

Annual Sustainability Report 2010

August 2011



Prepared by
Parsons Brinckerhoff

www.pbworld.com

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The front cover shows West Jesmond Primary School External Play Area.
 COURTESY OF AURA NEWCASTLE LTD (consortia involving Parsons Brinckerhoff)

Introduction

At Parsons Brinckerhoff we recognise that, as a leading provider of infrastructure design and management services, we play a significant role in delivering sustainable places, infrastructure and projects. Sustainable development is an essential principle, irrespective of the nature or location of the organisation with whom we are working.

To Parsons Brinckerhoff sustainability means development that enables economic growth and improves quality of life whilst protecting and enhancing the environment. We accept our responsibility to future generations and the need to respect the carrying capacity of natural systems.

Through early and consistent consideration of sustainability, we work with our clients to improve the environmental, social and economic benefits of projects in which we are involved.

Parsons Brinckerhoff publicly reports its sustainability performance and impacts through an annual Sustainability Report, such as this one, as well as submissions to the Carbon Disclosure Project (see below) and the Water Disclosure Project.

There are three key areas in which we focus our influence over sustainable development considerations:

- ✓ The advice, designs and solutions we will provide to clients
- ✓ Our own activities in offices, on site and in the communities where we work
- ✓ The operation of our business

Some of our activities in these areas are described in this report.

Following the purchase of Parsons Brinckerhoff by Balfour Beatty plc on 27 October 2009, PB was merged with Balfour Beatty Management early in 2010. This is, therefore, the first Sustainability Report covering the new, enlarged organisation.

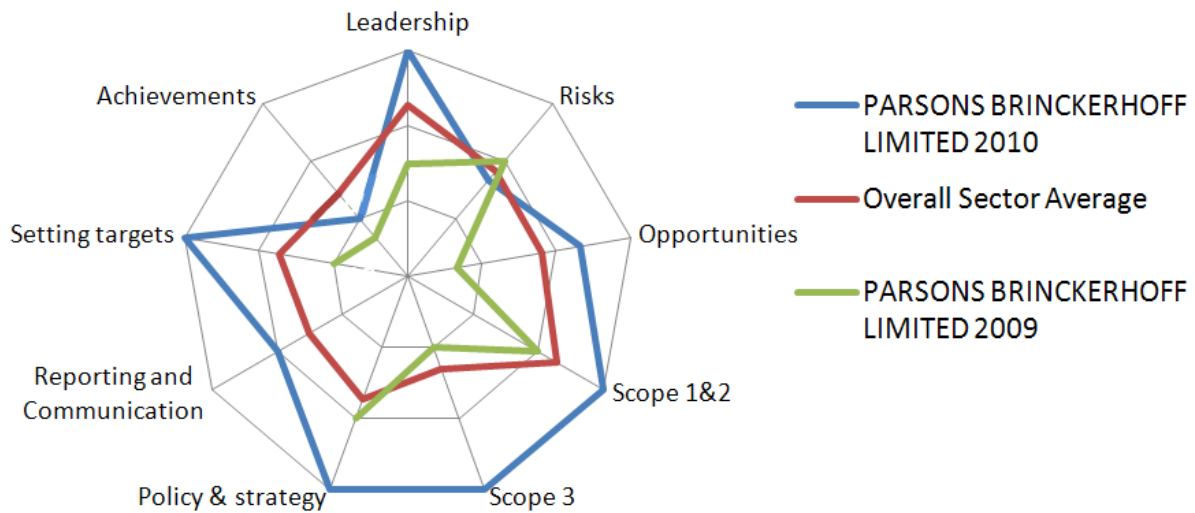
“We are only going to meet these challenges, sustainably, with an integrated view of natural and social systems, available technology and engineering. The role of the innovative and adaptable consultant will be key. We believe that we need to be looking to the future, identifying the challenges, and developing the solutions.”

**Lynne Ceeney,
Director of Corporate
Sustainability**

CARBON DISCLOSURE PROJECT

Parsons Brinckerhoff in the UK has provided submissions to the Carbon Disclosure Project (CDP) Supply Chain programme in 2009 and 2010; we will submit again in 2011. Our 2010 submission scored above the sector average in seven out of nine areas as the following Organisational Carbon Appraisal (OCA), provided by the CDP, shows.

Parsons Brinckerhoff OCA Diagram (2010)



HEALTH AND SAFETY

Our on-going Safety, Health and Environment (SHE) work continued during 2010. During the year we:

- ✓ Established a Corporate SHE team by combining the teams from BBM/Parsons Brinckerhoff UK
- ✓ Undertook examination of our HS&E management system compliance versus the requirements of Parsons Brinckerhoff expectations for managing H&S
- ✓ Identified a clear set of risks in our business and set about ensuring they were effectively controlled
- ✓ Achieved a year-end AFR of 0.1 against a target of 0.12, 3 Lost time events
- ✓ Implemented improved adverse event reporting via the Hotline system
- ✓ Developed and implemented ISMS (International Safety Management System)
- ✓ Integrated MENA (Middle East and North Africa) into EuMENA
- ✓ Raised awareness of overseas working risk and established processes and procedures in support of the same

This work enabled us to set clear objectives for 2011 as follows:

Our 2011 aims and objectives have been set following examination of our business during 2010 and by drawing on the lessons learnt from our adverse events. Our aims and objectives are targeted towards:

<p>Ensuring our business continually improves compliance with our Safety Management System</p>	<p>Implementing our policies, procedures and Zero Harm plans in a manner which removes, reduces or mitigates those risks which have the potential to be fatal</p>	<p>Providing visible leadership and behaviours which promote 'Making Safety Personal' to each and every employee and other organisations we work with</p>
<p>Positively influencing our Clients on matters of H&S drawing upon the experiences we have gained from our wider business activities and industry good practice</p>	<p>Proactively seeking out and embedding H&S excellence, encouraging our people to learn from near misses and incidents, using our Zero Harm tools to deliver tangible improvements in H&S performance in everything we do</p>	<p>Being recognised as an industry leader for effectively managing H&S in everything we do</p>

PROCUREMENT

During 2010 Parsons Brinckerhoff's Head of Procurement has worked with the procurement leaders of the other operating companies (OpCos) as part of Balfour Beatty Group's Sustainable Procurement Team.

This group has developed a suite of standardised sustainable procurement ways of working for use across the Group. This includes: standardised Policies; a Suppliers Sustainability Charter; a Pre-Qualification Supplier Assessment Questionnaire; and a Sustainable Procurement Awareness Training package. In addition, a Heat Map Tool has been developed which allows procurement personnel to determine impact of categories purchased within a given environment. Parsons Brinckerhoff is in the final stages of an upgrade to its suppliers evaluation and selection process and its ASD (Approved Supplier Database).

The Parsons Brinckerhoff upgrade on assessment questions and the provision of the Pre-Qualification Supplier Assessment Questionnaires was worked on together to provide improvements to both Parsons Brinckerhoff's process and the overall Balfour Beatty Group Sustainable Procurement processes.

The initial teething troubles experienced with the new Balfour Beatty Group Office Supplies Contract have recently diminished, and we are now entering the second phase of this contract. Working with Facilities and the Office Depot Account Manager we are endeavouring to switch to recycled or environmentally friendly products where possible, with the aim of 80%+ of our spend being on environmental/recycled products. We have identified that this move to recycled products will also bring financial gains in the form of reduced pricing for the alternative products.

ENVIRONMENTAL MANAGEMENT

All UK offices are now certified to the international EMS (Environmental Management System) standard ISO 14001.



FACILITIES

2010 was a relatively uneventful year in the Parsons Brinckerhoff office portfolio, with the emphasis on right-sizing the offices where lease ends and breaks provided an opportunity in Taunton, and passing the Parsons Brinckerhoff International office at 9A Devonshire square back to Balfour Beatty Group for transfer to BB Rail. At Birmingham the occupied office space was

consolidated, vacating the top floor to reduce office energy costs.

Early in the year Facilities completed the installation of new Kruger chilled water dispensers which are class leading in energy consumption. Setting secure print as a default was implemented in a number of offices and will be rolled out to all offices in 2011 reducing the number of waste prints.



**PARSONS
BRINCKERHOFF**

in partnership with





“Introducing the Kruger - one of the most planet-friendly water dispensers in the world.”

You may by now have noticed that we have recently replaced all of our existing WaterLogic 3000 water dispensers with 20 brand new Kruger machines.

WHY?

We have made this decision as across the board, the Kruger out performs the WaterLogic 3000 in all energy efficiency tests whilst still providing the same high quality of chilled filtered water.

The Kruger is an immensely efficient dispenser through its advanced thermal storage and control as well as high insulation levels. This offers very low running costs, and environmental impact, despite being able to produce a high chilled water dispense output.

This means that not only do we expect this to save us around £14,000 a year but we also know we are doing our bit to safeguard our environment by getting our refreshment from one of the greenest water delivery systems in the world.



AT A GLANCE

▶ **STANDARD ENERGY CONSUMPTION COMPARISON**
 Kruger: **0.0158 kWh** WaterLogic 3000: **1.2 kWh**

▶ **KRUGER ENERGY CONSUMPTION**
*with energy saving features enabled
 Cold & Ambient: **0.0158 kWh** Hot & Cold: **0.0458 kWh**

DID YOU KNOW...?

Left on constantly a 100w lightbulb would consume 2,4 kWh, the Kruger uses only 0,0158 kWh.



- ✔ Using a high capacity, high spec cooling system known as 'Ice Bank Technology' as opposed to standard refrigeration like the VL3000 means you always get your refreshment fast and chilled to perfection.
- ✔ Self learning technology enables Kruger to reduce it's power consumption at non-peak times
- ✔ With self monitoring the machine will inform you when maintenance is required.

VOLUNTEERING & CHARITY WORK

Parsons Brinckerhoff has a long tradition of supporting charities both financially, fundraising and with donating staff time. The following gives a flavour of what we were involved in during 2010.

- ✓ Career support in local schools in Epping, Essex and the London Borough of Newham: provided expert input (on Civil Engineering and Health & Safety) to classes; offered Work Experience placements; contributed to careers evenings and to special school days (such as CV and Interview days)
- ✓ Acted as Construction Ambassadors in Wales:
 - ❖ Participated in a construction skills event at Pontypridd High School.
 - ❖ Instructed and supervised the pupils on how to build a scaled-down version of a suspension bridge, taking into account the health and safety issues and teamwork.
 - ❖ The pupils then completed the walk across the bridge.
- ✓ Volunteered for a day to deliver a job-hunting workshop for young people with The Prince's Trust.
- ✓ Running a 'Young Engineers Club' at Busbridge Junior School in Godalming for the past 18 years.
- ❖ Parsons Brinckerhoff ran a small 'design, make and test' type activity over five 1-hour sessions in our lunch breaks.
- ❖ The Parsons Brinckerhoff donations committee generously funded the tools and materials with a £400 pa fund.
- ✓ Involved in the Sentinus STEM (Science, Technology, Engineering and Mathematics) enrichment and enhancement activities for schools in Northern Ireland. Sentinus provides a wide range of programmes designed to support the teaching and learning of STEM subjects in a 'real world' context.
- ✓ Staff, registered STEM Ambassadors, have been involved in giving talks to GCSE and A-Level students about careers in engineering. They have also participated in a 'meet the professionals' question and answer session next week at Brunel University facilitated by Inspiring Futures Foundation.

ETHICS

All new starters are required to complete formal training in 'Standards of Ethical Conduct' which provides an overview of basic ethical concepts and how they apply to PB. The company also provides a confidential ethics helpline which staff can contact to seek guidance and highlight any concerns.



PARSONS BRINCKERHOFF FOUNDATION

In February 2002, the Parsons Brinckerhoff Foundation was established in the UK. It receives a substantial annual grant from Parsons Brinckerhoff, which is then utilised to support good causes of particular relevance to its staff and clients. A registered charity with its own Board of Directors, it receives an annual grant from Parsons Brinckerhoff to use for charitable purposes. In 2010 the grant was around £30,000 and beneficiaries included:

- ✓ RedR
- ✓ Sport Relief
- ✓ RedR for Pakistan appeal
- ✓ DEC Pakistan appeal
- ✓ The Christie (NHS Foundation Trust)
- ✓ Macmillan Cancer Support
- ✓ SaltPeter Trust
- ✓ BBC Children in Need
- ✓ Freewheelers EVS

About Our Company

CEO'S STATEMENT

Parsons Brinckerhoff has a proud 150 year heritage, and some of our earliest projects are still serving communities today. In fact most of the projects we undertake have long lifespans. Our business is all about thinking about and planning for the future.

That's why sustainability is a key part of everything we do, as to borrow a phrase: we *treat the planet as if we intend to stay*.

The following section from our Sustainability Policy explains our approach:

"To Parsons Brinckerhoff, sustainability means development that enables economic growth and improves quality of life whilst protecting and enhancing the environment. We accept our responsibility to future generations and the need to respect the carrying capacity of natural systems.

At Parsons Brinckerhoff we recognise that, as a leading provider of infrastructure design and management services, we play a significant role in delivering sustainable places, infrastructure and projects. Sustainable development is an essential principle of good practice, irrespective of the nature or location of the organisation with whom we are working.

We believe that, through early and consistent consideration of sustainability, we can work with our clients to improve the environmental, social and economic benefits of projects in which we are involved.

Our areas of influence fall into three categories:

- ✓ the advice, designs and solutions we provide to clients*
- ✓ our own activities in offices, on site and in the communities where we work*
- ✓ how our company is run*

We set annual targets to continually improve our sustainability performance, and produce an annual Corporate Sustainability Report to show our progress. Our Business Management System and our Environmental Management System are externally audited. We also participate in the Carbon Disclosure and Water Disclosure Projects for the UK area of our business."

With our colleagues in other parts of Parsons Brinckerhoff and the Balfour Beatty Group, we are continually working to increase our understanding of sustainability, the tools available to us, and to monitor and improve our performance. This is the first year we have published a GRI-compliant report, and it builds on the Annual Sustainability Report which we have made publicly available for several years. It has required a broadening of our approach in some areas.

We see resource efficiency, zero harm and charitable and voluntary engagement as major areas of focus for 2011. We will also continue to work with our clients, staff, and our local communities to ensure that Parsons Brinckerhoff's activities contribute to the sustainability aspirations of all of our stakeholders.

If you have any comments on this report, or on our approach to sustainability we would be delighted to hear from you.

Nick Flew

President and Chief Operating Officer

Parsons Brinckerhoff Limited (Europe, Middle East and North Africa)

Lynne Ceeney

Director of Corporate Sustainability

Parsons Brinckerhoff Limited (Europe, Middle East and North Africa)

June 2011

ORGANISATIONAL PROFILE

Name of organisation

This report covers the activities of all the legal entities under operational control by Parsons Brinckerhoff in the UK, i.e. Parsons Brinckerhoff Holdings Limited, Parsons Brinckerhoff Limited and Parsons Brinckerhoff Limited. This report will refer to these three companies as “Parsons Brinckerhoff in the UK”.

Primary products and services

Our services cover the full range of activities from initial pre-planning, economic and environmental evaluation, through design and construction, to whole-life maintenance and management. We also contribute as part of, or adviser to, consortia for appropriately structured privately financed or owner operated schemes.

We have particular expertise in:

Transportation	Power	Building Design and Management	Management Services
Transportation Planning	Generation	Architecture	Strategic Consulting
Highways and Infrastructure	Transmission and Distribution	Civil	Project and Programme Management
Rail and Transit, Aviation	Energy and Utility Consulting	Structural	Facilities Management
Ports and Marine	Pipeline Engineering	Mechanical and Electrical Engineering	Safety and Risk Management
	Systems Engineering	Quantity and Building Surveying	Quality and Inspection
			Environmental Consulting
			Sustainability Consulting

Operational structure

Parsons Brinckerhoff Ltd (Parsons Brinckerhoff) is a wholly-owned subsidiary of BICC Overseas Investments Ltd, itself a wholly-owned subsidiary of Balfour Beatty plc which has resources in excess of 50,000 staff worldwide. Our organisation chart is presented in Figure 1.

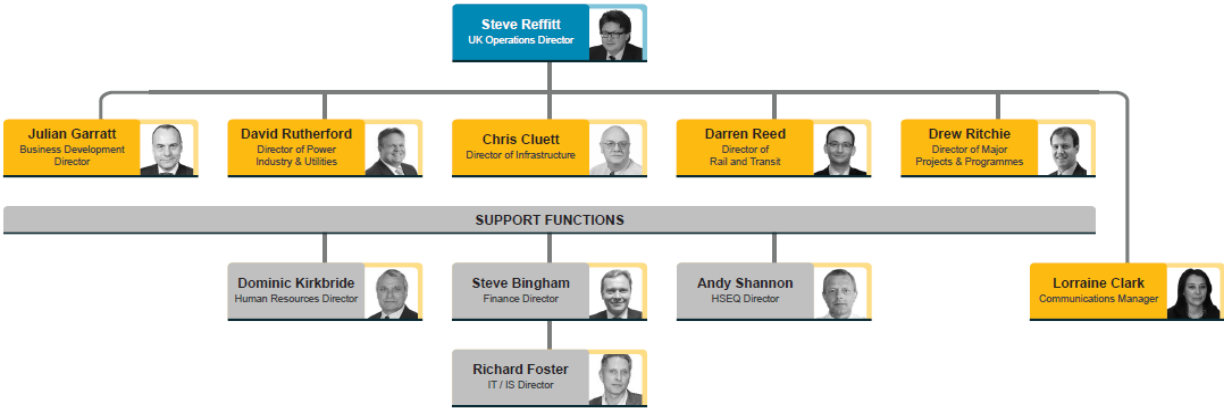


Figure 1: Organisational Structure

Location of headquarters

6 Devonshire Square, London, UK.

Countries of operation

Parsons Brinckerhoff in the UK operates through offices throughout Great Britain only.

Nature of ownership

Since 2009, Parsons Brinckerhoff (both in the UK and globally) has been wholly owned by Balfour Beatty Group (see Section 0).

Markets served

Parsons Brinckerhoff in the UK serves the following markets:

Power	Rail & Transit	Infrastructure	Major Projects & Programmes
Energy Regulation	Heavy Rail	Highways	Such as the London 2012 Olympics
Energy	Metro Rail	Public Transport	
Generation	High-speed Rail	Ports & Marine	
Power Networks	LRT	Intelligent Transport Systems	
Nuclear	Aviation	Major Civil Structures	
Oil & Gas		Leisure & Retail	
Mining & Minerals		Commercial Property	
Renewable Energy		Education	
Waste		Government	
Environment		Healthcare	
Industrial		Security & Defence	
Utilities			
Water & Hydrology			

Scale of the reporting organisation

Parsons Brinckerhoff in the UK employs around 2,600 staff. Last year our UK business achieved a turnover of more than £200m.

Significant changes during the reporting period

In 2010, we closed our Taunton office but opened new offices in Edinburgh, Tolvaddon (Cornwall), Glasgow and Middlesbrough. However, the number of staff employed at 2010 year end was around 30% more than at the start of the year.

PARSONS BRINCKERHOFF UK AWARDS

During 2010, Parsons Brinckerhoff UK was pleased to be recognised for its work by the following awards.

NCE International Tunnelling Awards 2010

Parsons Brinckerhoff was especially successful at the launch of these new awards in London, collecting the Tunnel Design Firm of the Year as well as the Tunneller of the Year, which was presented to Dr James E Monsees. The company was also shortlisted for the Tunnel Project of the Year, with its entry for No 7 Line Subway Extension, New York. NCE Editor Antony Oliver said: *“These new awards are designed to celebrate and reward the input across the whole industry as you push the boundaries of innovative design, produce solutions that exceed clients’ expectation, reduce the cost of delivery and make your workplaces increasingly safe for workers and the public.”*

The UK Bus Awards for Infrastructure 2010

Presented to projects that make bus passengers’ lives better, or their journeys faster and more reliable, this award was presented to Transport for London for the East London Transit Phase 1a. This high quality bus way transit scheme, for which Parsons Brinckerhoff provided the engineering design and construction supervision, provides a fast, frequent and reliable service on a 9km route between Ilford town centre and Dagenham Dock. The judges were impressed by the clever way bus priority had been incorporated into areas and on roads that did not lend themselves to conventional methods of advantaging buses, and how these had been brought together to provide a comprehensive scheme to assist bus flow, and give an attractive service to bus users.

IET Innovation Award 2010

Parsons Brinckerhoff’s imaginative Smart Grid project was the winner of the Institution of Engineering and Technology Innovation Award in the Power and Energy category. PARSONS BRINCKERHOFF led a consortium that analysed the ‘cooling’ effect of wind on the rating of transmission systems, concluding that overhead cables can carry up to 150% more electrical energy than their current ‘static’ rating suggests. This will have major implications for the wind power industry, particularly wind farms in remote rural locations.

Constructing Excellence National Award for Best Value 2010

The project delivery team responsible for the ground-breaking Monkseaton Community High School in North Tyneside, which opened to pupils in summer 2009, was awarded the National Constructing Excellence ‘Value’ Award. To develop this award-winning design, Devereux Architects and Parsons Brinckerhoff, worked closely with the school’s management team to deliver a sustainable, welcoming and inspirational setting for learning. This award acknowledges the end value the building has made upon the staff, pupils and also the surrounding community.

Local Authority Building Control Awards, Somerset West 2010

The Best Community Building award in Somerset West was presented to Parsons Brinckerhoff and Morgan Sindall for the Beacon Centre, a new Oncology Unit at the Musgrove Park Hospital, Taunton. This provides a specialist treatment centre for cancer patients and includes facilities for radiotherapy and chemotherapy treatment, 3 Linac treatment suites, a 25-bed day case unit, an 18-bed in-patient ward, an out-patients department, a pharmacy department and support accommodation for clinical staff. Parsons Brinckerhoff were the architects, structural, mechanical and electrical engineers for the project.

British Construction Industry – Regeneration Award 2010

The East London Line project, for which Parsons Brinckerhoff was Programme Manager, was selected as the Regeneration project of 2010. The £700m replacement and extension to the old East London Line has transformed it from a short, slow, non-integrated section of London's Underground into an efficient metro service, passing through 10km of congested urban landscape. The judges commented that "the finished product is high quality, functional and appreciated by the public: passenger numbers are up on target, and passenger response is exceptionally positive".

National Rail Awards 2010

Balfour Beatty Carillion and Transport for London (which included Parsons Brinckerhoff as Programme Manager) won the Project of the Year award for the East London Line – the largest transport scheme in the capital for more than 10 years. The £700m project was delivered ahead of programme and in a record-breaking safe working environment, having also collected the RoSPA Gold Award earlier in the year. The judges commented that both winners "epitomise how rail should move forward in the 21st century, providing new, ground-breaking initiatives in improving connectivity and communications for the public".

National Rail Awards 2010

The Civil Engineering Achievement of the Year was awarded to London Underground for the new Northern ticket hall and associated tunnels opened at King's Cross St Pancras Underground station in 2009, almost doubling the size of this important interchange. Balfour Beatty Management (now Parsons Brinckerhoff) provided project management services for this £810m ten-year project, for which Parsons Brinckerhoff also acted as CDM Coordinator. The judges commented that this was "highly professional and technically demanding work in a difficult working site and with severe deadlines, resulting in a huge benefit to the thousands of people using King's Cross Underground and the adjacent main line stations".

ACE Engineering Excellence Awards 2010

Parsons Brinckerhoff was Highly Commended in the Building Structures category for Monkseaton High School which demonstrated the use of innovative techniques to provide an inspiring and flexible learning environment.

Constructing Excellence North East Project of the Year Award 2010

The Constructing Excellence Project of the Year Award was presented to Parsons Brinckerhoff for Monkseaton High School. This distinctive, innovative building was completed in September 2009 following a 69-week build programme, replacing the school's out-dated 1970s facilities.

Constructing Excellence North East Value Award 2010

The Constructing Excellence Value Award was presented to Parsons Brinckerhoff for Monkseaton High School. This award acknowledges the end value the building has made upon the staff, pupils and also the surrounding community.

Local Authority Building Control – Education Facility of the Year 2010

Monkseaton High School has been awarded Education Facility of the Year. Local Authority Building Control acknowledges excellence achieved through building standards, technical innovation and sustainable designs.

About Our Report

REPORT PARAMETERS

Reporting period

This report covers the period 01 January to 31 December 2010, which is in line with our financial reporting period.

Date of most recent, previous report

Parsons Brinckerhoff Limited's previous Sustainability Report was for the calendar year 2009. The previous report was not put into the public domain but is available on request; it did not conform to the GRI standard.

Reporting cycle

Parsons Brinckerhoff in the UK produces a Sustainability Report on an annual basis, and has done so since 2006; these are available on request. We will continue to produce an annual report each year.

Contact point for questions

Lynne Ceeney ([CeeneyL@Parsons Brinckerhoffworld.com](mailto:CeeneyL@ParsonsBrinckerhoffworld.com)), as Director of Corporate Sustainability, is the contact point regarding this report or its contents.

Process for defining report content

This report presents Performance Indicators for eleven sustainability indicators. The seven environmental indicators were selected on the basis that they represented the aspects which we believe have the greatest environmental impacts. The two economic indicators and two social indicators were selected on the basis that they would be of greatest interest to the reader.

Boundary and scope of the report

The boundary of this report is Parsons Brinckerhoff in the UK only. We hope to expand the boundary to Parsons Brinckerhoff EuMENA (Europe, Middle East and North Africa) in future years. The boundary also excludes the activities of any sub-contractors or joint ventures with other organisations.

This report was developed according to the Global Reporting Initiative (GRI) G3 guidelines, which provide a recommended framework and indicators for reporting. We are reporting against an

application level of “C”. More information on the Global Reporting Initiative and application levels is available at www.globalreporting.org

Specific limitations

We believe that this report addresses the full range of material economic, environmental and social impacts of Parsons Brinckerhoff in the UK. However, in line with GRI Level C, the scope of this report is limited to two economic performance indicators, seven environmental performance indicators and two social performance indicators.

Reporting on joint ventures, subsidiaries etc.

The activities of sub-contractors and joint ventures with other organisations are **not** covered by this report. This is not thought to effect the ‘completeness’ (as defined by GRI) of this report.

Data measurement techniques

In line with GRI G3 Level C reporting requirements, data measurement techniques are not covered in this report.

Effect of any restatements of information

The figure for gas use presented in the 2009 Sustainability Report (2,003,100 kWh) appears to have omitted estimated gas use of 980,000 kWh; the associated CO₂ figure however included it. This report therefore restates the 2009 gas figure (as 2,983,100 kWh) but not the associated CO₂ figure.

Significant changes from previous reporting periods

There are no significant changes from previous reporting periods in the scope, boundary or measurements methods applied in the report.

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About Our Stakeholders

GOVERNANCE STRUCTURE

Parsons Brinckerhoff Ltd (Parsons Brinckerhoff) is a private limited company incorporated in England and is the main trading entity of Parsons Brinckerhoff in the UK and the wider UK, Europe, Middle East & North Africa (EuMENA) region. Parsons Brinckerhoff operates within the wider Balfour Beatty Group whose ultimate parent company is Balfour Beatty PLC a listed company on the London stock exchange. BB PLC is also GRI Assessed.

Parsons Brinckerhoff operates under a Management Board consisting of the Chief Operating Officer and Finance Director, under which the statutory, regulatory and governance functions of the Company are carried out by a number of Board Committees who all report to the Management Board. The Board Committees are as follows:

- ✓ **Risk Management, Assurance & HSEQ** - within this there is the Assurance Board whose functions are relevant to this section and are discussed further below
- ✓ **People & Capability** on which the PARSONS BRINCKERHOFF Director of Corporate Sustainability sits, whose function is of relevance and is discussed further below
- ✓ **Operational & Financial Performance**, whose function is clearly aimed towards ensuring economic performance of the Company

✓ **Strategy Brand & Reputation**

The Assurance Board is there to set policy and standards and monitor compliance of the Company against these. The Assurance Board takes particular focus on HSEQ, Risk Management processes and Legal issues. The Board is chaired by the President & COO and its members consist of the Finance Director, Legal Counsel & Company Secretary, Director of HSEQ, Director of Business Controls, IT Director.

The People & Capability Board oversees the development of people and capability and also has responsibility for sustainability and the implementation of sustainable solutions through the technical leadership team that reports to the People & Capability Board. This Board is also chaired by the President & COO and its members are the Director of HR, Director of Corporate Sustainability, head of technical leadership team, UK Operations Director, head of Professional growth Network, amongst others.

The Boards at the Parsons Brinckerhoff level do not have any non-executive members, all members of officers of the Company. At the BB PLC level there are a number of independent and non-executive members with different responsibilities and I would refer you to the BB PLC GRI report for this information.

CHAIR OF HIGHEST GOVERNANCE BODY

Parsons Brinckerhoff reports its performance in relation to economic, social and environmental objectives through the Parsons Brinckerhoff management structure and ultimately to BB PLC which holds the highest governance body in the Balfour Beatty Group.

Independent and/or non-executive members

Parsons Brinckerhoff does not have a unitary board structure

Mechanisms to influence highest governance body

Parsons Brinckerhoff is a private limited company within a group of companies. It is 100% owned by its parent and does not have minority shareholders; as such shareholder resolutions are not used or appropriate for expressing opinions to the highest governance body.

Parsons Brinckerhoff regularly consults with employees through a variety of methods.

- ✓ There is an annual staff survey which asks questions in relation to performance in all areas including economic, social and environmental performance and for comments and feedback in general. These comments are all confidential and the findings of the report are discussed at the Parsons Brinckerhoff management board and fed down to the Board Committees as appropriate.
- ✓ Parsons Brinckerhoff has an ICT forum which consists of elected employees for each region from across the UK, the purpose of this forum is to raise issues within their region and get an executive member of Parsons Brinckerhoff to address or respond to these issues.
- ✓ The President & COO visits each UK major office on a 6-monthly basis and holds coffee mornings open to all employees to come and ask questions.
- ✓ Parsons Brinckerhoff also uses the Balfour Beatty Ethics Hotline which allows staff to confidentially report any breaches, or potential breach, of the Balfour Beatty Code of Conduct which provides principals and values which Balfour Beatty and Parsons Brinckerhoff expects its employees to live up to. This Hotline is independently run and cases are reported directly to the highest governing body in BB PLC and are fed down to Parsons Brinckerhoff to address and respond to as appropriate.
- ✓ The Professional Growth Network (PGN) is a network of young emerging professionals who meet on a regular basis. The chair of this network sits on the People and Capability Board (see above) and have direct access to the President & COO amongst others to express their views and opinions

Stakeholder groups engaged

Parsons Brinckerhoff EuMENA is now a company wholly owned by Balfour Beatty Group, which undertakes extensive consultation on sustainability and CSR with UK clients, regulators and voluntary sector groups. More details can be found in its Sustainability Report.

We draw from, but do not repeat this consultation. However our Key Account Managers have regular meetings with our clients at

which we examine corporate, operational and project sustainability drivers, requirements and expectations. The geographic territory of our company has relatively recently been set. As our operations in Europe, the Middle East and North Africa develop and coalesce, we expect to carry out similar meetings.

Additionally we engage with a number of academic institutions (for example the

University of Strathclyde, University of Hertfordshire, University of Surrey) with whom we collaborate on research and consider current and emerging issues.

We also engage with a large number of technical and professional institutions of which our professional staff are members, such as the Combined Heat and Power Association and Institute of Civil Engineers.

Our employees are engaged formally through three routes:

ICF	SWG	Green Teams
Our Staff Forum, the Information and Consultation Forum (ICF), provides a staff perspective.	We have also set up a Sustainability Working Group which comprises a representative from each Business Unit and each Business Support Group and look at the strategic and technical foci relating to CSR.	Thirdly, we are revamping and re-launching the Green Teams in each UK office, who will cover office based CSR issues such as volunteering, environmental efficiency and staff wellbeing.

Selecting stakeholders

Our formal approach to Corporate Social Responsibility represents a widening of our previous corporate sustainability reporting, and the area of stakeholder consultation is an emerging one for Parsons Brinckerhoff following our acquisition by Balfour Beatty and our changed geographic coverage. We expect to develop a more formal approach to

stakeholder engagement during the year ahead, as we need to ensure that we do not duplicate or overlap with Balfour Beatty Group, and also need to ensure we understand existing activities in businesses acquired in Europe, the Middle East and North Africa.

Performance Data

ECONOMIC

EC1 Direct economic value generated

Performance	2009 (£ '000)	2010 (£ '000)
Revenue	199,383	244,877
Operating costs	(82,111)	(96,705)
Staff costs	(104,343)	(124,351)
Payments to providers of capital	-	-
Payments to governments (tax)	(3,428)	(5,286)
Community interests	-	-
Economic value retained	9,500	18,535

1. *These figures represent the activity of all the legal entities under operational controls by Parsons Brinckerhoff in the UK i.e. they are on a consolidated basis.*
2. *These figures are not taken from the statutory accounts (due to the preceding point) and so should be considered as unaudited.*
3. *2010 figures represent the calendar year 2010. 2009 figures are for the 12 months ended October 2009.*

Comments

Parsons Brinckerhoff UK was merged with the professional services business of Balfour Beatty effective 01/01/2010 with the combined management structure being simplified and more focus being placed on client, service, technical expertise and project execution. The changes, welcomed by customers and key staff, have driven improved performance in the business.

EC2 Financial implications of climate change

Performance

Parsons Brinckerhoff has provided submissions to the Carbon Disclosure Project (CDP Supply Chain Programme) in 2009 and 2010. Our 2010 submission included the following in response to a question regarding regulatory risks associated with climate change:

“Financial risks arise from tariffs associated with the Climate Change Levy, Vehicle Excise Duty, and the Carbon Reduction Commitment (as part of Balfour Beatty Group). Additional carbon taxation or energy / fuel levies would have cost impacts if we are unable to delivery efficiency savings. We do not anticipate any instances of non-compliance and associated fines, since our operations are not regulated in accordance with emission limits.”

Comments

Operations:

As a company we are office based and therefore the financial implications which pertain to us are largely centred upon additional costs of heating / cooling as temperatures change, and the business disruption risks of severe weather events. We take into account the energy and comfort performance of buildings when we make decisions about leasing or buying to manage the additional costs. We lease the majority of our offices, so our property strategy is flexible and can deal with short and medium term risks as well as longer term issues. We also have a business continuity strategy for severe weather events, which was tested during the 2010 snows and has been revised as a result of lessons learned.

We have estimated the future cost of CRC compliance as part of Balfour Beatty’s group wide approach to the CRC.

Business services:

We are aware of the potential financial implications that climate change poses to our clients and their projects, and we communicate this to them as well as incorporating climate change adaptation in the work that we carry out. In this way we can help mitigate financial risk. We also offer a climate change adaptation analysis and strategy preparation service which covers our clients’ operations. Our most notable projects in this area are for the Highways Agency, and for two airports, helping them to produce statutory reports for Defra.

ENVIRONMENTAL

EN1 Materials used by weight or volume

Performance

	2009 (tonnes)	2010 (tonnes)
Material consumed		
Office paper	51	26

Comments

As a services company, Parsons Brinckerhoff's materials purchases are largely restricted to office supplies.

EN3 Direct energy consumption

Performance

	2009 (kWh)	2010 (kWh)
Energy Source		
Coal	0	0
Natural gas*	2,983,100	2,774,834
Oil (boiler fuel)	71,000	43,560
Direct renewable energy	0	0
Total	3,054,100	2,818,394

* *Restatement: The figure for gas presented in the 2009 Sustainability Report (2,003,100 kWh) omitted estimated gas use of 980,000 kWh (the CO₂ figure however did include it). Thus we restate the 2009 gas figure here but not the associated CO₂.*

Comments

All operating companies with the Balfour Beatty group report their energy use in kWh, rather than GJ, hence the unit of kWh is used here. The amount of gas used decreased by 235,706 kWh (8%) compared to the previous year. No direct primary energy was produced or sold during 2010.

EN4 Indirect energy consumption

Performance

Energy Source	2009 (kWh)	2010 (kWh)
Electricity	2,396,225	2,412,401
Steam	0	0
Solar	0	0
Total	2,396,225	2,412,401

Comments

The amount of electricity used increased by 16,176 kWh (0.7%) compared to the previous year.

EN8 Total water withdrawal by source

Performance

Water Source	2009 (m ³ consumed)	2010 (m ³ consumed)
Surface water (incl. rivers, lakes)	0	0
Ground water	0	0
Rainwater	0	0
Municipal supplies (metered)	3,712	3,519
Municipal supplies (estimated)	3,803	4,519
Total	7,515	8,038

Comments

Parsons Brinckerhoff's water use in 2010 increased by 523 m³ (7%) compared to the previous year. However, Balfour Beatty Management (BBM) water use in 2009 was 1,500 m³; if added to PB's 2009 water use (to give a better comparison with 2010, since the latter includes the merged organisations of Parsons Brinckerhoff and BBM) the total volume for 2009 is 9,015 m³. This comparison gives a water use **decrease** of 977 m³ (-11%) compared to the previous year. Note that the 2009 Sustainability Report only included figures for 'Municipal supplies (metered)'

EN16 Total direct and indirect GHG emissions

Performance

Emission *	2009 (tonnes CO₂e)	2010 (tonnes CO₂e)
Scope 1: Gas	549	514
Scope 1: Oil (heating fuel)	2	12
Scope 1: Fleet vehicles	0	502
Scope 1: Company cars	58	28
Scope 2: Electricity	1,304	1,315
Scope 3: Business travel	3,664	3,148
Scope 3: Commuting	1,823	2,627
Scope 3: Waste disposal	80	25
Scope 3: Water (supply)	2	2
Total	7,482	8,173

* A detailed breakdown of Business Travel and Commuting emissions are provided in the Appendix to this report

Comments

The Greenhouse Gas Protocol has been adopted to categorise Parsons Brinckerhoff UK's GHG emissions, and Defra / DECC's GHG Conversion Factors (Oct 2010) were used to convert energy use into GHG emissions. Specifically, the following conversion factors were used:

- ✓ Natural Gas 0.18523 kg per kWh (Gross Calorific Value basis used)
- ✓ Fuel Oil 0.26592 kg per kWh (Gross Calorific Value basis used)
- ✓ Electricity 0.54522 kg per kWh
- ✓ Waste disposal 950 kg per tonne
- ✓ Water (supply) 0.3000 kg per m³

Total GHG emissions increased by 855 tonnes CO₂e (12%) compared to the previous year, the majority of this increase being due to fleet vehicles and commuting, partly offset by a fall in business travel emissions.

- ✓ Fleet Vehicles: There were virtually no fleet vehicles in 2009. However, the merger of Parsons Brinckerhoff with Balfour Beatty Management in Dec 2009 brought with it a number of fleet vehicles which are reflected in the 2010 figures.
- ✓ Commuting: A new way of collecting commuting data was trialled in 2010 which we believe provided a more accurate estimate by using postcodes to estimate distance

travelled (rather than asking for the member of staff to estimate it) and taking into account all modes of travel (not just a “main mode”). The 44% increase in commuting emissions is partly explained by the 30% increase in staff.

- ✓ Waste disposal: Covers paper only (hence Defra/DECC’s ‘Paper and card’ emission factor used) and assumes all paper is eventually disposed of as waste.
- ✓ Scope 1 & 2 Emissions: Whilst the total of Scope 1 and 2 emissions increased between 2009 and 2010, so did our total headcount. The CO₂ Intensity (average emissions per staff member) actually fell between 2009 and 2010, as the following table illustrates.

	2009	2010	Change
Scope 1 & 2 Emissions (tonnes CO₂e)	1,913	2,371	+458 (+24%)
No. of Staff (FTE)	1,542	1,809	+267 (+17%)
Revenue (£m)	£199	£245	+£46 (+23%)
Floor Area (m²)	/	25,279	n.a.
Emissions Intensity (tonnes CO₂e / FTE)	1.24	1.31	+0.07 (+5.6%)
Emissions Intensity (tonnes CO₂e / m²)	/	0.094	n.a.
Normalised Emissions (tonnes CO₂e / £m revenue)	9.61	9.68	+0.07 (+0.7%)

- ✓ Targets: Parsons Brinckerhoff has a target of reducing its Scope 1+2 CO₂ Emissions Intensity by 2% year-on-year, from 2008, which we are on track to do. We also have Balfour Beatty Group targets for Scope 1+2 emissions of:
 - “...a greater than 10% reduction in normalised [against revenue] direct and indirect greenhouse gas emissions against a 2010 (or earlier) baseline...”; and
 - “...a 50% normalised [against revenue] reduction in direct and indirect greenhouse gas emissions against a 2010 (or earlier) baseline...”
- ✓ Scope 3 Emissions: The total of Scope 3 emissions increased between 2009 and 2010, but by less than the increase in our total headcount.

	2009	2010	Change
Scope 3 Emissions (tonnes CO₂e)	5,569	5,802	+233 (+4%)

EN19 Emissions of ozone-depleting substances

Performance

Parsons Brinckerhoff does not use substances covered by the Montreal Protocol (CFCs, HCFCs, halons and methyl bromide) in its services or products.

Comments

The domestic fridges provided to staff in kitchen areas may use such substances, but we have assumed these to be outside the scope of this Indicator.

EN26 Initiatives to mitigate environmental impacts of products and services

Performance

Parsons Brinckerhoff (worldwide) as developed and makes available an online Sustainability Tool to educate and guide product and service designers in sustainability considerations. We have made this Toolkit generally available at: <http://Parsons Brinckerhoffsustainability.com/>

Parsons Brinckerhoff in the UK continues to consider sustainable options in the designs we offer our clients. Examples include:

- Tate Modern Ground-Sourced Energy: Parsons Brinckerhoff was commissioned in 2008 to assist in the development of a low-carbon ground-sourced energy system for the Tate Modern Art Gallery. Heat rejection is regulated such that it is sustainable and functions with minimal environmental impact. The scheme does not consume groundwater and will contribute to an estimated energy saving of 600,000 kWh/yr (or 140 tonnes CO₂ per year).
- New Tyne Crossing: Parsons Brinckerhoff not only helped Bouygues on initial technical design aspects (of this new road link under the Tyne) at bid stage, but was responsible for environmental compliance. The design included an immersed tube tunnel across one of the most protected salmon rivers in the UK.

Comments

Further details of the above projects can be found in our 'Projects Yearbook 2010' available from www.Parsons Brinckerhoffworld.co.uk (under 'Projects').

LABOUR PRACTICES AND DECENT WORK

LA1 Total workforce by employment type

Performance

Employment type	2009 (year end)	2010 (year end)
Technical	1,694	2,257
Administrative	293	326
Total (headcount)	1,987	2,583
Total (FTE)	1,542	1,809

Comments

At the end of 2010, Parsons Brinckerhoff in the UK had a total workforce of 2,583 staff. The total number of employees (headcount) increased by 596, which represents a rise of 30% on 2009 staffing levels; the number of FTEs increased by 267, or 17%. Around half of this increase was due to the merger of Balfour Beatty Workplace staff with Parsons Brinckerhoff; the remainder was due to organic growth.

LA7 Rate of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities by region

Performance

RIDDOR Reportable	2009 (year end)	2010 (year end)
Work-related fatalities	0	0
Major accidents	0	1
Dangerous occurrences	0	0
Lost Time Accidents (> 3 days)	2	2
Occupational diseases	0	0

RIDDOR = Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, 1995

Other statistics	2009 (year end)	2010 (year end)
Minor accidents (of which 3 were reportable)	55	61
Accident Frequency Rate (AFR)	0.06	0.06
Accident Incidence Rate (AIR)	112	105
Accident Severity Rate (ASR)	16	18

AFR (No. of reportable injuries x 100,000) / No. of man-hours worked

AIR (No. of reportable injuries x 100,000) / No. of employees

ASR (No. of days lost x 1,000) / No. of employees

Comments

2010 RIDDOR reporting data overall increased by one event compared when with 2009. This was with a nearly 60% increase in personnel for the full reporting period following the transfer of Balfour Beatty Management personnel into Parsons Brinckerhoff. It also coincided with a reinvigoration of the accident and incident reporting processes across the expanded business.

Employee minor accident reports for FY10 exceeded the FY09 figure. This was influenced by the increase in employee numbers over the reporting period and increased profile across the business for reporting accidents and incidents.

The 2010 ASR remained the same as for 2009. The AFR and AIR were marginally reduced over the same period.

Over 70% of Parsons Brinckerhoff Ltd 2010 minor accidents reported were office based. The majority of minor accidents occurring under both conditions were minor cuts and slips and trips.

Self Declaration

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
	G3 Management Approach Disclosures OUTPUT	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

*Sector supplement in final version

I hereby declare that to the best of my understanding this report fulfils the requirements for a GRI G3 Application Level C.

Name Lynne Ceeney

Position Director of Corporate Sustainability, Parsons Brinckerhoff

Date 23 August 2011

Signature 

Appendix: Travel Emissions Breakdown

BUSINESS TRAVEL

Parsons Brinckerhoff's internal business systems and Parsons Brinckerhoff's external travel providers' were interrogated to provide data on business travel.

The general formula illustrated in [Equation 1](#) was used to estimate the GHG emissions associated with business travel (and commuting).

Equation 1: General formula for estimating travel emissions



Where:

- Distance travelled was estimated from business systems and from data provided by corporate travel management companies.
- Conversion factors were taken from '2010 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting v1.2.1'

Table 1: Emissions associated with business travel

Mode	2009 Emissions (tonnes CO ₂ e)	2010 Emissions (tonnes CO ₂ e)
Air	3,221	2,446
Rail	32	8
Road (Hire Car)	164	425
Road (Private car)	216	246
Road (Taxi / bus)	31	23
Total	3,664	3,148

COMMUTING

An electronic survey was used to collect commuting-related data from staff. The survey was carried out over the period 25 Feb to 11 Mar 2011 and received 1,184 responses (46% of staff).

The general formula presented in Equation (1) was used, where:

- Distance travelled was estimated from the home and office postcodes

- Conversion factors were taken from '2010 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting'

Results were then extrapolated to account for non-returns. The total emissions of 2,627 tonnes CO₂e are shown broken down (in kg CO₂e) by location and mode of transport in [Figure 2](#).

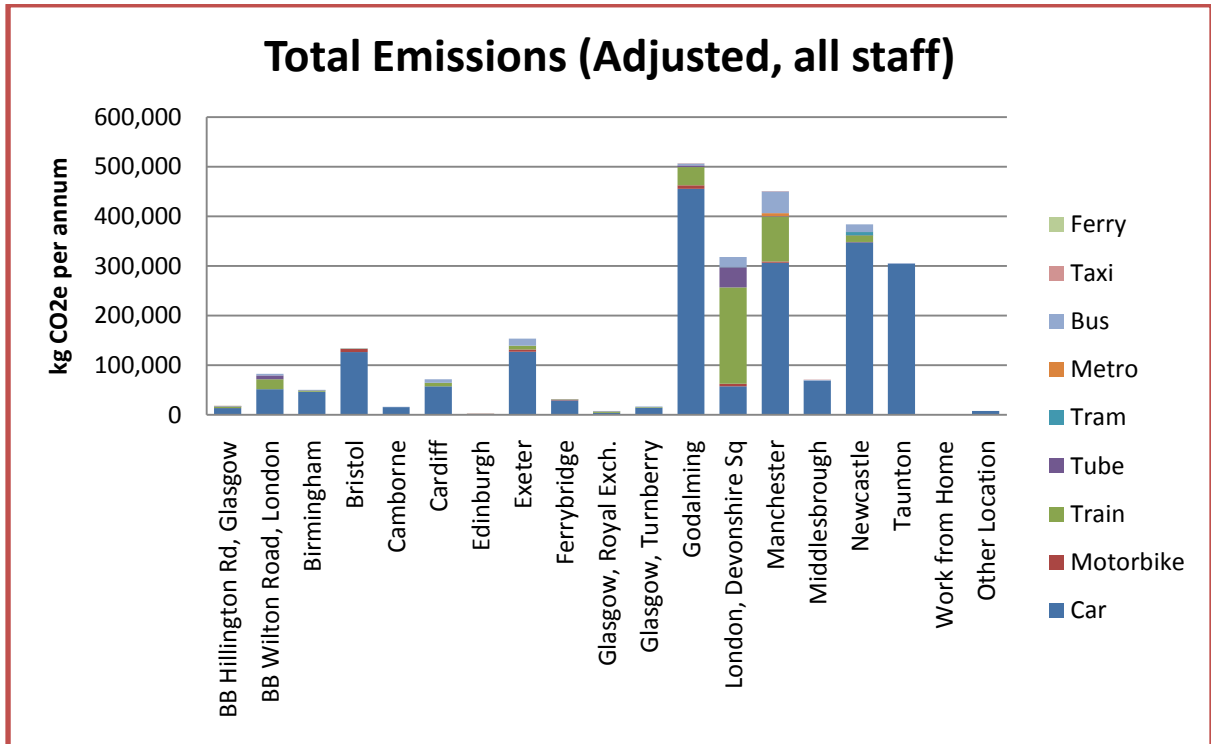


Figure 2: Commuting Emissions