



Delivering
A Brighter
Future,
Together.



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Introduction

By committing to sustainability,
we take a shared responsibility for
achieving a better world.

UN Global Compact

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A Message from Our CEO

As I write this, the world is in the midst of a global health crisis unlike anything experienced in generations. Over the course of the past year, COVID-19 has caused seismic shifts in the way we live, interact and do business. However, as much as this has disrupted our lives, it has also given us a chance to embrace change and think differently. I'm proud to say that at KBR, it

has been a tipping point for transformation, and we have used the opportunity to reimagine how we do business. It's taught us the importance of resilience and the need for agility and diversity. It has also taught us that together, we can take on challenges of this magnitude and continue to thrive.

We have not lost sight, however, of the other challenges taking place in the world today, especially climate change, environmental degradation and social upheaval that influences our business environment.

In 2019, the year covered in this report, I established our Global Sustainability Committee made up of a diverse group of our employees. This was in response to the strategic overview provided by KBR's Sustainability and Corporate Responsibility Board Committee. This Board Committee set out a corporate sustainability policy, and the Global Sustainability Committee has been adapting procedures and management approaches to reinforce our social and environmental impact.

Our first objective was to focus on strengthening our internal sustainability efforts — examining our own carbon footprint, determining ways to reduce waste at our sites,

investigating a switch to smart meters and renewable energy and assessing our travel policy, for example. By measuring our 2019 carbon footprint, we have created a baseline from which to target reductions in our carbon emissions over time. In the short term, we have kicked off our Climate Action Plan by offsetting our 2019 carbon emissions to be carbon neutral. We are now developing a plan to achieve net-zero carbon emissions by 2030.

The Global Sustainability Committee also developed a company-wide sustainability campaign. We began by broadening our industry-leading Zero Harm safety culture to include our sustainability objectives, because we believe that Zero Harm is not only about doing what is right to keep ourselves and others safe and healthy, but it's also about doing what's right for our planet, people, communities and business. The campaign included the introduction of our ten Sustainability Pillars, the key areas within the company where we are focusing our efforts to mitigate our social and environmental impact.

In addition to this, we audited the business for projects, initiatives and technologies that facilitate positive environmental and social impact through the work we do with our clients. We found over 60 areas where we are already increasing energy efficiencies; extending asset life; developing technologies to capture and sequester carbon; improving water efficiencies through innovative infrastructure; harnessing wind power through the development of floating wind farms and substations; developing electric vehicle charging platforms; and others. As a company with such a wide scope of services, technologies and expertise, we recognize we have an incredible opportunity to drive positive change, innovation and improvements for key markets by assisting our clients in their sustainability journey.

[Message from Our CEO](#)[Step One Step Two](#)[KBR's One Ocean](#)[Message from Our Sustainability & Corporate Responsibility Committee](#)

Crucially, we are also well positioned to become global leaders in energy transition through a combination of expertise and experience in designing and managing mega projects and developing and executing on large-scale government contracts, coupled with our proprietary technology in key areas, such as ammonia and hydrogen. This work will support the move toward low-carbon economies and net-zero plans for governments and industries over the next decade.

Most importantly, we know we can only achieve this with our incredible people, who are at the heart of our business. It is their passion, teamwork, trust and drive towards a sustainable future that underpins our success.

Creating and promoting a culture that puts the safety and well-being of our people, both physical and mental, is at the forefront of our efforts. We pride ourselves on our Zero Harm culture and continue to lead the way in developing a safe and caring environment for all our employees and the communities in which we operate.

We also recognize that an inclusive and diverse workforce is fundamental to our success. To meet the challenges that sustainable development will bring, we need innovative, creative thinkers with diverse ideas, backgrounds and perspectives. For this reason, we developed an action plan for the establishment of the Global Inclusion and Diversity Council, for which I am the executive, and I appointed a dedicated leader for KBR's Inclusion and Diversity initiative to champion our mission and vision in this area. We are committed to

developing a workplace culture where everyone can reach their full potential while being themselves at work.

In this report, you will read about the dedication of our people, from the determination of executives to strategically embed sustainability at the policy level, to helping customers mitigate their environmental impact, right through to our graduates, who have volunteered time and offered insight and ideas toward driving innovation and positive impact for the Planet and People.

One of the highlights you will read about in the report is our sustainability education program, One Ocean, which we launched globally in schools in Saudi Arabia, India, Singapore, Poland and Australia, and also with local environmental charities in the U.S., connecting with more than 1,000 students. This program is part of our effort to build a resilient and diverse talent pipeline by showing the next generation that our industry can be leaders in developing creative and innovative solutions towards sustainable development. Ultimately, we know that it is only with a deep commitment and sense of purpose that we will prosper and grow for the long term.



Step One to Carbon Neutrality

We commissioned a leading third-party solution provider for corporate climate action, ClimatePartner, to calculate emissions for scopes 1 and 2 and category 6 of scope 3 (business travel) in 2019.

We used our footprint to inform our offset program for 2019 to reach carbon neutrality for this year.

We became carbon neutral by purchasing carbon credits from wind farms in India and contributing to projects run by the Plastic Bank across the world.

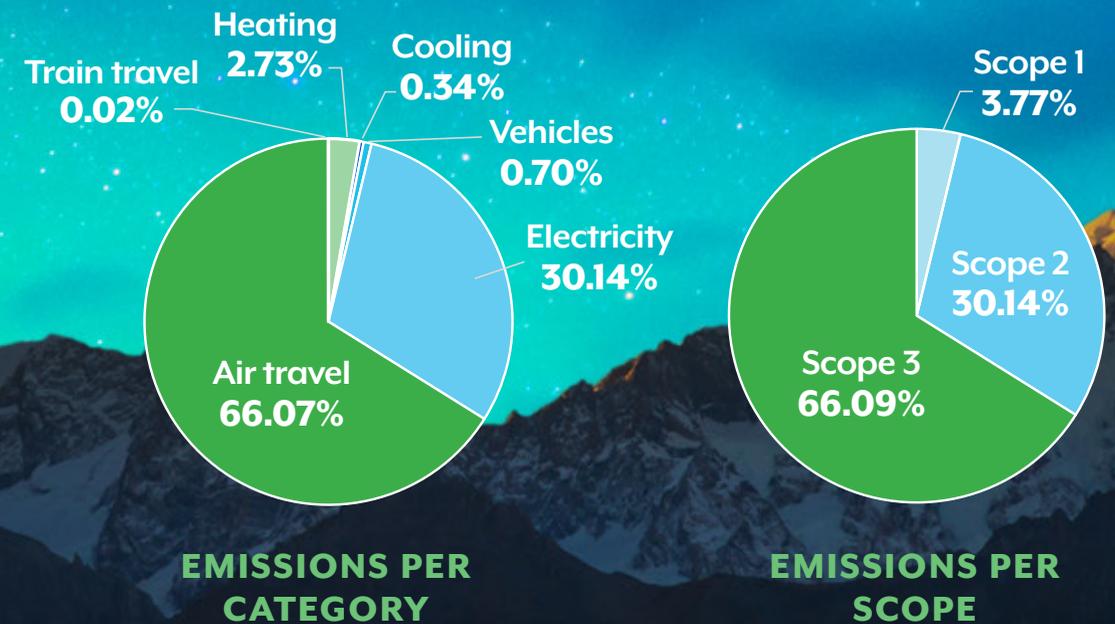
Step Two to a Net-zero Commitment

Our 2019 footprint helped identify carbon emission hotspots and we will set carbon reduction targets defining our climate action goals for 2020 and onwards.

We will continue to reduce scope 1 and 2 emissions, and we will consider and expand scope 3 categories, in line with the requirements for setting science-based targets.

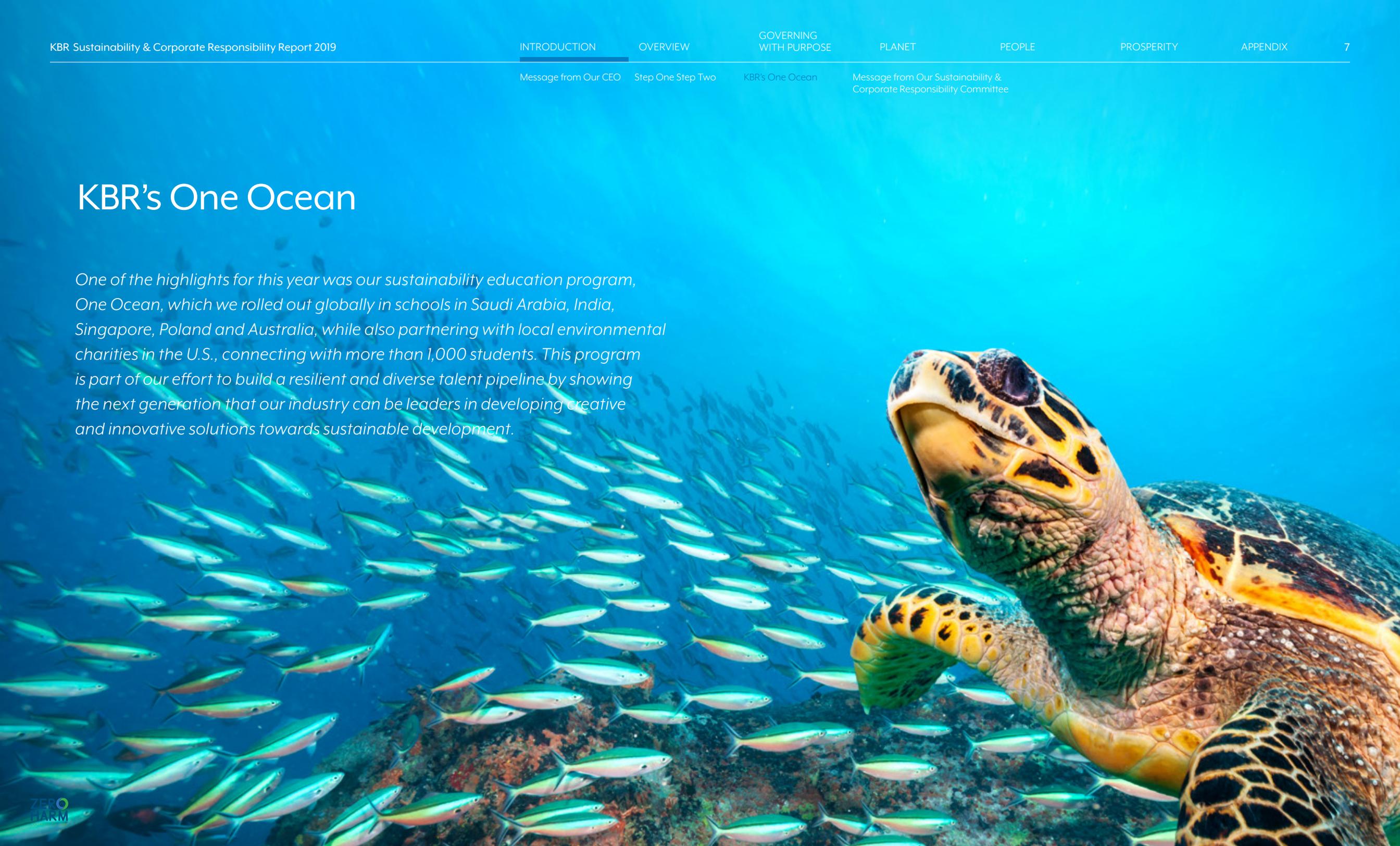
We are using science-based targets to establish longer-term climate action and net-zero commitments for 2020 to 2030.

OUR CARBON FOOTPRINT



KBR's One Ocean

One of the highlights for this year was our sustainability education program, One Ocean, which we rolled out globally in schools in Saudi Arabia, India, Singapore, Poland and Australia, while also partnering with local environmental charities in the U.S., connecting with more than 1,000 students. This program is part of our effort to build a resilient and diverse talent pipeline by showing the next generation that our industry can be leaders in developing creative and innovative solutions towards sustainable development.



A Message from Our Sustainability and Corporate Responsibility Committee

In this report, you will see we have widened our three pre-existing sustainability themes to cover 10 pillars, five across social impact and five across environmental. Our approach to growing a prosperous business and governing with purpose is underpinned by these pillars.

With this we commit to contributing to sustainable development over the long term – to do Zero Harm to People and Planet and to build a prosperous, purpose-led business that contributes positively to the world we live in.

We see sustainability not only as a necessity but as an opportunity. The business is on a journey to integrate sustainability into everything it does, from becoming a fundamental part of the Zero Harm culture, to offering our clients innovative solutions and opportunities.

We especially recognize the business has a responsibility to mitigate climate change and reduce our own emissions in line with the Paris Agreement.

Climate change will increasingly influence our physical environment along with the policy and legislation

environment. With this will come increasing pressure and expectations from our key stakeholders, clients and employees especially, to respond. The business must therefore acknowledge and embrace the risks and opportunities transparently. This report sets out how we plan to do both.

To this end, we have audited our own carbon footprint and, using 2019 as a baseline year, for the short term we have offset our carbon emissions from scope 1, scope 2 and the business travel category of scope 3. We are developing ambitious targets to reduce carbon emissions over the long term, working towards carbon net-zero in 2030, in line with the Science Based Targets initiative.

In 2019, KBR increased its profile in this area, working with large-scale clients and policymakers across the globe to develop strategies for low-carbon economies. This includes investing in new and innovative technologies; embracing digitalization to help clients increase efficiencies and to capture, sequester, and reduce carbon outputs; and striving to protect and regenerate natural resources and to deliver maximum social value.

As members of the UN Global Compact, we have aligned the business strategy with the Sustainable Development Goals, based on the Global Compact's principles-based approach. In addition to this, the importance of the recommendations from the Task Force on Climate-related Financial Disclosures is recognized and will guide the business's climate strategy over the next decade.

We understand that KBR will face increased challenges over the next decade, and for this reason, we must help prepare for rapid changes in key markets, such as energy, and build resiliency for responding to global crises, such as pandemic, the physical risks that climate change will bring about, and geopolitical instability in the areas where we operate. The 10 sustainability pillars have been specifically designed with these challenges in mind. The objective will be to remain agile and resilient and to build a stable business that can withstand and persevere through these crises in the long term.



Overview

The starting point is not design;
the starting point is sustainability.

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Our Sustainability Journey - a Foundation for the Decade of Action

Sustainability /sə,steɪ.nə'bil.ə.ti/ (noun)

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Brundtland Report 1987

KBR works with industries and governments around the world, providing scientific, technological, digital and engineering solutions to solve large and complex challenges. We do this with the knowledge that while pursuing market growth, there are social and planetary boundaries — a safe and socially just space in which humanity can thrive — that we must observe and respect.

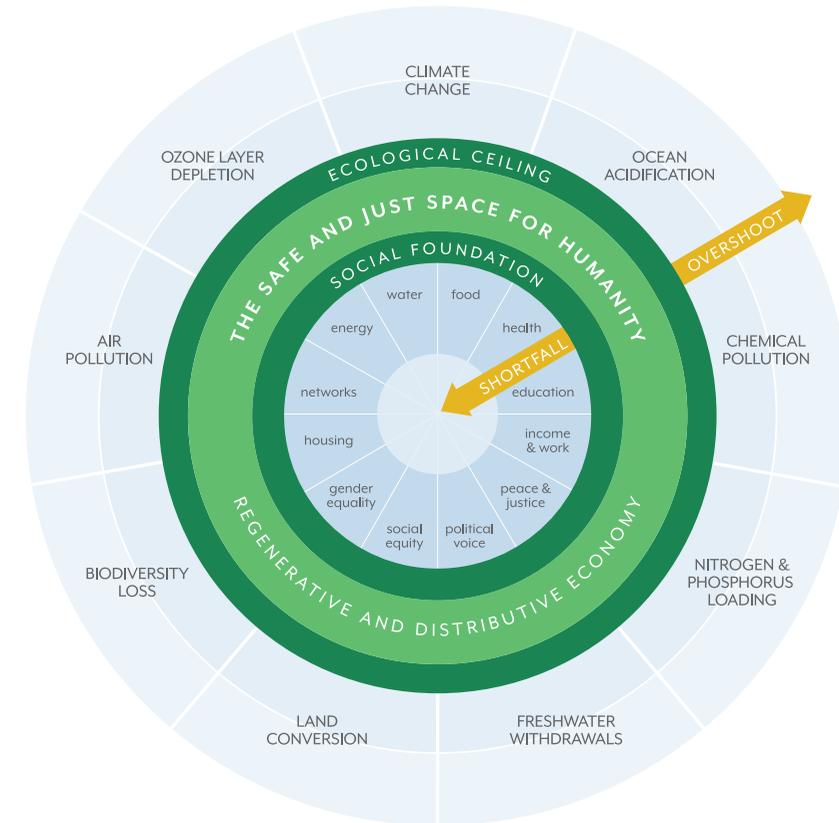


Figure 1.1
Social and planetary boundaries¹

We continually strive to develop new technologies and solutions that help our clients meet their objectives while at the same time benefiting our planet and people. In all our operations, we prioritize the protection of our natural resources, and we use our influence to develop and measure the social value we provide in the communities where we operate.

¹Kate Raworth, Doughnut Economics, 2017.

KBR's Ten Sustainability Pillars

In 2019, we significantly increased our commitment to sustainable development by putting in place a robust framework to help drive our positive contributions to the environment, society and how we govern. This framework is represented by our ten Sustainability Pillars.

Each pillar represents our material topics, as identified by our stakeholders (please refer to the Materiality and Stakeholder Inclusiveness sections in Governing with Purpose).

We designed these pillars to deeply embed sustainability into the heart of KBR's culture and become an inherent part of the KBR Way.



Figure 1.2
KBR's Sustainability Pillars

About Us

KBR delivers science, technology and engineering solutions to governments and companies around the world. KBR employs approximately 28,000 people worldwide with customers in more than 80 countries and operations in 40 countries.

Drawing from its rich 100-year history and culture of innovation and mission focus, KBR creates sustainable value by combining engineering, technical and scientific expertise with its full life cycle capabilities to help our clients meet their most pressing challenges today and into the future.

Our Products and Services

Our Government Solutions (GS) business segment provides full life cycle support solutions to defense, space, aviation, intelligence, and other programs and missions for governments around the world. KBR has domain expertise across mission-critical, long-duration programs aligned with critical priorities of health and human performance, defense modernization and space.

Our Technology Solutions (TS) business segment combines KBR's sustainability-focused, innovative licensed proprietary technologies, equipment and catalyst supply, digital solutions and associated knowledge-based services into a global business. From our highly aligned advisory and consulting services through scope definition, advanced technologies and project life cycle support, our TS business segment works closely with customers to provide an optimal approach to maximize their return on investment.

In 2020, we announced the transition from the three-segment business model to a two-segment model, featuring our GS and TS businesses. This portfolio shaping demonstrated continued advancement of KBR's long-term vision.

Our Key Markets

Our GS business spans from key U.S. government customers, including the U.S. Department of Defense and NASA, the U.K. government, including the U.K. Ministry of Defense, London Metropolitan Police, other U.K. Crown Services, and from the Royal Australian Air Force, Navy and Army.

Our TS operations extend across North America, to Europe, the Middle East and Africa, Australia, and Asia.



Governing with Purpose

Sustainability is not a goal to be reached but a way of thinking, a way of being, a principle we must be guided by.

Giulio Bonazzi

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Governing with Purpose



Our Governance principles are aligned with the UN Sustainable Development Goal's 12, 16 and 17.

KBR's traditional governance is rooted in achieving long-term value for our stockholders and other stakeholders. We pride ourselves on our principles of accountability, stewardship and integrity. KBR's Board of Directors is responsible for:

- Our purpose, values and strategy
- Economic, environmental and social performance
- Risk oversight
- Our most important asset — our employees

To maintain a successful business, our Board oversees the effectiveness of management's policies and decisions, including the execution of its strategies. In doing so, our Board members are expected to act in the best interests of all stakeholders, to be knowledgeable about our businesses, to exercise informed and independent judgment, and to understand general economic trends and conditions, as well as trends in corporate governance.

Our Board, comprising nine directors, is led by a Chairman of the Board, who is recommended by the Nominating and Corporate Governance Committee and appointed

by the full Board. General Lester Lyles has served as non-executive Chairman of the Board since May 15, 2019, and as a director since 2007. General Lyles has significant board experience, both at KBR and at other public companies. He has served on every one of our standing Board committees and has in-depth knowledge of KBR's history and current business.

KBR's Chief Executive Officer is responsible to the Board for the overall management and functioning of the company. Stuart Bradie has served as our President and CEO since June 2, 2014. Mr. Bradie has also served as an executive member of our Board since he was appointed on July 2, 2014. All our current directors are independent except Mr. Bradie, and in practice, our CEO has been the only executive director at KBR since its inception as an independent public company.

In 2019 we continued the work of aligning governance with our social, economic and environmental efforts by embedding this into our overall business strategy at the board level. The Board is responsible for closely monitoring risks and opportunities in these areas along with current and emerging enterprise risk management themes.

Sustainability Oversight

The Sustainability and Corporate Responsibility Committee of our Board of Directors is responsible for broad oversight and review of all sustainability matters, including ensuring KBR has policies and procedures in place to build a safe and resilient business that takes into consideration climate change, social impact, environmental impact, governance and business stability issues. All members of this committee are independent directors.

The Sustainability and Corporate Responsibility Committee meets formally at least twice a year to guide strategy, set performance objectives, monitor implementation and performance of objectives, and monitor and oversee progress against goals and targets for addressing our material topics including, cybersecurity (under the purview of our Audit Committee), climate change, and human rights.

KBR established a Global Sustainability Committee in 2019 to align and implement sustainability practices at a business level globally. Our CEO chairs this committee, and members include business segment and corporate department executives, as well as key employees, to ensure well-rounded and in-depth discussions that support the development and implementation of KBR's sustainability strategies.

One of the key issues the Global Sustainability Committee focuses on is climate change impact. The committee meets several times a quarter, and climate-related issues are typically reviewed every meeting. The committee also takes responsibility for communicating identified risks and opportunities transparently and clearly to all our stakeholders.

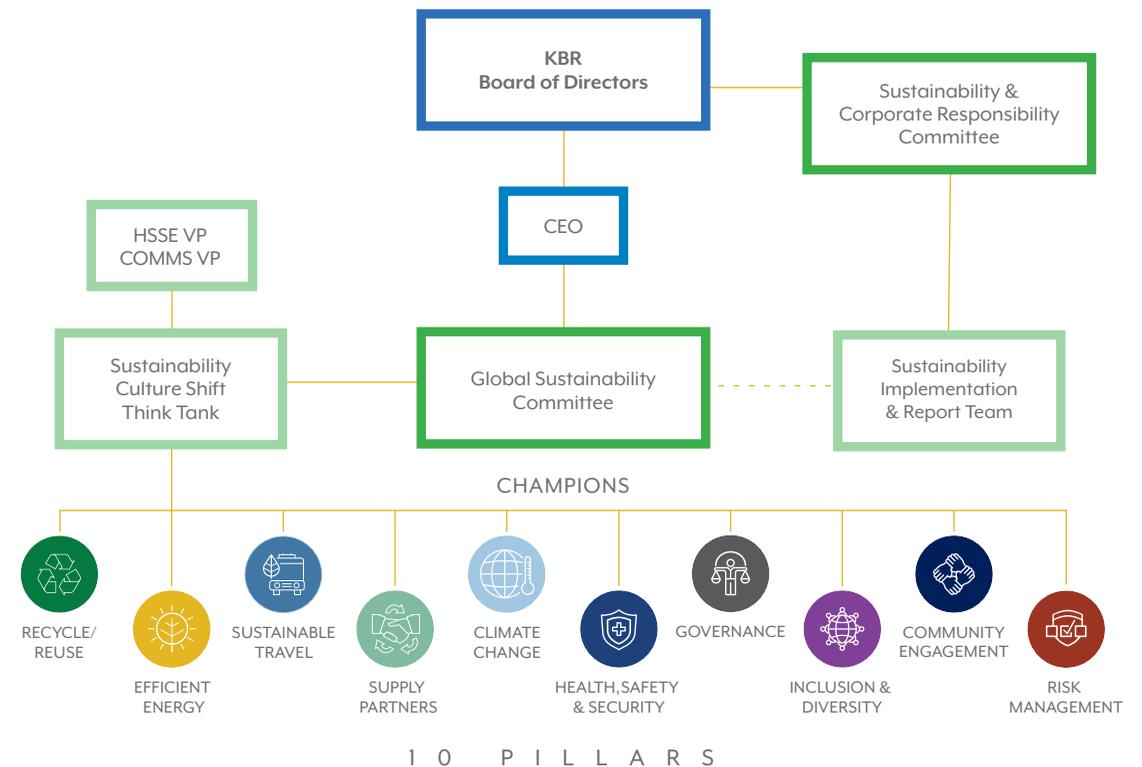


Figure 2.1

A sub-committee of this Global Sustainability Committee, the Sustainability Culture Shift Think Tank, was established in 2019 and is chaired by KBR's Vice President, HSSE and Vice President, Global Communications and Marketing. The chairpersons are responsible for developing the key sustainability messaging and communications for embedding sustainability into KBR's broader culture.

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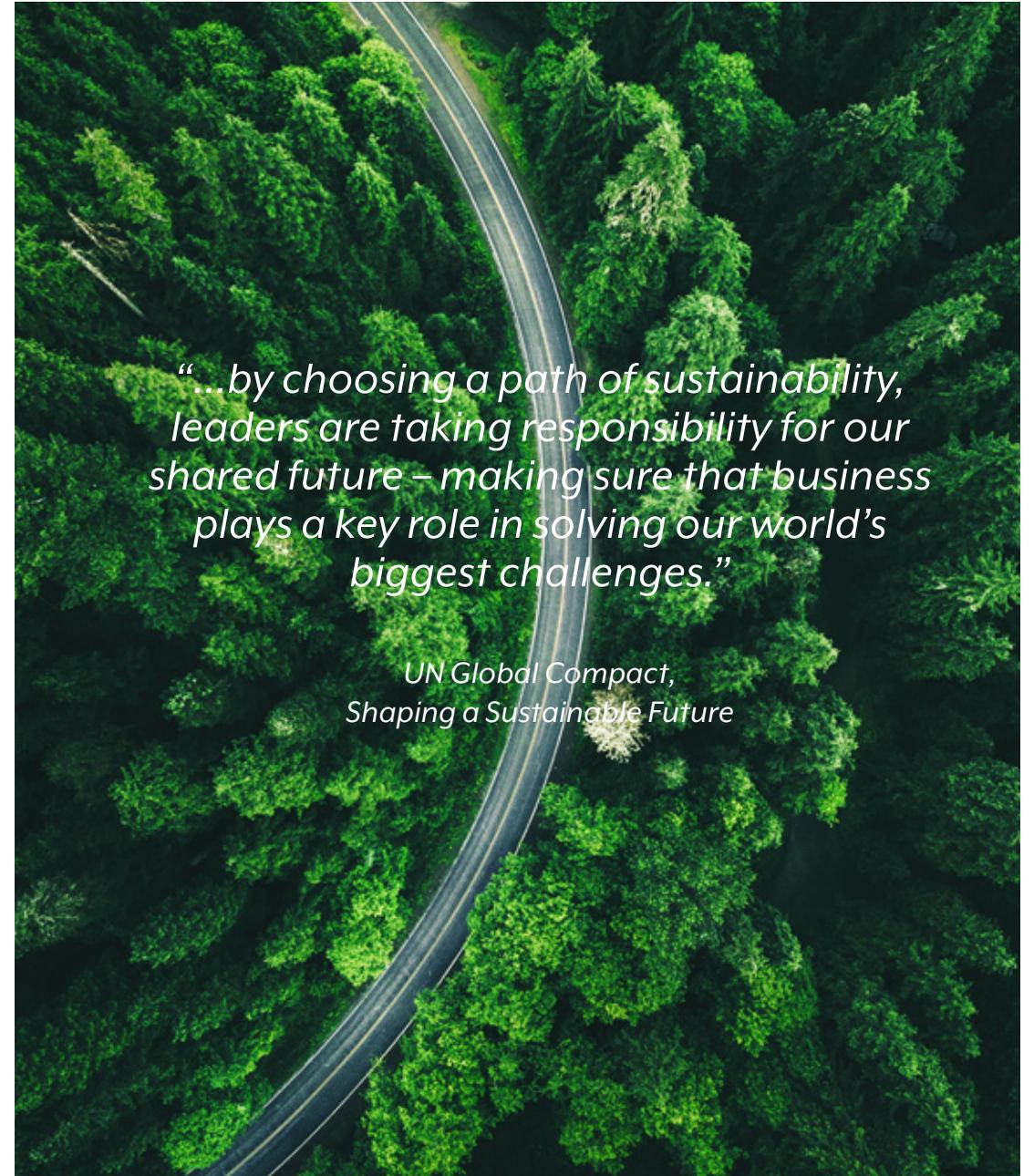
Risks and Opportunity
Oversight

Our Sustainability Approach

At a strategic level, our ten Sustainability Pillars are the foundation for our work supporting the Sustainability Development Goals outlined in the UN's Decade of Action from 2020 to 2030. This calls for "accelerating sustainable solutions to the world's biggest challenges," and for us as a business to mobilize for a decade of action in the pursuit of sustainable development (UN Global Compact).

Underpinning these pillars is our Global Sustainability Policy, a corporate-level strategy that delineates the guiding principles for preserving our planet and advancing society, while also pursuing our business growth and prosperity.

As a partner to the UN Global Compact, we agree to take intentional and ambitious action aligned with achieving our goals. We understand that each goal is inherently and deeply interconnected, and the actions taken on one goal can support or hinder the achievement of others. Identifying and addressing the interconnectivities between each of these goals helped us develop our ten Sustainability Pillars. Created using a systems-thinking approach, they too should be viewed holistically. Our Global Sustainability Policy provides a roadmap for the commitments and actions under each pillar, with the UN's Sustainable Development Goals as the ultimate objective.



"... by choosing a path of sustainability, leaders are taking responsibility for our shared future – making sure that business plays a key role in solving our world's biggest challenges."

*UN Global Compact,
Shaping a Sustainable Future*

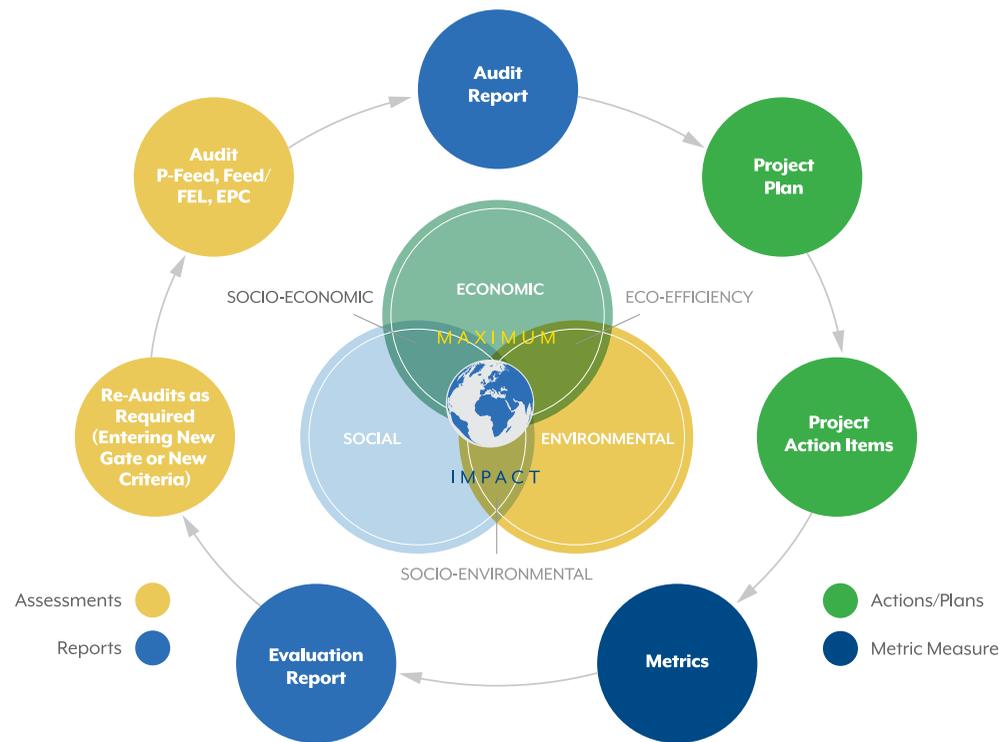


Figure 2.2

Approach to Sustainability Management

Our sustainability principles guide our teams to define and assess social and environmental impact for corporate and client-driven projects. The processes are intended to be flexible enough to apply to a broad range of projects and work scopes.

We are guided by the general principles of sustainability as outlined above.

SOCIAL SUSTAINABILITY

- Training and professional development
 - Skills training
 - Mentoring and skills transfer
 - Refresher training
- Physical and mental health and safety of workforce
- Fair and ethical labor practices including fair wages, grievance mechanisms, translators, etc.
- Target the use of local suppliers and vendors
- Human rights governance
- Indigenous community advocacy
- Diversity and equal opportunity – indigenous, minority, ethnic and women within the organization and enterprises in the supply chain process
- Employment rights and training opportunities for indigenous and local peoples
- Local community projects
 - Community relations
 - National business development

ENVIRONMENTAL SUSTAINABILITY

- Waste minimization and recycling
- Noise abatement
- Air emissions control
- Erosion control (Storm Water Pollution Prevention Plan)
- Water and wastewater treatment
- Water quality management
- Habitat health monitoring
- Waste minimization and recycle/reuse
- Regeneration/replanting

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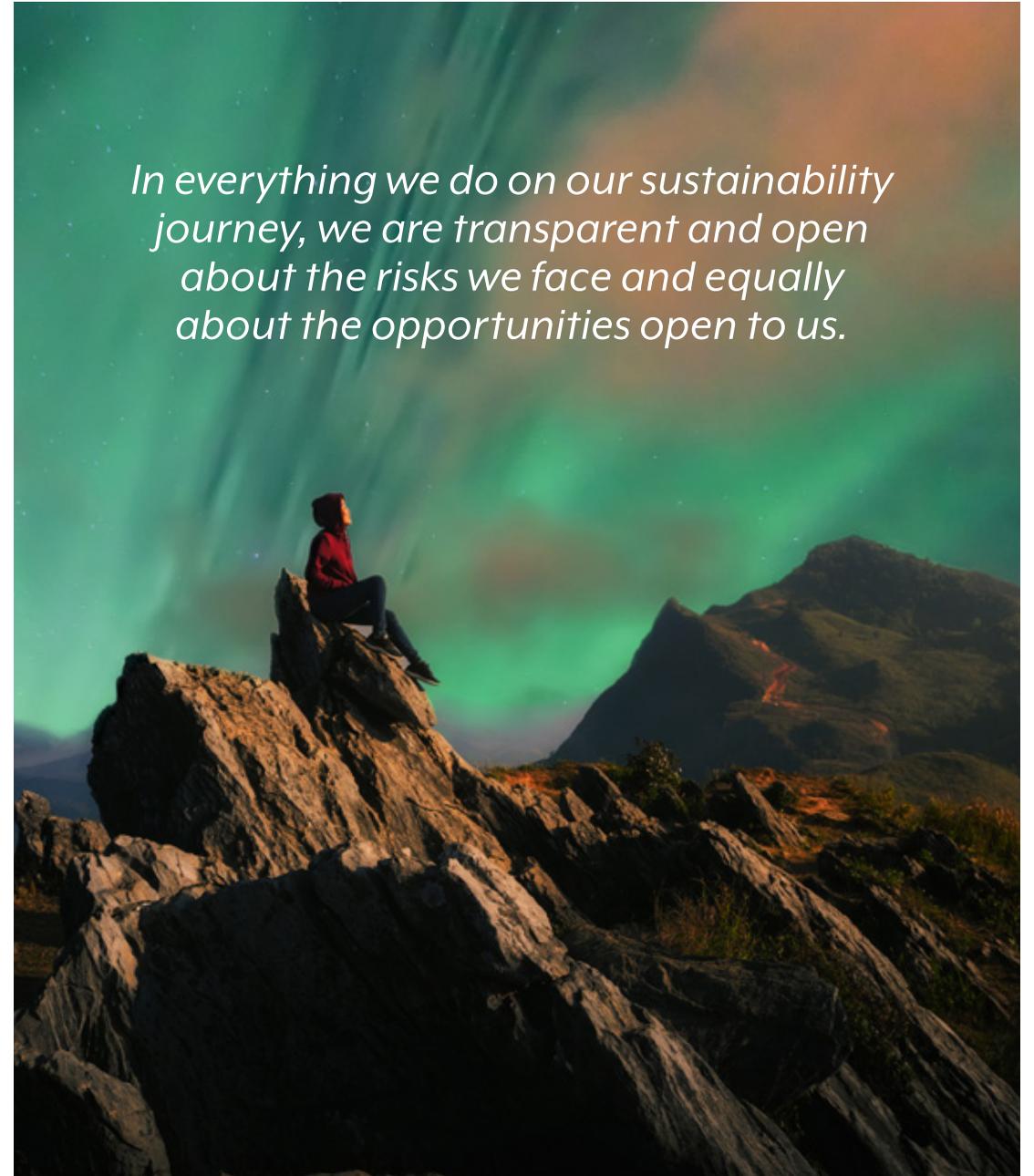
Measuring Our Progress

In everything we do on our sustainability journey, we are transparent and open about the risks we face and equally about the opportunities open to us. We illustrate the good we do and confront issues where they exist so we can plan to do better where needed. We do this by measuring and reporting on all aspects of our material topics.

To improve transparency in the management of our impacts and to report on our progress, we have invested in a global third-party Sustainability Management software system, designed to collect data from our locations around the world and across our areas of impact. The system will facilitate the timely, accurate and central collection of data to calculate and establish our baseline year, 2019, from which we will benchmark and monitor progress over the coming years.

We have obtained independent verification of our energy and emissions data by a third-party carbon auditor. Please refer to our section on Climate for more detail on our management approach.

In everything we do on our sustainability journey, we are transparent and open about the risks we face and equally about the opportunities open to us.



Stakeholder Inclusiveness

To inform our sustainability policy and strategy, we conduct ongoing engagement with external and internal stakeholders through formal and informal channels. These groups include our employees, shareholders, clients, suppliers and vendors, governments, joint-venture partners, and local communities and interest groups. Our stakeholders’ input drives our sustainability focus, and we organize and adjust our policy and procedures around the key topics these groups identify as material.

In 2019 we met or initiated contact with investors representing

71% OF OUR OUTSTANDING SHARES

100% OF OUR TOP 25 ACTIVELY MANAGED INVESTORS

How we engaged with investors

Bi-annually, we invite our largest 25 investors to discuss agenda items for the annual meeting, topics to consider for the next proxy season and any other items they desire.

We regularly report our investors’ views to our Board of Directors, and our Compensation Committee considers these views when developing our executive compensation program, and our Sustainability and Corporate Responsibility Committee also considers these views when reviewing our sustainability goals and progress.

We engage through quarterly conference calls, our investor relations website and meetings and calls.

Topics discussed with our investors

- Governance and financial performance of the company
- Our executive compensation program, the say on pay proposal and other agenda items for the annual meeting, as well as say on pay results and actions to be taken after our annual meeting.
- Sustainability matters
- Board diversity
- Recent and upcoming improvements in our proxy statement and sustainability report disclosures

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STAKEHOLDER	FORMS OF ENGAGEMENT
<p>INVESTORS Stockholders, financial institutions, potential socially responsible investors</p>	<ul style="list-style-type: none"> - Earnings Conference Calls - Annual Meeting of Stockholders - Investor Presentations
<p>EMPLOYEES The foundation of KBR: all our employees worldwide from project staff to business presidents</p>	<ul style="list-style-type: none"> - Ethics Hotline - KBR Listens Mailbox - Social Media - Zero Harm Day - SAFE Tours - ASPIRE and IMPACT (KBR's employee resource groups) - AIM Performance and Talent Management Process
<p>CUSTOMERS The companies and governments who rely on our products and services</p>	<ul style="list-style-type: none"> - Proposal Requests - Tradeshow - Project Close-out Surveys
<p>SUPPLIERS & SUBCONTRACTORS Parties who provide goods and services to KBR in order to execute our contracts</p>	<ul style="list-style-type: none"> - Supplier Performance Evaluations - Pre-inspection Meetings - Shop Surveys
<p>JOINT VENTURE PARTNERS Companies KBR agreed to form a business arrangement with to execute specific projects, sharing resources, cost, risks and profits</p>	<ul style="list-style-type: none"> - Joint Venture Board and Committee Meetings - Project Operation Discussions
<p>GOVERNMENTS Country governments and government organizations around the world</p>	<ul style="list-style-type: none"> - Liaisons with Regulators and Agencies - Audit Discussions
<p>LOCAL COMMUNITIES Local citizens and communities located in the areas where we execute projects, impacted by our work</p>	<ul style="list-style-type: none"> - Community Events - Community Meetings and Debriefs

Materiality

In 2019, our Global Sustainability Committee and our Sustainability and Corporate Responsibility Board Committee reassessed our existing three key areas – Operating Responsibly, Operating with Integrity and Caring About People – and widened them to align with ten key topics, identified by our stakeholders, as material to social and environmental impact.

These topics form the basis of our sustainability strategy and approach.

Environmental Impact



RECYCLE/
REUSE



EFFICIENT
ENERGY



SUSTAINABLE
TRAVEL



SUPPLY
PARTNERS



CLIMATE
CHANGE



Social Impact



HEALTH, SAFETY
& SECURITY



GOVERNANCE



INCLUSION &
DIVERSITY



COMMUNITY
ENGAGEMENT



RISK
MANAGEMENT

Our materiality process included looking at our business strategy through the lens of those ten topics and how we intend to embed them into our wider business processes and integrate them into our Zero Harm culture, as outlined in this report. Allowing our stakeholders to influence our material topics has enabled us to focus resources in the areas that are most pressing to our business.

The process took into consideration the prevailing economic environment and recent environmental and social policies and regulations influencing our work in key locations. We also considered any international and voluntary agreements that we align with, such as UN declarations and conventions.

Considering these factors, stakeholders were asked how our core competencies can either contribute to or hinder sustainable development.

Significant environmental issues (e.g., climate change, natural resource scarcity, protection of biodiversity, waste) and social issues (e.g., inclusion and diversity, data security, governance, and employee health, safety and well-being) were some of the key topics identified as having potential impact and risk on our business and on our ability to create long-term value.

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At the same time, this process has identified parts of our business that are well positioned for taking advantage of market opportunities that sustainability challenges offer. For example, by combining our expertise and technology capabilities from parts of the business to develop new solutions and services, we identified openings to new markets and growth opportunities. The most obvious of these are our experience in energy efficiencies and energy transition and our technology and digital solutions.

The next step was to rank our material topics based on where they lie on the axis between stakeholder influence and impacts versus environmental and social risks and impact to the business.

From this process, the ten key areas were highlighted and shortlisted as material topics that we will need to manage, monitor and report on. Using this data, we can provide meaningful analysis for identifying where the company is creating, or reducing, value for society and the environment.

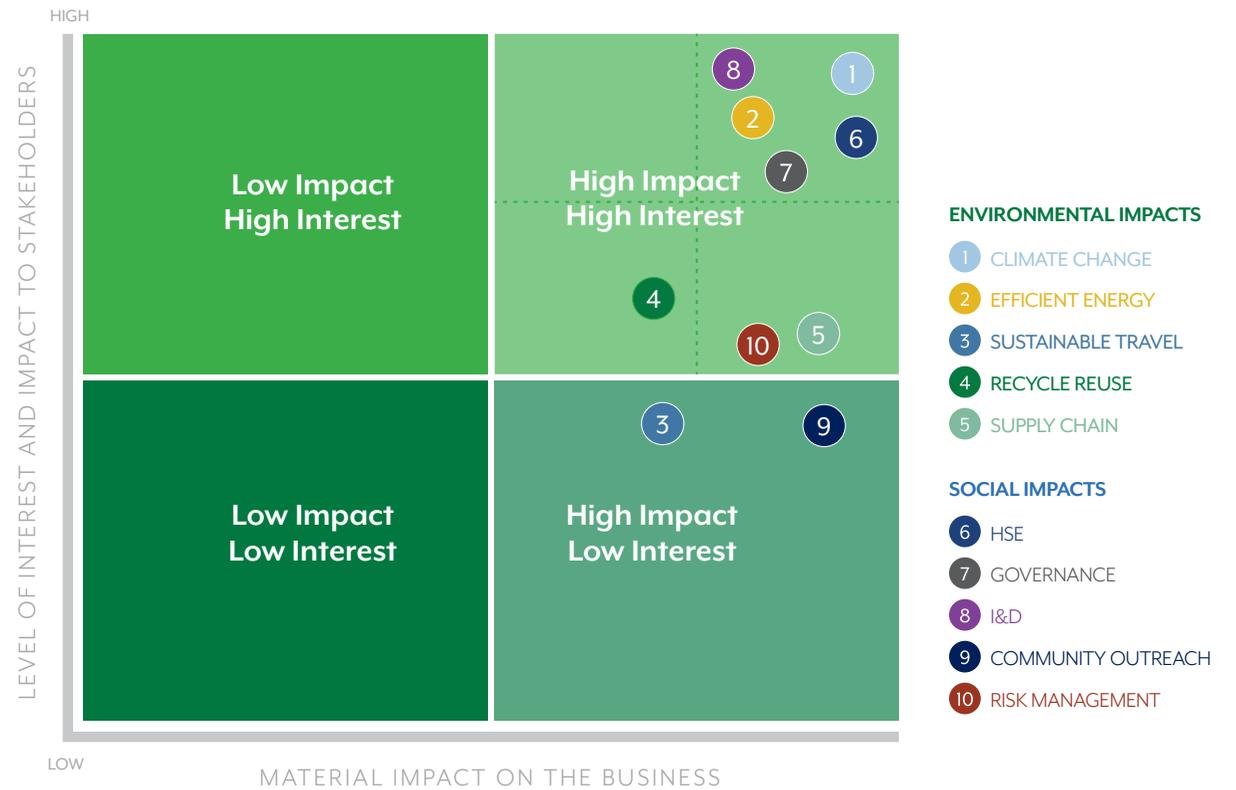


Figure 2.3

Principles-based Approach

“We have only one planet. This fact radically constrains the kinds of risks that are appropriate to take at a large scale. Even a risk with a very low probability becomes unacceptable when it affects all of us – there is no reversing mistakes of that magnitude.”

– Nassim Nicholas Taleb²

KBR takes a principles-based approach to everything it does as a business. All policies and procedures are in line with UN declarations and conventions, providing a framework for our corporate responsibility. We have built a culture of integrity and part of this involves upholding responsibility to people and planet and for long-term success. As a partner of the UN Global Compact, we have adhered to their 10 Principles and have aligned our commitments to work towards achieving the Sustainable Development Goals.

Management Approach

Our sustainability vision is underpinned by KBR’s Zero Harm and Courage to Care culture – doing zero harm to the planet and zero harm to all people.

Our Zero Harm culture has been hugely successful throughout KBR and has led to year-over-year improvements in safety. We will emulate this success as it relates to sustainability. Just as with the Zero Harm practice, we outline commitments and responsibilities for every KBR employee to apply to their daily lives.

By collecting data on our material topics, we align metrics and key performance indicators (KPIs) with the wider

sustainability policy, its goals and values. As a starting point, these environmental, social and governance commitments are attached to our Executive Leadership Team’s KPIs. At both a corporate and project level, these pillars will drive us to achieve positive impact and reduce negative impact over and above minimum legal requirements.

Precautionary Approach

Our Sustainability and Corporate Responsibility Board Committee takes a precautionary approach to the important issue of climate change. They acknowledge we have a social responsibility to protect the public from exposure to harm as a result of our activities, based on the current scientific evidence that there is plausible risk.



Figure 2.4

Sustainability Oversight

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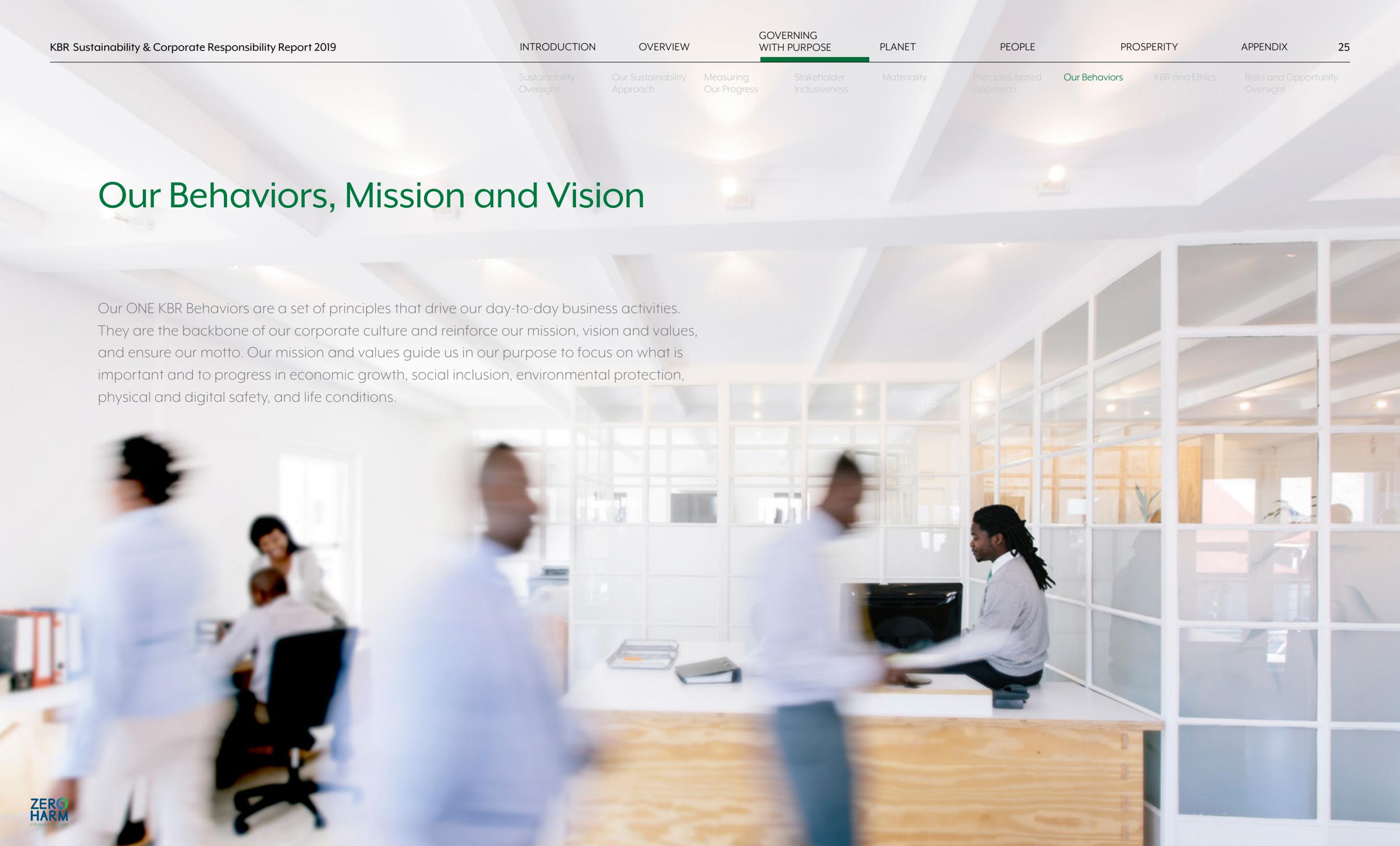
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Our Behaviors, Mission and Vision

Our ONE KBR Behaviors are a set of principles that drive our day-to-day business activities. They are the backbone of our corporate culture and reinforce our mission, vision and values, and ensure our motto. Our mission and values guide us in our purpose to focus on what is important and to progress in economic growth, social inclusion, environmental protection, physical and digital safety, and life conditions.



ONE KBR BEHAVIORS

We Value Our People

Our people are the heart of everything we do. We are dedicated to creating diverse and inclusive work environments in which every member of our team of teams feels safe, supported, respected, trusted and valued, and where each person is given opportunities to grow and reach their full potential.

We Deliver

We are our clients' trusted partner. We are uncompromising in our commitment to deliver innovative, high-quality, technology-led solutions for them, and exceptional sustainable value for all our stakeholders, underpinned by strong commercial and operational discipline.

We Are People of Integrity

We are people of character, who value honesty, trust, courage, fairness, prudence

and tenacity. We believe doing what's right for the planet, the communities where we live and work, and our people is good for our business. We will not sacrifice our integrity.

We Empower

We empower all our people with a shared purpose, the right tools and the supportive culture they need to be proactive, to be adaptive to change, and to succeed. We trust them to be independent decision-makers who aren't afraid to meet any challenge head on and who proudly own their work.

We Are a Team of Teams

We have a will to succeed, individually and as a company, but we value the achievements of our team of teams over our individual accomplishments. Our collective focus powers our operational excellence, fuels our passion for delivering for our customers, and makes us a better, stronger, more effective and efficient company. We are ONE KBR.

OUR MISSION

Our mission identifies what we do, why we do it and for whom. It defines our reason for being:

To safely deliver any project, any time, in any environment for the benefit of our customers, shareholders, employees and the communities we serve.

OUR VISION

Our vision reminds each of us what we aspire to be as a company and what we should strive for each day:

A leading global provider of full life cycle professional services, project delivery and technologies supporting the government services and industrial markets, creating exceptional value for customers, employees and shareholders.

Sustainability Oversight

Our Sustainability Approach

Measuring Our Progress

Stakeholder Inclusiveness

Materiality

Principles-based Approach

Our Behaviors

KBR and Ethics

Risks and Opportunity Oversight

KBR and Ethics

Our global emphasis on ethical standards and prevention of corruption and fraud has created a culture of integrity and heightened awareness of ethical behavior and procedures. Our enhanced control environment, awareness and training around ethical behavior, coupled with transparency, help create a low-risk environment for misconduct and reputational risk. Our approach to ethical conduct is considered at the board level and is part of our Enterprise Risk Management processes.

The continued success of our business depends on how we manage the risk that comes with operating globally, which can harm our reputation for being a service provider of integrity. On the next page are some of the procedures we've put in place to counter risk and develop a highly ethical workforce.

Mitigating Risk and Developing a Highly Ethical Workforce

- KBR promotes confidential reporting of any violations of our Code of Business Conduct (COBC) through several established channels, including KBR’s Ethics Hotline, which is managed by a third party and allows for anonymous reporting. KBR prohibits retaliation in any form for reporting suspected violations of the COBC. All allegations are evaluated and investigated.
 - The Audit Committee of the Board of Directors oversees KBR’s compliance system and controls, including its Anti-Corruption Compliance program. The Chief Compliance Officer, who reports to the General Counsel, has responsibility for implementing and managing our anti-corruption program. The Chief Compliance Officer reports at least quarterly to the Audit Committee on any significant COBC and corruption-related compliance matters.
 - Our anti-corruption program procedures and guidelines are owned and published by Legal Compliance and adhered to by Procurement/Subcontracts, including a robust risk-based third-party due diligence and approval process. Collectively, our KBR policies and procedures set forth the processes and guidelines for proper requisitions, commitments, payments and record keeping.
 - All KBR employees, directors and contractors are required to complete compulsory annual Ethics training, which reinforces KBR’s expectations that employees will conduct business ethically and in accordance with the COBC. In 2019, the Ethics training was offered in 16 different languages and was also provided in classroom settings at remote locations, where they lack online training. We provide additional anti-corruption training to targeted employee groups. Prior to training, employees certify that they understand the COBC and will comply with its provisions.
 - Our Anti-Corruption Procedure governs the due diligence requirements and engagement of third parties, provisions of business courtesies and donations, and other details of our anti-corruption program.
 - We only engage third parties (e.g., sales agents, business partners and other third parties that interact with non-U.S. government officials on KBR’s behalf) that complete our rigorous anti-corruption due diligence review and approval process. Our contracts with these parties include specific anti-corruption compliance provisions, and the third parties are required to certify compliance with the FCPA and other applicable anti-corruption laws and we expect the same standard of compliance from any Joint Venture partners.
 - Our internal audit services team regularly conducts anti-corruption audits of our projects and office locations through a risk-based approach and periodically conducts anti-corruption audits of selected third parties.
 - Foreign charitable and community contributions undergo an anti-corruption review and approval process.
 - We periodically review all general ledger accounts for facilitating payments, compliance-sensitive payments and improper fees.
 - High-risk projects and offices are required to complete annual anti-corruption self-assessment questionnaires.
 - Employees occupying certain positions of substantial authority or critical job functions also complete annual compliance certifications to ensure that the COBC and anti-corruption laws are being adhered to throughout the organization.
 - COBC allegations of corruption and fraud, as well as allegations involving employees with a role in internal controls over financial reporting, are reported to the Audit Committee.
 - We actively monitor and audit our internal compliance with our COBC via internal controls.
- Refer to our Anti-Corruption program for more information: <https://www.kbr.com/sites/default/files/2020-05/kbr-anti-corruption-program.pdf>*

Risks and Opportunity Oversight

Enterprise Risk Management (ERM), one of KBR’s Ten Sustainability Pillars, is key to driving KBR to sustainable business growth. Our resilience, success and continued evolution depends on our ability to anticipate and respond to the constantly changing risks in our existing and future operating environments. ERM addresses, among other aspects, those that relate to the key five areas:

- Exposure to human rights vulnerabilities in our supply chain
- Health, security and safety (mental and physical)
- An inclusive and diverse workforce
- Climate-related risks and environmental management risks
- Data privacy and cybersecurity risks

We have a fully integrated enterprise-wide, COSO-based (Committee of Sponsoring Organizations) ERM framework and process, which is actively supported by the Board and executive leadership. The framework enhances business resilience by encouraging uncertainty anticipation and resolution at all levels, from project to enterprise, across all business units, globally, in real time.

By entrenching ERM principles and practices in our culture and operations, we can consistently visualize the entire risk landscape, mitigate threats, capitalize on opportunities, and create value and predictable outcomes.

The KBR ERM Framework comprises six phases: Identification, Assessment, Analysis, Mitigation, Monitoring and Evaluation. This approach delivers visibility of KBR’s changing risk profile and enables informed strategy decisions and adjustments, better communications to stakeholders and a common focus based on consistent and reliable data. We apply all six phases to all material risks and opportunities, including those related to climate.



Figure 2.5

The KBR ERM Framework is a top-down and bottom-up approach and is a consistent, scalable and auditable means for the identification and management of existing and emerging risks and opportunities, both internal and external, to KBR’s current and future operations, at project level, business unit level and enterprise level.

KBR’s Executive Leadership Team convenes for dedicated risk and opportunity reviews three times a year. The outputs are reported to the Board of Directors twice per year, and to individual business units and projects to manage risks, including climate risks and opportunities, on an ongoing basis, using the ERM process and tool to provide real time risk-based data.

Every employee is empowered to identify risks and opportunities, including those related to climate, environmental management, health and safety, and cybersecurity, as well as risks regarding human rights.

THE BOARD'S ROLE IN RISK OVERSIGHT

Risk oversight is an integral part of KBR's Board of Directors' role, and discussions regarding risks faced by KBR are deliberated throughout the year. Responsibility for risk management is distributed among the Board as a whole and the individual Board committees, in each case supported by management.

KBR's enterprise risk management framework provides an effective tool for executive oversight of managing risks.

Board of Directors

- Reviews semi-annual risks reports including strategic, operational, financial and hazard risks, as well as management's assessment of their likelihood and impact, the perceived trend for each risks (whether increasing, decreasing or stable), and the measures being taken to monitor and manage those risks.
- Reviews legal and compliance risks and approves project prospects exceeding a certain amount of expected revenues and merger and acquisition prospects after deliberating related commercial, legal and financial risks, agreement terms and integration process.

Enterprise Risk Management

- Guides all business segments in consistently implementing KBR's ERM Policy and Framework comprising the six stages of risk management: identification, assessment, analysis, mitigation, monitoring and evaluation.
- Reports periodically to the Board on KBR's changing risk profile, enabling risk-based strategy decisions and improved communications to stakeholders.

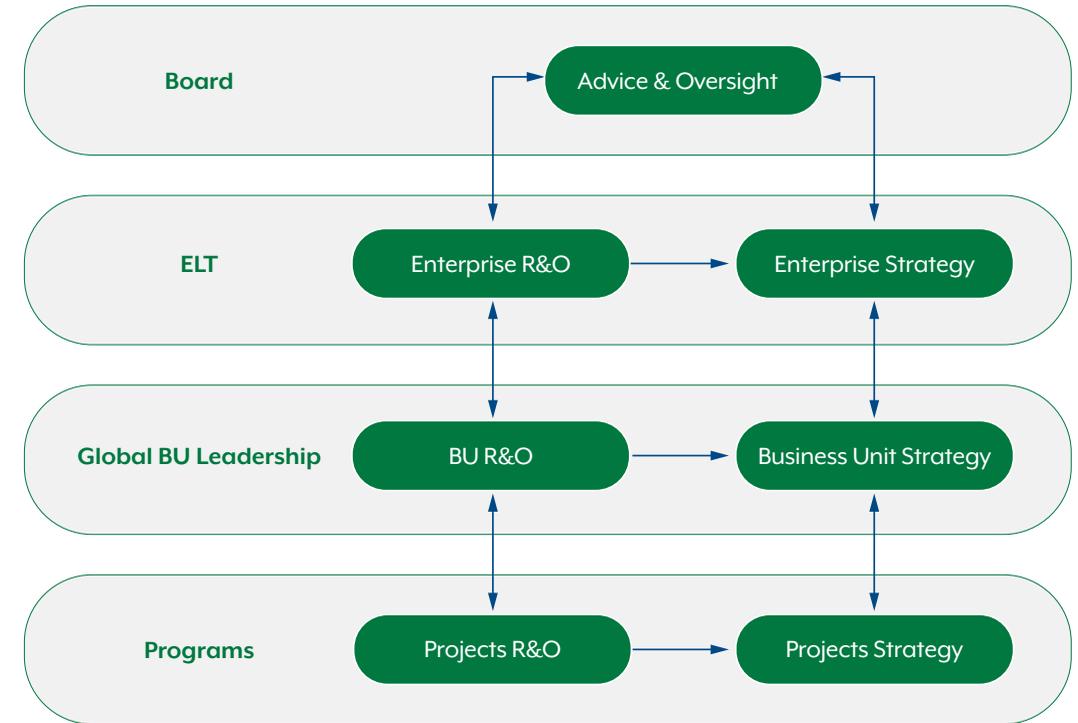


Figure 2.6, ERM Process Flow Chart

KBR's ERM Policy mandates that every risk and opportunity has an owner assigned and accountable for the ongoing management, including the development and implementation of mitigation plans, each with individual owners accountable for action implementation through to successful conclusion.

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Risks and Opportunity
Oversight

Climate-related Risks and Opportunities

As we lay the foundation for a decade of change, the Board will continue to take ownership of climate change risk management, integrating broader stakeholder input as part of the wider sustainability risk management philosophy. This will, in turn, align with the Taskforce on Climate-Related Financial Disclosure (TCFD) requirements and recommendation that “all relevant functions, departments, and experts are involved in the integration of climate-related risks into the company’s risk management processes and ongoing management of climate-related risks.”

In the meantime, in 2019, our Executive Leadership Team identified significant risks and opportunities to the business arising from climate change.

Corporate Environmental, Social and Governance (ESG) Enterprise Risk assessment has shown that changes in government policy, increased connectivity, social activism and shifts in the energy mix may contribute to KBR being viewed less favorably by the markets due to our history in more traditional energy markets. As a response to this, and to more recent and predicated future shifts in the energy market, we have pivoted our business strategy towards new and emerging markets. We have reorganized our business structure to reflect this change, which allows us the flexibility to invest in technologies and acquisitions to continue developing cutting-edge clean and green solutions for our clients in response to climate change. One such opportunity is our positioning in the market for energy transition.



“Let us take advantage of the opportunities presented by climate action and lay the foundations for a more prosperous and secure future for all.”

United Nations Foundation



Planet

The greatest threat to our planet is the belief that someone else will save it.

Robert Swan OBE

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Planet



We protect and regenerate the environment through our focus on key three areas:

- We own our footprint
- We deliver our projects consciously
- We innovate sustainable solutions for our clients

“We don’t have plan B because there is no planet B.”

*Former United Nations Secretary-General
Ban Ki-moon*

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Environmental Impact

The KBR IMS conforms to the requirements of ISO 9001, ISO 14001 and ISO 45001.

Our Environmental Strategy

Our five environmental Sustainability Pillars provide an enterprise-wide strategy for how we manage and govern all KBR's activities and services, both corporate and project based, to ensure they are designed and conducted to maximize positive sustainable impact and minimize any negative impact on the environment.



RECYCLE/
REUSE



EFFICIENT
ENERGY



SUSTAINABLE
TRAVEL



SUPPLY
PARTNERS



CLIMATE
CHANGE

KBR's company-wide policies and procedures related to environmental impact and management support this strategic framework and guide our work. These policies and procedures sit within our Integrated Management System (IMS).

KBR's IMS is designed to incorporate all segments of the business into one coherent system, to optimize business execution and deliver excellence. It is managed, reviewed and updated by our Executive Leadership Team regularly throughout the year.

Our management approach to environmental impact is guided by company-issued policies and flows down to the procedures listed in our IMS Work Methods. As such, the approach performs the task of a **dedicated Environmental Management System**.

The procedures for environmental management outline the commitments, expectations and responsibilities for each employee and project team, in addition to the actions and processes necessary for meeting identified targets and objectives for each area of the environment. They relate to and are consistent with the intent of our environmental corporate policy.

Depending on the size of the project, we will either assign an environmental manager, or in the case of our mega projects, we will assign a full complement of environmental staff, including an environmental supervisor and manager, to handle various programs as outlined in the environmental management procedures within the KBR IMS.

The first task of this team is to identify all environmental impacts associated with KBR activities to ensure they are assessed and managed at an exceptional level.

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The procedural manuals outline each of the methods used for this systematic identification of environmental aspects and their associated impacts, assessment of environmental impacts, and where necessary, identification of objectives and targets. The assessment includes detailed reviews at each stage of the project and results are recorded in the project's Environmental Aspects Register.

The managers will be responsible for identifying, recording and escalating violations for resolution and for training the environmental team, along with all personnel on the project site, in relevant environmental management aspects. They measure and monitor all environmental impacts, reporting and recording all aspects.

Environmental managers are responsible for ensuring each project and its **environmental management team** perform the following for each category:

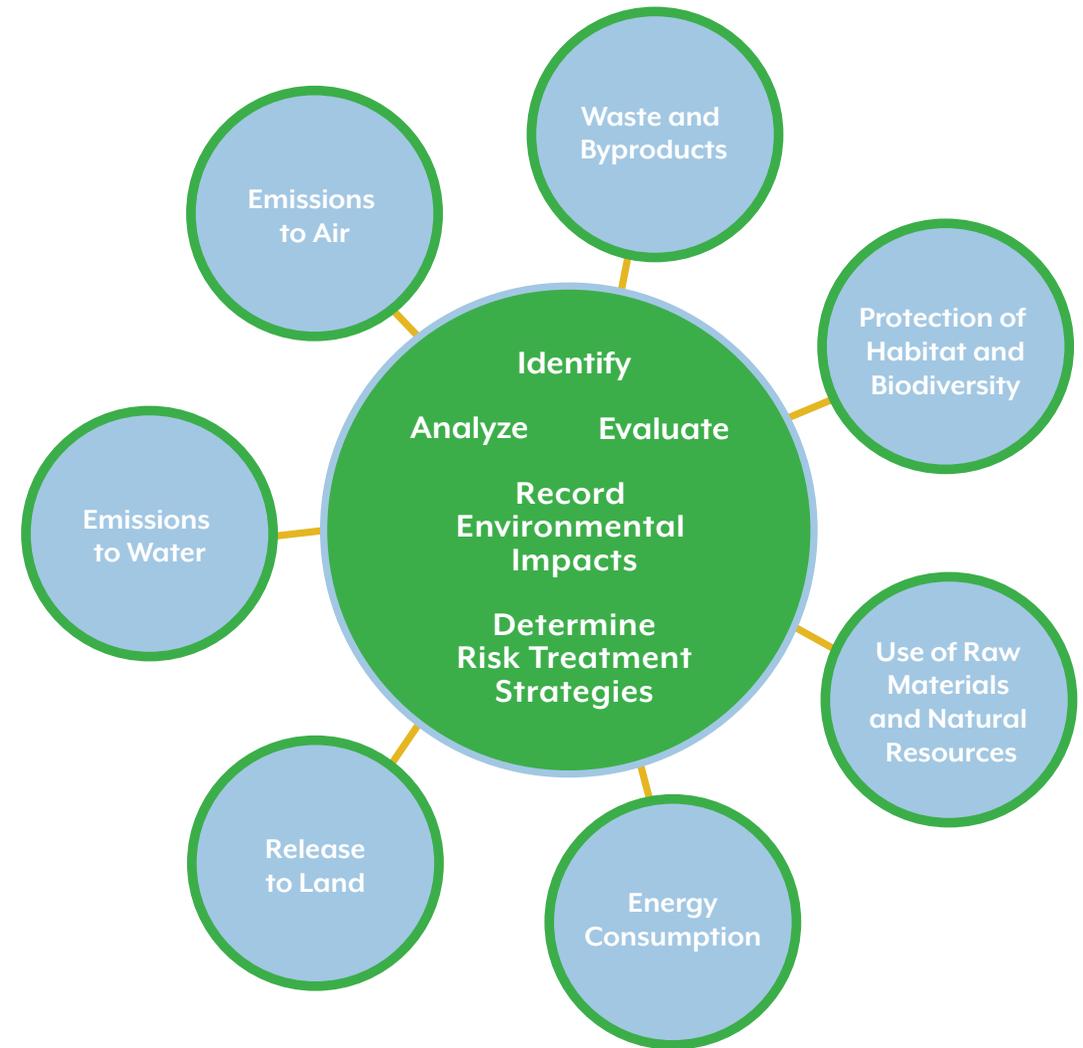


Figure 3.1

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Managing Environmental Risk

To enhance these procedures, the Environmental Aspects Identification (ENVID) is used in conjunction with the procedures shown in Figure 3.1 on the previous page and is undertaken to meet the requirements of ISO 14001.

The objective of the ENVID is to determine and re-evaluate the risks and potential impacts on the environment of a new or modified design or facility, and to identify practicable methods to ensure minimum harm to the environment throughout the life of the project.

The Environmental Aspects Register and the ENVID Report establish compliance with ISO 14001:2015 as well as for internal and external auditing. These procedures apply to all global KBR offices and projects.

KBR is ISO 14001:2015 certified by the Lloyd’s Register Quality Assurance at the Global level, as well as at the business unit and office location level, across Europe, the Middle East and Africa, Asia-Pacific and the Americas.

ENVIRONMENTAL SCOPE OF TOPICS

KBR commissioned projects are all certified to third-party, multi-attribute sustainability standards, such as LEED , BREEAM, ISCA and other equivalent national standards in compliance with our ISO 14001 certification.

In addition to the above procedures KBR’s Environmental Reference Manual is designed to present information and rules for preventing occupational injuries while executing projects in accordance with KBR’s Behaviors, Mission and Vision. The document comprises two parts:

1. Environmental Compliance

- Hazardous, Industrial and Solid Waste Management
- Water Quality Management
- Storm Water, Erosion and Sediment Management
- Air Emissions Management
- Storage Tanks: Aboveground and Underground Management
- Polychlorinated biphenyls (PCBs) Management
- Wetlands Protection

- Chemical Inventories Management
- Environmental Reporting and Records Retention
- Training Requirements
- Management of External Inspections, Assessments or Audits
- Environmental Surveys Performed Prior to Project Startup and in Preparation for Project Close-out
- Spill Prevention, Response and Notification Management

2. Environmental Guidance

- Environmental management plans
- Environmental Sampling, Testing and Analysis
- Waste Management Plan Guidance

Environment managers and teams are also required to refer to the best available techniques (BAT) assessment included in the IMS. This is a design procedure that provides an integrated,

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systematic approach to environmental protection and is therefore central to the control of pollution, wastes, and the efficient use of materials and energy. The procedure is based on the concept of Integrated Pollution Prevention and Control (IPPC), which is designed to provide a holistic approach to environmental protection, including health and the natural environment.

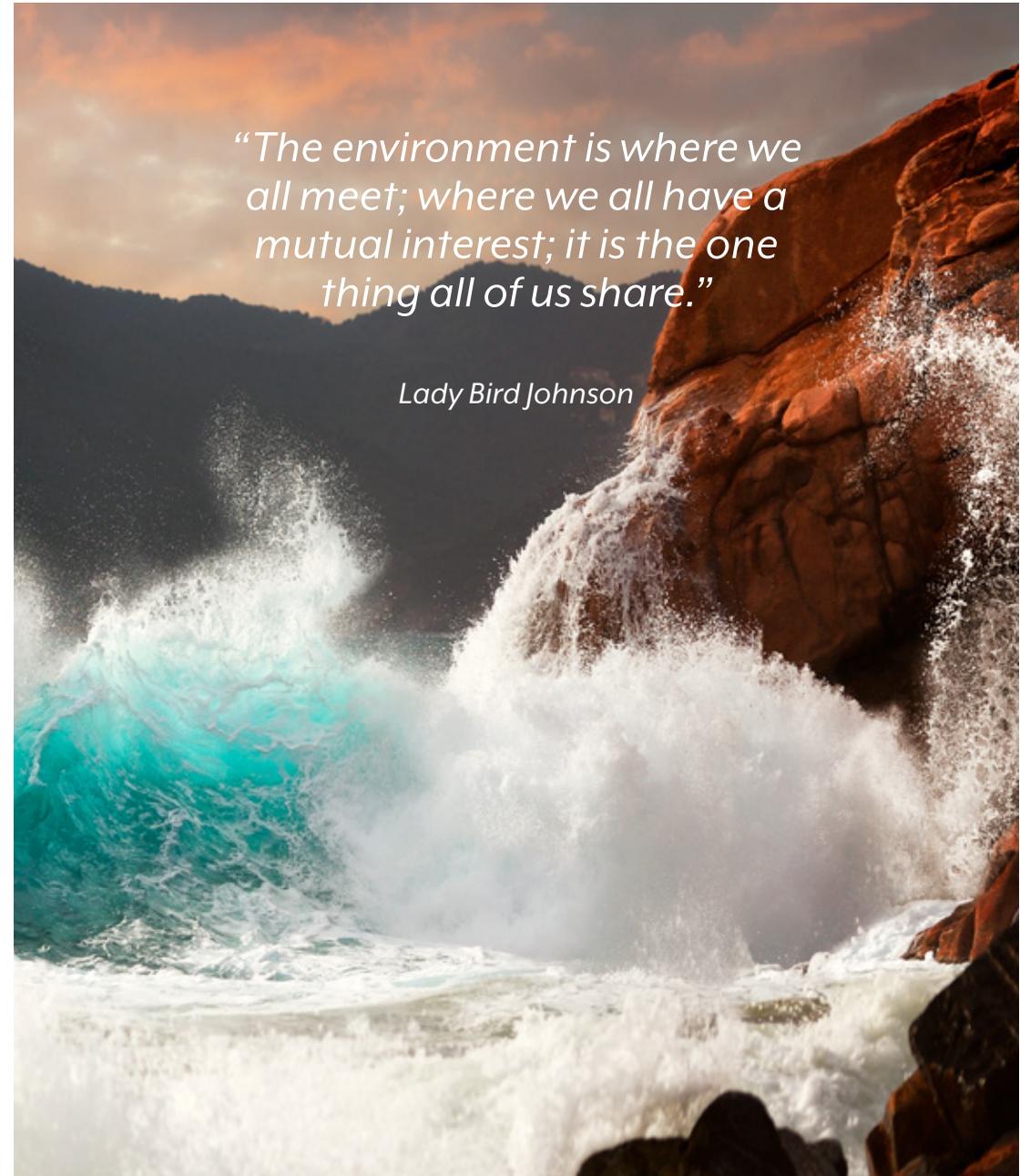
As part of our ISO 14001, we perform external and internal environmental audits and regular environmental training programs for employees. We have also developed corrective actions to foster continual improvement and monitor performance records to ensure we are meeting our defined environmental objectives and targets.

OUR ENVIRONMENTAL MANAGEMENT APPROACH IN ACTION

In some regions, we have pioneered more ambitious and targeted approaches to amplify our environmental and social value, both in the local communities in which we operate and on a broader social level. For example, in Australia, our people have developed an Environmental Discipline team of 40 specialists that provides sustainable engineering services. See our APAC case studies on the next two pages for further details.

Government Solutions EMEA has created a Social Value Team that measures the financial value of our social and environmental impact in local communities and in general. View a case study on social Value in the Prosperity section of this report.

These teams rarely work in isolation but rather are part of KBR’s larger service offering for projects including major infrastructure where KBR is providing design and consulting services.



“The environment is where we all meet; where we all have a mutual interest; it is the one thing all of us share.”

Lady Bird Johnson

Case Study

Reservoir Train Station Delivers Sustainability Benefits in Design



CLIMATE CHANGE



RECYCLE/REUSE



EFFICIENT ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION

As part of the North Western Program Alliance in Australia (NWP), KBR has been a key participant in one of the largest rail infrastructure projects in the state of Victoria's history. The NWP has followed a Sustainability Strategic Plan to deliver in areas of greatest influence and benefit while eliminating 75 level crossings (intersections where railways cross a road or similar path) across metropolitan Melbourne by 2025, in addition to delivering network upgrades such as stations, track duplication and train stabling yards.

One of these upgrades was the High Street–Reservoir Station Project, an additional works package for which the scope of work included:

- Demolition of the existing Reservoir Station and construction of a new station
- Works including construction of railway track infrastructure associated with the grade separated crossing
- Modification to existing shared paths, footpaths and signalized pedestrian crossings
- Urban design and public realm works in accordance with the Urban Design Guidelines

The objective was to achieve a sustainability certification from the Green Building Council of Australia by minimizing energy consumption, responding to climate change risks, and using recycled materials.

PROJECT OUTCOMES

- **Awarded a Five Star Design Rating** from the Green Building Council of Australia, certifying the design as Australian Excellence and beyond best practice.
- **Partnered with the University of Melbourne and Sustainability Victoria to run** a trial using recycled glass in concrete.
- **Designed the first ever station** in Victoria to include remote metering of energy and water, which will enable MTM (Metro Trains Melbourne) to monitor and minimize consumption.
- Logged a **90% overall reduction** in water use across infrastructure life cycle.
- **20% reduction** in greenhouse gas (GHG) emissions from material reductions.
- Enhanced local ecology by planting native plants.
- Facilitated a **50% reduction** in life cycle GHG emissions.

Case Study

Australia's Buckley Street Underpass Achieves Leading Infrastructure Sustainability Certification



CLIMATE CHANGE



RECYCLE/REUSE



EFFICIENT ENERGY



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Also in conjunction with the NWPA, KBR helped deliver the Buckley Street Underpass, which separated Buckley Street from the Craigieburn railway line.

The scope of work included:

- A road underpass under the Craigieburn Line at Buckley Street, including high-specification architectural pre-cast panels
- Road works relating to the road underpass, Rose Street and Russell Street
- At grade service roads, east and west of the Craigieburn Line
- Upgrade of three existing pedestrian underpasses at Essendon Station

Project objectives included:

- Improved urban design and community connectivity
- Reduced construction and operations emissions
- Adaptation to climate change risks

PROJECT OUTCOMES

- **Awarded a Leading Infrastructure Sustainability Rating** from the Infrastructure Sustainability Council of Australia (ISCA).
- Robust climate change risk assessment results in the incorporation of **a number of relevant adaptation** measures into the design.
- Implemented a comprehensive urban design, highlighted by the **high-quality** interpretation of the heritage station precinct.
- **37% reduction** in GHG emissions across the project's construction and operation, through widespread application of high-efficiency LED lighting.
- **Diverted 100% spoil, 97% construction waste** and **65% office waste** by volume from landfill.

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Water Infrastructure

Water is a resource that's vital to the environment and all industries. Fresh water is fast becoming dangerously scarce. According to the UN, a quarter of the world's population is now using water much faster than natural sources can be replenished. Though it covers more than 70% of Earth's surface, it is an extremely valuable commodity. We provide access to water for populations all over the world through our critical infrastructure.

Whether providing drinking water or supporting agricultural or industrial needs, KBR delivers critical water and wastewater treatment, networks and management.

The work we do on some of the most advanced water treatment facilities, pipelines and infrastructure in the world carries water to our communities. Using our latest proprietary software tools and our engineering procurement and construction capabilities, we work to increase capacity and improve the quality and efficiency for desalinization, water

recycling and water treatment. Our capital delivery and asset management solutions provide water safely and reliably to communities of all sizes.

KBR's Environmental Management Solutions

We provide infrastructure planning and natural resource management for our clients via a multidisciplinary approach that comprises environmental science, engineering design, planning and community engagement.

By considering both environmental and social factors, we are better positioned to deliver projects that avoid or mitigate harmful impacts and leave a positive legacy in the surrounding region.

Sustainable Engineering Solutions – Australia

Through Infrastructure Services Australia, KBR has developed a unique environmental discipline, providing sustainable engineering services through a team of 40 specialists divided into the following sub-teams:

- Environmental Engineering – Stormwater management and pollution reduction, erosion and sediment control, and water-sensitive urban design
- Sustainability – Focusing on energy efficiency, recycled materials and circularity, renewable energy and water efficiency consulting, with the key responsibility of acquiring sustainability accreditations and certifications
- Environmental Assessment and Planning Approvals
- Water Management – Surface and groundwater quality assessment and management, including coastal waters
- Ecology – Delivering flora and fauna assessments
- Spatial Services – Includes web geographic information system platforms for projects and stakeholders and mobile data capture solutions

Clients include:

- State government-led infrastructure, including rail and other transport projects
- Infrastructure operators
- Australian Defence Force
- Local government and councils
- Resource companies through direct consulting

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Technology Solutions that Drive Sustainability for our Clients

We possess an unrivaled combination of existing and newly developed technology solutions, in-house expertise, and strong partnerships that solidifies our position as a leader in energy transition.

Our energy-efficient and sustainable process technologies include the following.

Refining

- KBR ROSE® Residue Upgrade Solution: Our ROSE technology recovers higher volumes of the cleanest possible deasphalted oil from residue streams than conventional solvent deasphalting technologies. It is also highly efficient, requiring up to 60% less energy than other technologies due to its use of supercritical solvent recovery and specially designed heat recovery exchangers.
- KBR MAX-ISOM™ Isomerization Technology: KBR introduced MAX-ISOM as the technology of choice for low-cost production of high-octane, cleaner burning isomerate to accommodate the rise of the

global demand for motor fuels that comply with strict specifications on sulfur, benzene, olefins and total aromatics content in gasoline.

- KBR K-SAAT™ Solid Acid Alkylation Technology: KBR K-SAAT maximizes the yield of motor fuels and enhances production of alkylate, an ultra-clean blendstock, by reducing the production of heavy hydrocarbon byproducts.
- KBR VCC™ Veba Combi-Cracking: This hydrocracking process converts petroleum residues at very high conversion rates (greater than 95%) and liquid yields (above 100 vol%) into directly marketable products.

Olefins

K-PRO™: This environmentally friendly catalyst produces polymer-grade propylene with significantly reduced NOx and CO2 emissions.

Syngas

- Ammonia technology
- Green ammonia (KBR K-GreeN™)
- Blue ammonia

Ammonia 6000

KBR's proprietary ammonia process exhibits a proven low energy consumption of just 6.27 Gcal/MT that can't be matched by other technologies of this kind. Our ammonia process also guarantees safety, as it does not use a hazardous oxygen-fired ATR.

K-GreeN

KBR K-GreeN™: Our green ammonia process produces ammonia with no GHG emissions. The sun, air and water provide the power and elements to create this versatile source of energy, nutrition and chemical feedstock. Green ammonia offers a flexible way to store energy and transport it for use either as energy or feedstock.

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Energy Transition: Harnessing Opportunity

Over the past decade, we have witnessed a paradigm shift in the energy market, and 2019 may have marked a significant turning point in energy transition. Historically, there have been several phases of the energy transition:

1. Coal overtakes biofuels in 1900 and powers the Industrial Revolution.
2. Oil replaces coal as the dominant fuel.
3. Liquid gas becomes a perceived cleaner source of energy.
4. The next phase of the transition is taking place now and KBR is positioned to play a central role.

KBR's Role in Energy Transition

For the past several years, global industries and governments have been investigating low-carbon solutions on a mass scale. In 2019, we capitalized on this opportunity and began working with a growing number of countries and companies to develop roadmaps and strategies for building low-carbon economies with an emphasis on hydrogen, as well as other energy efficiencies and carbon capture and storage solutions. Refer to our Singapore case study later in this section.

Our thought leadership in new and sustainable energy trends involves evaluating and designing solutions focused on green ammonia, renewables, blue and green hydrogen, gas monetization, carbon capture and sequestration, helium removal, International Marine Organization (IMO) 2020 marine fuel, and green methanol. Our own technology portfolio continues to expand and differentiate, offering clients unique and innovative solutions in their moves toward cleaner, greener operations and solutions. Refer to our Technology Solutions listing .

In our work evaluating and designing low-carbon solutions, we focus strongly on blue and green ammonia as a vector for hydrogen and as a means for assisting the transition to net-zero economies.

Hydrogen creates storage solutions for excess renewable energy flows and can help balance electrical grids, along with decarbonizing heating/cooling and transportation sectors. Ammonia can be used to transport hydrogen more efficiently and effectively. The aim is to transition, over time, from blue to green ammonia derived from renewables and to facilitate green hydrogen production, preferably via a decentralized distribution model and using legacy liquefied natural gas (LNG) infrastructure, thereby reducing capital expenditure. The forecast is for exponential demand in green hydrogen as more governments and industries seek to implement their net-zero strategies over the next decade, in line with the 2015 Paris Agreement.

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KBR's opportunity in the market starts with our advisory services and moves through the planning phases into front-end engineering design and building then to licensing our proprietary technology solutions and commissioning and industrial services.



The growth of ammonia as an energy-efficient vector for hydrogen is key to this progression for KBR. Why?

Because more than 50% of the world's ammonia has been produced using KBR's ammonia technology, including 38 new major ammonia plants since 2000. Since 1950, KBR has licensed 242 grassroots ammonia plants.

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Ammonia Market Growth: From Grey to Blue to Green

KBR holds a strong strategic position and advantage in energy transition, thanks to our extensive experience in ammonia technology and production, our electrolysis capabilities, and our solid background and leadership in hydrogen handling and storage through our work with the NASA Space Task Group.

For many years now, our Government Solutions teams have been leading government-to-government projects, and we have built trusted working relationships with some of the key nations supporting the hydrogen clean energy movement, including Japan, the United Kingdom, Australia, Singapore, nations in the Middle East and the United States. These trusted partnerships are mirrored by our working relationships and experience with major energy companies who will be key in the transition.

This, combined with our experience in large-scale operations in remote locations and our excellence in mission control, will enable KBR to take a lead role in transitioning the world to greener and cleaner energy.

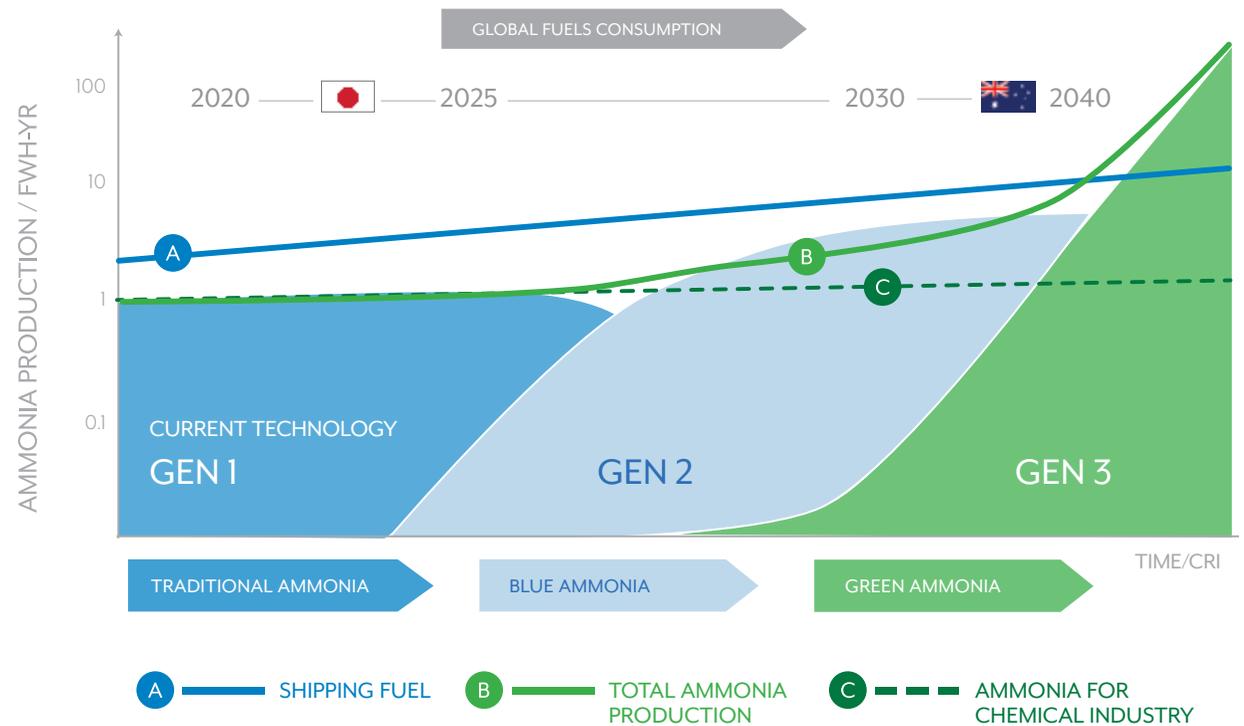


Figure 3.2

Working with Our Clients and Partners to
Drive the Climate Agenda

Case Study

An Existential Challenge for Singapore



CLIMATE CHANGE



13 CLIMATE ACTION

KBR partnered with Argus Media to assess the technical and economic feasibility of importing and deploying hydrogen in Singapore up to 2050. Climate change represents an existential challenge for the low-lying island state, which is particularly vulnerable due to its limited alternative energy options. As the world transitions to a carbon-constrained energy future, Singapore must meet the challenges of decarbonizing all sectors while ensuring a clean, reliable and affordable energy supply. Singapore is therefore looking toward emerging low-carbon technologies, including hydrogen, as a potential solution to improve the long-term security and sustainability of its energy supply.

KBR's study assessed the potential sources of hydrogen imports to Singapore, suitable downstream applications of imported hydrogen, R&D opportunities to advance hydrogen technologies, and recommended solutions to address hydrogen-related policy and regulatory challenges.

The main study objectives were to:

- Assess potential sources of hydrogen imports to Singapore based on availability, cost, technical feasibility and supply security.
- Assess scope and scale of downstream applications of imported hydrogen in Singapore based on technical feasibility and economic, climate and environmental benefits.
- Evaluate feasibility and gaps in Singapore's existing infrastructure (e.g., LNG, natural gas, town gas) to receive/unload, store, transmit and transport hydrogen domestically for downstream applications.
- Assess and recommend solutions to address the technology, policy and regulatory challenges to the import and use of hydrogen

Energy Transition:
Harnessing Opportunity

PROJECT OUTCOMES

- Engaged over 150 global stakeholders (government and private) to participate in the study.
- Identified more than 100 suitable technologies across the hydrogen value chain that will benefit the acceleration of Singapore's potential hydrogen economy
- Identified key opportunities for Singapore to economically decarbonize its economy and become a world leader in areas of hydrogen deployment.
- Discovered potential hydrogen deployment could theoretically contribute to Long-term Low-Emissions Development Strategy target by between 14 and 70%.
- Produced a dynamic economic modeling tool for continued use by the Prime Minister's Office of Singapore as they refine their decarbonization strategies.
- Prepared a public report of study results for stakeholders.
- Facilitated strategic discussions for government to business, G2B and business to business on specific hydrogen-related collaborations, risks and opportunities.

Case Study

A study to enable plant-wide processing and thermal efficiency improvements with KBR Rose® Technology



CLIMATE CHANGE



EFFICIENT ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Hyundai Oilbank awarded the study to KBR in Q1 2015. The study scope was to increase the refiner's heavy oil upgrading capabilities. The refinery was limited in the crude oil types that could be processed and the study scope was to evaluate implementation of KBR's ROSE technology to reduce or eliminate the amount of high sulfur fuel oil product (IMO2020 Objective). The ROSE unit provides additional benefit by recovering the paraffinic components in the residue streams that would enhance operation of the downstream units: ARDS unit (improved catalyst life, reduced Hydrogen consumption) and RFCC unit (improved yields). The energy efficiency of the ROSE unit minimizes the impact on the climate compared to alternative solutions such as conventional solvent deasphalting (SDA) units and visbreakers that are energy intensive.

Improvements resulting from implementation of the ROSE unit were as follows:

- Minimize or eliminate fuel oil make compared to alternative configurations
- Reduced hydrogen consumption
- Significant increase in catalyst life by removal of asphaltenes from ARDS feed
- Flexibility to process heavier crude
- Conversion units filled to capacity with higher quality products resulting from heavier crudes

Several different configurations were evaluated to determine the scheme that optimized the above improvements. The most economically favourable option was progressed to the engineering stage.

IMPACT

The largest ever ROSE unit, with a design capacity of 80,000 barrels per stream day, at Hyundai Oil Bank (HDO) started up in 2018. Implementation of KBR ROSE technology enabled the refiner to process heavier crude while eliminating the production of high sulfur fuel oil full stop

PROJECT OUTCOMES

- Implementation of the selected configuration enabled the refiner to process heavier crude while eliminating the production of high sulfur fuel oil.
- The ROSE unit provides a 40-50% increase in energy efficiency over competing technologies such as conventional SDAs and visbreakers.

Environmental Impact

Managing Environmental Risk

Our Environmental Management Approach in Action

Environmental Services

Technology Solutions that Drive Sustainability for Our Clients

Energy Transition: Harnessing Opportunity

Climate Change: Mitigation & Adaptation

Managing our Carbon Footprint

Climate Action Plan

Climate Change: Mitigation and Adaptation

Climate change is one of the biggest threats facing our planet. We recognize the science behind climate change and the "rapid, far-reaching and unprecedented" changes in all aspects of society that the Intergovernmental Panel on Climate Change (IPCC) recommends are needed to limit global warming in line with the 2015 Paris Agreement. We understand this would create clear benefits for people and natural ecosystems and help ensure a more sustainable and equitable society.

Our Sustainability Committee has made climate change, identified as a key material topic by our stakeholders, one of KBR's top strategic business issues. Though it is one of our five environmental Sustainability Pillars, outcomes from each of the other four pillars contribute to our impact on climate change. See Figure 3.3.

Increased global prioritization of the current energy industry's potential impacts and contribution to climate disruption have led to an increased focus on elements of our business that will contribute to helping our clients solve the issues they face in this area.

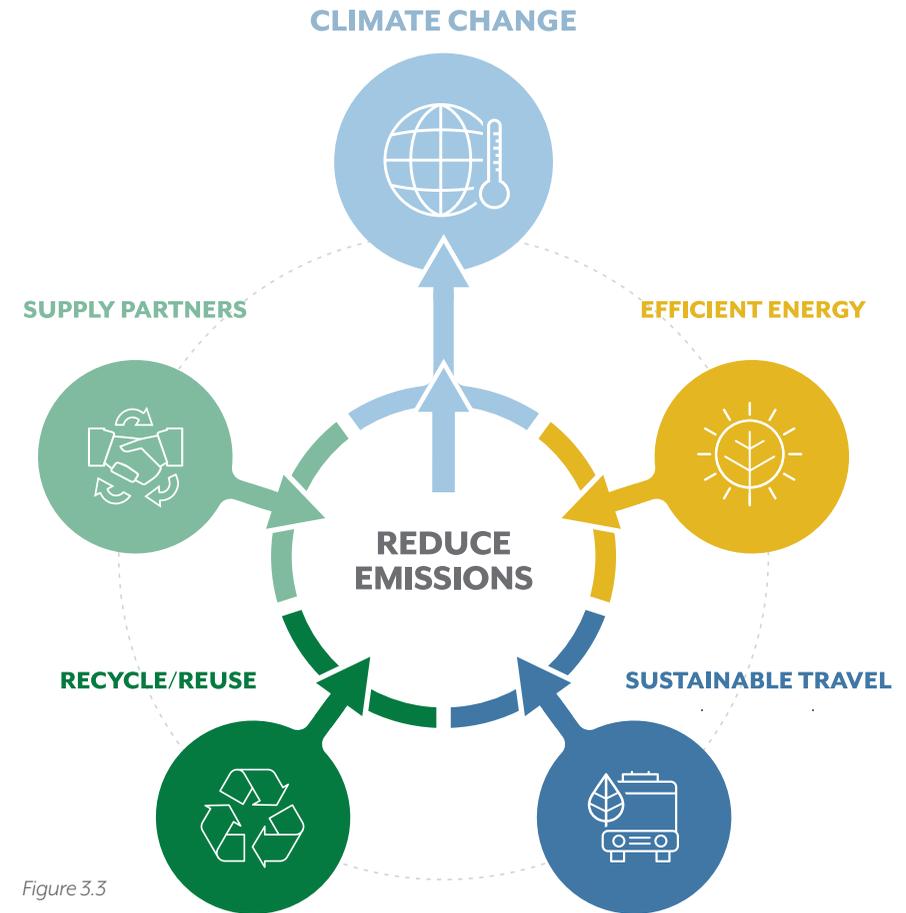


Figure 3.3

Climate change is more than just one of the 17 SDGs specified in the 2030 Agenda for Sustainable Development. It is a threat multiplier with the potential to worsen some of humanity's greatest challenges, including health, poverty and hunger.

United Nations Framework Convention on Climate Change, July 2019

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Managing Our Carbon Footprint

We are committed to continually improving our energy efficiency and procuring clean energy where possible. We commissioned a third-party carbon consultant, ClimatePartner, to calculate our emissions and provide an overview of the CO2 emissions generated by our business activities across our 101 sites, including heating and vehicles (scope 1), electricity (scope 2) as well as business travel (air and rail travel) (scope 3 – category 6).

The audit followed the methodology as set out by the Greenhouse Gas Protocol of the World Resources Institute and the World Business Council for Sustainable Development. We have calculated and disclosed here the GHG emissions associated primarily with our own sites' energy usage.

In the short term, we are using the carbon footprint to inform our offset program for 2019. We offset our 2019 emissions to become a carbon neutral company. This is also a means for getting us started with our longer-term climate action strategy. The 2019 carbon footprint has helped us to identify carbon emission hotspots and enabled us to set carbon reduction targets defining our climate action goals for 2020 and onwards.

Please see our Climate Action Plan section on the next page for information on our initial plans and next steps based on the carbon footprint findings.

OUR CARBON FOOTPRINT

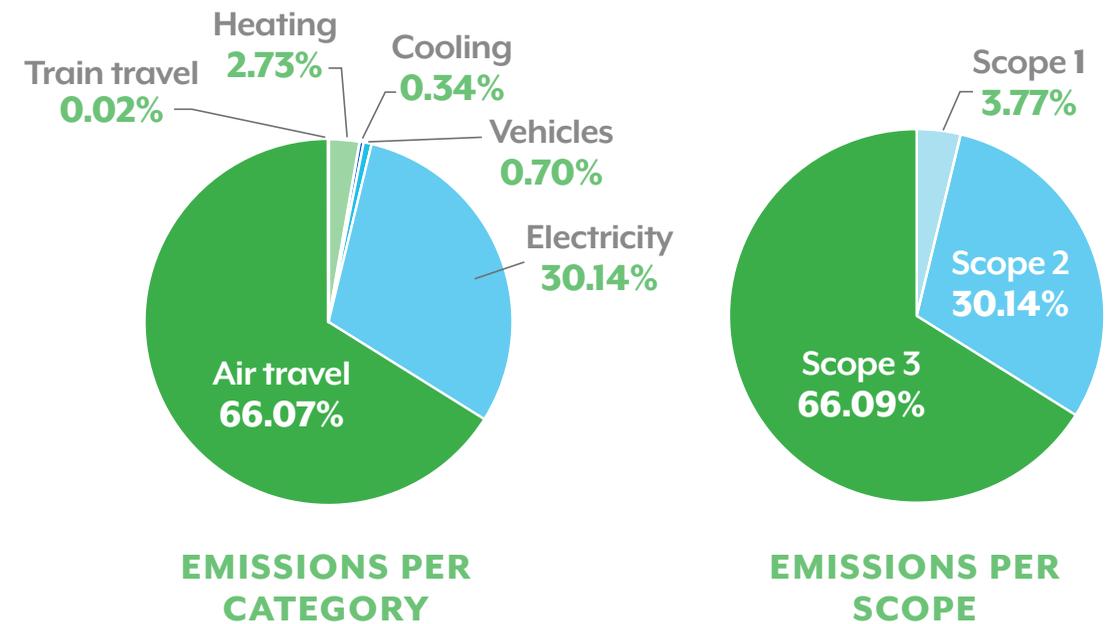


Figure 3.4

Environmental Impact

Managing Environmental Risk

Our Environmental Management Approach in Action

Environmental Services

Technology Solutions that Drive Sustainability for Our Clients

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Climate Action Plan

CLIMATE ACTION PLAN 2020

Short term:

- Develop a Sustainable Business Travel policy
- Implement ISO 14001 for our own buildings
- LEED /ISCA/BREEAM certification and green energy procurement strategy for owned facilities and offices

Climate Plan

- Set a science-based target for our long-term Climate Action Plan
- Commit to net-zero by 2030 based on the above.
- Consider and expand scope 3 categories, calculate time needed to reduce emissions and the amount of carbon that cannot be avoided to offset.
- Announce a net-zero strategy only once we have accurate and verified data to be able to meet genuine net-zero carbon status by 2030.

Carbon Neutral by 2019-Offset Programs

TOTAL (T CO₂)

114,840

Our offset program will be:

2.5% Clean Oceans

97.5% Wind Projects (India)

This amount corresponds to...



...the melting of **362,162 m²** Arctic ice in the summertime



...the annual CO₂ footprint of **14,368** European citizens



...the amount of CO₂ sequestered by **9,657,840** beech trees per year



People

Sustainable development requires human ingenuity. People are the most important resource.

Dan Shechtman

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Building Our Reputation as a Great Place to Work

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People



As our first ONE KBR Behavior says, our people are the heart of everything we do. They are our most valuable resource, which is why we are committed to creating diverse and inclusive work environments where everyone feels safe, trusted, supported and valued, and to providing opportunities to help our people grow and reach their full potential.

Our focus on people goes hand in hand with our commitment to sustainability, which we can improve by focusing on three key areas:

1. Building our reputation as a great place to work
2. Creating conditions for people to flourish
3. Capitalizing on capability

Through our social impact pillars and people strategy, we align our work with 1, 3, 4, 5, 8 and 10 Sustainable Development Goals of the UN.



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Building Our Reputation as a Great Place to Work

Our mission is to become a global employer of choice. We offer fulfilling career opportunities and benefits to attract and retain the best people and empower those people to work in ways that work for them. This includes enabling flexible, customer-facing, digitally connected ways of working, and utilizing adaptable and traditional organizations to deliver the solutions of the future while achieving strategic outcomes.

Benefits

Our benefits package is designed to put our people's health and well-being at the center of how we operate. We believe we have a duty to invest in our employees' health and in their future. Our benefits are available to full-time and part-time employees and include:

- Opportunities to earn a \$600 health insurance premium credit
- On-site health screenings
- On-site mammograms
- Maternity and surgery support program
- On-site flu shots
- Advocacy services
- Weight loss and fitness program
- On-site dietitian, providing nutrition counselling, cooking and lifestyle classes
- Minimum 40 hours of paternal leave for birth, adoption and placement of a child, in addition to other time off for our U.S. employees
- We have an employee stock purchase plan (ESPP) available to all full-time, part-time, and contractors who currently work in the U.S., U.K., Australia or Canada. Employees can purchase KBR stock at a 5% discount during two enrollment periods each year.

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Providing Flexible Ways of Working

Moving from a traditional organization to an agile, flexible organization is an opportunity to create an equitable and healthy working environment. Having a flexible and family-friendly environment for our workforce is crucial for attracting and retaining quality talent.

Workplace flexibility gives us the opportunity to rethink how our people, our workplace and our supporting technology fit together — to challenge traditional mindsets, management styles, work practices and workplace design. Flexibility is not a “nice to have” — it is critical to workplace satisfaction and productivity. For this reason, we offer benefits that specifically support a work/life balance, including:

- Flexible scheduling
- Remote working
- Part-time working
- Parental leave (U.K., EMEA, U.S. variations)

In addition to these benefits, we provide generous time-off programs to accommodate family and personal needs.

Grievance Mechanisms

KBR values and encourages employee input and prohibits retaliation in any form for employees reporting, in good faith, suspected violations of the Code of Business Conduct (COBC). To that end, KBR uses EthicsPoint, an independent company specializing in the handling of confidential and anonymous reporting of workplace and ethical issues and concerns.

Employees are informed about grievance processes on our website, on the KBR intranet, in their COBC training, and in their induction training and KBR starter packs.

Other channels available to KBR employees to voice grievances for any matter include:

- KBR Listens – monitored mailbox and email
- The Employee Support Program – via chat, phone and email
- Human Resource support
- Manager or business leaders
- Employee Resource Groups

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Creating Conditions for People to Flourish

We are creating an inclusive culture, centered on our employees’ experiences and perspectives and with a deliberate focus on mental well-being, to help our people achieve peak performance. We recognize that mental health and well-being affect everyone. Building on our absolute commitment to Zero Harm, we aim to create work environments where employees can thrive, and to inspire and enable our employees to proactively improve their own mental fitness.



Committing to the Safety of Our People

As a company, we believe that zero workplace incidents is an achievable goal.

We commit to a Zero Harm policy and approach to safety for our employees and those we work with, including subcontractors, suppliers, partners and visitors. Our commitment to health, safety, security and environment (HSSE) has resulted in unprecedented safety performance throughout the organization and across our global footprint. KBR’s journey to Zero Harm is driven by our employees’ commitment to safety 24/7.

To achieve that goal, we use our internationally recognized transactional HSSE management systems and transformational leadership. KBR’s transactional HSSE management systems are **ISO 14001** and **OHSA 18001** certified.

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MANAGEMENT APPROACH TO HEALTH AND SAFETY

Our success depends on our ability to continually improve the quality of the services we provide, while also protecting the health, safety and security of those working directly and indirectly for the company and minimizing the effects to the environment. This commitment is in the best interests of all our stakeholders and the communities where we live and work.

Our HSSE policy applies to all KBR employees and KBR subcontractors globally and identifies and outlines our overarching HSSE principles.

KBR requires active commitment and accountability toward HSSE from all employees and contractors. Line management has a leadership role in communication, implementation, and compliance of the HSSE policy and procedures.

At KBR, we are committed to:

- Protecting and improving the health, safety, and security of our employees and contractors at all times.
- Eliminating incidents through our Zero Harm culture.
- Meeting specified customer requirements and ensuring continuous customer satisfaction.
- Setting HSSE objectives, measuring results, and assessing and continually improving processes and services through the use of an effective management system.
- Minimizing our impact on the environment through pollution prevention, reduction of natural resource consumption and emissions, and the reduction and recycling of wastes.
- Applying technical skills to all HSSE aspects of engineering and design.
- Communicating openly with stakeholders and ensuring an understanding of the HSSE policy, program and procedures.
- Recognizing outstanding HSSE performance.

The above commitments are in addition to KBR's basic obligation to comply with all applicable laws and regulations where we operate.

Zero Harm and the Courage to Care

With extensive health and safety training, individuals develop a high level of awareness and alertness. To fortify our Zero Harm philosophy, we deliberately foster a culture of caring for our fellow workers using our Courage to Care Conversation procedures. Employees are encouraged to look out for their fellow workers by intervening via a Courage to Care Conversation when observing at-risk behaviors and/or to identify signs that a colleague is not coping or thriving. Conversations are recorded on the move via mobile app, through SharePoint or via paper cards. These conversations are measured, recognized and rewarded. We use this data to identify trends and alter campaigns accordingly.

Zero Harm and Security

To support our global mission of providing safe and secure environments for all KBR employees, contractors and visitors, preventive measures are put in place to reduce risk, such as locating offices in safe areas and providing appropriate office security based on risk assessments. KBR uses physical security measures — such as perimeter fencing, gated parking areas, security lighting, card access-controlled facilities and active security programs — and a robust virtual security awareness program to provide a sound foundation for the security and safety of our teams.

Travel destinations and venues are reviewed to support those traveling within the organization, and transportation services and accommodations are vetted on a continuous basis. KBR also uses an online 24/7 travel safety advisory system with monitoring that includes location alerts and emergency communications.

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KBR deployed a more robust global mass communications system during 2019 that enables KBR to immediately communicate with employees in a crisis or urgent situation, such as a weather or active shooter event, via email, text or mobile phone. Also in 2019, KBR decided to return to International SOS as its worldwide travel medical and security assistance provider due to program enhancements.

The International SOS program is designed to keep KBR employees healthy, safe and secure while traveling abroad. Employees can connect to International SOS doctors and security teams via phone call, email or smartphone app 24 hours a day, 365 days a year, all over the world. Depending on the situation, International SOS can get in touch with KBR's HSSE team and Global Mobility team and can even communicate with family members in emergency situations.

Zero Harm and Mental Health and Well-being

We balance the importance we place on physical health with that of mental health and well-being. This holistic approach plays a critical role in KBR's safety performance. We provide the necessary training, tools and resources for employees to be able to perform their tasks at a peak mental and physical state.

We have developed a unique approach to mental health and well-being that combines the skills, knowledge and processes of the Health, Safety, Security and Environment (HSSE) team with those of the Human Resources team, all supported by a global committee with representatives from key corporate functions, including marketing and communications and legal. In 2020 we plan to replicate the success of the Zero Harm campaign for mental health and well-being.



Our mental health and well-being initiatives will focus on the reaching these targets:



Create a positive and supportive workplace culture

- Raise awareness
- Encourage conversations
- Demonstrate visible leadership



Provide employees with competence and confidence to improve their fitness

- Offer range of tools and training
- Empower to measure and monitor fitness
- Signpost support for those in need



Enable managers to spot early signs and signpost support

- Communicate manager's role
- Build knowledge and confidence
- Reinforce "put your own mask on first"



Prevent mental ill health being caused, or worsened, by work

- Establish key features of "good work"
- Promote work-life balance
- Facilitate flexible working



Establish mechanisms for measuring improvement

- Understand employee experience
- Determine appropriate metrics
- Consider goals and targets

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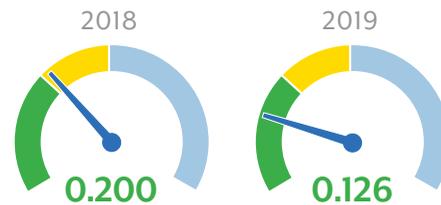
HEALTH SAFETY AND SECURITY

37% in KBR's 2018–2019 Global Total Recordable Incident Rate (TRIR) REDUCTION

2019 KBR Global Incident Stats

Why does TRIR go down?

Because of our willingness to intervene through Courage to Care Conversations



KBR Global TRIR 2015–2019

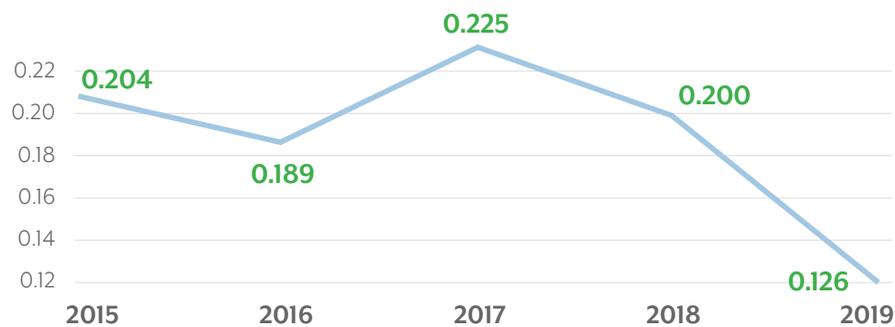


Figure 4.1

KBR's global TRIR is calculated by multiplying the number of recordable incidents by 200,000 and dividing that number by the total of labor hours worked in the year.

2019 KBR Work Hours include direct employees, subcontractors and joint ventures

90,527,468

2019 Man Hours

0.126

Total Recordable Incident Rate

178

Restricted Work Days within 2019

431

Total First Aid Cases
340 onsite and 91 offsite

0

Fatalities

2019 KBR Work Hours include direct employees

63,396,201

2019 Employee Man Hours

0.114

Total Recordable Incident Rate

74

Restricted Work Days within 2019

238

Total First Aid Cases
196 onsite and 42 offsite

0

Fatalities

2019 KBR Global Stats for subcontractors and joint ventures

22,131,267

2019 Man Hours

0.163

Total Recordable Incident Rate

104

Restricted Work Days within 2019

193

Total First Aid Cases with
144 onsite and 49 offsite

0

Fatalities

Figure 4.2

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HEALTH SAFETY AND SECURITY

TRIR by Gender and Division

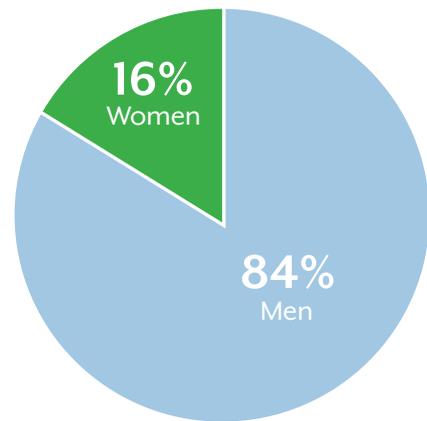


Figure 4.3

2019 Female Stats

Division	Total Recordable Cases	Total Lost Time Cases	Rate Selection	Total Rist Aid Cases	First Aid Cases Onsite	First Aid Cases Offsite	Medical Cases	Restricted Work Days Cases	Restricted Work Days	Lost Work Days	Fatalities	Non-Occupational Incidents
Corporate Solutions	0	0	0.000	2	1	1	0	0	0	0	0	1
Energy Solutions	1	0	0.009	5	4	1	1	0	0	0	0	10
Government Solutions	2	2	0.008	73	65	8	0	0	20	147	0	186
GS US USD	6	1	0.083	29	21	8	3	2	96	2	0	15
Legacy Discontinued Ops	0	0	0.000	0	0	0	0	0	0	0	0	0
Technology Solutions	0	0	0.000	0	0	0	0	0	0	0	0	0
Total	9	3	0.020	109	91	18	4	2	116	149	0	212

2019 Male Stats

Division	Total Recordable Cases	Total Lost Time Cases	Rate Selection	Total Rist Aid Cases	First Aid Cases Onsite	First Aid Cases Offsite	Medical Cases	Restricted Work Days Cases	Restricted Work Days	Lost Work Days	Fatalities	Non-Occupational Incidents
Corporate Solutions	0	0	0.000	0	0	1	0	0	0	0	0	2
Energy Solutions	2	0	0.018	27	18	9	2	0	0	0	0	26
Government Solutions	23	7	0.090	229	189	40	14	2	15	612	0	631
GS US USD	23	6	0.318	66	42	24	13	4	47	524	0	29
Legacy Discontinued Ops	0	0	0.000	0	0	0	0	0	0	0	0	0
Technology Solutions	0	0	0.000	0	0	0	0	0	0	0	0	2
Total	48	13	0.106	322	249	73	29	6	62	1,136	0	690

Figure 4.4

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2019 HSSE AWARDS

RECIPIENT	AWARD	DESCRIPTION
Stuart Bradie, KBR President and CEO	National Safety Council "CEOs Who Get It" List	In his time as CEO, Bradie has introduced, built and cultivated a pervasive Zero Harm culture at KBR, where every employee believes that zero incidents is achievable and works toward that goal every day.
Government Solutions US EROS team	South Dakota Safety Council's Award for Honor for Exceptional Workplace Safety Performance	KBR was recognized for efforts to reduce workplace injuries and illnesses and for maintaining a safe environment for everyone.
KBR - Koch Enid Expansion Project in Oklahoma	Associated Builders and Contractors (ABC) National Excellence in Construction® Eagle Award in the category "Heavy Industrial/Mega Products".	The ABC's highest honor was awarded requires that projects demonstrate exceptional performance in safety, quality, and productivity, as well as innovations in construction execution.
KBR	South Dakota Safety Council (SDSC) Award of Honor	SDSC's highest honor and was given to our employees for their ongoing efforts in preventing workplace injuries and illnesses.
KBR- Al Yusr General Maintenance Services	SATORP Contractor Safety Award	Received for exemplary HSE performance during the 2019 January to June evaluation period.
Project Earth workforce	Merit Award	Recognized at the 2019 ABC Excellence in Construction Awards.
KBR- Al Yusr General Maintenance Services	SATORP Contractor Safety Award	Received for exemplary HSE performance during the July to November 2019 evaluation period.
KBRwyle	Stella, Nova and Super Nova Awards	Awarded to KBRwyle contractors by NASA Johnson Space Center Contractor Safety and Health Forum.
KBR Aspire Defence	Exceptional Scores from Considerate Constructors Scheme for December 2018	This achievement by projects Larkhill, Tidworth, Bulford and Perham Down demonstrates consistent good practice across key areas at one of the busiest stages of Aspire Defence's build program.

Figure 4.5

Building Our Reputation as a Great Place to Work

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HEALTH SAFETY AND ENVIRONMENTAL REPORTING SYSTEM

HSERS is KBR's in-house global HSSE reporting system. The Zero Harm Dashboard reports data from the HSERS system for all employees to see. The system allows HSSE managers to access real-time data, track trends in incidents and alter campaigns accordingly. Other features include:

- Claims tracking
- HSSE training tracking
- Random drug and alcohol program
- Safety Energy tracking
- Personnel medical clearance tracking
- Historical data to support bids and proposals
- Trend analysis and dynamic dashboard tools
- Integration with Zero Harm mobile app for all KBR employees
- Continuous updates to support business

KBR's commitment to safety was recognized when President and CEO Stuart Bradie was named to the prestigious 2019 list of "CEOs Who Get It" by the National Safety Council.

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Data and Information Security

KBR approaches data security with the same level of rigor as we do physical safety and security. We manage information security with a multifaceted approach that prevents and minimizes the impact associated with cybersecurity events that could potentially put the business at risk. Our approach also uses multilayer safeguards to protect strategic and sensitive assets and ensures the privacy and security of both personal and business information for employees, subcontractors, joint venture employees, and customers.

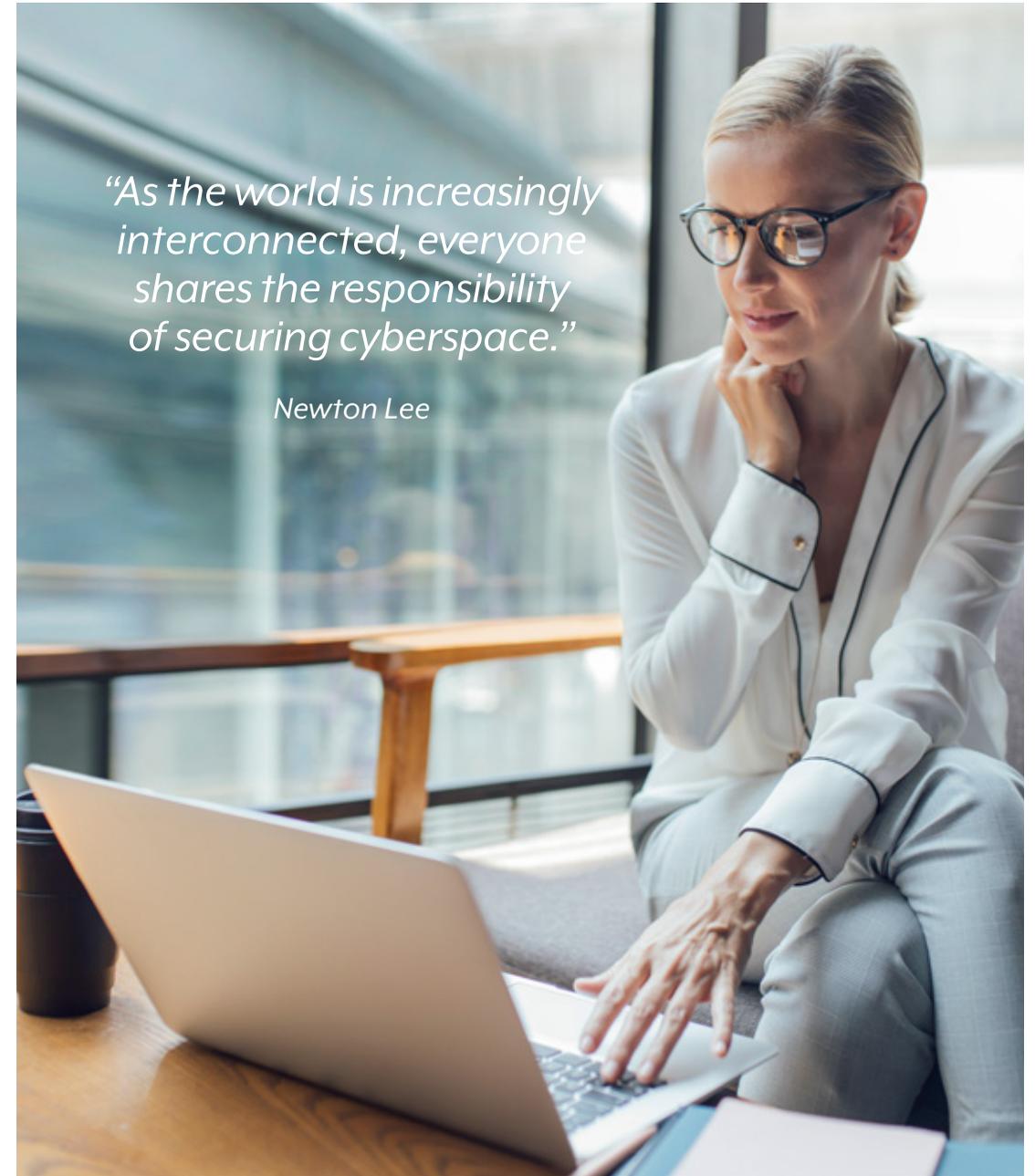
Risks and Opportunities

As the world becomes more digitally connected, the volume of cyber incidents and the level of sophistication of cybercrime tools and tradecraft continue to grow.

We have identified these developments as opportunities for expanding our cybersecurity services to government agencies and companies globally. To meet customers' needs, KBR is equipped with a **fully certified workforce** and **multiple cutting-edge cyber labs**. By protecting our stakeholders' data privacy rights, we gain and maintain their trust, which is a cornerstone for our continued success.

“As the world is increasingly interconnected, everyone shares the responsibility of securing cyberspace.”

Newton Lee



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GOVERNING KBR'S DATA SECURITY POLICIES AND PROCEDURES

KBR's data security is managed at the board level through our Audit Committee. At least three members of the KBR Board of Directors have extensive backgrounds in technology and cybersecurity and our Chief Information Officer reports to them through Audit Committee updates twice a year.

- Code of Business Conduct
- Data Privacy Policy
- Information Technology – Security and Acceptable Use Policy
- Social Media Policy
- IT Major Security Incident Response Procedure
- Disaster Recovery and Backup Procedure
- Security Access and User Account Management Procedure
- IT Global Backup Retention Procedure
- IT Global Password Standard Procedure
- Acquisition, Delivery and Use of Computer Hardware, Software and Other IT Services Procedure
- Bring Your Own Device Procedure
- Invention Disclosures and Patent Applications
- EU – U.S. Privacy Shield Procedure
- System Security Plan
- Employee Personal Data Management
- Export Compliance Manual

MANAGEMENT APPROACH

1. Cyber risk assessments are conducted annually by internal and external auditors through cyber penetration and vulnerability testing against KBR's on-premise, public-facing and cloud environments. All audit findings are reported to the Audit Committee Board and Executive Leadership Team.
2. **Annual cybersecurity awareness training is provided to all employees, contractors and new hires.** Training content is updated annually to align with the latest cyber threats, including phishing, malware, ransomware, social media, data privacy and insider threats.
3. KBR conducts monthly user awareness phishing assessment campaigns and includes teachable moment reinforcement. Each phishing scenario is aligned with real-world cybercriminal social engineering exploits.
4. Cyber Times newsletter publications inform our user population of emerging threats.
5. KBR's cybersecurity enterprise control framework complies with industry standards and regulatory requirements, **ISO 27001 and 20000** (governing Information Security Management Systems), **NIST 800-171** (National Institute of Standards and Technology governing non-federal information systems), DFARS (Defence Federal Acquisition Regulation Supplement) and ITAR (International Traffic in Arms Regulations).
6. Cybersecurity controls are assessed annually by internal and external auditors. **External ISO, NIST and Cyber Essential and Cyber Essential Plus certifications are maintained.** All audits are reported quarterly to the Audit Committee of the Board and to the Executive Leadership Team.

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Data and Information Security

Safety and Quality

An Inclusive and Diverse Workforce

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2019 ENHANCEMENTS FOR THE PROTECTION OF PERSONAL AND BUSINESS INFORMATION

- Made additional investments and adopted security technology to support our cloud journey and enterprise brand monitoring.
- Carried out ongoing cybersecurity Target Threat Hunting (TTH), leveraging our security technology, to detect and deter evolving cybersecurity Advance Persistent Threats (APT) within KBR enterprise network and acquired M&A networks.
- Revised and published updated Cybersecurity Incident Response procedures to align with current cyber threat landscape, while ensuring regulatory reporting compliance requirements were current.
- Continued expanding and maturing our internal compliance framework for supporting regulatory and industry-standard security frameworks as part of our continuing commitment to information management and governance.

OUR APPROACH TO DATA PRIVACY IN 2019

- Established a robust General Data Protection Regulation (GDPR) Data Privacy Committee tasked with greatly mitigating compliance risks and educating employees on the scope of personal data and data breach response obligations through mandatory training.
- Drafted a comprehensive intracompany data transfer agreement to adequately protect personal data traveling outside of the European Union (EU) in response to a court ruling invalidating the U.S. – EU Privacy Shield Framework.
- Developed an action plan for improving data mapping and Record of Processing Activities of employee personal data in the U.K. and EU
- Implemented updated Privacy Standard and Privacy Notices for EU, Middle East and Asia-Pacific regions.
- Significantly revised KBR’s website to address GDPR and new California Consumer Privacy Act and Nevada Consumer Privacy Law requirements.
- Provided ongoing training to key employees handling sensitive employee personal data to minimize risk of data breaches

2019 CYBERSECURITY BY THE NUMBERS

88% of emails received each month

at the KBR Secure Email Gateways were blocked based on spam, virus, dynamic reputation and zero-hour cyber threat detection policies.

10.2% of KBR users were shown to be susceptible

to KBR-sponsored phishing campaigns, as compared to Cofense™* industry 11.6% average susceptibility rate during 2019. Ongoing assessment campaigns in 2020 continued as part of KBR’s cybersecurity user awareness continuous improvement program.

*We engage Cofense™, formerly PhishMe®, one of the leading providers of human-driven phishing defense solutions worldwide.

The average KBR resiliency rate** of 2.85

for scenarios launched during 2019 was better than the industry 1.76 average resiliency rate of Cofense™ clients.

**Resiliency rate is the ratio between users who reported the email phishing simulation without falling susceptible in relation to all users who fell susceptible

Figure 4.8

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Safety and Quality

KBR has a rich history of delivering quality products and services to our clients. Our quality assurance is deeply linked to our commitment towards Zero Harm, as laid out in our HSSE section (Link). From the inception of our projects right through to completion, our teams are dedicated to delivering the safest and highest quality products.

Our KBR Quality Program begins at the highest level with our Quality Policy which is endorsed by our CEO. This policy defines KBR's commitment to delivering quality products and services that meet or exceed the contractual requirements of its customers and commits KBR to:

- Delivering products and services that meet or exceed customers' expectations.
- Complying with customers' quality standards.
- Reviewing opportunities to improve upon processes through audits and lessons learned.
- Providing a risk and opportunity-based approach to achieve business objectives.
- Complying with applicable legislation, relevant industry standards and contractual quality requirements.

Flowing down from the Policy level is our ISO Certified Integrated Management System Manual, which addresses all Product and Service Requirements as per the **ISO 9001**.

Supporting the IMS Manual are numerous procedures and manuals ranging from Internal Auditing, to Training, Performance Monitoring, Management Review process, Incident Investigation and Reporting, Quality Measurement with defined targets for continual improvement, as well as regularly scheduled quality risk assessments.

Our Emergency Response procedures are included in our HSSE Program, which is also covered by the KBR IMS System.

Our KBR IMS System is externally audited regularly by Lloyds Registrar across all operating centers and projects to support our continuing recertification process.

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A KBR Quality Culture

In addition to this, we have rolled out our Defect-Free Delivery Initiative across numerous projects, which is targeted to strengthen the KBR Quality Culture.

KBR have gone above and beyond having a Quality Management System, and we have committed to embedding quality within the organizational culture as a core value, so that quality can be seen, heard and felt without explicit instruction or requirement.

Our commitment to a quality culture is instilled through regular training, clear and concise communications, appreciation for excellent results, management of KPIs, and targets. Through these actions, we aim for high performance in four controllable categories of activity;

- **Employee Ownership** - Instill a sense of individual ownership and empowerment related to quality issues.
- **Peer Involvement** - Create peer support networks to foster and encourage a commitment to quality.
- **Message integrity** - Deliver authentic, understandable and relevant messages about quality.
- **Leadership Emphasis** - Back these actions with genuine leadership support for quality.

We use standard quality metrics to monitor our **Quality Performance** through leading and lagging indicators and to drive continuous improvement efforts as part of the KBR **Defect-Free Delivery** philosophy.

The Quality Performance Rating (QPR) is a numerical value calculated using a weighted average to generate an overall QPR for any given project, region, business unit or organization as a whole and helps management understand our progress in the journey towards Defect-Free Delivery.

QPR is calculated using the same formula we use to calculate the Total Recordable Incident Rate (TRIR) as defined by OSHA, with an applied weighting based on potential risk to construction efficiency. Just as with the TRIR, the lower the value the better the result.

$$\text{Metric Value} \times 200,000 / \text{Total Work hours} \times \text{Risk Weighting}$$

This initiative has been hugely successful as borne out by the following results over the past three years:

Other procedures regarding our Assurance and Control of Product and Services include:

- Quality manual
- Construction Quality Control procedures
- Safety Engineering manuals and procedures
- Risk Management policy and procedures
- Commercial procedures.

Yearly Quality Performance Rating (QPR)



Figure 4.7

Yearly Quality Metric Trends

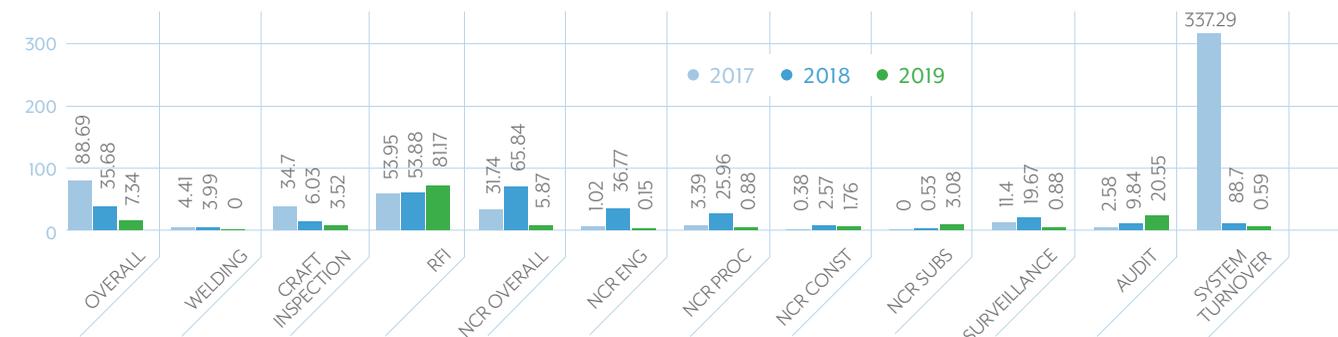


Figure 4.6

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An Inclusive and Diverse Workforce

At KBR, we are passionate about our people, sustainability and our Zero Harm culture. These inform all we do and are at the heart of our commitment to and ongoing journey toward being a more inclusive and diverse company.

In 2019, KBR's CEO set forth an action plan to organize an Inclusion and Diversity (I&D) Council, designed to work with the Global Sustainability Committee to advocate for changes and promote opportunities that will advance our journey toward being a more inclusive company.

KBR's I&D team leader, appointed by the CEO, organized the I&D Council in Q1 of 2020. These individuals represent a cross section the organization, spanning geography, business units and functional areas, as well as representing the ethnic, gender and age diversity of the communities in which we operate. The I&D Council was established to review, assess and ultimately champion new initiatives that support KBR's inclusion and diversity journey, globally, and to do so in a way that focuses on our people and enhances our company's team of team's culture.

Inclusion, Diversity and Equity

Inclusion is the center of our Inclusion, Diversity and Equity efforts at KBR. We value all of our employees for who they are. Their ideas and unique perspectives make us better and stronger. KBR's commitment to inclusion fuels our passion and inspires our confidence to tackle any problem, deliver the most complex projects, and support the most difficult missions. We are all responsible for our inclusive culture, together.

We also respect and value the diversity of our people. We recognize that the cultures, ethnicities, religious backgrounds and gender identities that make us who we are

as individuals also make us a better, more socially sustainable company. When promoted with our culture of inclusion, our diversity enhances innovation, improves decision-making and strengthens our company.

At KBR, we believe our individual differences and perspectives bring value to our teams and help us develop solutions for the most challenging problems. We understand that by embracing those differences and working together, we are more innovative, more resilient and safer.

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Employee Resource Groups

Led by employees with support from KBR, our employee resource groups (ERGs) provide outlets for employees to network and build relationships, while also creating opportunities for professional development and social activism. These shared communities allow employees to make connections and participate in social engagement in a way that creates equal opportunity for everyone to thrive. Here are some examples:



ASPIRE is an employee-driven resource group committed to the development of women and the promotion of gender diversity at KBR. ASPIRE is dedicated to building a culture of inclusion and respect in the belief that equity enhances team performance and makes KBR a better, more efficient business. All employees are welcome and encouraged to join regardless of gender.

- 8 chapters
- 5 countries
- Initial focus on women in leadership



IMPACT is an employee-led organization that serves as the launching point for developing young professionals within KBR. Through professional development, networking, community outreach, and career and personal enrichment, IMPACT seeks to motivate, retain and develop our members, and transform them into future leaders at KBR.

- 13 chapters
- 6 countries
- Focus on early career professionals



OK NoW was created in 2019 in the U.K. and advocates building resilience and promoting education around self-care and well-being. The group tackles difficult conversations and works to shift the culture around mental health through various informational sessions. OK NoW also advocated for a Well-being Ambassador program to be established in the U.K., which is set to launch in 2020, along with the planned rollout of OK NoW chapters across all regions and business units.

- 1 chapter
- Focus on mental health and Well-being



Pride and Allies is an employee-led group whose mission is to support the LGBTQIA+ community and help to educate its allies. Valuing and treating human beings equally and equitably, regardless of sexual orientation or gender identify, are rightfully becoming the norm for prospective, new and existing employees, and for our customers. Pride and Allies was founded on the belief that businesses are more successful and employees more productive when those employees can be themselves. The group is for everyone, no matter their sexual orientation.

- 1 chapter
- Focus on LGBTQIA+ communities

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I&D By the Numbers

As part of our Inclusion, Diversity and Equity efforts, we are committed to reviewing and communicating our employee metrics to inform and advance our corporate goals. We have recently implemented a new human capital management system, which has allowed us to understand and report on our global workforce in a way that we have not been able to do previously. The results are shown in the below charts and tables and demonstrate that we have work to do. However, KBR is committed to continual improvement for our employees, for our customers and for our other stakeholders. Using this data, we have put an action plan in place to outline the ways in which we will achieve our goals as we continue on our I&D journey.

★ 2019 ★

DIVERSITY AWARDS

KBR RACE EQUALITY AWARD

Awarded by Royal Academy of Engineering for supporting the RAE Graduate Engineering Program

Eniola Fujamade

WISE ONE TO WATCH AWARD

Awarded by the WISE Campaign for her work in promoting diversity and inclusion in the STEM community

Stephanie Trevino

DIVERSITYFIRST LEADERSHIP AWARD

Awarded by the Texas Diversity Council

Looking Forward

KBR's Chief People Officer, in cooperation with the I&D Council, has implemented an action plan to report, assess, monitor and evaluate progress on specific operating practices. As part of our commitment to Inclusion, Diversity and Equity, KBR will continually reevaluate our practices and learn from our action plans and efforts. Our focus is our people. Our goal and expectation are that all employees feel that they are part of the KBR team and that we can achieve this by providing equality across all underrepresented groups. KBR's action items set forth in 2020 are:

GENDER REPRESENTATION

FEMALE	MALE	
25%	75%	BOARD OF DIRECTORS
23%	77%	KBR
9%	91%	EXECUTIVE LEADERSHIP TEAM

AGE REPRESENTATION

UNDER 30	30-50	OVER 50	
- %	- %	100%	BOARD OF DIRECTORS
10%	51%	39%	KBR
- %	9%	91%	EXECUTIVE LEADERSHIP TEAM

*Excludes new hires that have not been onboarded

Figure 4.9



HIRING



REWARDING



DEVELOPING



ENGAGING



REINFORCING

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We proactively manage talent and succession for leadership and mission-critical roles, offer development opportunities to all our people, and support them with ongoing feedback and coaching. Our future success is ensured by the quality and depth of our leadership and technical and functional talent. Our talent cycle is founded on assessments of performance and potential and robust talent calibration, viewed through the lens of business-critical talent pools. Our leadership talent pools are nurtured and challenged through structured global programs, which enable development of capabilities required at critical career stages. These include opportunities for first-time managers, frontline managers, high-potential leaders and executives.

Training and Development

KBR is committed to investing in its people and creating environments where employees **thrive** and successfully **progress their careers**, while adding competence and capability to the team to accomplish business goals. All employees have access to a multitude of developmental programs to increase their skills, broaden their experience and enhance their future career opportunities.

Our commitment to people development and learning goes beyond simple regulatory compliance and includes leadership, management, interpersonal skills, communication skills and technical learning opportunities.

We manage our global training and education through an integrated set of management practices, policies and procedures; an enterprise-wide learning management system (LMS); an enterprise Talent Development Centre of Excellence (COE); and as-needed actions and programs. We also use a globally recognized **ADDIE** (Analysis, Design, Development, Implementation and Evaluation) model for training needs assessment, development and delivery.

Training and learning interventions deployed by KBR are systemic and are used to proactively reach a defined audience. Topics such as safety, environmental protection, information security and our Code of Business Conduct are intentionally directed

toward a broad audience across the organization. They are compulsory and monitored via our LMS. These training programs apply to all employees of KBR, its subsidiaries or affiliated companies worldwide.

Other training and education initiatives may be ad hoc, or responsive to a particular business need. Ad hoc or responsive training may be shorter term in focus. However, we believe training should promote a longer-term perspective towards deeper leadership and management skills development to improve operational performance and employee experience.

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MANAGEMENT APPROACH

KBR training and education is covered by our global **Talent Management Policy**, which is approved by the Executive Vice President, Chief People Officer.

The Talent Management Policy sets out the following commitments:

- KBR is committed to the continued development of its employees and believes the employee and the company have a shared responsibility for career and individual development. KBR recognizes the need for employees to acquire additional skills, knowledge and experience to meet the short-term needs of the job, as well as the longer-term needs of the individual and the company to further their careers within KBR.
- We provide guidelines and procedures to enable KBR’s leaders to consistently model and communicate the KBR Way for developing employees, inclusive of identifying and aligning talented employees with the needs of the organization.
- Guidelines for managers and employees to work together to plan, monitor, and review an employee’s work objectives

and overall contribution to the organization are provided. Using a continuous process of setting objectives, assessing progress, and providing on-going coaching and feedback, to ensure that employees are meeting their performance objectives and career goals.

- Employees have equal access to developmental programs to increase their skills, broaden their experience and enhance their future career opportunities.
- Employee development is covered by a **Business and Management Training** procedure, which covers all employees and provides guidelines for:
 - Internally delivered courses
 - Company-funded training
 - eLearning and self-development
 - Educational assistance
 - Educational leaves of absence

This training procedure lays out manager and employee roles and responsibilities, as well as record-keeping requirements.

Responsibilities for Training and Development

Managers play a vital role across the annual goals-to-performance process, understanding learning and development needs and helping employees find appropriate resources. KBR’s business units and monitoring maintain responsibility for budgeting for employee development each year.

Training and education is prioritized by business owners and supported by the Talent Development Center of Excellence for development and launch. Content and learning methods are developed through business reviews and environmental scans to reduce harm, improve skills and abilities, and to create a culture of inclusion, engagement and accomplishment.

Human Resources leaders and representatives in the business units maintain an active partnership with leadership to understand training and education needs and to shape programs and approaches. The corporate Talent Development group supports global leadership programs, learning interventions, the learning management system, and talent and performance management processes within the HRIS system. The corporate Talent group also partners with business units and HR leadership to meet defined needs.

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Resources

KBR training and education is enhanced by robust resources:

- Global learning management system (LMS)
- Library of over **46,000** learning modules, expert videos, eBooks and support tools, available to every employee
- A Talent Development group dedicated to delivering leadership development, management skills, eLearning modules, and talent and performance processes for all KBR employees
- Human Resources business partners and learning administrators across business units focused on meeting specific training and education needs

Learning Programs Designed to Augment Employee Skills

- Global Leadership Development Program (GLDP) – The yearlong GLDP consists of an intensive live executive assessment simulation; week-long classroom sessions on strategy, people development, inclusion and diversity, and communication; and a strategic business project and presentation to the KBR Executive Leadership Team.
 - Targets top candidate assessment and development for future executive leadership.

- The 2019-2020 class consisted of 18 senior, high-potential leaders from across our business units and functional groups.
- To date, the program has over 50 alumni and current students.
- Manager Excellence Program (MEP) – The MEP is a year in duration and consists of an online leadership assessment simulation and a week-long classroom session on operational execution, coaching performance, inclusion and diversity, and communication.
 - Targets emerging high-potential leaders with eight or more years’ experience.
 - The 2019 program included three cadres for a total of 55 participants. Students represented all business units and functional groups globally.
 - The capstone session challenges students with a business problem simulation and team presentations.
- Leadership Strategies – The is a development program for our domestic Government Solutions business.
 - Includes a week-long classroom session targeting top managers across the business unit.
 - 60 leaders participated in 2019.

Performance Management

KBR’s Performance Management process links our business strategy and goals to the performance of our employees. The process is governed by the Talent Management Policy, guided by a Performance Management procedure, and includes goal alignment, performance coaching, feedback and development.

The annual performance process is designed to ensure that KBR employees’ performance and development goals are clearly defined and discussed and effectively and fairly managed. This is accomplished through regular one-to-one meetings between managers and employees, interim reviews, and annual performance assessment reviews.

The annual Performance Management cycle involves three key activities:

1. Employee goal setting
2. Quarter conversations
3. Annual performance review

This procedure applies to all employees of KBR, its subsidiaries or affiliated companies worldwide. In 2019, that population was 16,400 employees across the globe.

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One Ocean: Developing a Talent Pipeline

KBR One Ocean is the bedrock of our sustainability commitment. The program is a global collaboration between KBR employees, local schools, youth, and environmental networks and international environmental organizations. It was designed to develop professional skills and core competencies in KBR's new talent while also inspiring and attracting young students to careers in engineering and technology, thus creating a robust **talent pipeline**.

Developed to be accessed online, the One Ocean platform provides instructors a flexible modular environmental and sustainability syllabus. With assistance from KBR employees, instructors can access detailed lesson plans, handouts and resources for students. Courses can be customized to suit the needs of the school or organization, and the materials can be used to facilitate online or in-person delivery.

In addition to the curriculum, KBR employees share industry expertise and knowledge to **mentor** young people and to encourage them to investigate and develop creative and practical solutions to environmental issues affecting the ocean and climate. Topics discussed include **design thinking** and **systems thinking, circular economy** and **biomimicry** principles, and other innovative and sustainable approaches.

The One Ocean syllabus has been designed with the dual purpose of providing internal training workshops for KBR employees in sustainable engineering concepts and **bridging the gap between**

education and industry Our aim is to inspire young people from **diverse backgrounds** to opt for STEAM (science, technology, engineering, the arts and mathematics) subjects that could lead to a career in engineering, thereby developing an **inclusive and diverse talent pipeline**.

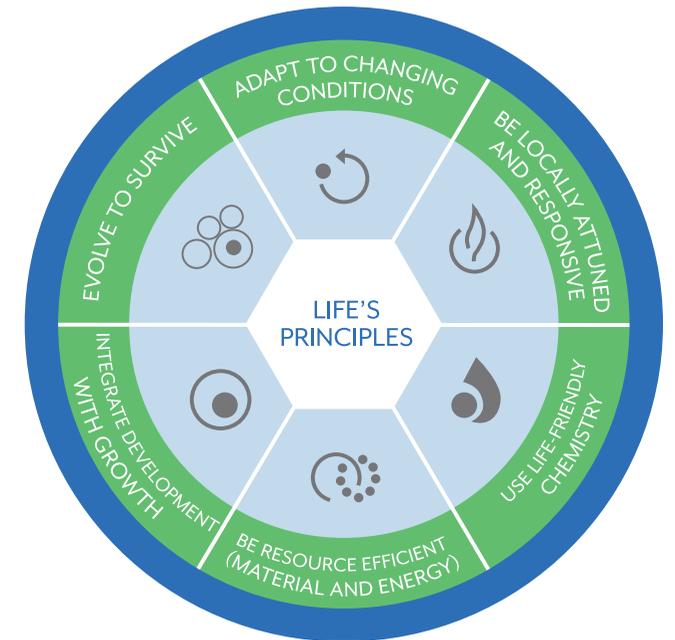


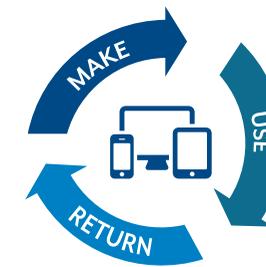
Figure 4.10

Circular Economy

Energy From Renewable Sources



Biological Materials



Technical Materials

Courses are designed to help cultivate 21st-century core competencies and transferable skills, such as problem-solving, scientific literacy and reasoning, leadership and team-working, collaboration, analytical and critical thinking, global and social awareness, social responsibility, communication, and creativity – all of which will prepare students and our graduates for the future of work.

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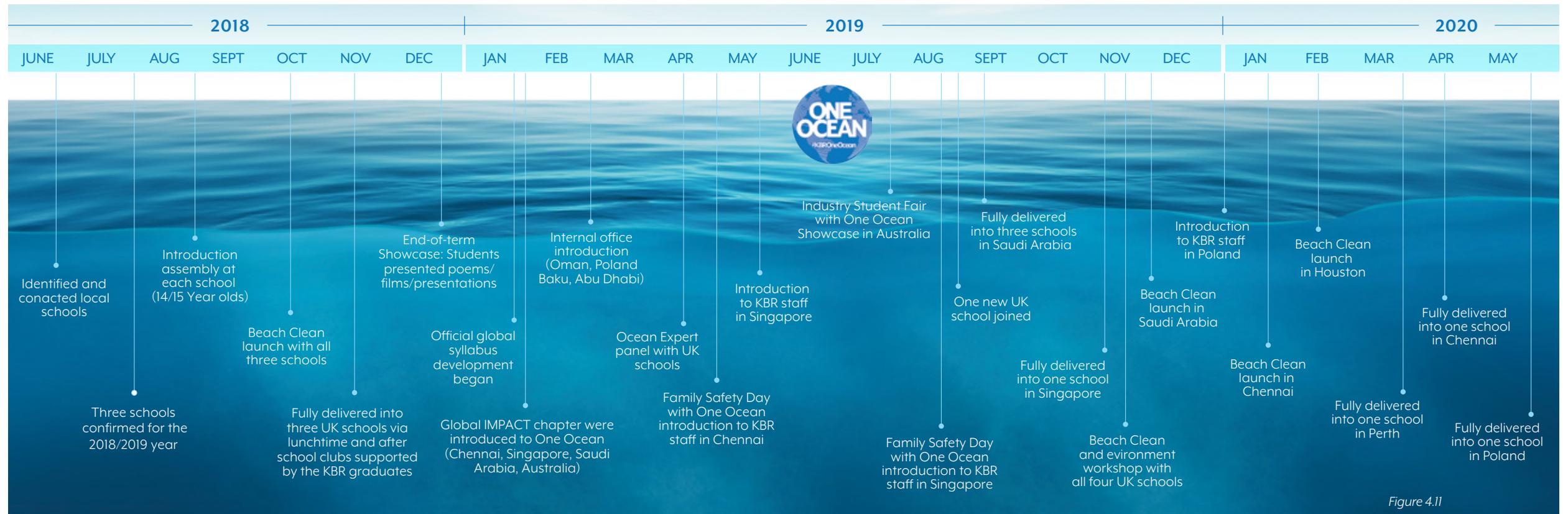


Figure 4.11

In 2019, we launched One Ocean in 10 schools in six countries around the world, reaching 1,000 students. We are currently in discussions to open five more schools, including in Australia, Oman, Abu Dhabi and China.

UK	SINGAPORE	CHENNAI	SAUDI ARABIA	HOUSTON	POLAND	OTHER REGIONS
4 schools	1 school	1 school	3 schools	50 students engaged for first session to launch program	1 school	In discussion with schools in Australia, Abu Dhabi and Oman. Due to launch in the new school term with the online platform
60 students	One team APAC syllabus and enhanced lesson plans	One year syllabus	75 students	Partnered with Galveston Bay Foundation	Modules from one year syllabus taught across 500 students at technical college	
One year syllabus with enhanced lesson plans Pool of 41 KBR engineers on a weekly rota.	KBR engineers present monthly for presentations / lab sessions	Launched 6 th October with beach clean and family day	Customised 10 week syllabus	Modules of syllabus shared	Translated materials into Polish	Delaware, Raleigh, Maryland and Alabama are in the process of recruiting schools for the new US school year
Launched 4 th October 2019 with beach clean	Launched 12 th of October 2019 with beach clean	2 more schools in discussions to on-board	Launched 23 rd November 2019	Launched 21 st November with beach clean	Initial launch 2 nd December 2019 with school assembly	
			Translated materials into Arabic	Schools to start September 2020	Beach clean on start of full one year syllabus in April. (delayed to September)	

Figure 4.12



Prosperity

The best way to predict
the future is to create it.

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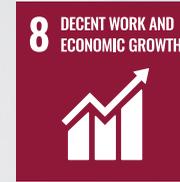
Prosperity

In line with the UN's Agenda for Sustainable Development on Prosperity:

“We are determined to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.”

Transforming our world: the 2030 Agenda for Sustainable Development, 2015.

At KBR, we believe it is our responsibility to be a positive force for change in the world. We have a duty not only to safeguard the environment, but also to create social value and contribute to the economic prosperity of the communities where we live and work.



Our Social Value Program

In 2019, KBR, for the first time, evaluated its U.K.-based projects, calculating the social return on investment and economic impact to fully understand the social value (social, environmental and economic impact) that we have created. Using this baseline, we can understand what progress is being made in all areas, on all U.K.-based projects, through regular measurement, reporting, review and objective setting.

As a part of our evolving Social Value Plan, KBR is committed to adopting the right systems to both support the project life cycle, and also to forecast, deliver, monitor and evaluate all social value initiatives and activities across all projects. KBR partnered with Social Profit Calculator, whose database includes a set of standardized impact measures for deadweight, attribution and displacement to avoid over-claiming the values created in delivering project key performance indicators (KPIs).



Our Achievements

Across 14 U.K.-based projects in 2019, an SROI of **£92,702,989** was achieved through the delivery of a comprehensive range of KPI targets covering many aspects of social value.

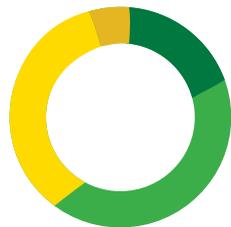


Figure 5.1

	Fiscal Savings	£19,431,284
	Economic Benefits	£32,118,579
	Wellbeing Improvements	£38,689,153
	Environmental Benefits	£2,463,973

SROI of **£92,702,989**

Additionally, the total economic impact created over the same period was calculated at **£522,932,687**, achieved by investing in local supply chains and creating local employment opportunities.

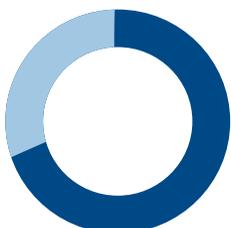


Figure 5.2

	Location	UK
	Local Multiplier 3	£347,789,748
	Gross Value Added	£175,142,939

Total Economic Impact **£522,932,687**

U.K. Projects

Having measured the social impact across 14 U.K.-based projects in our Government Solutions business, KBR is now further analyzing data to create project plans, set objectives, and share best practices for delivering improved outcomes.

The combined SROI and economic value gave KBR an overall total Social Value Ratio of £1.95, meaning for every £1 income there is a £1.95 return on investment. This means that with a total project turnover of £316,469,226, a total social value of **£615,635,676** was achieved in 2019 through KBR's U.K.-based projects alone.

	Value / Turnover	£316,469,226
	Total Social Value	£615,635,676

Social Value Ratio **£1 : £1.95**

Figure 5.3

Allenby Connaught Project

APPROACH

Our project team has significantly improved and expanded our services and reduced the environmental impact of waste produced at project facilities. Initially, recycling rates were around 10%, with the remaining 90% going to landfill. Our challenge in supporting the Army Units so they could meet environmental targets was delivering waste management solutions focused on the diversion of waste from landfills by utilizing alternative technologies. Engaging with the right waste contractor to provide the vision was essential to accomplishing our zero-to-landfill goal.

OUTCOMES

1. OUR PROJECT TEAM IDENTIFIED THE FOLLOWING ALTERNATIVE RECOVERY OPTIONS AT THE PROJECT:

- Mixed waste is taken to a facility, where it is burned to produce electricity for the national grid. The small quantity of residual ash is used as an additive in building products
- Food waste is collected separately and is 100% recycled at a facility using a process called anaerobic digestion, which turns food waste into renewable energy. The renewable energy produced is enough to service 4,000 homes in the local community. Additionally, the resulting slurry from the process is used as an organic fertilizer for farmers to use on crops.

2. ENVIRONMENTAL BENEFITS ACHIEVED INCLUDE:

- 53% of all waste has been recycled, with any unrecyclable residual waste being sent to the local EfW (Energy for Waste) facility, where it is burnt to produce electricity for the National Grid. Additionally, any residual ash has been used in building materials.
- To add to the great work in waste management, the project has achieved 338,000 m² of environment protection by creating a number of habitat hubs, including meadow grass, wildflowers, ponds and woodlands, which provide shelter and food for animals, particularly insects.
- A total of 375 trees and 675 saplings were planted by the KBR project team during the year. Factoring in 320 trees felled, the project produced a net figure of 730 and a carbon emission reduction on the previous year of 21,950 TCO₂.

Aspire Defence Services Limited

HIGHLIGHTS

SROI	£43,122,834
Economic Impact	£197,806,443
Operational Asset Value (Over 25 years)	£1,263,193,488

Aspire Defence Services Limited (ADSL) has many years' experience providing award-winning facilities and project management services. KBR, in partnership with ADSL, has developed an impressive skill base across a wide range of trades and services and developed a depth of expertise that enables our customer to receive the best possible service.

The services we deliver to the U.K. Ministry of Defence directly and through our supply chain include planned and reactive maintenance, 24/7 helpdesk, security, sports and leisure, administration, media and reprographics, transport, energy and utilities, grounds maintenance, locksmiths, pest control, waste and recycling, cleaning, window cleaning, and catering.

OBJECTIVES AND APPROACH

ADSL wanted to reduce environmental impact of waste produced from project facilities, with a vision of accomplishing a zero-to-landfill goal. Initially, recycling rates were around 10% with the remaining 90% going to landfill. The results after program implementation: 53% of all waste has been recycled, with any unrecyclable residual waste being sent to the local EfW (Energy for Waste) facility, where it is burnt to produce electricity for the National Grid. Additionally, any residual ash has been used in building materials.

IMPACT

ADSL has been able to hit most social value targets by prioritizing it at the beginning of projects:

- Social: Provided jobs, increased skill set of local communities, and created opportunities for growth through education in schools and apprenticeships.
- Economic: As evidenced by the SROI, there have been significant positive effects to the local community, and for the broader economy, from fiscal savings.
- Environment: Aside from waste management services, ASDL has been able to achieve 338,000 m² of environment protection, and environmental benefits are in the surplus of £2M.

By achieving a high social value return, ADSL has become more attractive as an asset for project bids and has served as a benchmark for all projects to follow.

Community and Social Vitality

Collectively, KBR makes a significant impact in local communities across our global footprint. Since 2007, KBR has contributed nearly **\$20 million** to benefit charitable causes around the world. This includes the more than **\$6 million raised** at our charity golf tournaments, held annually in Houston, which benefits local and national nonprofit organizations. By actively supporting our communities through corporate and employee giving and volunteering events, we hope to further contribute to meaningful social change.

KBR People: Making a Difference in Our Communities

- KBR employees in Gurgaon, India, **raised funds and donated clothing** items and school supplies for underprivileged children.
- Employees at KBR's Jacksonville, Florida, office provided Thanksgiving and Christmas meals for **more than 350 families** during the holiday season.
- The community relations committee in Jacksonville **raised more than \$7,000** to support members of the community in need.
- KBR employees in Houston, Texas, **donated thousands** of new, unwrapped toys to the Operation: Stocking Stuffer toy drive. The company also purchased **\$15,000 worth of toys** that were added to the collection.
- **KBR served as a sponsor** for the U.K. Metropolitan Police's annual Met Christmas Tree project.
- Employees in Clear Lake, Texas, prepared bags with personal care products, snacks, blankets and much more for the homeless, and also donated approximately **300 gallon-sized bags and 45 blankets** to **Star of Hope**.
- KBR's office in Raleigh, North Carolina, **collected bicycles and toys for local charity**, Healing Transitions
- KBRwyle employees **raised more than \$7,000** to buy Christmas presents for children at a local orphanage in Zary, Poland, a city close to where they work supporting the U.S. Army's Logistics Civil Augmentation (LOGCAP) IV Program.
- KBR Family Days incorporated the introduction of the **One Ocean program**. Around the world, employees, their families and students joined forces to clean beaches and waterways in their respective regions. Together, more **1,500 of us cleared hundred of tons of waste across our global footprint**.
- **KBR sponsored and participated** in the Victorian Indigenous Engineering Winter School (VIEWS) program, creating an environment where students can learn more about various engineering fields and gain an understanding of the opportunities they have in our industry.

Supporting Human Rights

As a global company, we impact economies and business growth in the communities where we operate, providing opportunities for disadvantaged businesses and local suppliers where appropriate. We respect and uphold the highest human rights standards and do not tolerate any form of discrimination, harassment or human rights violation.

We have over **97,000 suppliers in 170 countries**. KBR takes a risk-based approach in assessing human rights vulnerabilities in its supply chain. Certain subcontractors and lower-tier subcontractors in high-risk countries are the focus of enhanced due diligence efforts to mitigate risks regarding human rights abuses. Our human rights vulnerabilities are assessed at the board level and form part of our Enterprise Risk Management process.

The treatment of foreign, low-skilled employees working for KBR subcontractors in host countries is an area of focus and is addressed through our Trafficking in Persons (TIPS) and the Modern Slavery Act (MSA) programs.

See the **KBR and Ethics** section in the Governing with Purpose portion of this report for more information on how KBR promotes human rights, as well as subsequent policies and procedures for ensuring strict compliance among employees, subcontractors and suppliers.

Human Rights KBR Policies and Procedures

1. [Global Human Rights Policy](#)
2. [Trafficking in Persons Policy](#)
3. [U.K. Modern Slavery Act](#)
4. [COBC](#)
5. [Supplier Code of Conduct](#)
6. [Combatting Trafficking in Persons \(CTIPs\) Procedure](#)
7. [Supplier Performance Evaluation Procedures](#)
8. [Procurement Corrective Action Team Procedure](#)

OUR ACTIONS

- KBR acknowledges its corporate responsibility to respect human rights as delineated in the United Nations Guiding Principles on Business and Human Rights. KBR has adopted human rights as an element of its Governance pillar in its sustainability platform. KBR further recognizes that modern slavery is a heinous crime that affects communities and individuals across the globe.
- KBR has existing policies and procedures in relation to human rights that include acknowledgement of the principles contained in the United Nations Universal Declaration of Human Rights.
- KBR's Code of Business Conduct (COBC) recognizes promoting human rights as a corporate responsibility and expects all employees to adhere to the COBC. All employees are required to complete annual Ethics training, which also includes training regarding human trafficking. Additionally, a large portion

of the workforce is also required to complete separate TIPS training as mandated by the U.S. Government for defense contractors.

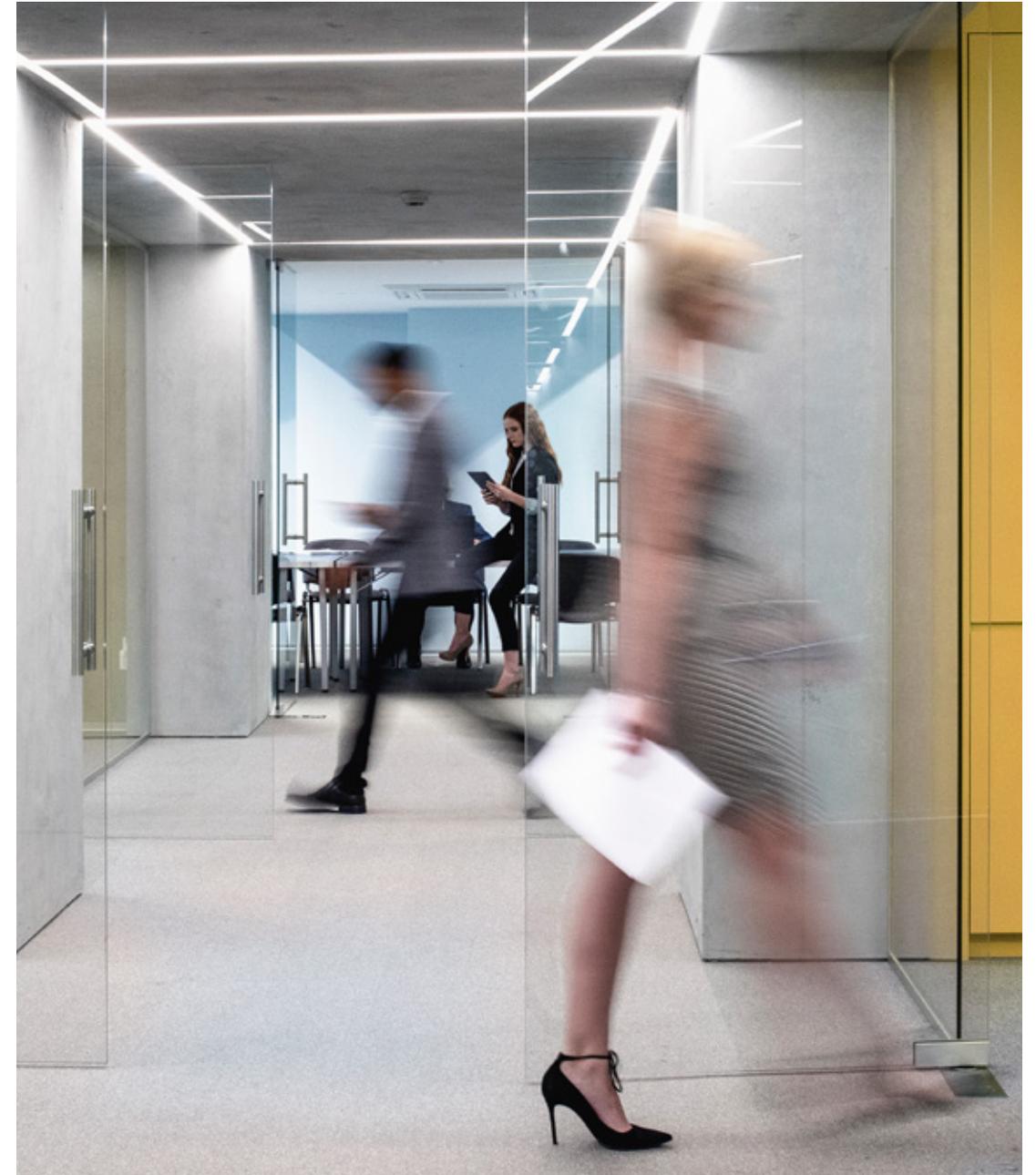
- KBR has established an Ethics Hotline, where employees and others can report COBC violations or human rights violations. KBR engages a third-party vendor to manage the Ethics Hotline, which provides additional assurances that reporters can maintain their anonymity when reporting suspected COBC violations.
- KBR's Legal Department (COBC) promptly and thoroughly investigates any report that may include indications of human rights abuses and contacts the appropriate authorities when appropriate. KBR has notified the U.S. Department of Defense-Inspector General concerning a fraud scheme where labor broker(s) recruited unwitting job applicants for fictitious defense contractor jobs with no involvement with KBR.

- KBR's Supplier Code of Conduct affirms that KBR has zero tolerance for child or forced labor and trafficking in persons and requires suppliers to adhere to these principles.
- KBR conducts TIPS/MSA audits/inspections of subcontractors that include interviews and surveys of subcontractor employees, housing inspections and prevailing wage reviews.
- KBR conducts restricted party screening on subcontractors and vendors to ensure KBR is doing business with entities that are not flagged for designated human rights abuses or other watchlists/sanctions.
- KBR conducts additional due diligence on certain business partners that include reviewing any derogatory information concerning human rights abuses.

Supply Chain Transparency and Human Rights – Our Approach

We require all suppliers and subcontractors to certify the KBR Supplier Code of Conduct.

1. High-risk subcontractors performing work in high-risk locations outside the U.S. are required to complete our supplier anti-corruption compliance questionnaire.
2. We screen new suppliers and subcontractors on their compliance with HSSE codes, ISO certifications and ethical practices through our prequalification questionnaire.
3. We monitor suppliers and subcontractors on an ongoing basis through performance evaluations, shop surveys and new supplier assessment procedures.
4. Our procurement corrective action team reviews all performance evaluations, inspection reports, shop surveys, watch lists and unapproved vendors and collaborates closely with our global master data team to prevent business with noncompliant business partners.
5. We have a Combating Trafficking in Persons (CTIPs) plan in place for every government site.
6. Prior to starting work, we perform a critical review of our subcontractors' CTIPs plan as part of our risk assessment process.
7. **Every three months, we conduct CTIPs audits and inspections. Our Quality Assurance function performs biannual assessments of our CTIPs program to ensure effectiveness.**



Rights of Indigenous Peoples

KBR has been operating in Australia for over 50 years. We acknowledge and give thanks to the custodians of that country and their continuing connection to land, culture and community, and we pay our respects to Elders past, present and future.

In 2019, KBR published its **Reconciliation Action Plan** (RAP) to provide a framework for realizing the vision of reconciliation with the Indigenous Peoples of Australia and Torres Strait Island. It provides a practical plan for action built around engagement, respect and opportunities. The plan sets out how KBR will develop relationships with Aboriginal and Torres Strait Islander stakeholders and explore specific actions and initiatives that we can implement. This process will help to create an environment that fosters changes that are meaningful, mutually beneficial and sustainable.

KBR's RAP story began in 2018. Senior leaders began a journey that has not only been personally transforming, but that will also be transformational for the company, our employees, our partners and our customers.

The RAP parallels the journey that KBR has taken place in the Zero Harm program. The success of that program has resulted in extraordinary safety record improvements, as each employee owns safety for themselves and their colleagues in the workplace, and for their loved ones at home and play.

KBR's vision for our Reflect RAP (and its successor Plans) is that Aboriginal and Torres Strait Islander engagement is an everyday part of our business, processes, systems, attitudes and behaviours. Just as Zero Harm has been a transformational success, our RAP will take our workforce on a journey of awareness, understanding, acceptance and opportunities.

Our desire to make a difference for Aboriginal and Torres Strait Islander peoples has already been demonstrated on several projects over the years. This work has included:

- Employing Aboriginal and Torres Strait Islander peoples on major infrastructure and engineering programs
- Providing training, mentoring and support to Aboriginal and Torres Strait Islander peoples to enhance retention and career progression



- Engaging with Traditional Custodians and **performing due diligence** to ensure that areas and items of sensitivity and significance are **protected and managed**
- Engaging Aboriginal businesses to provide contracted services and supplies
- Delivering employment opportunities through cadetships and recruitment specifically targeting Aboriginal and Torres Strait Islander employees.

Employment and Wealth Generation



Figure 5.4

Figure 5.5

Memberships and Associations

KBR's position as a thought leader in the fields in which we deliver has grown in recent years, thanks in no small part to the expertise of our people and enhanced and expanding advisory and consulting capability. One example is our position in global energy transition, particularly as it pertains to hydrogen. KBR is currently a member and leading voice in the following hydrogen-related industry groups.

- Australian Hydrogen Council (formerly HMA)
- Asia-Pacific Hydrogen Association (2020)
- Hydrogen and Fuel Cell Association of Singapore (2020)
- Japan's Green Ammonia Consortium
- Ammonia Energy Association

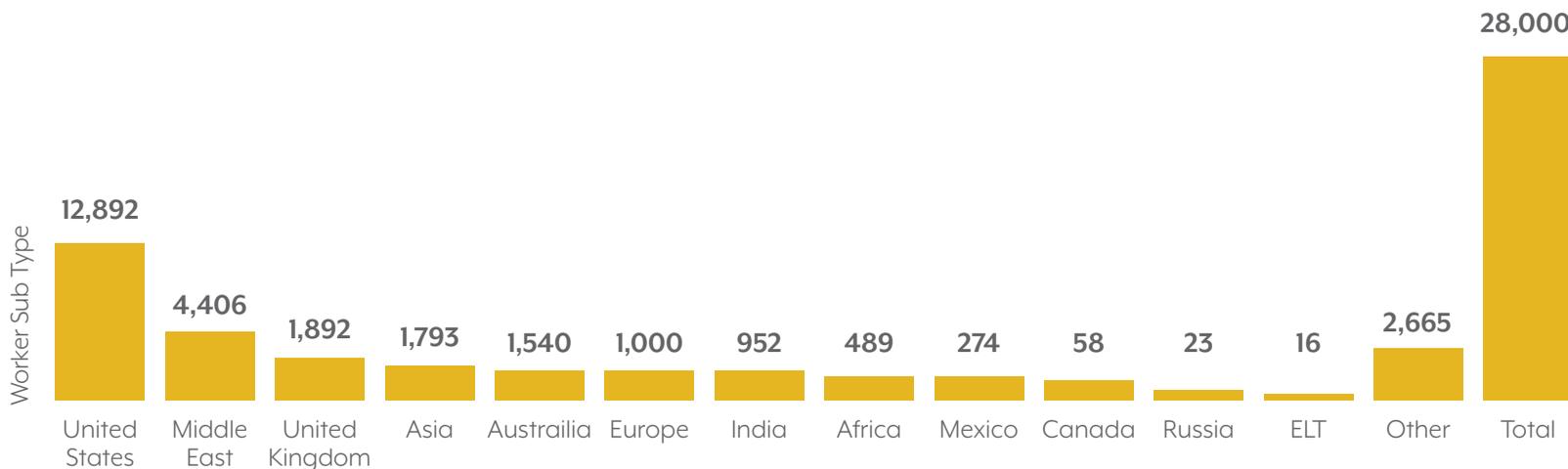


Figure 5.6

About this report

This report is a full, balanced and transparent representation of the Company's material topics covering environmental, social, and governance related impacts and how they are managed, using the frameworks provided by the Global Reporting Initiative Standards (GRI): Core Option; the Sustainability Accounting Standards Board (SASB) and the Taskforce on Climate Related Financial Disclosure (TCFD). As a member of the UN Global Compact this report also serves as our Communication on Progress (CoP) and our commitment to meet fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption.

Information presented in this Sustainability Report covers business activity in calendar year January 1, 2019 to December 31, 2019. The report encompasses all business units owned by KBR, Inc. globally including joint ventures. All data should be assumed to be global and as of December 31, 2019, unless otherwise noted. This report was published December 18, 2020.

Prepared under the direction of the Vice President of Public Law and KBR's Sustainability and Corporate Responsibility Board Committee, external assurance has been applied to our financial data as reported, which is certified in our 2018 Annual Report and Form 10-K and our Climate and Carbon data as verified by ClimatePartners.

For more information about our company, please visit our corporate website at: www.kbr.com. Additional information about KBR's operations, consolidated entities and financial performance is available in our 2019 Annual Report and Form 10-K, available for download at **kbr.com**.

KBR has reported annually since 2013 under the GRI G4 Core guidelines. The last report published was for the calendar year 2018. We intend to continue reporting on an annual basis.

If you have questions on this report please email us at **Investors@kbr.com**.



Appendix

Creativity is thinking up new things.
Innovation is doing new things.

Theodore Levitt

Global Reporting Index (GRI) Content Index and Sustainability Accounting Standards Board (SASB) Index

Governing with Purpose

TOPIC	GRI STANDARD	SASB CODE	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)
Organizational Profile	102-1		Name of the organization	KBR, Inc.
	102-2		Activities, brands, products, and services	About Us, page 12; Our Products and Services, page 13; Our Key Markets, page 13
	102-3		Location of headquarters	Houston, Texas
	102-4		Locations of operations	2019 Annual Report: Properties, page 26
	102-5		Ownership and legal form	KBR, Inc. (NYSE: KBR) is a publicly traded, incorporated company existing under the laws of the State of Delaware.
	102-6		Markets served	Our Key Markets, page 13; 2019 Annual Report, page 7
	102-7		Scale of the organization	2019 Annual Report, pages 7, 9, and 10
	102-8		Information on employees and other workers	Employment and Wealth Generation, page 84
	102-9		Supply chain	2019 Annual Report, page 10
	102-10		Significant changes to the organization and its supply chain	KBR had no significant changes in its supply chain in 2019.
	102-11		Precautionary Principle or Approach	Precautionary Approach, page 24
	102-12		External initiatives	KBR expressly supports the United Nations Declaration of Human Rights (UDHR), also known as the UN Human Rights Charter. We have committed to contribute to global progress and intend to use the United Nations Sustainable Development Goals (SDGs) to guide our efforts in future years. We are a member of the UN Global Compact.
	102-13		Membership of associations	Memberships and Associations, appendix
Strategy	102-14		Statement from senior decision-maker	A message from our CEO, page 4
	102-15		Key impacts, risks, and opportunities	2019 Annual Report: Risk Factors, pages 12-25
Ethics and Integrity	102-16		Values, principles, standards, and norms of behavior	Our Behaviors, Mission and Vision, page 26
	102-17		Mechanisms for advice and concerns about ethics	KBR and Ethics, page 28. Any violation of the law or the Code of Business Conduct can be reported either directly or anonymously through the confidential KBR Ethics Hotline and Reporting system at Ethics Point. The hotline is available 24 hours a day, 7 days a week. In addition, an investors' hotline is available to enable stockholders to call with concerns.

Governing with Purpose

Planet GRI 300: Environmental

People GRI 400: Social

Taskforce on Climate-related Financial Disclosure - 2019

TOPIC	GRI STANDARD	SASB COD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	
Governance	102-18		Governance structure	Sustainability and Corporate Responsibility Board Committee, page 16; Corporate Governance Structure of kbr.com	
	102-19		Delegating authority	2020 Proxy Statement: Governance Highlights, page 10	
	102-20		Executive-level responsibility for economic, environmental, and social topics	Governing with Purpose, page 15	
	102-21		Consulting stakeholders on economic, environmental, and social topics	Materiality, page 21; Stakeholder Inclusiveness, page 20; 2020 Proxy Statement: Stockholder Engagement, page 29	
	102-22		Composition of the highest governance body and its committees	Sustainability and Corporate Sustainability Board Committee, page 15-16; 2020 Proxy Statement, pages 16-26	
	102-23		Chair of the highest governance body	General Lester L. Lyles, USAF (Ret.), Chairman of the Board	
	102-24		Nominating and selecting the highest governance body	Sustainability and Corporate Responsibility Board Committee, pages 15-16; 2020 Proxy Statement, pages 17-18 and 82-84	
	102-25		Conflicts of interest	2020 Proxy Statement: Director Qualifications, page 18	
	102-26		Role of highest governance body in setting purpose, values, and strategy	Governing with Purpose, page 15	
	102-27		Collective knowledge of highest governance body	2020 Proxy Statement, pages 16 and 19-23	
	102-28		Evaluating the highest governance body's performance	2020 Proxy Statement	
	102-29		Identifying and managing economic, environmental, and social impacts	Materiality, pages 22	
	102-30		Effectiveness of risk management processes	2019 Annual Report: Risk Factors, pages 12-25	
	102-31		Review of economic, environmental, and social topics	Governing with Purpose, page 16 and Risks and Opportunity Oversight, page 31	
	102-32		Highest governance body's role in sustainability reporting	Governing with Purpose, page 16	
	102-33		Communicating critical concerns	Governing with Purpose, page 16	
	102-34		Nature and total number of critical concerns	2019 Annual Report: pages 110-113	
	102-35		Remuneration policies	2020 Proxy Statement, pages 41-44	
	Stakeholder Engagement	102-36		Process for determining remuneration	2020 Proxy Statement, pages 41-44
		102-37		Stakeholders' involvement in remuneration	2020 Proxy Statement, page 44
102-38			Annual total compensation ratio	2020 Proxy Statement, pages 70-71	
102-39			Percentage increase in annual total compensation ratio	2020 Proxy Statement	
102-40			List of stakeholder groups	Materiality, page 22-23; Stakeholder Inclusiveness, page 20; 2020 Proxy Statement: Stockholder Engagement, page 29	
	102-41		Collective bargaining agreements	As of December 31, 2019, we had approximately 28,000 employees world-wide, (excluding joint ventures), of which approximately 6% were covered by collective bargaining agreements.	

Governing with Purpose

Planet GRI 300: Environmental

People GRI 400: Social

Taskforce on Climate-related Financial Disclosure - 2019

TOPIC	GRI STANDARD	SASB COD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)
Stakeholder Engagement	102-42		Identifying and selecting stakeholders	Stakeholder Inclusiveness, page 20-21
	102-43		Approach to stakeholder engagement	Stakeholder Inclusiveness, page 20-21
	102-44		Key topics and concerns raised	Stakeholder Inclusiveness, page 22
Reporting Practice	102-45		Entities included in the consolidated financial statements	2019 Annual Report
	102-46		Defining report content and topic Boundaries	Materiality, page 22-23
	102-47		List of material topics	Materiality, page 22
	102-48		Restatements of information	None after we restated our 2013 Annual Report and Form 10-K in 2014
	102-49		Changes in reporting	In 2014, 2015 and 2016, KBR reported using General Reporting Initiative (GRI) Generation 4 Core guidelines. In 2017, 2018 and 2019, KBR used the GRI™ Core Option.
	102-50		Reporting period	January 1, 2019 to December 31, 2019
	102-51		Date of most recent report	2018
	102-52		Reporting cycle	Annual
Management Approach	102-53		Contact point for questions regarding the report	If you have questions on this report, please email us at Investors@kbr.com
	102-54		Claims of reporting in accordance with the GRI Standards	GRI™ Core Option
	102-55		GRI content index	Indexing, page 87
	102-56		External assurance	The Managing Our Carbon Footprint section of this report and The financial data cited in our 2019 Annual Report and Form 10-K were third party verified.
	103-1		Explanation of the material topic and its boundary	Materiality, page 22-23 and About this Report, page 85
	103-2		The management approach and its components	See the Management Approach write up in each Material Topic Section.
	103-3		Evaluation of the management approach	Our Integrated Management System (IMS) requires a review and evaluation of all KBR policies, procedures, manuals and guidelines at least annually by the Executive Leadership Team. Page 34.
	201-1		Direct economic value generated and distributed	2019 Employment and Wealth Generation, Page 84
	201-3		Defined benefit plan obligations and other retirement plans	KBR's 2019 Annual Report and Form 10-K .
	202-2		Ratios of standard entry level wage by gender compared to local minimum wage	All employees are paid at least the legally required minimum wage.
202-4		Financial assistance received from government	We received no government financial assistance during the period of this report.	

Governing with Purpose

Planet GRI 300: Environmental

People GRI 400: Social

Taskforce on Climate-related Financial Disclosure - 2019

TOPIC	GRI STANDARD	SASB COD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)
Economic	203-1		Infrastructure investments and services supported	2019 Annual Report
	204-1		Proportion of spending on local suppliers	2019 Annual Report: page 10
	205-1	IF-EN-510a.3	Operations assessed for risks related to corruption	Global Risk Assessment conducted through ERM Page 29 KBR & Ethics section Page 28
	205-2	IF-EN-510a.3	Communication and training about anti-corruption policies and procedures	KBR and Ethics section Page 28-29
	205-3	IF-EN-510a.3	Confirmed incidents of corruption and actions taken	2019 Annual Report: page 110-113
		IF-EN-410b.1	Amount of backlog for (1) hydrocarbon related projects and (2) renewable energy projects	2019 Annual Report: page 43
		IF-EN-410b.2	Amount of backlog cancellations associated with hydrocarbon-related projects Quantitative Reporting	2019 Annual Report: page 43
		IF-EN-410b.3	Amount of backlog for non-energy projects associated with climate change mitigation Quantitative Reporting	2019 Annual Report: page 43
		IF-EN-510a.2	1. Number of active projects and 2. backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	We did not conduct any projects, nor did we have any backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perceptions Index
		F-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	2019 Annual Report: page 110-113
	IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	Governing with Purpose – KBR and Ethics Page 27-28 KBR Code of Business Conduct (COBC) (2) COBC	

Governing with Purpose

Planet GRI 300: Environmental

People GRI 400: Social

Taskforce on Climate-related Financial Disclosure - 2019

Planet GRI 300: Environmental

TOPIC	GRI STANDARD	SASB CODE	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)																																				
Environmental	GRI 301:		Materials	Planet – Our Environmental Strategy page 35																																				
	GRI 302:1	IF-EN-160a.2	Energy consumption within the organization	Planet – Managing Our Carbon Footprint page 48 <table border="1"> <thead> <tr> <th>Emission source</th> <th>Emissions [t CO₂e]</th> <th>Share, %</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>4,324.3</td> <td>3.77</td> </tr> <tr> <td>Heating</td> <td>3,134.2</td> <td>2.73</td> </tr> <tr> <td>Cooling</td> <td>389.4</td> <td>0.34</td> </tr> <tr> <td>Vehicles</td> <td>800.7</td> <td>0.70</td> </tr> <tr> <td>Scope 2</td> <td>34,577.9</td> <td>30.14</td> </tr> <tr> <td>Electricity</td> <td>34,577.9</td> <td>30.14</td> </tr> <tr> <td>Scope 3</td> <td>75,812.4</td> <td>66.09</td> </tr> <tr> <td>Air travel</td> <td>75,794.3</td> <td>66.07</td> </tr> <tr> <td>Train travel</td> <td>18.1</td> <td>0.02</td> </tr> <tr> <td>Total</td> <td>114,714.60</td> <td>100.00</td> </tr> <tr> <td>Total Incl. 20% safety margin</td> <td>137,657.52</td> <td></td> </tr> </tbody> </table>	Emission source	Emissions [t CO ₂ e]	Share, %	Scope 1	4,324.3	3.77	Heating	3,134.2	2.73	Cooling	389.4	0.34	Vehicles	800.7	0.70	Scope 2	34,577.9	30.14	Electricity	34,577.9	30.14	Scope 3	75,812.4	66.09	Air travel	75,794.3	66.07	Train travel	18.1	0.02	Total	114,714.60	100.00	Total Incl. 20% safety margin	137,657.52	
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GRI 302:3	IF-EN-160a.2	Energy intensity	Planet – Managing Our Carbon Footprint Page 48																																					
GRI 302:4	IF-EN-160a.2	Reduction of energy consumption	Planet – Managing Our Carbon Footprint page 48																																					
GRI 303	IF-EN-160a.2	Water and Effluents	Planet – Our Environmental Strategy page 35																																					
GRI 304:	IF-EN-160a.2	Biodiversity	Planet – Our Environmental Strategy page 35																																					
GRI 305:	IF-EN-160a.2	Emissions	Planet – Our Environmental Strategy page 35																																					
GRI 306:	IF-EN-160a.2	Waste	Planet – Our Environmental Strategy page 35																																					
GRI 307:	IF-EN-160a.1	Environmental Compliance	Planet – Our Environmental Strategy Page 35 There were no reported environmental fines over the period of this report																																					
GRI 308:		Supplier Environmental Assessment	Supporting Human Rights – Human Rights policies and procedures - Supplier Code of Conduct Page 81																																					
	IF-EN-250a.1	Structural Integrity & Safety	There were no defect- and safety-related rework costs during the period of this report																																					
	IF-EN-250a.2	Structural Integrity & Safety	There were no monetary losses as a result of legal proceedings associated with defect- and safety-related incidents. 2019 Annual Report: page 110-113																																					

Governing with Purpose

Planet GRI 300: Environmental

People GRI 400: Social

Taskforce on Climate-related Financial Disclosure - 2019

People GRI 400: Social

TOPIC	GRI STANDARD	SASB CODE	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)
Organizational Profile	GRI 401-1		Employment	Prosperity - Employment and wealth generation – total number of employees 28,000
	GRI 401-2		Benefits	Building our Reputation as a Great Place to Work – Benefits page 52
	GRI 401-3		Parental leave	Building our Reputation as a Great Place to Work – Benefits page 52
	GRI 402		Labor/Management Relations	Hires - 7,942 Voluntary turnover - 3,829 Turnover -15%
	GRI 403-1	IF-EN-320a.1	Occupational Health and Safety management system	Committing to the Safety of Our People – Zero Harm Page 53-54 and page 59
	GRI 403-2		Risk assessment and incident investigation	Committing to the Safety of Our People – Zero Harm Page 53-54 and page 59
	GRI 403-3		Occupational health and safety	Committing to the Safety of Our People – Zero Harm Page 53-54 and page 59
	GRI 403-4		Worker participation, consultation and communication	Committing to the Safety of Our People - Courage to Care Conversations – page 54 KBR Listens, Zero Harm
	GRI 403-5		Worker Training on OHS	Committing to the Safety of Our People Page 53-54 and HSERS page 59
	GRI 403-6		Promotion of worker health	WorkPlace Options our corporate EAP, Zero Harm, Mental Health and Well-being page 55
	GRI 403-7		Prevention from hazards – business relationships	Committing to the Safety of Our People, Zero Harm and Security page 54
	GRI 403-9		Work-related Injuries	Health, Safety and Security by the Numbers page 56
	GRI 403-10		Ill-health	Health, Safety and Security by the Numbers page 56
	GRI 404-2		Training and Education, Programs for upskilling and progression	People, Capitalizing on Capability page 68-70
	GRI 405-1		Diversity and Equal Opportunity	Creating conditions for People to Flourish – An Inclusive and Diverse Workforce Page 67
	GRI 406		Non-discrimination	There were no legal incidents of discrimination during the reporting period.
	GRI 407		Freedom of Association and Collective Bargaining	KBR and Ethics section Page 28 COBC

Governing with Purpose

Planet GRI 300: Environmental

People GRI 400: Social

Taskforce on Climate-related Financial Disclosure - 2019

TOPIC	GRI STANDARD	SASB COD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)
Organizational Profile	GRI 408		Child Labor	Supporting Human Rights Page 81
	GRI 409		Forced or Compulsory Labor	Supporting Human Rights Page 81 KBR website
	GRI 411		Rights of Indigenous Peoples	Indigenous Peoples Page 83
	GRI 412		Human Rights Assessment	Supporting Human Rights Page 81
	GRI 412-2		Human Rights employee training	Supporting Human Rights Page 81
	GRI 413		Local Communities	Prosperity - Our Social Value Section Page 75-79
	GRI 414		Supplier Social Assessment	Prosperity – Supplier Information Page 82
	GRI 416		Customer Health and Safety 2	Quality and Safety Page 63-64
	GRI 418		Customer Privacy	Committing to the Safety of Our People Page 60 -62
GRI 419		Socioeconomic Compliance	There were no of incidents of dispute during the reporting period.	

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TCFD ELEMENT	DISCLOSURE	GUIDANCE	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)
GOVERNANCE	(A) Describe the board's oversight of climate-related risks and opportunities.	Processes and frequency by which the board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues.	<p>Our Board of Directors provides ultimate oversight over our approach to managing climate change risks and opportunities, via the Sustainability and Corporate Responsibility Committee as well as our full Board. Our Sustainability and Corporate Responsibility Committee meets typically two times per year. Climate change, including related issues such as carbon emissions regulation, fossil fuel demand, extreme weather, and reputational risks are regular topics of discussion. Our full Board at least annually holds a meeting on climate change related issues, with again topics like the business impacts of the energy transition a topic of discussion at every meeting.</p> <p>Our senior managers and executives brief the full Board annually regarding the results of our annual enterprise risk assessment, including risks related to climate change, and annually review our business continuity planning, which is affected by climate change-related issues, with the Audit Committee. Our senior managers and executives will also brief the Board and its committees, as applicable, throughout the year on an ad-hoc basis on issues directly and indirectly related to climate change.</p>	Page
		Whether the board and/or board committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures		See Sustainability Oversight
		How the board monitors and oversees progress against goals and targets for addressing climate-related issues		See Risks and Opportunities Oversight
	(B) Describe management's role in assessing and managing risks and opportunities	Whether the organization has assigned climate-related responsibilities to management-level positions or committees; and, if so, whether such management positions or committees report to the board or a committee of the board and whether those responsibilities include assessing and/or managing climate-related issue	<p>Our executive leadership regularly discuss the strategic risks and opportunities of issues such as products and services demand from shifts such to lower carbon energy sources and carbon emissions fees. Our Global Sustainability Committee has executive oversight of our approach to environmental matters, including climate and energy. The executive team regularly discusses product development, innovation, and product life cycle management, including the environmental impacts of current and future products. Our Global Sustainability Committee team maintains plans to address environmental matters and our Environmental Risk Management team will assess physical and business continuity risks from issues such as extreme weather.</p>	See Risks and Opportunities Oversight
		A description of the associated organizational structure(s)		
		Processes by which management is informed about climate-related issues		
		How management (through specific positions and/or management committees) monitors climate-related issues		

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STRATEGY	(A) Describe management's role in assessing and managing risks and opportunities	<p>A description of what they consider to be the relevant short-, medium-, and long-term time horizons, taking into consideration the useful life of the organization's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms</p> <p>A description of the specific climate-related issues for each time horizon (short, medium, and long term) that could have a material financial impact on the organization</p> <p>A description of the process(es) used to determine which risks and opportunities could have a material financial impact on the organization</p>	<p>Our executive leadership has identified climate-related risks that may affect us over the short-, medium and longer-term. The key risks include</p> <ul style="list-style-type: none"> • Demand risks: Our business is impacted by the degree and speed at which energy use transitions away from fossil fuels and the related engineering services we provide to the industry • Regulatory risks: Regulatory impacts on our clients, such as carbon taxes, may impact demand. • Physical risks: Extreme weather may impact our operations. We have taken actions to mitigate this including through evaluating and addressing flood and other extreme weather risk at our sites of operation. • Low-carbon opportunity: The transition to low and zero carbon industry and transportation offers an opportunity for our company, such as through providing services to the hydrogen sector. 	
	(B) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>Organizations should consider including the impact on their businesses and strategy in the following areas:</p> <ul style="list-style-type: none"> • Products and services • Supply chain and/or value chain • Adaptation and mitigation activities • Investment in research and development • Operations (including types of operations and location of facilities) <p>Organizations should describe how climate-related issues serve as an input to their financial planning process, the time period(s) used, and how these risks and opportunities are prioritized. Organizations' disclosures should reflect a holistic picture of the interdependencies among the factors that affect their ability to create value over time. Organizations should also consider including in their disclosures the impact on financial planning in the following areas:</p> <ul style="list-style-type: none"> • Operating costs and revenues • Capital expenditures and capital allocation • Acquisitions or divestments • Access to capital 	<p>We are focused on investing strategically to profitably address identified climate-related risks and opportunities.</p> <p>Our product and services: We recognize the importance of creating solutions that enable a clean, low-carbon world. Our leadership in new and sustainable energy trends involves evaluating and designing solutions focused on green ammonia, renewables, blue and green hydrogen, gas monetization, carbon capture and sequestration, helium removal, International Marine Organization (IMO) 2020 marine fuel and green methanol. Our own technology portfolio continues to expand and differentiate, offering clients unique and innovative solutions in their moves toward cleaner, greener operations and solutions. Refer to our Technology Solutions listing. In our work evaluating and designing low-carbon solutions, we focus strongly on blue and green ammonia as a vector for hydrogen and as a means for assisting the transition to net-zero economies.</p> <p>Efficient, carbon-neutral operations: We are committed to continually improving our energy efficiency and procuring clean energy where possible. In the short term, we are using our carbon footprint to inform our offset program for 2019. We intend to offset all 2019 emissions to become a carbon neutral company. This is also a means for getting us started with our longer-term strategy, as we intend for this corporate carbon footprint to be used to develop our holistic climate action strategy. The 2019 carbon footprint has helped us to identify carbon emissions hotspots and enabled us to set our carbon reduction targets and define climate action goals for 2020 and onwards.</p>	See Energy Transition – Harnessing Opportunity

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STRATEGY	<p>(B) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p>Organizations should consider discussing how climate-related risks and opportunities are integrated into their (1) current decision making and (2) strategy formulation, including planning assumptions and objectives around climate change mitigation, adaptation, or opportunities such as:</p> <ul style="list-style-type: none"> • Research and development (R&D) and adoption of new technology. • Existing and committed future activities such as investments, restructuring, write-downs, or impairment of assets. • Critical planning assumptions around legacy assets, for example, strategies to lower carbon-, energy-, and/or water-intensive operations. • How GHG emissions, energy, and water issues, if applicable, are considered in capital planning and allocation; this could include a discussion of major acquisitions and divestments, joint-ventures, and investments in technology, innovation, and new business areas in light of changing climate-related risks and opportunities. • The organization's flexibility in positioning/repositioning capital to address emerging climate-related risks and opportunities. 		
	<p>(C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Organizations should describe how resilient their strategies are to climate-related risks and opportunities, taking into consideration a transition to a lower-carbon economy consistent with a 2°C or lower scenario and, where relevant to the organization, scenarios consistent with increased physical climate-related risks.</p> <p>Organizations should consider discussing:</p> <ul style="list-style-type: none"> • Where they believe their strategies may be affected by climate-related risks and opportunities • How their strategies might change to address such potential risks and opportunities • The climate-related scenarios and associated time horizon(s) considered. 		
		<p>Organizations with more than one billion U.S. dollar equivalent (USDE) in annual revenue should consider conducting more robust scenario analysis to assess the resilience of their strategies against a range of climate-related scenarios, including a 2°C or lower scenario and, where relevant to the organization, scenarios consistent with increased physical climate-related risks.</p>	<p>We foresee a growth opportunity in the expected adoption of hydrogen and other low-carbon technologies. We are investing prudently as the speed of adoption may be faster or slower than the market anticipates. A faster adoption may require greater R&D spend. Our executive leadership and our board closely monitors and assesses the business opportunity and resilience of our business to climate change-related demand and regulatory shifts.</p>	<p>See Energy Transition: Harnessing Opportunity</p>

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STRATEGY	(C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>Organizations should consider discussing the implications of different policy assumptions, macro-economic trends, energy pathways, and technology assumptions used in publicly available climate-related scenarios to assess the resilience of their strategies.</p> <p>For the climate-related scenarios used, organizations should consider providing information on the following factors to allow investors and others to understand how conclusions were drawn from scenario analysis:</p> <ul style="list-style-type: none"> • Critical input parameters, assumptions, and analytical choices for the climate related scenarios used, particularly as they relate to key areas such as policy assumptions, energy deployment pathways, technology pathways, and related timing assumptions. • Potential qualitative or quantitative financial implications of the climate-related scenarios, if any. 		
	RISK MANAGEMENT	(A) Describe the organization's processes for identifying and assessing climate-related risks.	<p>Organizations should describe their risk management processes for identifying and assessing climate-related risks. An important aspect of this description is how organizations determine the relative significance of climate-related risks in relation to other risks.</p> <p>Organizations should describe whether they consider existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) as well as other relevant factors considered.</p> <p>Organizations should also consider disclosing the following:</p> <ul style="list-style-type: none"> • Processes for assessing the potential size and scope of identified climate-related risks and • definitions of risk terminology used or references to existing risk classification frameworks used. 	<p>We maintain an enterprise risk management system to help us identify business risks, including those related to climate and other environmental and resource-related risks (e.g. energy, climate, water, infrastructure) are managed by our environmental management team. The risk management team established a matrix of the top risks for the company and periodically assesses the respective severity and frequency. These risks include those related to the physical, reputational, economic, and business continuity impacts that could arise as a result of climate change.</p> <p>Substantive operational risks are those with the potential to impede the company from providing its services, and are considered possible, likely, more likely or highly likely in the short to long term future. Substantive risks are those that could have an impact on financial, operational, environmental health and safety matters, reputation and people.</p>
(B) Describe the organization's processes for managing climate-related risks.		<p>Organizations should describe their processes for managing climate-related risks, including how they make decisions to mitigate, transfer, accept, or control those risks. In addition, organizations should describe their processes for prioritizing climate-related risks, including how materiality determinations are made within their organizations.</p> <p>In describing their processes for managing climate-related risks, organizations should address the risks included in Tables 1 and 2, as appropriate. https://www.tcfddhub.org/Downloads/pdfs/E08%20-%20Table%201%20&%202.pdf</p>	<p>Enterprise-level risks are managed or mitigated through internal policies and procedures or other means. The findings of these exercises are reported to the Audit Committee of the Board of Directors and directly to the Board of Directors at least annually. Executive champions or company-wide risk owners have been appointed to each of the risks identified.</p> <p>At the project site level, risk champions are expected to build mitigating controls and actions into their respective operational plans.</p>	See Risk and Opportunity Oversight

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RISK MANAGEMENT	(C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Organizations should describe how their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management.	<p>Climate change-related risk identification is integrated into a multi-disciplinary company-wide risk identification, assessment, and management processes.</p> <p>Our Board of Directors regularly and continually receives information intended to appraise the Board of the strategic, operational, commercial, financial, legal, and compliance risks the Company faces – including those that may arise out of climate related risks.</p> <p>Oversight of risk is an ever-changing process in which management is integrated and continually seeks opportunities to further deepen enterprise risk management into business practices throughout the company.</p> <p>While the Board has responsibility for oversight of the Company's risk management practices, the Audit Committee focuses on financial and compliance risk, and receives risk assessment and management reports from the Company's internal Enterprise Risk Management Committee</p> <p>The Audit Committee receives, reviews, and discusses regular reports from them concerning risk identification and assessment, risk management policies and practices and mitigation initiatives, in order to assure that risk management processes are adapted to the Company's strategy and operate as expected.</p>	See Risk and Opportunity Oversight and Climate Related Risks and Opportunities
	(A) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Organizations should provide the key metrics used to measure and manage climate-related risks and opportunities, as described in Tables 1 and 2. Organizations should consider including metrics on climate-related risks associated with water, energy, land use, and waste management where relevant and applicable.		
Where climate-related issues are material, organizations should consider describing whether and how related performance metrics are incorporated into remuneration policies.				
Where relevant, organizations should provide their internal carbon prices as well as climate-related opportunity metrics such as revenue from products and services designed for a lower-carbon economy.		<p>Our efficiency: we monitor energy use and Scope 1, Scope 2 and Scope 3 emissions from business travel</p>	See Managing our Carbon Footprint	
Metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate climate-related metrics.				

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PERFORMANCE INDICATORS AND TARGETS	(A) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>For all relevant metrics, organizations should consider providing historical trends and forward-looking projections (by relevant country and/or jurisdiction, business line, or asset type). Organizations should also consider disclosing metrics that support their scenario analysis and strategic planning process and that are used to monitor the organization's business environment from a strategic and risk management perspective.</p> <p>Organizations should consider providing key metrics related to GHG emissions, energy, water, land use, and, if relevant, investments in climate adaptation and mitigation that address potential financial aspects of shifting demand, expenditures, asset valuation, and cost of financing. Illustrative examples of metrics for each of the four non-financial groups are provided in the tables listed below. https://www.tcfddhub.org/metrics-and-targets/</p>		
	(B) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>Organizations should provide their Scope 1 and Scope 2 GHG emissions and, if appropriate, Scope 3 GHG emissions and the related risks.</p> <p>GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across organizations and jurisdictions. As appropriate, organizations should consider providing related, generally accepted industry-specific GHG efficiency ratios.</p> <p>GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate the metrics.</p>	<p>Scope 1 emissions (2019): 4,324.3 metric tons of CO2-e Scope 2 emissions (2019): 34,577.9 metric tons of CO2-e Scope 3 emissions, business travel (2019): 75,812.4 metric tons of CO2-e</p>	
	(C) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>Organizations should describe their key climate-related targets such as those related to GHG emissions, water usage, energy usage, etc., in line with anticipated regulatory requirements or market constraints or other goals. Other goals may include efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a lower-carbon economy.</p> <p>In describing their targets, organizations should consider including the following:</p> <ul style="list-style-type: none"> • Whether the target is absolute or intensity based • Time frames over which the target applies • Base year from which progress is measured • Key performance indicators used to assess progress against targets. <p>Where not apparent, organizations should provide a description of the methodologies used to calculate targets and measures.</p>	<p>We have set a target to achieve net-zero carbon emissions by 2030 and have committed to doing so through a carbon output reduction of 10% per year. In 2019 we achieved carbon neutrality by offsetting our reported Scope 1, 2 and 3 (business travel) emissions.</p>	

