internal review/ approval and regulatory requirements.

**Employees** at all levels are expected to develop an understanding of the overall approach described in the *Parsons Sustainability Handbook*, as well as best practices consistent with their work assignment.

### **Four Areas of Corporate Social Responsibility**

Corporate social responsibility is rooted in the concept that multiple factors affect a company's actions. As such, we list our four areas of corporate social responsibility below:

#### **Environment**

- Promote environmental stewardship and resource conservation.
- Bring sustainability practices to customer projects.
- Apply sustainability to internal operations.
- Mitigate adverse impacts on the environment.
- Conserve nonrenewable resources.
- Integrate alternative energy sources into our projects.
- Reduce carbon footprint.
- Use recycled/reused materials.



## Marketplace

- Develop plans to achieve a positive return on investment.
- · Invest responsibly.
- Use sustainable supply chains—from extraction to disposal.
- Deliver high-quality products and services.
- Act with integrity in our dealings with customers and suppliers.
- Generate innovative solutions that enable customers and partners to make better decisions for improving environmental, economic, and social conditions.
- Promote opportunities for local, small, and disadvantaged business participation.



#### Workplace

- Develop and implement safety strategies and policies.
- · Demonstrate commitment to integrity and diversity.
- Implement sustainable talent management policies and procedures.
- Advance employee development using ParsonsU, our online learning management system, which offers thousands of courses.



## **Society**

- Focus corporate giving programs on areas of stakeholder value.
- Give back to local communities through volunteerism.
- Support innovative projects and solutions in communities where we work and live.
- Demonstrate integrity and sustainability in the marketplaces we serve.
- Promote access to clean water and clean energy.
- · Strengthen access to transit.



## Quality

Parsons is the first transportation engineering firm to achieve companywide certification under ISO 9001 quality standards.



### **Approach to Corporate Social Responsibility**

Parsons has developed a multidimensional approach to achieve our vision:

- We continue to expand our sustainability services:
  - Leverage our advantages by having accredited professionals (who are knowledgeable in LEED®, the Pearl Estidama Rating System, and the Envision™ Sustainable Infrastructure Rating System) design and certify sustainable projects in new construction, as well as having certified energy managers/ auditors provide sustainability assessments for existing facilities.
  - Support innovations in technology.
  - Require sustainable project designs.
  - Apply sustainable practices in construction.
  - Implement retrofits that improve the sustainability of existing facilities.
- We rely on proven sustainable practices in our daily operations and activities to manage our environmental, energy, and carbon intensity—in combination with established metrics—in order to track, report, and manage our performance.
- We continue to expand our roles in the communities we serve through our Parsons Gives Back Program, providing support through donations, community service, disaster relief, and volunteerism.

### Integrity

Parsons participates in diverse conferences, programs, and organizations committed to advancing ethical behavior in the business world.



### **Sustainability Working Group**

In 2008, Parsons created the SWG as the focal point for corporatewide collaboration in furthering our sustainability capacity and market development. The SWG also encourages employee outreach and leadership to advance this core value. SWG members come from our sustainability directors, as well as representatives from each of our major market sectors.

The SWG advises on the following key areas of development:

- Basic sustainability concepts
- Practical ideas to incorporate sustainable best practices in office operations, project/program management, and business development
- Cutting-edge tools to drive sustainable project solutions
- Effective approaches to measure compliance with our requirements
- Use of the Institute for Sustainable Infrastructure (ISI) Envision certification program
- Accredited professionals with LEED, Pearl Estidama, and Envision credentials
- Certified sustainability practitioners
- · Certified energy managers
- · Certified energy auditors
- · Certified energy procurement professionals

In 2014, the SWG developed a program for climate adaptation and resiliency planning that addresses the myriad needs that must be tackled in redeveloping infrastructure to meet the demands of our changing climatic events—as well as to protect existing critical infrastructure. The SWG is continuing to evolve this program in 2017.



Los Angeles International Airport is currently undergoing a \$14 billion modernization program

# **Climate Adaptation and Resiliency Planning Initiative**

Three years ago, Parsons introduced its climate adaptation and resiliency planning initiative, known as "The Next Step in Sustainability Innovation," which focused on mitigating the impacts of climate change on our critical infrastructure. The year 2016 marked the warmest year on record, and climatic events such as extreme temperatures are predicted to occur with greater frequency and stronger intensity—globally—increasing the threat to human life, health, property, and infrastructure. These impacts have been exacerbated by rising coastal tides. Therefore, we dedicate our corporation to helping our customers reduce, manage, and respond to events that jeopardize our worldwide resources while protecting the environment.

### Sustainability

Sustainability – In 2016, Parsons became an Institute for Sustainable Infrastructure Envision-Qualified Company.



Our sustainability and ecosystem services are key components to our innovation strategy, and we perform the following services when assisting our customers with their climate adaptation and resiliency planning/design needs:

- Evaluate and apply criteria to determine vulnerability, including the age/condition of infrastructure, proximity to other infrastructure, and the level of service.
- Establish criteria for resiliency, including mode of structure, repair/ replacement cost and timeframe, and other socioeconomic factors.
- Create a decision-making framework for planners and other key stakeholders to evaluate the risk to assets or future plans by looking at exposure/vulnerability while developing capital programs.

In addition, when looking at climate adaptation and resiliency, we consider the service life/longevity of the asset and the materials used (low in emission generation and high in embodied energy), and we factor in the maintenance requirements of the sustainable solutions (easy to use, consistent, and transferable over time). Our resilient solutions are also sustainable solutions.

Four examples of our climate adaptation and resiliency planning work appear in the "Sustainability in Our Projects" section of this report (page 19). These projects highlight work that Parsons is engaged in to recognize, anticipate, and defend against climate change. Because there is no "one size fits all" answer in a resilience strategy, we often explore three infrastructure solutions as a comprehensive approach to reduce climate risks:

- Grey: energy-intensive systems and processes that involve highly engineered structures or hardening to protect assets
- Green: low-impact development, sustainable drainage systems, and water-sensitive, integrated urban designs
- Blue: small footprint, high-efficiency systems and processes that manage and direct water when it enters the environments, resulting in minimal harm and complementing green infrastructure elements

Parsons looks for opportunities that contribute to natural systems and improve ecosystem services. By focusing on these elements, we provide broader benefits to the human and natural environments through our creative problem-solving approaches.

### Safety

Parsons' proactive employees participate in yearly training to improve their safety awareness.



#### **Training: Parsons Sustainability Handbook**

Our sustainability handbook provides our staff with important information such as detailed references to resources and tools that assist with sustainability decision-making across disciplines—as well as project-oriented checklists, descriptions of approaches, and the identification of roles and responsibilities for the sustainability implementation of Parsons' business operations, business development, and project work products. Key features of our handbook include a definition of sustainability and a primer on how to measure a successful delivery. This handbook provides the essential background about sustainability issues, enabling Parsons' employees to understand and implement sustainable solutions on their projects and in their personal lives, fulfilling the intent of Parsons' core value of sustainability.

Our handbook focuses on Parsons' sustainability issues, including:

- Business Operations details our internal sustainable business
  practices and provides information on sustainability in the
  workplace, procurement and supply chains, and our role as good
  citizens both corporately and individually. Checklists guide our
  managers and employees to sustainability opportunities in areas
  such as owned and leased facilities, commuting, business travel,
  shipping, office electronics, records, and training.
- Business Development integrates sustainability into our business
  development practices, and it encourages a robust engagement with
  our customers and our stakeholders. It also provides suggestions
  to our employees when making presentations to our customers,
  community organizations, trade associations, and students on how
  we communicate our sustainability efforts.
- Work Products offer guidance about appropriately developing, planning, designing, and managing projects and programs that incorporate sustainability.

The SWG updates its sustainability handbook and training courses every few years to include the latest innovations in our industry.

#### **2016 Sustainability Highlights**

- Middle East Economic Digest The International Renewable Energy Agency Headquarters—owned by Masdar Abu Dhabi Future Energy Company PJSC—won MEED's UAE Sustainable Project of the Year award. Parsons provided PM services for this project under a design-build contract. The facility is a sustainability model in the Gulf Cooperation Council countries and the first in the UAE to achieve a four-pearl Estidama construction rating.
- SURF 31 Conference Parsons, with the Sustainable Remediation Forum (SURF), hosted this conference
  at Parsons' Pasadena corporate headquarters. This 2-day meeting on "Climate Change and Resilience within
  Remediation" brought together representatives from industry, academia, and regulatory agencies, including those
  focused on incorporating sustainability into remediation best practices. This was Parsons' second time hosting
  the SURF conference.
- California's Eastern Municipal Water District Parsons' portfolio of solar projects for California's EMWD was completed on schedule and dedicated on May 11, 2016. We provided engineering services for the projects, including a feasibility study, preliminary design, coordination with Southern California Edison, construction management, and construction inspection. As part of EMWD's Sustainability and Green Energy Initiative, the projects offset traditional energy use and help EMWD stabilize ratepayer costs in an economic environment of rising energy costs. The successful completion of a 0.5-MW solar photovoltaic renewable energy facility at the EMWD Administrative Facility triggered the initiation of five additional 1-MW each solar projects at EMWD's regional water reclamation facilities in Perris Valley, Moreno Valley, San Jacinto Valley, Temecula, and Sun City. The solar facility at Sun City also offsets energy use at EMWD's Menifee and Perris I Groundwater Desalination Facility, which provides potable water to the surrounding communities of Sun City and Menifee. To meet the deadlines required to earn the California Solar Initiative incentives, these projects were procured using the design-build project delivery method. This suite of solar projects constitutes a significant portion of EMWD's renewable energy portfolio.
- Envision-Qualified Company In May 2016, Parsons became an ISI Envision-Qualified Company. ISI was jointly established by the American Public Works Association, the American Society of Civil Engineers, and the American Council of Engineering Companies. Its Envision infrastructure sustainability rating system represents an emerging best practice tool/approach in North America to promote, evaluate, and obtain third-party sustainability for all types and sizes of infrastructure projects, including roads, bridges, pipelines, railways, airports, dams, levees, landfills, water treatment systems, and other civil infrastructure.
- Los Angeles Business Council's 2016 Sustainability Summit Parsons sponsored and participated in the LABC's 2016 Sustainability Summit, which took place in April at the Getty Center. This annual summit focused on California's energy and water future and consisted of three panel sessions: Pioneering New Approaches to Reach California's Goals, Sustainability Challenges and Opportunities for Los Angeles, and Partnership to Address California's Water Crisis. Parsons' Chief of Staff participated in the third panel session.

#### **Our Technologies**

For more than 70 years, Parsons has been providing value to our customers by reducing costs as we improve sustainability. Our forward-thinking and cutting-edge technological solutions allow our customers to deliver a safer and healthier world, interconnected and sustainable communities, and a clean, livable environment.



eCOMET—Parsons' capital asset planning and management software solution—is designed to support the delivery of facility condition assessments for various customers with distinct requirements and goals for their individual asset management programs. eCOMET's capital planning tools forecast and analyze the condition of buildings and allow planners to look at future requirements for one or more buildings or for an entire portfolio. eCOMET Mobile has both web and offline tablet functionality and can be used to efficiently assist Parsons assessors in acquiring data in the field.

#### **PARSONS**

DYNAMICALLY GREEN® TRANSPORTATION SOLUTIONS

This innovative Parsons program highlights the interaction between mobility, ecology, and community goals. More specifically, it relies on an umbrella of techniques and practices such as contextsensitive solutions, low-impact development, energy efficiency and renewable generation, cradle-to-cradle processes, and sustainable return on investment (SROI) that supports the achievement of sustainable transportation solutions. The cornerstone of our Dynamically Green transportation solution is an 8-step interdisciplinary project delivery process that defines the roles and responsibilities required of the interdisciplinary team members to achieve a project's sustainability goals and measure the performance across sustainability scales. This Dynamically Green transportation program enables Parsons staff to have a clear direction showing how to deliver successful sustainable solutions for our transportation projects.

# **PARFORMS™**

ParForms is a proprietary Parsons technology that provides employees in the field with a simple, low-cost way to develop forms and enter data on mobile iOS devices. This Parsons tool reduces the need for paper, and it improves efficiency and data accuracy through secure data entry and storage in a sophisticated database architecture.



NAPL-AWAY®

Residual light non-aqueous phase liquid (LNAPL) is a persistent source of contamination in subsurface soil and groundwater at many petroleum sites, and treatment via traditional remediation technologies is expensive and inefficient. NAPL-Away, Parsons' patented bioremediation technology (U.S. Patent 8,679,340), is more cost effective than other remediation processes, and it also promotes the sustainable and natural biodegradation of LNAPL by adding nutritional supplements and other remediation agents to stimulate naturally occurring anaerobic microorganisms that digest LNAPL.

# **PARSONS**

# Sustainability in Our Projects

Parsons has a long and rich history of providing innovative and world-class sustainable solutions across diverse markets with an emphasis placed on infrastructure, defense, security, and construction. The work depicted in this report represents just a few examples of how we develop and implement our projects and programs, as well as the tools we use to deliver safe, cost-effective, and high-quality solutions to our customers' most challenging technical and logistical requirements. We are proud to highlight how we provide sustainable services to our customers through many different types of projects. Eight projects are highlighted in this report—four projects demonstrate our climate adaptation and resiliency planning capabilities, and the other four represent our work in rail transit systems, bridge & tunnel, environmental, and security.



# **Integrating Climate Adaptation and Resiliency Planning into Project Development**

As previously mentioned in the "Committed to Social Responsibility and Sustainability" section of this report (page 14), Parsons introduced its climate adaptation and resiliency planning initiative 3 years ago, and four examples of our work in this area follow:

- U.S. Green Building Council. Parsons recently collaborated with the USGBC and several other contributing institutions and firms to develop a climate adaptation and resiliency guide that was distributed at the national Greenbuild 2016 Conference held in Los Angeles.
- San Francisco Public Utilities Commission. SFPUC initiated a flood study with a Parsons joint venture (JV) to characterize the impact of flooding on San Francisco and to develop options for the SFPUC to improve the city's flood resiliency, including increasing the city's level of flood protection and making flood risk reduction measures available to residents and businesses. The overall objective of reducing flood risk identified and developed a rational and defensible risk-based framework that could be used to establish the appropriate amount and type of capital and programmatic investments. The study analyzed and estimated the cost of impacts relating to or caused by rainfall and runoff-derived water on the urban landscape, including flooding buildings, structures, vehicles, and facilities, as well as the unavoidable disruption to businesses, transit, and other societal resources. The Parsons JV also evaluated necessary infrastructure improvements to mitigate a range of storm events and provided recommendations for programmatic flood risk reduction measures, including technical, programmatic, and policy approaches to enable property owners to take actions that reduce their risk of damage from flooding.
- New York's Battery Park City Authority. Parsons was selected by the BPCA to perform an Infrastructure & Resiliency Study that examined both the potential effects and the risks to BPCA's assets (on the southwestern tip of Manhattan) for the 100-year and 500-year predicted storm events in the planning horizon years of 2045 and 2060. This assessment was linked to an overall asset condition assessment of the facilities/infrastructure that are owned/managed by BPCA. Based on past experiences both in anticipating risks and responding to post-disaster situations, Parsons developed a systematic approach for analyzing risks and developing recommendations on logical, affordable, and effective mitigations. This was the first time Parsons had been asked by a customer to link its efforts for

#### **Innovation**

In late 2016, we opened a 14,000-ft<sup>2</sup> technology-focused office in San Antonio, TX, to meet the area's increased demand for cybersecurity services.



asset management with a climate change resiliency strategy. We used our eCOMET facility condition assessment software and added our vulnerability and risk findings to the criteria so that BPCA could make robust decisions about its asset management strategy while accounting for the risks and possible mitigations to climate change impacts.

- Washington Metropolitan Area Transit Authority. In response to the
  realization that DC's Metrorail, Metrobus, and MetroAccess systems could
  be subject to significant flood events (varying in type, magnitude, and
  scope), WMATA worked with Parsons to develop WMATA's Flood Emergency
  Response Plan (FERP) that covers preflood event planning, operational
  management during a flood event, and service restoration planning/
  recovery operations:
  - Defines the actions and roles necessary for WMATA to provide a coordinated/collaborated response before, during, and after a flood.
  - 2. Offers a common operational picture, and identifies coordinated priorities/collaboration with regional partners so that WMATA can preserve and achieve its primary mission.
  - 3. Identifies possible flood scenarios, vulnerable locations, and assets that could be impacted by those flood scenarios—and then worked with WMATA to establish response, recovery, and resilience protocols.
  - 4. Provides guidance for critical transit functions in preparation for, response to, recovery from, and mitigation of flood emergency events affecting transit operations. In the wake of Hurricane Sandy, the U.S. Department of Transportation awarded \$21 million to WMATA to make the Metrorail subway system more resilient by modifying ventilation shafts, providing drainage improvements, etc., in order to prevent stormwater runoff from entering the system. Through a JV, Parsons has been supporting WMATA's resiliency projects by providing field investigation, survey, engineering design, and construction support services at various locations throughout the Washington, DC, metropolitan area.

# **Applying Best Practices to State-of-the-Art Solutions**

The preceding four projects are examples of our work in climate adaptation and resiliency planning. The following four projects represent our expertise in applying our best practices to state-of-the-art solutions that make sustainable features a key element of the many different types of Parsons projects, including infrastructure, remediation, and energy.



The Expo Metro station—part of Route 2020—will be the largest railway station in Dubai

#### Parsons in Dubai



#### **Dubai Metro Route 2020 Extension**

Dubai's award in 2014 of the World Exposition 2020 (Expo 2020) served as the catalyst for the Route 2020 project. This 5-stage project, known as Route 2020, will connect the existing Dubai Metro Red & Green Lines to the Expo 2020 site—a 438-hectare meeting place for Expo 2020 participants, innovators, and policymakers from around the world. A Parsons-led JV is providing preliminary engineering and construction oversight to the Dubai Roads and Transport Authority (RTA) for the extension of the Dubai Metro in support of Expo 2020. Parsons was also awarded a multiyear contract for the Expo 2020 sitewide infrastructure design and construction supervision services.

The Route 2020 project includes the following components:

- 7 stations (1 interchange station, 3 elevated stations, 2 underground stations, and 1 special event Expo Station)
- A 15-km-long alignment with 11.8 km of elevated viaducts and a 3.2-km tunnel

### Quality

Etihad Rail Stage 1, for which we provided project management services, was named UAE Megaproject of the Year as part of the Middle East Economic Digest Quality Awards for Projects 2016.



 Serves several existing and new developments in both mixed-use and high-density residential corridors

Sustainability has become a driving consideration for the RTA, resulting in the introduction of heightened targets for its projects regarding intramodality, environmental protection, and social welfare. Thus, the Parsons JV conducted an environmental impact assessment during the concept and preliminary engineering phases of the Route 2020 project, as well as detailed studies to determine the feasibility of achieving LEED certification for all 7 stations. Having first determined the viability of achieving LEED, the requirement for achieving LEED Gold according to the latest and most ambitious LEED Version 4 system became a requirement of the JV's contract. In addition, a set of customized sustainability targets is under review for the rail alignment infrastructure. An integrated design strategy has been developed to ensure that the targeted LEED/sustainability requirements and related station performance enhancements are achieved. It is anticipated that, on completion, the Route 2020 project will have the most LEED Gold stations throughout the world.

Having previously worked on the Dubai Metro Red & Green Lines, Parsons is excited to help deliver the Route 2020 extension to the region. Our collective efforts will symbolize Dubai's overall mission to stimulate innovation, opportunity, and connectivity. RTA has already identified the potential for new transit-oriented developments (TODs), and a master plan is being prepared to use the new stations. It is envisioned that most residents and businesses will be able to make significant use of alternative transportation such as group rapid transport (GRT), bicycle networks, and automated vehicles—all with the Route 2020 underground station serving as a transportation hub. The Route 2020 site is expected to be completed in April 2020.



The ORB-EEC connects Louisville, KY, with Southern Indiana (Photo courtesy Aerial Innovations)

# The Ohio River Bridges East End Crossing (ORB-EEC)

The ORB-EEC project, connecting Louisville, KY, with Southern Indiana, features a 2,300-ft-long cable-stayed bridge—dedicated as the Lewis and Clark Bridge—which includes a pedestrian and bicycle path on the bridge, 8 miles of new terrain highway, and a 1,700-ft twin-bore tunnel under a historic property. The bridge opened to traffic on December 18, 2016, and the tolling system began operations on December 30, 2016. Parsons was the lead partner in the Community Transportation Solutions JV, serving as the overall project's general engineering consultant (since 2004). This JV was responsible for contract scope and budget development, design review, and coordination of the six-section design consultants. In addition to its role in the JV, Parsons was the technical advisor for the implementation of the ORB-EEC's award-winning public-private partnership, which consisted of the development, design, construction, financing, operation, and maintenance of the bridge and approaches in each state. Parsons also served as the project's toll system advisor.

#### Innovation

Our Vice President and International Director of Information Technology was recognized by the UAE Chapter of the Information Systems Audit and Control Association in its 2016 UAE Excellence Awards competition.



East End Crossing Envision®
Platinum Sustainability Award



The ORB-EEC project received an Envision Platinum Award from the ISI in 2016 for the project's exceptional achievements in sustainable infrastructure design, construction, and operations. Envision Awards are based on measures relating to quality of life, leadership, resource allocation, and natural world, as well as climate and risk. To achieve Platinum level, the project team's sustainability priorities included all of these areas. The Envision Award judges gave their highest marks in three areas:

- Quality of Life: By improving cross-river mobility, the ORB-EEC now stimulates the economy of the entire region, encouraging business and job growth, increasing productivity, and expanding the available workforce capable of commuting efficiently to their jobs. As a result of this project, current traffic congestion is reduced in downtown Louisville, and the region's capacity to accommodate anticipated population growth is increased.
- Leadership: Working within two states, the ORB-EEC team navigated differences in environmental laws and regulations, as well as transportation policies. Indiana and Kentucky quickly identified and mitigated any regulatory or policy impediment in achieving the highest levels of sustainability on the project while maintaining their spirit of cooperation for the benefit of the region. In addition, throughout the project hundreds of public meetings, workshops, and design sessions were held, and stakeholder groups were formed to provide public input into the ORB-EEC design, construction, and operation. Key outcomes of these meetings provided measures to preserve historical properties and incorporate aesthetic design elements that align with the area's history, including decorative fencing, lighting, and pedestrian railings.
- Climate and Risk: The ORB-EEC design includes a minimum vertical
  alignment for the corridor to account for a 100-year flood event for
  the retaining walls and highway bridges and a 500-year flood event
  for the tunnel, roadway, and cable-stayed bridge. To address possible
  fires and earthquakes, a tunnel emergency response plan was
  implemented in cooperation with several local and state agencies,
  and the tunnel design exceeded seismic regulatory requirements.



Capping equipment covering contaminated sediment with clean, stable material

## **Onondaga Lake Cleanup**

Onondaga Lake is located northwest of Syracuse, NY, extending 4.6 miles in length and 1 mile in width. Nearly 100 years of population growth and municipal/industrial activities significantly impacted Onondaga Lake's water quality and sediments. This impact included both manufacturing operations and municipal discharges, resulting in the release of multiple contaminants, including metals, volatile/semivolatile compounds, and polychlorinated biphenyls, in addition to inorganic waste material from soda ash production.

Honeywell first conducted a comprehensive environmental study of the area to evaluate the feasibility of various remedial alternatives. Parsons has been involved in the cleanup since the development of the feasibility study (FS) in 2004 and has served as lead project construction manager throughout Honeywell's cleanup and restoration. The multiyear cleanup is one of the largest, most complex U.S. sediment remediation projects—as well as one of the largest environmental remediation projects in New York State.

For the Honeywell FS, Parsons assembled a team of 100+ technical experts to assess practicable options that reduce risks to human health and the environment posed by mercury and chlorinated organics in sediments, wetlands, and surface waters under a consent order with the New York State Department of Environmental Conservation (NYSDEC). The remedy outlined in the Record of Decision, issued by the U.S. Environmental Protection Agency and the NYSDEC in 2005, called for specific tasks:

- Dredge and dispose of up to an estimated 2.65 million yd<sup>3</sup> of contaminated sediments.
- Construct an isolation cap over an estimated 425 acres in the shallower areas of the lake.
- Construct a thin-layer cap over an estimated 154 acres in the lake's deeper areas.
- Construct and operate a hydraulic control system along part of the shoreline.
- Complete a pilot study to evaluate methods that prevent formation of methylmercury.
- Restore wetlands and habitat.

- Monitor natural recovery.
- · Maintain and monitor for the long term.
- Protect human health and the environment.
- Diversify the habitat for wildlife.
- · Implement in a timely manner.
- Remediate this valuable recreational and ecological resource for the community.

#### The Return of the Lake



Remediation construction services began in 2005 and consisted of constructing an underground barrier wall and adjacent groundwater collection system to intercept contaminated groundwater from reaching the lake. Honeywell officially began the cleanup process in 2006. The process consisted of four key goals:

- Prevent the migration of contaminants into the lake from old industrial sites.
- Remove material from the bottom of the lake (permanently containing it at an approved site), and cap designated portions of the lake bottom.
- Create sustainable habitat along the lake's shoreline and tributaries to encourage wildlife growth, and expand
  opportunities for local recreation.
- Implement a long-term operation, maintenance, and monitoring program to ensure the effectiveness of the remedy.

Parsons was a key member of Honeywell's cleanup process, with duties ranging from strategy development to project construction, labor, and dredge materials management. Parsons concluded that an estimated 2.2 million yd³ of contaminated sediments were hydraulically dredged from the lake, transported as slurry from the lake to the dewatering area (known as the sediment consolidation area), and replaced with clean material in a process called capping. Advantages of hydraulic dredging include greatly reduced truck traffic and its associated engine emissions and noise. More than 500 team members worked in shifts 24 hours a day/6 days a week to complete this project during the seasonal months.

For the past 13 years, Parsons has been a part of Honeywell's team of local and national experts working on the Onondaga Lake cleanup. As a result of our work—and the work of countless others—members of the community surrounding Onondaga Lake are once again able to enjoy the lake. Through the cleanup and habitat restoration, wildlife has also returned to the lake in both the shoreline and surrounding wetlands. These efforts have contributed to the return of 184 species to the lake and nearby areas, and this vital work is being continued by local groups and volunteers. Fishing, boating, and kayaking are also now common occurrences seen on the lake and will be available for generations to come.



Solar photovoltaics at Fort Carson, CO

# Smart Power Infrastructure Demonstration for Energy Reliability and Security (SPIDERS) Joint Capability Technology Demonstration (JCTD)

The three-phase SPIDERS project (located in Hickham, HI; Fort Carson, CO; and Camp Smith, HI) is a collaborative effort by the Department of Defense, Department of Energy, and Department of Homeland Security to develop innovative microgrid solutions that improve the energy security of critical assets at U.S. military bases while reducing petroleum demand, carbon footprints, and costs. Parsons provided design, construction, and cybersecurity support for all phases of the project, which improves energy resiliency for mission assurance. The project delivered cyber-secure smart microgrids at the three DOD installations in Hawaii and Colorado, and it provided the intelligence to maximize the efficient use of existing and new generators, batteries, and solar photovoltaics.

### Integrity

Parsons has been named by the Ethisphere Institute as one of the World's Most Ethical Companies for 8 years in a row.



SPIDERS' final phase was completed in November 2015. In 2016, this project received a Federal Energy and Water Management Award, which recognizes individuals and organizations for significant contributions to energy and water efficiency within the federal government. The project received this award because it successfully demonstrated its capability to develop cyber-secure, energy-efficient microgrids that meet the energy needs of U.S. military bases while maintaining operational surety/security and efficiently managing an installation's electric power and consumption.

The three SPIDERS bases now have the capability of accessing long-term power using onsite industrial-quality generating equipment integrated with solar energy and stationary energy storage, as well as the ability to generate up to \$1 million in cost savings through ancillary services to the local utility. The benefits of the completed work include increased resilience to cyber attacks, severe weather, and other threats to the commercial power grid. In addition, through the integration of renewable power sources, the microgrids create greater energy efficiency and reduce the carbon footprints of the three bases.

# **PARSONS**

# **Social Responsibility at Parsons**

Our commitment to corporate social responsibility begins with our employees, and it extends to our customers and to the communities in which we do business. Parsons has instituted several initiatives that advance safety, healthy working conditions, equal opportunities for growth and advancement, workplace ethics, and community engagement because these practices make Parsons a better workplace.





## **Diversity**

Parsons' employees speak 80+ languages.



# **Our People**

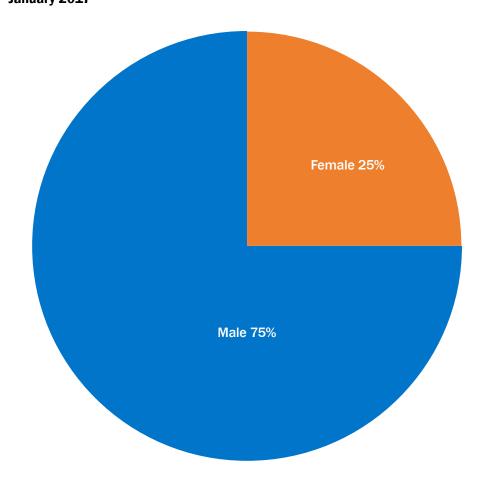
Our corporate accomplishments are a direct result of the talented teams of professionals who work at Parsons. We strive to be an excellent workplace and to empower our employees so they can achieve significant results for our customers. The following pages highlight our broad progress in four key areas:

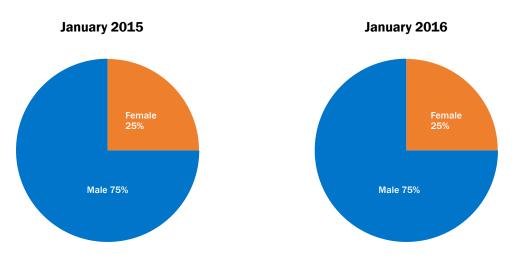
- · Workforce distribution, demographics, and diversity
- Learning and development
- Safety and health
- Ethics, human rights, and labor

## **Workforce Distribution**

Our global workforce has increased through hiring and acquisitions—and most of our staff are full-time employees. From a regional perspective, our North American employees now account for 67% of our global workforce.

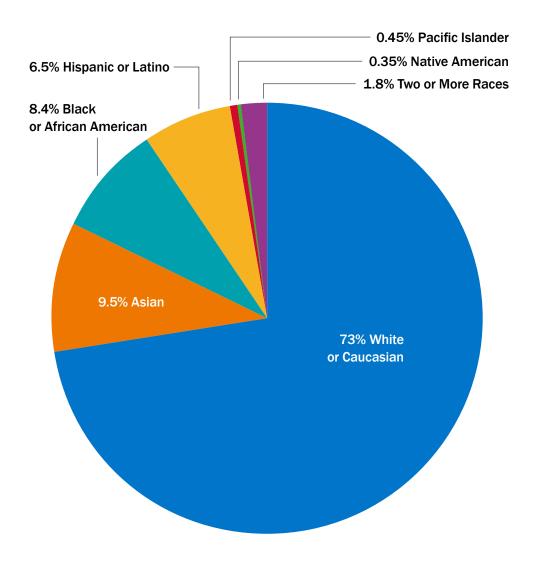
# Percentage of U.S. Employees by Demographics (Gender) January 2017

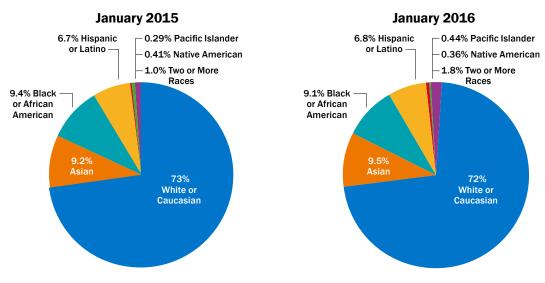




# Percentage of U.S. Employees by Demographics (Ethnicity/Race)

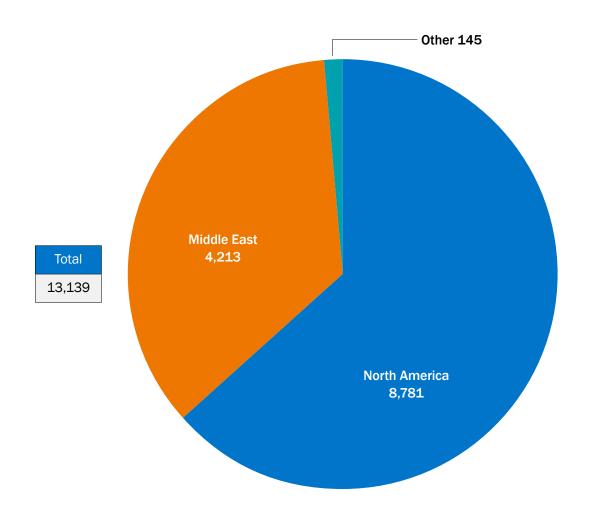
January 2017

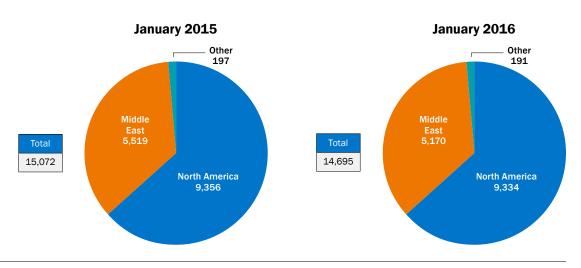




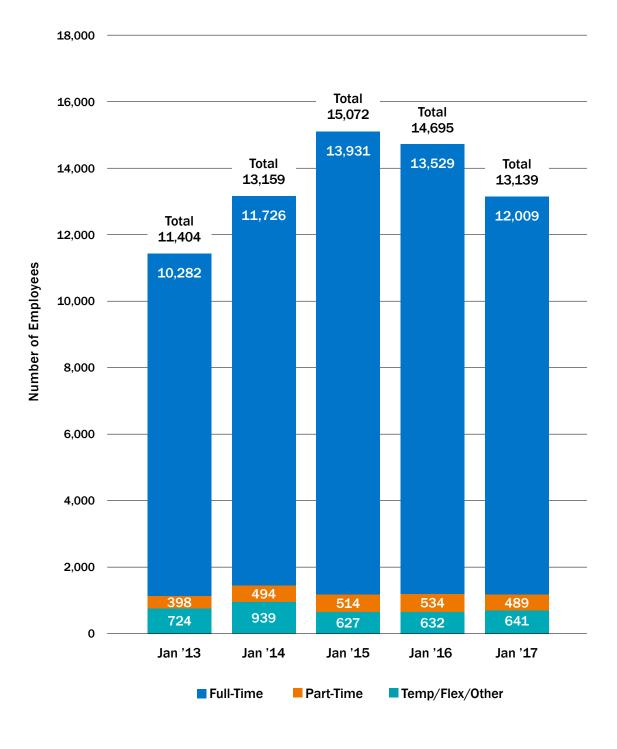
# **Total Employees by Region**

January 2017





# **Total Workforce by Employment Type**



#### Sustainability

The IRENA Headquarters—owned by Abu Dhabi Future Energy Company—won the UAE Sustainable Project of the Year Award, and we provided PM services under a design-build contract.



#### **Workforce Diversity**

Diversity is one of Parsons' core values. Because we are committed to having a workforce that reflects the world's population, we continue to reap the benefits of employing a diverse talent pool of more than 13,000 Parsons professionals. Our employees work in 26 countries around the world, collectively speak more than 80 languages, and hold nearly 10,000 university degrees and professional registrations. We continuously pursue diversity in our workforce, the markets we serve, and the services we provide to maintain the varied perspectives and experiences required in order to meet our customers' toughest challenges:

- As part of our benchmarking efforts, we track diversity metrics for hiring, promotions, and turnover. By understanding where we are today, we can attract, engage, and retain a diverse workforce more effectively for the future.
- As part of our diversity efforts, we support various U.S.-based organizations that focus on professional development, including the National Society of Black Engineers, the Society for Hispanic Professional Engineers, Women's Transportation Seminar, Women in Construction, the Society of Women Engineers, the Society of American Military Engineers, and numerous other military-focused organizations.
- Parsons signed a Statement of Support for the Guard and Reserve in April 2016. The statement was signed at the corporation's Washington, DC, office in collaboration with the Employer Support of the Guard and Reserve (ESGR), a Department of Defense office. In October 2016, Parsons received a certificate from the ESGR for the high level of support the corporation has shown for the reservists we employ.

In addition, Parsons has been commended for our workforce diversity in several publications:

- In March 2016, we were named as one of the "Top 50 Employers" for women engineers in the 25<sup>th</sup> annual edition of Woman Engineer, published by Equal Opportunity Publications (EOP).
- In August 2016, we were selected by Professional Diversity Network as one of the top 100 diversity leading employers for 2016.

#### **Diversity**

In 2016, we received two Fiscal Year 2016 Small Business Industry Awards from the National Aeronautics and Space Administration.



- In September 2016, we were named a "Top 50 Employer" by STEM Workforce Diversity magazine, published by EOP.
- For 6 years, Parsons has been named as one of the "Top 50 Employers" for minority engineers in *Minority Engineer* magazine, published by EOP.
- For 4 years, Parsons has been designated a Military Friendly® Employer by Victory Media, publisher of *G.I. Jobs* magazine. Criteria for this award include a benchmark score across key programs and policies such as the strength of a company's military recruiting efforts, the percentage of new hires with prior military service, company retention programs, and company policies on National Guard and Reserve service.
- For 2 years, we have been recognized as a 2020 Women on Boards
  Winning "W" Company. 2020 Women on Boards is a nonprofit
  grassroots campaign committed to increasing the percentage of
  women who serve on company boards to 20% or greater by the
  year 2020. This campaign educates corporate stakeholders on the
  importance of board diversity and promotes companies such as
  Parsons as examples of good corporate governance.

In addition to being commended for our workforce diversity in several publications, Parsons was one of the first five signatories of Women Achieve, a program established by the American Chamber of Commerce Abu Dhabi's Women in Business Committee. Women Achieve encourages companies and organizations to give women more opportunities to advance their careers by offering them positions of greater responsibility and leadership.

Our employees have also been recognized as diversity role models. In March 2017, Parsons' Senior Vice President and Director of State/ Municipal Government Relations was recognized by the Conference of Minority Transportation Officials at its annual Celebrating Women Who Move the Nation Awards. These annual awards recognize the accomplishments and influence of outstanding women in transportation.

#### Sustainability

Parsons has 250+ professionals with sustainability certifications/ accreditations.

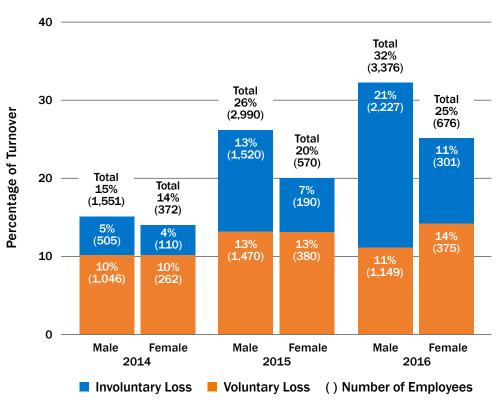


#### **Employee Turnover**

Because we realize that our employees are our most valuable resource and that competition for talent has intensified in our industry, our Global Talent Initiative is designed to attract and retain talent at all company levels through employee development, training, and mentoring programs. Given that Baby Boomers (1946–1964) are starting to retire, employee retention is also becoming more critical—and we created the Parsons Early Career Development Program in the United States to address these challenges so we can attract and retain talent at the Generation X (1965–1980) and Millennial (1981–2010) levels.

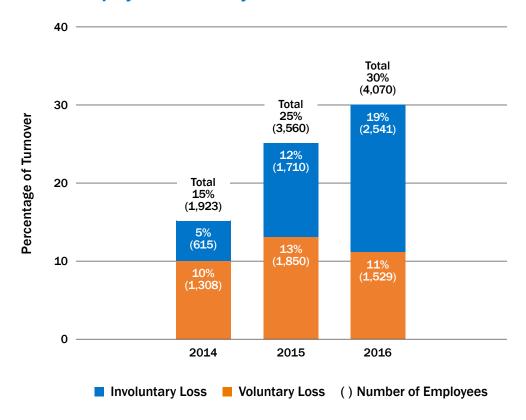
Employee retention is crucial to our corporate long-term health and success. We continue to emphasize attracting, retaining, developing, and redeploying talent because the success of our projects relates directly to the skills, knowledge, experience, and dedication of our staff. Having the right people, in the right places, at the right time ensures customer satisfaction, fulfilled coworkers/reporting workforce, effective succession planning, and deeply embedded, enthusiastic organizational knowledge and learning.

#### **Employee Turnover by Gender\***

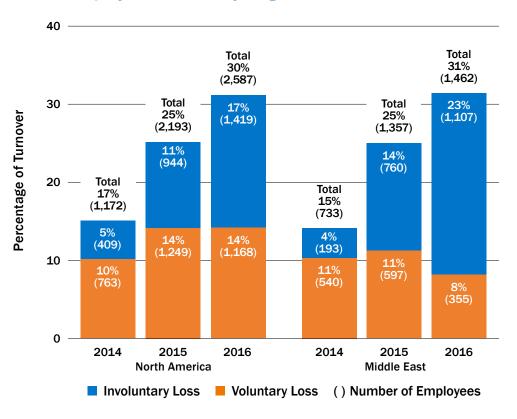


<sup>\*</sup>Excludes employees who did not report their gender.

# **Employee Turnover by Number and Rate**

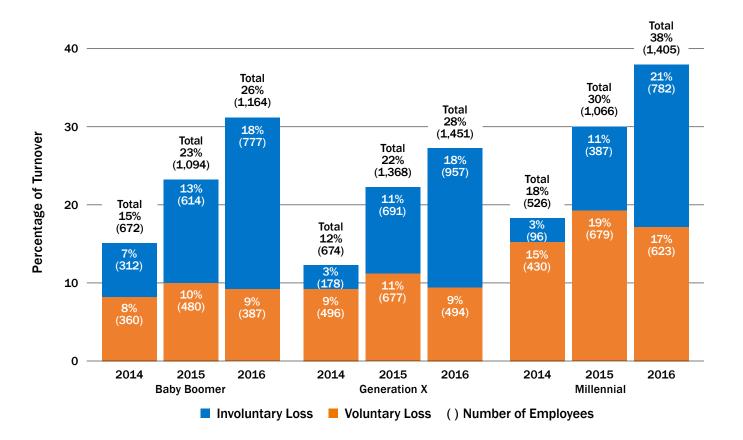


# **Employee Turnover by Region**



# **Employee Turnover by Age Group/Generation**





#### **Learning and Development**

This department is a fundamental component of Parsons' successful strategic plan for recruiting and retaining its employees. As such—and to help us meet our strategic objectives—our blended learning approach of workshops, coaching/mentoring, instructor-led training sessions, online webinars, and web-based training enables our employees to improve their skills and competencies. Our learning and development team also designs and facilitates leadership/management training programs for project managers, supervisors, functional managers, and senior managers.

To ensure that all project managers receive the same guidance in sustainable practices, Parsons created a Sustainability Module based on the sustainability handbook for the Project Management Certification (PMC) training program, thus enabling our project managers to implement sustainable solutions on projects throughout the world.



Early Management Acceleration Program, Pasadena, CA

By applying technology effectively, we have made employee learning and development available on a global scale, and online learning is now a popular and technically feasible approach that develops skills, knowledge, and abilities, as well as meets employee compliance and certification requirements. In fact, our online learning management system—ParsonsU, established in 2003—offers thousands of courses that are available 24/7, covering a wide array of professional development topics for all levels of employees, from early career professionals to senior staff. The entire catalog of ParsonsU courses is accessible online to all employees from anywhere in the world. Employees can complete their courses as their schedules permit, or they can register for webinars and instructor-led courses, as needed.

The International Association for Continuing Education and Training (IACET) has approved Parsons' corporate training as an authorized source of continuing education units (CEUs). Based on our approved provider status, employees earn CEUs after completing many of our courses and programs. Also, many new development courses are structured to meet the IACET guidelines, allowing us to offer additional CEUs each year for those employees seeking credits as they renew their professional certifications.

This department also creates customized web-based and/or instructor-led training to meet specific requirements of projects and departments throughout the corporation. Among the offerings of corporate learning and development is an annual online core values-related curriculum that is assigned to all Parsons employees through the ParsonsU learning management system. Other customized department offerings include the Effective Management Program Workshop, Advanced Project Managers Workshop, Senior Manager Program, Fundamentals of Management, PACE (Plan–Act–Check–Excel) Quality Management, Project Management Certification, and Project Controls Management Certification.

#### Safety

Parsons is the longest standing corporate OSHA VPP participant in our industry, having become a member in 2008.



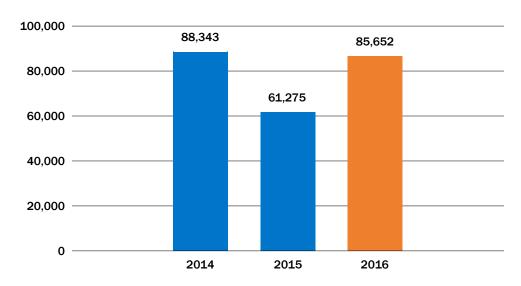
Parsons also offers several high-potential programs that aid in the accelerated development of identified talent to support the corporation's strategies and objectives at several points in our leadership pipeline:

- Early Management Acceleration Program (EMAP) prepares
  participants for formal supervisory roles and develops future
  leadership potential within the corporation. This year-long program
  engages high-potential employees with 3 to 7 years of overall
  experience and includes self-assessment, effective management
  skills, general business simulations, and peer interaction/learning.
- General Management Acceleration Program (GMAP) grooms
  its graduates for sector manager-level positions (vice president or
  higher) within 3 to 5 years of completing the program. This yearlong effort engages high-potential employees with 8 to 12 years of
  overall experience and addresses leadership principles, strategic
  thinking, advanced business simulations, executive presentation
  skills, and change management.
- Leadership Council (LC) presents new and challenging perspectives on corporate operations and strategic planning efforts, communicates how the corporation works across the organization, and provides leadership experience and development opportunities for its participants. This 18-month program engages high-potential employees with 12 to 15 years of overall experience and provides participants with opportunities to research and present relevant business topics to executive-level leaders. To date, more than 120 topics have been researched by 180+ employee participants, many of whom have been promoted to executive and senior management roles within Parsons. We also have a specific succession planning process that enables the corporation to evaluate employees for leadership positions and further ensures that candidates receive the training needed—including developmental assignments—so they can succeed as effective managers.

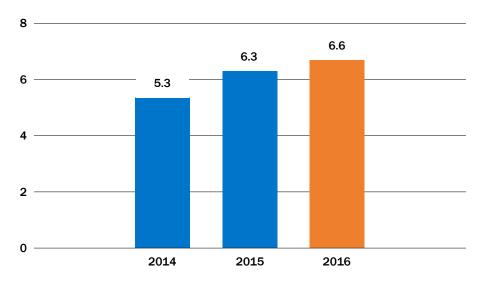
# **Classroom Training** (total participant hours)

	Programs					
Year	Leadership	Senior Management	Advanced Project Management	Business	High- Potential Development	Total
2016	1,632	N/A	544	N/A	1,632	3,808
2015	2,032	N/A	336	N/A	1,424	3,792
2014	2,784	816	384	480	1,121	5,585

# **Online Training** (total hours of Parsons' employees)



# Average Hours of Online Training (per employee per year)





#### Safety, Health, and the Environment

Our core value of safety embodies Parsons' commitment to safety and health in the workplace and in the communities where we operate. We are recognized worldwide as a leader in occupational health and safety, as well as in our care for the environment.

In early 2017, we were reapproved as one of only five participants in OSHA's Corporate Voluntary Protection Program (VPP)—a cooperative program that partners with employers and workers who have effective safety and health management systems and who maintain injury and illness rates below federal Bureau of Labor Statistics averages for their respective industries. In addition to being an OSHA Corporate VPP participant, 23 Parsons sites have achieved VPP Star status. Parsons became a member in 2008.

The nature of Parsons' work and the challenges we face continue to evolve. Thus, we periodically review our safety, health, and environmental (SH&E) management system to ensure that it progresses with changing expectations. In late 2016, Parsons revised and streamlined its ESHARP (Environmental, Safety, Health, and Risk Program) Guidebook to reflect the evolution of Parsons' fieldwork and the continued challenge of maintaining a safe and healthful workforce, managing and sustaining our environment, and meeting our customers' expectations. Our ESHARP Guidebook presents the framework for developing, implementing, and maintaining a world-class SH&E system designed to achieve and sustain zero incidents.

Our goal is the pursuit of SH&E performance excellence leading to an improved quality of life for our employees, contractors, customers, and communities. ESHARP is aligned with the requirements of ANSI Z10, OHSAS 18001, and ISO 14001, which are U.S. and international consensus standards relating to SH&E management systems. Our leadership commitment focuses on hazard recognition and risk assessment, hazard mitigation and risk management, employee ownership and expectations, and change management. We use the continuous improvement PDCA model (Plan–Do–Check–Adjust) for our SH&E management systems approach.

#### **Diversity**

In late 2016, Parsons supported the Texas African American History Memorial, which depicts Juneteenth, as well as the contributions by African Americans to the state of Texas.



#### **Leadership Commitment**

Parsons' top leadership maintains ultimate responsibility for our SH&E performance and oversight of the SH&E management systems. This commitment is demonstrated by ensuring that essential resources are available to establish, implement, maintain, and improve the SH&E management systems. Also, our senior leaders actively direct the development and communication of roles, responsibilities, accountabilities, and authorities within Parsons. The SH&E Corporate Vice President (CVP) is specifically tasked with ensuring that the SH&E management systems are established, implemented, and maintained in accordance with government, legal, industry, professional, and international standards to which Parsons subscribes. The SH&E CVP also ensures that our SH&E performance is presented for review to executive management because our ability to evolve serves as a basis for further improvements to the SH&E management systems.

All Parsons corporate officers, functional managers, assignment managers, PMC candidates, PM-certified professionals, and other employees who are in project management, task management, or supervisory roles are required to participate in short, self-paced ESHARP-related learning modules, which are available via Parsons' online learning management system. These existing modules complement the revised training and awareness programs for Parsons leaders and PMC candidates.



Parsons honored by Board of Certified Safety Professionals for its Safety Trained Supervisor certification achievements

#### **2016 Achievements**

- Parsons was honored for its Safety Trained Supervisor certification achievements by the Board of Certified Safety Professionals (BCSP), an independent organization that is recognized as the leader in high-quality credentialing for SH&E practitioners.
- Parsons was both a Safety Week 2016 sponsor and a participant.
- All Parsons construction leads and supervisors supporting the NASA Goddard Space Flight Center Facilities—Construction, Engineering, and Technical Services II contract—earned Safety Trained Supervisor— Construction certification by the BCSP.
- The Salt Waste Processing Facility project in Aiken, SC, was named the winner of Engineering News-Record Southeast's 2016 Excellence in Safety Award.
- Parsons was presented with an outstanding safety performance award for its Calgary Refinery Park project at the annual Imperial Oil Leadership Safety SH&E Forum.
- Chevron EMC recognized Parsons with its Best in Class Award for our Health, Environment, and Safety performance.

## Sustainability

Parsons is a member of the U.S. Green Building Council, a nonprofit dedicated to sustainable building design and construction.



- The I-70 Eisenhower/Johnson Memorial Tunnels Fixed Fire-Suppression System (FFSS) project in Colorado was recognized by Engineering News-Record Mountain States with an Award of Merit for Excellence in Safety.
- Doha Pumping Stations project celebrated a safety milestone by surpassing 7.5 million manhours without a lost-time accident.
- Jebel Ali Hills development in Dubai celebrated 10 million manhours without a lost-time incident.
- Parsons' Hamad International Airport office, formerly known as New Doha International Airport office, achieved 2,000 continuous days without a lost-time incident.
- The Royal Commission project for the new Yanbu University College
   Men's Campus completed more than 7 million work hours without a lost-time incident.
- A project team supporting Parsons' Architect of the Capitol (AOC)
   Construction Management Services contract, which supports the
   Capitol Power Plant–Refrigeration Plant Revitalization project, received
   an AOC Safety Award for 5 years and 200,000 manhours without a
   recordable or lost-time safety incident.
- Parsons' Sumail Industrial Estate project surpassed 3 million safe work hours.

#### Safety

The Salt Waste Processing Facility project in Aiken, SC, for which Parsons serves as the prime contractor, was named as the winner of *Engineering News-Record Southeast's* 2016 Excellence in Safety Award.



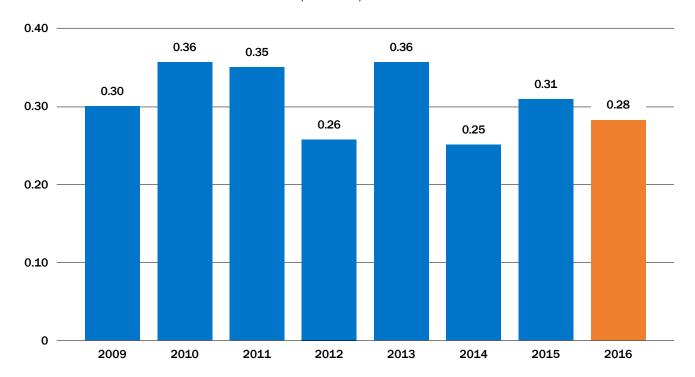
#### **Leading and Lagging Safety Indicators**

Parsons' incident prevention model focuses on proactive activities to avoid injury and illness in the workplace. Injury and illness incident rates expressed in this report are worldwide metrics and meet OSHA's recordkeeping requirements. Leading indicators measure ongoing events, and lagging indicators measure past events. Our core value metrics measure leading indicator activities on a monthly basis for a wide range of factors:

- Demonstrated leadership engagement by using our senior leadership system observation application
- Adherence to our SH&E management system requirements
- Peer observations of employee behavior
- Employee reports of near-miss occurrences
- Physical conditions of our projects and offices
- SH&E prequalification of our JV partners and contractors

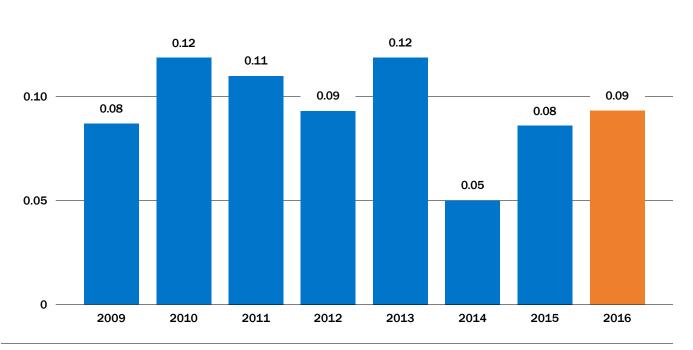
Parsons' recordable incident rates are world class: our reduced incurred costs for workers' compensation have dramatically lowered our premiums, which, in turn, have lowered our experience modification rate (EMR) to become one of the best in our industry.

# **Total Recordable Incident Rate (worldwide)**



# **Lost-Time Incident Rate** (worldwide)

0.15







#### **Wellness for Life**

At Parsons, we invest in our employees' health and wellness because we know that our people are our greatest asset. In 2006, we established the U.S.-based Wellness for Life Program that empowers our employees with tools to manage their health. Our program offers health improvement resources such as health screenings, education, health coaching, and cash incentives for participation.

#### **Employee Assistance Program**

In 2006, Parsons established an all-employee assistance program (LiveandWorkWell) offering employees and their families personal counseling, family and caregiving guidance, safety and crisis planning resources, self-improvement tools, life-learning opportunities, and chronic conditions support. Parsons is committed to providing our employees with tools, information, and services that help manage everyday challenges and their wellness for life.

#### **Parsons Among World's Most Ethical Companies**

Integrity is one of our six core values, and we are committed to acting ethically—and with integrity—in everything we do. Our commitment to integrity permeates all levels of our company, and our designation by the Ethishphere Institute as one of the World's Most Ethical Companies in 2017—for the 8<sup>th</sup> consecutive year—is a reflection of our commitment. This designation recognizes Parsons for having had a material impact on the way we conduct our business by fostering a culture of ethics and transparency at every level of the corporation. Ethisphere—a global leader in defining and advancing the standards of ethical business practices that fuel corporate character, marketplace trust, and business success—began publishing its World's Most Ethical Companies rankings in 2006.

Our employees understand and agree that integrity is everyone's concern. When hired, all employees sign our Code of Conduct, and we require our employees to recertify their acceptance of and compliance with this code every other year. Our 24-hour Ethics Helpline allows employees globally to make suggestions, ask questions, and report concerns about business practices, safety, violations of law, and company policies. Our helpline allows employees to report issues anonymously. We also communicate our commitment to integrity through training processes such as live instruction, videos, easily accessed online documents, and periodic ethics "challenges" or quizzes that keep ethics in the forefront of our daily activities.

#### Quality

Parsons' PACE (Plan-Act-Check-Excel) Quality Management Program is a comprehensive learning system designed to build knowledge at Parsons.



In addition, Parsons participates in diverse conferences, programs, and organizations committed to advancing ethical behavior in the business world. In September 2016, Parsons sponsored the Ethisphere Institute's inaugural Middle East Ethics and Compliance Summit. This conference in Abu Dhabi, UAE, provided a unique opportunity for leading executives from local, regional, and international companies doing business in the Gulf to advance their corporate integrity and performance. Featured speakers included Parsons' Chairman and CEO, General Counsel, and Middle East Africa President. We are an active member in the Business Ethics Leadership Alliance (BELA), formed in 2008 by 17 companies to exchange and promote best practices in ethics and corporate compliance. BELA members commit themselves to the alliance's four core values of legal compliance, transparency, conflict identification, and accountability. Parsons is also an active member in the Construction Industry Ethics and Compliance Initiative (CIECI), also formed in 2008. CIECI is dedicated to promoting integrity and ethical conduct in the construction industry. Members agree to adhere to a series of ethical principles and to share their best ethical and compliance practices. In addition, we belong to the Compliance & Ethics Leadership Council—a program of the Corporate Executive Board (a leading member-based advisory company)—that provides data-driven insight, analytic tools, and advisory support to legal and compliance executives in order to improve individual, functional, and corporate performance.



2017 World's Most Ethical Companies® Gala Dinner

#### **Human Rights**

As an international leader in engineering and construction, Parsons supports and respects the promotion and protection of human rights within our operations, our value chain, and in the communities where we operate around the world. We also comply with the employment laws in every location in which we do business. It is essential that Parsons' business partners—our suppliers, vendors, contractors, consultants, JV partners, agents, and other providers of goods and services—uphold these same standards. We will not knowingly do business with those who do not also comply.

When hired, all employees sign our Parsons Code of Conduct, which includes policies relating to our core value of integrity. In 2016, we updated our Code of Conduct to include a corporate statement about our policy against human trafficking—we announced the policy companywide on our employee intranet. Parsons employees also received training on the Code of Conduct in 2016 and will be required to recertify their compliance with this code in 2017. In accordance with corporate policy, employees recertify their compliance with the Code of Conduct every other year.

#### **Incidents of Discrimination and Actions Taken**

Parsons proactively attracts world-class talent because we recognize their contribution to our success and to our position as an industry leader. We value each employee individually as illustrated by our long-standing commitment to fairness and equity in the workplace and by fostering an atmosphere of inclusion. However, even productive and skilled employees might encounter work-related concerns. As a result, Parsons' programs offer each employee the opportunity to report any work-related problem confidentially and without fear of retaliation. In 1998, we implemented our 3-step Employee Dispute Resolution Program (EDRP) in the United States to provide flexible, neutral, confidential, accessible, and cost-effective resolutions. Our program supports consistent and fair treatment of employees, sustains improved communications, and encourages a positive workplace. In one measure of the EDRP's effectiveness over the past 3 years, reports to the EDRP have declined from 15 calls (in 2014), to 10 calls (in 2015), to 11 calls (in 2016). Although some calls required no action, most employee concerns were generally resolved within Step 1 (Freedom of Expression & Appeal), which provides employees the opportunity to bring employment issues and concerns to the attention of management without fear of retaliation and ensures communication between the parties, focuses on the employee's concerns, and enables prompt resolution of workplace problems and disputes. Employee relations managers typically serve as facilitators to resolve the issues. In addition, our 24-hour Ethics Helpline is available to all employees—globally—if they want to report concerns about business practices, violations of law, and company policies. Pages 51 and 52 detailed our commitment to Parsons' business ethics.

#### **Our Management Practices**

As examples of our sustainability efforts, we have combined sustainable management practices with best industry practices, and we have already instituted companywide policies and standards that include mandatory requirements to incorporate sustainability objectives in all Parsons projects. We are committed to the integration of sustainability into products and services throughout our organization, and we have expanded the role of sustainability into a requirement that provides our customers with world-class sustainable solutions in energy, remediation, buildings, and infrastructure. Quantitative results of these management practices are addressed throughout this report.

#### **Our Business Partnerships**

Successful Parsons projects typically involve partnerships with organizations, agencies, and individuals outside the company. When working with our customers, subcontractors, vendors, and specialty-equipment suppliers, we ensure that our projects are completed on time, within budget, and in accordance with defined requirements. By procuring materials and services from local suppliers, we reduce both cost and environmental impact. Our partnerships represent an extensive network of qualified contractors and organizations, including small businesses across all categories recognized under the U.S. Small Business Administration, as well as local and national minority/women-owned business enterprises (M/WBEs). We also participate in various mentor-protégé programs targeting the development and growth of diverse suppliers that support a robust supplier base while concurrently promoting national and global economic development. In December 2016, the National Aeronautics and Space Administration recognized Parsons with two Fiscal Year 2016 Small Business Industry Awards:

- For the second consecutive year, we were named Large Business Prime Contractor of the Year for the Goddard Space Flight Center in Greenbelt, MD.
- We also received the Mentor-Protégé Agreement of the Year Award for the Goddard Space Flight Center.

We were selected for each award based on our support of small businesses under our Facilities, Construction, Engineering, and Technical Services contract at Goddard and the strength of our overall small business program. Parsons also received an award from the National Veteran Small Business Coalition for our accomplishments in using veteran and service-disabled, veteran-owned small businesses under Parsons' federal programs.



From August 29 to September 6, 2016, a Parsons team—in partnership with Bridges to Prosperity and Puentes de Esperanza—built a new, 58-m footbridge over the La Guaya River in the small village of La Guaya, Colombia (northeast of Bogotá)

#### **Parsons Gives Back**

Since our founding in 1944, we have supported educational, cultural, and civic organizations in the communities where our employees live and work. We have also sponsored various nonprofits, programs, and events. As we grow and expand into new markets and geographies, we continually evaluate our communities' ever-changing needs. Therefore, as part of Parsons Gives Back, we support multiple nonprofit organizations that mirror our six core values. Charitable contributions, in-kind donations, and volunteerism directly correlate with improving the quality of life while making the world a better place.

#### **Parsons Scholarship Program**

Established in California in the 1960s, our undergraduate/graduate scholarship program was expanded in 2009 to include the dependents of our full-time employees attending an accredited college or university. In 2016, Parsons awarded 31 scholarships worth \$119,000 under our annual scholarship program: 12 first-time recipients and 19 renewed scholarships.



### **Habitat for Humanity**

We continue to partner with this group, which is dedicated to providing affordable housing for low-income families around the world. Since 1998, more than 200 Parsons employees and their families have put in thousands of volunteer hours working on homes across the United States, most recently in Maryland. We have also provided monetary donations. In 2016, Parsons' Annapolis Junction Office supported two Habitat for Humanity projects:

- Silver Spring, MD. Parsons employees partnered with Habitat for Humanity Metro Maryland to provide
  donations and volunteers for Habitat's ReStore, a great place to find new and gently used furniture,
  appliances, home accessories, lighting, building materials, and more—all at discounted prices. Parsons
  volunteers assisted with picking up and unloading donations, stocking store shelves, organizing the ReStore
  and the warehouse, and creating decorative displays, as well as providing customer service.
- Landover, MD. This team-building project, also with Habitat for Humanity Metro Maryland, consisted of painting, landscaping, and final cleanup before the dedication.



Habitat for Humanity ReStore, Silver Spring, MD



Habitat for Humanity team-building project, Landover, MD

#### **Bridges to Prosperity**

In 2015, Parsons committed to becoming the sole Country Partner for B2P, a nonprofit organization dedicated to providing isolated communities with access to healthcare, education, and economic opportunities by building footbridges over impassible rivers. Parsons has also supported the organization's bridge-building program in Rwanda via its annual Bridges and Birdies Golf Tournament. From August 29 to September 6, 2016, Parsons partnered with B2P (and local nonprofit Puentes de la Esperanza) to build a new, 58-m footbridge over the La Guaya River in the small village of La Guaya, Colombia (northeast of Bogotá). Our 11-member, multinational team built the bridge and also provided engineering support to meld together two bridge designs for this project.

#### Bridging La Guaya River



# **American Cancer Society**

Parsons has donated to the ACS of San Gabriel/
Pomona Valley since 1976. We have raised more than \$3.1 million for the ACS, which is dedicated to helping those who face cancer.

#### **United Way**

Parsons employees—and the corporation—have been donating to United Way for nearly 30 years. Between 2001 and 2016, we contributed more than \$6 million through our annual North American United Way Campaign. Our 2016 effort raised more than \$350,000, which was distributed to nonprofit agencies in the United States and Canada. Parsons has been an ongoing sponsor of the Greater Los Angeles HomeWalk to end homelessness. This was our 10<sup>th</sup> year for the HomeWalk event. The community raised more than \$1 million, and the Parsons walking team joined 15,000 other volunteers to show that homelessness is solvable.



HomeWalk 2016, Los Angeles, CA

#### MUSE/IQUE

Parsons has supported this nonprofit orchestra since its founding in 2011. Our assistance provides meaningful aid to MUSE/IQUE's four programs: Uncorked Series, Summer of Sound, FREE/FOR ALL, and KIDS/IQUE. These programs serve the community by producing and then presenting live counter-conventional musical experiences that are exciting, memorable, and accessible to all segments of the community, including foster and at-risk children. Since MUSE/IQUE's inception, a Parsons executive has served on the organization's board of directors. Currently, two Parsons executives serve on the board.

#### **ParSTEM**

Parsons understands the value of introducing students to science, technology, engineering, and mathematics (STEM) and has spearheaded and/or supported STEM internship and in-school programs in the communities where our employees live and work. The following 10 programs highlight our STEM support:

#### **ParSTEM Pasadena Chapter**

In 1997, Parsons began supporting the Pasadena Unified School District (PUSD) in Los Angeles County. Our employees have volunteered to work with PUSD students to perform real engineering and science and have also participated in other activities such as resume workshops and mock interviews. Through board memberships and financial contributions since 1999, we have also supported the Pasadena Educational Foundation—a nonprofit organization that advocates for public education, engages the community, and develops resources to support excellence in education for every PUSD student.

#### **Spark Mentoring Program**

A group of employees from Parsons' Chicago office participates in this program for middle school students. The program is 10 weeks long, and each employee is paired with a student to work on a project relating to the volunteer's career field. Some of the project topics our employees worked on with these Chicago students include structural engineering and how various concepts they learn in school are applied to design buildings and bridges as well as a 3D print of the facade of the students' school building.

#### **ACE Mentor Program**

Since 1995, Parsons employees have served as board members, team leaders, and mentors with the ACE Mentor Program—a national, industry-driven and -supported program that introduces high school students to the fields of architecture, construction, and engineering through exposure to technical discussions, industry-related training, field trips, and hands-on projects. Our employees mentor students in California, Virginia, and Washington, DC.



Spark Mentoring Program, Chicago, IL

# **Sewer System Improvement Program Summer Internship Program**

Established in 2012, SSIP's summer programspearheaded by a Parsons JV in partnership with the San Francisco Public Utilities Commission (SFPUC), the City of San Francisco, and local community-based organizations—is a 10-week paid internship for teenagers (15-18) who reside in San Francisco's Bayview Hunters Point neighborhood. The program introduces students to various disciplines (architecture & urban planning, engineering & design, finance & accounting, communications & government relations, and operations & environmental management) in order to increase the participation of women and underrepresented minorities as well as to assist high school students and graduates who are entering postsecondary programs. This internship program and its approach have been adopted by the SFPUC and incorporated as a required community benefit in all new consultant contracts on the SSIP. In addition, the program has been expanded to include mentors from some of the new SSIP design teams. It is also included as one of San Francisco's "CityWorks" youth internship programs.









Sewer System Improvement Program Summer Internship Program, San Francisco, CA

#### **National SeaPerch Challenge**

Parsons employees mentored local Centreville, VA, high school students in this national challenge. Sponsored by the Office of Naval Research, SeaPerch encourages students to develop an interest in STEM.

#### **Business-Higher Education Forum**

In 2016, Parsons sponsored BHEF's Future Cyber Leaders Program. The 7-week agenda brought together more than 25 undergraduate interns to engage in cyber academic enrichment, leadership building, and networking opportunities with the sponsoring organizations. Parsons codeveloped a program activity with the participating students that focused on our work in cybersecurity. We established our relationship with BHEF in 2014 in order to expand the University System of Maryland's BHEF Undergraduate Cybersecurity Network into a Greater Washington Cyber Network, encompassing Maryland, northern Virginia, and Washington, DC.



BHEF Future Cyber Leaders Program, Washington, DC

#### **Cal Poly Pomona**

We are contributing \$50,000 to support its College of Engineering over a 5-year period.

#### University of Maryland Honors College Advanced Cybersecurity Experience for Students Program

Through its partnership with the UMD Honors College ACES Program, Parsons provides scholarships and hosts events (e.g., a Capture the Flag Competition). In addition, Parsons employees mentor students interested in careers in cybersecurity.

#### **HIRE LA's Youth Program**

In 2016, we marked our 7<sup>th</sup> year of participating in the City of Los Angeles' HIRE LA's Youth summer program, which is spearheaded by the mayor of Los Angeles. Through the program, Parsons employed two interns who are pursuing college degrees in STEM. For 5 weeks, the interns worked with Parsons' Infrastructure team in Pasadena to gain an understanding of the types of projects the corporation is engaged in as well as its operational structure. Both 2016 interns are finishing their senior years as civil engineering majors.



HIRE LA's Youth Program, Pasadena, CA

#### **Cal Poly Innovation Quest**

For 4 consecutive years, Parsons has supported Cal Poly's iQ Competition—a campuswide contest in San Luis Obispo that is designed to encourage student innovators to pursue their entrepreneurial ideas and get them funded through financial contributions. Parsons has also participated in the judging for the awards portion of the competition.



Cal Poly iQ Competition, San Luis Obispo, CA

#### **BB&T Corporate Cup**

The Parsons office in Charlotte, NC, has participated in BB&T Corporate Cup (formerly known as YMCA Corporate Cup), a 5k run/walk and half-marathon through uptown Charlotte and its adjacent neighborhoods since 1984. Proceeds from our fundraiser help the YMCA build strong kids, families, and communities in Charlotte. In addition, all BB&T Corporate Cup proceeds benefit the YMCA's programs and services that nurture the potential of kids and teens, promote healthy living, foster a sense of social responsibility, and strengthen the foundations of the community. The Corporate Cup continues to celebrate healthy competition while giving back to the community.





BB&T Corporate Cup, Charlotte, NC

## **Big Sunday**

Since 2007, Parsons employees in California, and their families, have been a part of Big Sunday, the largest volunteer event in the United States and one of Los Angeles' annual community service events. Our employees have worked on projects ranging from participating in a local food bank to clearing brush in canyon areas. In 2016, three of our offices worked on four projects throughout Southern California:

- Knox Elementary School, Los Angeles. Painted murals, built a flower bed, and planted trees and a garden.
- · Ocean Knoll Farm, Encinitas. Rebuilt a greenhouse made of "plastic trash."
- Orange County Food Bank, Garden Grove. Packed boxes of food and fresh produce at a facility that packages about 26,000 boxes of food a month.
- Rocken P Stables, Glendale. Sponsored a day of horseback riding for inner-city children.

In March 2016, Parsons was honored at Big Sunday's first-ever gala, which raised funds to support Big Sunday's events and year-round programming.



Big Sunday horseback riding activity, Rocken P Stables, Glendale, CA

# Ronald McDonald House Charities® of Southern California

Since 2013, Parsons has monetarily supported this organization, which is dedicated to providing housing, comfort, care, and support to sick children and their families whose common goal is to stay together while their sick child is receiving much-needed medical care that cannot be found closer to home. In 2016, we formed a team to participate in the Pasadena Ronald McDonald House Walk for Kids to raise money and awareness for the organization's mission. In addition, a Parsons executive became an active member of the Ronald McDonald House Charities of Southern California in 2010, serving as Chair from 2013 to 2015 and Vice Chair in 2016.



Pasadena Ronald McDonald House Walk for Kids, Pasadena, CA

# Al Noor Training Centre for Children with Special Needs

Parsons continues to support the Al Noor Training Centre for Children with Special Needs in the UAE by inviting the group to set up its Smiles N' Stuff booth at the Parsons Abu Dhabi office. Smiles N' Stuff is Al Noor's very own vocational training gift shop—the only one of its kind in the Gulf Cooperation Council—where all the products being sold are handcrafted by children with special needs. The Al Noor Centre provides effective quality training to children who have Down syndrome, cerebral palsy, autism, and other challenges.

#### **African American History Memorial**

In November 2016, Parsons supported the Texas African American History Memorial in Austin, TX. This memorial, designed by sculptor Ed Dwight, depicts Juneteenth—June 19, 1865—when Union troops arrived in Texas and announced the freedom of slaves in the United States, in addition to highlighting the contributions by African Americans to the state of Texas.

#### **Children's Holiday Party**

Ever since we relocated Parsons' corporate headquarters to Pasadena, we have been brightening the holiday season for local children by hosting our Annual Children's Holiday Party. In 2016—for the 41st consecutive year—more than 100 children from Five Acres (in Altadena) and Hillsides and Rosemary Children's Services (in Pasadena) attended our special party, which included lunch, a photo booth, a musical performance (Street Corner Renaissance, curated by Rachael Worby, MUSE/IQUE Artistic Director and Conductor), and a special guest from the North Pole. In addition—and with the help of our employees—we distributed more than 250 gift cards to these children.



Street Corner Renaissance at 41st Annual Children's Holiday Party, Pasadena, CA

# **Blood Donation Campaign**

On February 12, 2017, the Parsons Dubai office organized its 4<sup>th</sup> blood donation campaign with the support of Dubai Latifa Hospital. Dubai Blood Donation Centre in Latifa Hospital is the central blood bank of the Dubai Health Authority. The event was a success with 81 participating donors.

#### **Operation Support Our Troops**

Parsons proudly supports those actively serving our country and their families—as well as veterans of the armed forces. Through fundraising and other events, we help sustain the Wounded Warrior Project™, the Navy SEAL Foundation, Disabled Sports USA, the Institute of Veterans Education and Training (IVET), and the Camaraderie Foundation. In 2016, we hosted a Golf Classic to benefit IVET and the Warrior Canine Connection at the Augustine Golf Club in Stafford, VA. All proceeds from the event were donated to the two veterans groups. In addition, Parsons assisted veterans find employment opportunities with the City of Long Beach, CA, through its partnership with Helmets to Hardhats.

#### **Water Environment Federation**

Since 2012. Parsons has participated in WEFTEC's annual community service project. In 2016, Parsons employees participated in a project on the grounds of City Hall in New Orleans, LA, to construct bioretention cells and bioswales that capture and filter stormwater runoff in order to alleviate flooding and improve water quality. The project served as an educational platform for the community to learn about water, the environment, and green infrastructure. In addition to this involvement, Parsons and a JV partner sponsored a booth at WEFTEC's annual Water Palooza event (also in New Orleans), which is an educational program that engages about 370 students (grades 1 to 5) in hands-on and demonstrative activities that promote the value of water and encourage students to become stewards of their own water environment.



WEFTEC Water Palooza Event, New Orleans, LA

#### **Kids to Love Golf Invitational**

Parsons began hosting this annual golf tournament in 2011 because it supports the Kids to Love Foundation, a nonprofit dedicated to meeting the needs of Alabama's foster children. The foundation's activities include the Foster Parent Program, which recruits and trains foster and adoptive families, as well as efforts to provide school supplies, holiday gifts, and college scholarships to children in need.



Kids to Love Golf Invitational, Huntsville, AL

# **Columbia Sustainability Initiative**

This initiative, spearheaded by the Parsons office in Columbia, MD, supports our core value of sustainability through local sponsorships and such volunteer activities as working at nearby Clagett Farm (which provides organic vegetables to low-income families through its community-supported agriculture program) planting trees with the Chesapeake Bay Foundation.

# **Smarter DC Challenge**

Since 2014, Parsons has been participating in the Smarter DC Challenge, a Washington, DC, friendly competition designed for businesses and nonprofits to help them reduce resource consumption, including energy, water, waste, and nonrenewable materials.

#### Innovation

Parsons' Innovation Council was established to encourage, promote, investigate, and develop inventions/ideas that improve/establish processes, new equipment, and methods.



#### **Disaster Relief**

Our history reflects a long-standing tradition of supporting communities impacted by such natural disasters as earthquakes, floods, hurricanes, tornados, and wildfires. In keeping with our commitment, we respond to these catastrophes by providing volunteer and professional support, as well as financial contributions. And, because Parsons is proactive in responding to the need for disaster relief, we have been a long-time supporter of the Red Cross, and our donations support the Red Cross (and others) when preparing for and providing shelter, food, emotional support, and other assistance. Since 2003, Parsons has donated nearly \$380,000 to the San Gabriel Pomona Valley Chapter of the Red Cross. In addition, we established a Red Cross microsite in 2010 that allows employees to contribute—at any time—to those in need. In fact, since we established our microsite. Parsons employees have donated nearly \$74,000 for various disasters such as the Canadian and California Wildfires and Louisiana Floods (2016); Nepal Earthquake (2015); Typhoon Haiyan (2013); Colorado Wildfires and Superstorm Sandy (2012); Japan Earthquake/Tsunami, Texas Fires, and Hurricane Irene (2011); and the Haiti Earthquake (2010).

Another example of our disaster relief efforts took place after Hurricane Sandy, which devastated the mid-Atlantic/northeastern United States and parts of the Caribbean in October 2012. Through our Red Cross microsite, Parsons established an employee donation-matching program and raised more than \$77,000 to aid victims of this catastrophic storm. Parsons also provided professional services for various projects in New York, including projects for the Metropolitan Transportation Authority/New York City Transit, the Port Authority of New York and New Jersey, and the Battery Park City Authority. In addition to providing professional services for various projects, we also supported numerous other efforts.

When a disaster impacts the lives of people and destroys the environment, Parsons stands ready to assist with stabilization, recovery, and reconstruction. Our ability to rapidly mobilize resources has been demonstrated worldwide—we return a sense of normalcy to devastated regions by meeting accelerated schedules, maintaining the highest safety standards, delivering sustainable solutions, and rebuilding for tomorrow.

# **PARSONS**

# **Social Responsibility** in Our Workplace

Because our worldwide sites impact the environment, energy, and economics of where we do business, we are proactive in enhancing the quality of life for these communities with such sustainable efforts as reducing our energy/water consumption and using recycled and planet-friendly materials. We also rely on such alternative communication methods as videoconferencing to reduce travel costs. Our progress in the areas discussed in this report is summarized on the sustainability scorecard (page 81). Parsons is dedicated to being a model of sustainability.



#### Innovation

In early 2016, our Roadwork Scheduling System developed for the Ontario Ministry of Transportation received an Ingenious Award from the Information Technology Association of Canada.

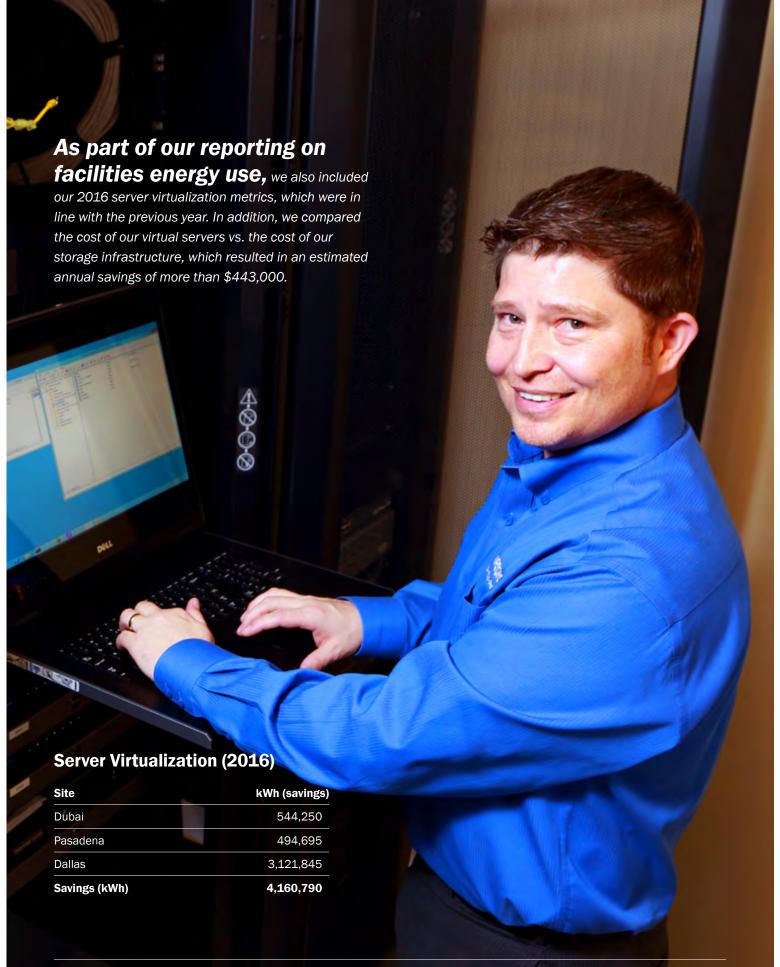


#### **Facilities Energy Use**

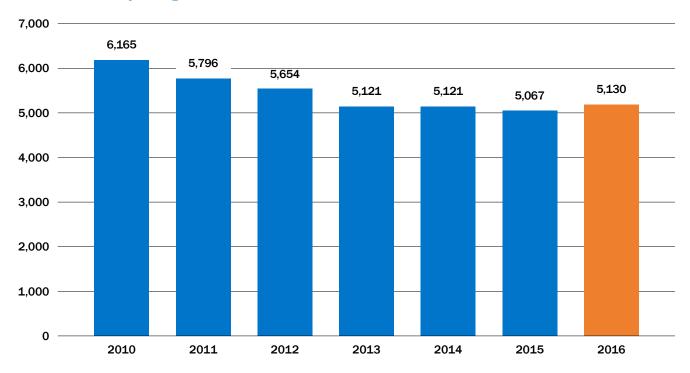
No one can overestimate the importance of reducing energy consumption because it is an essential factor toward achieving sustainability in our world. As we continue to find innovative ways to reduce our energy use, we are also reducing our consumption of natural resources used for conventional energy generation (natural gas, coal, and oil) while we are concurrently reducing the amount of air and greenhouse gas (GHG) emissions during conventional energy production.

Throughout Parsons' worldwide offices—and in our project locations—we have many opportunities to show our commitment to conserve energy and reduce GHG emissions. We are continuing to find new ways to lower our electrical consumption through high-efficiency lighting, controls, HVAC retrofits, and operational strategies. We are also collaborating with property owners in our leased office spaces to implement energy-saving retrofits in lighting and HVAC systems. In addition, we continue to update and upgrade our information technology (IT) applications in order to replace energy-consuming servers with more efficient IT equipment.

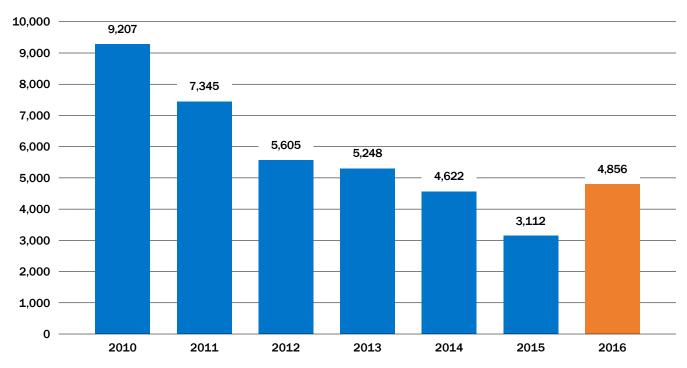
For this report, we included the electricity and natural gas metrics from our Pasadena, CA, corporate headquarters—our largest site in the United States. Although it appears that our electricity and gas usage increased in 2016, this spike was generated by the addition of tenant companies into previously empty space that they modified—as well as other construction activities. Therefore, in 2016 about 80,000 ft² were populated in our Pasadena headquarters to accommodate 250+ tenant employees.



# **Electricity Usage** (kWh in 000s)

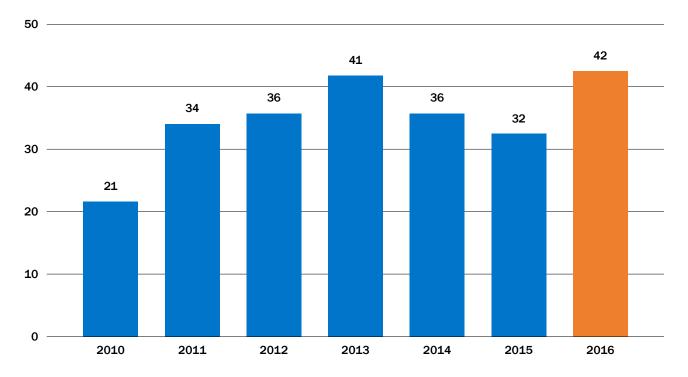


# Normalized Electricity Usage\* (kWh in 000s)

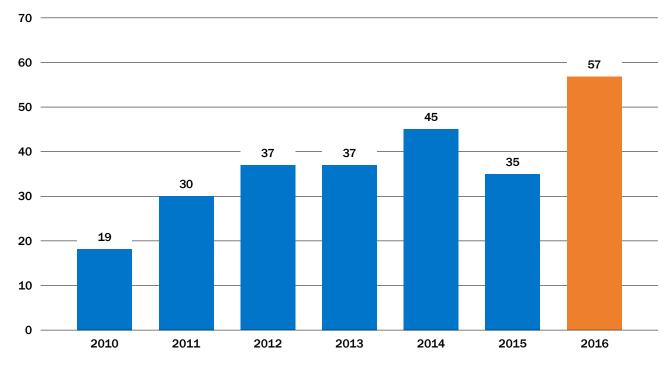


\*NOAA National Climatic Data Center California Division 6 Annual

# Natural Gas Usage (therms in 000s)



# Normalized Natural Gas Usage\* (therms in 000s)

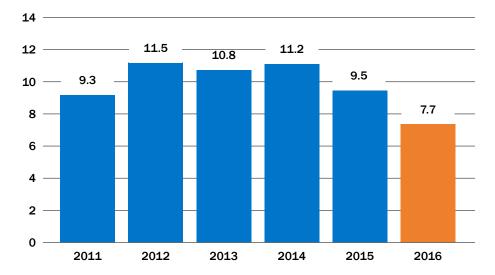


#### **Water Use**

Clean, potable water is one of the earth's most valuable resources. In most parts of the world, more than half the cost of water is derived from the energy required to treat it and then to transport it to where it is needed. The footprint generated by processes that store, treat, purify, and convey water underscores the need for conservation of this most precious resource. Parsons is a leader in providing support to water agencies throughout the world in efforts to make them more efficient by making them more technologically advanced.

To minimize our need for potable water in our own facilities, we have installed low-flow restroom and irrigation fixtures, drought-resistant landscaping, and high-efficiency cooling tower systems. Similar to our efforts in energy efficiency, we work with our property owners in leased facilities to adopt these same water efficiency measures whenever possible.

#### **Water Consumption** (Pasadena headquarters: hcf in 000s)



#### Sustainability

Parsons, with a subconsultant, received an Honor Award from the American Society of Landscape Architects' Maryland Chapter for its work on the state's Intercounty Connector project.

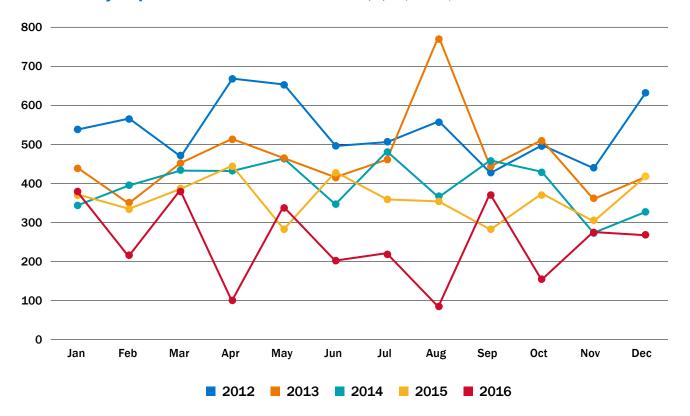


#### **Materials and Resources (Paper and eWaste)**

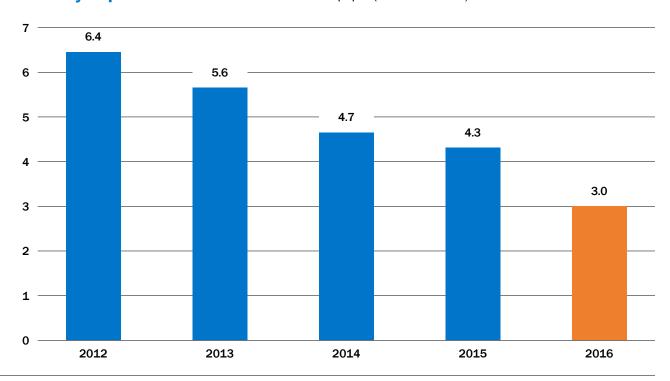
Sustainable yield is a key component of sustainability. It emphasizes the need to minimize waste through the judicious purchase and use of raw materials, recycling, reuse, and buying products that have a high content of recycled ingredients.

As a company—and because we rely heavily on documentation—we remain focused on reducing our need for printing by increasing our use of electronic documents and paperless transfer/communications, including the use of video- and web-enabled conferencing tools. And because we continue to review and improve our recycling programs for materials (such as paper and drink containers), we recently instituted battery-recycling programs as well. We are even committed to purchasing environmentally preferable (green) janitorial cleaning supplies with low/ no volatile organic compounds. In addition, we recycle and donate eWaste (such as computers, monitors, and printers) in a safe, secure, and socially responsible manner.

## Monthly Paper Procurement: 81/2" x 11" white paper (cartons)



## Yearly Paper Procurement: 81/2" x 11" white paper (cartons in 000s)

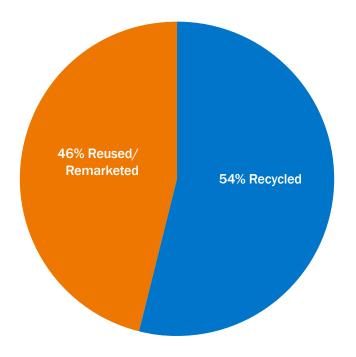


### **Sustainable Procurement Practices**

Sustainable procurement—an integral part of the Parsons Sustainability Program—results in markedly improved material conservation and waste reduction. Embedded in the life-cycle impact of each product is a combined environmental, energy, and carbon footprint that reflects the manufacturing and transportation processes required to produce it.

We leverage our powerful sustainability skills in procurement, vendor management, and purchasing to enhance our supply chain. In fact, we are developing a program that will identify product ratings and labeling methods, and it will concurrently prioritize—by their efficiency or recycled content levels—more sustainable products such as Energy Star appliances, furniture, high-efficiency lighting, and building materials that use rapidly renewable resources. We specify sustainable attributes in our procurement contracts for IT, office materials, and services such as package delivery and office cleaning. We are reducing our ultimate footprint because we are procuring more sustainable products.

### **eWaste Disposal Method**



### **Measuring and Managing Our GHG Emissions**

In calculating our GHG emissions, we selected an approach that reflects our business goal: reduce carbon intensity that relates to tons of carbon per unit of income. Our goal is to reduce our carbon footprint index by 5%.

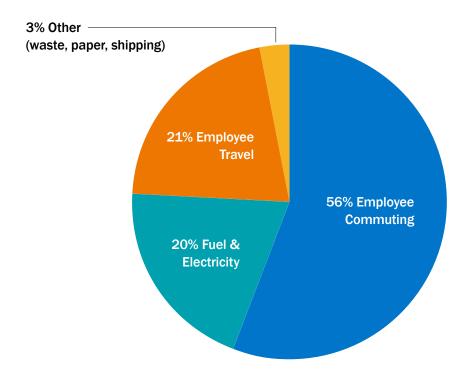
We calculate our carbon intensity based on four activities:

- · Onsite fuel usage
- · Purchase of electricity
- Employee business travel
- · Employee commuting

We focus on key office locations—for each activity—because they make up more than 90% of our emissions, and we apply these results to the entire company using the ISO 14064 GHG inventory. The World Resources Institute (WRI) reviewed and agreed with our approach. For 2016, we exceeded our carbon intensity goal, and we are on track to meet our 2017 goal.

Parsons continues to manage each of these four activities through such measures as telecommuting, videoconferencing, and business travel controls, each of which contributes significantly to reducing our carbon intensity.

### **GHG Emissions** (metric tons of CO<sub>2</sub> emissions by source activity)



### **Business Travel and Technology in the Workplace**

We all know corporate business travel creates a major adverse impact on sustainability even though it is also an essential part of our business practice because travel results in new sales or follow-on work. Although our employees continue to go anywhere throughout the world, in 2016 we saw a decline in the number of airline tickets issued and car rentals/lodging nights. And although travel is still an essential part of our business, we remain committed to other ways we can support and participate in sustainable practices. Therefore, we ask our employees to consider whether the work associated with a proposed trip or meeting could be just as successful through technology. Thus, as our employees travel around the world, our use of innovative processes gets the job done without increasing our carbon footprint. As a worldwide company, we rely on our technology to connect with our customers, employees, and vendors/suppliers. And too, because face-to-face meetings are vital when creating successful relationships, what had once required the actual presence of individuals in a common location is now being achieved just as successfully through videoconferencing, teleconferencing, web meetings, and electronic file sharing.

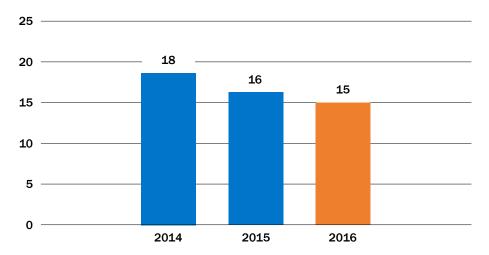
Thanks to these innovations, people now attend the same meetings from anyplace in the world—at any given time. Countless advantages stem from applying technology in the workplace, including increased productivity, which also offers economic and time-saving benefits by reducing both employee travel and travel by customers and vendors/suppliers.

We have relied on audio and web conferencing—both internally and externally—for nearly 20 years because they achieve the following benefits:

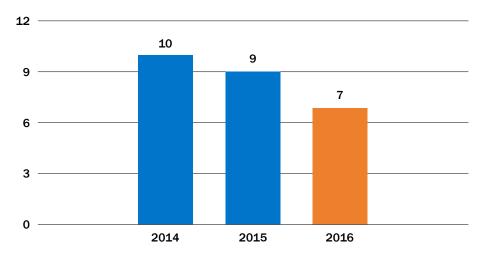
- Contribute to our sustainability goals, specifically reducing GHG emissions.
- Improve quality of communications among employees, customers, and vendors/suppliers.
- Facilitate and enhance multiple business scenarios, including staff and team meetings, project planning sessions, business development collaborations, design reviews, interviews, and training.
- Avoid unnecessary travel time and expenses.

Although it appears as if we experienced a decrease in our videoconferencing in 2016, we have added video options that are not currently included in our videoconferencing statistics. For example, employees can now videoconference with colleagues directly from their computers. It's an easier way to keep in touch, and it decreases the need for travel.

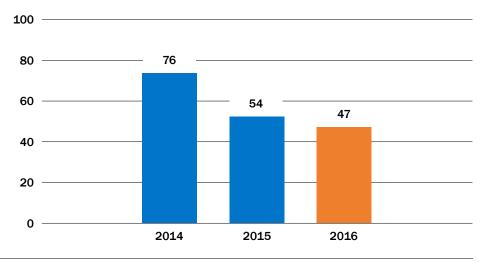
### Airline Tickets (round trips 000s)



### Car Rentals (in 000s)



## Lodging (nights in 000s)





## **Videoconference Rooms**

Year	Endpoints
2016	82
2015	79
2014	69

## Videoconference Use (hours)

Year	Total Use
2016	3,269.0
2015	3,486.0
2014	2,873.7

### **Sustainability FAQs**

Our frequently asked questions summarize the sustainability program at Parsons, which represents a simple yet comprehensive set of items covering our sustainability policies, practices, and procedures.

Does Parsons have written policies, procedures, and practices in the following sustainability areas?	Yes	No
Energy efficiency	√	
Environmental protection	√	
Health	1	
Safety	√	
Labor rights and freedom of association	1	
Ethics	√	
Customer data protection	1	
Conflict minerals		_
Human rights	1	

Does Parsons provide employee or worker training in the following		
sustainability areas?	Yes	No
Energy efficiency	√	
Environmental protection	√	
Health	√	
Safety	√	
Labor rights and freedom of association	√	
Ethics	√	
Customer data protection	√	
Conflict minerals		_
Human rights	√	

Does Parsons have an officer or executive dedicated and accountable to sustainability?

Yes. We have a corporate director of sustainability.

Does Parsons maintain membership in at least one independent organization that sets sustainability standards or guidelines?

Yes. We maintain the following memberships:

- ASTM: American Society for Testing and Materials
- CHPS: Collaborative for High Performance Schools
- GRI: Global Reporting Initiative
- ISI: Institute for Sustainable Infrastructure
- USGBC: U.S. Green Building Council

Does Parsons set performance goals with metrics and targets in the following sustainability areas?	Yes	No
Energy efficiency	<b>V</b>	
Environmental protection	<b>V</b>	
Health	<b>√</b>	
Safety	<b>√</b>	
Labor rights and freedom of association	<b>√</b>	
Ethics	<b>V</b>	
Customer data protection	√	
Conflict minerals		_
Human rights	V	

Does Parsons publicly report sustainability results and progress against its goals?

Yes. We publicly report our sustainability results and progress to the GRI and on our company's public website.

## Has Parsons adopted the codes or standards of any independent organization?

Yes. We have adopted those ISO 14001 requirements that pertain to the operations of the company's service activities. We represent customers throughout the world as their owners' representatives, and we are responsible for complying with ISO 14001 when requested by our customers. We adopt the codes and standards of other independent organizations, if requested by our customers, for specific programs and projects.

#### Does Parsons have a supplier diversity program?

Yes. We are committed to maintaining a diverse supplier base to support our projects, providing opportunities for small, minority-owned, women-owned, and veteranowned businesses (including service-disabled veterans), as well as historically black colleges/universities, minority institutions, and organizations that promote the employment of disabled individuals.

Does Parsons require its suppliers to adopt sustainability standards in the		
following areas?	Yes	No
Energy efficiency	√	
Environmental protection	√	
Health	√	
Safety	√	
Labor rights and freedom of association	√	
Ethics	√	
Customer data protection	√	
Conflict minerals		_
Human rights	√	

# Does Parsons use renewable energy or alternative energy sources such as solar, wind, biofuels, or geothermal?

Yes. Although Parsons does not own any renewable energy generation resources, we procure our energy from local utility suppliers, many of which are required to procure a portion of their energy portfolios from renewable energy sources.

## Has Parsons established GHG emission reduction goals?

Yes. Page 74 describes our GHG emission reduction goals.

#### **Does Parsons track its GHG emissions?**

Yes. Page 74 shows our most current GHG emissions.

### To whom does Parsons report its GHG emissions?

We report our GHG emissions to the GRI.

Does Parsons have written policies and practices for the products and services it sells to its customers?		
Como to the customore.	Yes	No
Product end-of-life recycling/take-back programs	V	
Product recycled content	√	
Restrictions on use of raw materials from conflict mines		_
Restrictions on hazardous substances in products	1	
Product packaging, transportation, and logistics	1	
Product life-cycle energy consumption	√	
Product transportation and logistics	<b>V</b>	
Hazardous and regulated waste management	V	

Does Parsons document its labor and human rights policies that address the		
following areas?	Yes	No
Prohibition of child labor	√	
Prohibition of involuntary labor	√	
Allowing freedom of association	√	
Prohibition of bribery	√	
Avoiding conflicts of interest	√	
Prohibition of illegal drugs	√	
Prohibition of discrimination	√	
Prohibition of physical coercion	√	
Limiting the number of worker hours	1	

## Does Parsons have an energy and water usage policy, strategy, or management plan?

Yes. Page 66 describes our energy policy, and page 70 describes our water usage policy.

## Does Parsons track utility usage at the corporate level?

Yes. Pages 68 and 69 show the utility usage summary.

### **Does Parsons measure GHG emissions?**

Yes. We measure direct GHG emissions (Scope 1), indirect GHG emissions (Scope 2), and other GHG emissions (Scope 3) using the WRI GHG accounting protocol. Page 74 shows our total GHG inventory.

Does Parsons have an established program for assessing its suppliers' performance in the following sustainability areas?		
,	Yes	No
Energy efficiency	√	
Environmental protection	1	
Health	1	
Safety	1	
Labor rights and freedom of association	1	
Ethics	√	
Customer data protection	1	
Conflict minerals		_
Human rights	1	

### Does Parsons have a workforce diversity program?

Yes. We are committed to building a strong, diverse workforce. Our 13,000+ employees speak more than 80 languages and hold nearly 10,000 university degrees and professional registrations. We track our diversity metrics for hiring and turnover.

## **Sustainability Scorecard and Progress**

Measuring performance is critical to effective and transparent reporting of progress toward sustainability commitments. Parsons uses select GRI indicators to demonstrate its results. These indicators have been modified for brevity and to reflect Parsons' reported data.

Number   GRI Indicator   Domestic paper consumed:	
Baseline use in 2008: 10,757 cartons  Use in 2016: 2,988 cartons  Use in 2015: 4,327 cartons  72% reduction in cartons from baseline to 2016  EN3  Direct energy consumption (for natural gas consumed at Parsons' headquarters).  EN4  EN5  EN7  Indirect energy consumption (for Parsons, as electricity purchased from grid).  EN8  Total water withdrawal by source.  EN8  Total water withdrawal by source.  EN8  EN7  Total direct and indirect GHG emissions (for Parsons, as carbon intensity).  EN6  EN7  EN7  EN7  EN7  Total direct and indirect GHG emissions (for Parsons, as carbon intensity).  EN8  EN8  EN8  Waste by type and disposal method.  EN8  Initiatives to mitigate environmental  EN8  Baseline use in 2002: 131,729 therms  Baseline use in 2002: 131,729 therms  Baseline use in 2002: 131,729 therms  Baseline use in 2006: 7,641,000 kWh  Baseline use in 2016: 5,130,000 kWh  Use in 2016: 7,641,000 kWh  Use in 2016: 5,130,000 kWh  Use in 2016: 5,130,000 kWh  Use in 2016: 7,641,000 kWh  Use in 2016: 5,130,000 kWh  Use in 2016: 5,130,	Page
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Use in 2015: 4,327 cartons	
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impacts of products and services.  Handbook.	16
EN29 Significant environmental impacts of Best practices are incorporated in the <i>Parsons Sustainability</i>	16
transporting workforce, products, and other goods and materials.  Handbook.	
Parsons E1 Information technology energy-use 4,160,790-kWh/y reductions projected by applying the	67
reductions. cost of our virtual servers against the cost savings of our storage infrastructure.	

GRI	ODII II 1		
Number HR2 HR6 HR7	GRI Indicator  Human rights, child labor, and compulsory labor.	When hired, all employees sign our Parsons Code of Conduct, which includes policies relating to our core value of integrity. In 2016, we updated our Code of Conduct to include a corporate statement about our policy against human trafficking—we announced the policy companywide on our	Fage 53
		employee intranet. Parsons employees also received training on the Code of Conduct in 2016 and will be required to recertify their compliance with this code in 2017. In accordance with corporate policy, employees recertify their compliance with the Code of Conduct every other year.	
HR3	Employee training on policies and procedures concerning aspects of human rights.	Same performance results as HR2, HR6, and HR7.	53
HR4	Total incidents of discrimination.	Parsons' Employee Dispute Resolution Program received 15 calls in 2014, 10 calls in 2015, and 11 calls in 2016.	53
LA1	Total workforce by employee type, employment contract, and region.	67% of Parsons' workforce is in North America:  • January 2017: 13,139 employees (total)  • January 2016: 14,695 employees (total)  • January 2015: 15,072 employees (total)  • January 2014: 13,159 employees (total)	34
LA2	Total number and rate of employee turnover.	Total number of employees (and rate of turnover):  • 2016: 4,070 employees (30%)  • 2015: 3,560 employees (25%)  • 2014: 1,923 employees (15%)	39
LA6	Percentage of total workforce represented in health and safety committees.	100% of Parsons' employees are represented by safety committees that have been established in our offices and at our project locations. We empower our employees to make safety personal, whether they are at work or at home.	45
LA7	Rates of injury.	Total recordable incident rate:	50
LA8	Health and illness-related education, training, counseling, prevention, and risk-control programs.	<ul> <li>100% of employees have access to Parsons' Employee Assistance Program.</li> <li>70% of employees have access to Parsons' Wellness for Life Program.</li> </ul>	51
LA10	Average hours of training per year for each employee.	• 2016: 6.6 hours • 2015: 6.3 hours • 2014: 5.3 hours	44

GRI			
Number	GRI Indicator	Parsons Performance Results	Page
LA11	Programs for skills management, end of career, and lifelong learning.	Established in 2003, ParsonsU offers thousands of courses covering a wide array of professional development topics for all levels of employees, from early career professionals to senior staff.	41-42
LA12	Percentage of employees receiving regular performance and career development reviews.	<ul> <li>2016: An initiative was kicked off to review our performance management program and streamline it across each of our business units and regions.</li> <li>2015: Parsons designed and applied a new, more responsive personnel appraisal process of regular year-round, one-on-one conversations, resulting in a deeper focus on career paths/development and eliminating the traditional yearly performance assessments across the corporation—except for the Federal business unit where 88% of its employees received performance reviews in 2015.</li> <li>2014: Parsons' performance review process underwent a through procedural change; therefore—with the exception of our Federal business unit—there was no information to report; however, 92% of Federal employees received performance reviews in 2014.</li> </ul>	N/A
LA13	Breakdown of employees by category.	Percentage of minority groups (nonwhite, non-Caucasian) in workforce:  January 2017: 27%  January 2016: 28%  January 2015: 27%  Percentage of women in workforce:  January 2017: 25%  January 2016: 25%  January 2015: 25%	33
S02	Percentage and total business units analyzed for risks relating to corruption.	Parsons' 24-hour Ethics Helpline is available globally to all employees so they can report concerns about business practices, safety, violations of law, and company policies.	51
S03	Percentage of employees trained in organization's anticorruption policies and procedures.	Upon hire, all Parsons employees are required to read and agree to the Parsons Code of Conduct, and 100% of employees are trained. All employees are required to recertify their acceptance of and compliance with the code every other year.	51
S04	Actions taken in response to incidents of corruption.	No incidents of corruption have been reported.	51-52
S05	Public policy positions and participation in public policy development and lobbying.	Parsons' government relations staff address public policy issues affecting the engineering and construction industry.	N/A
EC1	Direct economic value generated and distributed as represented by revenues, including unconsolidated JVs.	<ul><li>2016: \$4.9 billion</li><li>2015: \$4.5 billion</li><li>2014: \$4.3 billion</li></ul>	N/A

