ROBERT W.
CAMPBELL
AWARD®

GLOBAL PARTNERS

- International Institute of Risk and Safety Management (Worldwide)
- International Safety Council
- National Safety Council of Australia LTD
- Minerva Canada
- Workplace Safety & Prevention Services
- China Occupational Safety and Health Association
- Institute of Safety and Health Practitioners, Hong Kong
- Occupational Safety and Health Council, Hong Kong SAR
- Chinese Association of Workplace Safety
- European Network Education and Training in Occupational Safety and Health, ENETOSH
- BG RCI
- National Safety Council of India
- Korea Occupational Safety & Health Agency
- Center of Environmental Safety and Health Technology
- Taiwanese Institute of Occupational Health and Safety

2019 Robert W. Campbell Award Application

Submitted by:
Parsons Corporation

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ROBERT W. CAMPBELL AWARD.

Submittal Packet

Robert W. Campbell Award

Recognizing excellence in environment, health, and safety

Submitted by

PARSONS

5875 Trinity Parkway, Suite 300
Centreville, VA 20120

PARSONS
OWN ZERO

NATIONAL SAFETY COUNCIL

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EXECUTIVE SUMMARY

Founded in 1944, Parsons Corporation is a digitally enabled solutions provider focused on the defense, security, and infrastructure markets. We deliver cyber/converged security; technology-based intellectual property; cutting-edge engineering, design, and construction services; and other innovative services to federal, regional, and local government agencies, as well as to private customers worldwide. Our annual revenue exceeded $3.5 billion in 2018.

Our Mission. To deliver innovative infrastructure, defense, and security solutions to enable a more sustainable, safer, smarter, and better-connected world.

Our Vision. To create and inspire enduring solutions around the world through the following:

- People. Our diverse teams are problem-solvers and collaborate with our customers to solve their most difficult challenges. We attract and develop top talent, go anywhere in the world, meet every challenge, and persevere until the job is done.
- Process. Our world-class processes are always evolving and improving, enabling us to be more effective and advanced in solving our customers' complex needs.
- Technology. Our technical solutions empower us to bring bold ideas to market quickly. We will continue to leverage new technology and innovate for the future.

Our Values. Through the application of our six core values, we continue to provide value to our customers, and we consistently meet our goals. Our core values are as follows:

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

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

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

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

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

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

We are committed to and guided by the following tenets:

- Safety, Health, and Environment (SHE) & Sustainability stewardship is a responsibility shared by all.
- Executive management leads our SHE & Sustainability processes and strives to continually improve our management systems.
- SHE & Sustainability performance is a key business driver.
- Employees are provided with the expectation, resources, and knowledge to ensure they achieve high levels of SHE & Sustainability performance in business operations and project work.
- Employees and stakeholders are authorized and expected to stop work when hazardous conditions warrant it.
- Our SHE & Sustainability efforts extend beyond our workplaces to include travel, our homes, and our communities.

Responsibility for the success of the Parsons SHE & Sustainability system rests on our leaders, who are not only engaged in the development and continuous improvement of our SHE & Sustainability programs and processes but also enthusiastic sponsors who ensure that SHE & Sustainability is integrated into everything we do. This enthusiasm is a true reflection of a company culture that values the wellbeing of people and the environment.

In the markets in which we are active, we proudly lead in SHE performance through the implementation of our Environmental, Safety, Health, and Risk Program (ESHARP). We also lead in sustainability practice through the implementation of the *Parsons Sustainability Handbook*. The success of our programs is exemplified by our more than 1,000 SHE- related awards from the National Safety Council (NSC) since 2005 and by our status as the longest-standing participant in the Occupational Safety and Health Administration's (OSHA's)

corporate Voluntary Protection Program (VPP) in our industry. OSHA VPP status is reserved for organizations that have effective safety and health management systems and that maintain injury and illness rates below Federal Bureau of Labor Statistics averages for their respective industries.

We do not primarily focus our program on historic performance; we measure and value leading indicators such as the number and quality of safety observations and audits completed, near-misses and lessons learned documented, and the number and quality of leadership safety observations.

Our commitment to corporate social responsibility (CSR) is also integral to our management approach and is an important product of our core values. By integrating environmental/energy, sociocultural, and economic concepts into our internal operations and our interactions with our employees, our customers, and the communities in which we do business, we deliver a safer and healthier world, interconnected communities, and a better environment. We publish an annual CSR report that includes four major focus areas: environment, workplace, marketplace, and society. It provides detailed information on topics such as our operational energy consumption, carbon footprint, environmental project performance, workplace ethics and diversity, and community outreach. As part of our CSR activities and achievements we have been recognized by the Ethisphere Institute as a World's Most Ethical Company for 10 consecutive years. We are also committed to the Parsons Gives Back Program through which, for more than 70 years, we have provided charitable contributions, in-kind donations, and volunteer support to educational, cultural, and civic organizations in the communities where we live and work.

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SECTION I: BUSINESS PROFILE

Business Description. Founded on June 12, 1944, Parsons has been delivering a better world for 75 years through its people, processes, and technologies. We are currently organized into eight markets (listed below), with each led by a market leader, and one standalone business unit (BU), which is separated from the eight markets by geography. Seven of the markets and the Middle East and Africa (MEA) BU are profit-and-loss centers; the Construction market is a center of excellence that provides support to all other markets.

- Connected Communities
- Construction
- Cyber & Intelligence
- Defense
- Engineered Systems
- Industrial
- Mission Solutions
- Mobility Solutions
- MEA BU

We deliver our innovative services to federal, regional, and local government agencies, as well as to private industrial customers worldwide. When a customer needs a "one-stop" shop for a project, we are selected because we offer a comprehensive selection of solutions that cover every aspect of a customer's program or project, including management, procurement, consulting, security, and alternative project delivery. Our corporate overview video (this video link and all subsequent video links must be viewed when reviewing the application electronically) provides detailed insight into who we are and what we do at Parsons. In addition, our corporate fact sheet provides insight into our services. Our long history reflects our innovative solutions that take a project from inception and startup through execution (including engineering, design, and construction) to testing and closeout—with the project often continuing to serve as a model for the future. The video Innovation Solutions for Big Challenges provides an example of Parsons' innovation in action.

Our employees work on projects and solutions of varying scope and size, including airports, bridges and tunnels, ports and harbors, rail transit systems, roads and highways, water and wastewater systems, cybersecurity, defense, and environmental remediation. With annual revenues exceeding $3.5 billion, we are owned by our Employee Stock Ownership Trust. Our more than 16,000 employees are engaged in projects in 25 countries on six continents. In addition to our employees, contractors hired by Parsons in 2018 worked more than 3 million hours (equivalent to more than 1,500 full-time employees) and joint venture projects worked more than 10 million hours (equivalent to more than 5,000 full-time employees). We are proud of our diversity; our employees speak more than 80 languages and collectively hold more than 12,000 university degrees and professional registrations. We embrace our history and eagerly move into the future as we continue to grow through organic expansion and strategic acquisitions.

Scope of Submittal and North American Industry Classification System (NAICS) Codes. The information in this application covers all global and corporate operations, including the eight markets and the MEA BU, described above. Historically, our primary NAICS code has been 541330 – Engineering Services; however, as our operations have grown and evolved, we have entered and now function under several other NAICS codes. It is difficult to approximate the percentage of our operations under each referenced NAICS code; however, it is accurate to state that most of our operations take place under the following NAICS codes: 54131 – Architectural Services, 54162 – Environmental Consulting Services, 23 – Construction, 8111 – Automotive Repair and Maintenance, and 8113 – Commercial and Industrial Machinery and Equipment (except auto and electronic) Repair and Maintenance. Additional NAICS codes we function under are listed in the table below.

54133 – Engineering Services	5414 – Special Design Services	541512 – Computer Systems Design Services	54162 – Environmental Consulting Services
5419 – All Other Professional, Scientific, and Technical Services	5612 – Facilities Support Services	5619 – Other Support Services	5629 – Remediation and Other Waste Management Services

SHE, Business, and Sustainability Challenges. Since our inception, we have applied our philosophy of people, process, and technology to accelerate solving some of the world's toughest challenges and to have a positive impact on the environment, marketplace, workplace, and society. Historically, Parsons has provided process engineering, facility design, and construction services and operated various jet-propulsion facilities—including nuclear, chemical, and heavy fuels. In recent years we have expanded into technology-focused fields, including smart infrastructure, cybersecurity, energy, and health research. This has introduced unique business and sustainability challenges.

Although we understand that the basic needs of society remain constant, as our operational landscape and offerings have begun to shift, we are confronted with the difficulties of continuing to provide cutting-edge, technology-based solutions. We remain focused on helping the cities and government clients we serve become safer, smarter, and more resilient. However, in a world of decreasing resources and increasing innovations, we are challenged to effectively shift our focus to help our customers develop intelligent infrastructure solutions, including smart technologies that improve water delivery and to expand the capacity of our rail and transit systems, roads and highways, etc. Inherent in these business challenges is that we ensure that our SHE & Sustainability management systems keep pace and continue on a path of continuous improvement.

SHE & Sustainability System Integration to Support Organizational Sustainability. Parsons has companywide policies for SHE and for sustainability. These policies are endorsed by our chief executive officer (CEO). They set the vision for our core values of safety and sustainability, provide corporate resources for employees, and outline roles and responsibilities in the organization. Our SHE & Sustainability practices are also guided by the following two corporate documents:

- *ESHARP Guidebook*
- *Parsons Sustainability Handbook*

Together, these documents integrate SHE and systems into our internal operations and our interactions with our employees, customers, and the communities in which we do business, allowing us to enhance the overall sustainability of our organization from an environmental, sociocultural, and economic point of view. These policies and documents are described further in Section III – Integrated SHE Management System.

Since 2008, our Sustainability Working Group (SWG) has been the focal point for corporate-wide collaboration to further our sustainability practice, expand market capacity, and conduct regular evaluations of our sustainability policies, processes, tools, and technology. Consisting of the sustainability director from the MEA BU as well as of representatives from each of our major market sectors, the SWG also leads employee outreach efforts to advance our core value of sustainability.

In 2018, we introduced the concept of OWN ZERO® as the foundational philosophy of our SHE & Sustainability management system and to take our safety culture to the next level. OWN ZERO®, which is discussed in further detail in Section III – Integrated SHE Management System, operates on the basic premise that a true culture of safety is built on the following three primary elements: (1) protecting the quality of life, (2) employee ownership, and (3) exposure control. OWN ZERO® emphasizes a value-based, holistic approach to identifying and minimizing risk for our people and our business, by empowering all employees to take ownership of and be accountable for the physical safety and wellbeing of our staff and team members throughout a project's life cycle. Although SHE & Sustainability performance excellence begins with leadership commitment, achieving it requires all employees to take an active role in continuous improvement.

In 2017, our corporate sustainability efforts were also officially combined with our SHE management undertakings to better integrate and support the overall sustainability of the organization. By combining these efforts, we have effectively produced a rich resource of combined expertise Since then, our SHE &

Sustainability systems have continued to become more integral in policy and in practice. Some examples of the evolution of the team's integration from 2018 to 2019 are as follows:

1. Executive leadership of the SWG changed to the senior vice president (SVP) of SHE & Sustainability (2018)
2. Executive sponsorship of the corporate sustainability policy shifted from the corporate chief of staff to the director of SHE & Sustainability (2019)
3. Addition of sustainability items to the office SHE & Sustainability inspection checklist (2019)
4. Inclusion of sustainability representation at quarterly SHE & Sustainability leadership team meetings (2019)
5. Sustainability policy revision to formalize the link between the SWG and the SHE & Sustainability team (2019)

What Sets Us Apart. We not only are on the leading edge of advancements in the markets we serve but we also boast a world class SHE & Sustainability program, which has been recognized in the marketplace time and time again. We were honored to be 2018 Robert W. Campbell Award finalists and believe our selection as a finalist, our standing as a Campbell Institute member, and our commitment to continuously improve our SHE & Sustainability systems set us apart.

A recent project example of outstanding SHE & Sustainability performance is on one of our programs for an international oil company. This program recently surpassed 1 million hours and more than 4,000 days without a recordable incident. Achievement of this milestone is a credit to the diligence of all our project teams working on projects in four different states who have engrained safety as a core value in their day-to-day culture. The project teams have demonstrated a commitment to stellar SHE performance by maintaining 11 years of incident-free operations and an "A" safety rating (top tier) with the client for 15 consecutive quarters. On their way to this accomplishment, team members performed more than 1,600 employee-based observations. Our management team provided strong, visible leadership, reflected by the completion of more than 600 SHE inspections, self-assessments, and audits. The Parsons safety culture also positively influenced our contractor performance and is reflected in more than 128,000 hours of contractor field work without a recordable incident during the same period. Our project scopes include strategic planning, investigation, design, construction, demolition, environmental remediation, restoration, and operations and maintenance (O&M) activities.

We also have received the following key awards and recognition for our project work and our corporate practices, which demonstrate the breadth of our industry leadership and the commitment of our line employees, project managers, and executive leadership team:

- In addition to being the longest-standing OSHA corporate VPP participant in our industry and one of only five companies in the nation currently participating in OSHA's corporate VPP, 23 Parsons sites have achieved VPP Star status. The Star Program recognizes exemplary worksites with comprehensive, successful safety and health management systems.

Left to right: David Robinson (SHE deputy director, MEA), Gary Adams (president, MEA), and Michael Nelson (VP and director of SHE, MEA) receiving ISO 45001 designation.

- We are Certificate of Recognition (COR™) certified in several Canadian provinces and have received International Organization for Standardization (ISO) 45001 certification in our MEA BU (Parsons was the first consultant in MEA to receive this designation).
- The NSC has recognized us with 453 awards in occupational excellence, 463 Perfect Record awards, and 109 awards in various other safety categories for our outstanding safety achievements every year since 2005. This accomplishment brings our total award count to more than 1,000 since 2005—one of the highest totals of any NSC member.

CSR Overview. As a responsible corporation, we respect the interests of our stakeholders—our shareholders, employees, customers, suppliers, teaming partners, and the wider community—and we actively seek out opportunities to improve the environment and to contribute to the wellbeing of the communities in which we do business. Our vision of CSR provides for corporate self-regulation integrated into our business practices, in order to positively influence both our internal and external stakeholders. As such, our efforts begin with our employees and extend to our customers and communities. We have instituted several initiatives that advance safety, healthy working conditions, equal opportunities for growth and advancement, workplace ethics, and community engagement. Our CSR efforts can be summarized by the following four focus areas, which complement and augment the Parsons SHE & Sustainability management system approach:

Environment

The effects Parsons' operations, project activities, and employees have on the natural environment.

Workplace

How Parsons provides a healthy, safe, and inclusive professional environment, with a diverse and supported workforce.

Marketplace

How Parsons interacts with external stakeholders to demonstrate leadership in quality, ethics, and transparency.

Society

Contributions Parsons makes, as individuals and as a company, to the communities in which we live and work.

Our social responsibility efforts and our annually published CSR report are described in more detail in Section III, Subsection – Environmental and Social Responsibility.

SECTION II: LEADERSHIP

At Parsons, we believe that, in order to effectively inspire and gain commitment from our teammates, our senior leaders must exemplify and practice our SHE & Sustainability systems, values, and processes. Our leaders actively inspire, build, and sustain a collaborative culture that nurtures positive SHE & Sustainability behaviors and practices. In addition to providing and sponsoring policies relating to SHE & Sustainability, our leaders set the tone to ensure that a collaborative culture focused on progressive SHE & Sustainability practices remains in place. Our leaders ask each employee to commit to seeking opportunities each day to make the workplace and the environment safe and sustainable for everyone. Our employees truly are our number one resource, and we hold their safety and the protection of our environment as fundamental values. As an example of how our executives lead our SHE & Sustainability efforts, at our executive summit in January 2019, several of our senior leaders weighed in on our SHE program and its impact on business. To see and hear them, watch the [Executives Give Their Thoughts on OWN ZERO®](#) video. *(Note: video is only available internally on Parsons systems.)*

Organizational Leadership. We believe that effective organizational leadership begins with our Executive Leadership Team (ELT) and our market leaders. This group of leaders includes our Chairman/CEO and spearheads and takes ultimate responsibility for our integrated SHE & Sustainability program implementation and performance. They maintain oversight of our SHE & Sustainability policies, procedures, and management systems described in more detail in Section III – Integrated EHS Management System. All our executive

leaders oversee hazard recognition and mitigation undertakings, risk management, employee ownership and expectations, and change management in their respective groups. In addition, all are expected to routinely engage and interact with staff regarding our core values of safety and sustainability and are responsible to report on both leading and lagging SHE & Sustainability indicators along with other performance metrics monthly.
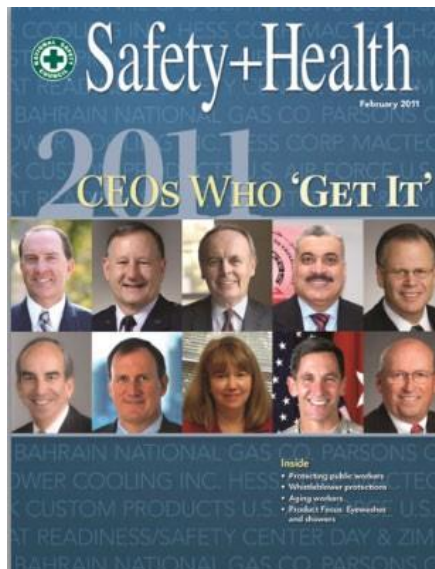
Our CEO and executive management put their philosophy and beliefs in practice by being vocal advocates inside and outside the company regarding our core value of safety and the company culture that supports it. For example, our CEO, Chuck Harrington, was recognized by the NSC in 2011 as one of the CEOs Who "Get It" and featured in an article in *Safety+Health* magazine in 2011. In the article, he responded to a question as to why safety is a core value at Parsons by saying, "Establishing safety as a value rather than a priority tells our employees and our customers that safety is built into our culture, not something we do merely to comply with regulations. Safety is recognized by client organizations in our industry as an important component of contract execution, and we believe our goal to be a firm with a superior safety culture and performance will yield competitive advantages in the market." In that same article in response to a question on how to best instill a sense of safety in your employees on an ongoing basis, he stated, "The demonstrated commitment toward safety by our executives and senior managers provides our employees with evidence of our belief that all incidents are preventable. Our goal is to weave safety throughout every aspect of our corporate culture, processes, and systems so it is a natural way of thinking toward every action taken by our employees." Clearly an early adopter of a zero-incident philosophy and value for safety, Chuck continues to champion a zero-incident philosophy as one of the most vocal, vigilant, and committed supporters of our OWN ZERO® campaign. The image to the right is a tweet Chuck shared in 2018 regarding OWN ZERO®. Chuck shares his philosophy in this OWN ZERO® video. *(Note: video is only available internally on Parsons systems.)*

Commitment to SHE Goals. Our senior leadership is highly engaged in the implementation and evolution of our SHE & Sustainability systems. In fact, our CEO, Chuck Harrington, provided the impetus for the development of OWN ZERO®, which was born out of his observation that our SHE culture, while still strong, had lost some momentum. He requested that the Senior Vice President of SHE & Sustainability and team reinvigorate the culture in a tactical way that focused on mindset and the goal of zero workplace injuries or negative events. Chuck is not the only executive leader who champions SHE & Sustainability—all our leaders do. Our ELT, whose members are shown in the table below, is committed to and directly engaged in the execution of our corporate and SHE & Sustainability vision. They are responsible for ensuring the availability of the resources essential to the establishment, implementation, maintenance, and improvement of the SHE & Sustainability management systems. Our senior leadership also actively directs the development and communication of roles, responsibilities, accountabilities, and authorities at Parsons.

One example of this hands-on approach: The ELT members were the very first participants to attend an OWN ZERO® leadership workshop where they developed our SHE & Sustainability cultural attributes, which are described further in Section III, Subsection – Procedural Guidance. Our executive leaders are also required to perform one safety observation per quarter where they specifically provide either "success" or "guidance" feedback via our internal app

Charles L. "Chuck" Harrington	Chairman and Chief Executive Officer
George L. Ball	Chief Financial Officer
Debra A. Fiori	Chief Human Resources Officer
Virginia Grebbien	Chief Marketing Officer
Michael R. "Mike" Kolloway	Chief General Counsel
Carey Smith	Chief Operating Officer
Adam W. Taylor	Chief Transformation and Operations Officer
Garold B. "Gary" Adams	President – MEA

developed with the Salesforce platform. We also use the continuous- improvement Plan–Do–Check–Adjust (PDCA) model for our SHE & Sustainability management systems approach, and our leadership subscribes to a "what gets measured is what gets done" philosophy as an important component of our culture.

As a result, we use the performance metrics tied to all our safety and sustainability core values, which are called "core value metrics" (CVMs) and serve as our internal set of key performance indicators (KPIs). The ELT approves CVMs annually, and each market leader is responsible for measuring and reporting the CVMs to the board of directors at least quarterly. We have also taken great strides to engrain our philosophy and mindset to a value(s)-driven approach. This is evident in the prescribed nature of the ESHARP manual and reflected throughout the life of a project beginning with business development all the way through project closeout. We understand that our executive team cannot be involved in many of the day- to-day SHE & Sustainability touch points. That said, our executives are involved in the monthly and quarterly review of the SHE & Sustainability CVMs and are held accountable for the CVMs for their respective group.

They are also involved in all executive incident review (EIR) calls within their areas of responsibility. One of the more beneficial tools we have established over the last year is our OWN ZERO® leadership calls. During these calls, which are held quarterly with our market leaders and their entire staff (i.e., an all-hands call), our market leaders cover topics relevant to their industry: recent incident trends, proactive event reporting updates, and general SHE & Sustainability topics.

Organizational Culture/Climate. We take pride in being a company of thinkers, innovators, and protectors. Our people not only generate big ideas but also bring them to life. We operate in a variety of services and markets, which means that, although we're one company, we are very diverse and maintain a climate of flexibility and adaptation. Our commitment to embracing inclusion and diversity in all aspects of our business is fundamental to our corporate culture and vital to our continued growth and success. We leverage diversity through inclusion of employees, empowering them to shape the future of the corporation through collaboration and innovation. In such a diverse and cosmopolitan organization, one might think it would be tough to find a unifying thread that defines our culture, but it's actually very simple.

Our culture is one of commitment to our core values and collaboration. Our organizational operations seamlessly integrate with our culture to create our climate. Maintaining a people-first strategy is a critical component of our overall strategic platform because we believe that doing so not only provides a competitive advantage but also energizes and motivates our team members and partners. We work together on the world's most complex problems, and we thrive on the satisfaction that comes with helping our clients through difficult challenges. Integral factors such as our SHE & Sustainability systems, world-class project management, and technical excellence have effectively produced a culture that values continuous improvement and fosters productive intercompany relations, cooperation, and mutual respect. Relationships among the workforce, management, and contractors are fluid and are built on trust, respect, communication, and integrity. We also make a concerted effort to integrate contractors and/or suppliers into our culture. We achieve this integration beginning with our contractor prequalification process and continuing through the project delivery process with activities such as SHE & Sustainability project kickoff meetings, risk mitigation

meetings, partnering campaigns, ongoing progress meetings, and indoctrination/orientation processes to ensure that our culture and SHE & Sustainability management approaches are adopted and respected.

Cross-Cultural SHE Standards and Procedures. As an international firm with a multinational workforce, important components of our SHE & Sustainability management system are cultural integration and consideration of international and cross-cultural customs, standards, and regulations. We meet applicable international standards such as ISO 45001 and OHSAS 18001. In addition, a unique aspect of our management system is the requirement that a site-specific, local, legal-compliance register be completed and approved by the director of SHE & Sustainability before work starts in a country or region in which Parsons has not previously conducted work. In completing the site-specific legal-compliance register, the project SHE representative identifies the SHE legislation, standards, codes, and regulations relevant to our activities in each country or region in which we are engaged. These are compiled and maintained in a separate country/regional legal compliance register to ensure that multinational and cross-cultural SHE standards and procedures are implemented and integrated. The legal-compliance register includes the following:

- The governing SHE & Sustainability regulations, codes, standards, legislation, and ordinances associated with the country, region, or project
- SHE hazards, and risks associated with the identified legal requirements
- Cross references to the applicable project-specific safety, health, and environment plan (PSHEP) section(s) that address the particular legal requirements

Critical Event Leadership. Our leadership responsibilities during and after critical events are defined by our corporate policy on business-continuity management and contingency planning. The chief transformation and operations officer is the sponsor of the Business Continuity Steering Committee (BCSC), a committee whose function is to review and validate all impact analysis, activities, strategy options, and organizational changes that may affect the performance of the company's Business Continuity Program (BCP). The BCSC sponsor provides business-continuity strategic guidance and support in alignment with Parsons' business strategy. The sponsor also establishes relevance and awareness of the program, increases the effectiveness of the program to mitigate business impact and risk in the event of a crisis, and reviews and approves recommended Business Continuity Management Program (BCMP) plans, solutions, and improvements.

As the BCSC sponsor, the chief transformation and operations officer takes responsibility during and after critical events by providing oversight to the Emergency Response Team (ERT), which is called into service as needed. The ERT coordinates the organization's response in conjunction with various functional groups in accordance with the Parsons emergency reaction procedures. It consists of representatives from corporate departments, Market and BU operations, Talent Management, Facilities, Information Systems, Security, SHE & Sustainability, and Finance who meet virtually or in person from the beginning of an emergency until the event has concluded and all operations have returned to normal.

SECTION III: INTEGRATED SHE MANAGEMENT SYSTEM

Policies, Goals, and Objectives. Safety and sustainability are two of Parsons' six core values. Our SHE & Sustainability management system was developed and has been deployed throughout the enterprise to help ensure reliable, sustainable excellence in our safety, health, and environmental stewardship and in our sustainability performance. However, our other four core values—quality, integrity, innovation, and diversity— also are explicitly integrated in our SHE & Sustainability philosophy. Our organizational goals and strategies

are wide ranging, but they can be grouped into the following three categories: (1) enhance our current offerings through continuous improvement, (2) extend our offerings though innovation and progress, and (3) transform our business as necessary to effectively navigate changes in markets. Our SHE & Sustainability management approach is aligned with and integrated into these strategies. As such, we implement the industry-proven PDCA quality-process approach whereby we identify opportunities to improve and make effective changes to our management systems. Our leaders also implement a hazard identification and risk assessment process to identify situations in which work performed does not conform to Parsons' or the project's operating procedures, guidelines, and other management systems so that corrective action can be taken. Corrective action could include changes to the organizational structure, personnel, internal and external management systems, work processes, activities, materials, or equipment.

We know that a world-class SHE & Sustainability management system must be grounded in effective policies and procedures. As mentioned previously, we have two main policies governing SHE & Sustainability: the corporate sustainability policy and the corporate SHE policy which are made available in all Parsons offices and in field site offices. In addition, our leadership has drafted more than 60 corporate SHE procedures, which make for a mature, robust, reliable, and continually evolving SHE & Sustainability practice. The two procedural documents that reinforce our commitment to the philosophy described above are the *ESHARP Guidebook* and the *Parsons Sustainability Handbook*. They are the building blocks of our SHE & Sustainability management system and are discussed in detail in the next section.

Procedural Guidance. The first of the two main components of our SHE & Sustainability management system is Parsons' industry-recognized ESHARP. The *ESHARP Guidebook* and its related guidebooks reflect the evolution of our work and the continuing challenge of maintaining a safe and healthful workforce, managing and sustaining our environment, and meeting our customers' diverse expectations. ESHARP provides the minimum standards for managing SHE hazards and risks associated with our activities and operations, providing the strategies and tools to continue pursuing SHE & Sustainability performance excellence leading to improved quality of life for our employees, contractors, customers, and communities. ESHARP is aligned with the requirements of American National Standards Institute (ANSI) Z10, Occupational Health and Safety Assessment Series (OHSAS) 18001 for health and safety management of activities, ISO 45001 for occupational health and safety management systems, and ISO 14001 for environmental management of activities— all of these requirements are national and international consensus

standards relating to SHE management systems. ESHARP encapsulates the scope and operation of our management system while reflecting the nature and scale of the risks we face. Using ESHARP, we implement, maintain, and continually improve our management system to conform to legal requirements and to the national and international standards to which we subscribe. The ESHARP guidebooks are prominently posted on our intranet site (PWeb) and are provided to the companies with which we work as a reference document for the following topics:

- Learning and understanding our SHE systems
- Planning for SHE requirements
- Controlling hazards and managing risk
- Activity planning
- Conducting SHE & Sustainability audits
- Investigating and reporting incidents

- Increasing safety awareness for existing staff
- Setting competence
- Reviewing and improving SHE systems

The comprehensive nature of the *ESHARP Guidebook*, which is divided into 27 sections clearly illustrates why our performance in these areas is viewed as a critical discriminator by our competitors, partners, and clients.

The second arm of the SHE & Sustainability management system is represented by our corporate level SWG and the *Parsons Sustainability Handbook*. With the increased demand for safe, durable, and economically responsible projects that also conserve natural resources and energy, we strive to provide our clients with assets and systems that are robust and resilient to withstand short-term risks while adapting to long-term changes to environmental conditions. Processes and procedures for sustainability stewardship in our business operations, our business development, and our work product are outlined in the *Parsons Sustainability Handbook*. The handbook describes our corporate culture of sustainability, identifies

best practices, and provides guidance for providing internal and client-sustainable solutions consistent with applicable objectives, needs, requirements, and approvals. It provides our staff with important information, such as detailed references to resources and tools that assist with sustainability decision-making across disciplines. The three main sections in the handbook are as follows:

- Business Operations: Internal sustainable business practices, information on sustainability in the workplace and in the procurement and supply chains, and how sustainability is vital to our corporate and individual roles as good citizens. Checklists to guide managers and employees to sustainability opportunities for owned and leased facilities, commuting, business travel, shipping, office electronics, records, and training.
- Business Development: Integration of sustainability into business development practices, encouraging robust engagement with customers and our stakeholders. Methods for communicating our sustainability efforts in presentations to our customers, community organizations, trade associations, and students.
- Work Products: Development, planning, design, and management of projects and programs to incorporate sustainability, in order to maintain our staff's ability to deliver the latest innovations in our industry.

The SWG facilitates a corporate-wide collaboration focused on furthering our sustainability capacity and market development. The SWG advises on and provides the following key areas of business and technical practice development:

- Basic sustainability concepts
- Practical ideas to incorporate sustainable best practices in office operations, project/program management, and business development
- Cutting-edge tools to drive sustainable project solutions
- Effective approaches to measure compliance with our requirements
- Use of third-party project certification programs such as the U.S. Green Building Council's (USGBC's) Leadership in Energy and Environmental Design (LEED) rating system and the Institute for Sustainable infrastructure's Envision certification program
- Sustainability professional accreditations

The SWG continues to evolve with a focus on continued sustainability integration into our products and services.
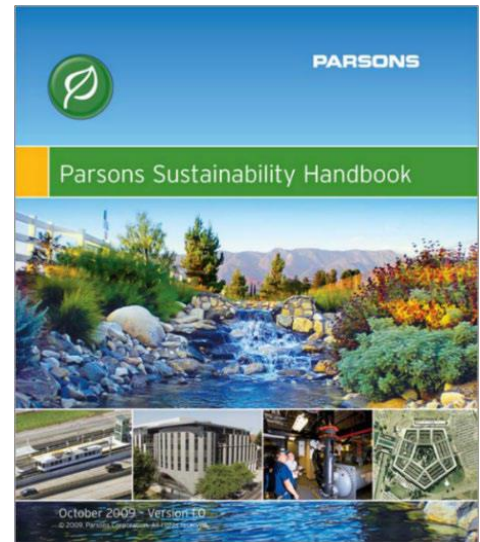
Integrated SHE & Sustainability Management Approach. Our SHE & Sustainability management systems work together to identify hazards and control risks. However, all our SHE & Sustainability processes, procedures, and guidelines are singularly grounded in our OWN ZERO® initiative, which is built on the following three primary elements: (1) protecting the quality of life, (2) employee ownership, and (3) exposure control. This philosophy has arisen from a system that values people as our most treasured and precious resource, an ongoing focus on exposure control, ensuring that resources and systems are aligned, and embracing a willingness to change. The objective of OWN ZERO® is to create the following:

- A value-based approach
- A culture of caring with clear cultural attributes
- A focus on exposure reduction through traditional means as well as well as technological advances
- Commitment at all levels
- Desired behaviors, attributes, and beliefs
- Continuous safety improvement
- Exposure reduction
- Business impact
- A culture of "safety is who we are"
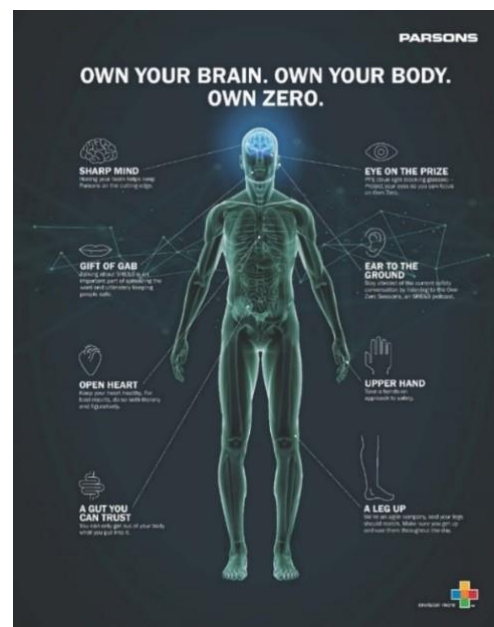
As shown below, OWN ZERO® places an emphasis on the whole person. This includes planning and preparing for all types of hazards, all modes of hazardous exposure, and all occurrences of hazardous exposure (both at home and work).

- **Sharp Mind.** Honing your brain helps keep Parsons on the cutting edge.
- **Eye on the Prize.** Personal protective equipment (PPE) (including blue light–blocking glasses) protect your eyes so you can focus on OWN ZERO®.
- **Gift of Gab.** Talking about SHE & Sustainability is an important part of spreading the word and ultimately keeping people safe.
- **Ear to The Ground.** Stay abreast of the current safety conversation by listening to OWN ZERO® Sessions, an SHE & Sustainability podcast.
- **Open Heart.** Keep your heart healthy. For best results, do so both literally and figuratively.
- **Upper Hand.** Take a hands-on approach to safety.
- **A Gut You Can Trust.** You can only get out of your body what you put into it.
- **A Leg Up.** We're an agile company, and your legs should be as well. Make sure you get up and use them throughout the day.

OWN ZERO® is driven by the following SHE & Sustainability cultural attributes (see our video Safety: Cultural Attributes): *(Note: video is only available internally on Parsons systems.)*

1. Anyone, regardless of position or title, can provide effective safety feedback to others.
2. All stakeholders feel enabled to stop work when conditions warrant.
3. Everyone is engaged in the safety process and takes safety practices home to their families.
4. Safety is included in all phases of project execution, from business development to project closure.
5. Safety ownership begins when individuals hold themselves and others accountable.

Short-Term and Long-Term SHE & Sustainability Goals. Our goals are wide ranging. In the short term (i.e., the next 12 months to 18 months), we have committed to continuing and completing the rollout of OWN ZERO® as well as our Life-Changing Event (LCE) initiative, which is described in more detail in the Section III, Subsection High-Hazard Risks. In addition, we will be enacting an opioid awareness campaign focused on education,

awareness, prevention, and treatment in the summer of 2019. We maintain our longstanding goal of remaining an industry leader in SHE & Sustainability innovation and performance and achieving ZERO. We are also working on developing a zero-waste initiative as described in Section III, Subsection – Life-Cycle Management and Zero Waste.

In the longer term (i.e., over the next 3 years to 5 years), we are committed to remaining on the cutting edge of innovations in SHE & Sustainability. An example of this is that we are focused on maximizing our use of technology for SHE & Sustainability applications and infusing neuroscience-based approaches throughout our SHE & Sustainability management system.

Communications. We nurture a consultative, collaborative work environment at every level of our enterprise, starting with the C-suite. Senior executives hold quarterly meetings, chaired by the CEO, during which SHE & Sustainability performance matters are shared, applicable lessons learned are discussed, and notable SHE & Sustainability successes are commended. Beyond quarterly senior-executive leadership meetings, numerous strategies are used to convey key SHE & Sustainability information from management to employees and between markets, allowing for a variety of feedback loops so that employees have an opportunity to provide input to management, share lessons learned, and expand the SHE & Sustainability practice.

Internal Communication. Our Enterprise Marketing Group includes an internal communications team, which uses several official tools, such as our intranet site (PWeb), text messaging, email, and Workplace (Parsons' internal social-media platform) to distribute the following types of company-wide communications to ensure the integration of SHE & Sustainability with business operations:

- Weekly SHE & Sustainability bulletins that contain current, relevant topics and information on lessons learned
- Video shorts and micro-learnings facilitated by our SVP of SHE & Sustainability or by our CEO
- Monthly SHE & Sustainability performance videos facilitated by various Parsons operational leaders
- Biweekly text messages describing SHE & Sustainability topics, including a link for more information
- Periodic communications related to employee health and wellness

Another facet of our internal communications is Parsons' OWN ZERO® commitment workshops, which are facilitated throughout the enterprise. These workshops provide an informal forum, led by an SHE & Sustainability professional, to share bilateral SHE & Sustainability performance expectations, leadership and employee expectations, and the means to achieve this performance. All Parsons leaders also attend in-house ESHARP workshops (with online and instructor-led components) designed to share performance expectations and educate our leaders on how SHE & Sustainability performance excellence and ESHARP can be effectively integrated into our business processes, including during the business-development life cycle. Regular SHE & Sustainability communications also appear in written form for project team members and stakeholders during regular project meetings, celebrations, and team-building events. Examples include the following:

- SHE & Sustainability bulletin boards (in corporate and field offices), postings, and brochures
- Toolbox talks
- All-hands meetings
- Daily pre-task safety briefings
- Team lunches

Our employee communications involve far more than access to written policies and procedures, safe work briefings, orientation, and training sessions. There are multiple communication tools and avenues that foster active formal and informal communication among employees, from one business function to another, and between employees and management. Employees and project teams communicate directly and frequently with their peers and supervisors through personal interactions and through written suggestions, for example, to provide routine recommendations for work-practice improvements or to share lessons learned. Based on

the type of work, work locations, and operational risks, the project team members themselves determine the best forms of communications needed. Following is a partial list of communications tactics we currently use:

- Our internal social-media site, Chatter, as a collaborative employee-communications forum (where best practices are shared and where questions are asked and answered)
- Quarterly all-hands conference calls led by organizational executives (at the division and market-leader levels), with SHE performance and relevant SHE matters as the only agenda item
- Formal and informal project meetings
- Stakeholder alignment (expectation-setting) meetings
- Look-ahead meetings (long-lead work-task preparatory meetings)
- "Take 5" meetings (5-minute safety meetings used when work needs to be paused for any reason)
- SHE & Sustainability and VPP committee meetings

In addition, specific additional input from stakeholders and the chartered-employee SHE & Sustainability committee (whose key role is to reduce hazardous exposures in the workplace) is solicited under the following circumstances:

- When new work processes, equipment, or tools are being designed, purchased, or modified
- When occupational-health issues and worksite-monitoring issues are identified
- During incident investigations
- During site visits by members of the senior leadership team
- When programs related to worker-initiated SHE & Sustainability observations are being considered or evaluated

External Communication. We are seen as an industry leader in SHE & Sustainability performance, business operations, financial results, services provided, and corporate responsibility due to our willingness to be transparent throughout the enterprise and in the communities we serve. We provide regular and consistent external communication through various media, including corporate brochures, CSR reporting, press releases and other information posted on our external website and social media, speaking engagements at conferences, and other events.

We cannot over-emphasize the impacts our two-way communication with stakeholders has on our SHE & Sustainability performance. Parsons enjoys the positive effects fostered by effective stakeholder consultation and participation. Beyond the SHE & Sustainability performance improvements caused by participatory communications, interactive, respectful, and engaging communication processes have led to the development of lasting partnerships among workers, leadership teams, contractors, and stakeholders. Effective consultation and participation allow stakeholders at every level to raise concerns and influence decisions on SHE & Sustainability performance management, yielding collaborative solutions to problems and helping to develop and maintain a positive, continually improving culture.

As part of our regular work processes, our leaders seek stakeholder input and collaboration on SHE & Sustainability matters, such as developing, reviewing, and updating the following:

- Work plans
- Risk assessments and activity hazard analyses (AHAs)
- Compliance programs and best practices
- Project policies and procedures
- Training programs
- Orientation programs
- SHE & Sustainability performance measures and objectives
- Awareness campaigns

Finally, occupational safety and health consultation and participation are required when employees have formal (e.g., bargaining unit) representation on occupational safety and health matters. Even members of the public or other interested parties may provide feedback or inquire about project SHE & Sustainability issues. When external feedback or an inquiry is received, a project representative records the information in a tracking register and forwards the information to the project manager (PM). The PM may choose to engage corporate subject matter experts (e.g., a SHE & Sustainability director, security director, sustainability director, or legal representative) as necessary to ensure that the final response to the correspondent is crafted appropriately.

Audits and Assessments. Regular worksite SHE & Sustainability inspections, project self-assessments, and programmatic audits serve as the cornerstone of our hazard-identification, risk-assessment, and exposure-control methods. Using these process tools helps us evaluate compliance with our SHE & Sustainability policies, procedures, and expectations. For example, at all Parsons locations, the PM establishes a formal inspection, self-assessment, and audit protocol in accordance with ESHARP. This protocol, which also applies to areas controlled by Parsons' contractors and their lower-tier contractors, includes the following:

- A PSHEP to establish and implement effective and compliant worksite inspection, self-assessment, inspection requirements, and audit protocols, using a risk register and the associated compliance programs and best practices
- Audits (at least quarterly) to validate that our management system, as defined by the PSHEP, is operating as intended
- Routine inspections (at least weekly) to search for the symptoms of any management system deficiencies
- Investigation and corrective action to address management system deficiencies (root causes) associated with the findings through tracked corrective actions

Participants in the audits and assessments typically include the following:

- Site-specific and corporate SHE & Sustainability professionals experienced in auditing
- Third-party independent internal and external auditors who report directly to the Parsons Board of Directors
- The PM or, if the PM is not resident on the project, the most senior worksite leader
- The SHE & Sustainability project representative or the director of SHE & Sustainability (or delegate)

Hazard Recognition and Risk Management. Our commitment to a strong SHE culture begins with safely planning activities during the business development process. A well-developed SHE hazard recognition, risk analysis, and SHE implementation strategy are the first step to mitigate risk during project execution.

The status of Parsons' compliance with regulatory, legal, and other similar requirements for a given project is recorded in a SHE legal-compliance register, which cross references the applicable laws and regulations to the Parsons-defined SHE risk-analysis process. After a final contract is awarded to Parsons, project SHE risks are reevaluated and specific risk-control strategies and details are updated, refined, or established. This information is then documented in the risk register and included in the project SHE plan.

Planning and progress meetings occur regularly throughout the life of a project and at every level of the project. These planning meetings are designed to communicate the various risks themselves, as well as to discuss and track the planned control and mitigation strategies with the responsible parties. The meetings Parsons uses to ensure successful implementation of the work plans and risk controls are as follows:

- Stakeholder SHE alignment meetings
- Project kickoff and premobilization meetings
- 2-week look-ahead meetings
- Daily/pre-task briefings

- Work-pause/Take 5 briefings
- Stop-work meetings
- Toolbox talks
- All-hands meetings

Hazard Analysis Procedure. During field execution, a fundamental risk-assessment method used on our projects is the AHA, which provides a broad overview of the actions associated with an activity, the associated hazards, and the steps taken to mitigate those hazards. Although not all SHE risks can be assessed and controlled using an AHA, the AHA is the most common type of field-risk assessment method we use. Its linear, flexible structure is ideal for understanding the SHE risks of most work activities and the associated risk-control strategies. Carefully conducted AHAs play a key role in effective SHE risk management.

Enterprise Risk Management (ERM). ERM helps develop a risk-intelligent culture throughout the corporation and provides reasonable assurance that our strategy and business objectives will be achieved by encouraging proactive risk-management practices that are integrated with strategy-setting and performance management. ERM includes considering risk as part of strategy development. The ERM process also includes anticipating and addressing emerging risks, and continuously improving governance processes and internal controls.

Components of the ERM strategy include the following:

- Strategy: Risks are considered when selecting the strategy, and the selected strategy forms the foundation for business objectives and the risk assessment.
- Objectives: ERM risks are assessed in terms of impact on the company's ability to achieve its strategy and business objectives. A forward-looking, 3-year time horizon is used for risk assessments.
- Identification and Assignment: Risks are divided into five areas: financial, legal, talent, operational, and strategic. Risk owners are identified for each risk. Standard risk definitions are used across all assessments to provide consistency. BUs review the risk list for gaps and relevance and add risks if needed.
- Assessment: Management assesses risks by considering their likelihood and potential impact. Ratings reflect input provided by personnel familiar with the related activities. Risks are assessed in the unmitigated/inherent state and in the mitigated/residual state, reflecting the effectiveness of Parsons' control activities. Ratings are consistent with standard guidelines and reflect objective data and subjective expert opinions of complex, interrelated circumstances.
- Monitoring: Management monitors significant and emerging risks continuously. Changes to the published action plans are made when needed.
- Response: Mitigation action plans are provided to reduce threats or increase opportunities associated with all significant risks. The status of mitigation plans is tracked from development through implementation. If no mitigating actions are viable, the situation is explained in the risk assessment.
- Communication: Corporate ERM reports are distributed to Market leadership. Market leaders communicate risk information with their teams. A detailed report on the ERM process and the resulting risk assessment is presented to the Audit Committee of the board of directors annually, with updates given in interim quarters.

Our ERM process includes a comprehensive annual review of SHE-related risk. Our current ERM review has listed the following enterprise-level risks and corresponding mitigation/control measures related to SHE:

Risk: An incident could occur at an office or project site, directly involving our employees, or an accident could be attributed to our work product. Significant safety, health, or environmental impacts could result, directly or indirectly, thus affecting the company. We could thus be disqualified from the OSHA corporate VPP and risk losing our alignment with international standards such as ANSI Z10, OHSAS 18001, ISO45001, or ISO 14001. Depending on the market and the severity of the incident, we could be disqualified from bidding on new projects. Lawsuits could occur with some losses not covered by insurance.

<u>Preventive/Detective Control Activities (existing activities that are key to mitigating the risk)</u>:

- SHE staff conduct site visits and ESHARP validation audits in accordance with ESHARP requirements.
- Senior leaders and SHE staff coach PMs and operation leads to fully implement the existing ESHARP strategy, including identifying specific SHE risks and planning for their control in the business development and doer–seller processes.
- PMs and SHE staff enforce Parsons' contractor qualification and management processes.
- PMs perform meaningful quarterly ESHARP self-assessments of project SHE readiness and take action to correct issues that are discovered .PMs engage with the functional SHE team during project startup and mobilization.
- PMs and SHE staff support site OSHA VPP accreditation and COR™ accreditation.
- SHE staff provide Supervisor Training in Accident Reduction Techniques (START) and ESHARP training to managers and supervisors.
- Senior leaders, PMs, and field FMs obtain the accredited Safety Trained Supervisor® (STS®) credential, especially when overseeing sites with no full-time SHE professional assigned.
- Senior leaders, PMs, and FMs refresh their knowledge of Parsons' recently revised ESHARP SHE strategy via available Parsons University (ParsonsU) learning modules.
- Senior leaders conduct executive incident reviews and share lessons learned across the BU.
- Senior leaders develop positive relationships among employees and reinforce Parsons' SHE culture among themselves, PMs, and FMs.
- Senior leaders perform routine safety contacts in person with their employees, including with their employees who work solely in access-controlled facilities. Senior-leader performance on these activities is measured monthly and reported during monthly management reviews.
- Senior leaders and SHE staff conduct relationship and indoctrination visits at sites that have not been visited, concentrating on employees new to the organization.

High-Hazard Risks. We believe that every risk must be comprehensively analyzed for severity and probability. As such, our risk evaluation uses metrics such as risk severity, probability, and risk assessment code (RAC) to identify and categorize risk. RAC is determined by combining severity with likelihood in a risk matrix. After RAC is determined, the risk is scored (i.e., extreme, high, moderate, low) and recorded in the risk register. The higher the risk, the more efforts are needed to reduce the risk. We expect the risk of our activities to be reduced to as low as reasonably possible. This final determination of RAC helps to ensure that these expectations are met. Risks are controlled based on their respective RAC using one or more of the following high-level risk control strategies:

AVOID	TRANSFER	REDUCE	ACCEPT
The activity does not proceed.	The risk is transferred in full, or in part, to another party. Common methods used include transfer by contracting the work or obtaining suitable insurance. However, some liability for that risk may still remain within the company.	Further reduce the residual risk level to an acceptable level by managing the severity, the probability, or both. The typical hierarchy of risk controls is used as a guide to risk reduction strategies.	The residual risk level is acceptable.

Although Parsons has successfully demonstrated a decline in total recordable incident rate (TRIR) over the last 18 years, we recognize that we are not yet at zero incidents. We have also observed that occasionally we have not successfully controlled exposure to high-potential precursors (of LCEs).

To help us achieve the goal of zero incidents, we have partnered with DEKRA, the recognized industry leader in serious injury and fatality (SIF) reduction techniques. In late 2018 we began and recently completed the outline for enacting a three-phased strategy to control what we have defined as LCEs. The three phases consist of the following:

- Phase 1:
  - Create a company-specific definition of LCEs.
  - Create an LCE decision tree.
  - Identify the LCE precursors.
  - Create LCE exposure metrics.
  - Create LCE critical-controls verification checklists.
  - Evaluate the incident handling and management system, including preventive and corrective action-item focus/effectiveness.
  - Evaluate near-miss reporting, pause-work and life-critical processes, and pre-task risk assessments.
  - Create a strategic plan for reducing the number of LCE potential incidents and sustaining the LCE prevention methodology.
  - Create and present a custom demonstration for senior leadership on the LCE concept and results of the LCE team's work.
- Phase 2:
  - Operationalize the critical controls verification process.
  - Incorporate the LCE methodology into other elements of ESHARP.
  - Train observers on effective observation and feedback techniques.
  - Communicate.
- Phase 3: Incorporate the roadmap to LCE implementation.

In late 2019 we will be implementing a process to analyze all incidents. This process will identify LCE potential and can be used to construct a list of LCE measures.

Prevention Through Design (PtD). Parsons' ESHARP strategy is implemented throughout the life cycle of our project services, from business development through startup, field operations, and closeout. The ESHARP strategy follows an iterative, quality-based framework: defining and planning the work, assessing the risks of the work, identifying work requirements and controls, performing the work in strict conformance to the work plans and with the designated controls, and continually monitoring the work to detect changes to the plan and opportunities to improve. We also apply ESHARP to our contractors and teaming partners. In addition to subjecting our proposed contractors and teaming partners to rigorous qualification standards before we award them work, we also routinely evaluate existing contractors and teaming partners to ensure that their performance continues to conform to our SHE & Sustainability performance expectations.

We routinely integrate PtD techniques into our engineering, maintainability, and constructability processes. Using the ESHARP framework, our PtD involves engaging multidisciplinary subject matter experts (including qualified safety, health, environmental, quality, and sustainability professionals) to assess the design's constructability and operational risks. Our multidisciplinary teams then suggest design solutions and controls based on regulatory requirements and published best practices to help minimize these risks. If our scope of work involves construction and operations, our field professionals remain part of the process to ensure that these PtD design features are effectively implemented. To stay on the cutting edge of PtD innovation, the SHE & Sustainability lead for our PtD undertakings is the vice president of SHE for our Federal Solutions market, who is a licensed professional engineer and a member of the ANSI Z590.3 committee (Prevention Through Design).

Operational SHE Programs. As a U.S.-based company, we are primarily regulated by U.S. regulatory bodies (e.g., OSHA and the U.S. Environmental Protection Agency [EPA]). However, because of our wide-ranging scope of work and varied geographical regions, our SHE & Sustainability management system has been adapted to meet international standards, including ANSI Z10, OHSAS 18001, ISO 45001, and ISO 14001, such that our SHE management system meets the most stringent requirements in practice. In addition, regional projects will reflect location-specific requirements in their respective project safety and health plan(s); this is reflected in

each project's legal compliance register (as described in Section I, Subsection – Cross-Cultural SHE Standards and Procedures).

A critical aspect of maintaining our operational SHE programs is the integration of our SHE & Sustainability management system with our operational approach; a critical process to ensuring this integration is our approach to project and program risk management. This approach integrates operational and SHE risk-control strategies through the use our proprietary, online project-risk-assessment workflow tool. Risk and SHE management become operational when they move beyond the project management plan and become integrated into the project's daily functions and processes.

Contractor and Supply Chain Management. Before awarding work to a contractor, Parsons and the client must agree on the project's SHE requirements and how these requirements affect contractors that are selected to perform the work. Each contractor must demonstrate that it can meet the project's technical requirements and Parsons' SHE expectations before it is awarded a contract.

Prospective contractors are provided with the project's SHE performance requirements to which contractor and its lower-tier contractors must adhere while performing work. A Parsons PM must qualify, select, and manage contractors and consultants to help ensure that they are aligned with Parsons' SHE expectations and that they will deliver work that meets these expectations. The project implements a formal online safety evaluation program and management process appropriate to the project's scope of work and the SHE risks associated with the contractors' work. Contractors must provide comprehensive information, including the following: 3-year average TRIR; days away, restricted, or transferred (DART) rate; lost-time incident rate (LTIR); 5-year trending experience modification rate (EMR); and previous 5 years of OSHA citations.

Each selected contractor is required to submit a SHE plan based on the scope of work and hazards identified in the risk register. Each contractor's completed SHE plan (and its associated risk register; risk assessments; AHAs; compliance programs; and worker training, qualification, and competency certifications) must be submitted to the project before the contractor's expected mobilization and the start of the field work.

The Parsons PM conducts stakeholder SHE alignment meetings, kickoff and premobilization meetings, 2-week look-ahead meetings, weekly/daily progress meetings, and other routine meetings to gauge the contractor's progress and understanding of the work. The PM (or delegate) also conducts and documents contractor-specific SHE inspections, SHE audits, and other engagement activities to verify that the contractors' work meets Parsons' SHE expectations. Such meetings, inspections, audits, and engagement activities must include lower-tier contractors, when applicable.

Management of Change. Our objective during the management of change process is to ensure that all operational changes are identified and managed with the appropriate level of rigor to prevent or significantly reduce any negative impacts (by personnel, organizations, business services, facilities, operations, business processes, procedures, or products) from mismanaged or unmanaged changes in a dynamic environment. Experience has taught us that useful and equitable change management begins with an assessment of the change risks during initial opportunity evaluation and continues through contract closeout. We focus on change management in our SHE system, because any change in scope that is not proactively managed could result in an incident or expose employees to hazards. All changes require that site-specific safety considerations (e.g., AHAs, procedures, and work plans) be revisited and updated as necessary to address any new conditions. After updates are made, a formal review with all team members is undertaken to ensure that all parties understand any changes and the plan of action to mitigate any hazards associated with the change.

Beyond identifying and managing changes as they occur, leaders also seek to identify situations in which work performed does not conform to our or the project's operating procedures, guidelines, and other management systems. In addition (and sometimes because of identified nonconformances), the leader must identify and control changes that can affect SHE hazards and risks. This could include changes to the organizational structure, personnel, internal and external management systems, work processes, activities, materials, or

equipment. Whether due to identified nonconformances or because we recognize an opportunity to improve, changes that affect SHE risk are evaluated using an appropriate hazard-identification and risk-assessment process before they are introduced to the work environment. The following are examples of change triggers for which SHE risks are assessed and managed:

- New or modified technology, software, equipment, facilities, or work environment is/are planned.
- New or revised procedures, work instructions, designs, specifications, standards, regulations, or codes are necessary.
- New or different types or grades of raw materials are to be used.
- An addition or change to the project's organizational structure and staffing (including significant change to the project stakeholders) is anticipated.
- New or modified safety, health, and environmental devices and equipment or controls are desired.

The type and complexity of the anticipated change determines whether the change management process is formal (requiring written review and signoffs) or informal. For example, changes associated with chemical processes covered by process safety management regulations require a formal, written process. However, any change that may materially affect the project's SHE risk must undergo a change management process. To ensure that SHE risks associated with the change are acceptable, the change management process includes consideration of the following questions:

- Will new hazards or risks be introduced or created because of the proposed change?
- How will they be controlled to an acceptable level?
- Do the new hazards or risks create any secondary hazards or risks, or do they change the risks associated with other aspects of the work?
- How will the secondary risks be controlled?
- What impacts will the proposed change have (e.g., overall risk, cost, and schedule)?
- Does this change require that other risk-control measures be reevaluated to determine their appropriate level of protection, usability, acceptability, and value?

The implementation of approved changes must be planned, and the changes and their effects must be communicated to the affected stakeholders. We consider a change to be successfully managed when the process is followed, employees are effectively trained, stakeholders are involved and communicated with in a timely manner, and change events are tracked and regularly reviewed to ensure SHE risks are either eliminated or effectively managed.

Workforce Empowerment. Our employees truly are our number one asset, and we hold each employee's safety and the protection of our environment as fundamental values. We also believe that employees are most empowered when empathy, self-awareness, connectedness, and responsibility are encouraged and adopted. In keeping with these principles, we expect and empower all employees—full time, part time, or casual—to be active participants in the development, ongoing review, and implementation of our SHE & Sustainability management systems and associated policies, procedures, practices, work processes, and plans. We would like all employees to commit to seek daily opportunities to make their workplace and the environment safe and sustainable for everyone.

Stop-Work Authority and Responsibility. At Parsons, every employee is a critical leader in preventing injuries, illnesses, and adverse environmental impacts. Therefore, all employees are authorized to stop work immediately if a safety, health, or environmental concern arises or if the work is not going according to plan. After work is stopped, all employees are expected to communicate the work stoppage to the other affected stakeholders, further evaluate the condition, and adjust the work plan to resolve the safety, health, or environmental concern before restarting the work. All Parsons employees are empowered to stop work when conditions warrant as well as to refuse to carryout unsafe work—this right is always supported by senior management.

The idea of "stop work" sometimes suggests that the project is shut down, averting a catastrophe, and all employees end their workday. That is a dramatic example of a legitimate stop-work event. Most are much simpler. All events include doing the following actions:

- **Stop** the task you are doing, or intervene with a coworker, if appropriate.
- **Take** immediate measures to notify any others affected. If there is no imminent danger, notify the appropriate line supervisors and site leaders, including the client.
- **Offer** correction or get help if needed. Keep it positive. Affected parties must discuss and agree on the resolution of the stop-work issue. The initiator of the stop-work event must be thanked for his or her concern.
- **Prepare** to resume work when the concern has been resolved. If necessary, suspend that task until the adjusted work plan can be reviewed and revised. When opinions differ regarding the validity of the stop-work issue or the adequacy of the resolution, the appropriate site leader will make the final determination, giving full weight to all feedback.
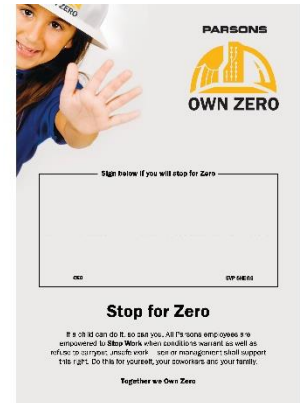
Under no circumstances is retribution or retaliation to be directed toward any employee who conscientiously exercised his or her stop-work authority. This is critical to ensuring an environment free of fear of reprisal. Positive feedback is always provided to affected personnel regarding the resolution of the stop-work issue.

Training and Competency Development. Parsons' approach to training and competency development is designed to support maintaining institutional knowledge and succession planning. We support training and development, participation in professional organizations, professional registrations, and educational programs for our employees to strengthen individual knowledge and skills and to sustain the excellence of services we provide. In recognition of this value for professional

development, our Learning and Development department has been accredited as an Authorized Provider by the International Association for Continuing Education and Training (IACET). In obtaining this approval, our Corporate Training and Development department has demonstrated that it complies with the ANSI/IACET standard, which is recognized internationally as a standard of good practice. Because of our Authorized Provider accreditation status, our Corporate Learning and Development department is authorized to offer IACET continuing- education units for our programs that qualify under the ANSI/IACET standard.

Development of our employees is an important business function at Parsons. We offer or promote several innovative development programs and, we offer a plethora of additional in-house training classes and programs through ParsonsU (our internal, online corporate-learning management system). Through the online training platform, employees can search for and participate in a variety of courses on work-related and developmental topics, including training on leadership and management, coaching, finance, career planning, security (cyber and physical), and SHE & Sustainability.

Mentorship Program. Mentoring is a best practice in which an experienced individual helps another person develop his or her goals and skills through a series of time-limited, confidential, one-on-one conversations and other learning activities. The Parsons Mentoring Program was created by the Inclusion & Diversity Task Force in conjunction with the Corporate Learning and

Development department. It is designed to increase a sense of connection among key diverse talent and to increase the engagement and retention of this talent as well—thereby increasing the promotion and retention of diverse leadership talent. It is managed with support from the Inclusion & Diversity Task Force and Corporate Learning.

External Training and Development. Subject to approval by the employee's manager, training opportunities provided by external professional organizations may be reimbursed. Many external training programs are available at a reduced or no cost to employees via Parsons' memberships in those organizations.

Tuition Reimbursement. The Corporate Tuition Reimbursement Program provides financial assistance to active, full-time employees on qualifying Parsons company payrolls. Reimbursable costs include the actual costs of tuition, laboratory fees, and required textbooks.

Professional Registrations, Certifications, and Professional Society Memberships. Parsons recognizes the value of professional registration and qualifying certifications; therefore, full-time professional employees are encouraged to seek professional registration or certification from qualifying organizations in their field.

Professional Organizations and Related Training Conferences and Webinars. Parsons supports employee participation in professional training conferences and related training webinars that support business requirements.

SHE & Sustainability Training and Competency. In addition to our focus on remaining on the cutting edge of professional-development provisions and opportunities, instilling SHE & Sustainability and training on other core values is of paramount importance. SHE & Sustainability–related training, certification, qualification, or competency needs are identified from a variety of sources. The risk register in the PSHEP is a primary source, along with its related AHAs, other risk assessments, and written compliance programs and best practices. This results in the creation and promulgation of a site-specific SHE training matrix. Workers and other stakeholders are also sources for identifying these needs; when they are identified, the risk register, associated AHAs, and compliance programs and best practices must be updated. Using these sources, our leaders ensure that training, certification, qualification, and competency needs are thoroughly analyzed and evaluated against the scope of work among all levels of employees, including the senior leadership team. Gaps discovered must be resolved. The needs analysis is conducted after written SHE compliance programs and best practices are documented because these written documents will have identified most of the required formal training, certifications, qualifications, and competencies.

After a comprehensive needs assessment is finalized, a training matrix is developed. The training matrix identifies the names, titles, or job functions of team members on one axis and lists the formal project-specific SHE compliance and best-practice training, SHE work qualifications, and SHE-related certifications of competency on the other axis. The training matrix is created during the development of the PSHEP and updated throughout the project's life; it serves as the individual development plan of each project team member. If refresher training or recertification of qualification or competencies is required, these features are built into the training matrix. In addition to needs-based training, Parsons' program managers, PMs and their subordinate managers, resident engineers, supervisors, superintendents, and foremen, along with Parsons' corporate officers and SHE professionals, must complete formal, in-person ESHARP training and in-person supervisory training in SHE leadership at least once and when updates require refresher training. In addition, employees attend OWN ZERO® workshops.

Earning and maintaining the accredited STS certification offered by the Board of Certified Safety Professionals (BCSP) are also used as a measurable objective for program managers, PMs, site managers, and supervisors to demonstrate their commitment to leading their work groups to perform at high levels of SHE excellence. In addition to our more than 100 certified Safety Trained Supervisor® (STS®) and Safety Trained Supervisor Construction® (STS-C®) employees, we employ numerous SHE & Sustainability–related staff.

Health and Wellbeing. At Parsons, we know that our people are our greatest asset, so we support employee physical, mental, and financial health inside and outside the workplace with our benefits and wellness programs. We have also learned that a robust wellness program is an effective risk-management tool because health-related risk is often identified and mitigated before manifesting into an undesired health event. Our programs include a full set of health insurance benefits, a retirement savings plan, an Employee Stock

Ownership Plan (ESOP), paid and unpaid leaves of absence (e.g., medical leave), a pretax commuter benefits program, "Parsons for Life" (our employee wellness program), and "Live and Work Well" (our employee assistance program). We also encourage safe and healthy lifestyle choices in company communications (for example, in the weekly SHE & Sustainability bulletins described in the Internal Communications section, above), wellness-related recreational employee activities (e.g., office-based running and biking groups), and biking and carpool programs. Our key health and wellbeing programs are described below.

January 2019 Executive Summit 5K

In 2006, we established our U.S.-based employee-wellness program called the "Wellness for Life" program, which empowers our employees with tools to manage their health. Our program offers health-improvement resources, such as health screenings, education, health coaching, and cash incentives for participation. The most popular activities are active monthly fitness memberships and targeted challenges, such as 10,000 steps per day and telephonic health coaching. In 2019, we are using a new online platform and mobile application, called StayWell, to inspire healthier habits, heathier minds, and healthier bodies.

Employees can complete a biometric screening, fill out an online health assessment, and participate in a variety of digital health programs and challenges to improve their health. Incentives for participation include a reduction in monthly medical premiums, raffles for gift cards, and a one-time cash incentive. As part of the Wellness for Life program, Parsons supports employees' weight- loss goals by offering a discounted price on the Weight Watchers (WW) program and reimburses the monthly membership fee if an employee loses 6 pounds in 12 weeks. Our employee assistance program, which was also established in 2006, is called "Live and Work Well." It offers employees and family members confidential, convenient, and free health resources, personalized support, and services to take steps toward feeling healthier, happier, and more in control of their wellbeing. Employees and family members around the globe have 24/7 have access to a library of expert articles and advice on health topics, a wealth of self-help services, interactive tools, and action-oriented advice. Live and Work Well also provides financial and legal personal consultations, including budgeting and managing debt and mediation services, to address our employee's financial wellness.

Employee Return to Work. We endeavor to return employees to gainful employment with minimal emotional and financial disruption to their lives. Our Stay-at-Work Program benefits the employee and Parsons by maintaining productivity and by reducing disability expenses, potential re-injury or cumulative injuries, litigation, fraud, and indirect costs of lost time. We endorse temporary transitional duty that endeavors, within 60 days, to return an injured worker back to his/her regular assignment. The success of our Stay-at-Work Program depends on the assurance that all employees understand and adhere to the roles and responsibilities as follows: For an incident involving an employee who sustains a work-related injury or illness, the designated project team members or corporate workers' compensation specialist and Talent Management will communicate with the affected worker to coordinate with his or her care and treatment and to help ensure that the medical providers understand the employee's job roles and opportunities for the employee to engage in alternative work. Knowledgeable escorts accompany injured/ill persons to secondary medical facilities and provide oversight during the injury/illness case- management process. In addition, Parsons and WorkCare™ have partnered together to promote Incident Intervention™, a resource designed to provide Parsons employees with immediate access to qualified medical clinicians who are able to provide them with prompt medical assessment, in the event of a nonlife-threatening, nonmedical-emergency work-related injury or illness. The following video links provide detailed insight into this process: Early WorkCare

Involvement (Part 1 of 2) and Early WorkCare Involvement (Part 2 of 2). *(Note: video is only available internally on Parsons systems.)*

Through this process, we leverage clinical-expert resources to coordinate appropriate treatment care. When an employee is injured on the job and unable to return to his/her regular job, the medical provider outlines specific restrictions. We will ask employees to perform only those job functions that the medical provider has determined can be safely performed during the recovery process. All alternative and modified job assignments will be structured to meet the physical capabilities of the injured worker. The Stay-at-Work Program is meant to be a temporary and progressive program. As the employee becomes healthier, he or she will gradually resume the job duties that have been restricted. The success of our Stay-at-Work Program depends on the assurance that all employees understand and adhere to the roles and responsibilities as outlined in our procedure.

Fatigue Management. We are committed to providing guidance to employees on how to identify and assess fatigue risk as well as on strategies that minimize fatigue for employees who work for extended periods, who perform physically or mentally demanding tasks, who work in extreme environmental conditions, or who perform work with exposure to other factors that place employees at higher risk for fatigue. The fatigue management program is administered jointly by the safety team and the employee safety committee in conjunction with operations team leads. The manager sets work-hour limitations based on best practices and accepted standards. The manager will control job-rotation schedules to control fatigue, allow for enough sleep, and increase mental fitness to control employee hazard exposure, turnover, and absenteeism. The principles of the fatigue management program are managed through the following:

- Appropriate planning of work tasks, including driving, vehicle and equipment maintenance, loading and unloading, and other job-related duties and processes
- Providing appropriate equipment to help reduce stress and fatigue
- Regular medical checkups and monitoring of health issues as required by legislation
- Providing appropriate sleeping accommodations where required
- Ongoing training and awareness

For situations where excessive commuting time combined with extended work hours may increase risk of fatigue, we ensure that the appropriate control measures are implemented. Examples of control measures for reducing the risk associated with excessive commuting time include the following:

- Providing for suitable transportation to reduce worker fatigue (busing, carpooling, etc.)
- Adjusting work shift hours
- Including transportation hours in the calculation of the overall work schedule hours
- Adjusting daily shift length
- Adjusting work activities in the work schedule or site roster
- Using ergonomic equipment to improve workstation conditions (equipment to be used is determined in the work task analysis)

Work tasks to control fatigue are analyzed and evaluated periodically. Changes to equipment, training, or procedures will occur based on the evaluation. In addition, a record of individual fatigue training and competency is maintained. Fatigue is considered in all incident investigations as part of the initial identification/assessment of evidence, along with circumstantial considerations such as a listing of people, equipment, and materials involved; environmental factors such as weather, illumination, temperature, noise, and ventilation; and physical factors such as age and medical condition.

Blue-Light–Blocking Glasses. Blue light is a spectrum of color and light that makes up a small range on the full electromagnetic spectrum of light. Blue wavelengths from natural sunlight are associated with boosting attention, increased memory, greater energy levels, better reaction times, and increases in overall mood. In a technology-driven modern world, the problem that we are faced with is that we are surrounded by artificial

sources of blue light that confuse our bodies' natural rhythms and may harm vision. Fluorescent lights, LEDs, and screens on electronic devices all emit varying amounts of blue light. Blue light is associated with suppressing the release of melatonin in our brains, which leads to lower-quality sleep. Research has shown that less sleep, particularly rapid eye movement (REM), may have possible connections to diabetes, cancer, heart disease, and obesity. Blue light also is the highest intensity of visible light. Because it is so close on the spectrum to radiation, there is a growing body of research that links blue light exposure with cataracts and accelerated macular degeneration. In an attempt to help employees combat blue light exposure, Parsons has made blue light–blocking glasses available to all of our employees. The amber colored glasses are designed to provide 99.9 percent protection from ultraviolet A (UVA) and ultraviolet B (UVB) light.

Off-the-Job Health Advocacy. Our health and wellness programs are designed to promote healthier living and to educate people on the best ways to achieve healthy lifestyles inside and outside the workplace. In addition to health and wellness, programs such as the opioid awareness campaign (described in the Section III, Subsection – Short-Term and Long-Term SHE & Sustainability Goals) and our whole-person focus through OWN ZERO® (described in the Section III, Subsection – Integrated SHE & Sustainability Management Approach) give our employees a balanced foundation for their health.

Environmental and Social Responsibility. As described in Section III, above, Parsons' SHE & Sustainability management system is underpinned by the *ESHARP Guidebook* and the *Parsons Sustainability Handbook*. Beyond these documents, we have many corporate, regional, and local programs and activities that support our four CSR focus areas (environment, workplace, marketplace, and society). Our annually published CSR report details our performance and achievements in these four areas, including data regarding energy and water consumption, sustainable purchasing, and waste management in our business operations. The report also demonstrates the many ways in which we contribute to the health and wellbeing of the communities in which we live and work. Information regarding our goals and some example initiatives and activities in each of the four categories is provided below. Additional information can be found in our 2019 CSR report, which was published on April 22, 2019, and is available on our website.

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

Highlights of Parsons' efforts in the environmental focus area are provided below.

Climate Change and Resilience

In 2015, we introduced our climate-adaptation and resiliency-planning initiative, which focuses on our contribution to mitigating the impacts of climate change on critical infrastructure. As part of this initiative, we perform the following services when assisting clients with their climate-adaptation and resiliency-planning/design needs:

- Evaluate and apply criteria to determine vulnerability, including the age/condition of infrastructure, proximity to other infrastructure, and the level of service
- Establish criteria for resiliency, including mode of structure, repair/replacement cost and time frame, and other socioeconomic factors

- Create a decision-making framework for planners and other key stakeholders to evaluate the risk to assets or future plans by looking at exposure/vulnerability while developing capital programs

Workplace Objectives.

- Develop and implement safety strategies and policies.
- Demonstrate commitment to integrity and diversity.
- Implement sustainable talent-management policies and procedures.
- Advance employee development.

Highlights of Parsons' efforts in the workplace focus area are described in the following sections: Organizational Culture/Climate, Health and Wellbeing, and Training and Competency Development.

Marketplace Objectives.

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

Highlights of Parsons' efforts in the marketplace focus area are described in Section V.

Society Objectives

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

Highlights of Parsons' efforts in the society focus area are provided below.

[Parsons Gives Back](#)

Our Parsons Gives Back program is dedicated to our employees making a difference in their communities through nonprofit philanthropic, educational, and civic activities. The program focuses on supporting societal needs; fostering meaningful, beneficial engagement among our communities, clients, partners, and employees; and collaborating with nonprofit organizations whose missions align with our core values. Our philanthropic activities also include strategic funding or in-kind donations (time, facilities, or our services). Charitable contributions, in-kind donations, and volunteerism—all of which we actively participate in as an organization—directly correlate with improving quality of life while making the world a better place. Through these activities, we demonstrate that social responsibility is an important part of our mission in the professional services we provide, our business operations, our workplace culture, and our community stewardship. Parsons Gives Back has resulted in many corporate social partnerships. We provide below examples of organizations that Parsons has supported in recent years through financial contributions or volunteerism. Videos of several Parsons Gives Back projects can also be viewed by following the hyperlinks below. Asterisks indicate official, ongoing partnerships between Parsons and the organization.

- ALS Foundation
- Multiple Myeloma Research Foundation
- American Heart Association

- Red Cross
- ARC Northern Virginia
- Ronald McDonald House
- Big Sunday
- Safe Place, Austin
- Bridges to Prosperity
- Samaritan's Purse
- Cal Poly for Innovation and Entrepreneurship
- St. Jude Children's Hospital
- Carolina Youth Development Center, Charleston
- The President's Service Award
- Habitat for Humanity
- United Way
- Los Angeles Regional Crime Stoppers
- Water for People

- Wounded Warrior

Parsons Gives Back SafeHouse

Bridges to Prosperity: Bridging Communities to Deliver a Better World
Bridges to Prosperity: Bridging Rio Grande, Bridges to Prosperity

All-Women Team Rwanda to Pedestrian Bridge Build

Between March 16 and March 31, 2019, an all-woman Parsons team partnered with Bridges to Prosperity to build a suspended footbridge over the Mudasomwa River in the village of Rukarakara, in Rwanda. The bridge connects the community's 6,000 people to vital services, including schools, government and medical services, and markets, which are often unreachable during the village's 6- to 9-month rainy season.

Volunteer of the Year Award

To celebrate our employees who are exceptionally committed to volunteerism and philanthropic causes, Parsons established a Volunteer of the Year award program in 2017. Business market leaders each select one employee in their enterprise who demonstrates extraordinary involvement in the community. We also honor one exceptional employee who embodies our entire corporation's spirit of giving back. In 2018 for each enterprise awardee, we donated funds to the philanthropic organization of their choice. The volunteer of the year also receives public recognition.

Disaster Relief

The positive social and economic impacts of our professional services are also exemplified by our disaster relief efforts. When a disaster affects the lives of people and destroys the environment, Parsons stands ready to assist with stabilization, recovery, and reconstruction. Our ability to rapidly mobilize resources has been demonstrated worldwide—we return a sense of normalcy to the affected regions by meeting accelerated schedules, maintaining the highest safety standards, delivering sustainable solutions, and rebuilding for tomorrow. Our history of disaster response includes the following:

1949 Post–World War II Reconstruction, Taiwan	2006 Tsunami Recovery, Indonesia
1957 Post-Hostilities Reconstruction, Egypt	2006 Hurricane Katrina Restoration, Louisiana
1957 Niagara River Landslide, New York	2010 Earthquake Relief, Haiti
1971 Sylmar Earthquake, California	2010 BP Deepwater Horizon Oil Spill Response
1991 Hurricane Val, American Samoa	2012 Hurricane Sandy Recovery, New York and New Jersey
1994 Northridge Earthquake, California	2017 Hurricane Harvey Recovery, Texas
1996 Bosnia/Herzegovina/Kosovo Reconstruction	2017 Hurricane Irma Recovery, Florida and Georgia
1997 Hurricane Marilyn, Virgin Islands	2017 Hurricane Maria Recovery, Puerto Rico
1998 Khobar Towers Bombing Response, Saudi Arabia	2017 Mexico City Earthquake Relief, Mexico
2003 Iraq Reconstruction	2018 Wildfire and Mudslide Relief, California
2004 Hurricane Ivan Reconstruction, Florida	

Setting an Example for Social Responsibility. Our leaders and employees play a critical role in demonstrating a commitment to our social responsibility programs, strategically sustaining them, and encouraging participation throughout the organization. In addition to the corporate sponsorship of our SHE & Sustainability policies and procedures, leadership at the corporate and strategic-market level have official responsibilities related to social responsibility management, internal policy development, and documentation.

Public Exposure to SHE Risks. Part of being a good corporate citizen is ensuring that the public and the communities we work in are protected from SHE risks related to our work. To ensure this happens we not only make every effort to eliminate or mitigate all risks that could affect the public but also strive to engage the communities we work in to make them aware of our presence and to educate them in the areas of hazard recognition and avoidance where possible. We do this through consistent external-communication campaigns as well as through community outreach undertakings such as open houses, community partnership campaigns, and educational activities.

Life-Cycle Management and Zero Waste. In 2019 we are launching a baseline analysis of our waste streams as the first step in establishing a company-wide zero-waste program. We began introducing our zero-waste concept to the organization during the Earth Week Impact Initiative, which we kicked off with a "green" office cleanup campaign on April 22, 2019

SECTION IV: PERFORMANCE MEASUREMENTS AND INFORMATION MANAGEMENT

Leading and Lagging Indicators. One of the ways in which we measure SHE & Sustainability performance to determine the effectiveness of our policies and programs is through our CVMs, which are developed annually for each of the six core values in the organization. These metrics vary year to year to address new initiatives and our changing exposure and workforce. Each metric has an associated target; we strive for attaining at least 90 percent of the target. Our 2018 metrics consisted of OWN ZERO®–specific training as well as new ways of identifying our involvement in sustainability efforts in the organization. Other than the TRIR and lost workday rate (LWDR), the metrics for each of these items are based on the headcounts provided for the business. We strive for at least 90 percent completion. For example, our leadership engagement metric is driven by a certain number of leaders in the organization who are required to submit a leadership observation via an SHE app on their mobile device. Following are our CVMs for 2019:

Leading
- Leadership observations
- Proactive events (proactive events include near-misses, hazard identifications, and stop-work undertakings) by project
- SHE & Sustainability module completion (one per quarter)
- Safety Committee participation – tracked for all Parsons offices
- Exposure-reduction innovations
  - Each group must source and implement at least two SHE innovations in 2019.
  - In March 2019, a new position focused on SHE & Sustainability research, development, innovation, and system improvement was created to oversee this (among other development undertakings). This leadership position will take the lead in measuring and managing exposure-reduction innovations.

Lagging
- Worldwide TRIR
- Worldwide LWDR
- ESHARP validations
- ESHARP self-assessments

OWN ZERO® and Performance Measurements. In the first year of OWN ZERO®, we observed that the metrics we were tracking may not have been the most meaningful and actionable indicators of significant, life-changing injuries. Thus, in 2019, we will be developing an LCE metric, which will help us identify and prevent events that could change or alter one's life. We have partnered with DEKRA on this initiative and will be working with them to develop tools for all Parsons locations for use in analyzing events and exposures. We will also be working with them to develop a training protocol for our workforce.

In the second year of OWN ZERO® (2019), we will also be paying attention to our leading indicators that drive SHE & Sustainability performance. Before OWN ZERO®, leading indicators were measured by the BUs. On the surface, it appeared the BUs were meeting all their targets, but when you looked at project-specific participation, many of our projects were not providing adequate leading metrics. We found that our leading metrics related to proactive event reporting (audits and near-misses, hazard IDs, and stop-work) were not as strong as the reporting related to lagging metrics. In 2019, our goal is simple: to drive proactive reporting (near-miss, hazard ID, and stop-work).

The third year of OWN ZERO® implementation (2020) will build off the momentum created in 2019's proactive event push (near-misses, hazard IDs, and stop-work) and continue our LCE push throughout the organization, including project team training. In addition to the LCE metric, we will also partner with DEKRA to implement strategies from its Brain Centric Reliability Systems into the precursors that drive our LCEs and to focus on exposure reduction through employee engagement and TRIR reductions.

Measurement Quality and Data Evaluation. All events are reported in IndustrySafe, a third-party safety-management software. IndustrySafe allows us to review and analyze data in multiple areas to achieve regulatory compliance and improve safe practices in the workplace. Common safety data sets include the following: incidents, inspections, training, and corrective- action follow-up. Other areas include behavior-based safety observations, near-misses, hazard-ID and stop-work tracking, industrial-hygiene monitoring, and job safety analysis. Detailed trend analysis on the areas of deficiencies or areas of compliances can be generated from inspection checklist items. Email alerts can be set up to notify personnel regarding open inspection/corrective-action items that require follow up. All data in IndustrySafe can be set up to be viewed in real-time using the dashboard feature. Past reports can be generated by any category available, such as the Incident/Loss Event, Near-Miss/Hazard ID/Stop Work, Observations, Audits/Inspections/Meetings, Corrective Actions, Training, and Job Safety Analysis categories. Audits/inspections/meetings, observations, corrective actions, training, and reports can be scheduled for a future date, either one-time or recurring, and assigned to any employee. In addition to the use of IndustrySafe, we also use the Salesforce mobile application so that proactive events (near-misses, hazard IDs, and stop-work events) can be recorded and reported in real time from a mobile device. We began using the Salesforce mobile application for proactive event reporting after determining proactive events were only being reported from a handful of projects. After a deep dive to understand the root cause of this we received feedback that IndustrySafe is just not mobile friendly, which often deterred users from reporting real-time, proactive event observations.

Measure Effectiveness. CVMs are tracked and analyzed monthly and compared to targets established at the beginning of the year. CVMs for each BU/market are reported to the Executive Committee. SHE & Sustainability performance is recorded, reviewed, and communicated internally via SHE & Sustainability Committee meetings, audits, and internal SHE & Sustainability reports (weekly, monthly, and annually). Data involving employee injuries is validated and verified upon initial notification of the incident. Adjustments are made as additional information is received and at the end of the month. Results of audits/inspections and

observations are reviewed and distributed on a weekly basis, and adjustments are made throughout the month. CVM targets are established through a joint effort by the SVP of SHE & Sustainability and the ELT. The monthly safety performance reports are communicated to all employees to share lessons learned and improve performance.

Benchmarking and Transparency. Benchmarking against our competitors and the industry is an important part of our management strategy; transparency is key to establishing trust among our team members, our stakeholders, and the public. We aspire not only to keep pace with our competitors but to outperform them. We use several sources in our benchmarking efforts: our EMR competitor list, the Bureau of Labor Statistics, the Construction Industry Institute, the American Petroleum Institute, the Global Reporting Initiative, and our Campbell Institute counterparts. We benchmark against similar organizations on an ongoing basis, and we formally do so annually when our SHE & Sustainability targets are established.

Over the previous decade, we have used metrics established by these organizations, as well as academic and professional studies and white papers, to inform the development and evolution of our SHE & Sustainability programs. Most recently we have also conducted meetings with Boeing to discuss their Go for Zero initiative, worked with Cummins on sharing our best practices around subcontractor management, and taken steps to streamline our CSR manual, comparing our current format to formats outside our industry as well as comparing materiality topics that other companies are using. Data is shared biannually with other companies in our industry. We also share our measurements and data with companies in our market space at the National Construction Safety Executive meetings. Most recently, OWN ZERO® was shared in addition to our advances in sustainability (such as those shared in our CSR reports, and innovations in our management system). Because we are moving more into a technology-based business (e.g., connected communities, cyber defense) we have also begun to evaluate how best to benchmark with companies in those markets so that our performance tracking is meaningful and actionable with respect to the evolution of our business.

SECTION V: LINKAGE BETWEEN SHE AND BUSINESS PERFORMANCE

Integration of SHE and Business. The integration of SHE & Sustainability practices and accountabilities is a critical component of our business. The following are vital mechanisms of this effort:

- Risk memo
- Demonstrated management commitment from business leaders
- CVMs
- Project risk register
- SHE & Sustainability inclusion in all planning and operational phases of project execution
- Safety and sustainability as organizational core values
- Executive project review (EPR)

As part of the bid/project review process, the SHE & Sustainability team reviews the potential project, develops a risk memo, and provides additional input (e.g., prequalification, partner incident, and OSHA recordable history) to the development team. This process occurs simultaneously with all other discipline reviews (e.g., quality, engineering). During the business development process, the pursuit team also reviews and assesses actual and potential teaming, joint-venture, and contract agreements; develops a risk analysis; and reviews/confirms SHE & Sustainability legal requirements and security obligations. Safety and sustainability are core values of the organization and are a factor in all our decisions. The graphic below provides a model of how SHE and business are integrated at Parsons.

Operational Performance Through SHE. We believe that our SHE performance is an important discriminator that sets our operational performance apart from our competition. We have identified the following three primary areas in which our SHE performance contributes to operational improvements and to solid financial returns:

1. Our staff members' deep commitment to SHE has yielded important improvements in our operations. Our people value their and the company's SHE performance, which has produced several serendipitous effects such as higher employee morale, higher quality in our delivery, and greater pride in our performance. All have positively contributed to operational improvements and financial returns.
2. Our workers' compensation rates have provided significant cost savings. Our performance in this area has not only enabled our operations to be more profitable by driving down the cost associated with our operations but also allowed for more resources to be directed toward innovations in technology and management systems.
3. During the business development phase of our system, SHE matters are specifically accounted for and addressed. On many occasions, clients have informed us that our safety program during the proposal phase of a project is what sets us apart from others.

Over the years, we have learned that when a project or office has a successful SHE program, it is usually aligned with our core values. This has led us to adopt an operational approach that integrates SHE processes into every aspect of the business. The value we place on SHE has effectively transformed the way we approach everything. Our CVMs (reported quarterly to our executives and our board of directors) are the mechanism by which we measure business, improvements, and gains while addressing public image. Our ESHARP management system has effectively acted as a change agent by integrating its processes into our operational processes.

SHE performance and business performance are complementary and interdependent. We understand that to meet customer expectations through schedule, costs, and productivity, a safe project and workforce are paramount. This understanding is evident in our projects. Without this improvement in SHE performance, our operations at this project would have ceased. Our operational leaders understand and value this interdependence.

Organizational Effectiveness. We aspire to be professionally efficient and effective at everything we do while creating ample opportunities in the marketplace for local, small, and disadvantaged business participation. First, our leading and lagging indicators and associated targets allow us to evaluate the effectiveness of our organizational policies and practices by requiring consistent and ongoing measurement of the SHE & Sustainability CVMs. Additional internal and external audits (e.g., the Ethisphere Institute, ISO, ANSI, and OSHA) validate our efficacy at meeting technical and ethical industry standards. We ensure collaboration with exceptional partners and ensure high-quality project outcomes through our comprehensive contractor prequalification process. In addition to this, each year we evaluate and update these indicators as needed to remain on the cutting edge and to have meaningful and actionable information. In addition to the CVMs, we collect and report additional metrics in the annual CSR report. These metrics include paper consumption, e-waste recycling, and awards and recognition in the marketplace for safety and environmental achievements. All told, we measure and manage SHE & Sustainability performance of staff, contractors, resources, and waste in various ways such as:

- Monthly and annual paper consumption for the last 5 years, as reported in our 2018 CSR report, demonstrate that we have achieved a 73 percent reduction in cartons from our baseline use in 2008 to the 2017 reporting year.
- Waste: Parsons recycles and donates e-waste (such as computers, monitors, and printers) in a safe, secure, and socially responsible manner. In 2017, 59 percent of our e-waste was reused or remarketed and the remaining 41 percent was recycled.

We use the most cutting-edge standards and best practices to measure organizational effectiveness.

This includes both U.S. and international standards, including those published by OSHA, ANSI, ISO, and the British Standards Institution under its OHSAS. In addition, we use benchmarking data from other world-class organizations to measure organizational effectiveness.

Continuous Performance Improvement and Sustainability. Parsons has a long and rich history of providing innovative and world-class sustainable client deliverables across diverse markets with an emphasis on infrastructure, design, defense, security, and construction. Through our core value of sustainability, we also demonstrate our commitment to continuous improvement in our business operations, employee actions, and community engagement. Our ongoing implementation of the PDCA model has enabled us to be a trendsetter in the industry and thus drive continuous improvement. A critical component of the PDCA approach is adjusting and refining our systems and process to continuously improve. Through a constant focus on improvement, we can consistently refine our expectations and systems and therefore maintain excellence in our performance.
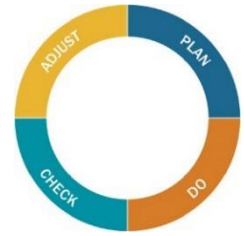
SHE & Sustainability and Competitive Advantage. As discussed in various sections throughout this application, safety and sustainability are organizational core values. However, they are not just core values—they are important competitive discriminators that separate us from our competitors. Like us, our clients hold progressive SHE & Sustainability practices as paramount. Through the implementation of our ESHARP guidelines, the *Parsons Sustainability Handbook*, and the efforts of our SWG, our accomplishments in and focus on SHE & Sustainability continue to provide us a critical competitive advantage.

SECTION VI: LESSONS LEARNED

Lessons Learned. As an organization, we deeply value the importance of learning from experience. Prior incidents that occurred elevated our OWN ZERO® campaign with a renewed commitment at all levels to control exposures and drive continuous safety improvement. We continue to gain considerable value from documenting and distributing the lessons learned on our projects and in our offices. We have a bulletin process where we distribute immediate bulletins on what we know about incidents that have broader implications in a market, BU, or program. This bulletin information comes from both internal and external happenings. Regarding internal incidents, after the investigation is finished, a lessons-learned document is drafted and distributed. Lessons learned are communicated through daily pre-task briefings, toolbox talks, all-hands meetings, written posts on bulletin boards, and distribution of formal lessons-learned reports to all employees.

Forward Planning. We have seen significant growth in our operations and in the sophistication of our management systems over our 75 years of existence. We have no intention on halting this growth. Our growth has largely been due to the value we place on innovation and integrity. We believe that continuous improvement is vital to the lifeblood of our business and to our future success. We strive to constantly improve, which will not only continue our operational success but also allow for fruitfulness in our management systems and approaches. We use many internal tools to guide our path forward and make directional decisions; these include our legal compliance registers, risk registers, project look-ahead schedules, AHAs, and Take 5 reviews. We also use external tools such as the Campbell Symposium, Construction Industry Institute (CII), and American Society of Safety Professionals (ASSP) development resources as a guide.

At Parsons, we know that we have an exceptional SHE culture backed by the best SHE management system (ESHARP) in our industry. Our systems are consistent throughout all our markets—stove piping does not exist. Our leaders understand that they create their culture (and they are held accountable to that culture). Our systems (SHE & Sustainability) have evolved and matured over the last 14 years. Our success in both areas is evident in the achievement of a corporate VPP status; more than 1,000 NSC awards; and many other sustainability, corporate-responsibility, and integrity awards. We recognize that to achieve continued success and excellence, our programs must embrace change. With the onset of Industry 4.0, we are poised to take our safety culture to another level with OWN ZERO®. We feel that the most important element in our safety culture

is our passion for people. Our employees participate in workshops where we discuss the importance of a deep personal commitment to fellow employees and stakeholders. We feel that every incident is preventable and that the deep personal commitment to our processes must start with the ELT and then must permeate throughout the organization. The success of our SHE management system rests in the contributions of every person in our organization.

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