

INFRASTRUCTURE

MINING & METALS

NUCLEAR, SECURITY & ENVIRONMENTAL

OIL, GAS & CHEMICALS

23°46'20"S | 151°11'38"E

Curtis Island LNG Queensland







GROUND BREAKING

At Bechtel, we know that our customers' projects demonstrate progress. They bring opportunity for individuals and regions. It is our responsibility to help our customers deliver on the promise of these projects and more. We work to protect the environment and conserve natural resources, support local communities, create new jobs, and improve economies.

We are not motivated to be the largest engineering, procurement, and construction (EPC) company in the industry; we are determined to be the best. We do that by anticipating trends, aligning our expertise with customers' needs, transforming delivery, building progress, and breaking new ground in everything we do.

Dear customers, colleagues, partners, suppliers, and friends:

On behalf of Bechtel colleagues around the world, we are pleased to share with you our 2015 Sustainability Report. This report highlights a number of projects that demonstrate how we integrate sustainability into the way we work—delivering better outcomes for our customers and the societies that benefit from them.

In every project we undertake, no matter what the scale, we place a core focus on protecting people and the environment, promoting local economic development, and partnering with communities and society—all in an age of rising urbanization, growing water scarcity, and finding new paths to energy security.

In 2014, our groundbreaking results continued. We:

- Achieved the best safety record in the company's 117-year history, with the lowest recordable incident rates to date:
 85 percent of all Bechtel locations completed the year without a single lost-time incident, and 11 of our projects recorded 10 million or more safe work hours
- Reduced particulate emissions by 85 percent at the Crossrail project, which was recognized as the first infrastructure project in the United Kingdom to adopt stringent emissions controls across all work sites
- Spent more than \$17 billion on goods and services from more than 14,000 suppliers and subcontractors in 70 different countries
- Were recognized by the U.S. Department of Energy (DOE) with 12 sustainability awards and by Engineering News-Record magazine as one of the leaders in environmental services
- Supported nearly 110,000 children, adolescents, and adults around the world through our partnerships with DiscoverE, Engineers Without Borders, FIRST® Robotics, and Junior Achievement®

After completing an enterprise-wide review of our sustainability capabilities, we are focused on leveraging the growth of data analytics and new technologies to improve the design, constructability, and operability of our projects and their positive effects on society and the environment.

We are engaging with a number of organizations to promote new ideas and initiatives to tackle urbanization, resource development, and energy security. To help the United Nations formulate the post-2015 Sustainable Development Goals, Bechtel prepared the U.S. Council for International Business' paper on infrastructure. We also launched a Global Sustainability Series together with the Center for Strategic and International Studies (CSIS), a leading policy institution based in Washington, D.C.

We regard sustainability as our responsibility to enhance the positive effects of our projects and to avoid or mitigate the negative ones. We believe that we are not just delivering a physical asset to our customers and communities, but also an enabling environment that will benefit them in the long term.

Sustainability is a core Bechtel value, and we are committed to delivering sustainable outcomes on every project, everywhere we operate. This enduring value has enabled us to contribute to a century of global development—and it will carry us into the next 100 years.

Riley Bechtel Chairman of the Board



Bill DudleyChief Executive Officer



Brendan Bechtel
President &
Chief Operating Officer



Our Vision

Be the world's premier engineering, construction, and project management organization by achieving extraordinary results for our customers, building satisfying careers for our people, and earning a fair return on the value we deliver.

Our Values

Ethics.

We are uncompromising in our integrity, honesty, and fairness.

Safety & Health.

We are relentless in keeping people safe from harm, and we provide a healthy work environment.

Quality.

We are passionate about excellence and doing our work right the first time. Our reputation depends on our delivered value in the eyes of every customer and community.

People.

We inspire each other with important work full of purpose, challenging development opportunities, and rewarding careers. We aspire to be the employer of choice in our industry.

Culture.

We actively build a diverse, inclusive, and collaborative work environment where all views are welcomed, openness is encouraged, and teamwork and merit are cornerstones. We are proud of what we do and how we do it—and we enjoy doing it!

Relationships.

We build positive, long-term relationships with our customers, joint-venture partners, subcontractors, suppliers, and colleagues that are built on trust, respect, and collaboration.

Innovation.

We develop and apply world-class technology. We listen, learn, and seek out the best ideas. We attack complacency and continually improve.

Sustainability.

We improve the quality of life in communities where we work by respecting local cultures, engaging local people, and protecting the environment.

Our Covenants

Wherever we go and whatever we do, we:

Demonstrate Integrity.

Exercise the highest level of professional and ethical behavior.

Are Respectful.

Treat people with respect and dignity. Listen actively. Communicate in a timely and forthright manner. Never undermine colleagues.

Collaborate.

Ask for and welcome help; offer and give it freely. Mutually resolve ambiguity and conflict.

Build Trust.

Make commitments responsibly and always keep our word. Be candid while building shared understanding.

Deliver.

Set high aspirations, plan responsibly, and honor all commitments.

Learn It, Do It, Share It.

Be curious. Seek, share, and build upon experiences and lessons learned.

Live Our Culture.

Embrace, embody, and actively contribute to our Vision, Values & Covenants. Nurture a proud legacy.

About Bechtel

www.bechtel.com

Bechtel is one of the most respected global engineering, construction, and project management companies, and a cornerstone of innovation in the industry. We have the experience, resources, and reach to provide our customers confidence in delivery.

Global Business Units

- Infrastructure
- Mining & Metals
- Nuclear, Security & Environmental
- Oil, Gas & Chemicals

Key Facts

- Founded: 1898
- Structure: Private
- Headquarters: San Francisco, California
- Employees: 58,000
- 2014 revenue: \$37.2 billion
- Projects worked on since 1898: 25,000
- Countries in which we have worked: 160



About This Report

We recognize that being the contractor of choice depends on our maintaining a record of responsible business practices and meeting the expectations of our customers and other key stakeholders. This report demonstrates our approach to sustainability, focusing on a few of the key issues we confront as a multinational organization. This report does not cover the performance of our customers, suppliers, subcontractors, or partners unless otherwise noted. The report covers topics that reflect the diversity and complexity of the environments and locations where we operate. In consultation with key stakeholders, we selected case studies and important issues that highlight how we incorporate into our projects a focus on environmental protection, workforce safety, local economic development, and community engagement. We reference and use the General Standard Disclosures from the Global Reporting Initiative's G4 Sustainability Reporting Guidelines to inform our disclosures. All financial data is cited in U.S. dollars. We welcome your comments on this report. Please send your feedback to sustain@bechtel.com.





27°0'1"N | 49°39'55"E

Jubail Industrial City Saudi Arabia

THE NEXT 100 YEARS

Global megatrends—from the expected population surge to the scarcity of resources—are changing the way we design, construct, and operate critical structures and systems that will benefit society for the long term. Where the world sees challenges, we see engineering solutions.





Ivanpah Solar Electric Generating System California, USA

Engineering the Next 100 Years

Sustainable engineering has always been intrinsic to Bechtel, and one of the most promising opportunities to advance its effectiveness is Big Data. Satellites, drones, and sensors are all providing historical and predictive data and analytics—weather patterns, integrity of existing infrastructure, population movements, traffic patterns, erosion, and more. This information affects how projects are planned, designed, and managed for greater reliability, resiliency, affordability, and sustainability.

Future-proofing our energy security

Bechtel is working with a variety of customers to diversify America's conventional energy. In the last five years, Bechtel delivered three solar projects powering some 275,000 homes in California. In the state's Mojave Desert, the Ivanpah Solar Electric Generating System, a massive solar thermal complex, has nearly doubled the amount of commercial solar power in the United States.

Bechtel partners with world leaders in academia and industry to manage and operate two U.S. national security laboratories—Lawrence Livermore and Los Alamos—where energy security is national security. With annual operating budgets of close to \$2 billion at each facility, Bechtel's best practices in overcoming engineering challenges, managing complex megaprojects, and creating efficiencies in business systems are enabling breakthrough research in areas such as advanced solar, safer nuclear power, hydrogen fuel cells, superconducting materials, smart grids, and resilient infrastructure.

GROUNDBREAKER

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275,000

homes in California. The Ivanpah Solar Electric Generating System has nearly doubled the amount of commercial solar power in the United States.



Re-engineering mines

Mines require large amounts of water to operate—for transporting and processing materials, suppressing dust, and cleaning equipment. Maintaining a sustainable water supply without depleting local systems, however, is a challenge. This is especially true in South America, where regulatory requirements and societal concerns over competing demands for water continue to grow.

Our solutions provide better alternatives for the mining industry. One example is our work on the Escondida copper project in Chile's Atacama Desert, one of the driest places on Earth. There, the average annual rainfall is sixtenths of an inch, or about 15 millimeters. We are developing one of the largest desalinated water supply systems in the world to secure a reliable water supply for two copper concentrators and preserve Chile's scarce groundwater. Water from the Pacific will be pumped and processed to separate the brine and filter minerals and other biological content, then transported approximately 112 miles (180 kilometers) across the Atacama Desert to the mine's reservoir, 10,500 feet (3,200 meters) above sea level.

▼ Escondida Water Supply Chile



GROUNDBREAKER

Water will be pumped appoximately

10,500

feet (3,200 meters) above sea level—and 112 miles (180 kilometers)—from the Pacific across the Atacama Desert to the Escondida mine's reservoir.

"Our vision is to lead the industry in designing facilities that are built and operated in an environmentally sound, socially responsible, and eco-



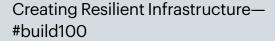
nomically efficient manner, and that will leave a positive and sustainable impact on our customers and on society."

Dr. Amos AvidanCorporate Manager of Engineering,
Rechtel

Transforming the kingdom

Bechtel is helping Saudi Arabia advance its ambitious infrastructure initiative, which promotes local private sector development, new sustainable cities and communities, and protected habitats.

Together with the Saudi government, we are developing four of six new economic cities—King Abdullah Economic City, Knowledge Economic City, Jazan Economic City, and Prince Adbulaziz Bin Mousaed Economic City. Core to the cities' planning and design is economic, social, and environmental sustainability. Bechtel is using imaging technologies to generate conceptual visualizations of the projects prior to development and capturing critical information to plan, design, and construct for sustainability. These include using recycled water for irrigation, adopting solar power for heating and cooling, and applying urban sensors to optimize energy efficiency.



Bechtel is working with the industry to address strategies for deploying sustainable resilient infrastructure around the world.

Learn more at #build100.



▲ Waad Al Shamaal City Development Saudi Arabia

"Bechtel is a founding member of the Smart Cities Council, the world's premier organization in the development of Smart Cities and cutting-edge



technology. As leaders in this field, we apply innovative technologies in power, transportation, water, and architecture to improve the efficiency, sustainability, and livability of the world's urban expansion."

James Denton-Brown
Manager of Planning,
Smart Cities Lead, Bechtel

Our Approach

- Integrate sustainability across a project life cycle
- Use our management process to build capability and promote consistency across the enterprise
- Generate sustainable alternatives in design, construction, and operations
- Innovate within Bechtel to continuously improve enterprise capabilities and offerings to our customers



Project Life Cycle

Opportunity

- Identify and assess sustainability issues
- Identify alternatives to manage issues
- Engage key stakeholders

Proposal

- Understand customer sustainability goals, objectives, and priorities
- Identify sustainability activities
- Engage key stakeholders
- Engage with subcontractors on sustainability expectations

Award

- Identify and agree on sustainability objectives
- Engage key stakeholders

Design

- Assess potential changes in sustainability issues
- Identify sustainability programs
- Engage with subcontractors on sustainability

Construction

- Engage key stakeholders
- Engage subcontractors on sustainability expectations
- Continue to identify and manage potential impacts

Handover

- Transfer a positive legacy to customer
- Conduct performance feedback and continuous improvement processes

Our Focus Areas

1

Protecting People and the Environment

We use our proven processes, innovation, and expertise in engineering, procurement, and construction to develop, design, and execute projects with the greatest care for the natural environment as well as for the people who can be affected by our projects.

2

Promoting Economic Development

In addition to our substantial spending through local purchasing and hiring, we build and enhance the capacity of local workers and companies, stimulating long-term economic development beyond the projects we deliver.

3

Partnering with Communities and Society

Bechtel is committed to supporting the communities that host our projects and offices, and to using inclusive, participatory approaches by which we respect local cultures and values, promote dialogue, and build mutual trust.

Respecting human rights

Bechtel is committed to respecting human rights everywhere we operate, consistent with Bechtel's Vision, Values & Covenants and the spirit and intent of the United Nations Guiding Principles on Business and Human Rights. In 2014, we updated our procedures and trainings for labor, security, and community engagement. We also shared our approach to managing potential human rights issues in supplier relationships at two collaborative learning programs organized by the Global Business Initiative on Human Rights in London and Jakarta.

In 2014, Bechtel became an observer to the International Code of Conduct Association for Private Security Providers, an international nonprofit organization that promotes the provision of security services that respects human rights.

Uncompromising ethics

Our high standard of ethical business conduct is one of the company's most valuable assets and is a direct result of our colleagues' collective commitment to exercising the highest level of professional and ethical behavior. We seek customers and partners who share our values, and we promote global standards of ethical business conduct through



our involvement with leading organizations, including the Compliance and Ethics Leadership Council of the Corporate Executive Board.

All of our colleagues receive compliance training that addresses the risk areas they are likely to encounter in their jobs. Our colleagues also participate in annual ethics awareness workshops, scenario-based training led by their work group managers. The Bechtel Ethics HelpLine, with access to native speakers or translators of more than 200 languages, provides our colleagues with an independent, confidential channel to raise questions or concerns.

Riyadh Metro Saudi Arabia





▲ Celebrating Diversity UK

"As one of the most respected engineering, construction, and project management companies in the world, Bechtel is uncompromising in its integrity, honesty, and fairness everywhere we operate."



Nancy Higgins Chief Ethics and Compliance Officer, Bechtel



23°46'20"S | 151°11'38"E

Curtis Island LNG Queensland

PEOPLE AND THE ENVIRONMENT

One of the important ways we contribute to sustainability beyond the project is by sharing safety and environmental practices with our customers, partners, suppliers, and communities everywhere we operate.





Protecting People and the Environment

Project safety is public safety

Whether delivering a project in a densely populated city or on a remote island, the line between project and public safety is often blurred. Our strong safety record is a result of our unwavering commitment to prevent incidents on every job site and of our proactive engagement with local authorities, communities, and businesses to advance existing public-safety systems.

Building local capabilities to promote safety not only helps us achieve our goal of zero incidents, it's also an important enabler of private-sector development and social progress in the countries and communities where we operate.

Charting a new course for marine safety in Gladstone, Australia

Safely transporting thousands of tons of construction materials and equipment, plus more than 11,000 employees, through a small Australian city's busy harbor required creative thinking by our colleagues working on the country's largest concentration of natural gas projects.

Working with Maritime Safety Queensland and Gladstone Ports Corporation, we established a single standard of safety along with a new training program for all marine operators in the area. Although the Gladstone port experienced an upsurge in ship movement, from around 3,500 per year to 35,000 per month at the height of the projects' construction, there have been no LNG construction-related harbor incidents, and the ratio of nautical miles to incidents has dropped by a factor of three.

Designing for sustainability at Riyadh Metro in Saudi Arabia

We are developing the Riyadh Metro for long-term sustainability. Bechtel is leading a consortium to build the Olaya and King Abdullah Financial District stations. Working with the High Commission for the Development of ArRiyadh and our partners, both stations are being designed to achieve the Leadership in Energy and Environmental Design (LEED) certification. The stations will have various sustainable attributes, including HVAC (heating, ventilating, and air-conditioning) efficiencies, technologies, and fixtures that conserve energy and water. They will also take advantage of the Riyadh climate to generate electricity from solar energy.

Generating cleaner energy for Texas

Bechtel and its partners are working with Panda Power Funds to deliver natural gas to 1.5 million homes across Texas through three state-of-the-art power plants. The projects, which are among the cleanest, most efficient gas-fueled power plants in the United States, are expected to contribute nearly \$3.3 billion to the state's economy during construction and the plant's first 10 years of operation.



▲ Curtis Island LNG Queensland

Soaring to new heights at Gatwick Airport

At the United Kingdom's second-busiest airport, we are using our Building Information Modeling (BIM) technology to expand Gatwick sustainably. Calculating efficiencies from renewable energy, water retention, and mechanical configurations for some 30 airport buildings, two terminals, and six piers, we project \$26 million in savings during its 30-year whole-life cost.

Reducing emissions at the Kitimat Modernization project in British Columbia

In Kitimat, we are modernizing a 60-year-old aluminum smelter to create an environmentally superior, safer, and more productive operation. The improvements will reduce the smelter's overall carbon emissions by nearly 50 percent and increase aluminum production capacity by approximately 40 percent, or 400,000 tons, per year.

Protecting Alberta's ecosystem

The ATCO Electric Eastern Alberta Transmission Line in Alberta, Canada, is a 500-kilovolt power transmission project that stretches for 301 miles (485 kilometers) and is located within the Prairie Pothole Region, a critical habitat in North America. Using Geographic Information System technology, we created a series of 3,960 maps and

updates to delineate the buffer zones that were then used to plan and schedule the construction work and protect sensitive species habitats, such as the nests of the black tern and ferruginous hawk.

Setting new standards at Crossrail in the UK

With more than 250 machines spread across nearly 40 construction sites, Bechtel and Crossrail achieved an 85 percent reduction in particulate emissions on Europe's largest construction project.

Through a combination of new engine performance standards, retrofitting of particulate controls, hybrid technologies, and training, the project has significantly reduced particulate emissions. Moreover, Crossrail was recognized as the first infrastructure project in the United Kingdom to adopt strict emissions controls across all of its work sites. It has also introduced newer, cleaner machines across London and encouraged suppliers to upgrade their equipment. The success of this program on Crossrail has helped to support the Greater London Authority's intent for a wider-scale introduction of these controls.





Bechtel and Crossrail achieved an

85%

reduction in particulate emissions on Europe's largest construction project.

IN FOCUS

30 years of experience. 500 projects. Bechtel leads the way in nuclear security and environmental work.

For almost half a century, the nucleararms race generated massive quantities of hazardous radioactive waste. Left behind are unprecedented environmental challenges that threaten natural resources, public health and safety, and sustainability for all generations.

Tackling nuclear waste at the Hanford Waste Treatment and Immobilization Plant in Washington

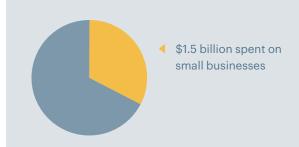
During World War II and throughout the Cold War, the Hanford site housed a vast complex of nuclear reactors and processing facilities that produced plutonium for atomic weapons. The site was decommissioned in 1987, as the Cold War wound down, but the site's nuclear and chemical excess remains a legacy. Today, 177 aging underground tanks holding 56 million gallons (212 million liters) of nuclear and chemical waste endanger the Columbia River, the largest river in the Pacific Northwest region of the United States and the country's fourth-largest river, stretching for more than 1,200 miles (around 2,000 kilometers) to the Pacific.

The U.S. Department of Energy approached Bechtel with this environmental challenge. We are designing and building the

Hanford Waste Treatment and Immobilization Plant, where a first-of-a-kind vitrification process will blend radioactive waste with glass-forming materials and heat it to 2,100°F (1,149°C). The molten material will be poured into stainless steel containers to cool and solidify in a glass, or vitrified, form and then stored in stainless steel canisters for permanent disposal at a federal repository. Through this technology, the waste can remain stable so that its radioactivity can safely dissipate over time.

Hanford Waste Treatment and Immobilization Plant Procurement

Total contracts: \$3.72 billion





Also at Hanford, we safely and securely removed a 1,082-ton Plutonium Recycle Test Reactor and a 1,153-ton waste vault as part of our work to protect the river corridor. The reactor was once used to recycle plutonium, and the vault held two 15,000-gallon (56,800-liter) stainless steel tanks to collect highly contaminated waste. The removal of these nuclear structures—roughly equal to the weight of six fully packed Boeing 747 airplanes—brings us one step closer to completing site cleanup.

Accelerating the nuclear cleanup at Savannah River in Georgia

Five decades of nuclear materials, including plutonium and tritium, produced for use in U.S. weapons created nearly 37 million gallons (140 million liters) of liquid radioactive waste. That waste is stored in underground steel tanks along the Savannah River, which stretches for 314 miles (505 kilometers) to the Atlantic and borders the U.S. states of Georgia and South Carolina.

Bechtel is part of the team, contracted by the U.S. DOE, operating the Savannah River Remediation liquid waste complex and remediating radioactive and hazardous underground waste tanks. This critical work follows our prior experience at this site, which began with designing and building the Defense Waste Processing Facility, the world's largest high-level vitrification plant, and the Tritium Extraction Facility, the nation's only operation for extracting, recycling, and purifying tritium.

To date, we have closed more than 300 of the site's 515 waste areas, and we are accelerating the cleanup life cycle by 13 years, which will save the agency more than \$450 million. We also implemented more than 100 new environmental restoration technologies to treat and remediate contaminated groundwater and soil.

Safeguarding Colorado's water

Protecting and conserving water is vital in the semiarid climate of southern Colorado, where Bechtel built and is in final testing of the Pueblo Chemical Agent-Destruction Pilot Plant. The plant will safely destroy more than 2,000 tons of mustard agent. We designed and implemented a water-management system that effectively recovers and recycles water for the entire site. Currently, we are reusing 94 to 100 percent of water, with zero discharge into local rivers and aquifers.



Recognized for leadership in sustainability

The U.S. National Nuclear Security Administration recognized the Los Alamos and Lawrence Livermore National Laboratories, Y-12 National Security Complex, and Pantex Plant with 12 Sustainability Awards. Bechtel teams with leaders in academia and industry to manage and operate these facilities, including the University of California, at Los Alamos and Livermore. The awards recognize innovative and effective programs that increased energy, water, and vehicle fleet efficiencies, as well as reduced greenhouse gas emissions, pollution, and waste.

"Not only do we exceed the United States and other government requirements for sustainability, we are spearheading the safe and efficient treatment



and disposal of some of the most complex and dangerous materials on the planet. This not only requires strict protocols to protect workers and the environment, but close cooperation with local communities to

ensure that their best interests are at heart."

Laureen Smith

Manager of Environmental Services, Nuclear, Security & Environment, Bechtel



14°5′9″S | 72°18′9″W **Las Bambas** Peru

ECONOMIC DEVELOPMENT

Bechtel has a long-held belief that we are building more than projects, we are progressing society through economic development.





▲ Las Bambas Project Peru

Promoting Economic Development

Whether our projects require three years or 30 years, we are committed to building local capacities for the long term.

Supporting the economic transition in Challhuahuacho, Peru

At an elevation of more than 2,100 feet (about 3,700 meters) in the Peruvian mountains, the rural community of Challhuahuacho continues a traditional way of life, which includes farming—growing maize and potatoes—and raising sheep and cattle. The introduction of the Las Bambas copper project brought about noticeable changes, including a growing population; more local businesses; and new houses, streets, and bridges. It also precipitated a gradual transition to a more formalized economy as local entrepreneurs took advantage of the burgeoning transportation, catering, hospitality, and equipment-rental sectors.

GROUNDBREAKER

More than

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has gone to nearly 50 businesses since we launched the Venture Acceleration Fund with the Los Alamos National Laboratory.

Since the project started, Bechtel and its partners have spent an average of \$2 million per month, for a total of more than \$78 million, on local goods and services in 16 remote Peruvian towns. In addition, indirect employment from these new ventures alone is around 1,500 jobs and growing. It was important for Bechtel, our customer, and our partners to help local communities succeed in the changing economy.

Bechtel and our partners conducted tax management training for more than 300 entrepreneurs to help them understand the potential implications on their businesses. We provided training on how to prepare business plans, register their operations, and develop internal employment procedures.

We also guided local businesses to join forces through business-to-business cooperation to capitalize on economic opportunities. For example, laundry and hotel owners formed associations to negotiate higher quality and safety standards with the project. Bechtel was recognized by 10 vendors for helping them meet the requirements of food hygiene, water and sanitation, fire prevention, and evacuation needed for project work. Many of these standards were developed and delivered through training, site inspections, and improvement plans. The association committed to continue improving these practices after Bechtel leaves the project.

Creating entrepreneurs in New Mexico

With our partners at the Los Alamos National Laboratory, we launched the Venture Acceleration Fund to help local entrepreneurs create new businesses, grow existing ones, and diversify the local economy. To date, more than \$3 million has gone to nearly 50 businesses. The fund garnered the



"While our global procurements and contracts provide economic opportunities for local and small businesses and subcontractors, we also encourage green procurement where possible, avoid materials

developed by hazardous toxins, require safe working conditions, and promote the respect of human rights."

David Hammerle Corporate Manager of Procurement, Bechtel

entrepreneurship award from the International Economic Development Council, the world's largest membership organization promoting economic development.

Supporting U.S. veterans

Bechtel is committed to providing vocational education, training, and career opportunities wherever we work.

With Lawrence Livermore National Laboratory, the Alameda County Workforce Investment Board, and Las Positas College, Bechtel is supporting a two-year academic program to provide technical education and hands-on training for veterans in New Mexico. Along the U.S. Gulf Coast, we have partnered with the Military Relations Strategic Initiative to align military training and experience with the needs of our projects to increase construction-related employment opportunities for veterans. In 2014, Bechtel hired nearly 500 veterans for craft and nonmanual positions, and we exceeded the U.S. Office of Federal Contract Compliance Programs' veteran-hire requirements, a goal that we have achieved since 2012. Bechtel also earned the 2015 Military Friendly® Employer elite designation by the publishers of G.I. Jobs and Military Spouse magazines.

Uniting for responsible procurement at Crossrail

Bechtel convened eight of the project's major contractors in a program to ensure that materials used for the construction of London's biggest and newest rail system are ethically sourced. Contributing to the revision of BES 6001, the United Kingdom's standard for responsible procurement of construction materials, was one of the program's notable achievements.



Broadening economic participation in Onslow, Australia

Around 7 miles (12 kilometers) west of Onslow on the Pilbara coast of Western Australia, we are building one of the country's largest gas projects for Chevron—the Wheatstone LNG downstream facility. When operational, it is expected to produce nearly 25 million tons per annum of clean, natural gas.

Forty percent of Onslow's 1,000 citizens are aboriginal. More than 170 are craft workers, while others are involved in various jobs supporting the project, including office administration and hospitality. Yet, prior to the construction there were almost no local, aboriginal-owned businesses supplying materials and services to the project.

Through the engagement efforts of Bechtel, our customer, and partners, the number has now grown to more than a dozen: handling construction and earthworks, fencing, pipe laying, labor recruitment, and workforce development. We helped create Globe Hill, an indigenous labor-recruitment company, and Ganthalha Enterprises, a business that provides cultural awareness training to more than 4,000 project workers.

PROMOTING ECONOMIC DEVELOPMENT

Moving Libreville forward

When the National Infrastructure Master Plan (NIMP) was presented to the president of Gabon in November 2011, Libreville's bus network no longer existed, and two-thirds of the population depended on private taxis. The Bechtel-led l'Agence Nationale des Grands Travaux, a government agency that oversees the delivery of NIMP, developed a new bus network, including routes, terminals, bus stops, and depots. By 2018, 440 buses on 28 lines will cover 134 miles (215 kilometers). To date, an average of 37,000 passengers per day are being served on five bus lines.

In 2015, an additional 30 buses will be operational, with progress toward completing a number of solar-powered bus shelters. When the system is fully operational, the network will serve more than 300,000 passengers a day at a frequency of one bus every 8 minutes. These buses should decrease car traffic by 40 percent, significantly reducing traffic and travel time on local roadways.



"Watching the Gabon-Bechtel National Infrastructure Master Plan materialize and create real, functioning communities—not just rows of buildings—is a strong testament to designing with sustainability at the fore-

front. Working with the natural environment to the greatest extent possible, we incorporated the needs and input of the people living there, as well as the economic realities of the area, to plan a highly functional, sustainable city in Africa."

Catherine McKalip-ThompsonSustainability Lead, Infrastructure, Bechtel

National Infrastructure Master Plan Gabon









WITH COMMUNITIES AND SOCIETY

You will find Bechtel colleagues helping communities all around the world to improve the quality of life where we work and live.



Partnering with Communities and Society

Bechtel colleagues are active members of their communities and contribute to improving industry sustainability practices around the world.

Raising the bar with stakeholder engagement

For the 35,000 residents of Gladstone, Australia, the effect of creating three massive LNG plants on Curtis Island has been transformative to their local economy. More than \$1 billion in local wages have been paid, \$697 million in purchase orders and contracts spent, and 20,000 contracts awarded since construction started. In addition, more than 5,000 local employees work at the projects, and 400 adult apprentices were trained and hired.

As with all projects, strong relationships with the community and regulatory authorities are critical. We are delivering a community and natural environment that will support our customer for decades. Bechtel's ties with the Gladstone region span some 30 years—an enduring legacy we want to continue.

In Gladstone, the common practice of dialogue, grievance procedures, and informed consultation was important but insufficient, given the unprecedented size, scale, and complexity of the projects.

GROUNDBREAKER

More than

5,000
local employees took jobs at the LNG plants, and 400 apprentices were trained and hired.



▲ Gladstone LNG Queensland

We knew it required a more focused approach that kept stakeholder engagement central to project execution. The result: We created a Centralized Services Organization (CSO) with stakeholder engagement as its organizing principle and a goal of ensuring a positive sustainable handover of the projects to the customers and communities.

Among its efforts, the CSO unifies stakeholder engagement for all three projects into one standard process and set of performance indicators for more efficiency and greater consistency. It also serves as the primary interface with key external stakeholders to streamline communication and eliminate confusion and misunderstanding.

Some of the most effective CSO programs include the ongoing guided cruise tours of the projects for the residents of Gladstone, along with community encounters that allow residents to experience the work, camp food, and accommodations. The CSO formed a standing committee in Gladstone consisting of local police, industry, customers, community leaders, and small businesses to address concerns regarding health and safety issues and the influx of



Bechtel garnered an Excellence Award from the National Safety Council of Australia, Queensland

"By making sustainability part of the project handover to the customers and communities, we

knew where we wanted to be and how to get there."

Melissa Case Manager of Community Relations, Curtis Island LNG projects, Bechtel

workers to the area. It also launched and maintained a social media presence to keep communities, employees, and their families connected and engaged day to day.

Finally, the CSO instituted a workforce integration investment plan to support local charities and organizations. Workers are empowered to engage communities, assess priority issues to address, and use a participatory process to allocate technical and financial resources where needed.

The results are encouraging. Based on Bechtel-conducted surveys of 45 community leaders (with an annual response rate of 95 percent), community perceptions of Bechtel and the projects have improved since the CSO became operational in 2012. By giving the community an opportunity to experience the projects firsthand, and by addressing concerns quickly and consistently, we have helped foster a deeper appreciation of the projects and their social, environmental, and economic benefits. This effort is leading to a positive, more sustainable handover of the LNG projects to our customer and communities.

Curtis Island LNG Projects Queensland



On November 15, 2011, Bechtel made the commitment to take on 400 apprentices for the Curtis Island LNG projects, the single largest intake of apprentices in Australia's history. In 2014, working closely with the Australian government's National Apprentice program, Bechtel has achieved that goal.



Women Achieve, Abu Dhabi American Chamber of Commerce United Arab Emirates

Lighting lives, creating livelihoods in Samarth, India

In a small Indian village of 2,500, where only 21 percent have access to electricity, we are working with local volunteers to bring primary lighting and livelihood to the community.

Together with Engineers Without Borders-India, we are using two unconventional but abundant energy sources: rooftop solar photovoltaic systems and biochar briquettes derived from surplus sugarcane leaf biomass. The solar lighting provides an important and economical alternative to the currently used kerosene lamps. Making the briquettes from the 1,000 tons of excess sugarcane leaves generated each year creates a renewable power source and eliminates approximately 5.4 tons of carbon emissions annually.

Promoting the advancement of women in Abu Dhabi, UAE

As a signatory of Women Achieve, a program established by the Abu Dhabi American Chamber of Commerce to promote the professional development of women, Bechtel joins several leading companies pledging to give greater opportunities for women's participation in training and career advancement in the United Arab Emirates.

Building Crossrail and building knowledge

Bechtel organized a special program for World 50, a membership organization of leading global businesses, to provide a firsthand experience for 25 senior executives on what it takes to build the largest construction project in Europe. The visit took them 33 feet (10 meters) below London, and then through its busy streets and neighborhoods, to see and sense the project's social and environmental sustainability impacts. Additionally, we presented a paper at the American Society for Civil Engineers International Conference on Sustainable Infrastructure describing our approach and key learnings on integrating sustainability in Crossrail's design and construction.



"In 2015, one of the realities of international cooperative action toward urgent sustainable development challenges is the need for the kind of practical action only business can provide—and nowhere is this more true than infra-

structure. Bechtel plans and builds sustainability and resilience into urban, energy, and transport infrastructure worldwide."

Norine Kennedy

Vice President, Strategic International Engagement, Energy and Environment, U.S. Council for International Business

GROUNDBREAKER

More than

1,000

children and adults with cerebral palsy have used a new hydrotherapy pool in Malaysia.

Stepping up to address global issues

Designing cities to be more efficient and sustainable, moving beyond aid to support Africa's development, and helping hydropower become a reliable and renewable source of energy are among the global issues for which Bechtel's expertise and experience provide practical ideas and paths forward.

Together with CSIS, we started a new thought leadership series focused on how the private sector is building capacities and using technological or process innovations to promote sustainable outcomes. CSIS and Bechtel kicked off the series by highlighting the Gabon National Infrastructure Plan, a unique public-private partnership between the government of Gabon and Bechtel. We shared our experience of modernizing the planning and execution capabilities of l'Agence Nationale des Grands Travaux.

Supporting the U.S. Council for International Business (USCIB)

When the USCIB, an association of 300 multinational companies and private-sector organizations, looked to its members for thought leadership to support the United Nations post-2015 Sustainable Development Goals we volunteered to help. Bechtel assisted with outlining a set of recommendations that addresses several global trends impacting the future of infrastructure in the developed and developing world, including resource constraints and climate resilience.

Engineering to help the disabled in Lumut, Malaysia

In the city of Lumut, home to one of Bechtel's module fabrication yards, our team partnered with Engineers Without Borders-Malaysia to design a new hydrotherapy pool specifically for children and adults with cerebral palsy and other disabilities affecting mobility. More than 1,000 children and adults have used the pool for pain relief and treatment.



Performance Data

Safety

In 2014, Bechtel reduced our number of incidents while increasing our total work hours by 12.9 percent, compared to 2013. Our total recordable incident rate (TRIR) per 200,000 hours worked decreased 4 percent, and we had a 31 percent reduction in our lost-time incident rate (LTIR), continuing our four-year trend of improving safety throughout all of our projects and operations.

A recordable incident becomes a lost-time incident when the illness or injury renders the employee unable to work for a period of time. Industry averages are based on the 2013 data published by the U.S. Department of Labor, Bureau of Labor Statistics (BLS) for Construction North American Industry Classification System code 23.

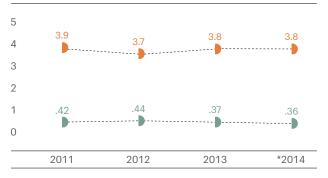
Bechtel's global incident rate in 2014 was a tenth of the projected U.S. construction industry average, and our global lost-workday incident rate in 2014 was 44 times lower than the projected U.S. construction industry average.

GROUNDBREAKER

Eleven of our projects recorded

or more safe work hours, and 85 percent of our locations completed the year without a single lost-time incident.

Total Recordable Incident Rate



- U.S. Bureau of Labor Statistics *2014 BLS TRIR estimated; actual
 - data has not been published

Lost-Time Incident Rate

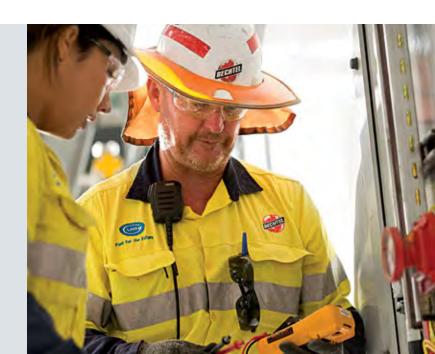


- Bechtel
 - U.S. Bureau of Labor Statistics *2014 BLS LTIR estimated; actual data has not been published

Safety at GLNG

The National Safety Council of Australia presented Bechtel with an Excellence Award for establishing a longterm safety culture on the Gladstone LNG project. The awards are Australia's longest-running, independent recognition program for workplace health and safety.

"Winning an award from Australia's premier safety council is a great achievement," says Andrey Polunin, senior project manager at Bechtel. "Everything on this project is done on a large scale, so it's important that, with all the activity on site, our team members remain safe."

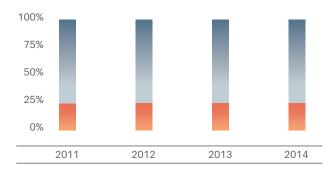


Social

Bechtel's diversity performance on gender is consistent with our industry peers. We implement a diversity and inclusion framework that:

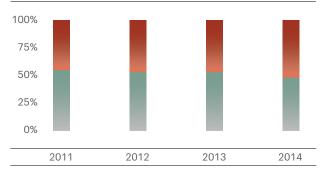
- Promotes a diverse global workforce
- Fosters an inclusive environment to maximize employee potential
- Institutionalizes a culture of inclusion

Some of our notable accomplishments in 2014 include the growth in chapter locations of our employee resource group, Women@Bechtel. With new chapters in India, the Middle East, and the United States, Women@Bechtel focuses on supporting our colleagues' development, the company's business, and the communities in which we live and work.



Female Male

Regional Workforce



United States

Rest of World



Recognition

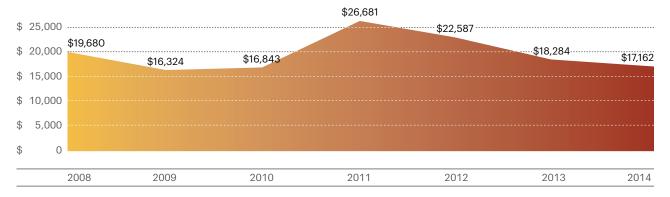
- Carol R. Marshall Award for Innovation in Corporate Ethics, awarded to Bechtel's chief ethics and compliance officer
- Military Friendly Employer® designation from Victory Media, publisher of G.I. Jobs and Military Spouse magazines



Economic

Our global procurement and contracts and social investments create meaningful opportunities for subcontractors, small businesses, local suppliers, and communities where we work. In 2014, we spent more than \$17 billion in goods and services from suppliers, including small and local businesses, around the world. We also contributed \$5.7 million in social investments.

Procurement and Contract Awards 2008-2014



Environmental

We continue to collect information on greenhouse gas emissions and water consumption at our major permanent offices.

We base our carbon footprint accounting on *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*. Due to the nature of our business, we stay flexible on the number of offices that are included each year in the report. This year we selected 17 offices to report on scope 1 (direct emissions from boilers and furnaces) and scope 2 (indirect emissions from electricity consumption). The offices are selected based on average office population throughout the year.

Our information is reported in tons of carbon dioxide equivalents (tCO₂eq), a measurement that equates and combines all greenhouse gases such as carbon dioxide and methane. To calculate emissions, we used country-specific emission factors from the World Resources Institute's "Emission Factors from Cross-Sector Tools" (April 2014), in addition to factors published by local governments.

Since 2011, as a result of careful monitoring, consolidation of offices, and reduced energy consumption by employees, we reduced our carbon emissions by 9 percent and reduced our revenue intensity (greenhouse gas emissions per billion dollars in revenue) by 20 percent.

The Arizona Clean Air Campaign presented our Glendale office with the Outstanding Transportation Coordinator award. The office continues to be recognized for its sustainable commuting program that reduced air pollution and traffic congestion through alternative modes of transportation.

Carbon Footprint



Total Scope 1 Emissions (tCO₂eq)

Total Scope 2 Emissions (tCO₂eq)

Revenue Intensity (tCO₂eq/billion USD)

Category	G4 Indicator Green = full disclosure Blue = partial disclosure	Reference in Report (by section)
Strategy and Analysis	1	Executive Letter
Organizational Profile	3, 4, 5, 6, 8	About Bechtel
	9	About Bechtel
	10, 12	Performance Data, http://www.bechtel.com/supplier/what-we-purchase
	13	There are no significant reporting changes in the 2014 report
	14	Vision, Values & Covenants, Engineering the Next 100 Years
	15, 16	Executive Letter, Engineering the Next 100 Years, Partnering with Communities and Society
Identified Material Aspects and Boundaries	18, 19	About this Report
	21	Protecting People and the Environment, Promoting Economic Development, Partnering with Communities and Society
	23	There are no significant changes in reporting scope or aspect boundaries
Stakeholder Engagement	24	Customers, partners, governments, nongovernmental organizations (NGOs), policy institutions, industry associations, and social investment partners
	25	People and organizations potentially impacted by our projects
	26	Vision, Values & Covenants, Partnering with Communities and Society
Report Profile	28	This report is for 2014
	29	Our most recent report was for 2013
	30	Our reporting cycle is annual
	31, 32	About this Report, Performance Data Index
	33	Assurance Statement
Governance	42	Senior leadership updated the Vision, Values & Covenants in 2014
	43	The Operating Committee, comprising executive leadership, and the Advisory Group on Sustainability, which comprises an executive sponsor and leaders from Corporate and Global Business Unit functions and services; the Group meets quarterly to review progress on the implementation of the enterprise sustainability strategy and other related issues
	45	Engineering the Next 100 Years
	48	Bechtel's chief executive officer, chief operations officer, and members of the Operating Committee review and approve the sustainability report
Ethics and Integrity	56	Vision, Values & Covenants
ECONOMIC		
Economic Performance	EC1	About Bechtel
	EC2	Engineering the Next 100 Years
Indirect Economic Impacts	EC8	Protecting People and the Environment, Promoting Economic Development
Procurement Practices	EC9	Protecting People and the Environment, Promoting Economic Development
ENVIRONMENTAL		
Water	EN8	In 2014, 11 of our 17 reporting offices consumed 36.2 million gallons of water
	EN9	Engineering the Next 100 Years, Protecting People and the Environment
Emissions	EN15, EN16, EN18, EN19	Performance Data
SOCIAL		
Occupational Health and Safety	LA6	Performance Data
Training and Education	LA11	All employees receive annual performance and development reviews
HUMAN RIGHTS		
Investment	HR1	Promoting Economic Development, http://www.bechtel.com/supplier/sustainable-solutions
Security Practices	HR7	Engineering the Next 100 Years
SOCIETY		
Local Communities	SO1, SO2	Promoting Economic Development, Partnering with Communities and Society
Anti-Corruption	SO4	Sustainability at Bechtel



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LRQA Assurance Statement

Relating to the reporting processes for Bechtel's Sustainability Report for the calendar year 2014

This Assurance Statement has been prepared for Bechtel Corporation in accordance with our contract but is intended for the readers of this Report.

Terms of Engagement

Lloyd's Register Quality Assurance Inc. (LRQA) was commissioned by Bechtel Corporation (Bechtel) to provide limited assurance on its processes for reporting data and information into it's 2014 Sustainability Report ("the Report").

Our assurance engagement covered Bechtel's operations and activities worldwide and specifically reviewed Bechtel's internal processes for collecting and reporting data and information within their Report.

Consistent with Bechtel's reporting boundaries, our assurance engagement excluded the data and information of Bechtel's partners, suppliers, contractors and any third parties mentioned in the Report. Our assurance engagement did not include verifying the accuracy of data and information reported. Our assurance engagement also excluded Bechtel's stakeholder engagement and materiality review processes.

Ultimately, the Report has been approved by, and remains the responsibility of Bechtel. Bechtel's management was responsible for preparing the Report and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the Report in accordance with our contract with Bechtel. LRQA disclaims any liability or responsibility to others as explained in the end footnote.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Bechtel has not adhered to their processes for collecting and reporting data and information disclosed in their Report.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

LRQA's Approach

LRQA's assurance engagement has been conducted in accordance with LRQA's verification procedure which is based on current best practice and processes defined in ISAE3000. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Reviewing an early draft of the Report (12 January 2015 version v 5) as a basis for understanding the data and information reported;
- Reviewing Bechtel's process for collecting content for the Report, including Bechtel's Enterprise Sustainability Report Process Guide Corporate Affairs Version 1 2014, examples of Content Collection Forms and emails used as the basis for narrative within the Report;
- Reviewing the Ecological Footprint Procedure 2014 for collecting and reporting environmental data from a designated set of Bechtel offices and corresponding data from the data collection database;
- Reviewing CP 108 EH&S Incident Notification, Investigation and Reporting 8 October 2014 procedure for collecting and reporting incident data; Reviewing instructions from Bechtel's database for collecting and reporting safety, environmental and health data company-wide; and
- Interviewing a Sustainability Specialist at Bechtel responsible for compiling data and drafting the Report.

Observations

Bechtel has made improvements to their processes for developing the Report and collecting data to be included, most notably in the documented procedures for report development and data collection. As Bechtel's processes for report development and data collection continue to evolve and improve, LRQA recommends the following to ensure material issues are considered for reporting and to increase the accuracy and reliability of data and information disclosed in future reports:

- Updating the Ecological Footprint Procedure 2014 to improve instructions to the data reporters and QA/QC reviewers;
- Expanding the materiality review process to ensure stakeholder interests are addressed; and
- Reviewing company-wide performance data currently being shared in the report and the rationale for selection of this subset of data.

Signed

Andrea Bockrath LRQA Lead Verifier

On behalf of Lloyd's Register Quality Assurance, Inc.

LRQA reference: RMA10139A Dated: 11 February 2015 Dated: 6 June 2014 **Riley Bechtel** Chairman of the Board

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Brendan Bechtel President & Chief Operating Officer

Peter Dawson Chief Financial Officer

Michael Bailey General Counsel

INFRASTRUCTURE

Toby Seay

Walker Kimball General Manager

Ailie MacAdam Europe & Africa

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