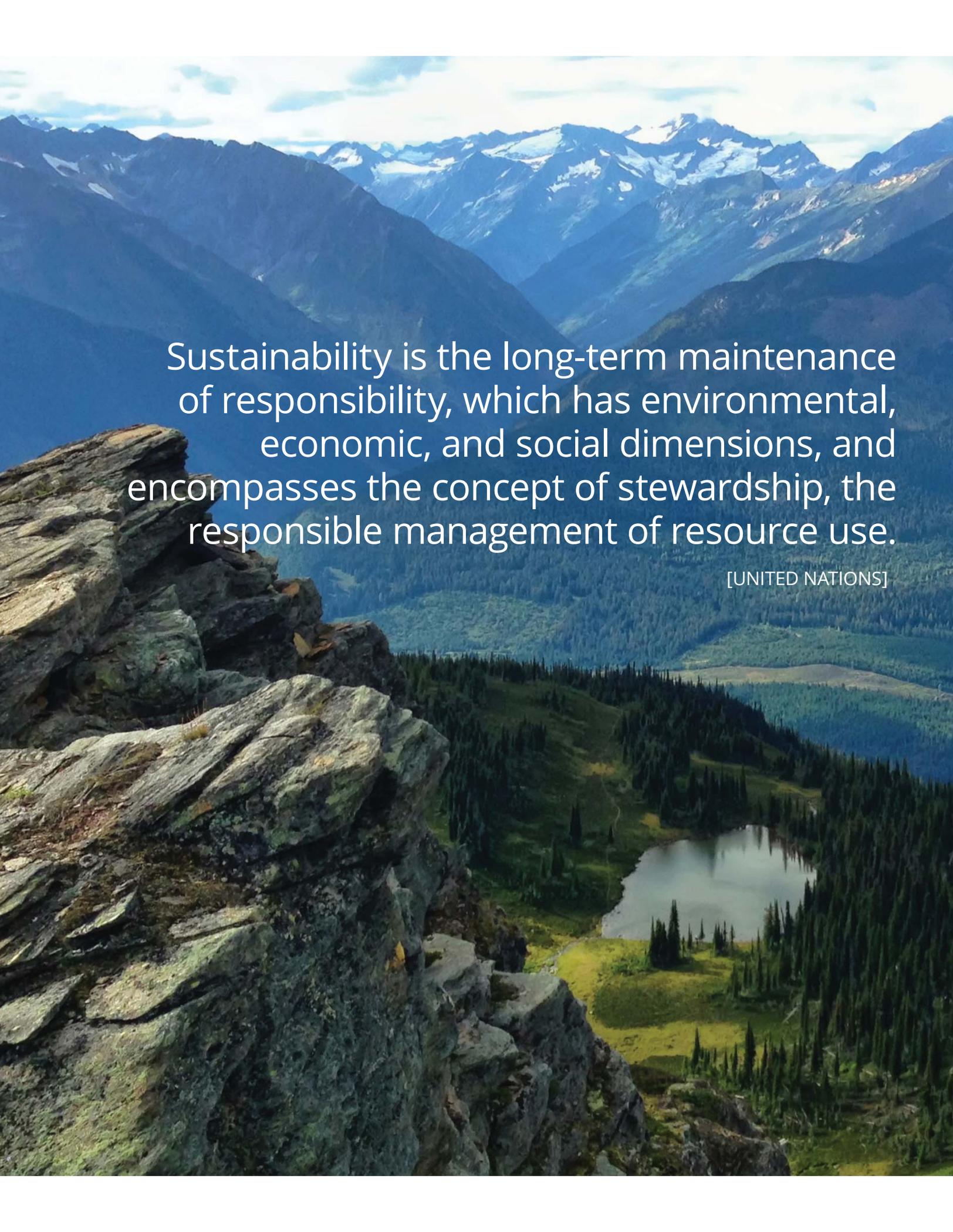




Klohn Crippen Berger

SUSTAINABILITY REPORT

2013



Sustainability is the long-term maintenance of responsibility, which has environmental, economic, and social dimensions, and encompasses the concept of stewardship, the responsible management of resource use.

[UNITED NATIONS]

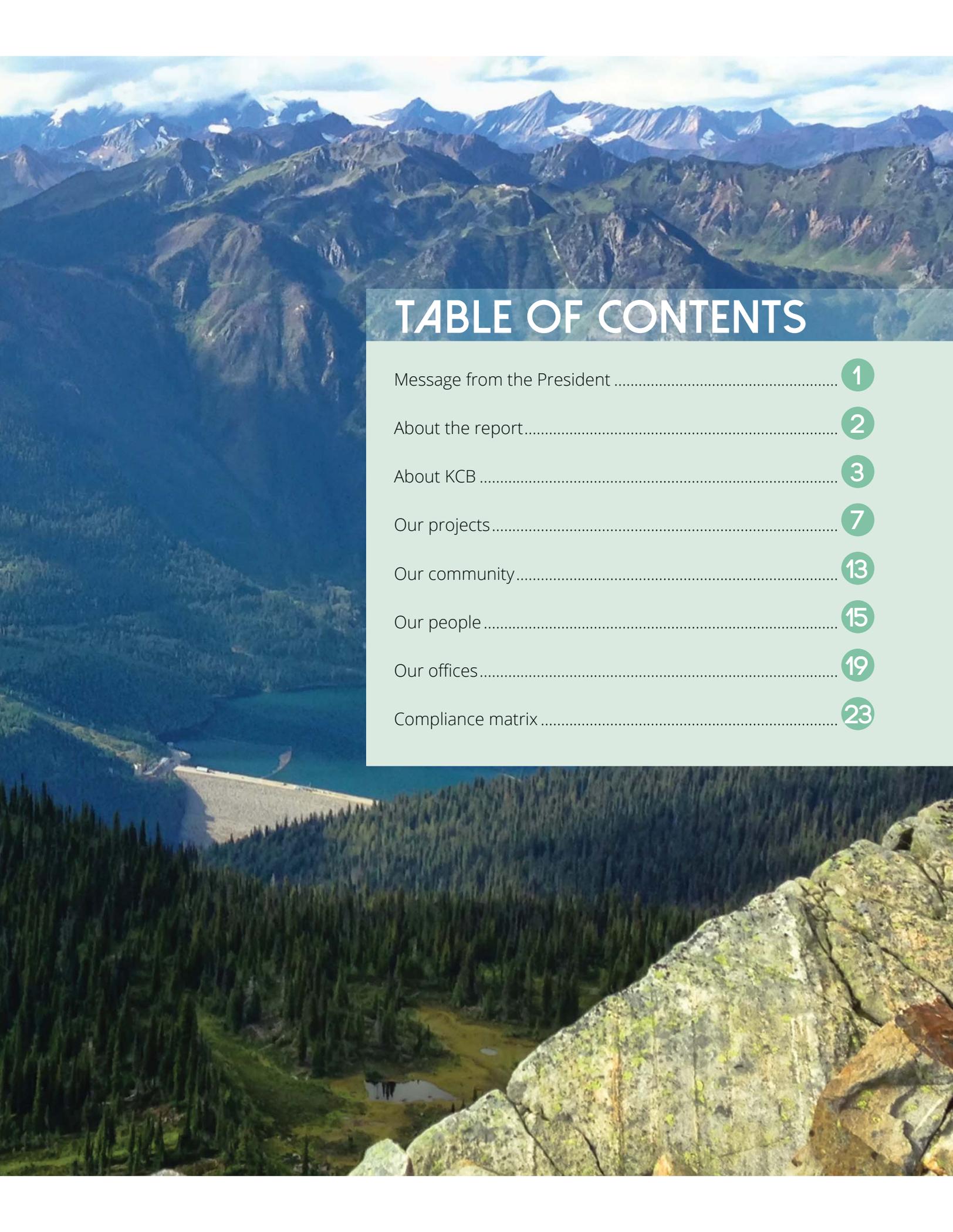


TABLE OF CONTENTS

| | |
|----------------------------------|----|
| Message from the President | 1 |
| About the report..... | 2 |
| About KCB | 3 |
| Our projects..... | 7 |
| Our community..... | 13 |
| Our people..... | 15 |
| Our offices..... | 19 |
| Compliance matrix..... | 23 |



FROM THE PRESIDENT

Sustainability is a core value of our clients, the public and our staff and has long been a key criteria embedded in the way KCB does work. As my predecessor, Bryan Watts, stated in our first Sustainability Report last year, KCB was shaped on one simple principle “Do Things Right”. It is no longer enough to just “Do Things Right” we have to be seen to be doing the right thing and to establish a process to measure and report on our performance.

I am proud of the progress demonstrated in our second Sustainability Report. In our first year, we started to build the foundation of our sustainability program and selected the Global Reporting Initiative as the framework to measure our progress. We learned many things as we looked closely at our operations through the lens of sustainability, assisted by advice from all levels of the organization including the Global Sustainability Committee, our corporate services group and our technical staff.

We set up processes to start collecting data on our community involvement and environmental impact; reported on activities and goals to engage and develop our employees and support a healthy and safe workplace; and identified sustainability aspects in our projects throughout the world.

Now that we have completed two reports, we have an excellent baseline from which to measure our future performance. As you read this report, I hope, like me, you are impressed with the range of initiatives presented, especially with the scope of our community involvement, ranging from charitable contributions, to using our skills in helping provide water to Copán, Honduras, to supporting our next generation of professionals with bursaries to universities.

In a major commitment to measuring our performance, I am pleased to report that earlier this year we took a step to strengthen our corporate governance by implementing an Integrated Management System which encapsulates our Quality Management (ISO 9001), Health and Safety (OHSAS 18001) and Environmental System (ISO 14001). The quality program has been in place for over 15 years and we are a better firm for it. I look forward to applying the same level of governance to health, safety and environmental aspects of our operations.

It is in the work we do with our clients that we have the greatest opportunity to develop sustainable solutions. Our clients face an increasing challenge to address the growing body of international best practices covering a broad range of sustainability goals. This is particularly true in the resource sector, where building community trust and responsible environmental management are critical to our clients’ success. We can help by bringing into focus the way our designs enhance our clients’ sustainability goals and by empowering our professional staff to improve on ways to manage environmental risks and provide solutions for socio-economic development.

This report is the next step on a long and worthwhile journey. On behalf of the management team at KCB, I want to re-affirm our commitment to our sustainability program. We look forward to measured progress in the years ahead.

Len M. Murray, P.Eng.
President

ABOUT THE REPORT

The Report has been prepared for all of our stakeholders including our clients, employees, contractors, suppliers, host governments, local communities and Non-Governmental Organizations (NGOs).

We are pleased to publish our second sustainability report. The report has been prepared for all of our stakeholders including our clients, employees, contractors, suppliers, host governments, local communities and Non-Governmental Organizations (NGOs).

SCOPE

We used the Global Reporting Initiative (GRI) as a guide for developing this report. The GRI is the generally accepted framework for reporting on an organization's economic, environmental, and social performance. Nearly 1000 organizations worldwide report using the GRI Guidelines.

In this report we have identified a selection of GRI Indicators, which we deem to be material and relevant to our business, and reviewed our performance against those indicators.

In preparing our inaugural report last year, we identified our key performance indicators (KPIs) and gathered baseline data to provide a snapshot of where we were in 2012 and to identify opportunities to refine tracking methods for future reports.

DATA

In reporting on our in-office environmental practices, we focused on our two largest offices in Vancouver, British Columbia and in Calgary, Alberta. These offices represent approximately 65% of our operations. The data reported comes from available project and corporate information.

Our statistics were gathered within the reporting period of the last fiscal year, ending December 31, 2013. We have also included significant events that occurred up to the date of publication, if relevant to this report.

OUR PROJECT WORK

As a consulting firm, our greatest contribution to sustainability is in the work we do with our clients, which often cannot be captured under GRI indicators.

We have established Sustainable Project Attributes (formally KCB KPIs) which allow us to look at our work through the lens of sustainability. These attributes provide us with a framework to set objectives, share best practices and communicate with internal and external stakeholders on sustainability and our professional practice. We speak to these attributes through project profiles.

In this report, you will also find examples of our application of the ISO 26000: Guidance on Social Responsibility and sustainability principles established by the International Council of Mining and Metals.

QUESTIONS?

Contact Kathy Fowler, Global Sustainability Committee Chair
(604) 251-8583 / kfowler@klohn.com

Klohn Crippen Berger is an international engineering, geoscience and environmental consulting firm with 12 offices located in Canada, Australia, South America and England.

KCB is structured under four main business units: Power and Transportation, Mining Environmental, Australasia and Alberta. We have joint ventures with IEG companies to deliver environmental and engineering services to industry, government and aboriginal organizations in Northern Canada.

Our company is a member of the Louis Berger Group (LBG), one of 10 firms that make up Berger Group Holdings. Through our association with LBG we have access to a resource base of 6,000 dedicated employees and affiliate employees in more than 50 countries and are able to respond to local conditions while providing clients with the technical resources and rapid response capabilities of a leading global organization.

OFFICE LOCATIONS



Canada

Vancouver
Calgary
Edmonton
Lloydminster
Saskatoon
Sudbury
Toronto

Australia

Brisbane
Perth

Peru

Lima

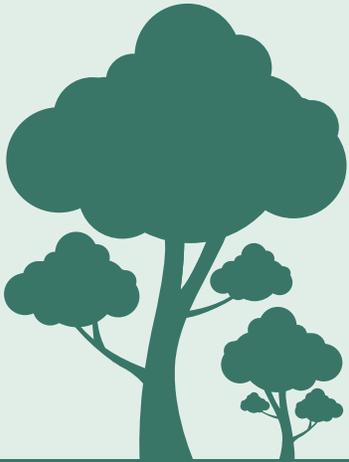
Brasil

Belo Horizonte

The United Kingdom

London

Our corporate vision is to build a better world through excellence, teamwork and innovation. Several organizations have recognized KCB for our on-going commitment to sound business practices.



6th YEAR IN A ROW



4th YEAR IN A ROW



PSMJ | Resources, Inc.

5th YEAR IN A ROW

LONG-STANDING AWARDS FOR BEST BUSINESS PRACTICES

CORPORATE GOVERNANCE

KCB is a private firm with approximately 500 employees. Shares in the company are held by the Principals, Associates and a major shareholder, Berger Group Holdings.

PRINCIPALS AND ASSOCIATES

The Principals and Associates are the leaders of the company. Principals are chosen for their exemplary reputation and their service to the company and Associates for the promise they show in their careers and their leadership potential.

BOARD OF DIRECTORS AND OPERATING COMMITTEE

The Board of Directors is comprised of three members nominated by employee shareholders and three nominated by Berger Group Holdings.

The Board appoints the President who, in turn, appoints the senior executive team. The President chairs the Operating Committee, an advisory group to the President, which meets quarterly to review business unit performance, including progress on company objectives.

PROJECT MONITORING AND RISK ASSESSMENT

KCB has robust risk management programs that include: a standardized process to assess the company's business and project risks, a company-wide Code of Business Conduct and Ethics along with embedded ISO certified quality management and project management systems. We also undertake quality, health and safety, financial and peer audits and benchmark ourselves against others in our sector to ensure we are striving to achieve a level

that exceeds the industry norm.

Our Risk Assessment Committee, comprised of the President and the Technical and Financial Vice Presidents, evaluates proposals that trigger certain review thresholds (e.g., new client, new country of operation, non-standard contract clauses, need for specialized staff, etc.) to ensure that strategic directions are honoured and that client needs can be met.

KCB projects are reviewed monthly by the Project and Proposal Monitoring Committee, comprised of the President and Vice Presidents. The Committee reviews the budget and schedule for each project to identify the status of all projects.

CODE OF BUSINESS CONDUCT AND ETHICS

The success of KCB depends upon the integrity of its employees, the quality of its services and on the trust and confidence of everyone with whom it deals.

All KCB employees are required to read and abide by the company's Code of Business Conduct and Ethics. KCB is committed to ensuring compliance with applicable employee privacy legislation.

Bribery and corruption is a criminal offence in all jurisdictions that KCB operates. KCB employees, agents, subcontractors and any person or organization that performs business for or on behalf of KCB, are forbidden from paying a bribe to or receiving a bribe from, any third party.

QUALITY MANAGEMENT

KCB has had a comprehensive quality management system (QMS) in place for over 15 years. Our QMS meets the requirements of the ISO 9001:2008 standard and provides a framework that guides our professionals to execute projects with a consistent level of professional standard.

Our QMS is monitored by a series of internal and external audits with the aim of continually improving what we do. This has enabled us to ensure quality and consistency when exporting our services worldwide, offering us a distinct competitive advantage.

INTEGRATED MANAGEMENT SYSTEM

In April, 2014 we were pleased to be recommended by BSI Canada for registration to the ISO 14001 and OHSAS 18001 standards in addition to our ISO 9001 registration. These new certifications combined with our existing QMS will provide the framework for our Integrated Management System (IMS) consisting of quality, health and safety, and environment.

The company's IMS steers our business conduct, the manner in which we undertake our projects, and how we interact with our clients, the community and the environment.

Our IMS is implemented to ensure we comply with applicable legislative, regulatory and client requirements. KCB employees are expected to adhere to our IMS, and we reinforce this responsibility through leading by example, training, audits, and setting company objectives. We are committed to continually improving the effectiveness of our IMS in collaboration with our employees and clients.



Award presentation in Vancouver, Canada
L to R. Len Murray, Gary Robinson (BSI) Alex Sy,
Kathryn Ekman, Shirley McLaren

KCB RECEIVES AWARD OF EXCELLENCE FOR QUALITY MANAGEMENT SYSTEM

On March 27, 2014 BSI Canada issued the following press release.

BSI Canada, announced that Provance Technologies, Inc., a leading provider of IT asset management software to Microsoft and Klohn Crippen Berger Ltd., an internationally-recognized engineering and environmental services firm, were awarded with BSI Canada's Award of Excellence for Quality Management Systems. The awards were given for single site and multiple site implementation respectively.

"Klohn Crippen Berger, awarded for their multi-site Quality Management System at locations in Vancouver (Head Office), Calgary, Edmonton, Sudbury, Brisbane and Lima, has consistently demonstrated passion and commitment to maintaining a high standard of business excellence.

The engineering firm works in the power, mining, environment, water, transportation, oil sands, oil and gas and municipal sectors and has implemented an integrated system to not only ensure that they meet legislative requirements, but to exceed expectations regarding interaction with the community and environments in which they operate."



HEALTH AND SAFETY

At KCB, our environment is constantly changing. Our employees work on projects all over the world, facing cultural, environmental, and project specific challenges every day.

We are committed to Health and Safety in all aspects of professional practice. It is our policy to provide a safe working environment for our employees and to encourage a culture of safety in the workplace.

Our Joint Health and Safety Committees foster cooperation between the company and its employees to keep workers safe and healthy by:

- promoting our Health and Safety program;
- looking for opportunities for improvement; and,
- monitoring Health and Safety compliance.

Over 50 employees from 11 of our 12 offices sit on the Joint Health and Safety Committees. This represents approximately 11% of our staff.

SUSTAINABILITY

Engaging our stakeholders and encouraging their participation in our sustainability journey is not only important to us but integral to our success. This is why we created an internal Sustainability Committee made up of a diverse group of employees who represent countries and industries in which we work. As a group they bring a holistic approach to sustainable business practices applied in the office, in the field and in the community. The Committee's mission is to support our vision to BUILD A BETTER WORLD by applying a standard of reporting on our sustainability practices, communicating our successes and identifying opportunities for change.

Committee members engage with our stakeholders through project work, conferences, client and employee surveys and other activities. The committee reports to the VP, Strategic Marketing and provides regular updates to the Operating Committee.



OUR PROJECTS

We are committed to working with our clients to meet their sustainability objectives. To achieve this we:

- Foster a culture for our staff, scientists and engineers to conduct their business and to design programs and facilities for our clients that use internationally recognized standards of health, safety and environmental management;
- Work with our clients to deliver solutions that reduce harmful emissions to air, water and land;
- Look for opportunities in project design to improve the efficiency with which we use raw materials, energy and natural resources; and,
- Provide counsel on ways to eliminate, mitigate or remediate the impact of our clients' activities.

HARVEY MCLEOD HONOURED FOR EXCELLENCE IN SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The Association for Mineral Exploration British Columbia (AME BC) recognized the 2013 recipients of its annual awards at a gala held in Vancouver on January 29, 2014. The awards celebrate individuals or teams for significant contributions to the mineral exploration and development industry.

Harvey McLeod of Klohn Crippen Berger received the **Robert R. Hedley Award** for Excellence in Social and Environmental Responsibility. Nominees of the Robert R. Hedley award are AME BC members who work globally and have made significant contributions or advances in the realm of social or environmental responsibility.

Robert R. Hedley is one of the great names in Canadian mining history. In 1912, a group of concerned, forward-looking men formed the Vancouver Mining Club and elected Mr. Hedley the first president of what is now known as AME BC, the lead association for the mineral exploration and development industry based in British Columbia, Canada.

"It is an honour to congratulate this year's award recipients," said Michael McPhie, Chair of the Board of AME BC. "The success of the mineral exploration and development industry based in British Columbia is due in large part to these individuals and teams who have shown excellence in mineral exploration and development as well as leadership in corporate social responsibility."

Harvey has led environmental impact assessments, risk assessments, and designed tailings, mine waste and water solutions for some of the world's most significant and challenging projects. He is currently the chair of the Tailings Committee of the International Commission on Large Dams (ICOLD), and has been the Canadian representative on this committee for the past 12 years.



Harvey McLeod, P.Eng., P. Geo., is the Vice President of Strategic Marketing and a Principal in the company. Harvey acts as Executive Sponsor of the Sustainability Committee.

In summarizing Harvey McLeod's contribution to the industry, AME BC stated, *"Both an engineer and geoscientist, Harvey has been a leader in the evolution and development of mine waste management practices. In addition to the expertise he has developed in the scientific and engineering aspects of mine waste, Harvey has been a leader in integrating socio-environmental responsibility with the engineered aspects of tailings and waste rock. Harvey's early recognition of the effect of acid rock drainage on the physical environment and social sustainability of a mine and his innate tendency towards practicality resulted in merging the science of ARD [acid rock drainage] into mine design."*



A vast
improvement
over the
traditional
model

COMMUNITY DEVELOPMENT IN A PAPUA NEW GUINEA MINE SITE

Ok Tedi Mining Limited (OTML) has committed to adopting best industry practices for the management of Community Relations (CR) at their operations. KCB was asked by the CR Manager of OTML to provide field level support to the CR team by addressing various capacity issues and needs identified by the team.

BOOTS-ON-THE-GROUND

We took an approach that was unique for the mining industry in PNG, by embedding one of our staff with the CR team on a two-week rotation. This model is a vast improvement on the typical scenario in which a consultant will fly in, give a workshop and depart, leaving behind a reference manual that gathers dust; and very little, if anything, is adopted and implemented by the CR team.

KCB worked with the CR team to develop the tools and methodologies necessary to complete their work, giving them ownership of any material generated and experience in the development of the program. The CR team then has to apply the tools and methodologies and gain proficiency in their use, with continued support from KCB.

To date, we have assisted the OTML's CR team to develop strategic plans for 2013 and 2014, developed and implemented a complaints and grievance mechanism and rolled out the International Council of Mining and Metals (ICMM) Community Development Toolkit.

Proposed work for 2014 includes the development of a CR Procedural Manual, completion of the Tabubil Household Survey and Social Impact Assessment, development of a document control and data management system, and commencing the process of OTML endorsement under the ISO 26000: Guidance on Social Responsibility standard.

Ok Tedi Mining has provided very positive feedback on the results of the program, with the CR Manager claiming:

"KCB's involvement has resulted in more energized, enthusiastic and capable team members and an increase in general morale, the end result of which is a team that competently meet OTML's CSR objectives."



The design reduced steel by 2,000 tonnes

SMALL CHOICES MAKE A BIG IMPACT WHEN WORKING ON THE WORLD'S LARGEST SINGLE-SPAN BRIDGE

The San Francisco Oakland Bay Bridge East Span is the world's largest self-anchored suspension bridge. This design required a temporary structure to support the entire bridge deck during construction. The Contractor, American Bridge Fluor Joint Venture, engaged KCB to provide the structural and geotechnical engineering for the temporary trusses and towers, and for the erection analysis. The temporary structures needed to provide all the support for the bridge, access for the construction activities, and safety in the event of an earthquake.

A BRIDGE TO BUILD A BRIDGE

The temporary works used 25,000 tonnes of temporary steel. Upon completion, the temporary steel will be removed and used for other temporary works or sent back to the steel mills for recycling.

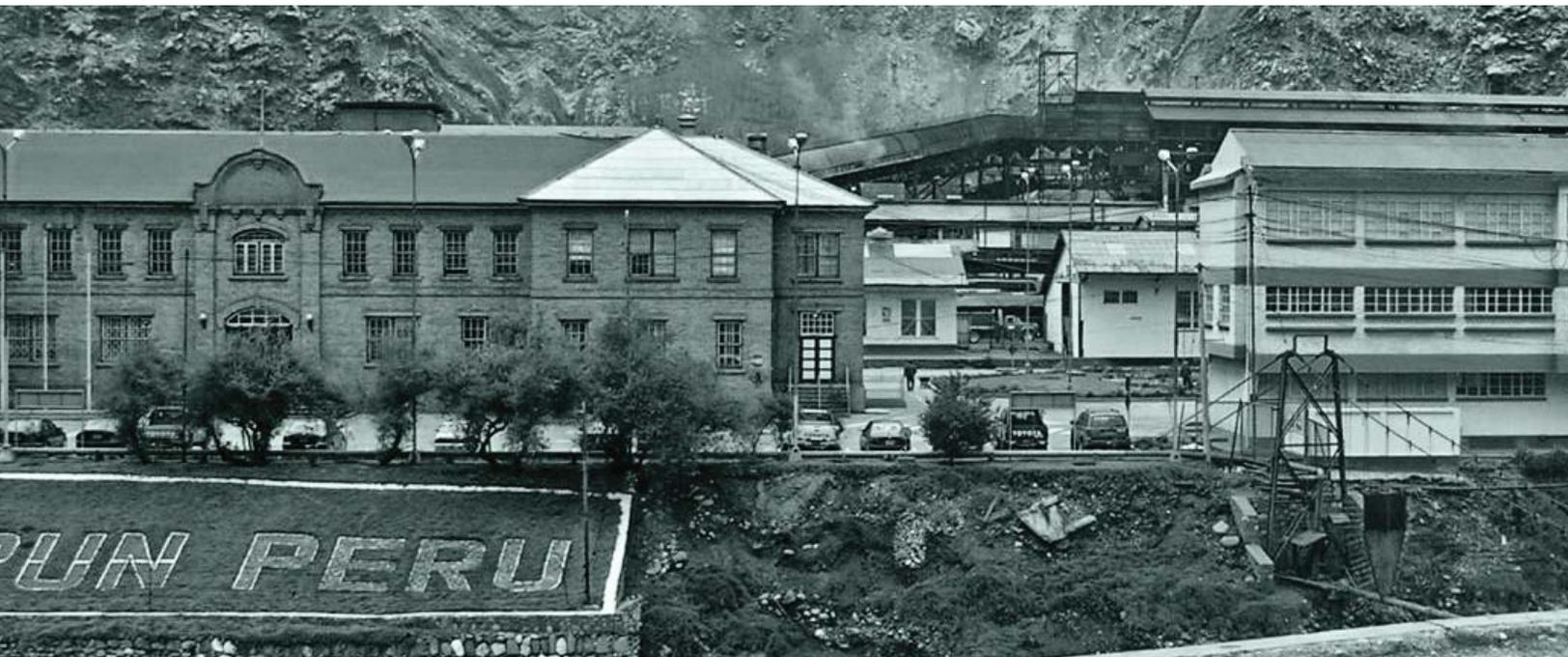
SUSTAINABLE CHOICES

When constructing the temporary works, efforts were made to reduce the amount of waste and overall

impact of the project. It was a high priority to modify and reuse as much material as possible for the temporary works. The Bay Bridge project utilized advanced design techniques for the temporary towers and trusses that effectively reduced the amount of steel by over 2,000 tonnes. For example, the tower gantry was modified for use in erecting the cross beams before being used to erect the main tower.

Bolted field connections were used rather than welded connections to produce less waste and reduce the amount of exposure to fumes and other hazards.

Only the areas of the temporary works that were directly connected to the permanent structure were painted to protect the permanent structure from rust. The rest was left untouched to reduce the amount of material used and to help expedite the process of recycling the steel when removed.



LANDMARK ENVIRONMENTAL CLOSURE PLAN IN PERU

A VILLAGE IN CRISIS

Situated at a strategic junction of railways and electricity sources, La Oroya has been the site of a smelter and refinery for almost 100 years. Over time, the town of La Oroya has grown up around the high-Andes operations, and currently has a population of about 67,000 people. Numerous polymetallic mines send their concentrates to La Oroya for processing and then shipping by rail to port facilities on the coast of Peru. As well as producing gold, silver, copper, zinc, and lead, the three smelters and refineries produce sulfuric acid, selenium, cadmium, and arsenic trioxide. Decades of transportation, storage and disposal of ore and waste has resulted in widespread contamination of soils and groundwater. These effects are measurable in the adjacent Mantaro and Yauli Rivers, which are major water sources in the La Oroya region.

In 2007, the Blacksmith Institute, an international organization that identifies high-pollution problems in low-income countries, placed the La Oroya complex, on its list of the World's Top 10 Most Polluted Places. Among other indicators of air and soil contamination, it cited Peruvian government studies showing the average blood lead-level in children from six months to 10 years

in La Oroya was three times higher than the World Health Organization's recommended limit.

A CHANGE FOR THE BETTER

Just one year earlier in 2006, the Peruvian Ministry of Energy and Mines enacted the country's first-ever mine closure legislation, requiring the owners of mines and smelter facilities to develop a plan for remediation of land, infrastructure and communities post-mine closure, as well as the financing to enact the plan. Public participation was made a key requirement.

THE PATH FORWARD

KCB completed a two-year project developing the closure plan for the La Oroya complex, which considered:

- The safety of the public accessing the sites;
- The physical stability of post-closure waste management and waste containment structures;
- The geomorphic stability of the reclaimed landscape;
- Protecting water quality in local rivers; and
- Establishing a post-mine closure land use equal to, or better than, the pre-mining land use, and incorporating local social expectations.



The blueprint developed for La Oroya was most recently applied to a closure plan developed in 2013 for Votorantim Metais Cajamarquilla in Peru

In full operation, the La Oroya complex employs approximately 3,000 people and indirectly employs thousands more. Continued international focus on pollution and dire environmental circumstances lend to an uncertain future and a degree of shame for local residents. Our project lays the foundation for what will be a vastly improved physical and social environment upon closure, and provides residents with a measure of certainty and control over their future.

The project was ground-breaking because it addressed multiple and overlapping environmental and public issues. The La Oroya closure plan has become a blueprint for at least 20 other sites, and one that the Peruvian government trusts to enhance the sustainability of one of its top industries. For Peru and the local La Oroya community, this project represented a path forward, erasing some of the stigma of the site while affording future operations a measure of sustainability – economic, social, and environmental – not previously seen.

The International Council on Mining and Metals (ICMM) identifies 10 principles of sustainable development. The La Oroya closure plan engenders several of the principles, paraphrased below:

Seek continual improvement of environmental performance

- We identified the objective of establishing a post-closure land use equal to, or better than, the pre-mining land use, while incorporating local social expectations. Our final recommendations for several of the complex areas call for re-vegetation with native species; removal of mine infrastructure; improving drainage; and implementing post-closure monitoring plans.

Implement and maintain ethical business practices and sound systems of governance

- Our project represented one of the first closure plans to be adopted by the Peruvian Ministry of Energy and Mines under stringent and complex new closure regulations, and was a cooperative effort between our staff and the government.

Facilitate and encourage responsible product design, use, re-use, recycling and disposal of products

- By filling data gaps in monitoring records, we exercised the principle of responsible product design by providing regulators and other stakeholders with scientifically sound data and analysis.

Contribute to the social, economic and institutional development of communities

- The closure plan contained a social component addressing retraining, future employment, and the development of social programs. We undertook significant training of Peruvian nationals in the evaluation of contaminated sites, as well as improving the data management, and sampling and interpretation techniques of sub-consultants and client representatives.



Closure alternatives risk assessment workshop



Community consultation

OUR COMMUNITY



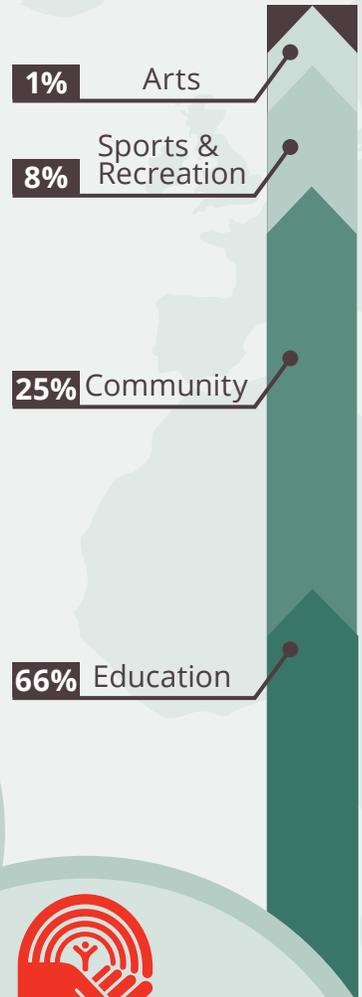
In 2013, KCB donated over \$200,000 to support the communities where we operate

We are committed to social responsibility in the workplace and in the communities in which we operate. To achieve this we:

- Act fairly, honestly and respectfully with our employees and actively support mentoring, training and professional development of our staff;
- Foster a culture of health and safety in all aspects of our professional practice and provide a safe working environment for our employees;
- Respect the rights and interests of the communities in which we operate; and,
- Give back to the communities where we operate through charitable donations, support of educational institutions, committee participation and sponsorships.

The purpose of the Donations/Sponsorship Committee is to make recommendations to the President so that KCB's donations and sponsorships align with the company Charter, maximize opportunities to support the communities and the industries we serve and increase employee engagement. The committee is also responsible for evaluating and coordinating donations/sponsorship requests and improving on our reporting capabilities.

COMMUNITY INVESTMENT BY PROGRAM CATEGORY



MINING FOR MIRACLES SLO-PITCH TOURNAMENT

KCB was proud to be the top fundraiser for the 2013 Mining for Miracles Tournament in support of BC Children's Hospital.



We have supported the Adopt-A-Family Program and Jeans Day to raise funds for BC Children's Hospital for 22 years.



KCB STAFF RUN IN HONOUR OF THE FALLEN 4

Our Edmonton office assembled two teams to participate in the Fallen 4 Marathon on June 2, 2013 in honour of fallen officers, Constables Peter Schiemann, Leo Johnston, Anthony Gordon and Brock Myrol.

The communities of Mayerthorpe and Whitecourt, Alberta were devastated by the deaths of these four young RCMP Constables on March 3, 2005. The memorial marathon honours the sacrifice that these men made and proceeds from the event are used to support these communities.



United Way

We are proud to be named a finalist at the 2013 United Way Lower Mainland Spirit Awards. As finalists, we were recognized for our ongoing commitment to the United Way resulting in continual growth in our fundraising efforts.

KCB has been a supporter of the United Way since 1992. Our employees have raised over \$320,000 in donations which is matched by the company for a total of \$640,000.

KCB ESTABLISHES

NEW GRADUATE SCHOLARSHIP AT THE UNIVERSITY OF ALBERTA



On May 6, 2013, the Geotechnical Centre at the University of Alberta celebrated the establishment of the Earle Klohn Graduate Scholarship

in Geotechnical Engineering. Klohn Crippen Berger President & CEO Bryan Watts and scholarship namesake Earle J. Klohn presented the inaugural award to Nicholas Beier at a gala in Edmonton, Alberta.

KCB donated \$150,000 to create an endowment fund, which will provide scholarships valued at a minimum of \$5,000 annually to outstanding students pursuing graduate research in the field of geotechnical

engineering specializing in the geotechnical behaviour or the environmental impact of mine tailings.

At the dinner, Bryan Watts made a surprise announcement of an additional donation of \$100,000 to the endowment, now worth \$250,000. "This scholarship is a testament to Klohn Crippen Berger's vision and commitment to building the next generation of geotechnical engineers," said Dr. Ward Wilson, Professor at the Department of Civil & Environmental Engineering. In his speech, Klohn, who graduated from the University of Alberta with Bachelor's and Master's Degrees in Civil Engineering, recognized the University's strong history of geotechnical education and the training and mentoring of geotechnical engineers. "I am honoured that [KCB] would do something like this for me."

KCB CELEBRATES THE

2013 INTERNATIONAL YEAR OF WATER COOPERATION



Much of our work involves water resources, whether directly or indirectly. To show our commitment to the protection of this precious resource we chose to celebrate the International Year of Water Cooperation.

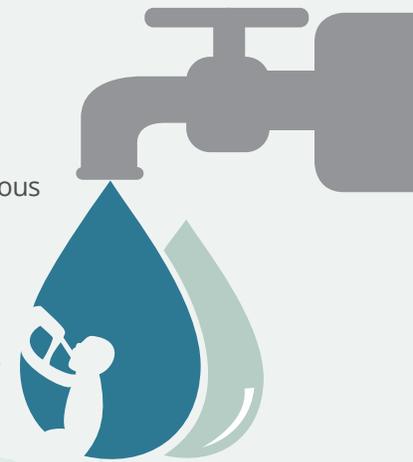
Employees in Calgary and Edmonton volunteered for local river clean ups and staff in Vancouver volunteered to become stewards of a portion of a near by creek.



Company-wide, employees took water cooperation even farther and partnered with Urban Promise in order to secure a clean and consistent source of drinking water for Copán Honduras, a rural community who had neither. Volunteers held a fundraising campaign and the company matched the funds raised. However the value of our contribution went further with employees volunteering their technical expertise to develop plans to implement a number of projects within the community. KCB couldn't be more proud of its staff for their contributions.

Our technical team and community relations team:

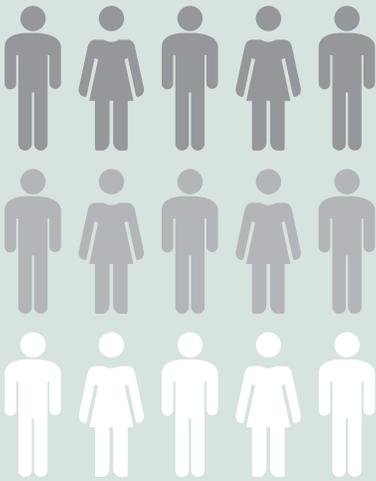
- ◆ Provided a year's supply of water to cover Copán's needs while we worked on meeting the longer term needs of the community.
- ◆ Rehabilitated the community pump and well serving about 300 people, which had been in disrepair for over a decade.
- ◆ Added fencing and a retaining wall to secure the water source.
- ◆ Worked with a local contractor to build a community wash station.
- ◆ Provided 100 personal care kits to the after school program run by Urban Promise.
- ◆ Provided educational material on the water cycle for the Youth Leaders to incorporate into their after-school programs.



OUR PEOPLE

STAFF COUNT

496



In January 2014, KCB conducted an employee survey
355 employees or approximately 72% provided feedback

85% agree that KCB is a good corporate citizen

87% agree that KCB has a culture of diversity and inclusion

91% believe KCB has a strong commitment to quality

87% agree that KCB has a strong commitment to safety

LONG TERM PLAN FOR BUSINESS GROWTH

Our long term plan for business growth revolves around our commitment to provide an environment in which employees are supported in their career and personal development. Our training initiatives, mentoring programs and respect for diversity ensure we are developing the next generation of engaged employees and leaders.

HUMAN RESOURCES PRACTICES

Our employees have opportunities to work on challenging projects in a wide range of environments around the world. Because of our geographical diversity, we make it a priority to ensure that we comply with employment and human rights legislation in the areas of the world we are working in. To ensure consistency throughout our locations, KCB has a number of programs and policies including our Employee Guidelines, Anti-harassment & Bullying Policy, and Respect in the Workplace program.

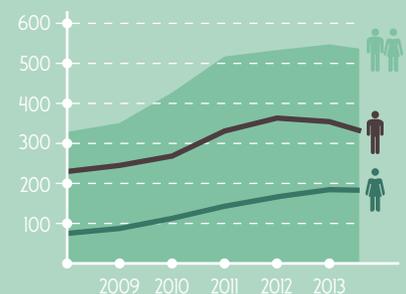
EMPLOYMENT EQUITY

It is KCB's policy to make decisions on hiring, promotion, job assignment and training, rewards and other human resource management functions on the basis of qualifications, ability, and performance. This ensures equality of treatment and opportunity for all employees and job applicants regardless of race, national origin, colour, religion, sex, marital status, physical disability or any other factor unrelated to job performance. In Canada, KCB is a certified employer under the Canadian Government's Federal Contractors Program.

In 2013, KCB formed a Diversity Initiative out of recognition that we all bring different perspectives, work experiences, life styles and cultures into the workplace. In business, diversity means respect for and appreciation of different ethnicity, gender, age, national origin, disability, sexual orientation, education, and religions.

GENDER STATISTICS

| | HEADCOUNT | FEMALES | MALES |
|------|-----------|---------|-------|
| 2013 | 496 | 35.6% | 64.4% |
| 2012 | 524 | 31.4% | 68.6% |
| 2011 | 490 | 30.1% | 69.9% |
| 2010 | 407 | 27.0% | 73.0% |
| 2009 | 352 | 29.2% | 70.8% |



1

The average age of our employees is now 38 years vs 41 years in 2005

2

266 of our employees speak a second language

3

74% of our staff has been with us for less than 5 years



90% of women return to work at KCB after parental leave



100% of men return to work at KCB after parental leave

To foster a diverse employee base, our Australian and Canadian offices use an Employee Assistance Program to assist with personal health, financial, legal or other issues.

Our Women-in-Klohn committee, Young Professionals groups, flexible work arrangements and employment equity policy all contribute to the encouragement and preservation of diversity at KCB.

Our Australian and Canadian offices have developed a tools and resources to aid employees who are new to the country, to get settled in their new home and integrated into the organization, including:

- Assistance with work authorization and visa applications.
- Communication prior to the move to discuss logistics and where appropriate, continued contact to ensure they are settling in.
- Relocation allowance and aid in finding initial accommodation and groceries as well as flexibility in the first few weeks to allow for apartment/house viewings.

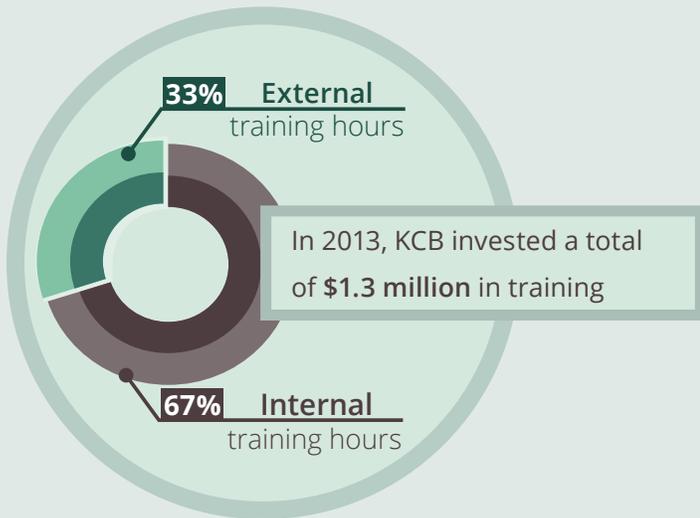
- Providing partners with information regarding job websites, schools, suburbs, etc.
- A “welcome to Canada/Australia” document outlining things like how to obtain a bank account and Social Insurance Number.
- Providing instructions on changing a driver’s license to the local jurisdiction, and assisting with providing a rental car provision.

PROFESSIONAL DEVELOPMENT

To continue to grow and sustain our organization, KCB is committed to developing the next generation of talented professionals by providing them with the training, tools and resources for their professional development.

TRAINING

We support employee training and development to improve work performance, provide enrichment and prepare individuals to meet future organizational and client needs.



To enhance KCB’s continued success and future growth, we are committed to maintaining a high degree of integrity and quality in our services. To achieve this we ensure our employees understand their roles and are qualified to do these assigned tasks.

KCB has been a strong supporter of the ASFE/GBA Fundamentals of Professional Practice (FOPP) program for nearly two decades. Our Associates complete this tough but rewarding program which has been described as a “boot camp for the firm’s rising stars”.

Our training initiatives not only involve traditional learning opportunities such as courses and seminars, but also include special project assignments, job shadowing and guided or self-directed learning experiences. Below are a few examples of the programs we have in place:

KlohnPM - a project management toolkit consisting of 11 training modules covering PM responsibilities; effective project communication; generating new business; understanding client requirements; planning projects; negotiating contracts; coordinating resources; managing scope; establishing quality of deliverables; managing cash flow and leading the project team.

Consulting 101 - a series of lectures developed for KCB’s young professionals. Senior managers speak on topics

relevant to the consulting business such as project management, business development, risk management and budgeting.

KCB also provides support through a number of programs including job-related technical and non-technical skills training, new employee orientations, in-house training, on-the-job training, tuition refunds, on-line training, mentoring and educational leaves.

In 2013, we launched our **Klohn-in-Training (KIT)** program. This important initiative was developed by KCB’s Associates group to support the next generation of staff as they work towards their professional designations.

Through the KIT program KCB provides employees with:

- The practical application of principles, theory and knowledge.
- Opportunities to develop project management, business, writing and communication skills.
- An awareness of the social implications of our work.
- Opportunities to demonstrate progression and growth.
- Mentoring and supervision by senior professionals.

EMPLOYEE ENGAGEMENT

We understand our most important asset is a happy, healthy and engaged workforce. Our staff have many opportunities to get involved and drive their professional and personal development by participating in the many employee initiated committees and corporate initiatives.

Young Professionals aim to create a community of young professionals across all disciplines within KCB and provide a platform to foster career development.

Women-in-Klohn was formed to attract, retain and support women in the workplace.

The **Sustainability Committee** is committed to Build a Better World by applying a standard of reporting on our sustainability practices, communicating our successes and identifying opportunities for improvement.

Environmental Committees work towards reducing the environmental impacts of our offices.

Social Committees plan social events for KCB employees in an effort to increase opportunities for internal networking and of course, fun!

Klohn PM

Since launching in 2012, 170 employees have completed the program

OUR PEOPLE



CALGARY CORPORATE CHALLENGE

2013 marked our Calgary's office first year participating in the Calgary Corporate Challenge. This charitable event is a volunteer-driven, Olympic-style event developed by Calgary's business community. The event is a good-natured competition that promotes the interaction of co-workers, builds morale, instills company pride, and enhances employer/employee relations. With 180+ companies, 1,500 volunteers and over 20,000 participants, the Calgary Corporate Challenge has grown to become one of the largest annual amateur athletic events in North America.

SPRING 2014

Business matters

BY LIVING health • fitness • nutrition • well-being

Social to Unsocial

In social media making us a social? New research says excessive use of social networking sites may be impacting people's well-being.

Spix Goldfield, a clinical professor in the healthy Active Living and Obesity Research Group at the Children's Hospital of Eastern Ontario Research Institute, and University of Ottawa clinical psychology student Marissa Murray, recently conducted a study into the association between excessive social media use and several mental health conditions, including depression, body dissatisfaction and disordered eating among university students.

"Preliminary analyses revealed social media use was associated with more severe depressive symptoms, greater body dissatisfaction and disordered eating," Goldfield says. "This study and most others are correlational, so we can't say social media causes this, but we can say excessive use may put people at higher risk of these mental health issues."

There are currently around 10 million Canadians on Facebook. In July 2013, Spix Goldfield reported that 80% of Canadians aged 18 to 24 had a social network profile, up from 62% of those aged 35 to 54 and 44% of those aged 55 and over.

Research suggests that social media can have a negative impact on mental health by increasing social isolation. "Interacting over media is not the same as interpersonal face-to-face interaction," Goldfield says. "Exposure to unrealistic beauty images of models on the Internet can elicit body dissatisfaction and unhealthy eating practices. These negative self-comparisons can also increase risk of depression."

There may be some benefits to social media use for people who are very shy or socially anxious, Goldfield says. It may be a forum for them to feel a sense of interpersonal connection in a non-threatening environment. "My concern is that excessive time in social media limits face-to-face, real-world interactions and reduces the opportunity to develop good social skills and verbal communication that are critical for emotional health and happiness as well as occupational success," he says.

Highlights 2 Choosing Quality Fats 4 Mind Your Head 5 I Want to Sleep! 7 The Fat Trap

In 2013 our Human Resources department began distributing a Wellness Matters Newsletter. Topics include all things related to wellness – exercise, healthy eating, work life balance and more.



KCB employee Jennifer Durocher in the field

WOMEN-IN-KLOHN

KCB acknowledges that engineering and science has historically been a male-dominated field but we also recognize our ability to shape the future in a positive way. In 2013, the company launched a Women-in-Klohn Committee to help attract, retain, engage and support women at KCB.

We also have a networking forum for women working at KCB around the globe for sharing ideas and discussing work-related challenges.

"In well-established industries the process of mentoring and professional support develops over generations to become part of the corporate culture. In professions that have been traditionally male-dominated this support network evolved in a way that relates more successfully to men. This committee allows us to develop a framework that acknowledges the unique needs and communication style of women in the workplace. Our goal is to develop a more equitable approach that in time becomes integrated into the corporate culture benefitting all employees."

Mary-Jane Piggot, Chair of Women-in-Klohn

OUR OFFICES



Our ISO 14001 certification applies to our office and laboratory activities, and provides a framework for assessing the environmental impacts of our operations, including purchasing, use of materials, maintenance, and energy and waste reduction. The implementation of ISO 14001 is our mechanism for improving staff awareness of the environmental impacts of our activities.

Through collaboration, knowledge sharing and corporate governance we:

- Conduct our operations and our design practices to meet or exceed regulatory guidelines;
- Maintain our professional competencies by staying current on business practices and technology;
- Ensure compliance with our Integrated Management System;
- Develop, adopt and improve our metrics to monitor our progress in sustainable business practices;
- Look for opportunities to reduce energy consumption and waste; and,
- Encourage sustainable business practices and services when dealing with our supply chain.

ENERGY

Similar to 2012, our 2013 report focuses primarily on our two largest offices: Calgary and Vancouver as these offices represent over 65% of our operations.

Energy usage (direct and indirect) was compiled using billing information. Direct energy sources include fuels (e.g. natural gas) used for heating our offices. Indirect energy sources include imported electricity.

|  | VANCOUVER | | | CALGARY | | |
|---|--------------------------------|---------|---------|--------------------------------|---------|---------|
| | | 2012 | 2013 | | 2012 | 2013 |
| | Number of People | 234 | 207 | Number of People | 145 | 141 |
| | Office Area (ft ²) | 31,879 | 37,879 | Office Area (ft ²) | 26,311 | 31,409 |
| | Electricity kWh | 940,773 | 746,822 | Electricity kWh* | 347,487 | 401,520 |
| | kWh/person/year | 4,020 | 3608 | kWh/person/year* | 2396 | 2848 |
| | Natural Gas GJ | 1,076 | 871 | Natural Gas GJ* | 1256 | 1706 |
| | GJ/person/year | 4.6 | 4.2 | GJ/person/year* | 8.7 | 12.1 |

*2012 consumption in Calgary has been adjusted.

ENERGY EFFICIENCY

In 2013, we set up our computer monitors to automatically shut down between 6pm and 6am local time after 15 minutes of inactivity.

Our Brisbane office requested the property owner to tint the office windows. This practice lessens the impact of the sun and results in reduced energy required to cool the office space. It also has the added benefit of reducing glare on computer screens resulting in a more comfortable work environment.

Our Calgary office shows an increase in energy consumption likely due to the to extreme weather conditions experienced in 2013. Plunging temperatures caused Alberta to set a new record for electricity usage.

• PAPER

As a consulting firm we generate a significant amount of reports and other deliverables for our clients on a regular basis; as a result our paper consumption is high. Our Calgary office has been a leader in developing awareness campaigns, but shows an increase in paper consumption for 2013. This is due to the fact that there were several major projects underway requiring multiple copies of lengthy reports.

In a continuing effort to reduce paper consumption we:

- Encourage the sharing of information through alternate means: our intranet, e-mail and shared electronic project folders.
- Set our printers to automatically print double-sided and in black and white.
- Implemented electronic forms wherever possible for completing, distributing and approving requests.
- Improved the management of print queues in the event a printer goes offline, so that print jobs are not duplicated.

PAPER CONSUMPTION



| | 2012 | 2013 |
|---------------|-----------|-----------|
| Vancouver | 1,465,000 | 1,193,000 |
| Sheets/person | 6261 | 5763 |
| Calgary | 902,632 | 922,500 |
| Sheets/person | 6225 | 6543 |



• WASTE

Most of our offices have eliminated the use of disposable items such as cutlery, paper cups, plastic plates and bottled water in an effort to reduce waste. We also equip our lunchrooms with reusable dishes to help reduce the need for our employees to use disposable material.

Our Brisbane and Calgary offices purchase milk and sugar in bulk packaging in a conscious effort to reduce waste.

In 2013, one of our employees raised a concern over the use of disposable and non-compostable coffee cups in the Vancouver office. In response, we switched to paper cups that are compostable and are disposed of in our organics recycling bin. This switch has diverted approximately 18,000 paper cups from the landfill. Reusable mugs are still available and encouraged.

→ KCB Calgary named Alberta's Best Workplace for the Environmentally Conscious



Venture Magazine interviewed Calgary Environmental Committee Chair, Sarah Gustafson, and summarized KCB's achievements in a subsequent article. The following is an excerpt from the published interview:

The environmental stewardship practiced at engineering firm Klohn Crippen Berger is a case of victory by a thousand acts. It could be the annual commuter challenge, which pits individuals and departments against each other to see who can accumulate the most points by biking, taking transit, using the stairs at work and more. It could be the elimination of bottled water, the use of washable dishes, the recycling of coffee grounds and tea bags. Then, on Earth Day, KCB launched the "Spring Greenup" covering the yard at home.

"We posted stuff from Green Calgary about the rain barrel and composting sales and about bringing your yard waste to the landfill for composting," says Sarah Gustafson, company librarian and the environment leader at the Calgary office.

And then there's the act Gustafson has taken in her own sphere of influence. The library at KCB used to house backup hard copies of all project-related documents, in some cases several boxes full. "Now, instead of doing paper copies, we just do official electronic copies," she says. "It used to be we just shipped them off and stored them. So it saves money, things are more accessible and we're not using all that paper and toner and binders and dividers."



• COMPOST

In 2013 the Vancouver office began an organics recycling program provided through our lease provider. This program diverted approximately 2164 kg of organics from the landfill.

In 2014 our Brisbane office purchased a worm farm to help them compost their coffee and tea organics.

A Calgary office staff member voluntarily collects used coffee grounds and tea bags for garden compost.

OUR OFFICES



OFFICE LOCATIONS

Our offices are located on leased properties, two of which are with Bentall Kennedy, ranked first in its class in the Americas for environmental, social and governance (ESG) performance by the Global Real Estate Sustainability Benchmark (GRESB) in 2011 and 2013. Bentall Kennedy works toward being a good steward of the earth both through their own operations and those of their tenants. At our Vancouver location the property has saved over 1.4 million litres of water, 244 tonnes of CO₂, over 600,000 kWh of energy and 260 cubic metres of materials have been diverted from the landfill.

SUSTAINABLE GUIDELINES RESOURCE LIBRARY

We are committed to maintaining a level of competency on matters of sustainability in our professional practice. To help our staff stay up to date on industry guidelines we have developed a reference library which includes material from a number of professional associations and industry councils. This includes:

- Engineers Australia Sustainability Charter
- APEGBC Sustainability Guidelines
- Reference material from the International Council of Mining and Metals
- Federation of Engineering Institutions of Asia and the Pacific Sustainability Network

RAISING AWARENESS

We have developed several means for communicating our sustainability message to our employees. In 2013, KCB held several information sessions regarding our sustainability initiatives and presented quarterly updates to the Operating Committee. In addition to our sustainability pages on our intranet we communicate weekly through our sustainability blog and local committees regularly communicate their initiatives via email and staff news pages. To acknowledge and encourage our staff we share company-wide kudos to highlight individuals and offices that make sustainable choices.



| TOPIC | # OF BLOG POSTS BY TOPIC |
|---------------------|--------------------------|
| Non-Hazardous Waste | 26 |
| GHG Emissions | 21 |
| Water Consumption | 6 |
| Kudos | 6 |
| Hazardous Waste | 3 |

GRI LEVEL C COMPLIANCE MATRIX

| GRI SECTION NO. | STANDARD DISCLOSURE | PAGE |
|-----------------|--|----------------|
| 1.1 | Message from the President | 1 |
| 2.1 - 2.7, 2.10 | Organizational profile | 3 - 6 |
| 3.1 - 3.7 | Profile and boundary | 3 |
| 4.1 - 4.4 | Governance | 4 |
| 4.14 - 4.15 | Stakeholder engagement | 2, 6, 7, 13-16 |
| EN 1 | Materials used by weight and volume | 20 |
| EN 3 & 4 | Direct and indirect energy consumption | 19 |
| EN 7 | Initiatives to reduce energy consumption and reductions achieved | 19, 21, 22 |
| EN 18 | Initiatives to reduce GHG emissions and reductions achieved | 19-22 |
| EN 1 & 22 | Materials used by weight and volume and total weight of waste by type and disposal method | 20 |
| EN 14 | Strategies, current actions and future plans for managing impacts on biodiversity | 12, 19-22 |
| EN 26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation (our work) | 10-12 |
| LA 1 | Total workforce by employment type, employment contract and region broken down by gender | 15, 16 |
| LA 6 | Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety programs | 6 |

KCB PROJECT ATTRIBUTES

| | CATEGORY | PAGE |
|---------------|---|-----------------------------|
| ENVIRONMENTAL | Responsible water management | 11, 12 |
| | Special consideration for flora/fauna | Not profiled in this report |
| | Rehabilitation | 11, 12 |
| SOCIAL | Mentoring local people | 9, 11, 12 |
| | Design/service to improve social conditions | 9, 11, 12 |
| | Transfer of technology | 9, 11, 12 |
| INNOVATION | Advancement in research and technology | 11, 12 |
| DESIGN | Responsible land use design including relocation, land use reduction, using existing infrastructure | Not profiled in this report |
| | Designs to reduce, repurpose/reutilize remaining materials | 10 |
| | Design to improve safety conditions | 11, 12 |



SUSTAINABILITY POLICY

We are committed to sustainability in all aspects of our business and professional services.

To support our vision to “Build a Better World”, we balance social, environmental and economic considerations to meet the needs of our clients, the community, our employees and other key stakeholders. To achieve this we apply and integrate sustainable practices into our key business quadrants.

CLIENTS - We are committed to working with our clients to meet their sustainability objectives. To achieve this we:

- Foster a culture for our staff, scientists and engineers to conduct their business and to design programs and facilities for our clients that use internationally recognized standards of health, safety and environmental management;
- Work with our clients to deliver solutions that reduce harmful emissions to air, water and land;
- Look for opportunities in project design to improve the efficiency with which we use raw materials, energy and natural resources; and,
- Provide counsel on ways to eliminate, mitigate or remediate the impact of our clients’ facilities.

PEOPLE - We are committed to social responsibility in the workplace and in the communities in which we operate. To achieve this we:

- Act fairly, honestly and respectfully with our employees and actively support mentoring, training and professional development of our staff;
- Foster a culture of health and safety in all aspects of our professional practice and provide a safe working environment for our employees;
- Respect the rights and interests of the communities in which we operate; and,
- Give back to the community in which we operate through charitable donations, support of educational institutions, participation on committees and sponsorships.

BUSINESS - Through collaboration, knowledge sharing and corporate governance we:

- Conduct our operations and our design practices to meet or exceed regulatory guidelines;
- Maintain our professional competencies by staying current on business practices and technology;
- Ensure compliance with our Integrated Management System;
- Encourage innovation in technology, engineering and science;
- Develop, adopt and improve our metrics to monitor our progress in sustainable business practices;
- Look for opportunities to reduce energy consumption and waste; and,
- Encourage sustainable business practices and services when dealing with our supply chain.



sustainability
building a better world

2013

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