

CIVIL GOVERNMENT SERVICES MINING & METALS OIL, GAS & CHEMICALS POWER

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Sustainability Report The Bechtel Difference

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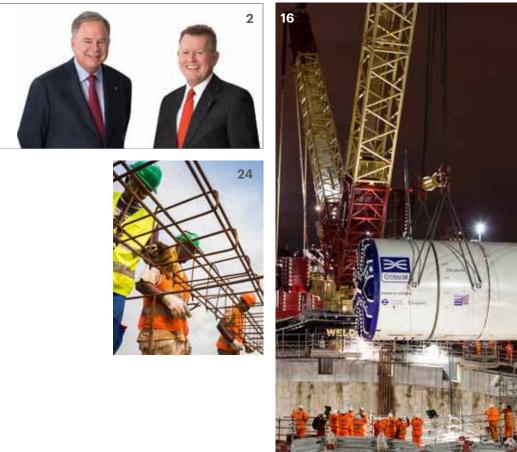
Schoolchildren learning about road safety in Peru near our Las Bambas project.



CIVIL **GOVERNMENT SERVICES MINING & METALS** OIL, GAS & CHEMICALS POWER

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

For more than a century, Bechtel has engineered, managed, and built some of the most complex projects of the modern era in some of the most diverse and challenging environments around the world. Fundamental to everything we do is an unrelenting focus on delivering the highest levels of quality, safety, sustainability, performance, and value to our customers and other stakeholders.

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We define sustainability not by any single activity but rather by the totality of our efforts to execute projects with excellence. Increasingly, our customers and projects face some of the toughest sustainability challenges, including rising urbanization, water security, access to reliable energy, extreme weather, and global workforce development. Protecting people and the environment, promoting local economic development, and partnering with communities and society are an integral part of how we do business.

We are fortunate that the scale and mix of our projects enable us to make significant positive impacts in the communities where we work. In 2013 our colleagues could be found deep beneath the streets of London developing sustainable approaches to a massive railway project, and 10,000 feet (more than 3,000 meters) high in the Chilean Andes protecting sources of freshwater by creating an alternative water-supply system for a copper-mining complex. We completed three of the world's largest

solar installations, which provide energy for hundreds of thousands of homes in California, and we are constructing some of the world's biggest liquefied natural gas (LNG) projects in Australia to help meet the global demand for low-carbon fuels.

Additional 2013 achievements include:

- Spending more than \$18 billion on procurement and other contracts around the world
- Maintaining our strong safety performance by achieving a global lost-workday-incident rate that is 97 percent less than the projected U.S. construction-industry average
- Awarding more than \$250 million to local firms through the National Infrastructure Improvement Plan for the country of Gabon
- Teaming with the U.S. Department of Energy at Lawrence Livermore and Los Alamos National Laboratories to win 13 sustainability awards from the National Nuclear Security Administration
- Partnering with Engineers Without Borders to improve access to water, energy, and sanitation for nearly 130,000 people

Sustainability does not begin and end with our projects and facilities. We collaborate with governments, leading business associations, and nongovernmental organizations (NGOs) to exchange knowledge, good practices, and practical experiences.

Today, Bechtel cochairs the Corporate Responsibility Committee of the U.S. Council for International Business, where we work with major U.S. corporations and other stakeholders to advance the post-2015 United Nations Sustainable Development Goals. We also are a lead partner of the Smart Cities Council and launched the Smart Cities Readiness Guide. a road map that enables city leaders, urban planners, and citizens to leverage technology to conserve energy and water use, and to manage public services more efficiently.

We believe that the case studies and performance data contained in our inaugural sustainability report will help you better understand our commitment to sustainability and the impacts of our work around the world.

Kly Becute

Riley Bechtel Chairman of the Board



Bill Dudley President & CEO



Our Values

Our Vision

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

Building on a family and leadership heritage that spans more than a century, we are privately owned by active management and guided by our Vision, Values & Covenants. We value:

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

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

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

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

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

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

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

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

Our Covenants

Wherever we go and whatever we do, we:

• Demonstrate Integrity. Exercise the highest level of professional and ethical behavior.

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

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

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

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

• Learn It. Do It. Share It. Be curious. Seek. share, and build upon experiences and lessons learned.

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

About Bechtel

We are one of the most respected engineering, procurement, construction, and project management companies in the world. We deliver complex—often first-of-akind—projects through unequaled know-how and experience. One hallmark of our business is our unshakeable commitment to safety, integrity, performance, and good citizenship, which starts with our leadership and is practiced throughout the company.

Global Business Units

- Civil Infrastructure
- Government Services
- Mining & Metals
- Oil, Gas & Chemicals
- Power

Key Facts

- Founded: 1898
- Structure: Private
- Headquarters: San Francisco, California
- Employees: About 53,000
- 2013 revenue: \$39.4 billion
- Projects worked on since 1898: About 25,000
- Countries in which we have worked: 160

Ivanpah Solar Electric Generating System will produce enough clean, renewable electricity to power 140,000 homes in California.

About the Report

We recognize that being the contractor of choice depends on our maintaining a record of responsible business practices and meeting the expectations of our customers and other key stakeholders. This report demonstrates our approach to sustainability, focusing on a few of the key issues we confront as a multinational organization. The report does not cover the performance of our customers, suppliers, subcontractors, or partners unless otherwise noted.

The report covers topics that reflect the diversity and complexity of environments and locations where we operate. In consultation with stakeholders, we selected case studies and important issues that highlight how we incorporate in our projects a focus on environmental protection, workforce safety, local economic development, and community engagement.

We reference and use the Standard Disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines to inform our disclosures, which we list in the index. All financial data is cited in U.S. dollars.

We welcome your comments on this report. Please send your feedback to **SDReport@Bechtel.com**.

Our success around the globe is inextricably linked to society's progress. We regard sustainability as our responsibility to enhance the positive effects of our projects where possible and avoid or mitigate the potentially negative ones. We believe that we are not just delivering a physical asset to our customers and communities but also creating an enabling environment that will benefit them in the long term.

Sustainability Across the Project Life Cycle

We consider our three focus areas across the project life cycle-from the time we evaluate an opportunity to the point we turn over a project to our customer.

1 Protecting People and the Environment

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

2 Promoting Economic Development

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

3 Partnering with Communities and Society

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

Project Life Cycle

Opportunity

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

Proposal

- Understand customer sustainability goals, objectives, and priorities
- Identify sustainability activities
- Engage key stakeholders

Award

- Identify and agree on sustainability objectives
- Engage key stakeholders

Design

- Assess potential changes in sustainability issues
- Identify sustainability programs
- Engage key stakeholders

Construction

- Engage key stakeholders
- Engage subcontractors on sustainability expectations

Handover

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

Promoting Capability and Consistency

Based on our experience operating in 160 countries in highly diverse markets, we have developed a comprehensive set of core processes that help identify, assess, and manage potential impacts associated with our projects.

- Our environmental, safety, and health processes serve as the nexus for our global business units and relevant functions to determine potential environmental, safety, and community impacts material to Bechtel projects.
- Other processes, such as security and procurement, help us manage additional potential risks to our communities related to the provision of security and engagement of subcontractors.



Generating Sustainable Alternatives

We leverage our experience and expertise in engineering and design to generate sustainable alternatives in the construction of our projects-including reducing material requirements, waste to landfill, and water and energy use—and to help our customers achieve "green" building certifications, such as Leadership in

These core processes are governed by our management system. That system is grounded in personal accountability and continuous improvement, particularly in advancing awareness of potential project opportunities and risks, developing enterprise capabilities, and promoting greater consistency in how we manage sustainability. Many of our projects are ISO 14000 certified, a globally accepted standard published by the International Standards Organization (ISO) on environmental management.

We conduct regular training for construction managers, engineers, and security personnel as well as for environmental, safety, and health professionals to improve their ability to integrate sustainability considerations with project development, design, and delivery.

Energy & Environmental Design (LEED). To help our customers and communities manage the effects of extreme weather and other atmospheric changes, we also improve the resilience of the physical structures we create for societies that will depend on them for years to come.



Innovating from Within

Internal initiatives, created and driven by our employees across the company, continually generate new ideas in project sustainability. Our colleagues created a Green Footprint award to recognize sustainability excellence and innovation in infrastructure projects. In 2013, our Crossrail project team earned the award for piloting the use of hybrid excavators, powering a noise monitor with hydrogen fuel cells for a calculated carbon savings of 101 tons, and relying on light-emitting diode (LED) lighting instead of traditional halogen lights to reduce energy consumption.

Our Mining & Metals business unit established the Educate – Engage – Evolve E³arth Challenge, in which teams compete to launch new, or enhance current, environmental best practices. The team at the Caval Ridge

Uncompromising Ethics

Bechtel will not tolerate any behavior that is unfair or unethical, a policy clearly stated in our Bechtel Code of Conduct manual. This manual details the standards of conduct that guide our actions globally and is given to all Bechtel colleagues as well as to members of the board of directors, contractors, and agents and consultants representing us.

Every Bechtel employee participates in ethics training within the first two weeks of employment. The initial training is followed by regular job-specific ethics awareness programs and annual ethics awareness workshops. In addition, locally hired workers, subcontractors, and suppliers are trained to the Bechtel standards.

We maintain an open-door policy as well as a 24-hour, 7-day-a-week Ethics HelpLine. This approach helps ensure compliance and allows everyone in our business to share

coal project in Australia—which includes mining, handling, and preparation facilities—continued an initiative to recover and sell scrap metal and donate the proceeds to a local charity. In 2013, the team donated \$90,000 to Australia's Cerebral Palsy League.

Through our Technical Grants Program, Bechtel engineers pursue advances in technology, design, and construction techniques, processes, and tools. We have awarded more than 120 grants during the past 30 years. Recipients have used these grants to create new engineering design guides that promote sustainability in construction projects, such as utilizing ground source heat pumps, which rely on the earth as a heat reservoir to control the temperature of buildings and other structures.

any concerns they may have. The HelpLine supports 200 languages through native speakers and translators, over the phone and online. In addition, we have ethics personnel throughout our operating organizations and functions as well as on many of our projects, especially in high-risk areas.

Bechtel also promotes global standards of ethical business conduct through our engagements with leading organizations. We are a signatory to the Principles for Countering Bribery, an initiative of the World Economic Forum Partnering Against Corruption Initiative (PACI), and a member of Transparency International-USA, an NGO dedicated to increasing government accountability and curbing both international and national corruption.

"Seemingly ordinary decisions can be irrevocable, so it's important for us to help our colleagues recognize ethical issues early. It's also critical that we provide our people a suitable culture and the right mechanisms so that they can raise any ethical concerns without fear of retaliation—and know that their concerns will be taken seriously and handled appropriately."





 Nancy Higgins Chief Ethics and Compliance Officer, Bechtel

Respecting Human Rights Bechtel's Vision, Values & Covenants members of the Global Business Initiative on Human Rights, a nonprofit business-membership organization A community meeting in Libreville,

Gabon, to discuss the impacts of the redesign of Route National 1, the only roadway into Libreville from the interior.

Protecting People and the Environment



Keeping Children Safe Near Las Bambas

High in the Peruvian Andes, we are working with Glencore/Minmetals to build a copper concentrator that, when complete, will produce 400,000 metric tons per year of copper as well as significant gold, silver, and molybdenum by-products.

The safety of every resident along the construction route is critical. To date, we have completed 59 workshops for 2,224 schoolchildren and 3,098 hours of traffic safety training in the construction area near the concentrator and along the heavy-haul road being built.

Our goal is to establish a culture of safety and environmental protection at our projects that will flourish in our neighboring communities and leave a lasting legacy even after we have completed the project.

Keeping Colleagues and **Communities Safe**

When it comes to safety, nothing short of zero incidents is good enough. It is our promise, and a Bechtel core value, that no work will commence or continue if any of our 53,000 colleagues or any of our partners or subcontractors deems it potentially unsafe.

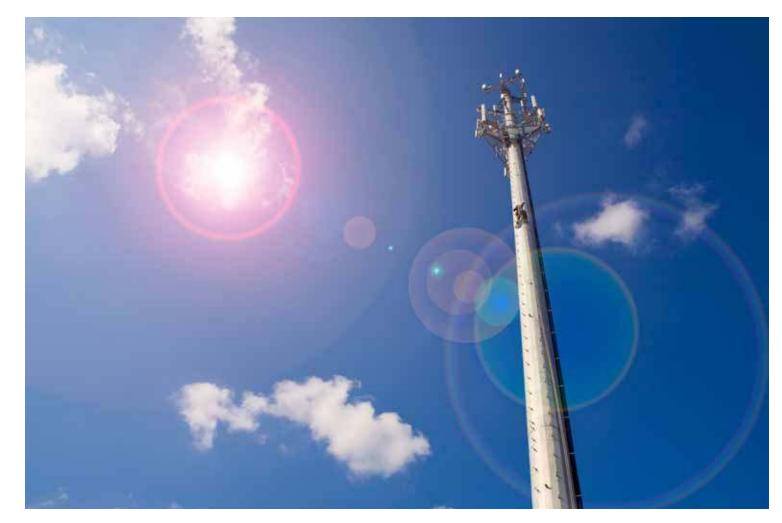
We maintained a strong safety record, decreasing our total recordable incident rate by 11 percent since 2011, while total work hours increased 6.9 percent compared with 2012. We are proud that there have been no work-related fatalities among our employees for three consecutive years. Bechtel continues to be an industry leader in safety, and we are relentless in our approach to prevent each and every accident.

In every country and on every environmental, safety, and health current safety standards.

Bechtel developed a Life Critical Requirements Program to highlight activities that could be life-threatening when not executed according to published procedures.

Public safety is a critical part of our environmental, safety, and health programs, and we work with all appropriate stakeholders to improve industry and national standards.

On many projects, we prepare and implement traffic safety management plans specific to the work site and to the local roads over which equipment and materials flow to support construction.



Cell Tower Safety

With the ever-growing demand for better, faster cell-phone service, and the race by all major telecommunications companies to expand their networks to meet the demand, Bechtel recognized the likelihood that a shortage of skilled cell-tower technicians would pose a safety threat to the industry and to communities.

The Bechtel Difference

7,836,847

hours without a lost-time incident since 2011

safety certifications 13,902 issued to tower technicians

> 223 trained and certified tower climbers

project, we supplement existing regulations with our own best practices, which helps improve

To address this issue we:

- Updated safety absolutes and rules of engagement
- Developed an apprenticeship program to certify tower technicians in the state of Virginia
- Constructed mock towers to provide hands-on training for colleagues and general contractors
- Provided 13,125 hours of safety and quality training for general contractors and employees

"Protecting our people and the public is our first responsibility. Every employee and contractor on a Bechtel project has the authority, the responsibility-the obligation-

> to stop work when encountering any unsafe act or condition."

-Charlie Cappello Environmental, Health, and Safety Manager, Bechte





Supporting Water Security in California

Bechtel completed construction on one of the largest operating solar photovoltaic power plants in the world—the 250megawatt California Valley Solar Ranch (CVSR)—which is providing renewable energy to power approximately 100,000 homes annually.

Our team paid special attention to conserving groundwater and leaving the existing terrain and vegetation intact to maintain natural filtration systems.

Photovoltaic panels at California Valley Solar Ranch, USA. Moreover, Bechtel implemented strict construction groundwater usage and monitoring programs to meet stringent limits in drought-plagued California. We also developed stormwater-management programs to decrease runoff for additional conservation. In addition we recycled 90 percent of construction waste on the project—40 percent more than required by San Luis Obispo

Making the Business Case to Manage Water

County.

With projects around the world, our Mining & Metals business expects to consume more than 9.5 billion gallons (36 billion liters) of water in its construction camps through 2015. With a focus on reducing consumption, Bechtel created new procedures for water use in construction camp management and concrete operations that will reduce water usage by 13 percent, or more than 1.3 billion gallons (5 billion liters) through 2015.



The Bechtel Difference

According to the U.S. Environmental Protection Agency, CVSR will offset the production of up to 336,000 metric tons of greenhouse gas emissions per year, equivalent to:



cars removed each year from local roads and freeways

fewer railcars of coal used



Using Sustainable Alternatives to Protect Scarce Water Supplies

For the Escondida copper-mine project in the Atacama Desert of northern Chile, we are constructing a water system that will supply the mine site with desalinated seawater for operations instead of taking scarce freshwater from inland supplies.

Recycling on a Massive Scale

In Saudi Arabia, the team working on our Jubail Industrial City project, the largest civil engineering project in the world today, created a recycling initiative across all 50 contract sites. The team reused or recycled more than 198 tons of wooden pallets, 87 tons of oil, 481 tons of scrap metal, 15 tons of cardboard, 5 tons of plastic, and 7,000 tons of demolished asphalt and other granular waste. These efforts avoided creating nearly 8,000 tons of waste.



Jubail Industrial City, Saudi Arabia

Closing in on a Solution at Chornobyl

Bechtel is helping the international community with the long-term effects of Ukraine's nuclear plant catastrophe at Chornobyl through the design and development of the New Safe Confinement. This gigantic arch-shaped cap, about the size of four football fields, will shield the environment from radiation coming from the damaged reactor, reduce risk to cleanup workers, and allow the radiation to decay naturally until permanent cleanup can take place.

Chornobyl Shelter, Ukraine





Reinforcing Public Safety at Metrorail

Lawrence Livermore National Laboratory, USA



The Dulles Corridor Metrorail Project—one of the largest infrastructure projects in the United States—will connect the Washington Metro system to fast-growing areas of Northern Virginia and to Dulles International Airport. The project's location includes 11 of the most congested highway miles in the United States.

The Bechtel-led project team took an innovative approach to promoting safety among local residents and commuters by creating a series of public service radio ads that offered safety tips to keep both the workers and commuters safe around the job site.

Using Sustainable Solutions to Support Major U.S. Government Operations

At Lawrence Livermore National Laboratory, we constructed storage tanks and irrigation systems to capture and reuse rainwater, and we redesigned the landscape to make it drought resistant, minimizing the use of water to maintain the grounds.

Raising the Bar for a Sustainable Railway

In 2009, when Crossrail Ltd. set out to make its new east-west rail line across London a model for sustainable construction on a massive scale, it chose Bechtel as its delivery partner. Together we are creating a comprehensive sustainability program that will become a benchmark for large-scale projects throughout the country.



ansport

Project: Crossrail Location: London, UK Customer: Crossrail Ltd. Our role: Project management in Europe, London's Crossrail includes more than 26 miles (42 kilometers) of new rail tunnels and nine new London rail stations. When completed, it is expected to eliminate more than several innovative plant and 300 million vehicle miles (nearly 485 million kilometers) each year, significantly easing congestion in and around the city.

According to Crossrail's estimates, the project is expected to inject nearly \$70 billion into the UK economy.

Reducing the Carbon Footprint

Crossrail's comprehensive carbon management plan is aggressive. After estimating that 15 percent of the project's lifecycle carbon emissions would be attributable to construction, Bechtel set out to reduce the carbon footprint by 5 percent all without increasing costs.

The largest infrastructure project To date, we have exceeded these goals—cutting emissions by nearly 10 percent.

> Working closely with our project partners, we introduced equipment technologies in select areas of the project to further reduce carbon impact.

For example, our team has used diesel-electric hybrid excavators that consume 25 percent less fuel and produce 30 percent less carbon emissions than conventional excavators. We also substituted nonpetroleum biodiesel fuel in generators used to operate cranes, selected LED site lighting that consumes 47 percent less energy, and relied on zeroemission hydrogen fuel cells as portable power sources.

By monitoring digital dimming, movement detection, and photocell light equipment, the team was able to provide a

continuous real-time picture of consumption that helped to promote operational efficiencies.

The energy needed to run services for the full design life of Crossrail—120 years -is expected to account for 85 percent of overall carbon emissions, most of which will come from the trains. The team is reducing emissions by focusing on design features to improve energy efficiency, including:

- Reducing the weight of passenger cars
- Establishing targets to reduce energy consumption
- Using regenerative braking
- Placing smart controls in passenger cars for lighting. heating, and air conditioning

The Bechtel Difference

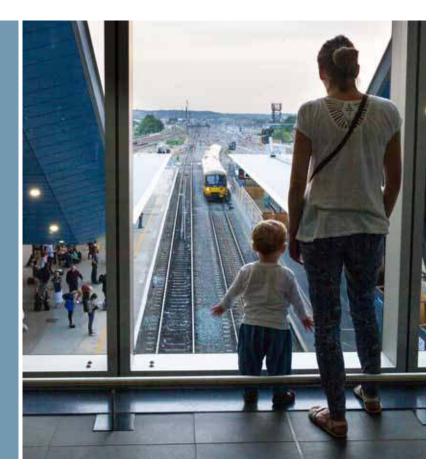
percent of all construction materials reused 95 and recycled

percent of demolished material from our sites 97 reused and recycled

20percent of the construction materials JC procured derived from recycled material, exceeding Crossrail's target of 15 percent

nearly percent of the excavated material was reused or recycled, either at Wallasea Island, where it is being used to develop the nature reserve habitat, or at other sites that are being restored to create agricultural land, nature reserves, and recreational facilities

Boosting London's Economy



Benchmarking the Future

Bechtel has managed Crossrail's adoption of two widely recognized sustainable design and construction assessment methods and accreditations:

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- Building Research Establishment Environmental Assessment Methodology (BREEAM) —the UK standard for best practice in low-carbon and low-environmental-impact design, construction, and operation.
- Civil Engineering Environmental Quality (CEEQUAL)a comprehensive sustainability rating system for assessing environmental, economic, and social performance.

The Crossrail project represents the first time that BREEAM has been applied to evaluate underground stations, and it is establishing a benchmark for other stations.

All of our station designs have achieved Very Good ratings under BREEAM, and our tunnels, portals, and shafts have attained an Excellent under CEEQUAL. Both of our completed structures have achieved a rating of Excellent under CEEQUAL.

Mother and child watching trains along the Crossrail route to Reading.



Stewardship at Work in the UK

Bechtel was the 2013 national sponsor of the FIRST® LEGO[®] League UK & Ireland, an international robotics tournament that inspires young people to be science and technology leaders through fun, mentor-based programs.

Almost 70 Bechtel colleagues donated more than 500 hours mentoring students from 10 schools near our projects and offices across Greater London. Students built, tested, and programmed an autonomous robot and were challenged to solve problems related to recovering from hypothetical natural disasters. To celebrate this sponsorship, we built a replica of a tunnel-boring machine from more than 50,000 LEGO bricks.



"Bechtel has provided strong leadership and drive in regard to sustainable development and played a leading role in developing and implementing Crossrail's sustainability initiatives for responsible procurement."

> -Andy Mitchell Program Director, Crossrail Ltd.

Promoting Local Economic Development



The skills we help develop, and our local purchasing and hiring, meaningfully stimulate the economies of the places where we operate.

During the last five years, Bechtel has spent more than \$100 billion on procurement and contracts globally.

We also design and execute skill-building programs that enable workers to meet project needs and prepare for employment opportunities beyond construction. Further, Bechtel conducts programs that help local suppliers and contractors develop critical skills to be more competitive in future opportunities whether with Bechtel or other projects.

In many parts of the world, our projects can attract significant numbers of potential workers, especially in areas where a project is a rare opportunity for employment or income. Bechtel's early planning and systematic approach help us avoid the effects of unmanaged worker influx, which can trigger conflict and other socioeconomic tensions.

Our workforce and camp management program is based on a consultative process involving our customer, government authorities, workers, and communities. This process enables us to select the optimal site location; identify community issues, demographics, and cultures to avoid potential conflicts; and maximize the camp's positive effects on host communities. Gulf Coast Workforce Development

Building on our experience with the Business Roundtable's Gulf Coast Workforce Development Initiative, we are implementing a comprehensive program to recruit and develop an estimated 8,000 construction workers to support the energy boom along the U.S. Gulf Coast. In partnership with the National Center for Construction Educa-

tion and Research and local community colleges, Bechtel is developing certification programs in critical crafts. We are also working with the U.S. Navy and the Department of Labor to provide veterans productive careers in construction.



Electrical apprentice Shannen Low on the GLNG Project, Curtis Island, Australia. The team at the Sabine Pass Liquefaction project, USA.



Developing Businesses and Skills

On the Dulles Corridor Metrorail Project, we worked with nearly 200 disadvantaged businesses to develop critical skills for large-scale infrastructure projects. We also partnered with a number of local colleges and universities to provide internships and careers to the next generation of engineers and construction workers.



A Long History of Local Workforce Development

The Bechtel Difference

8,362 Angolans trained in project and safety procedures
 Angolans received on-the-job training in more than a dozen job areas
 Angolan workers earned national standard trade-craft certifications

69 Angolans trained and promoted to supervisory positions

Angolan trainees proudly hold up their new welding certificates.

Angola

Bechtel provided engineering, procurement, and construction services for the first LNG project in Angola, the second-largest oil producer in sub-Saharan Africa.

For the construction phase of the project, Bechtel conducted extensive recruitment, training, and employment programs for potential workers across Angola. Secondary benefits of the effort included the creation of a state-of-the-art training facility, which the project team turned over to Angola as a permanent legacy, and the development of a worker database to capture individuals' craft certifications and work experience for their future employment.



Oman

At our Sohar Aluminium Smelter project in Oman, we set out to increase the skills of Omani workers. There was a special focus on integrating women into the workforce, enabling them to take advantage of immediate smelter construction work—and pursue future opportunities.

Together with the Oman Ministry of Manpower and Rusayl Institute, a local training institute, we established a new construction work and life-skills training program, along with the first construction-training program for women. The courses included four- to six-month classroom and on-the-job training sessions tailored to local craft skills. We also offered courses in environmental, safety, and health practices; financial literacy; English; and—to prepare workers for careers after we complete construction—computers. Omani electrical trainees listen to an instructor at the Sohar Aluminium Smelter project's training institute.

The Bechtel Difference

Omanis employed at the peak of construction

Omanis trained and hired as electricians and carpenters, and in other skilled positions

people transitioned to smelter operations jobs after construction

percent of all mechanical assistants on the project were Bechtel-trained Omani women



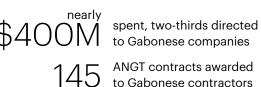
A New Model for National Infrastructure Development in Africa

In 2010, Gabon's president, Ali Bongo Ondimba, announced a vision for shared prosperity based on three focus areas: a service-oriented Gabon, an industrial Gabon, and a green Gabon. Project: Gabon infrastructure Location: Gabon Customer: Government of Gabon Our role: Management & technical suppo Gabon is a resource-rich country, the fifth-largest oil producer in sub-Saharan Africa and the second-largest exporter of manganese. Nearly 50 percent of Gabon's estimated 1.5 million people are under the age of 19. The country has vast amounts of arable land, abundant forests, rich mineral resources, and extraordinary biodiversity.

Bechtel and the government of Gabon developed and are delivering a groundbreaking \$25 billion National Infrastructure Master Plan (NIMP) that will enable the country to modernize the national workforce, expand access to social development, and advance connectivity within the country, across Africa, and with the rest of the world.

This unique project is drawing attention from other African governments as an example of how public-private partnerships can develop, design, and

The Bechtel Difference





execute national development plans. Gabon has a vibrant, growing economy, and we are proud to help the Gabonese capitalize on this extraordinary opportunity.

Building Institutional Capacity

The success of the infrastructure initiative rests in large measure on project management and accountability. Bechtel helped organize and currently manages l'Agence Nationale des Grands Travaux (ANGT), a government agency that oversees the execution and delivery of NIMP. ANGT coordinates work with various ministries and government agencies, monitors progress, incorporates new execution tools and processes, and engages local communities about NIMP's progress.

The agency translated NIMP's vision into a detailed implementation plan sequenced over 15 years. It also helps local businesses participate in the tendering process and has created and introduced minimum requirements for contracting Gabonese businesses. In 2013, the government invested nearly \$400 million in NIMP's execution, with twothirds of the work undertaken by Gabonese companies.

To prepare the local construction environment for the 21st century, we are advancing the competencies of all workers

Bechtel oversees a study to improve capacity and efficiency of the Trans-Gabon Railway. The improvements will lower the cost of exporting manganese, improve passenger service, and support tourism.

to implement and maintain international standards for quality, ethics, and safety.

To date, 38 contractors have completed 210 courses, including site setup, site plant and vehicle maintenance, proper use of personal protective equipment, and how to conduct environmental risk assessments. We will deliver more than 50 additional courses in 2014 to teach contractors our core environmental, safety, and health processes, helping to create a local construction workforce capable of performing to international standards.

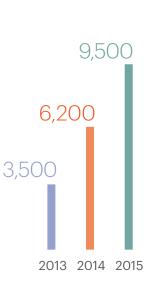
ANGT is attracting attention in the rest of Africa—and around the world—as a promising model for national infrastructure development.

One of the biggest challenges we faced was striking the right balance between prioritizing long-term plans and current needs. By conducting comprehensive feasibility studies across the country, we provided the government a wealth of detailed technical, social, and financial data that enables government authorities to make informed decisions about project plans, designs, and priorities.

This approach has not only generated critical information for future developments, but it also put in place a benchmark for how to plan future projects.



A massive investment in Gabonese education will outfit the next generation of new schools and universities with fiber-optic communications to enable Internet use for education and help meet the country's need for skilled workers.



Number of Gabonese craft workers employed by ANGT (actual and projected) Introducing Sustainability

We founded Gabon's first fully recognized chapter of Engineers Without Borders, a major nonprofit humanitarian organization that supports community-driven development programs worldwide.

Our programs engage volunteers in local sustainability activities to improve living conditions in underdeveloped communities. Addressing a long-standing and persistent waste-management problem in Libreville, EWB-Gabon is working with two community organizations to help two underserved neighborhoods approximately 550 residents understand the links between their trash problem and flooding problems, and thus develop solutions to keep drainage channels clear.

their trash problem and flood-The program reached 300 ing problems, and thus develop young adults in its first year, solutions to keep drainage with the expectation to reach channels clear. many more in years to come. Bechtel people show their These community efforts dedication to this program by complement broader volunteering to plan courses, Bechtel-ANGT activities to mentor students, and judge site and design the city's first business-plan competitions.

engineered landfill to help remove mountains of waste from neighborhood streets and minimize its contact with groundwater, improving community health.

Investing in Youth

In a country where 36 percent of those between the ages of 16 and 24 are unemployed, Bechtel and its partner Junior Achievement® launched a new program to engage young people and teach them practical business skills. Junior Achievement is the world's largest organization dedicated to educating young people about workforce readiness, entrepreneurship, and financial literacy.



A Bechtel-Junior Achievement session in Gabon.

Creating Economic Opportunity in Peru

Over the course of more than six decades, Bechtel has successfully completed hundreds of major construction projects around the world for the mining sector. Many of the largest natural resource companies rely on our processes, people, and proven performance to deliver their projects in some of the harshest environments on Earth.



Project: Las Bambas and Customer: Glencore Our role: Engineering, and construction Peru is one of the world's biggest copper producers, and the mining sector is critical to Peru's long-term economic development. In 2007, Bechtel formed a strategic alliance with Glencore (then Xstrata Copper) to deliver a global portfolio of copper concentrators.

We implemented a standard plant design at two sites, which helped to save time and resources, leverage good practices, and promote consistent implementation of environmental, safety, and health processes, recruitment practices, community engagement, and local enterprise support.

We finished the first copper concentrator at Antapaccay, Peru, in 2012. The following year, we drew on this experience to build a second concentrator—and Bechtel's largest to date—at nearby Las Bambas, now operated by Minmetals. Upon completion, the project will produce 400,000 metric tons of copper per year.

During the Antapaccay project, Bechtel sourced \$8.5 million of local goods and services, employed more than 2,200 local people, and certified 400 workers through training programs that enabled them to pursue higher levels of employment.

Through our Las Bambas project, Bechtel and our partners have injected nearly \$44 million into the local economy through procurement and contracts. We delivered thousands of training hours to indigenous entrepreneurs, helping them meaningfully participate in, and benefit from, the construction phase of the project-and beyond.

Building Workers' Skills

The Las Bambas site sits in a remote, mountainous region of Peru where most people rely on subsistence farming for their livelihoods. In 2013, at the peak of the project's construction, Bechtel hired 1,455 local workers and created an estimated 1,862 indirect jobs for employees of suppliers and others.

Bechtel and its partners are making concerted efforts to elevate the technical skills of local people through various initiatives. For example, in 2013 more than 160 workers completed the formal trade craft and on-the-job training essential to be qualified for higher-level positions, such as surveying, earthworks, and welding.

The Bechtel Difference



1,455

spent on local goods and services

workers hired, and an estimated 1,862 indirect jobs created

5,000

hours of training, 30 business training

workshops, 21 local companies, and 628 beneficiaries





Antapaccay Copper Concentrator, Peru

Partnering with Local Companies

Since mid-2012, we have purchased more than \$1 million per month in local goods and services. Our early work to assess local market conditions enabled us to identify which business sectors would be most viable during and after the construction phase.

This planning allowed us to more effectively target our project spending on hotel,

"We prepare local workers and suppliers for opportunities that surface after our construction is done. It's one of the best ways to deliver shared value. The investments we make and the skills we transfer to local workers and entrepreneurs put them on a critical path toward new businesses or future employment."

-Mike Adams Chief Financial Officer, Bechtel



"The training we had with Bechtel really helped those of us in the housing, laundry, and restaurant businesses around Las Bambas to improve our service and build a bigger base of suppliers and personnel."

-Augusta Berrío Huamaní Former President of the Challhuahuacho Hotel Association

restaurant, transportation, laundry, and food-delivery services. Together with our customer and partners, we followed a rigorous process to engage local suppliers.

In addition, Bechtel provided approximately 5,000 hours of training to more than 600 businesspeople on topics such as customer service: business management; production processes; environmental, safety, and health standards; and tax preparation.

We believe that healthy and empowered workers translate to healthy and empowered communities. We conducted 200 workshops to improve community relations and promote respect for others, health and hygiene, and care for the environment. We delivered nearly 22.000 hours of training for more than 7,000 local and nonlocal workers.

Transforming Queensland's Economy

Bechtel has been providing engineering, procurement, and construction expertise for projects across Australia since 1954.

The three LNG plants under construction on Curtis Island represent the greatest concentration of Bechtel projects anywhere in the world. The construction program is part of the largest private capital investment in Australia's history. When the LNG plants begin exporting natural gas, the projects are poised not only to transform Queensland's economy but also to help Australia meet the world's growing demand for low-carbon fuels.



Project:Curtis Island LNGLocation:AustraliaCustomer:Australia Pacific LNG,GLNG, QueenslandCurtis LNGOur role:Engineering,procurement,and construction

Apprentice boilermaker

Djan Canendo, GLNG Plant

To help ensure access to qualified local workers to complete these mammoth projects, we partnered with national and local governments, with a commitment to target underrepresented groups in the community workers with partially completed apprenticeships or those working in similar industries without trade certifications—and helped them complete their apprenticeships—some in less than two years.

We certified electricians, welders, metal fabricators, pipe fitters, and carpenters, and we hired 400 apprentices across the projects—the largest single hiring of apprentices in the nation's history. For our efforts to promote the future workforce of Gladstone, Bechtel was recognized by the Queensland Department of Education, Training and Employment with the 2013 Employer of the Year Award.

Developing Australia's Indigenous Workforce

We are committed to engaging Australia's indigenous population. We participate in the Gladstone Region LNG Community Consultative Committee, a joint consultative body convened by QGC (a BG Group business), Australia Pacific LNG, and GLNG.

Established in 2011, the committee serves as a key

forum for dialogue between Gladstone's indigenous community and the three LNG companies. Bechtel works directly with each project to promote employment opportunities for indigenous workers.

To date, Bechtel has employed more than 400 Aboriginals and Torres Strait Islanders through direct hires and subcontractors. We are working with our customers to identify currently employed indigenous craft workers experienced in mechanical and electrical areas to transfer to post-construction operational roles. Where possible, we will also identify indigenous workers for long-term roles on Bechtel projects.







"We've enjoyed great support from the Gladstone business community during the construction of these projects, and we want to make sure that they continue to be successful long after we finish these plants." -Kevin Berg Gladstone General Manager, Bechtel

The Bechtel Difference

\$1B



indigenous employees and subcontractors hired

local employees hired

in local procurement

and contracts

Protecting Biodiversity and Marine Life

The only way to get heavy equipment and other materials to Curtis Island is by ship. To help minimize the potential impact on the region's sensitive biodiversity and marine life, Bechtel developed, implemented, and continues to execute a comprehensive biosecurity management plan in collaboration with shipping brokers, customers, local authorities, and NGOs.

The plan prevents the introduction of invasive species into the local environment via a strict quarantine process. Bechtel also conducted awareness and competency training in biosecurity and environmental protection for 800 employees in Australia and another 400 in Thailand, Indonesia, and the Philippines, where Bechtel operates module construction yards.

Building Local Businesses

Acutely aware of the critical importance of these projects to Gladstone's economy, we continue to organize and facilitate a series of business workshops geared to help current suppliers acclimate to potential new business opportunities when the projects transition from construction to operation. People from about 40 small businesses received training in marketing and business development, market analysis, and building customer relations. The demand for this training continues to increase, and we expect to deliver training sessions to 100 more businesses in 2014.

Since 1996, Bechtel has built nearly one-third of the world's liquefaction capacity—more than any other contractor.

Partnering with Communities and Society



Applying more than a century of industry experience to community engagement

Working side by side with customers, communities, contractors, government entities, and local organizations helps us to establish common goals around project benefits and risks. This also allows us to tailor our social investments and volunteer efforts to improve access to basic community needs, including education, livelihoods, housing, nutrition and health care, and safety.

For example, in Soyo, Angola, Bairro Fina School No. 68 had limited capacity and resources for its 400 students. By building new classrooms, and expanding the school's access to reliable electricity and clean water, we are helping to improve the learning environment for current students and future ones.

Because of the nature of our business, we spend a finite amount of time on our projects. Thus, we strive to pass on a positive engagement with host communities to our customers after our project is completed.

We believe that Bechtel's long experience with sustainability issues in construction helps us build better projects and a better world. We therefore share our time, practices, and ideas with our industry, business associations, NGOs, and think tanks to foster a global community of interest focused on sustainable development.

During our 36 years in Santiago, Chile, we've made significant strides in our community partnerships. In 2013 we partnered with FIRST® LEGO® League and a local NGO—Fundación SparkTalents—to mentor at-risk children as they prepared for competition in the regional FIRST® LEGO® tournament.

- In Australia, we serve on the board of Gladstone Area Promotion and Development Ltd., the Gladstone region's leading tourism and economic development agency.
- In the United States, Bechtel belongs to the Construction Industry Institute sustainability research team. Our contribution goes toward a new guidance tool to improve the integration of sustainability during the project's construction phase.
- Serving on the board of Engineers Against Poverty, we have participated in consultative meetings, together with the construction industry and NGOs, to examine ways to improve labor conditions on infrastructure projects in Qatar.
- In the UK, several of our contractors on Crossrail helped establish the Supply Chain Sustainability School to promote a common approach and understanding for suppliers and subcontractors to address environmental and social sustainability issues. To date, more than 3,200 members have joined the school from nearly 1,900 companies. As part of Crossrail, Bechtel is now engaging with the school to ensure that our legacy of learning can be shared with the broader industry.

Junior Achievement, Muscat, Oman (INJAZ). Pictured are the university students who participated in the Bechtelsponsored INJAZ workshop to inspire entrepreneurship and business innovation among Arab youth.



DISCOVER









Supporting People and Organizations Who Are Building the Future

To achieve our goals on a larger scale and with greater impact, we partnered with five international nonprofit organizations to improve the quality of life in the communities where we work. Our Signature Program partners are:

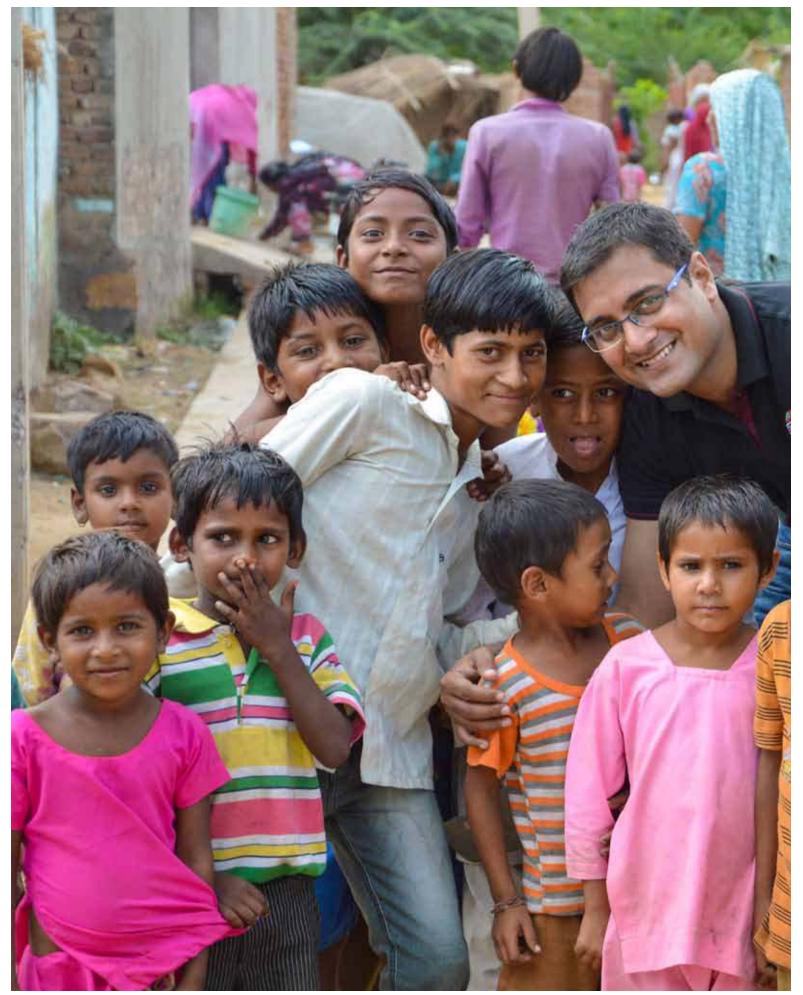
DiscoverE

Committed to sustaining and growing the engineering profession through volunteering, education, and outreach to young adults.

 Engineers Without Borders Supports community-driven sustainable design and development programs around the world.

- FIRST® Robotics
 Inspires people to be science and technology leaders through mentor-based programs that build science, engineering, and technology skills.
- Junior Achievement[®]
 World's largest organization dedicated to educating kids about workforce readiness and financial literacy.
- Ocean Exploration Trust Brings together students and educators to provide hands-on experience in ocean exploration and research.

The most significant growth in our stewardship efforts last year came from the Asia-Pacific region, where Bechtel colleagues launched Junior Achievement or FIRST Robotics programs in Bangkok, Kuala Lumpur, Manila, and Shanghai. We also began or expanded Signature Programs in New Delhi, Santiago, London, and Libreville, Gabon.



Creating a Brighter Future for the Village of Sirohi

Until last year, when the sun would set on the village of Sirohi, India, an hour's drive from Delhi, everything would slow down or stop. Of the 370 households in the village, only 203 were connected to electricity. And those homes received just 5 hours of electricity a day, leaving more than 3,500 residents in the dark. Homework, travel, business, and even cooking the evening meal were accomplished only with the aid of candles and kerosene lamps-both insufficient and dangerous—making it difficult, if not impossible, to work, cook, or travel after dark.

In 2013, volunteers from our New Delhi office-together with Engineers Without Borders-India, Skilled Samaritan Foundation, and other partners—looked to work with the Sirohi citizens and use a resource they did have, the sun, to help power their lights and promote prosperity.

Partnership for Success

To begin, Bechtel's New Delhi office formed an EWB chapter, and it helped create EWB-India student chapters at two premier engineering schools— Delhi Technological University and National Power Training Institute—which contributed to the Sirohi endeavor.

Children from Sirohi.

The team installed two solarpowered LEDs in all 370 Sirohi households, which included overhead fixtures and portable lanterns for safe night travel.

Volunteers and villagers set up a Village Energy Committee to sustain the project long after its completion.

"Our aim is for Sirohi to be a self-sustaining community where the locals eventually take ownership of the projects we help implement and take charge of their lives," says Guari Agrawal, head of Skilled Samaritan Foundation. "We do not have an estimated time but hope for projects in sanitation, water, waste management, and education to kick-start within the next two years."

-Sirohi schoolgirl

"My mother does not see well in the night. Many times she would feed us half-cooked meals. Now, with these lights, she cooks us delicious meals."

"We couldn't believe that this would actually happen in our village. This program will change our lives. Every single person will benefit from it. Our children will be able to study better. We can work at night also now and produce much more."

-Sawan, a craftsman from Sirohi, Delhi



Safety

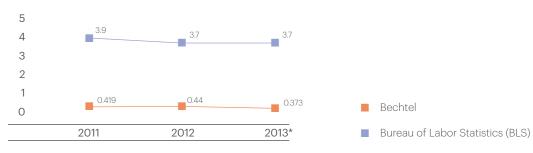
...

We continue to maintain our strong safety record, even as our total work hours increased 6.9 percent compared with 2012. During 2013, our total recordable incident rate per 200,000 hours worked decreased 11 percent, with a 9 percent increase in our lost-time incident rate. A recordable incident is when a work-related injury or illness takes place. A recordable incident becomes a lost-time incident when the illness or injury renders the employee unable to work for a period of time. Industry averages are based on the 2012 data published by the U.S. Department of Labor, Bureau of Labor Statistics, for Construction, North American Industry Classification System, code 23.

Bechtel's global incident rate in 2013 was 90 percent less than the projected U.S. construction industry average.

Total Recordable Incident Rate

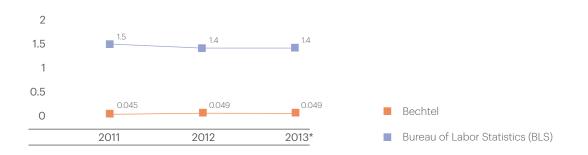
Lost-Time Incident Rate



*2013 BLS TRIR Estimated; actual data has not been published

*2013 BLS LTIR Estimated; actual data has not been published

Bechtel's global lost-workday-incident rate in 2013 was 97 percent less than the projected U.S. construction-industry average.



Bechtel colleagues volunteering in Qatar.



Achievements

- 2012: Launched U.S.
- Minority Engineer Top 50 Employer since 2011

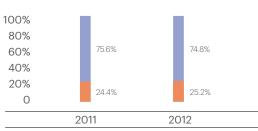
Social

framework that:

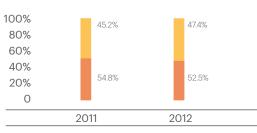
(i) Promotes a diverse global workforce

(ii) Fosters an inclusive environment to maximize employee potential

(iii) Institutionalizes a culture of inclusion



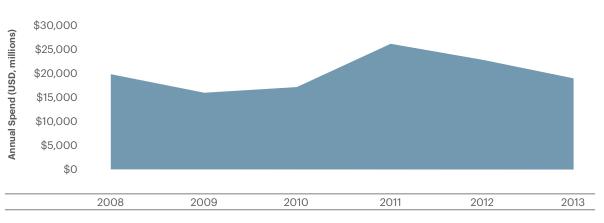
Regional Workforce



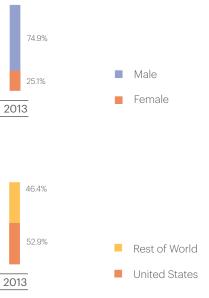
Economic

Our global procurement and contracts and social investments create significant opportunities for shared value with communities and local suppliers where we work. In 2013, we contributed nearly \$5.2 million in social investments and spent more than \$18 billion in procurement and contracts across our major markets around the world.

Procurement and Contract Awards 2008 to 2013



While our diversity performance on gender is consistent with our industry peers, we implement a diversity and inclusion



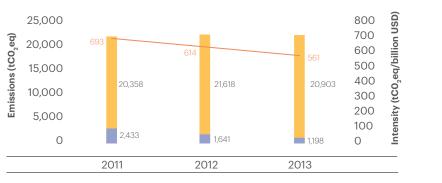
Environment

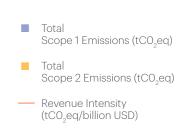
We have been collecting carbon emissions data in our U.S. offices for more than a decade. In 2011 we expanded our data collection to include additional offices around the world.

We based our carbon footprint accounting on *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.* Based on the Protocol's criteria, we selected 18 offices and reported on scope 1 (direct emissions from boilers and furnaces) and scope 2 (indirect emissions from electricity consumptions).

Our information is reported in tons of carbon dioxide equivalents (tCO₂eq), a measurement that normalizes all potential greenhouse gases such as carbon dioxide and methane. To calculate emissions, we used country-specific emission factors from the World Resources Institute's "GHG Protocol Tool for Stationary Combustion" (2012, version 4.4), in addition to factors published by local governments.

Carbon Footprint





As a result of careful monitoring, investment in efficient commercial space, and reduced energy consumption by employees, we cut our carbon emissions by 3 percent and reduced revenue intensity (greenhouse gas emissions per billion dollars in revenue) by 19 percent.



Ninety-five percent of our offices have recycling programs, and 63 percent have green cleaning (i.e., cleaning products that are environmentally friendly).

This year, Bechtel's Glendale office was recognized by the Arizona Clean Air Campaign for its efforts to reduce air pollution and traffic congestion through alternative modes of transportation, including riding transit, carpooling, biking, and teleworking.

At our Pilgrim Street office in London, we recently undertook a significant lighting retrofit. We replaced fluorescent lamp fittings with new LED fittings as part of the refurbishment. We expect energy savings of more than 17,000 kilowatt-hours and an associated annual cost savings of \$7,000.

Bechtel Office, Glendale, Arizona, USA

Performance Data Index

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Reference

Executive Letter

About Bechtel Performance Data No reporting changes as this is our first report Our Approach UN Guiding Principles on Business and Human Rights, Partnering Against Corruption Initiative (PACI) Executive Letter, Our Approach

About the Report

Customers, nongovernmental organizations (NGOs), governments, stewardship program partners People and organizations impacted by our projects Partnering with Communities and Society

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Our Approach

About Bechtel

Promoting Local Economic Development

In 2013, 11 of our 18 reporting offices consumed 27.7 million gallons of water Protecting People and the Environment

Performance Data

Performance Data

All employees receive annual performance and development reviews

Our Approach

Promoting Local Economic Development, Partnering with Communities and Society



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LRQA Assurance Statement

Relating to the reporting processes for Bechtel's Sustainability Report for the calendar year 2013

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

Terms of Engagement

Lloyd's Register Quality Assurance Inc. (LRQA) was commissioned by Bechtel Corporation (Bechtel) to provide limited assurance on its processes for reporting data and information into the 2013 Sustainability Report ("the Report").

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

Consistent with Bechtel's reporting boundaries, our assurance engagement excluded the data and information of Bechtel's partners, suppliers, contractors and any third parties mentioned in the Report.

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

LRQA's Opinion

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

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

LRQA's Approach

LRQA's assurance engagements are carried out using LRQA's verification approach which is based on current best practice and processes defined in ISAE3000. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Reviewing the draft Report as a basis for understanding the data and information reported
- Reviewing Bechtel's process for collecting content for the Report, including examples of Content Collection Forms used as the basis for some narratives and data within the Report
- Reviewing project-specific reports and additional back-up data to support the narratives and data within the Report
- Reviewing instructions from Bechtel's database for collecting and reporting safety, environmental
 and health data company-wide; and
- Interviewing key people responsible for compiling the data and drafting the Report.

Observations

This is Bechtel's first sustainability report and whilst Bechtel has processes in place to define, collect and review data and information disclosed in the Report, these processes are continuing to develop.

Additional recommendations and areas for potential improvement were provided in a separate report to Bechtel's Management. These recommendations do not affect our opinion.

france from

Signed Andrea Bockrath LRQA Lead Verifier On behalf of Lloyd's Register Quality Assurance, Inc. LRQA reference: RMA10139A Dated: 6 June 2014

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eadership

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MINING & METALS

Shaun Kenny President

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EUROPE, AFRICA, MIDDL EAST & ASIA PACIFIC **Denis Garrity** LATIN AMER José Ivo

David Welch

Pre

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Executive Vice President

Alasdair Cathcart

ALS e

ONS,

Mary McLaughlin

EUROPE, AFRICA & MIDDLE

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QUALITY/SIX SIGMA Frank Russo

STARTUP Joseph Diaz

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CONTROLLER & BUSINESS SERVICES Anette Sparks

CORPORATE AFFAIRS Charlene Wheeless

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HUMAN RESOURCES Andy Greig

INFORMATION SYSTEMS & TECHNOLOGY Carol Zierhoffer

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