

**PARSONS**



# People. Planet. Progress.

**2018 Corporate Social Responsibility Report**



**Parsons PLUS** building a sustainable world

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## Chairman's Letter

“As we note in this report, our sustainability and ecosystem services are key components of our innovation strategy and are just one way that Parsons delivers a better world by providing meaningful and impactful solutions to our customers.”



The year 2017 will be remembered for several large events that included hurricanes, fires, floods, earthquakes, and cyber attacks. Each of these events impacted the world in terms of human life, health, and property. Our role in designing infrastructure, defense, and security systems for sustainability and resilience becomes even more critical. Therefore, we continue to apply our *people*, *processes*, and *technologies* to accelerate solving some of the world's toughest challenges to effect a positive impact on the environment, marketplace, workplace, and society. Through our annual corporate social responsibility (CSR) report—**People. Planet. Progress.**—we provide details of the progress we have made in these four areas:

- **Environment** – The effects our corporation and employees have on our surroundings
- **Marketplace** – How our corporation interacts with our external stakeholders—our customers, business partners, and suppliers—by demonstrating our responsibility through leadership in quality, ethics, and transparency
- **Workplace** – How our corporation provides a work environment that promotes health, safety, security, inclusion and diversity, and professional development opportunities
- **Society** – The positive impacts our corporation and our employees have on the communities in which we live and work

### By the Numbers:

73%

reduction in cartons of  
paper consumed

28%

reduction in electricity  
consumed

61%

reduction in natural gas  
consumed

40%

reduction in water  
consumed



As we note in this report, our sustainability and ecosystem services are key components of our innovation strategy and are just one way that Parsons delivers a better world by providing meaningful and impactful solutions to our customers. Our Climate Adaptation and Resiliency Planning Initiative (CARPI), which we introduced 4 years ago, reflects our continued dedication to helping our customers reduce and manage risks that jeopardize the sustainability of the world's infrastructure, defense, and security assets. We are also making the world a healthier place through our charitable contributions, in-kind donations, employee volunteerism, and our work in infectious disease research. In addition, Parsons is committed to ensuring that we make our overall company operations even more sustainable, reduce our environmental/energy footprint, and manage our carbon intensity while remaining aligned with cultural and societal norms in the geographies where we operate. We also are working with customers around the world to advance renewable energy and energy storage technologies. And we are pleased to announce that in late 2017 the Coalition for Integrity recognized our leadership-level contributions to corporate anticorruption compliance, transparency, business ethics/integrity, and CSR by granting us its 2017 Corporate Leadership Award. The spirit of ingenuity and our ability to anticipate our clients' needs permeate the entire corporation, including our CSR efforts. In a world of increasing innovations, Parsons is dedicated to helping our cities become safer, smarter, and more resilient through the application of technology and digital solutions. In fact, we are uniquely qualified to deliver cyber-physical security, advanced technology solutions, and other innovative services to federal, regional, and local government agencies, as well as to private industrial customers worldwide. We encourage you to read our updated CSR report for our ever-developing story of how Parsons remains a responsible corporate citizen, employer of choice, good neighbor, and a positive contributor to the world's economy.

### **Charles L. Harrington**

Chairman and Chief Executive Officer

# Introduction

Since 1944, CSR has been an integral part of our culture. CSR is rooted in the concept that multiple factors affect a company's actions. As such, our 2018 CSR report focuses on our impacts in the areas of environment, workplace, marketplace, and society, and it covers data from the previous 3 calendar years unless otherwise indicated. In brief, **People. Planet. Progress.** illustrates our commitment to delivering a better world.





## About Parsons

Parsons is a digitally enabled solutions provider focused on the defense, security, and infrastructure markets. With nearly 75 years of experience, Parsons is uniquely qualified to deliver cyber-physical security, advanced technology solutions, and other innovative services to federal, regional, and local government agencies, as well as to private industrial customers worldwide.

## About This Report

Parsons' 2018 CSR report—**People. Planet. Progress.**—is the corporation's fifth report and highlights our influence in the areas of environment, workplace, marketplace, and society in the communities where we do business.

- **Priority Issues:** This report demonstrates our efforts to make our overall company operations even more sustainable, to reduce our environmental/energy footprints, and to manage our carbon intensity. It also documents the vital role of sustainability in our projects and the services we deliver to our clients.
- **Scope:** The 2018 CSR report covers data from the previous 3 calendar years (2015, 2016, 2017), unless otherwise indicated. Our previous CSR report was published in April 2017. The baseline comparison year for calculating progress toward goals is 2010, unless otherwise indicated. In addition to documenting our CSR efforts, select metrics are assessed according to the Global Reporting Initiative (GRI), which is a nonprofit, network-based organization that has developed the world's first and most widely used sustainability-reporting framework.

## Parsons Approach to Corporate Social Responsibility

### Commitment and Vision

Parsons' commitment to CSR is based on the principle that corporate success and social well-being are interdependent and that the long-term interests of our organization are best served by improving its economic, sociocultural, and environmental/energy practices. Our CSR vision includes adhering to our six core values (see page 10). As a responsible corporation, we respect the interests of our stakeholders—our shareholders, employees, customers, suppliers, teaming partners, and the wider community. As we provide innovative and sustainable solutions to new and existing customers, we actively seek opportunities both to improve the environment and to contribute to the well-being of the communities in which we do business. Striving for this balance is an integral part of everything we do.

To this end, our vision is clear:

- Provide our customers with cost-effective, safe, and socially responsible solutions
- Engender a culture of partnership with our customers and suppliers to achieve a shared vision
- Manage and reduce the impact that our work has on the environment
- Seek ways to give back to the communities in which we live and work
- 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

## Focus Areas

Because CSR is also rooted in the concept that the impacts of our business operations and services fall into multiple categories and affect different stakeholders, Parsons has developed a multidimensional approach to achieve our vision. The categories shown below represent our four areas of CSR and the key activities associated with them:

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### Environment

The effects our corporation and our employees have on our surroundings



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#### Priorities

- Establish sustainability leadership, policies, and associated tools and technology
- Promote environmental stewardship through energy, water, material, and nonrenewable resource conservation
- Apply sustainability practices to internal operations and customer projects to mitigate adverse impacts on the environment and to reduce carbon emissions

#### Parsons' Actions

- We have a sustainability policy, an employee handbook, and a series of in-house tools that allow for consistent implementation.
- We rely on proven sustainable practices in our daily operations and activities to improve our environmental, energy, and carbon intensity. We also track, report, and manage our performance.
- We incorporate sustainability into our projects in various ways, such as integrating alternative energy sources, using recycled/reused materials, performing environmental life-cycle analyses, and diverting construction waste from landfills.
- We help our customers evaluate risk associated with climate change and develop climate adaptation and resiliency planning and design.

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### Workplace

How our corporation provides a work environment that promotes health, safety, security, inclusion and diversity, and professional development opportunities



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#### Priorities

- Develop and implement safety strategies and policies
- Demonstrate our commitment to integrity and diversity
- Implement sustainable talent management practices that support employee retention and growth

#### Parsons' Actions

- We've instituted several initiatives that advance safety, healthy working conditions, and equal opportunities for growth and advancement.
- We advance employee development using ParsonsU, our online learning management system. ParsonsU offers thousands of courses, many of which qualify for continuing education units (CEUs).
- We have launched an Inclusion & Diversity (I&D) Task Force that is dedicated to diversity as a core value, I&D as a strategic business imperative, driving growth through innovation, improving retention and employee engagement, and cultivating greater customer satisfaction.



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## Marketplace

How our corporation interacts with our external stakeholders—our customers, business partners, and suppliers—by demonstrating our responsibility through leadership in quality, ethics, and transparency



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### Priorities

- Deliver high-quality products and services
- Act with integrity in our dealings with customers, suppliers, and in the marketplaces we serve
- Prioritize information security and confidentiality
- Generate solutions that enable customers and partners to make better decisions for improving environmental, economic, and social conditions
- Garner public recognition for company and project performance

### Parsons' Actions

- We promote a culture of integrity at all levels of the corporation.
- We support and respect the promotion and protection of human rights within our operations, within our value chain, and in communities where we operate around the world.
- We offer employees the opportunity to report work-related problems confidentially and without fear of retaliation.
- Our partnerships represent an extensive network of qualified contractors and organizations.
- We design with safety in mind and endeavor to keep our construction sites safe for workers and the public.

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## Society

The positive impacts our corporation and our employees have on the communities in which we live and work



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### Priorities

- Give back to local communities through volunteering
- Focus corporate giving programs on areas of stakeholder value
- Support innovative, high-value projects and solutions in communities where we work and live
- Promote access to physical (e.g., energy, water, and transportation infrastructure) and nonphysical (e.g., knowledge and social capital) community assets
- Promote opportunities for local, small, and disadvantaged business participation

### Parsons' Actions

- We continue to serve the communities where our employees live and work through our Parsons Gives Back program, providing support through charitable contributions, in-kind donations, and volunteering.
- We have continued our longstanding history of supporting communities impacted by natural disasters by providing volunteer and professional support.
- We participate in education and mentorship programs, reaching children and adults across all our geographic markets.

## 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 are well established and well known throughout Parsons because they define our character and the culture we practice. Through the regular application of these six principles, we continue to provide value to our customers, and we consistently meet our goals.

### 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.



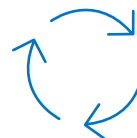
### Innovation

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

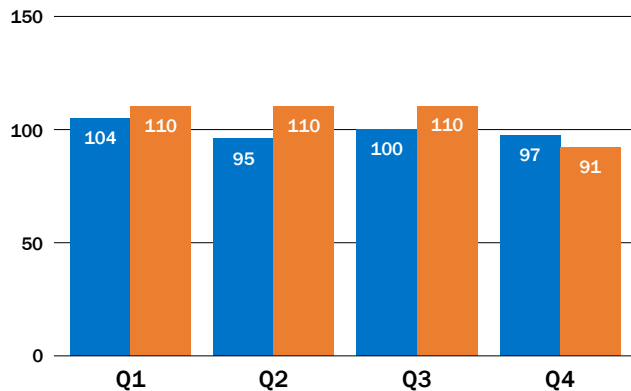
In all that we do, we are conscious of the impact that our work has on the environment. We help our customers do the same by providing clean, efficient, healthy, and effective solutions on all of our projects.



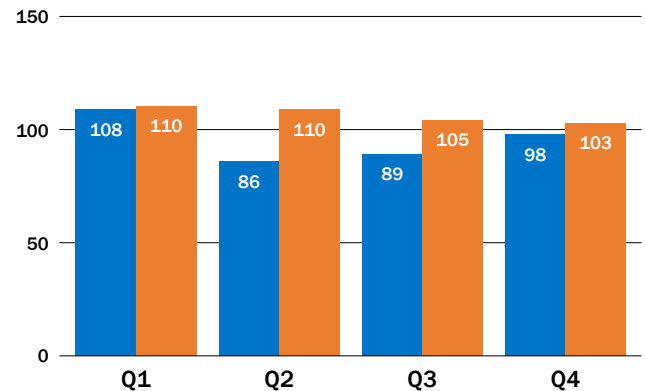
## 2017 Core Values Metrics

On a quarterly basis, Parsons' Executive Committee reviews our core values metrics, which represent social, economic, and environmental criteria for our six core values. 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).

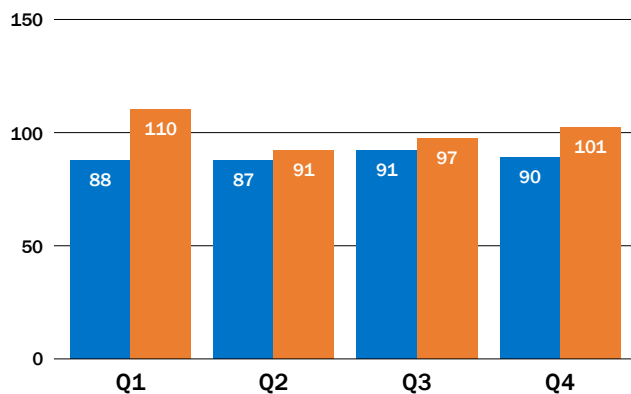
**Figure 1: Safety**



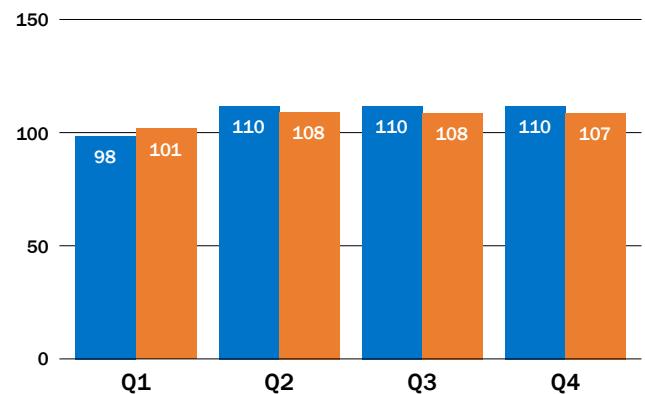
**Figure 2: Quality**



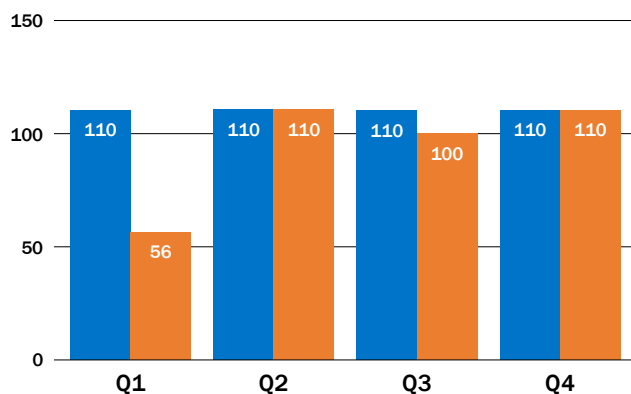
**Figure 3: Integrity**



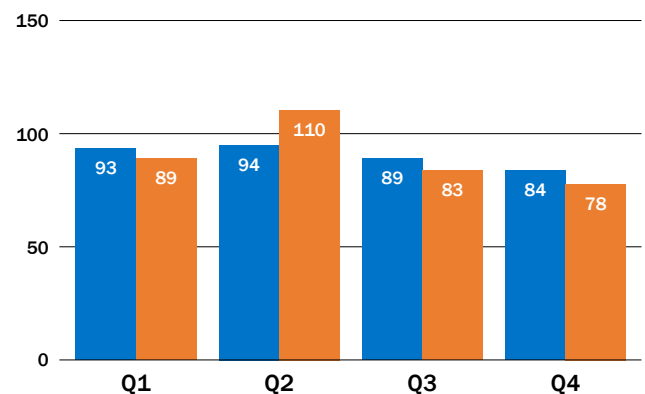
**Figure 4: Diversity**



**Figure 5: Innovation**









**Figure 6: Sustainability**









■ Leading ■ Lagging






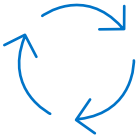
## 2017 Core Values Highlights

Some of our significant activities in 2017 are highlighted in the table below.

	<b>Environment</b> 	<b>Workplace</b> 	<b>Marketplace</b> 	<b>Society</b> 
<b>Safety</b> 	<p>Our Ontario Drive Clean program was recognized by Canadian Pro Drivers with the Road Safety Award for the 4<sup>th</sup> consecutive year.</p>	<p>Volume 1 (Field Projects) of our newly revised <i>Environmental, Safety, Health, and Risk Program (ESHARP) Guidebook</i> was made available to employees on the corporation's learning management system.</p>	<p>We were reapproved as one of only five participants in the Occupational Safety and Health Administration's (OSHA's) Corporate Voluntary Protection Program.</p>	<p>Following the earthquake that struck the greater Mexico City area in September, we mobilized three teams of 10 volunteer engineers to conduct hundreds of structural safety assessments.</p>
<b>Quality</b> 	<p>Our West Pond Environmental Assessment project received the Honor Award for Outstanding Environmental Planning Project from the American Planning Association, Federal Planning Division.</p>	<p>We implemented the ISO 9000: 2015 quality program and training in our Federal business unit.</p>	<p>Two Parsons projects—the Dubai Water Canal and the Dubai City Walk—received four awards as part of MEED's Quality Awards for Projects 2017.</p>	<p>We received two Awards of Excellence from the Maryland Quality Initiative for our construction management services for Baltimore/ Washington International Thurgood Marshall Airport.</p>



	<b>Environment</b> 	<b>Workplace</b> 	<b>Marketplace</b> 	<b>Society</b> 
<b>Integrity</b> 	<p>In April, we sponsored and participated in the annual Los Angeles Business Council's 2017 Sustainability Summit at the Getty Center. The summit focused on California businesses building cleaner, greener communities.</p>	<p>In support of our core value of integrity, all employees completed their ethics recertification by resigning our Conflict of Interest policy and reconfirming compliance with our Code of Conduct.</p>	<p>In November, the Coalition for Integrity honored Parsons with its 2017 Corporate Leadership Award for our contributions to corporate anticorruption compliance, transparency, business ethics, integrity, and corporate social responsibility.</p>	<p>In March, our general counsel participated in the 2017 Global Ethics Summit, hosted by Ethisphere in New York City.</p>
<b>Diversity</b> 	<p>We committed to sponsoring the American Chamber of Commerce Abu Dhabi's Women in Business Committee and were one of the first five signatories of Women Achieve, a program established by the AmCham Abu Dhabi's Women in Business Committee.</p>	<p>In February, we launched an Inclusion &amp; Diversity Task Force because we realize the more inclusive we are as a company, the better connected we are with each other.</p>	<p>In April, we were named one of the Top 50 Employers for women engineers in the 26<sup>th</sup> annual edition of <i>Woman Engineer Magazine</i>, published by Equal Opportunity Publications (EOP).</p>	<p>In April, we participated in Los Angeles Metro's event that brought more than 600 small businesses together to meet prime contractors and learn about teaming opportunities.</p>

	<b>Environment</b> 	<b>Workplace</b> 	<b>Marketplace</b> 	<b>Society</b> 
<b>Innovation</b> 	<p>We provided project management, design, and construction support services for the Westin Denver International Airport which, in March, became the first major U.S. airport hotel to achieve LEED Platinum certification.</p>	<p>In February, the Apache Rya database management system researched and developed by Parsons was featured in an article on the Department of the Navy Innovation Vision website.</p>	<p>In July, we joined the Massachusetts Institute of Technology's (MIT's) Industrial Liaison Program, a program dedicated to creating mutually beneficial relationships between MIT and corporations worldwide.</p>	<p>For the 5<sup>th</sup> consecutive year, we supported California Polytechnic State University's campuswide competition that introduces students to innovation through science, technology, engineering, and math (STEM).</p>
<b>Sustainability</b> 	<p>Along with Abu Dhabi Airports Company and other contractors, we participated in an airportwide cleanup campaign and in the Give a Ghaf Tree Planting Program.</p>	<p>Between January and March, our Greenbelt office converted 23% of its vehicle fleet to electric vehicles and installed two electric vehicle charging stations on-site, saving an estimated 2,000 gallons of fuel per year.</p>	<p>In November, our Anacostia River Tunnel Project was named the Sustainability Initiative of the Year 2017 by the International Tunnelling and Underground Space Association.</p>	<p>In July and August, we partnered with Bridges to Prosperity, sending 11 volunteers to Rio Grande, Panama, for 2 weeks to build a 47-meter footbridge for a small community of rice farmers.</p>

# Environment



As a responsible corporation, we actively seek opportunities to improve the environment. The following pages highlight sustainability in some projects where our innovative sustainable solutions provide the greatest impacts as well as focus on our efforts to make our overall operations even more sustainable, reduce our environmental/energy footprints, and manage our carbon intensity. Because our worldwide sites influence the environment, energy, and economics of where we do business, we are proactive in enhancing the quality of life for these communities through our efforts to reduce energy/water consumption and use recycled and planet-friendly materials. We also rely on alternative communication methods—such as videoconferencing—to reduce travel costs.



# Parsons Sustainability Policy Statement

## Policy

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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

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

## Definitions

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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

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**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.



## Processes and Technologies

We strive for continuous improvement in the services we provide by offering best-value sustainable solutions to our customers. Our variety of processes, methods, and technologies allows us to stay on the cutting edge while delivering interconnected, sustainable communities; a clean, livable environment; and a safer, healthier world.

### Processes

#### Sustainability Working Group

In 2008, we created SWG as the focal point for corporatewide collaboration to further our sustainability capacity and market development. Comprising the sustainability directors from each business unit as well as representatives from each of our major market sectors, the SWG also leads employee outreach efforts to advance our core value of sustainability.

The SWG advises on the following key areas:

- Sustainability best practices
- Practical ideas for sustainable office operations, project/program management, and business development
- Cutting-edge tools to support the implementation of sustainable project solutions
- Effective performance measurement and comparison to objectives and benchmarks
- Use of third-party guidelines, rating systems, and certification frameworks, such as the following:
  - The Institute for Sustainable Infrastructure (ISI) Envision certification program
  - The U.S. Green Building Council (USGBC) LEED rating systems (Building Design and Construction [BD+C], Interior Design and Construction [ID+C], and Operations and Maintenance [O+M])
  - Federal Highway Administration Infrastructure Voluntary Evaluation Sustainability Tool
  - Estidama Pearl Rating System
- Associated sustainability professional accreditations and continuing education, including but not limited to the following:

- USGBC LEED Accredited Professional (LEED AP)	- Estidama Pearl Qualified Professional (PQP)
- ISI Envision Sustainability Professional (ENV SP)	- Certified sustainability practitioner
- Certified energy manager (CEM)	- Certified energy auditor (CEA)
- Certified energy procurement professional (CEPP)	

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 a changing climate and to protect existing critical infrastructure. The SWG continued to evolve this program in 2017.

## **Parsons Sustainability Handbook**

Originally published in 2009, the *Parsons 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 sustainable implementation of Parsons' business operations, business development, and project work products.

Key features of the handbook include a definition of sustainability and a primer on how to measure successful project delivery. This handbook provides the essential background of sustainability issues as they apply to our core business and services, enabling our employees to understand and implement sustainable solutions on their projects and in their personal lives, fulfilling the intent of our core value of sustainability.

The following are the main sections in the handbook:

- **Business Operations** details our internal sustainable business practices, provides information on sustainability in the workplace and in the procurement and supply chains, and describes how sustainability is vital to our corporate and individual roles as good citizens. 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** describes how to integrate sustainability into our business development practices, and it encourages robust engagements with our customers and our stakeholders. This section also provides suggestions to our employees regarding how to communicate our sustainability efforts in presentations to our customers, community organizations, trade associations, and students.
- **Work Products** guides readers through appropriately developing, planning, designing, and managing projects and programs to incorporate sustainability. The SWG began a comprehensive update of this section in 2017 that will be completed in 2018, followed by training courses to maintain our staff's ability to deliver the latest innovations in our industry.



*Elliott Bay Seawall Habitat Bench and Shelves, Seattle, WA*

## Climate Adaptation and Resiliency Planning Initiative

Four years ago, we introduced our CARPI, which focuses on mitigating the impacts of climate change on our critical infrastructure. Megadisasters, such as storms, fires, floods, heatwaves, and earthquakes, devastated the world in 2017, threatening human life, health, property, and infrastructure. According to the National Oceanic and Atmospheric Administration, 2017 was also the costliest year on record for disasters in the United States. Hurricane Harvey tied with Katrina as the costliest tropical cyclone on record. Hurricane Irma was the strongest storm ever recorded in the Atlantic region. Hurricane Maria was the worst natural disaster ever experienced in Dominica and Puerto Rico and was the deadliest storm in the Atlantic 2017 hurricane season. In addition to the hurricanes, California's 2017 wildfire season was the largest and most destructive on record, causing billions of dollars in property losses and environmental damage.

Because natural disasters are worsening, designing our infrastructure for sustainability and resilience is even more critical. Therefore, we are dedicated to helping our customers reduce and manage risk related to events that jeopardize the sustainability of the world's infrastructure assets.

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

- Evaluate and apply criteria to determine risks and vulnerabilities, including the age and condition of infrastructure, its proximity to other infrastructure, and the current level of service
- Establish criteria for resiliency, including mode of structure, repair/replacement cost and time frame, 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 considering exposure and vulnerability while developing capital programs

Furthermore, when looking at climate adaptation and resiliency, we evaluate the service life/longevity of the asset and the sustainable attributes of materials used (low in embodied energy and associated greenhouse gas [GHG] emissions), factoring in the maintenance requirements of our proposed solutions (easy to use, consistent, and adaptable over time), so that our resilient solutions are also sustainable solutions. We also look for opportunities to 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 approach.

Because there is no “one size fits all” answer in a resilience strategy, we often explore three types of infrastructure solutions as a comprehensive approach to reduce climate risks:

- Gray: 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 environments, resulting in minimal harm and complementing green infrastructure elements

A specific example of our CARPI efforts is the Elliott Bay Seawall project. In 2012, the City of Seattle hired Parsons to deliver the replacement seawall to protect the city’s critical infrastructure, reduce the risk of seismic damage, and improve the salmon migration corridor. As the prime consultant for this important project, we provided overall program management and served as the engineer of record. The Washington chapter of the American Public Works Association named the project the 2017 Project of the Year in the disaster or emergency construction/repair category for a project valued at more than \$75 million. The award recognizes excellence in management and administration in the successful completion of a public works project.



Another example of our CARPI efforts is the Route 35 Emergency Restoration. When Superstorm Sandy breached Route 35 in three locations in New Jersey, leaving homes, utilities, drainage, and roadway infrastructure destroyed, Parsons was called in to perform the emergency reconstruction of the roadway, sidewalk, and drainage system from milepost 9.0 to 12.5. As damage to the existing drainage outfalls became apparent, we were tasked with designing a new drainage system that would no longer outfall across private easements. The New Jersey chapter of the American Council of Engineering Companies recognized our work on the Route 35 project at the 2017 Engineering Excellence Awards with an Honor Award in the large project category. The Engineering Excellence Awards recognize the highest degree of skill and ingenuity among firms throughout their respective states.

One of the projects in the “Environmental and Sustainability Projects” section of this report includes climate resilience planning; therefore, the project description is highlighted as part of CARPI.



*Breach Caused by Superstorm Sandy at Lyman Street Along Route 35 in New Jersey.*

# PARSONS

DYNAMICALLY GREEN®  
TRANSPORTATION SOLUTIONS

This innovative Parsons program highlights the interaction between mobility, ecology, and community goals. To support the achievement of sustainable transportation solutions, the program relies on an umbrella of techniques and practices, such as context-sensitive solutions, low-impact development, energy efficiency and renewable generation, cradle-to-cradle processes, and sustainable return on investment. The cornerstone of DYNAMICALLY GREEN Transportation Solutions is an eight-step interdisciplinary project delivery process that defines the roles and responsibilities of team members to achieve a project's sustainability goals and measure the performance across sustainability scales. Through this program, our staff has a clear course of action for delivering successful sustainable solutions for our transportation projects.

## Technologies

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eCOMET—our 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 see future requirements for one building, multiple buildings, or an entire portfolio. eCOMET Mobile has both web and offline tablet functionality and can be used to efficiently help our assessors acquire data in the field.

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## PARFORMS™

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

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## PARSONS

NAPL-Away®

Residual light nonaqueous 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 through the addition of nutritional supplements and other remediation agents to stimulate naturally occurring anaerobic microorganisms that digest LNAPL.





*Ivanpah Solar Electric Generating Stations, Nipton, CA*

## **Environmental and Sustainability Projects**

Parsons has a long and rich history of providing innovative, 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, 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. Four projects are highlighted in this report.



*West Pond at Gateway National Recreation Area's Jamaica Bay Wildlife Refuge, NY*

## **West Pond Environmental Assessment (CARPI)**

In the wake of Superstorm Sandy, which devastated the mid-Atlantic/northeastern United States and parts of the Caribbean in October 2012, the National Park Service (NPS) awarded Parsons a contract to complete an environmental assessment addressing the damage done to West Pond at Gateway National Recreation Area's Jamaica Bay Wildlife Refuge, New York. Because of Superstorm Sandy's winds and surge, seawater from Jamaica Bay breached the manmade berm along the southern portion of West Pond, increasing the pond's salinity and creating a tidally influenced lagoon. These changes altered habitat conditions that support fish and wildlife and breached visitor access around West Pond. Jamaica Bay Wildlife Refuge spans approximately 9,000 acres of salt marsh, natural inlets, grassy hassocks, sand dunes, small beaches and uplands, trails, and a visitor center. West Pond, historically a freshwater pond that provided important habitat for migratory birds, covers 44 acres.

As part of our contract, we provided project management assistance for planning and compliance services, including the development of alternatives and the production of an environmental assessment, a statement of findings for floodplains and wetlands, a consistency determination under the Coastal Zone Management Act, and a finding of no significant impact. In addition, we completed the public communications plan and were responsible for producing public meeting materials, coordinating public meetings, and addressing public comments using the NPS's planning, environment, and public comment website/comment management system.

Our multidisciplinary team of planners, engineers, scientists, and resource managers collaborated with the NPS to address the breach of West Pond and its loop trail caused by Superstorm Sandy. The team engaged more than 450 stakeholders and conducted numerous workshops with community user groups and resource specialists during the early stages of project planning to develop alternatives. The purpose of the project was to provide for resilient conditions along the environmentally sensitive West Pond Trail area to support diverse Jamaica Bay habitats and wildlife and to enhance the visitor experience. The project's objectives included the following:

- Improve and maintain a more resilient West Pond Trail area
- Implement a clear route-finding system



- Promote conditions for effective interpretation
- Improve and maintain the park's natural resources and historic character
- Contribute toward a healthy, productive, and biologically diverse ecosystem
- Provide a sound basis for adaptive management measures
- Provide for protective design elements to promote future desired resource conditions with park management efforts that are sustainable

The innovative preferred alternative that was selected included phased implementation solutions that improved conditions and ecological resilience as ecosystems recovered and the application of adaptive management measures over time. The preferred alternative included the following measures:

- Repair the breach and take additional measures to reinforce the secondary breach on the banks opposite the existing breach.
- Restore West Pond to pre-Superstorm Sandy conditions (freshwater or palustrine conditions to mesohaline conditions) over time.
- Implement wetland plantings and allow for wetland regeneration over time. Provide for phased constructed living shoreline outside the breached area to increase storm resistance and resiliency.
- Monitor and control invasive species.
- Repair the loop trail around West Pond and provide additional opportunities for wildlife viewing, additional boardwalks extending into the marsh, and enhanced outreach and education opportunities.
- Develop a West Pond stewardship strategy to address invasive species controls, signage, predator control, structural monitoring of the berm and water controls, and compliance with the Americans with Disabilities Act/universal access.

Our collaboration with the NPS resulted in numerous ecosystem and visitor-use benefits while solving multiple engineering and community challenges in this dynamic environment at Gateway National Recreation Area.

In May 2017, the American Planning Association (APA), Federal Planning Division, recognized our work with the Honor Award for Outstanding Environmental Planning Project. This award recognizes the highest standards of quality among all submissions received by the APA, Federal Planning Division.



*Passenger Terminal Building Superstructure Works Commencing at NAIM, Mexico City, Mexico*

## **New Mexico International Airport**

We've planned, constructed, enhanced, and sustained landside and airside infrastructure at more than 450 airports in 40 countries. Recently, we've added to this extensive portfolio by providing program management and sustainability services for the New Mexico City International Airport (Nuevo Aeropuerto Internacional de México - NAIM), where we're implementing a LEED campus approach and working to achieve a LEED Platinum rating for the Passenger Terminal Building (PTB) and a LEED Gold rating for the Air Traffic Control Tower (ATCT), Ground Transportation Center, and Area Control Center. NAIM will be Mexico's preeminent transportation hub, redefining international best practices in engineering and sustainability.

NAIM's sustainability provisions include a photovoltaic array that will generate more than 35 megawatts of power on-site. Central utility plants are designed to give high-performance, energy-efficient solutions to cool NAIM's buildings. This renewable energy supply is coupled with energy conservation measures in the PTB that will cut energy costs in half. In addition to these energy-cost-saving measures, indoor environmental quality solutions are being incorporated using the latest technologies and design elements for indoor air quality; thermal, visual, and acoustic comfort; and lighting levels with daylight and individual switching controls.

The airport is in a highly active earthquake zone, as evidenced by Mexico's magnitude 7.1 and 7.2 earthquakes, in September 2017 and February 2018, respectively. The PTB and ATCT are being designed to address the highly active earthquake environment and to ensure that the airport is returned to operating capacity as soon as possible following an earthquake. The iconic design of the PTB and ATCT, by Foster and Partners, FR-EE, and Arup, and the overall scale make the engineering and sustainability challenges extremely complex. The PTB will be one of the largest buildings in the world, at 743,000 square meters of gross floor area, stretching 1.56 kilometers long from tip to tip. The PTB features a futuristic, column-free, space-frame roof structure; an envelope with a surface area of 500,000 square meters; and 145-meter clear spans with 45 meters of clear height at the center.

The ATCT at NAIM will be 90 meters tall—the second tallest ATCT in North America—presenting another series of extreme engineering and sustainability challenges, given the soft soils and the very high potential earthquake forces. Base isolators and tuned mass-dampening devices are integrated into the design to allow the ATCT to be occupied immediately following extreme seismic events and to remain fully operational during a code-level earthquake.

The soil conditions for the new airport are unique because it is being built on an old lake bed. Ground improvement measures will increase the strength and reduce the settlement of the top layers of the clay, including extensive preloading for the three runways and taxiways, two of which, at 5,000 meters long, will be the longest runways in the Americas. After use, the preload material will be crushed and sustainably reused as aggregate in the apron paving works. In addition, the world's largest ever vacuum consolidation works are being applied to the passenger aircraft aprons. Even with these soil improvement measures, differential settlements and regional subsidence of the deeper underlying clay strata are being factored into the design and construction works to ensure the airport's long-term functionality, mitigated by adopting compensated floating foundations for the PTB and the ATCT.

In Mexico City water is a strained resource, often piped in from surrounding areas, but the NAIM site will be autonomous, with dedicated wells and its own wastewater treatment plant. The airport will use gray water for toilet flushing, cleaning, and irrigation and will use low-consumption water fixtures for all potable water taps. A sustainable water conservation approach will recharge the city's deep aquifer using treated rainwater collected from the various facilities at NAIM.

In addition to energy and water conservation, sustainable practices at NAIM extend to investments. Green bonds have been issued up to a value of US\$6 billion, representing the world's largest sustainable transaction. We played a key role in providing the necessary technical and sustainability expertise to secure these bonds and developed the corporate governance structure and reporting requirements to continue their maintenance throughout the life cycle of the project.





*The Sheikh Khalifa Bin Zayed Highway Project in Abu Dhabi, United Arab Emirates, entered the Guinness World Records as the longest highway lit with LED lights.*

## Sheikh Khalifa Bin Zayed Highway

The Sheikh Khalifa Bin Zayed Highway (formerly known as Mafraq–Ghweifat Highway) is a 327-kilometer-long strategic transportation corridor that links the United Arab Emirates to Saudi Arabia. Parsons is the construction supervision consultant on section 3A, which is approximately 55 kilometers long and runs from Baynounah Forest (Ruwais Bypass) to Mirfa, in Abu Dhabi, UAE, and supports the increased economic development in the region.

The project encompasses fully reconstructing the current four-lane roadway into an eight-lane highway; upgrading the existing pavement surface to provide a 30-year life; constructing three dumbbell interchanges and access roads; relocating and protecting existing services; extending and constructing contingency ducts; constructing street lighting systems and the medium-voltage power supply network; and constructing stormwater drainage, road furniture, and irrigation networks.

We provided contract administration and quality assurance of the construction works, shop drawings, materials approval statements, requests for information, variation orders, and recommendations to the client. We also supervised the commissioning and acceptance for both temporary and permanent installations to ensure they comply with the operational requirements.

This project applied the latest in design and safety standards to provide a safe and efficient driving experience. We're also responsible for the lighting design on this highway, which set a Guinness World Record as the longest highway lit with LED lights. The highway is now fully lit with LED lamps to increase visibility and reduce fog-related risks. It features 21,154 LED lights on 8,747 poles, realizing an energy savings of up to 60%.





*CSU Graduate Student Surveying Highway Right-of-Way to Identify Vegetative Cover and Pollinator Habitat.*

## **Colorado Department of Transportation Pollinator Pilot Study Project**

In 2015, the federal government challenged its own agencies and state agencies to meet the challenge of protecting pollinator habitat. The Colorado Department of Transportation (CDOT) accepted this challenge and is striving to lead this conservation effort, with its Headquarters Environmental Programs Branch enlisting Parsons to take on the milestone CDOT Pollinator Pilot Study. This study convened a group of experts to help develop a programmatic and tactical approach to study a highway corridor, evaluate the quality of the existing pollinator habitat, and identify management techniques to protect and enhance it. Our study and report constitute the first steps in creating a paradigm shift regarding habitat preservation and management for pollinator species.

Pollinator habitat accommodates wildlife (such as birds), serves as a windbreak, helps stabilize soil, and improves water quality, while fulfilling two basic pollinator needs: a diversity of flowering native or naturalized plants and egg-laying or nesting sites. The removal of quality habitat and the extensive use of pesticides are the two largest culprits in the loss of pollinator numbers.

We teamed with Colorado State University (CSU) to assist with the project, while the Xerces Society and CDOT negotiated a separate contract for training CDOT leadership on pollinator habitat management. The pilot study focused on two independent corridors originating near Colorado Springs: US 24, a major east-west route, and SH 115, a state highway that runs from the US 50 interchange to I-25/Nevada Avenue.

We managed the project, overseeing stakeholder coordination, identifying funding sources, and recommending habitat preservation best management practices (BMPs). These BMPs included management awareness and training; habitat avoidance and protection; mitigation and maintenance procedures, including herbicide treatments; and public outreach. CSU provided graduate students, who surveyed 54 miles of highway right-of-way to identify vegetative cover and pollinator habitat at three different times of year: spring, early summer, and late summer. We mapped this information using geographic information system technology, allowing CDOT to overlay quality habitat on base mapping efforts for any future projects along these corridors.

Our report tells the story of CDOT's first effort to develop a policy on preserving, protecting, and enhancing pollinator habitat within CDOT rights-of-way, documenting the outcome of the field surveys and recommending next steps to implement a statewide program, including the following:

- Develop a multidisciplinary pollinator task force
- Modify mowing procedures
- Modify herbicide-spraying procedures
- Promote plant diversity
- Promote third-party partnerships
- Implement future survey lessons learned
- Implement education and training
- Create signage for quality habitat
- Design for pollinator habitat
- Create a statewide pollinator policy
- Include BMPs in maintenance plans

## Business Operations

The environmental metrics that we track with respect to our business operations fall into the following categories:

- Facilities energy use (onsite fuel and purchased electricity)
- Employee business travel
- Employee commuting
- Water use
- Paper procurement
- eWaste disposal

Details are provided in the sub-sections below.

### Facilities Energy Use

Reducing energy consumption is critical to reducing GHG emissions that result from fossil fuel consumption and conventional energy generation (natural gas, coal, and oil).

We demonstrate our commitment to energy conservation throughout our worldwide offices and project locations. We continue to implement strategies for lowering our electrical consumption through high-efficiency lighting, controls, and HVAC retrofits, along with ongoing upgrades to our IT applications (such as replacing energy-consuming servers with more efficient IT equipment). We also collaborate with property owners in our leased office spaces to implement energy-saving lighting and HVAC system retrofits.

This report details the electricity and natural gas consumption of our Pasadena, CA, corporate headquarters, which is our largest site in the United States. Figures 7 and 9 show absolute values of purchased electricity and natural gas consumption, respectively, while Figures 8 and 10 show the data normalized by the number of heating degree days and cooling degree days in the reporting year compared to the baseline year. The data shown is for the most recent 7 years (note—2006 and 2002 [not shown] are the baseline years for electricity and natural gas consumption, respectively). We have achieved a 27.9% reduction in electricity consumption from the 2006 baseline to 2017 and a 61% reduction in natural gas consumption from the 2002 baseline to 2017. As noted in last year's CSR report, energy use at this location increased in 2016. We believe this increase is due to the addition of tenant companies into what had been previously unoccupied space in the building in 2014 and 2015. We continued to add tenants in 2017, which led to another increase in absolute and normalized energy consumption (both electricity and natural gas).



A close-up photograph of a hand plugging a blue Ethernet cable into a network switch. The switch is part of a server rack, with other cables and ports visible in the background. The hand is positioned on the right side of the frame, and the cable is being inserted into a port on the left. The background shows a dense array of blue cables and network equipment, with some yellow cables also visible.

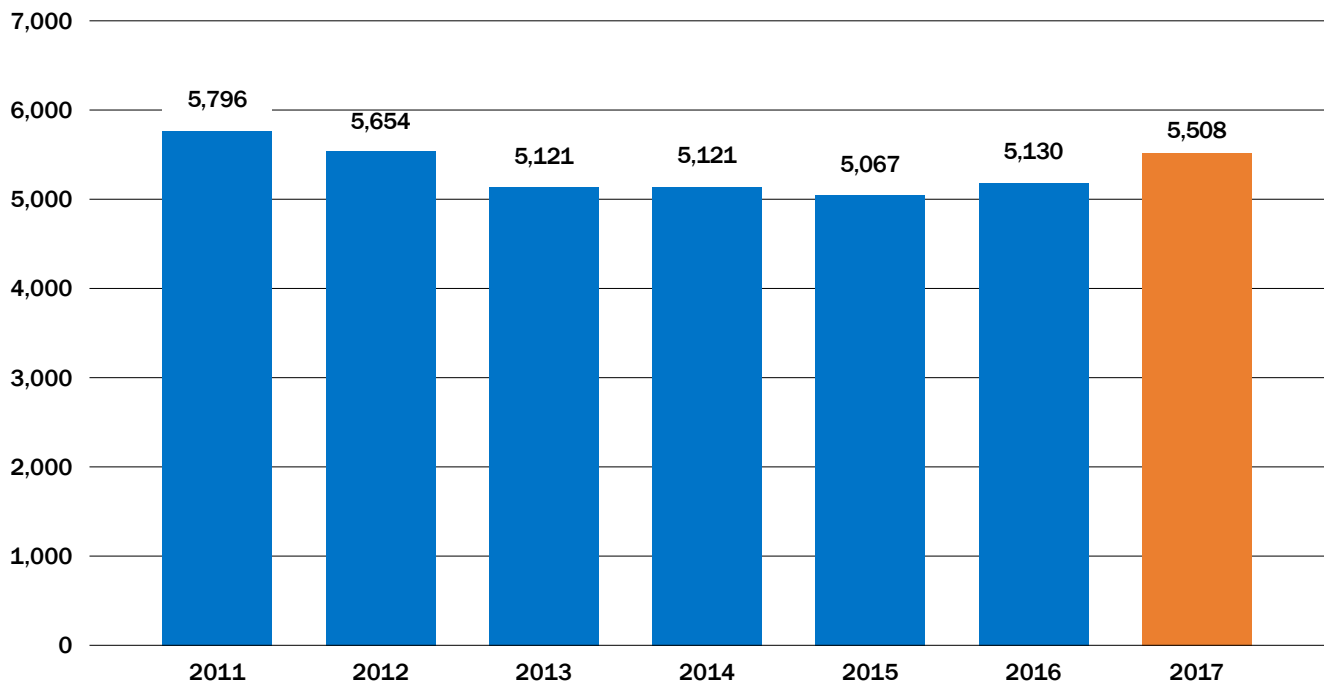
**As part of our reporting on facilities energy use,** we also included our 2017 server virtualization metrics, which were in line with the previous year. In addition, we compared the cost of our virtual servers to the cost of our storage infrastructure, which resulted in an estimated annual savings of more than \$435,000.

**Table 1: Server Virtualization (2017)**

Site	kWh (savings)
Dubai	487,809
Pasadena	477,928
Dallas	3,127,110
<b>Savings (kWh)</b>	<b>4,092,848</b>

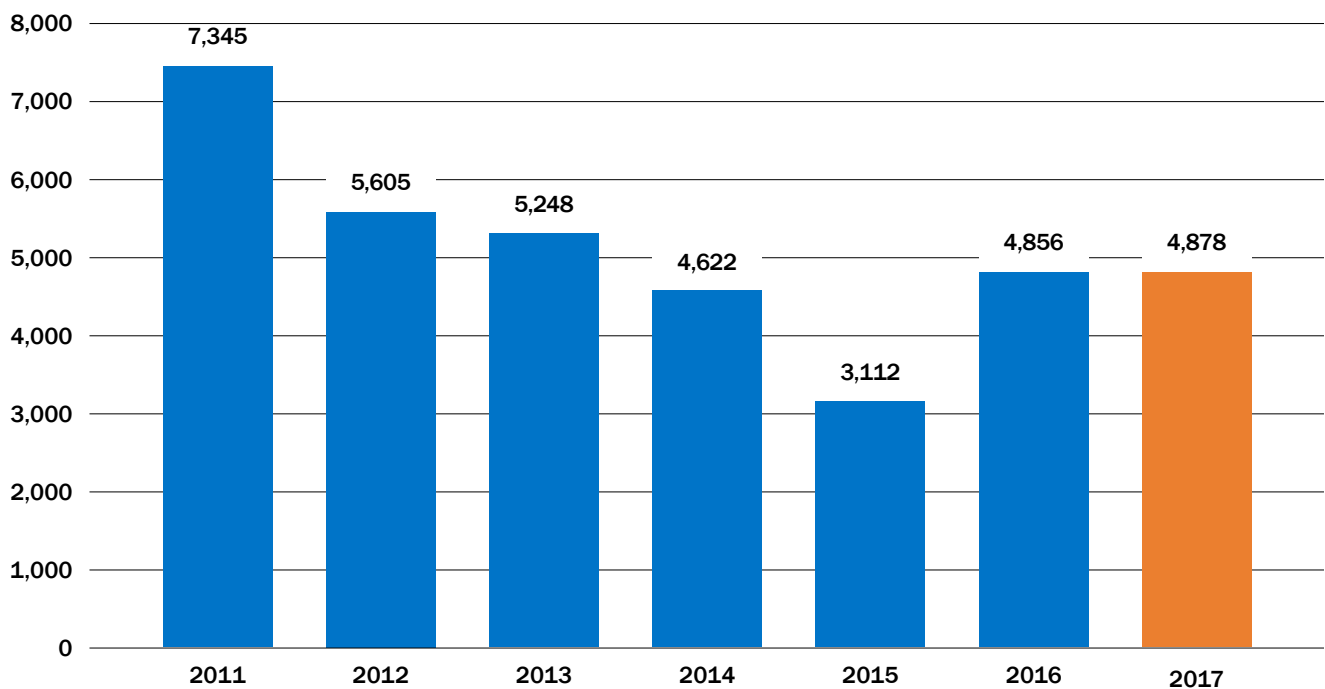
## Figure 7: Electricity Usage

(Pasadena headquarters: kWh in 000s)



## Figure 8: Normalized Electricity Usage\*

(Pasadena headquarters: kWh in 000s)

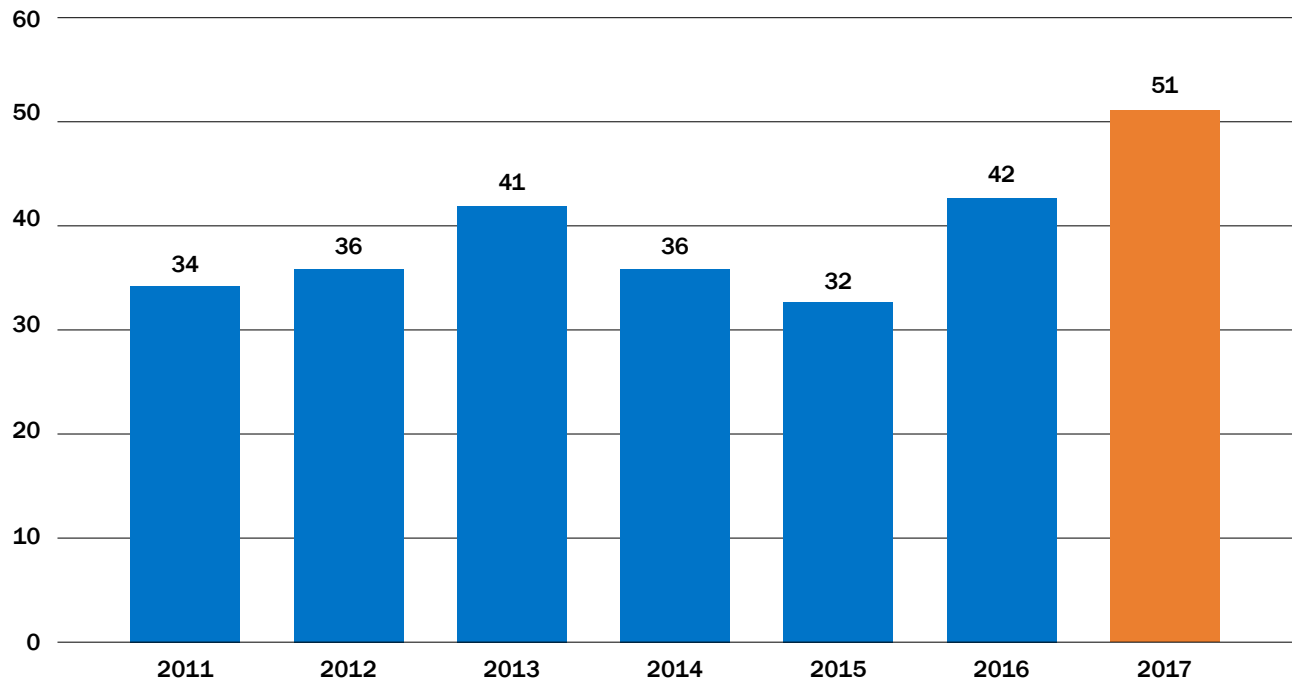


\*NOAA National Climatic Data Center California Division 6 Annual



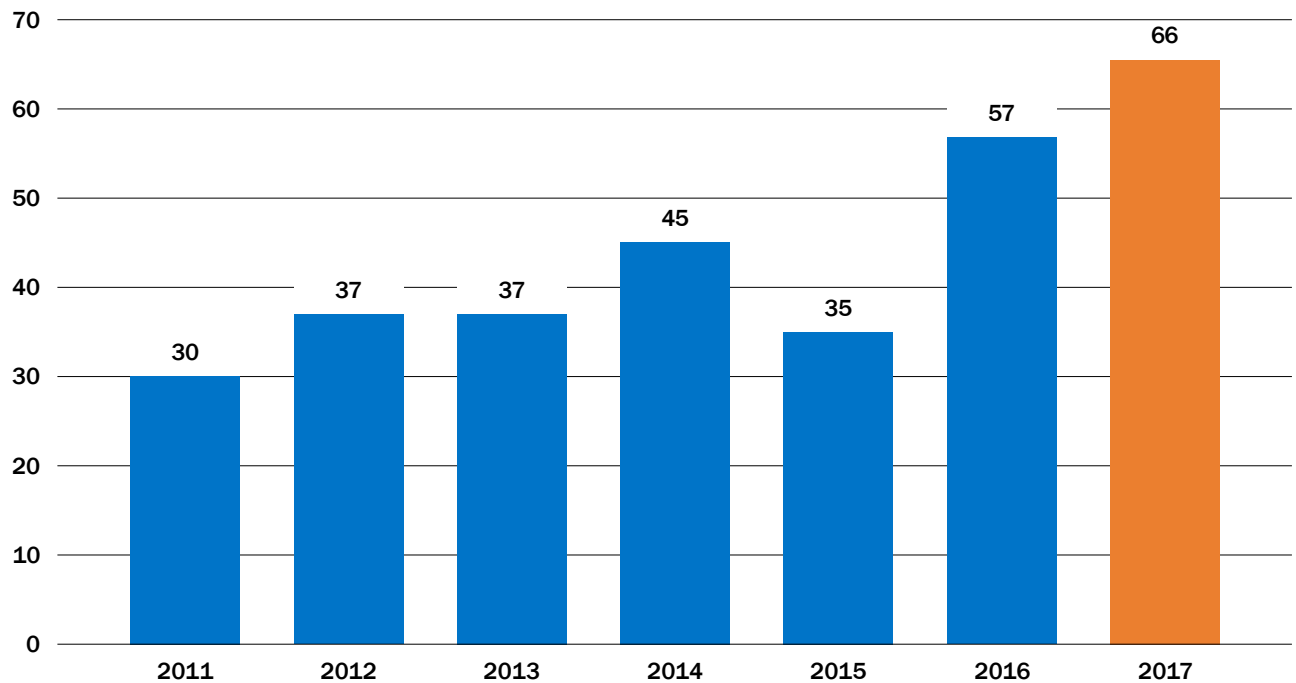
### Figure 9: Natural Gas Usage

(Pasadena headquarters: therms in 000s)



### Figure 10: Normalized Natural Gas Usage\*

(Pasadena headquarters: therms in 000s)



\*NOAA National Climatic Data Center California Division 6 Annual

## Water Use

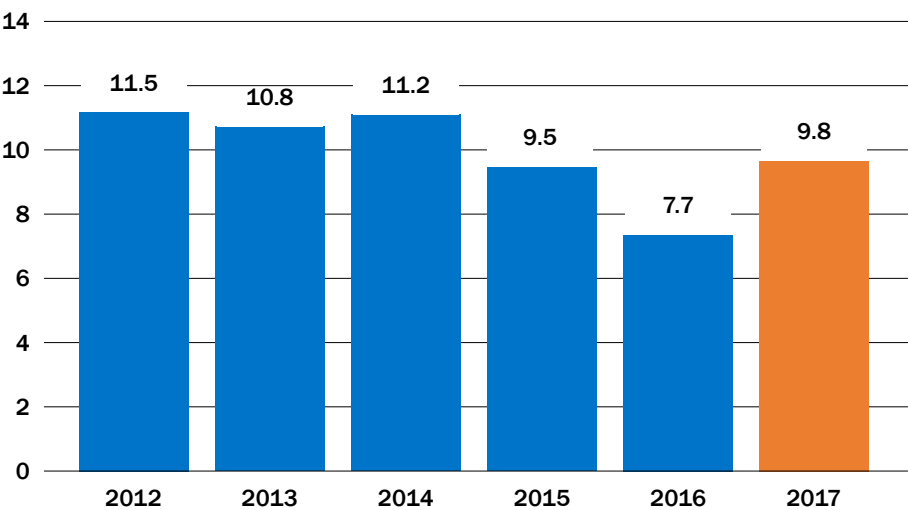
Clean, potable water is one of Earth’s most valuable resources. In most parts of the world, more than half the cost of water is derived from the energy required to treat it, then to transport it to where the water is needed. The footprint generated by processes that store, treat, purify, and convey water underscores the need to conserve this most precious resource.

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

Figure 11 shows the water consumption at our Pasadena headquarters for the most recent 7 years (note—2007 [not shown] is the baseline year for water use). We have achieved a 39.5% reduction between the baseline year and the 2017 reporting year.

**Figure 11: Water Consumption**

(Pasadena headquarters: hcf in 000s)



## Sustainable Procurement Practices

Sustainable procurement is an important part of our sustainability program because 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.

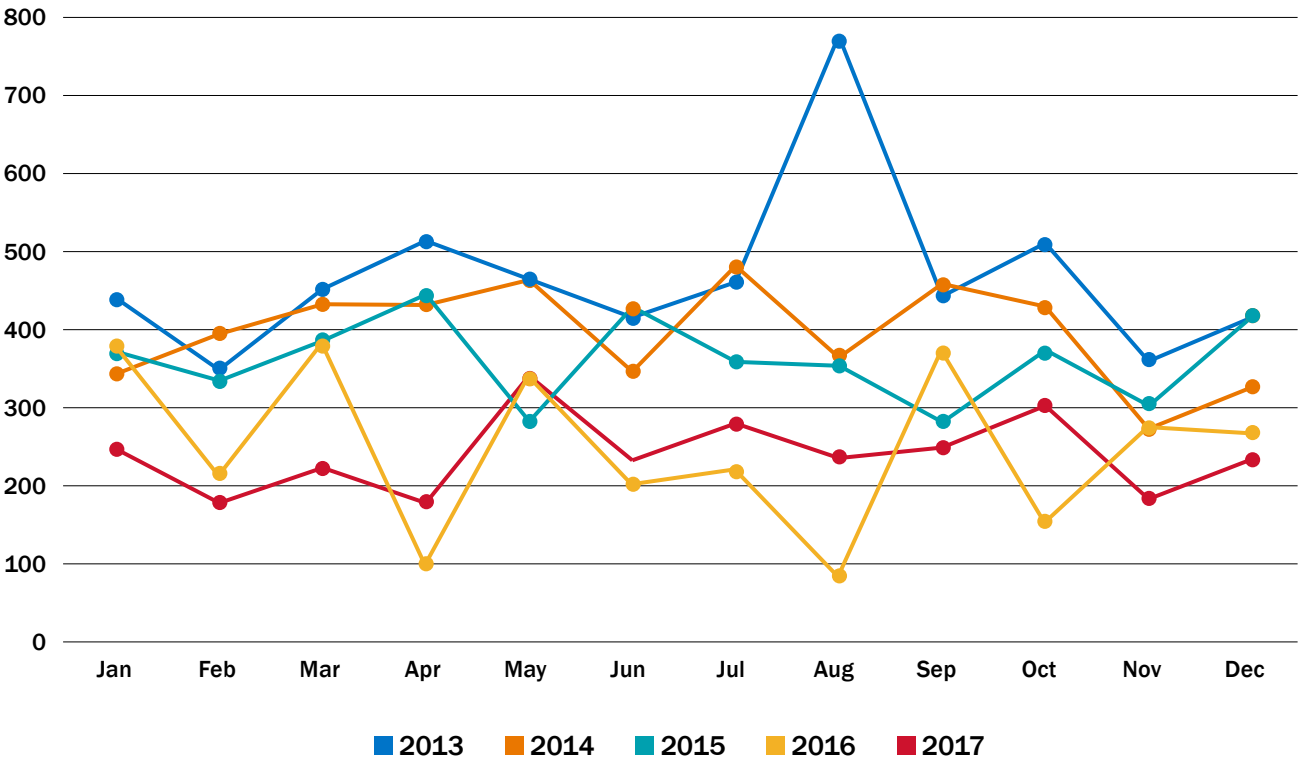
We leverage our powerful sustainability skills in procurement, vendor management, and purchasing to enhance our supply chain. In fact, we're developing a program that will identify product ratings and labeling methods, while concurrently prioritizing—by their efficiency or recycled content levels—more 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. We are even committed to purchasing environmentally preferable (green) janitorial cleaning supplies with low/no volatile organic compounds.

## Materials and Resources (Paper)

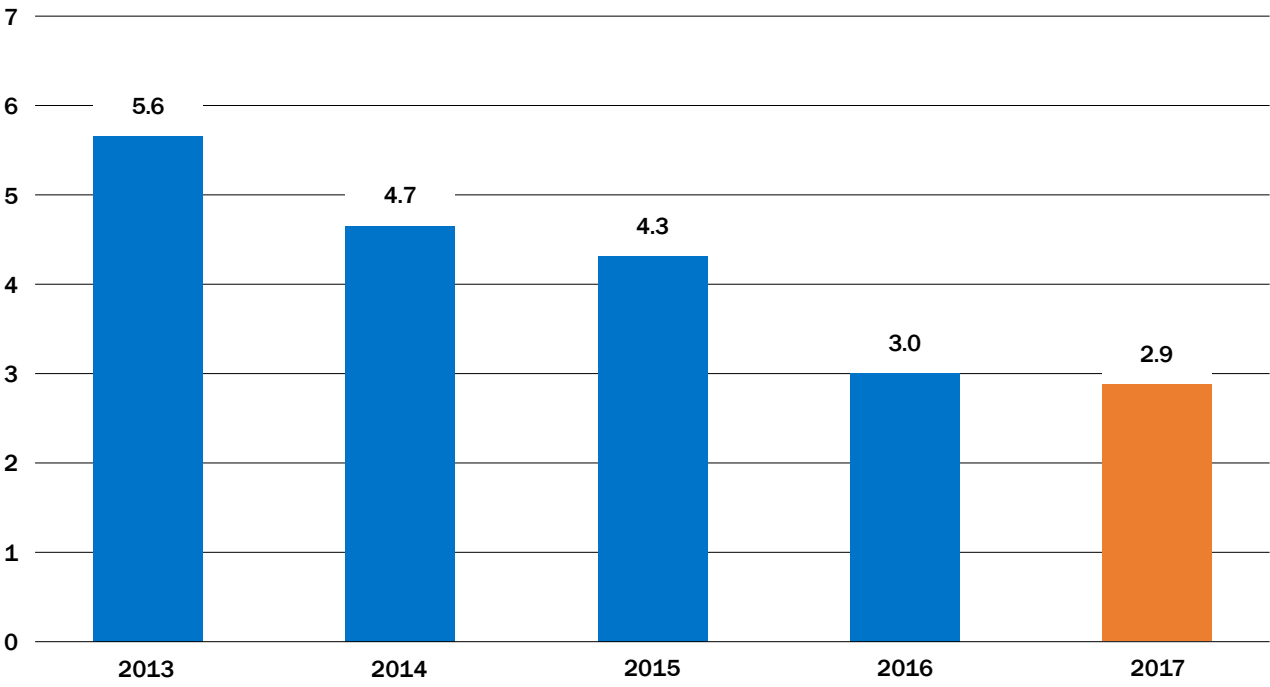
Sustainable yield is a key component of sustainability. It emphasizes the need to minimize waste through the judicious purchase and use of raw materials, recycling, reusing, and buying products that have a high content of recycled ingredients.

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. Figures 12 and 13 show monthly and annual paper consumption for the 5 most recent years. We have achieved a 73% reduction in cartons from our baseline use in 2008 to 2017 reporting year.

**Figure 12: Monthly Paper Procurement:** 8½ in. x 11 in. white paper (cartons)



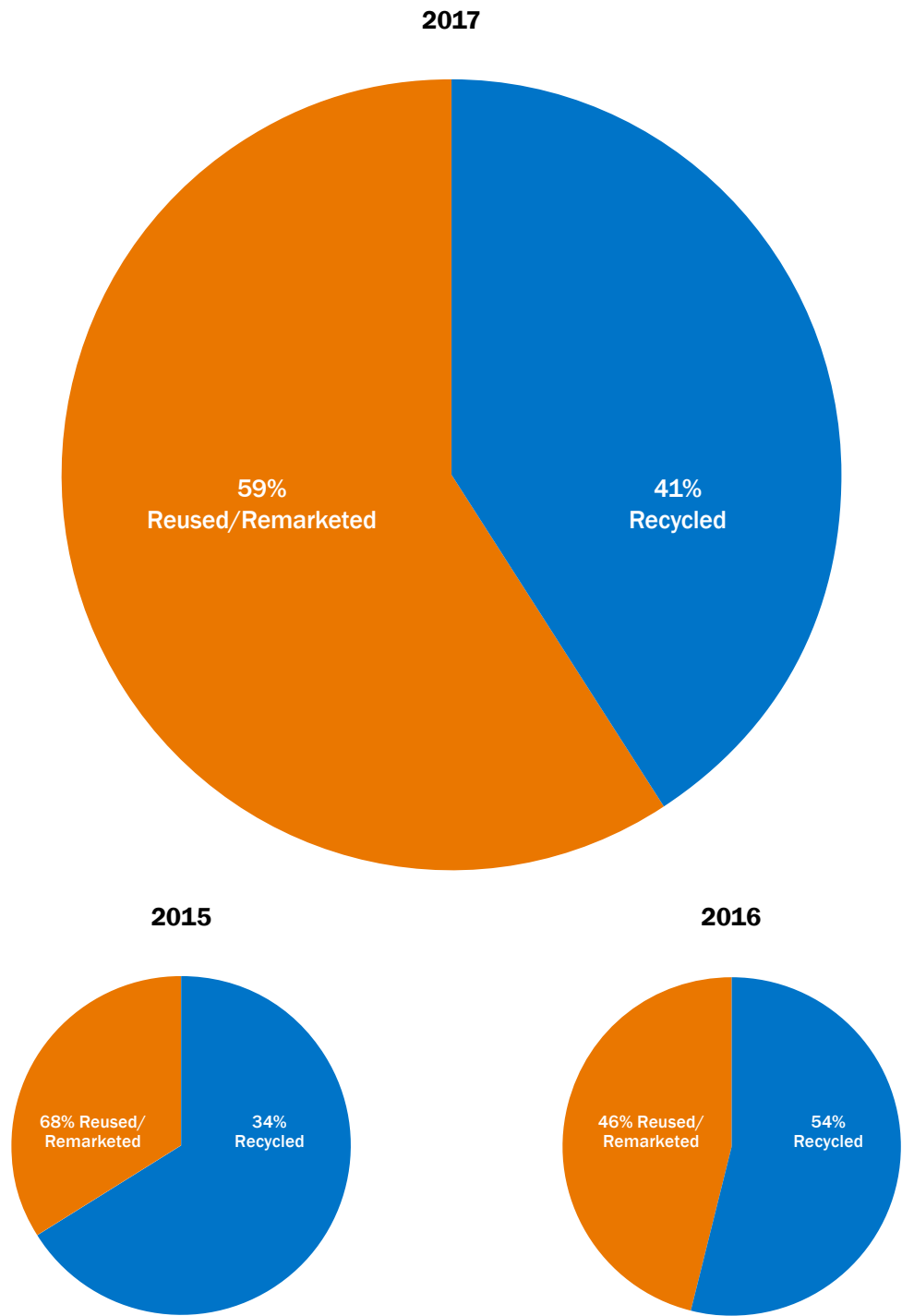
**Figure 13: Yearly Paper Procurement:** 8½ in. x 11 in. white paper (cartons in 000s)



# eWaste Management

We continue to review and improve our recycling programs for materials such as paper and drink containers, and we recently instituted battery-recycling programs. In addition, we recycle and donate eWaste (such as computers, monitors, and printers) in a safe, secure, and socially responsible manner. Figure 14 shows the breakdown of eWaste disposal for the 2017 reporting year.

Figure 14: eWaste Disposal Method





# Greenhouse Gas Emissions

Each year, we calculate an aggregate GHG emission value (in metric tons) for the company. This value is based on raw data obtained for four source activity categories: purchase of electricity, employee business travel, employee commuting, and on-site fuel consumption.

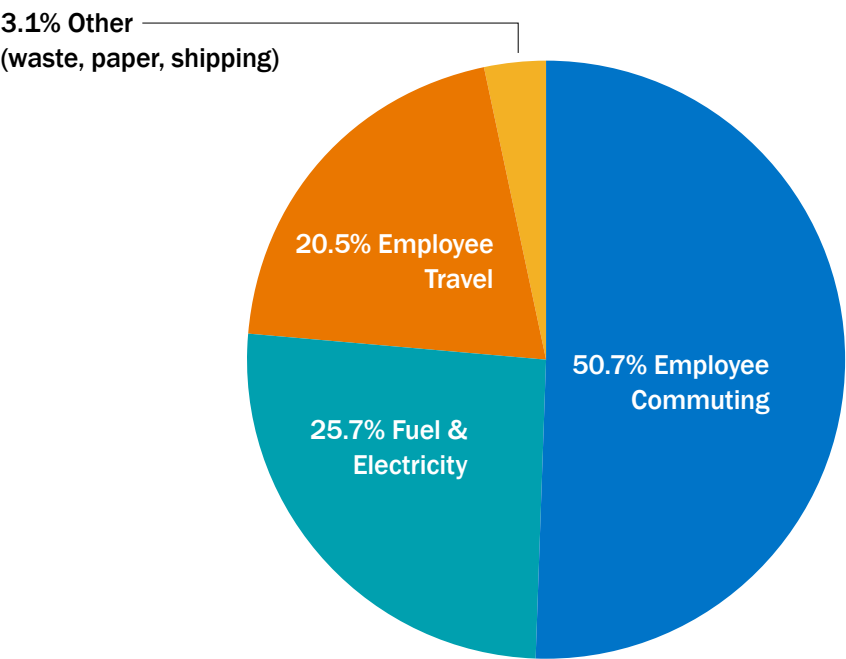
We focus on key office locations for each activity because they produce most of our emissions, and we apply these results to the entire company using the ISO 14064 GHG inventory, an approach which has been validated by the WRI. Raw data for fuel use and purchased electricity at 20 representative office locations is aggregated, normalized per employee at those offices, and extrapolated for all our employees worldwide. This information is then combined with data regarding employee commuting and business travel. A 3% factor is applied for office activities, based on the results of an actual calculation performed in 2009, which we have carried forward proportionally. Gases included in the calculation are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.

Moving forward, as we see the distribution of offices and employees change with time, we are considering broadening the scope of the GHG emissions calculation to include more office locations and more categories of procured materials. We are also evaluating other ways of normalizing the data to facilitate the assessment of our performance from year to year and regarding our peers.

Figure 15 shows the breakdown of our emissions by source activity. Our combined emissions intensity for 2017 was calculated to be 35.3 MT CO<sub>2</sub> eq / \$million revenue of net operating income.

We continue to manage our business activities through such measures as energy conservation activities in our offices, telecommuting, videoconferencing, and business travel controls, each of which contributes significantly to reducing our carbon intensity.

**Figure 15: GHG Emissions** (metric tons of CO<sub>2</sub> emissions by source activity)



## Business Travel and Technology in the Workplace

Corporate business travel creates a significant portion of our company emissions. While travel is still an essential part of our business, we remain committed to using technology rather than in-person meetings, when possible, to get the job done without increasing our carbon footprint. To this end, we use internal and external videoconferencing, teleconferencing, web meetings, one-on-one and group employee chats, and electronic file sharing to connect with our worldwide customers, employees, and vendors/suppliers and to conduct the face-to-face meetings that are vital to creating successful relationships without having to go on the road.

Thanks to these innovations, some of which Parsons has been relying on for nearly 20 years, our employees attend the same meetings from anywhere in the world, at any given time. In addition to sustainability benefits, we have also found that applying technology in the workplace leads to other benefits, such as the following:

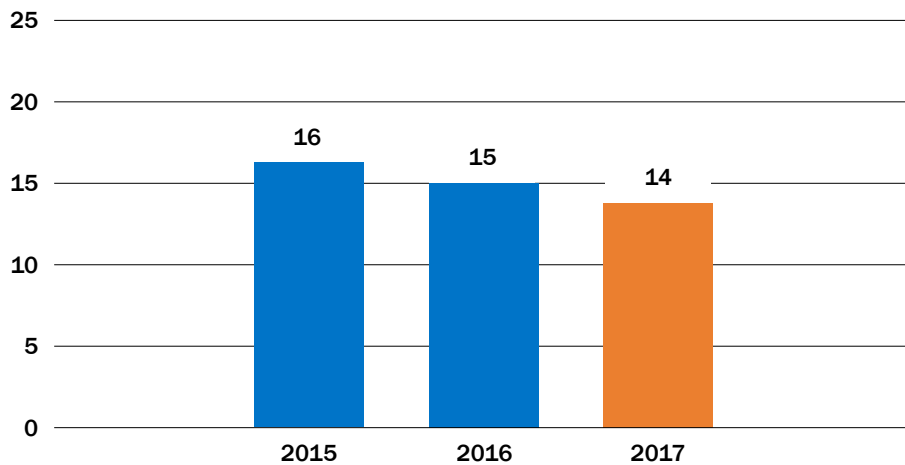
- Improved productivity
- Improved quality and frequency of communication among employees, customers, and vendors/suppliers
- Enhanced ability to facilitate multiple business scenarios, including staff and team meetings, project planning sessions, business development collaborations, design reviews, interviews, and training
- Avoidance of unnecessary travel time and expenses

Our Federal business unit has implemented a direct pay process for expenses associated with business travel in order to reduce the number of checks and administrative functions, eliminate company paid late fees, and reduce resources associated with processing payments to our employees.

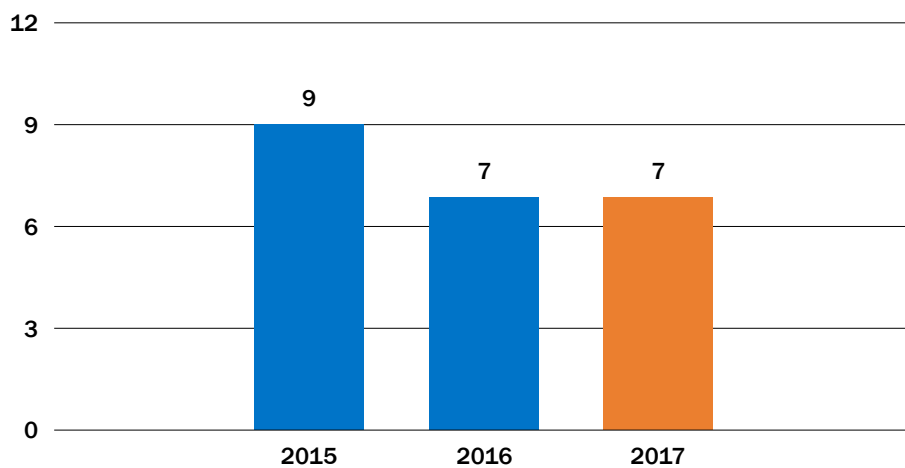
Figures 16, 17, and 18 show airline tickets, car rentals, and lodging nights, respectively, for the 3 most recent years (note—2014 [not shown] is the baseline year for airline tickets, car rentals, and lodging nights). We have achieved a 20% reduction in airline tickets, a 29% reduction in car rentals, and a 38% reduction in lodging nights between the baseline year and the 2017 reporting year.

Tables 2 and 3 show how many videoconference rooms we have and their annual use (in hours). We experienced a slight increase in our videoconferencing in 2017 because we added two new endpoints. In addition, our employees continue to videoconference with each other directly from their computers, which is an easier way to keep in touch and decreases the need for travel. Direct videoconferencing is not currently included in our statistics.

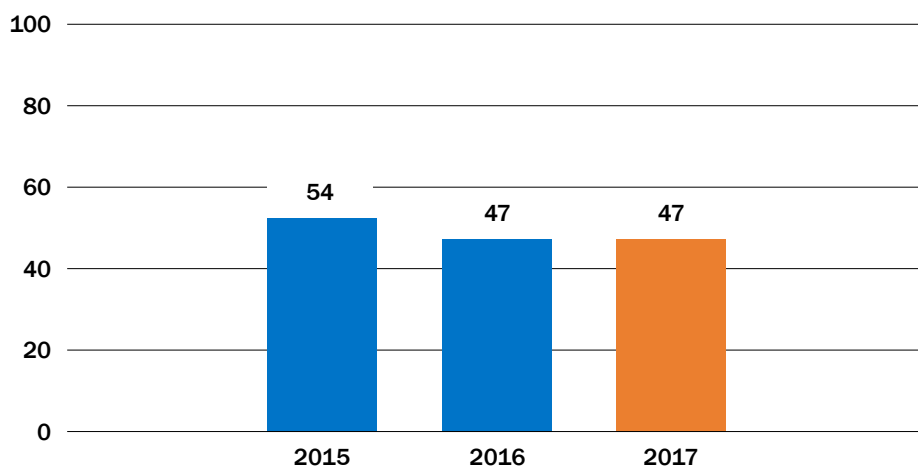
**Figure 16: Airline Tickets** (round trips in 000s)



**Figure 17: Car Rentals** (in 000s)



**Figure 18: Lodging** (nights in 000s)





**Table 2: Videoconference Rooms**

Year	Endpoints
2017	84
2016	82
2015	79

**Table 3: Videoconference Use** (hours)

Year	Total Use
2017	3,299
2016	3,269
2015	3,486



*The Westin Denver International Airport is the first major U.S. airport hotel to achieve a LEED Platinum certification*

## 2017 Environmental Achievements

- **American Society of Civil Engineers (ASCE) International Conference on Sustainable Infrastructure.**

In October 2017, Parsons employees represented the company at the ASCE International Conference on Sustainable Infrastructure, in Brooklyn, NY, presenting the Ohio River Bridges East End Crossing project, which achieved an Envision Platinum award in 2016. In the presentation, our employees discussed early owner commitment, close team collaboration, the compatibility of a public-private partnership project with the life-cycle approach of the Envision framework, and sustainability performance highlights documented in the Envision verification application.

- **Electric Vehicles and Charging Stations, Greenbelt, MD, Office.** Between January and March 2017, the Parsons Greenbelt office transformed 23% of its vehicle fleet to electric vehicles, going above and beyond the requirement of a recompete contract that required 3% alternative-fuel vehicles. The three electric vehicles are used by quality control inspectors and safety managers. They are charged at two electric vehicle charging stations installed on-site, with dedicated circuits that we acquired for this purpose. The gas fleet drives an estimated 70,000 miles annually, and the electric fleet drives 21,000 miles, saving approximately 2,000 gallons of fuel per year. The office is currently evaluating the possibility of purchasing one or two more electric vehicles.

- **City of Huntsville Beautification Award.** Parsons' Huntsville, AL, office, received an award for helping to keep the Rocket City beautiful. Parsons has had a continuous presence in Huntsville for more than 30 years. With projects ranging from engineering services to the missile defense community to foreign intelligence and reverse engineering support to the Missile Space and Intelligence Center, we have a broad set of customers and we are ingrained in the Huntsville community.



- **Ohio Transportation Engineering Conference.** In October 2017, our employees represented Parsons at the Ohio Department of Transportation's Ohio Transportation Engineering Conference 2017, presenting practical solutions for achieving sustainability in transportation projects. In the presentation, they discussed focusing on project-specific needs, engaging stakeholders, and empowering creative thinking to provide economically efficient, ecologically stable, and socially equitable transportation infrastructure for communities.
- **Secretary of the Navy Energy and Water Management Awards.** We received a blue level achievement award for our work on Diego Garcia, where we perform Base Operations Support. Located on a remote, British-controlled atoll in the Indian Ocean, Diego Garcia provides logistics support for U.S. military forces deployed in the Indian Ocean and Persian Gulf.
- **Parsons Becomes an Energy Services Company.** On October 17, 2017, Parsons was certified as a Department of Energy (DOE) Energy Services Company (ESCO), a certification that paves the way for us to compete for energy-savings performance contracts in the federal and commercial markets. The ESCO qualification application took several months and involved many discretionary hours by our program and project managers. This included screening projects for energy conservation measures that were implemented and working closely with our clients to obtain measurement and verification data to demonstrate to the DOE that the targeted energy savings had been achieved.
- **Royal Commission at Yanbu Shadow Program.** In 2017, 10 of our employees mentored the junior architects of the Royal Commission at Yanbu, Saudi Arabia, as part of the Shadow Program. Mentors from Parsons met with their protégés over the course of a 4-month period. Participants were selected based on discipline (architectural, mechanical, etc.) and followed an on-the-job development plan that included site visits and discussing various professional topics and that prominently featured LEED and green building practices. The sessions were documented in weekly reports and a final presentation. The program was awarded the Most Distinctive Learning & Development Strategy Award at the 5<sup>th</sup> Annual GOV HR Summit, Abu Dhabi (2017), and Parsons' employees were honored with certificates of appreciation from the Royal Commission.
- **Los Angeles Business Council's 2017 Sustainability Summit.** Parsons sponsored and participated in the Los Angeles Business Council's 2017 Sustainability Summit, which took place in April at the Getty Center. This annual summit focused on California businesses building cleaner, greener communities.
- **Westin Denver International Airport Earns LEED Platinum.** In March 2017, the Westin Denver International Airport earned LEED Building Design and Construction: New Construction (BD+C: NC) Platinum certification from the U.S. Green Building Council. We provided project management, design, and construction support services for the DEN Hotel and Transit Center project. The hotel is the first major U.S. airport hotel to achieve LEED Platinum.
- **Parsons' Anacostia River Tunnel Project Wins International Tunneling Award.** In November 2017, our Anacostia River Tunnel Project was named the Sustainability Initiative of the Year 2017 by the International Tunneling and Underground Space Association. This award recognizes groundbreaking achievements and innovations in underground infrastructure worldwide. An equity member of the design-build joint venture, we also acted as lead designer for the project.

## Workplace

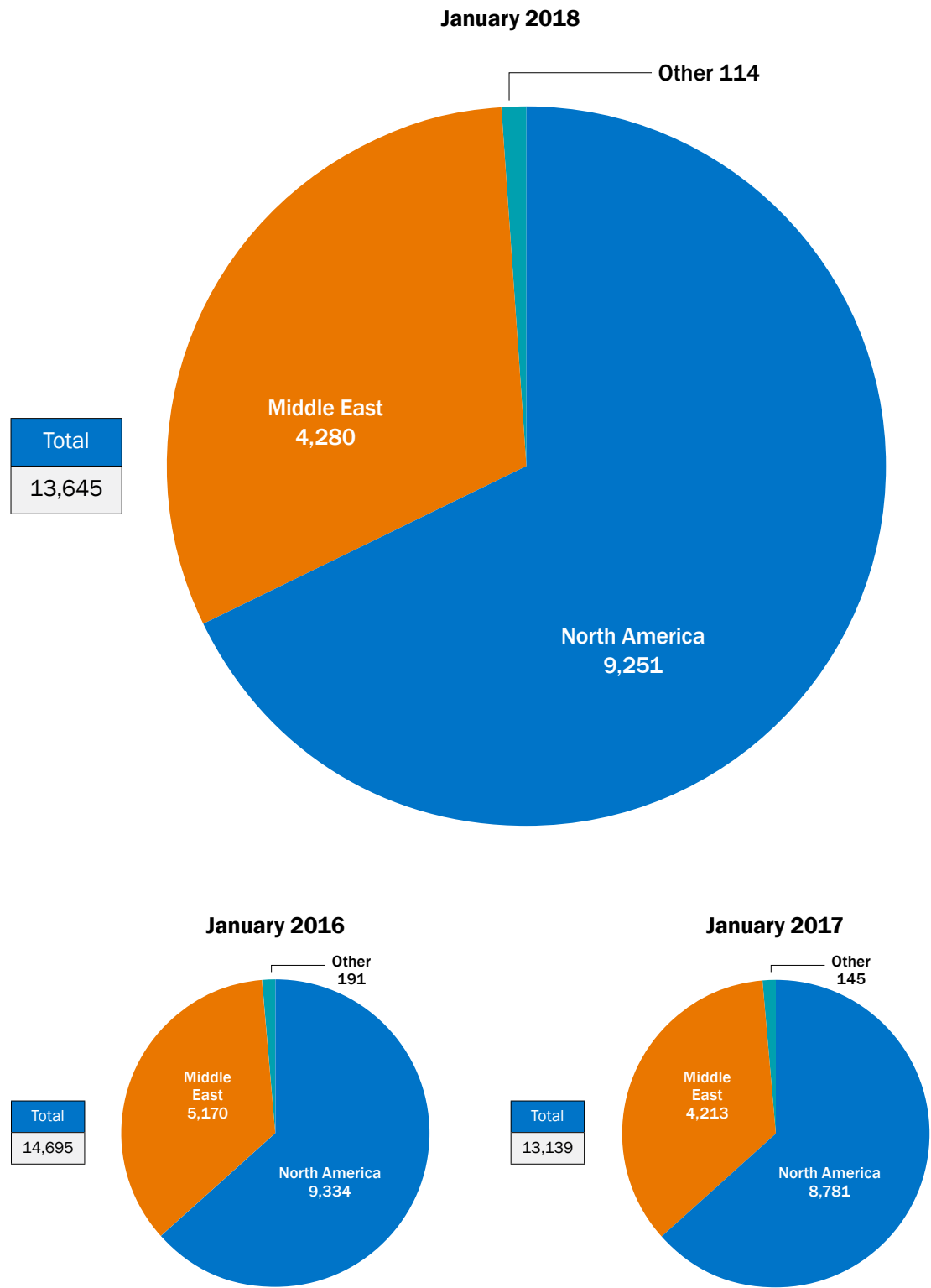
Our commitment to CSR begins with our employees. As a corporation, we have grown from eight employees in a small office in Los Angeles to nearly 14,000 people working in more than 100 offices and 25 countries worldwide. Our accomplishments are a direct result of the talented professionals who work at Parsons. We strive to be an excellent workplace and to empower our employees by providing our people with safe, healthy working conditions and equal opportunities for growth and advancement so they can achieve significant results for our customers. The following pages highlight three key areas: workforce distribution, demographics, and diversity; learning and development; and safety and health.



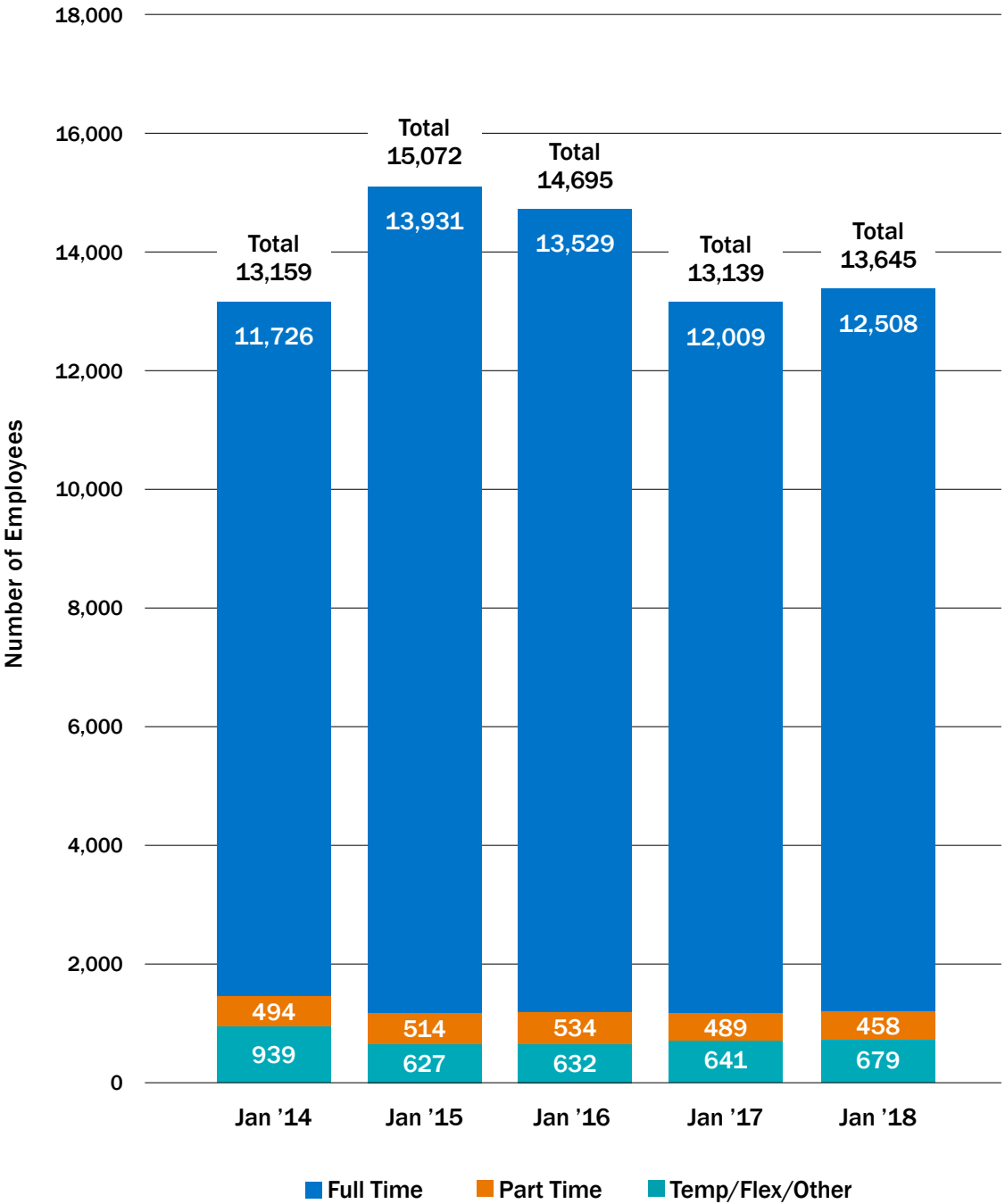
# Workforce Distribution

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 68% of our global workforce.

Figure 19: Total Employees by Region



**Figure 20: Total Workforce by Employment Type**



## Workforce Diversity

Diversity is one of our 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 nearly 14,000 Parsons professionals. Our employees work in 25 countries around the world, collectively speak more than 85 languages, and hold nearly 12,500 university degrees and professional registrations. We continuously pursue diversity in our workforce, our markets, and our services because we recognize that optimum solutions require different backgrounds, new perspectives, and open minds.

In February 2017, we launched an Inclusion & Diversity (I&D) Task Force because the more inclusive we are as a company, the better connected we are with each other. The task force consists of Parsons employees, from various business groups and with a range of experiences, beliefs, and backgrounds. The task force is dedicated to five basic principles:

- Commitment to diversity as a core value
- I&D as a strategic business imperative
- Driving growth through innovation
- Improving retention and employee engagement
- Cultivating greater customer satisfaction



Throughout the year, the task force worked diligently to outline our I&D principles, to analyze our strengths and recommend areas for improvement, and to develop and implement three initiatives:

- An ambassador program to bring the I&D initiative to the local level, increase I&D awareness, and provide critical feedback to the I&D Task Force and leadership; to support local leadership in communicating and educating the workforce on the business relevance and importance of I&D action; and to increase overall awareness and support for Parsons' I&D initiative
- A manager toolkit to provide managers education and tools to infuse I&D in our culture, equipping them to drive team engagement, retention, and innovation
- A pilot mentoring program to increase a sense of belonging, engagement, and retention

In addition to our I&D Task Force and initiative, and as part of our benchmarking efforts, we track diversity metrics for hiring, promotions, and turnover. By understanding where we are today, we can attract, include, and more effectively retain a diverse workforce for the future.

For our diversity efforts, we also support various U.S.-based organizations that focus on professional development, including the National Society of Black Engineers, the Society of Hispanic Professional Engineers, Women's Transportation Seminar, Women in Construction, the Society of Women Engineers, and the Society of American Military Engineers as well as numerous other military-focused organizations. As part of our ongoing support of the reservists we employ, we received an Above and Beyond Award from the U.S. Department of Defense through



its Employer Support of the Guard and Reserve program. A Parsons vice president also received the Seven Seals Award for his ongoing support of a colleague during periods of active duty in the California Army National Guard. In addition, Parsons was commended in 2017 for our workforce diversity in two publications:

- In April 2017, we were named one of the “Top 50 Employers” for women engineers in the 26<sup>th</sup> annual edition of *Woman Engineer Magazine*, published by EOP.
- In 2017, Parsons was named for the sixth time as one of the “Top 50 Employers” for minority engineers in *Minority Engineer Magazine*, published by EOP.

We have also been recognized for our workforce diversity in *Workforce Diversity For Engineering And IT Professionals Magazine*, another EOP publication. In addition, the corporation has been named a Military Friendly® employer by Victory Media for 4 consecutive years and has been ranked by CareerBliss as one of the 50 Happiest Companies in America for 2 consecutive years.

Along with being commended for our workforce diversity in career-related publications, Parsons committed to sponsoring the American Chamber of Commerce (AmCham) Abu Dhabi’s Women in Business Committee, whose mission is to empower women to be leaders in their fields and to promote their participation in business. We were one of the first five signatories of Women Achieve, a program established by the AmCham Abu Dhabi’s Women in Business Committee.

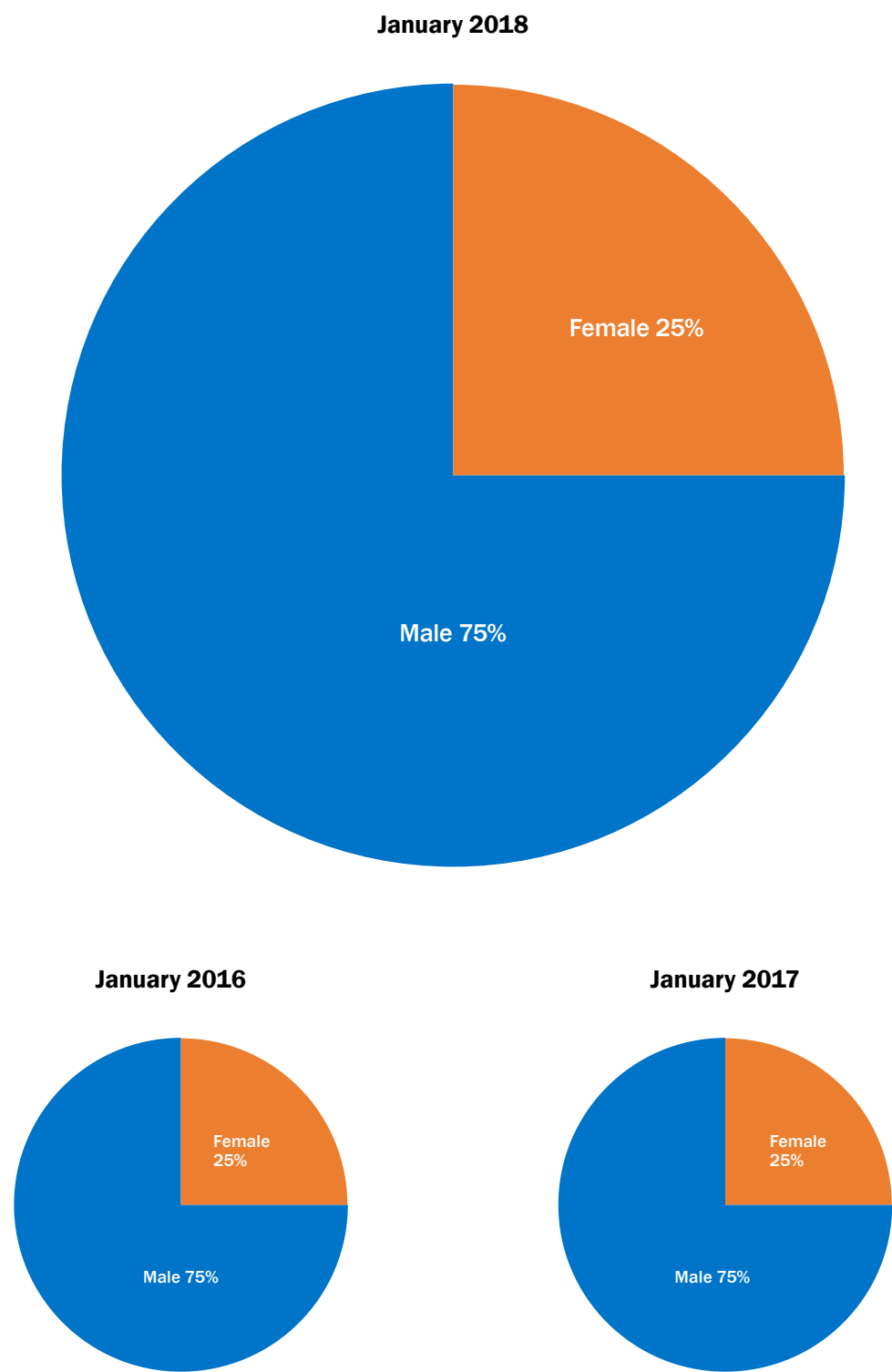
Our employees have also been recognized as diversity role models. In May 2017, the president of our Federal business unit delivered the industry keynote address at the 14<sup>th</sup> Annual Groundbreaking Women in Construction conference in San Francisco, CA. In her presentation, “Challenges & Opportunities for Women...in a Changing Government Environment,” she discussed specific recommendations on how to attract, develop, and retain women in construction at a critical time for the industry due to the pending labor shortage.

At Parsons, we foster diversity through the inclusion of employees, empowering them to shape the future of the corporation through collaboration and innovation.

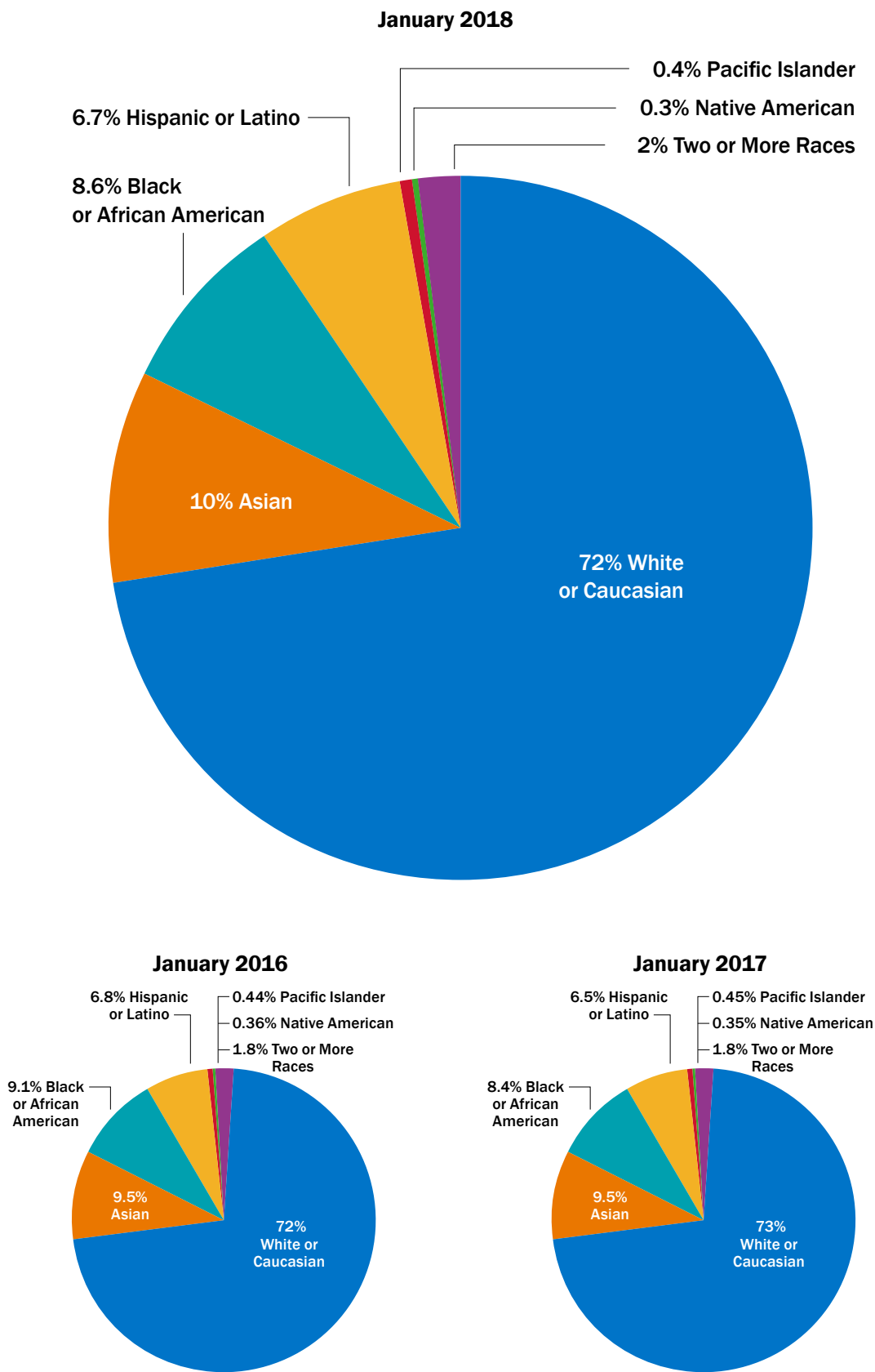


In 2017, Parsons committed to sponsoring the American Chamber of Commerce Abu Dhabi’s Women in Business Committee.

**Figure 21: Percentage of U.S. Employees by Demographics (Gender)**



**Figure 22: Percentage of U.S. Employees by Demographics (Ethnicity/Race)**

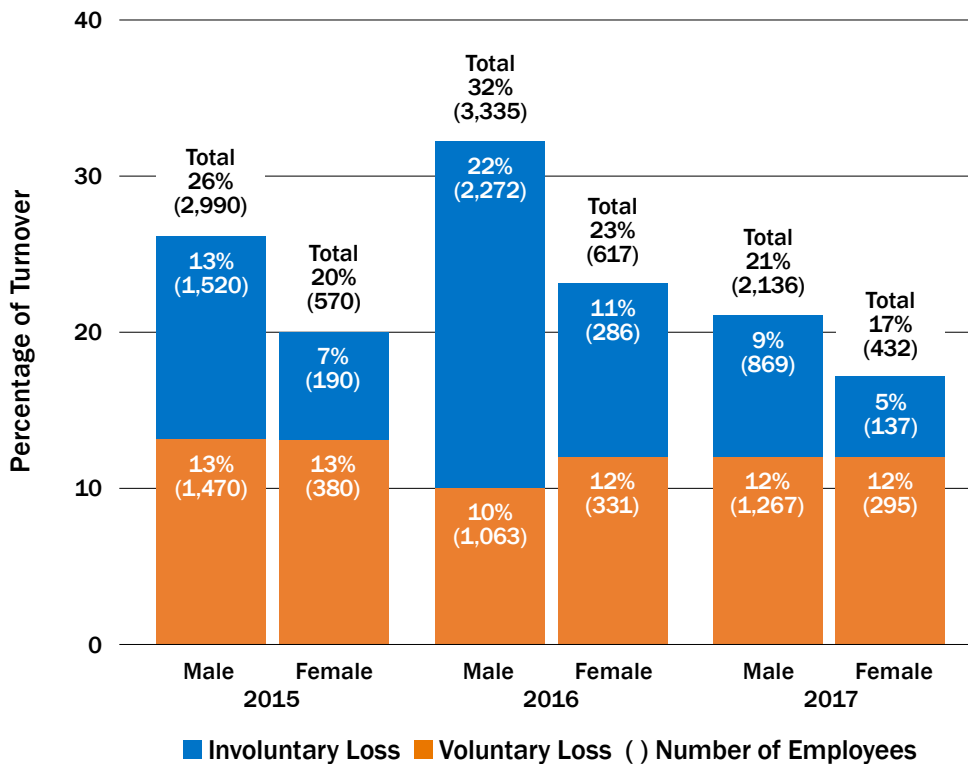


## Employee Turnover

Because our employees are our most valuable resource and that competition for talent has intensified in our industry, we designed our Global Talent Initiative to attract and retain talent at all company levels through employee development, training, and mentoring programs. Given that baby boomers (born between 1946 and 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 Generation X (born between 1965 and 1980) and millennial (born between 1981 and 2010) talent.

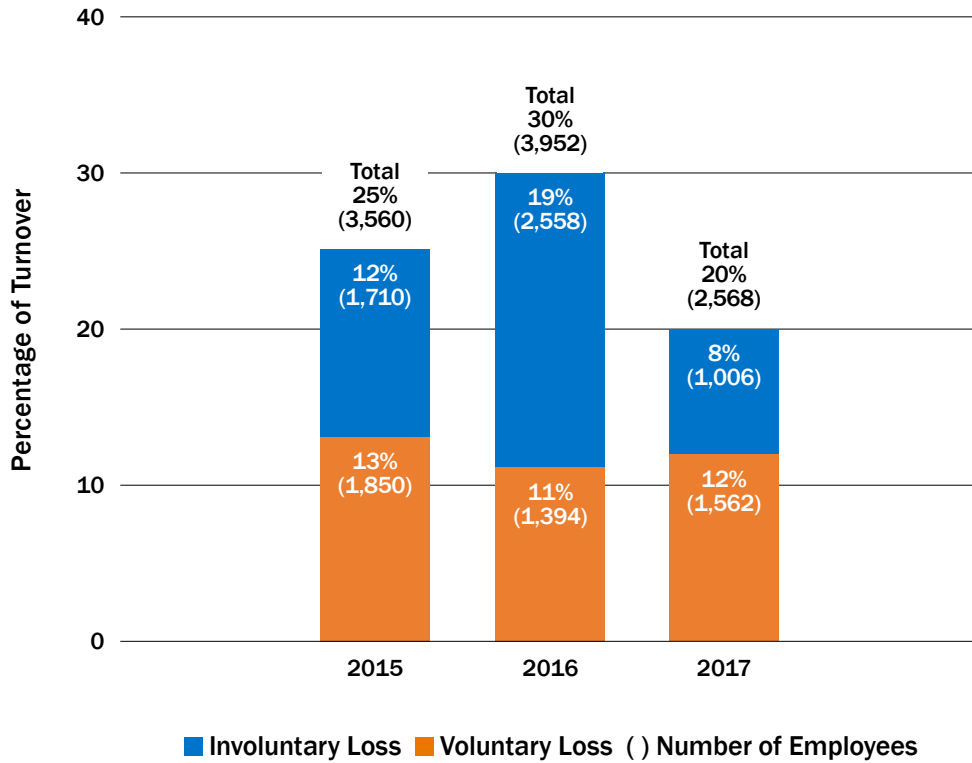
Employee retention is crucial to our corporate long-term health and success. We continue to emphasize attracting, retaining, developing, and redeploying talent because the success of our projects relates directly to the skills, knowledge, experience, and dedication of our staff. Having the right people,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

**Figure 23: Employee Turnover by Gender\***

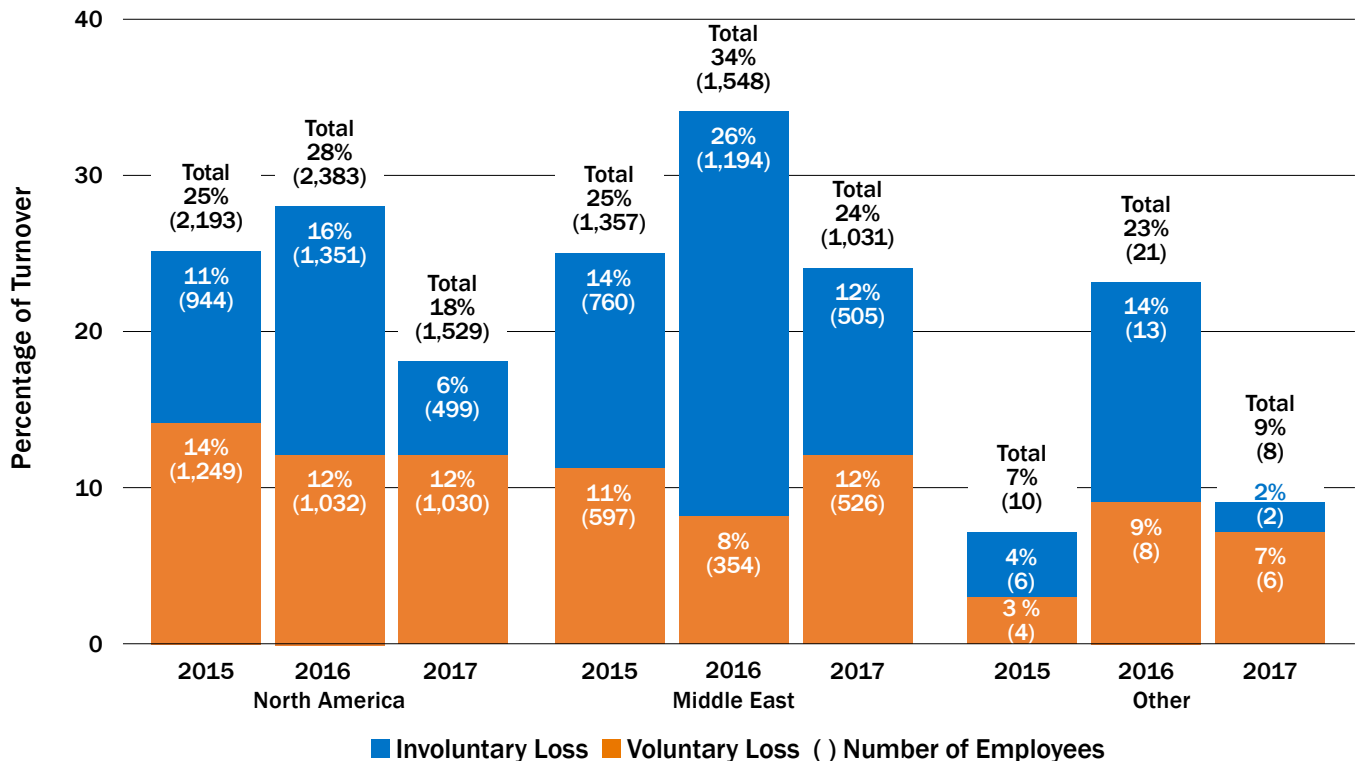


\*Excludes employees who did not report their gender.

**Figure 24: Employee Turnover by Number and Rate**

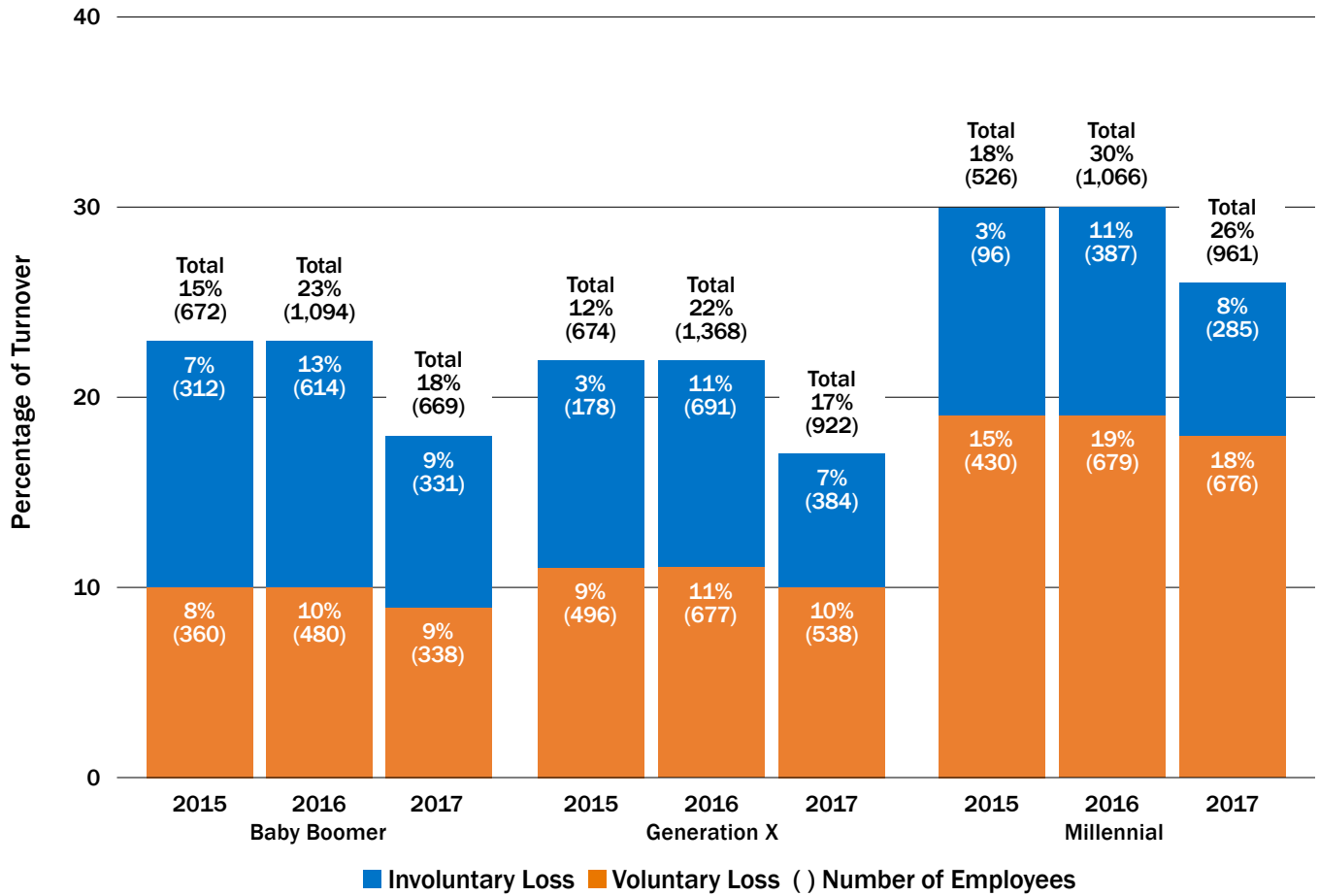


**Figure 25: Employee Turnover by Region**





**Figure 26: Employee Turnover by Age Group/Generation**



## Learning and Development

Learning and Development is a fundamental component of our 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, we created a sustainability module based on the *Parsons Sustainability Handbook* for the Project Management Certification (PMC) training program, enabling our project managers to implement sustainable solutions on projects throughout the world.

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 and 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.



General Management Acceleration Program, Pasadena, CA

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.

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

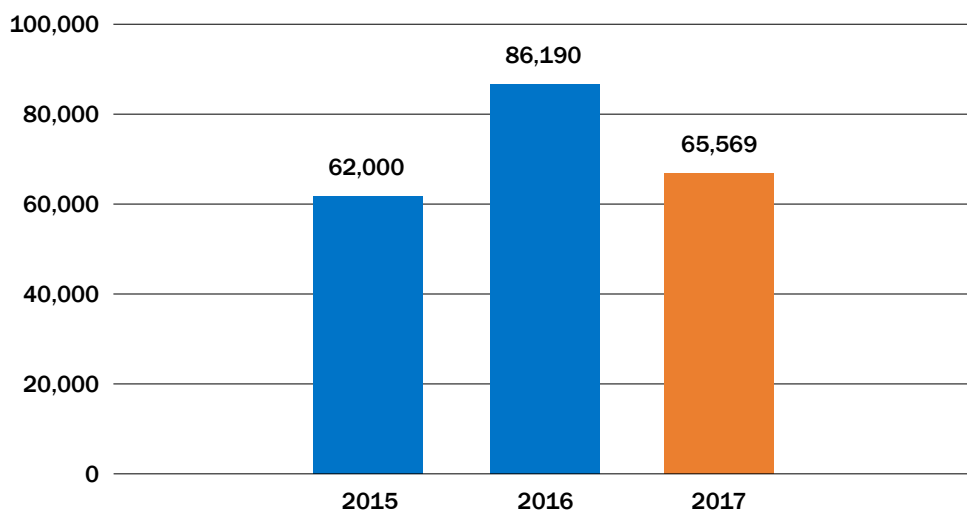
We also offer several high-potential programs that aid in the accelerated development of identified talent to support the corporation's strategies and objectives at several points in our leadership pipeline:

- **Early Management Acceleration Program** prepares participants for formal supervisory roles and develops future leadership potential within the corporation. This year-long program engages high-potential employees early in their careers and includes self-assessment, effective management skills, general business simulations, and peer interaction/learning.
- **General Management Acceleration Program** grooms its graduates for positions and addresses leadership principles, strategic thinking, advanced business simulations, executive presentation skills, and change management.
- **Leadership Council** presents new and challenging perspectives on 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 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 more than 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.

**Table 4: Classroom Training** (total participant hours)

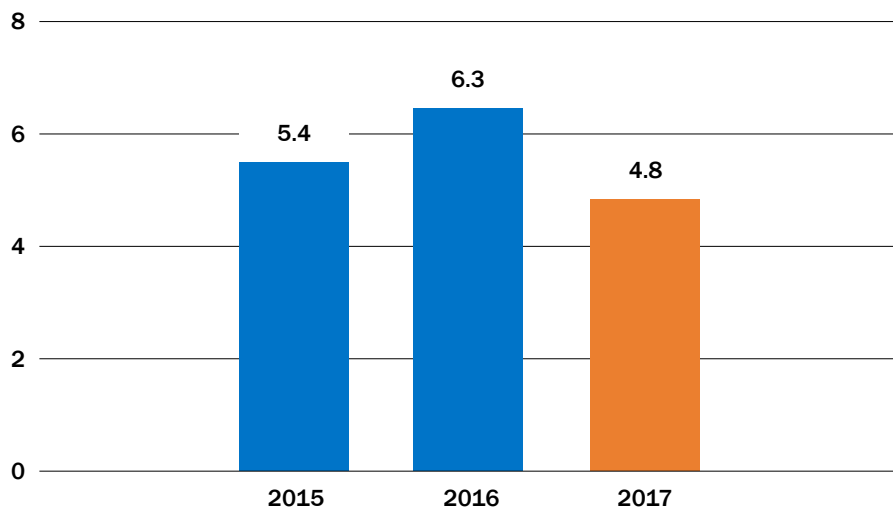
Year	Programs					Total
	Leadership	Safety	Advanced Project Management	Business	High-Potential Development	
2017	2,192	1,612	304	576	1,920	6,604
2016	1,632	2,392	544	N/A	1,632	6,200
2015	2,032	2,297	336	N/A	1,424	6,089

**Figure 27: Online Training** (total hours of Parsons' employees)



**Figure 28: Average Hours of Online Training**

(per employee per year)





## Safety, Health, and the Environment

Making safety one of Parsons' core values embodies our 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 caring 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. We first became a member of this program in 2008. In addition to participating in the OSHA Corporate VPP, 23 Parsons sites have achieved VPP Star status.

The nature of our work and the challenges we face continue to evolve, so we periodically review our safety, health, and environmental (SH&E) management system to ensure that it progresses with changing expectations. Our ESHARP Guidebook presents the framework for developing, implementing, and maintaining a world-class SH&E program designed to achieve and sustain zero incidents. The *ESHARP Guidebook* reflects the evolution of our fieldwork and the continued challenge of maintaining a safe and healthful workforce, managing and sustaining our environment, and meeting our customers' expectations.

Our goal is 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 Plan–Do–Check–Adjust model for our SH&E management systems approach.

## Leadership Commitment

Parsons' top leadership is ultimately responsible for our SH&E performance and for overseeing our SH&E management systems, and they demonstrate their commitment by ensuring that essential resources are available to establish, implement, maintain, and improve our SH&E management systems. Our senior leaders actively direct the development and communication of roles, responsibilities, accountabilities, and authorities within Parsons. The SH&E corporate vice president, or senior vice president, is specifically tasked with ensuring that SH&E management systems are established, implemented, and maintained in accordance with the government, legal, industry, professional, and international standards to which Parsons subscribes. The SH&E senior vice president also ensures that our SH&E performance is presented for review to executive management so that we can implement improvements to our management systems.

All Parsons corporate officers, functional managers, assignment managers, PMC program candidates, PMC 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 that are available via our online learning management system. These existing modules complement revised training and awareness programs for our leaders and PMC candidates.



*Parsons and Duke Energy have partnered with Caterpillar to roll out a proximity detection system based on radio-frequency identification technology.*

## 2017 Safety Achievements

- **Parsons and Duke Energy Partner with Caterpillar on Safety Innovation.** The Parsons and Duke Energy team has partnered with Caterpillar to roll out a proximity detection system based on radio-frequency identification technology. By using this technology on site, our equipment now can communicate with other pieces of equipment and personnel to prevent collisions or encounters.
- **Parsons' Expo Village Infrastructure Project Achieves Safety Milestone.** The Expo Village Infrastructure Project achieved 1 million safe work hours. Parsons is providing design and construction supervision services for the Dubai World Trade Centre and Dubai Expo 2020 event.
- **Parsons Joins Georgia Department of Transportation (GDOT) to Provide Emergency Operations Response.** Our staff joined with GDOT employees to provide emergency operations response for 31 south and central counties during Hurricane Irma, in September. Personnel assisted crews tasked with surveying damage and leading cleanup efforts.
- **Parsons Team Implements Safety Program During Panama Volunteer Effort.** Our 11-member team collectively adopted and enforced safety-related expectations before and during the construction of a footbridge in Rio Grande, Panama, as part of the corporation's second Bridges to Prosperity bridge-building project. The plan included working safely, planning the work, using the right equipment and safety gear, and caring for one another and the community members who volunteered to help. In two weeks, the entire structure, with two towers, was placed and raised (by hand), supported, anchored, trimmed, and finished without a single first-aid case.

- **Parsons Recognized with Canadian Pro Drivers (CPD) Road Safety Award.** CPD recognized Parsons with this award, which is given to organizations that establish a leadership role and contribute to driver safety in the workplace.
- **Seven New Jersey Motor Vehicle Inspection Stations Recertified as OSHA VPP Star Sites.** The Deptford Township, Flemington, Millville, Salem, Washington Township, Cape May, and Freehold stations, all operated by Parsons, were recertified as OSHA VPP Star sites.
- **Saudi Industrial Property Authority Jeddah 3A Project Achieves Safety Milestone.** This site, located in Jeddah, Saudi Arabia, achieved more than 1 million work hours and 775 days without a lost-time injury. MODON is responsible for developing industrial cities with integrated infrastructure and services. Parsons is providing construction supervision services for the project.
- **Parsons Recognized by Imperial Oil.** Imperial presented Parsons with an award for safety, security, health, and environmental leadership excellence. The award was presented to Parsons in recognition of outstanding performance and exceptional commitment to safety.
- **Parsons Honored by New York City Department of Environmental Protection (NYCDEP).** NYCDEP recognized us for our work on the first phase of the Rondout Bypass Tunnel project, in Newburgh, NY. The award was presented at the NYCDEP's annual environmental health and safety update meeting, at the Newtown Creek Wastewater Treatment Facility. The award acknowledges excellence in construction management and environmental health and safety compliance.
- **Parsons Employees Conduct Safety Assessments Following Mexico City Earthquake.** Following the earthquake in Mexico City on September 19, 2017, Parsons dispatched volunteer engineers to conduct structural safety assessments on hundreds of schools, residential buildings, commercial buildings, and hospitals.

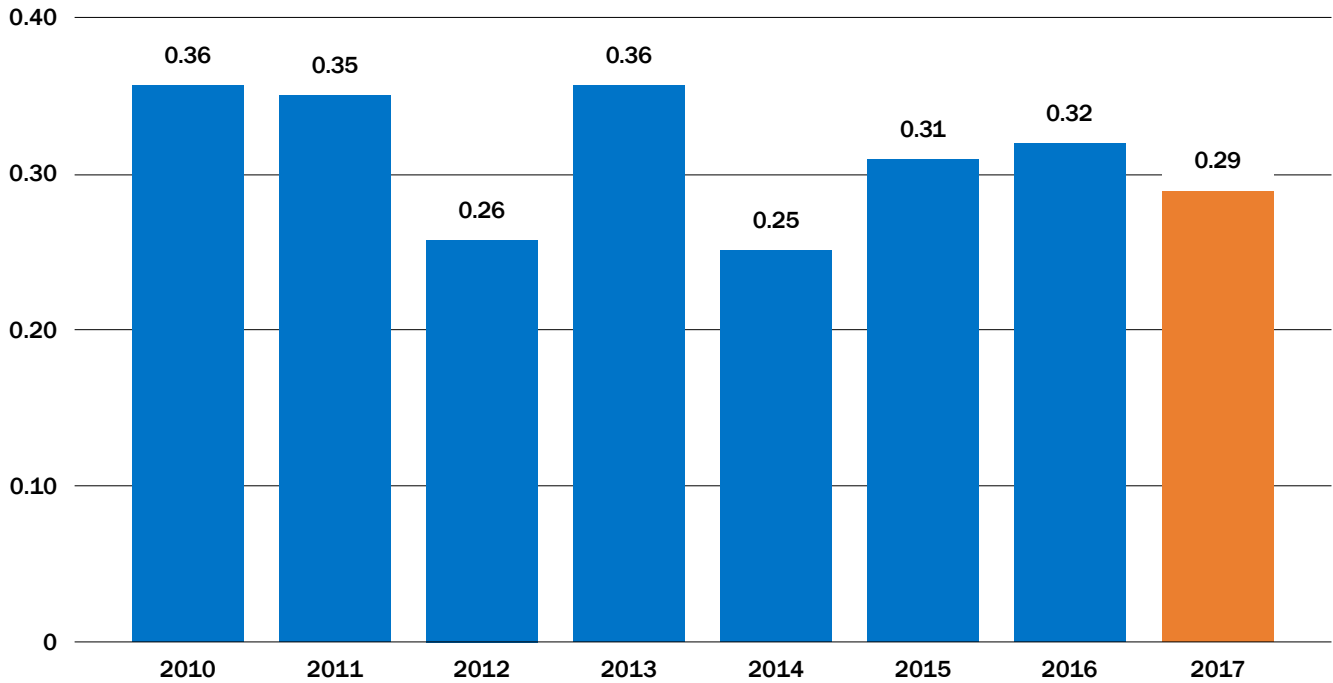
## Leading and Lagging Safety Indicators

Our 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 monthly for a wide range of factors:

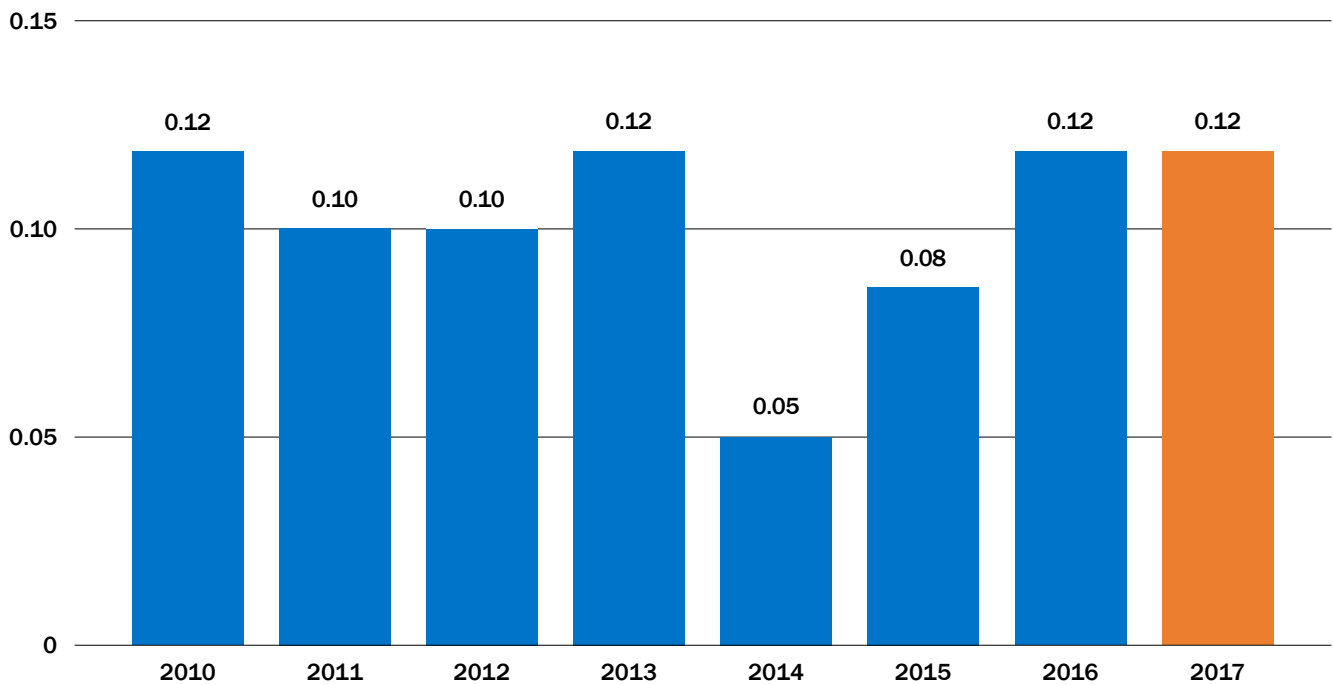
- Demonstrated leadership engagement by using our senior leadership system observation application
- Adherence to our SH&E management system requirements
- Employee reports of near-miss occurrences
- Physical conditions of our projects and offices
- SH&E prequalification of our joint venture partners 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 to one of the best in our industry.

**Figure 29: Total Recordable Incident Rate** (worldwide)



**Figure 30: Lost-Time Incident Rate** (worldwide)



## Employee Health and Well-Being

At Parsons, we invest in our employees' health and wellness because we know that our people are our greatest asset. That's why we offer benefits to enhance our employees' quality of life, with packages that typically include major medical, dental, vision, and life insurance. We also offer employee assistance and wellness programs, and we support a healthy work-life balance by providing paid holidays and paid time off.



## Wellness for Life

In 2006, we established our U.S.-based Wellness for Life program, which 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. The overall participation rate in our program has increased during the past 5 years to 55% from 31%. The most popular activities are active monthly fitness memberships and targeted challenges, such as 10,000 steps per day and telephonic health coaching.

## 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.



# Marketplace

We respect the interests of our external stakeholders—our customers, suppliers, teaming partners, and the wider community—and we demonstrate our marketplace responsibility through leadership in quality, ethics, and transparency. The following pages highlight our designation as one of the World’s Most Ethical Companies for the 9<sup>th</sup> year in a row and our 2017 Corporate Leadership Award. We also discuss our Code of Conduct and our policy on human trafficking, as well as our efforts to address employee suggestions, questions, and concerns to help maintain our commitment to integrity.



*2018 World's Most Ethical Companies® Gala Dinner*

## Ethics and Integrity

Integrity is one of Parsons' core values, and we are committed to acting ethically—and with integrity—in everything we do. Our dedication to integrity and to ethical business practices permeates all levels of our company, reflected by our designation by the Ethisphere Institute as one of the World's Most Ethical Companies in 2018—our 9<sup>th</sup> consecutive year.

Ethisphere is a global leader in defining and advancing the standards of ethical business practices that fuel corporate character, marketplace trust, and business success. The organization began publishing its World's Most Ethical Companies rankings in 2006.

In November 2017, the Coalition for Integrity honored Parsons with its 2017 Corporate Leadership Award for our leadership-level contributions to corporate anticorruption compliance, transparency, business ethics and integrity, and corporate social responsibility. The Coalition for Integrity works with a broad network of individuals and organizations to combat corruption and promote integrity in the public and private sectors.

We continue to be recognized for leading with integrity because our employees make ethical decisions in their work each day. Our employees understand and agree that integrity is everyone's concern. When hired, all employees sign the Parsons Code of Conduct, and we require our employees to recertify their acceptance of and compliance with this code every other year. In 2017, all employees recertified their compliance with the code. We also communicate our dedication to integrity through training processes, such as live instruction, interactive online learning modules, and easily accessed online documents that keep ethics at the forefront of our daily activities. We also have a 24-hour Ethics Helpline, which allows employees to anonymously make suggestions, ask questions, and report concerns about business practices, safety, violations of law, and company policies (see page 66 for more information about our Ethics Helpline).

In addition to our employee engagement activities, we participate in diverse conferences, programs, and organizations devoted to advancing ethical behavior in the business world. In October 2017, our chief legal advisor participated in Ethisphere's London Ethics & Compliance Summit, a 1-day event assembling diverse company leaders to address the issues impacting corporate integrity today. This panel discussed leadership character during periods of significant shift and disruption. In March 2017, our general counsel participated in a panel at Ethisphere's 2-day 2017 Global Ethics Summit, which addressed global anticorruption and effectively anticipating risk. Along with our participation in various Ethisphere summits, forums, roundtables, and webcasts, 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. We are also an active member in the Construction Industry Ethics and Compliance Initiative (CIECI), formed in 2008. CIECI is dedicated to promoting integrity and ethical conduct in the construction industry, and its members agree to adhere to a series of ethical principles and to share their best ethics and compliance practices.



## Human Rights

As an international leader in engineering and construction, we support and respect the promotion and protection of human rights within our operations, within 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's essential that our business partners—our suppliers, vendors, contractors, consultants, joint venture partners, agents, and other providers of goods and services—uphold these same standards. We will not knowingly do business with those who do not comply with local employment laws.

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

## Giving Voice to Employee Concerns

We proactively attract world-class talent because we recognize our employees' contributions to our success and to our position as an industry leader. We value each of our employees, as illustrated by our longstanding commitment to fairness and equity in the workplace and by our efforts to foster an atmosphere of inclusion. However, even productive and skilled employees might encounter work-related concerns. For those employees, our Employee Dispute Resolution Program (EDRP) and our 24-hour Ethics Helpline offer the opportunity to report work-related problems confidentially and without fear of retaliation. These programs support the consistent and fair treatment of employees, improve communications, and encourage a positive workplace.

In 1998, we implemented our three-step EDRP in the United States to provide flexible, neutral, confidential, accessible, and cost-effective resolutions. In 2015, we had 10 calls; in 2016, we had 11 calls; and in 2017, we had 17 calls. Although some calls required no action, most employee concerns were generally resolved within Step 1 (Freedom of Expression and Appeal).

In 2009, we implemented our 24-hour Ethics Helpline, which is available to all employees who want to report concerns about business practices, violations of law, and company policies. We received 20 reports in 2015, 31 reports in 2016, and 35 reports in 2017. Although some reports required no action, we investigate and resolve employee suggestions, questions, and concerns to help us maintain our commitment to ethics and integrity in all that we do. Page 64 details our commitment to business ethics.

Employee relations and human resources managers typically serve as facilitators to resolve employee concerns, which provides employees the opportunity to bring employment issues and concerns to the attention of management, ensures communication between the parties involved, and facilitates the prompt resolution of workplace problems and disputes.

## Management Practices

For 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.

## 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. 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.

As the firm responsible for managing the project labor agreement at Los Angeles International Airport (LAX)—owned and operated by Los Angeles World Airports (LAWA)—we announced the launch of LAWA's HireLAX Apprenticeship Readiness Program in August 2017. The program prepares local residents for skilled craft labor careers to support the \$1 billion capital improvement program at LAX. Established in partnership with Los Angeles Trade Technical College, Los Angeles Southwest College, and the Los Angeles/Orange Counties Building and Construction Trades Council, the free program began in September at Los Angeles Southwest College. The inaugural class of 26 graduated in November 2017, and more than half of the graduates went on to accept construction jobs upon completing the program.

In April 2017, we participated in Los Angeles Metro's inaugural event that brought more than 600 small businesses together to meet prime contractors and learn about teaming opportunities.

In June 2017, the National Aeronautics and Space Administration (NASA) selected Parsons as the large business prime contractor of the year for our continuous support of small businesses that also support space initiatives. Since 1995, we have provided engineering, design, construction, technical, and information resource management as well as master planning services at the Goddard Center. We have successfully used nearly 50 small business enterprises, some of which have supported our team as protégé firms (under NASA's Mentor-Protégé Program) on such technically complex projects as the James Webb Space Telescope and Magnetic Multiscale missions.



# Society



Charitable contributions, in-kind donations, and volunteerism directly correlate with improving quality of life and making the world a better place. As part of Parsons Gives Back, we support multiple nonprofit organizations that mirror our six core values. The following pages highlight some of the contributions we make to the communities in which we operate as well as the contributions of our employees and their families.







We sponsored the Arc of Northern Virginia's 8k event benefiting people with intellectual and developmental disabilities.

## 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've also sponsored various nonprofits, programs, and events. As we grow and expand into new markets and geographies, we continually evaluate our community's ever-changing needs and support organizations that exemplify our spirit of giving.



### Volunteer of the Year Award Program

Engaging in volunteer activities that are meaningful in our local communities reinforces Parsons’ local presence, builds our local brand, and increases employee engagement. Based on employee feedback from our 2017 giving survey, we have implemented a Volunteer of the Year Award program to acknowledge employees for their volunteerism. The Volunteer of the Year Award recognizes the outstanding philanthropic contributions of one employee from each business enterprise and one employee representing all of Parsons. In honor of the time and commitment of these dedicated employees, Parsons will donate to a charity or charities of their choice.

### Parsons Scholarship Program

Established in California in the 1960s, our undergraduate/graduate scholarship program was expanded in 2009 to include dependents of our full-time employees who are attending an accredited college or university. In 2017, Parsons awarded 38 scholarships worth a total of \$120,000 under our annual scholarship program: 21 first-time recipients and 17 renewed scholarships.





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## MUSE/IQUE

We've supported this nonprofit orchestra since its founding, in 2011. Our assistance provides meaningful support 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, one Parsons executive serves on the board.

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## Children's Holiday Party

Ever since we relocated Parsons' corporate headquarters to Pasadena, we've been brightening the holiday season for local children by hosting our Annual Children's Holiday Party. In 2017—for the 42<sup>nd</sup> consecutive year—children from Five Acres, in Altadena, and from Hillside and Rosemary Children's Services, in Pasadena, attended our special party, which included lunch, a photo booth, a musical performance (The Filharmonic, curated by Rachael Worby, MUSE/IQUE's artistic director and conductor), and a special guest from the North Pole. In addition, with the help of our employees, we distributed more than 200 gift cards to children from the aforementioned organizations as well as to children from Hathaway-Sycamores in Pasadena.



42<sup>nd</sup> Annual Children's Holiday Party, Pasadena, CA

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## Bridges to Prosperity

In 2015, we committed to becoming the sole Country Partner for Bridges to Prosperity (otherwise known as B2P), a nonprofit organization dedicated to providing isolated communities with access to health care, education, and economic opportunities by building footbridges over impassible rivers. In 2017, we supported B2P in building a 47-meter footbridge for a small community of rice farmers in Rio Grande, Panama. The community, with a population of about 200, also participated in the project.

To construct the bridge—a feat of collaboration, engineering, and corporate social responsibility—we brought together a multinational team of volunteers from offices across North America. Our 11-member team included bridge and civil engineers and safety managers. The Panama build marked the corporation's second bridge build.



An 11-member Parsons team built a footbridge over the Rio Grande River in Panama City, Panama

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## Kids to Love Golf Invitational

We began hosting this annual golf tournament in 2011 because we support 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 and provides school supplies, holiday gifts, and college scholarships to children in need.

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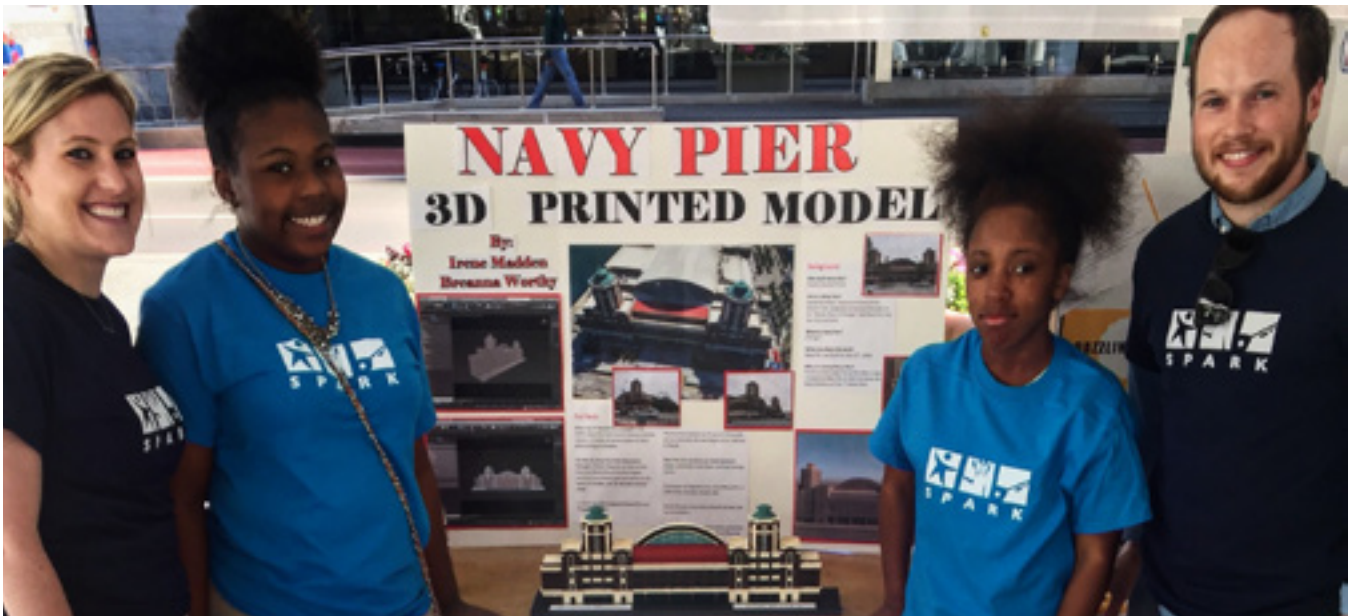
## ParSTEM

We understand the value of introducing students to STEM and have organized and/or supported STEM internships and in-school programs in the communities where our employees live and work:

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### 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 related to the volunteer's career field. Some of the project topics our employees have worked on with these Chicago students include structural engineering, how various concepts they learn in school are applied to design buildings, and bridges as well as a 3D print of the Navy Pier building.



Spark Mentoring Program, Chicago, IL

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### Cal Poly Innovation Quest

For 5 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. We've also participated in judging the awards portion of the competition.

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### HIRE LA's Youth Program

In 2017, we participated in the City of Los Angeles' HIRE LA's Youth summer program for the 8<sup>th</sup> year. The program is led 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 members of our Infrastructure business unit in Pasadena to gain an understanding of the types of projects we are engaged in as well as our operational structure. Both 2016 interns are finishing their senior years as civil engineering majors.

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## Sewer System Improvement Program Summer Internship Program

Established in 2012, the Sewer System Improvement Program's (SSIP's) summer program—spearheaded by a Parsons joint venture 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 (ages 15 to 18) who reside in San Francisco's Bayview Hunters Point neighborhood. The program introduces students to various disciplines (architecture and urban planning, engineering and design, finance and accounting, communications and government relations, and operations and environmental management) to increase the participation of women and underrepresented minorities as well as to assist high school students and graduates who are entering post-secondary 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*

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## Pasadena Educational Foundation

Since 1999, through board memberships and financial contributions, we've supported this nonprofit organization that advocates for public education, engages the community, and develops resources to support excellence in education for every student in the Pasadena Unified School District.

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## Cal Poly Pomona

We are contributing \$50,000 to support Cal Poly Pomona's College of Engineering over a 5-year period.

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

Through our partnership with the University of Maryland Honors College Advanced Cybersecurity Experience for Students Program, we provide scholarships and internships. In 2017, we hosted five interns from UMD. In addition to providing scholarships and internships, we host tech talks, panels, and tech expos. Our employees also mentor students interested in careers in cybersecurity.



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## BB&T Corporate Cup

Since 1984, our Charlotte, NC, office has participated in this 5K run/walk and half marathon, formerly known as the YMCA Corporate Cup, through uptown Charlotte and its adjacent neighborhoods since 1984. The BB&T Corporate Cup celebrates healthy living while giving back to the community. Proceeds from our fundraiser 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 community in Charlotte. In 2017, we had 41 registered Parsons participants.



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## Big Sunday

Since 2007, our California employees and their families have taken part in Big Sunday, the largest volunteer event in the United States and one of Los Angeles' annual community service events, working on projects ranging from participating in a local food bank to clearing brush in canyon areas. In 2017, our offices worked on the following projects throughout Southern California:

- **Rubio Canyon Trail, Altadena.** Helped the Arroyos and Foothills Conservancy pick up trash and remove invasive species along the trail.
- **Los Feliz Village Cleanup, Los Angeles.** Cleaned up a 6-block stretch of street by picking up trash, removing weeds, and sweeping sidewalks and gutters.
- **M.Y.C.L.U.B. Youth Center, Los Angeles.** Fixed up the play yard for a Los Angeles youth center.
- **North Hollywood Interfaith Food Pantry, Studio City.** Hand-cleaned and organized the food distribution site for a local food pantry.



*A five-member team picked up trash and removed invasive species in Altadena, CA.*

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## Ronald McDonald House Charities® of Southern California

Since 2013, we've monetarily supported this organization, which provides housing, comfort, care, and support to sick children and their families whose goal is to stay together while the sick child is receiving much-needed medical care that is unavailable closer to home. For the past 2 years, we have formed teams to participate in the Pasadena Ronald McDonald House Walk for Kids to raise money and awareness for the organization's mission.



*Pasadena Ronald McDonald House Walk for Kids, Pasadena, CA*

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## Columbia Sustainability Initiative

This initiative, led by the Parsons office in Columbia, MD, supports our core value of sustainability through local sponsorships and volunteer activities, including a fundraising campaign supporting the Chesapeake Bay Foundation. The group also held a food drive for Howard County Food Bank and a clothing/book/household-item drive for the Salvation Army. In addition, the group provides reusable cups for water in the office to eliminate wasteful one-time-use cups.

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## Habitat for Humanity

We continue to partner with Habitat for Humanity, which provides affordable housing for families in need around the world. Since 1998, Parsons employees and their families have put in thousands of volunteer hours working on homes across the United States. We've also provided monetary donations to support Habitat for Humanity's continued efforts.

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## No Paper Day Qatar

Parsons was recognized by the Qatar Green Building Council for our participation in its 5<sup>th</sup> annual No Paper Day Qatar. Event goals included encouraging the local community to adopt eco-friendly initiatives geared at reducing waste nationwide and to remind the public that reducing the use of Qatar's resources both improves business efficiency and helps preserve the environment's long-term health. In 5 days, we collected around 45,000 A4-size paper sheets, which will reproduce around 30,000 recycled paper sheets.



*5<sup>th</sup> Annual No Paper Day, Qatar, UAE*



Parsons hosted the 10<sup>th</sup> annual IVET golf tournament in Stafford, VA.

## 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 Association of the United States Army, the Institute of Veterans Education and Training (IVET), Home Front Cares, the U.S. Navy's Seabees Museum, and the Huntsville Madison County Veterans Memorial. In 2017, we hosted a Golf Classic to benefit IVET and the Warrior Canine Connection at the Augustine Golf Club, in Stafford, VA. All proceeds from this 10<sup>th</sup> annual event were donated to the two veterans groups. In addition, we helped veterans find employment opportunities with the City of Long Beach, CA, through our partnership with Helmets to Hardhats.

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## Water Environment Federation

Since 2012, through our joint venture with AECOM, we've participated in the WEFTEC annual community service project. The projects are usually green infrastructure installations to alleviate flooding and/or to serve as an educational platform. We provide a financial contribution and, along with our client, volunteer to work. The joint venture also participates in the Water Palooza event, which focuses primarily on sustainability and green infrastructure.

The 2017 community service project was hosted at Chicago's Manierre Elementary School, whose existing playground experienced flooding issues. As part of Manierre's Sustainable Stormwater project, volunteers helped construct a bioswale with native plants to control stormwater runoff and a permeable outdoor classroom area.

Water Palooza was also held at Manierre Elementary School and engaged young students in hands-on activities that demonstrate the value of water.





*Parsons participated in the Giving Back to Nature campaign at Abu Dhabi International Airport, in the UAE.*

## **Giving Back to Nature Campaign**

Along with 11 other companies working on the Abu Dhabi Airport Expansion project, we participated in the Giving Back to Nature campaign on November 27, 2017. More than 400 people, including construction workers, supervisors, and other staff employees, cleaned up nearly 100,000 square meters around the Midfield Terminal Complex and the East Midfield. All participants worked simultaneously to clean up around the airport. After the cleanup, a closing ceremony was held to recognize all participants' efforts. Refreshments and tokens of appreciation were distributed to everyone. Certificates of appreciation were also given to the various entities that participated in the cleanup. Following the cleanup, we joined with representatives from other companies to participate in the Give a Ghaf Tree Planting Program, which was launched by Goumbook, an organization that raises awareness regarding sustainability and green living.

## Disaster Relief

Our history reflects a deep-rooted tradition of supporting communities impacted by natural disasters, such as earthquakes, floods, hurricanes, tornados, and wildfires. In line with our commitment, we respond to these catastrophic events both through financial contributions and by providing volunteer and professional expertise. We also proactively respond to the need for disaster relief through our longtime support of the Red Cross. Our donations help the Red Cross (and others) provide shelter, food, emotional support, and other assistance. Since 2003, Parsons has donated more than \$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 \$88,000 for various disasters, such as Hurricanes Harvey, Irma, and Maria and the western United States wildfires (2017); the Mexico earthquakes (2017); the Canada and California wildfires and Louisiana floods (2016); the Nepal earthquake (2015); Typhoon Haiyan (2013); the Colorado wildfires and Superstorm Sandy (2012); the Japan earthquake/tsunami, Texas fires, and Hurricane Irene (2011); and the Haiti earthquake (2010).

When disasters impact people and destroy the environment, we're prepared to assist with stabilization, recovery, and reconstruction. Our demonstrated ability to rapidly mobilize resources worldwide enables us to return a sense of normalcy to devastated regions. We meet rigorous accelerated schedules, maintain the highest safety standards, deliver sustainable solutions, and rebuild for tomorrow.

A specific example of our disaster relief efforts is our response to the September 19, 2017, Mexico City earthquake. In the weeks following the 7.1-magnitude quake, we mobilized our engineers and architects in Mexico City and in the United States to perform structural safety assessments of damaged structures and to red-flag unsafe buildings. We organized three teams of 10 volunteers that conducted two trips a week for 6 weeks, inspecting hundreds of schools, hospitals, and residential and commercial buildings across the region. Partnering with local organizations, our teams worked 12-hour days to assess structures, photograph them, and provide reports to determine which buildings should be demolished.



*We mobilized three teams of 10 engineers to conduct hundreds of structural safety assessments following the Mexico City earthquake.*

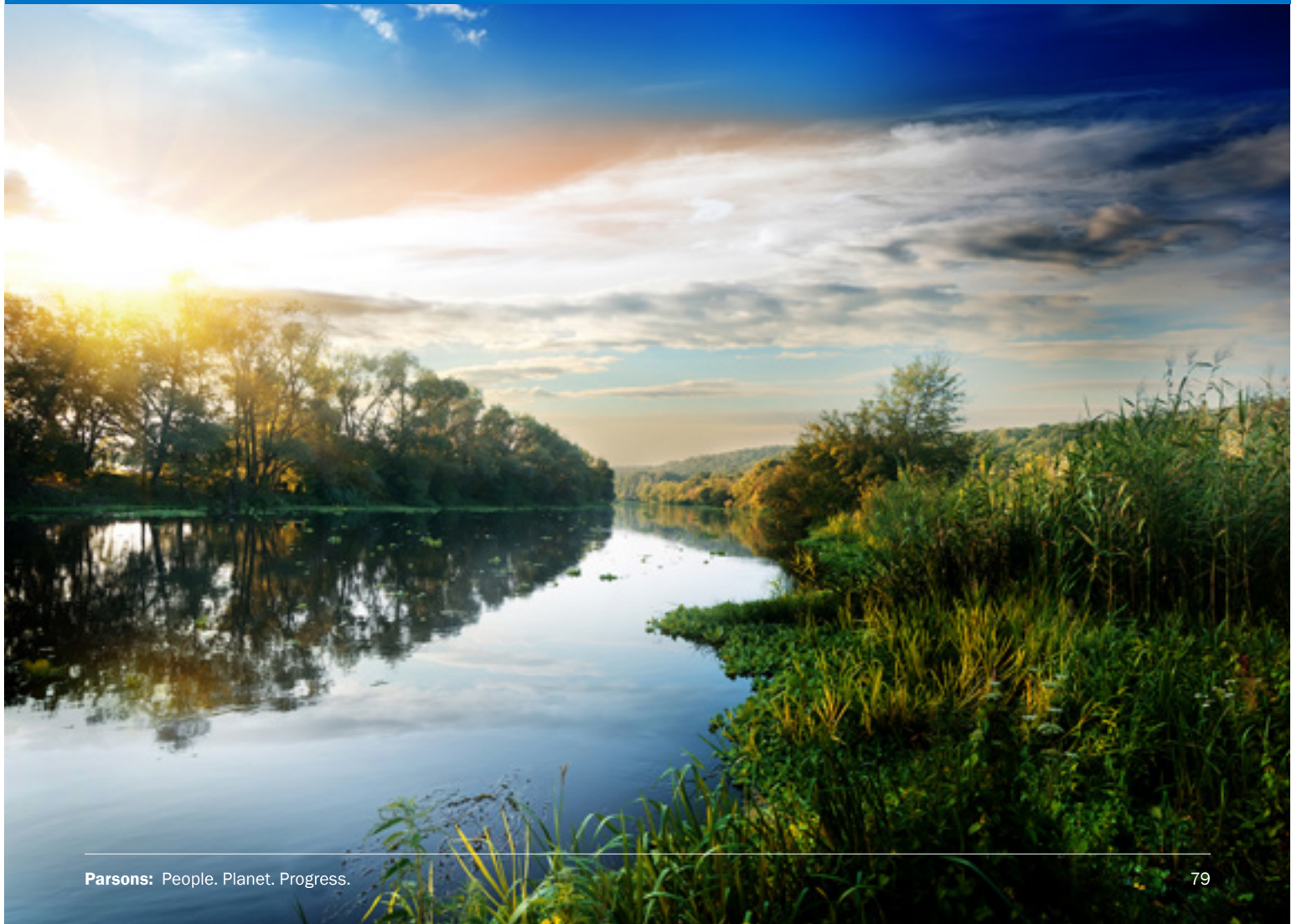


In addition, to support recovery efforts following Hurricane Maria in October 2017, we participated in the Partnership for Temporary Housing, LLC (joint venture between Parsons; Dewberry, LLC; and DynCorp International, LLC), to provide 90,000 meals per day to displaced residents in Puerto Rico under a Federal Emergency Management Agency (FEMA) task order.

In Texas and Florida, FEMA-trained Parsons employees are participating directly in disaster recovery by assisting in administering federal grants, and in California, the Partnership for Temporary Housing is upgrading a United States Army Corps of Engineers campground at Lake Mendocino so that it can accommodate FEMA temporary housing units. These units will eventually be occupied by those affected by last year's wildfires.

# Summary

In addition to documenting our CSR efforts through this report, we have provided a list of frequently asked questions regarding our sustainability initiatives. We've also included a scorecard that highlights select GRI metrics. GRI is a nonprofit, network-based organization that has developed the world's first and most widely used sustainability-reporting framework.



# Sustainability FAQs

These frequently asked questions summarize our sustainability program, covering our sustainability policies, practices, and procedures.

## Environment

<b>Does Parsons have an energy and water usage policy, strategy, or management plan?</b>	<b>Does Parsons track GHG emissions?</b>
Yes. Page 31 describes our energy policy, and page 35 describes our water usage strategy.	Yes. We calculate direct GHG emissions (Scope 1), indirect GHG emissions (Scope 2), and other GHG emissions (Scope 3) using the WRI GHG accounting protocol. Page 39 shows our normalized GHG emissions and breakdown by source activity.
<b>Does Parsons track utility usage at the corporate level?</b>	<b>Has Parsons established GHG emission reduction goals?</b>
Yes. Pages 33, 34, and 35 show the utility usage summary.	Yes. Parsons tracks GHG emissions as part of our core values metrics. Target reductions are set by each business unit on an annual basis.
<b>Does Parsons use renewable energy or alternative energy sources, such as solar, wind, biofuels, or geothermal?</b>	<b>To whom does Parsons report its GHG emissions?</b>
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.	Internally, we report our GHG emissions to the Executive Leadership Committee and the Board of Directors. Externally, we report our GHG emissions in the annual CSR report (see page 39).

## Workplace

<b>Does Parsons have an officer or executive dedicated and accountable to sustainability?</b>	<b>Does Parsons have a workforce diversity program?</b>
Yes. We have a corporate director of safety, health, environment & sustainability (SHE&S). Each business unit also has at least one staff member at the director level or above, some or all of whose job responsibilities are dedicated to sustainability.	Yes. We are committed to building a strong, diverse workforce. Our nearly 14,000 employees speak more than 85 languages and hold nearly 12,500 university degrees and professional registrations. We track our diversity metrics for hiring and turnover.

## Workplace (continued)

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 set performance goals with metrics and targets 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 written policies, procedures, and practices 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	√	

## Marketplace

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

Yes. We publicly report our sustainability results and progress in this annual CSR report, which is published on our company's public website. A link to this report is also available at the GRI website.

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

Yes. We maintain the following memberships:

- American Society for Testing and Materials
- Collaborative for High Performance Schools
- Global Reporting Initiative
- Institute for Sustainable Infrastructure, Sustaining Member
- U.S. Green Building Council, Silver Member

### 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 serve as owners' representatives for customers throughout the world, 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, including but not limited to:

- ISI Envision
- FHWA INVEST
- USGBC LEED

### 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 veteran-owned businesses (including service-disabled veterans), as well as for historically black colleges/universities, minority institutions, and organizations that promote the employment of disabled individuals.

### Does Parsons have written policies and practices for the products and services it sells to its customers?

	Yes	No
Product end-of-life recycling/take-back programs	√	
Product recycled content	√	
Restrictions on use of raw materials from conflict mines		—
Restrictions on hazardous substances in products	√	
Product packaging, transportation, and logistics	√	
Product life-cycle energy consumption	√	
Product transportation and logistics	√	
Hazardous and regulated waste management	√	

### Does Parsons have an established program for assessing its suppliers' performance 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	√	



Society

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	√	

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 veteran-owned businesses (including service-disabled veterans), as well as for historically black colleges/universities, minority institutions, and organizations that promote the employment of disabled individuals.

## Sustainability Scorecard and Progress

Measuring our sustainability performance is critical to effectively and transparently reporting progress toward our goals. We use select GRI standard disclosure performance indicators to demonstrate our results. This abridged list of indicators has been annotated to reflect any deviations in our reported data from the GRI disclosure description. Data are for the 2017 calendar year unless otherwise indicated.

### GRI 102: General Disclosures: Organizational Profile

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
102-1	Name of the Organization	Parsons Corporation	6
102-2	Activities, brands, products, and services	Parsons is uniquely qualified to deliver cyber-physical security, advanced technology solutions, and other innovative services to federal, regional, and local government agencies, as well as to private industrial customers worldwide.	6
102-3	Location of headquarters	Pasadena, CA, USA	—
102-4	Location of operations	Parsons has more than 100 offices worldwide.	—
102-5	Ownership and legal form	Parsons is 100% owned by the Employee Stock Ownership Trust.	—
102-6	Markets served	Defense, security, and infrastructure	6
102-7	Scale of the organization	Parsons has nearly 14,000 employees working in 25 countries around the world. These employees collectively speak more than 85 languages and hold nearly 12,500 university degrees and professional registrations.	50
102-8	Information on employees and other workers	<p>68% of Parsons' workforce is in North America, and the following figures represent our global workforce:</p> <ul style="list-style-type: none"> <li>• January 2018: 13,645 employees (total)</li> <li>• January 2017: 13,139 employees (total)</li> <li>• January 2016: 14,695 employees (total)</li> <li>• January 2015: 15,072 employees (total)</li> </ul>	48

**GRI 102: General Disclosures: Organizational Profile**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
102-13	Membership of associations	<b>International:</b> <ul style="list-style-type: none"><li>• Water Environment Research Foundation</li><li>• American Academy of Environmental Engineers</li><li>• National Association of Clean Water Agencies</li><li>• American Society of Civil Engineers</li><li>• American Society of Testing and Materials</li><li>• American Water Works Association</li><li>• Asian American Architects and Engineers Association</li><li>• Construction Management Association of America</li><li>• Design-Build Institute of America</li><li>• Institute for Sustainable Infrastructure</li><li>• U.S. Green Building Council</li><li>• U.S. Society of Dams</li><li>• Water Environment Research Foundation</li><li>• WaterReuse Association</li></ul> <b>Regional:</b> <ul style="list-style-type: none"><li>• Association of California Water Agencies</li><li>• California Association of Sanitation Associations (CASA)</li><li>• Florida Floodplain Managers Association</li><li>• Florida Stormwater Association</li><li>• Georgia Association of Water Professionals</li></ul>	—

**GRI 102: General Disclosures: Strategy**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
102-14	Statement from senior decision-maker	CEO Chuck Harrington's statement can be found in the introduction to this report.	3&4

**GRI 102: General Disclosures: Ethics**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
102-16	Values, principles, standards, and norms of behavior	Our six core values— <i>safety, quality, integrity, diversity, innovation, and sustainability</i> —help us act as good stewards for our shareholders, employees, customers, suppliers, teaming partners, and the communities and environment in which we perform services.	10
102-17	Mechanisms for advice and concerns about ethics	We have a 24-hour Ethics Helpline that allows employees to anonymously make suggestions, ask questions, and report concerns about business practices, safety, violations of law, and company policies.	65 & 66

**GRI 102: General Disclosures: Governance**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
102-20	Executive-level responsibility for economic, environmental, and social topics	We have a senior vice president (SVP) of safety, health, environment & sustainability (SHE&S) who is responsible for addressing economic, environmental, and social topics, such as jobsite safety, employee health, and training programs. He reports directly to Corporate Operations, which, in turn, is led by our CEO. The SVP of SHE&S leads the Sustainability Working Group (SWG), which is sponsored by the Chief of Staff. The SWG is described in more detail in the “Environment” section of this report.	58
102-31	Review of economic, environmental, and social topics	The Parsons executive committee reviews our core value metrics (CVMs) on a quarterly basis. The CVMs represent social, economic, and environmental criteria in each of our core values—safety, quality, integrity, diversity, innovation, and sustainability.	11

**GRI 201: Economic Performance**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
201-1	Direct economic value generated and distributed	Parsons’ revenue from the past 3 years is as follows: <ul style="list-style-type: none"> <li>• 2017: \$5.1 billion</li> <li>• 2016: \$4.9 billion</li> <li>• 2015: \$4.5 billion</li> </ul>	—

**GRI 301: Materials**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
301-41	Materials used by weight or volume.	<p>Domestic paper consumed:</p> <ul style="list-style-type: none"> <li>• 2017: 2,894 cartons</li> <li>• 2016: 2,988 cartons</li> <li>• 2008 (baseline): 10,757 cartons</li> <li>• 73% reduction in cartons from baseline to 2017</li> </ul>	37

**GRI 302: Energy**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
302-1	Energy consumption within the organization	<p>Electricity consumed at our Pasadena headquarters for the past 2 years is as follows:</p> <ul style="list-style-type: none"> <li>• 2017: 5,508,000 kWh</li> <li>• 2016: 5,130,000 kWh</li> <li>• 2006 (baseline): 7,641,000 kWh</li> </ul> <p>Additional information and discussion regarding this topic can be found in the “Business Operations” section of this report.</p> <p>Natural gas consumed at our Pasadena headquarters for the past 2 years is as follows:</p> <ul style="list-style-type: none"> <li>• 2017: 51,381 therms</li> <li>• 2016: 42,045 therms</li> <li>• 2002 (baseline): 131,729 therms</li> </ul>	33 & 34
302-4	Reduction of energy consumption	<ul style="list-style-type: none"> <li>• At our Pasadena headquarters building, we have achieved a 27.9% reduction in electricity consumption from the 2006 baseline to 2017 and a 61% reduction in natural gas consumption from the 2002 baseline to 2017.</li> </ul>	33 & 34

**GRI 303: Water**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
303-1	Water withdrawal by source	<p>Water consumed in our Pasadena headquarters for the past 2 years is as follows:</p> <ul style="list-style-type: none"> <li>• 2017: 9,795 hcf</li> <li>• 2016: 7,737 hcf</li> <li>• 2007 (baseline): 16,195 hcf</li> </ul> <p>We have achieved a 39.5% reduction in water consumption from the 2007 baseline to 2017.</p>	35



**GRI 305: Emissions**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
305-1	Direct (Scope 1) GHG emissions	<p>Our Scope 1 emissions are calculated based on fuel use at 20 representative office locations, normalized per employee at those offices, then extrapolated for all our employees worldwide. Gases included in the calculation are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.</p> <p>Emissions factors used are from the U.S. Environmental Protection Agency Emissions Factors for Greenhouse Gas Inventories (dated April 4, 2014).</p>	39
305-2	Energy indirect (Scope 2) GHG emissions	<p>Our Scope 2 emissions are calculated based on purchased electricity at 20 representative office locations, normalized per employee at those offices, then extrapolated for all our employees worldwide. Gases included in the calculation are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.</p> <p>Emissions factors used are from the U.S. Environmental Protection Agency Emissions Factors for Greenhouse Gas Inventories (dated April 4, 2014).</p>	39
305-3	Other indirect (Scope 3) emissions	<p>Our Scope 3 emissions include business travel and employee commuting. These emissions are calculated based on records from our travel agency, employee-submitted expense reports, and an employee commuter survey. Gases included in the calculation are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.</p>	39
305-4	GHG emissions intensity	<p>Our 2017 emissions intensity, which includes the Scope 1, 2, and 3 emissions described above, is 35.3 MT CO<sub>2</sub>eq/\$.</p>	39

**GRI 306: Effluents and Waste**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
306-2	Waste by type and disposal method	2017: <ul style="list-style-type: none"> <li>• 59% of eWaste reused/remarked</li> <li>• 41% of eWaste recycled</li> </ul> 2016: <ul style="list-style-type: none"> <li>• 46% of eWaste reused/remarked</li> <li>• 54% of eWaste recycled</li> </ul>	38

**GRI 304: Biodiversity**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
304-2	Significant impacts of activities, products, and services on biodiversity	Best practices are incorporated in the <i>Parsons Sustainability Handbook</i> .	21

**GRI 412: Human Rights Assessment**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
412-2	Employee trained in human rights policies or procedures	When hired, all employees sign our Parsons Code of Conduct, which includes policies relating to our core value of integrity as well as a corporate statement about our policy against human trafficking. In 2017, all employees recertified their compliance with the Code of Conduct.	65 & 66

**GRI 412: Human Rights Assessment**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
406-1	Incidents of discrimination and corrective action taken	Parsons' Employee Dispute Resolution Program received 10 calls in 2015, 11 calls in 2016, and 17 calls in 2017.	66

**GRI 401: Employment**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
401-1	New employee hires and employee turnover	Our total number of employees (and rate of turnover) for the past 3 years is as follows: <ul style="list-style-type: none"><li>• 2017: 2,568 employees (20%)</li><li>• 2016: 3,952 employees (30%)</li><li>• 2015: 3,560 employees (25%)</li></ul>	53

**GRI 403: Occupational Health & Safety**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
403-1	Worker representation in formal joint management-worker 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.	58
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	Our total recordable incident rate for the past 3 years is as follows: <ul style="list-style-type: none"><li>• 2017: 0.29</li><li>• 2016: 0.28</li><li>• 2015: 0.31</li></ul>	62
403-7	Health and safety topics covered in formal agreements with trade unions	<ul style="list-style-type: none"><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>	63

**GRI 404: Training and Education**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
404-1	Average hours of training per year for each employee	<p>The average number of training hours per employee for the past 3 years is as follows:</p> <ul style="list-style-type: none"> <li>• 2017: 4.8 hours</li> <li>• 2016: 6.6 hours</li> <li>• 2015: 6.3 hours</li> </ul>	57
404-2	Programs for upgrading employee skills and transition assistance programs	<p>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.</p> <p>Employees also have access to free or discounted continuing education through our professional memberships, such as “Education @USGBC,” which provides courses for maintaining the LEED AP credential.</p>	55
404-3	Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> <li>• 2017: We no longer offer a formal performance evaluation process. Instead, we encourage managers to have regular one-on-one conversations with their employees throughout the year.</li> <li>• 2016: We kicked off an initiative to review our performance management program and streamline it across each of our business units and regions.</li> <li>• 2015: We 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> </ul>	—

**GRI 405: Diversity & Equal Opportunity**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
405-1	Diversity of governance bodies and employees	<p>The percentage of minority groups (nonwhite, non-Caucasian) in Parsons' workforce is as follows:</p> <ul style="list-style-type: none"> <li>• January 2018: 28%</li> <li>• January 2017: 27%</li> <li>• January 2016: 28%</li> </ul> <p>The percentage of women in Parsons' workforce is as follows:</p> <ul style="list-style-type: none"> <li>• January 2018: 25%</li> <li>• January 2017: 25%</li> <li>• January 2016: 25%</li> </ul>	47

**GRI 205: Anti-Corruption**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
205-1	Operations assessed 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, including corruption.	65 & 66
205-2	Communication and training about 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.	65 & 66
205-3	Confirmed incidents and actions taken	No incidents of corruption have been reported.	—

**GRI 415: Public Policy**

Disclosure No.	Disclosure Name	Parsons Performance Results	Page
415-1	Political contributions	Parsons' Government Relations staff address public policy issues affecting the engineering and construction industry.	—



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## **Responsible Choices Help Make a Greener World**

To further reduce our carbon footprint, Parsons' 2018 corporate social responsibility report is an online-only publication.

