EXTRAORDINARY PEOPLE

CREATING A MORE SUSTAINABLE WORLD

KBR

KBR 2020 Sustainability and Corporate Responsibility Report

ON THE COVER:
Top: **Anila George,** Executive Assistant, **Ulysses Goree,** SVP - Integrated Solutions – Americas, **Mona Bhagat**, Business Development Manager, **Joe Jimmerson**, Mission Operations Lead
Bottom: **Elisabeth Kirkpatrick**, Technical Advisor – Aircraft Pilot, **Brian Golla**, IT Intern, **Elizabeth Alexander**, IT Customer Support Analyst, **Dr. Bianca Cerqueira**, Principal Technical Professional – Data Science, GS US

Introduction

In This Section

ZERO HARM
24/7
COURAGE TO CARE

A Letter from Our CEO

Last year, when the world was plunged into uncertainty, I told our people that I believed the enduring lessons learned would be ones of community and adaptability. Day after day, they proved that belief was well founded. I was inspired to see them rise to the occasion, purpose driven, doing what they do best — delivering solutions that help our customers, and the world, solve their most crucial challenges. I'm proud to say that thanks to their resilience, flexibility and teamwork, 2020 was a watershed year for KBR, one of positive change and significant achievement.

We continued executing our strategy to exit commoditized services in high-risk markets while making significant investment in high-end, sustainability-driven proprietary technologies and intellectual property (IP). Despite the trials of 2020, we accelerated our vision, most notably by reorganizing the business into a two-segment model featuring our Government Solutions and Sustainable Technology Solutions businesses. And embedded in every business operation or corporate function was a commitment to environmental, social and governance (ESG) principles that are the core of our value proposition and define who we are as a company.

At KBR, we believe that a commitment to sustainability includes using our capabilities and expertise to help our customers accomplish their sustainability goals, thus creating value for all our stakeholders and incredible opportunities for the business to prosper.

Increasingly, our customers are coming to us with their own sustainability objectives, from lowering carbon emissions and increasing energy efficiency to helping governments build roadmaps to low-carbon economies and introducing new, cleaner forms of energy and more sustainable futures for their people. The need for new and innovative solutions to accomplish those goals has meant seeking new technologies and processes and new ways of doing business. One such example is our Hydro-PRT℠ (plastics recycling technology), offered in collaboration with Mura Technology. This revolutionary new technology converts end-of-life plastic, which would otherwise be burned, sent to landfills or leaked into the environment, into oil that can be further refined to produce virgin polymers and chemicals — creating a true plastics circular economy.

All of this is in addition to the work we're doing to walk the talk around our own sustainability objectives. We have committed to a net-zero strategy that aligns with the Paris Agreement to reduce emissions and increase energy efficiency in our operations. We have mapped the risks that climate change can present to our business, both physically and transitionally, and are working toward mitigating those risks by meeting near- and long-term carbon-reduction targets. And we are signatories to the United Nations (UN) Global Compact and have developed a comprehensive sustainability strategy aligned with the UN's sustainability development goals (SDGs), as outlined in this report.

These universal standards for creating a cleaner, greener, more just and equitable world are fully in line with KBR's business objectives. They are also the most important challenges of our time. And I believe that KBR's people — our highly trained and exceptional scientists, technologists and engineers — have the expertise to solve them.

The pandemic has certainly taught us much, but above all it has served as a stark reminder of just how important our people are. Accordingly, even when more than 90% of our office employees were working virtually last year, safeguarding their physical and mental health and safety remained our top priority. In mid-2020, we commissioned a pan-organizational survey to understand what our employees needed most to be successful. Across the company, we gauged that maintaining a sense of belonging while working remotely and keeping mentally fit were some of the key priorities for our employees. We listened and we responded.

Our Global Mental Health and Well-being Committee developed and launched a bold new strategy to ensure our people had the necessary support and resources they needed to thrive. This included enhancing our employee support program, which provides employees and their families with confidential support and a suite of free resources for proactively taking charge of overall health and well-being. We deployed an innovative app-based platform designed to measure factors such as workplace engagement, stress, motivation and focus. We globalized the Well-being Ambassadors program, through which employee volunteers are trained to recognize the need and provide support for their colleagues. And at the same time, KBR's global Inclusion and Diversity Council has been collecting data across the organization and using it to develop a range of programs and initiatives that ensure we are becoming a more inclusive, diverse and supportive company.

These and other important elements of our people-centered culture will be highlighted in this report. Additionally, you will read about how that cultural shift has coincided with our strategic evolution into a more forward-leaning, sustainability-driven, agile business focused on solving the environmental and social challenges of today through our IP, deep domain expertise and innovative technology solutions.

Stuart Bradie
President & Chief Executive Officer

Sustainability Highlights 2020

32% SUSTAINABILITY FOCUSED REVENUE

1% BASIC NEEDS
Major disease treatments – Operation Warp Speed

Scientific research and earth science

14% CLIMATE CHANGE

17% ENVIRONMENTAL IMPACT
Alternative energy, energy efficiency, green building, sustainable water, pollution control, CCUS, conservation

68% GENERAL

Maintaining carbon neutrality

Achieving net-zero carbon emmisions by 2030

10%-12% Sustainable Tech Revenue CAGR 2021-2025

10% of executive short-term incentive pay tied to ESG metrics and goals

AN OPERATING CULTURE OF SOCIAL IMPACT

- I&D Council established to help advance an inclusive and diverse workforce

- Extensive training and development programs focused on leadership and technical skills

- Rigorous data security policies and procedures aligned with ISO 27001, ISO 20000, NIST 800-171, DFARS, ITAR

- Reporting aligned with SASB, TCFD, CDP and GRI (2011-2019) frameworks

FOCUSED ON CONTINUOUS SAFETY IMPROVEMENT

KBR Total Recordable Incident Rate
Per 200,000 work hours

0.418

0.279

0.237

0.225

0.200

0.127

0.089

2014   2015   2016   2017   2018   2019   2020

79% TRIR decrease since our CEO introduced Zero Harm in 2014

OUR SUSTAINABLE SOLUTIONS, TECHNOLOGY AND EXPERTISE ENABLE OUR CUSTOMERS TO ADVANCE THEIR OWN ESG GOALS

- Launched K-GreeN™ - KBR's green ammonia process to enable near-term energy transition and a long-term hydrogen future

- Exclusive alliance with Mura Technology to offer innovative technology that recycles end-of-life, mixed-use plastic

- Engineering design, PEQ and catalyst for an innovative, zero-emission plant

- Second-phase development for domestic K-SAAT™ revamp to replace an existing hydrofluoridic acid alkylation unit

STRONG LEADERSHIP AND GOVERNANCE

8 of 9 directors are independent, including chair

33% female directors

6 years average director tenure

33% rotation of board committees and chairs

Extensive government, space, technology and energy experience

ZERO HARM
COURAGE TO CARE

A Message from the Sustainability and Corporate Responsibility Committee of the Board

Each year, publishing the KBR Sustainability and Corporate Responsibility Report is a wonderful opportunity for us to take stock of the progress and positive impact KBR is making on society and the environment, and in the ways we govern ourselves.

As board members, guiding and overseeing our progress is one of our top priorities. Additionally, each of us have specific areas we feel passionately about and that we look forward to supporting and contributing to.

In this report, you will see the incredible amount of work that has gone into supporting KBR's workforce through the proactive implementation of inclusion and diversity programs and initiatives, and by providing safe and healthy environments that foster their mental and physical well-being. You will also read about exceptional programs being rolled out that support our people's personal and professional growth and development. These programs continue to grow, from enhanced partnerships with diverse schools, colleges and universities right through to our leadership development programs.

"I applaud the excellent work of our CEO, the Global Sustainability Committee and KBR employees for their continued dedication and hard work toward our sustainability goals. We as a board want to emphasize our strong support and endorsement of all KBR's sustainability programs and initiatives. I am personally very impressed to see the expansion of our university programs, the strengthening of our inclusion and diversity initiatives, and board involvement and participation in the employee resource groups, IMPACT and ASPIRE … KBR's sustainability program is a winner!" – *Chairman of the Board General Lester L. Lyles*

This year, KBR has particularly focused on improving environmental management and protection with regard to our own facilities and assets. To this end, as part of our commitment to Net Zero 2030, we are establishing robust internal systems and dedicated teams to collect, monitor and report on emissions and to implement carbon-reduction plans throughout the organization.

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KBR's Board of Directors from left: Jack Moore, Lynn Dugle, James Blackwell, Umberto della Sala, General Lester Lyles, USAF (Ret.), Stuart Bradie, Ann Pickard, Lt. General Wendy Masiello, USAF (Ret.), and Mark Baldwin

In addition to managing our own impact, our business has pivoted to focus on delivering sustainable solutions that assist our clients with their own sustainability goals. This report outlines just some of the key sustainable technology solutions, with examples, that KBR is delivering to our corporate and government clients globally.

Our responsibility as a board is to ensure that our policies and procedures are as robust as possible to make certain that we operate to the highest standards, and that we continue to review and strengthen all policies that support our sustainability goals. We are also determined that sustainability data collection, management and reporting are of the highest quality and consistent with the rigor we apply to our financial reporting. This year the board commissioned our internal audit team to monitor report preparation and assist with the development of internal controls and processes.

Management of our sustainability risks is now firmly incorporated into our enterprise risk management processes, and as a board we regularly monitor our risk management progress with a particular focus on ESG risks and opportunities.

Most importantly, we have incorporated sustainability performance into our short-term incentives program, which is intended to align our employees with KBR's strategy for achieving success as ONE KBR. This includes linking a 10% incentive to the successful achievement of key sustainability indicators, including implementation of our Net-Zero Strategy 2030 and improved health and safety indicators (TRIR), with an aim to ensure progress and growth in this area is on par with revenue growth.

In November 2019, we celebrated KBR's 100th birthday. This long history provides us with a strong foundation for success and clear vantage from which we are looking to the future. With this proud history, combined with our strong environmental, strong ESG performance, we will continue to make a positive impact and help create a better future for all.

Ann Pickard
Sustainability and Corporate Responsibility Committee Chair

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Our Sustainability Approach

Vision: *to create a better, safer and more sustainable world.*

For more than a century KBR has been leading the way in science, technology and engineering. Building on that strong legacy, today we are uniquely positioned to deliver world-class solutions that not only help our customers accomplish their objectives, but that also contribute to a better, safer and more sustainable world.

That mission is underpinned by robust sustainability practices that align with our core company values and guide our governance, operations, business practices and behavior.

KBR's Global Sustainability Policy defines our intentions for preserving our planet and advancing society while also pursuing business growth. We acknowledge there is a safe and equitable space between social and planetary boundaries in which humanity can thrive, and we are committed to working within these boundaries in all that we do.

Our Sustainability Pillars — ten key areas of focus across our company — are the foundation of our sustainability efforts and closely correspond with the United Nations' Sustainable Development Goals (SDGs), as outlined in the UN Decade of Action plan. As signatories to the UN Global Compact, we are committed to ensuring that our business is firmly aligned with SDG principles and that they serve as the benchmark for accomplishing our sustainability goals.

WE SUPPORT

Since 2020 KBR has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption.

LEADERS IN TECHNOLOGY

LEADERS IN ENGINEERING

LEADERS IN SCIENCE

ECOLOGICAL CEILING

SOCIAL FOUNDATION

PROUD **100 YEAR** HISTORY

OUR VISION
we strive to create a better, safer and more sustainable world.

OUR VALUES
People
Collaboration
Empowerment
Integrity
Delivery

PLANET

PROSPERITY

PEOPLE

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Our Sustainability Pillars and Key ESG Topics

PEOPLE

ESG TOPICS

I&D
- Inclusion and Diversity
- Training and Development
- Employee Benefits and Engagement

HSS
- Health, Safety and Security
- Well-Being

Community Outreach
- Community Outreach and Social Value

PLANET

ESG TOPICS

Climate Change
- Net-Zero Carbon Strategy
- Our Sustainable Solutions and Innovation

Recycle/Reuse

Efficient Energy
Environmental Stewardship

Sustainable Travel

GOVERNANCE

ESG TOPICS

Risk
- Cyber Security and Data Privacy
- Risk Management

Governance
- Business Ethics and Integrity
- Protecting Human Rights
- Product Quality and Safety
- Sustainability Oversight

Supply Partners
- Supply Chain Management

Our Values and Vision

ONE KBR Values

WE VALUE OUR PEOPLE

Our people are the heart of everything we do. We are dedicated to creating diverse and inclusive work environments in which every member of our team of teams feels safe, supported, respected, trusted and valued, and where each person is given opportunities to grow and reach their full potential.

WE DELIVER

We are our clients' trusted partner. We are uncompromising in our commitment to deliver innovative, high-quality, technology-led solutions for them, and exceptional sustainable value for all our stakeholders, underpinned by strong commercial and operational discipline.

WE ARE PEOPLE OF INTEGRITY

We are people of character, who value honesty, trust, courage, fairness, prudence and tenacity. We believe doing what's right for the planet, the communities where we live and work, and our people is good for our business. We will not sacrifice our integrity.

WE EMPOWER

We empower all our people with a shared purpose, the right tools and the supportive culture they need to be proactive, to be adaptive to change, and to succeed. We trust them to be independent decision-makers who aren't afraid to meet any challenge head on and who proudly own their work.

WE ARE A TEAM OF TEAMS

We have a will to succeed, individually and as a company, but we value the achievements of our team of teams over our individual accomplishments. Our collective focus powers our operational excellence, and makes us a better, stronger, more effective and efficient company. We are ONE KBR.

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Our Vision

Our vision reminds each of us what we aspire to be as a company and what we should strive for each day:

We bring together the best and brightest to deliver technology and solutions that help our customers accomplish their most critical missions and objectives. In doing so, we strive to create a better, safer and more sustainable world.

Stakeholder Inclusiveness

In developing our sustainability strategy, we've engaged extensively with our stakeholders to understand their expectations for the company. The feedback has centered on two primary areas:

1. A need to fully embrace sustainability as a driver for the innovation of clean technology and sustainable solutions
2. The need for greater transparency and risk management around crucial areas including climate change, biodiversity, and nature protection; a skilled, inclusive, and diverse workforce; and labor and human rights

We also went directly to our people to find out what was important to them. Through polls, surveys, peer accountability conversations and a voluntary sustainability commitment program, we learned that our employees care deeply about doing the right thing and making decisions that count for our planet, our people and our communities.

STAKEHOLDER	PURPOSE	FORMS OF ENGAGEMENT		FREQUENCY
Stockholders, financial institutions, potential socially responsible investors	Ethics, financial performance, risk management, profitable and sustainable growth, access to resources, long-term stakeholder value, ESG performance, board diversity and expertise, human capital management, organizational goals, strategic development, feedback	Earnings conference calls Annual meeting of stockholders Investor presentations		Quarterly and annually
The foundation of KBR; all our employees worldwide from project employees to business managers	Health and safety, job security, profitable and sustainable growth, compensation and benefits, professional development, career advancement, training and development, internal communications, COBC, management systems, safety leadership, employee resource groups, feedback	Ethics Hotline, KBR Listens mailbox, social media, Zero Harm Day and company-wide celebrations, Safe Tours, employee resource groups, Communities of Interest, performance and talent, management process, annual survey, pulse surveys, regular polls, Courage to Care App (health, safety, sustainability and well-being employee feedback mechanism), Zero Harm Commitments, Workday, awareness days, KBR Link, KBR's monthly internal publications, Focus (regular business unit publications), Vision Series, town halls and consultation forums		Weekly, monthly, quarterly, annually and ad hoc
The companies and governments who rely on our products and services	Identify customers, profitable and sustainable growth opportunities, understanding customer priorities, trust and transparency, feedback	Proposal requests Tradeshows Project close-out surveys Conferences and seminars	Customer events Regular risk assessments and impact assessments Partnering sessions with U.S. government clients/customers	Regular business cycle
Parties who provide goods and services to KBR in order to execute our contracts	Negotiation, clear understanding of project process/procurement process, management systems, health and safety, environmental management systems, feedback	Supplier performance evaluations Pre-inspection meetings Shop surveys	Regular due diligence audits, training and development communication with all suppliers	Annual and ad hoc
Companies KBR agreed to form a business arrangement with to execute specific projects, sharing resources, cost, risk and profits	Trust and transparency, collaboration, business development, network building, pipeline building and management, customer engagement, client relations management, feedback	Joint venture board and committee meetings Project operation discussions	Industry sector events	Regular business cycle
Country governments and government organizations around the world	Regulatory compliance, taxes, economic development, job creation and national capacity, delivery assurance, relationship building, feedback, risks and opportunities, policy development	Liaisons with regulators and agencies Audit discussions Mandated reporting	Regular policy update events Key stakeholder meetings Panel discussions	Regular business cycle
Local citizens and communities located in the areas where we execute projects, impacted by our work	Operational impacts, local employment, local supplier opportunities, community development, issues management, public health and safety, training and development, feedback	Community engagement events and Give-back opportunities KBR One Ocean KBR Charitable Foundation Community meetings and debriefs	COVID-19 Relief Engagement with local country nationals to teach English (where applicable), how to work and live safely as well as good hygiene practices	Regular business cycle

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KBR at a Glance

KBR delivers science, technology and engineering solutions to governments and companies around the world. We employ a diverse workforce of approximately 29,000 people worldwide with customers in more than 80 countries and operations in 40 countries.

Drawing from its rich 100-year history, culture of innovation and mission focus, KBR combines deep domain expertise with full life-cycle capabilities to create sustainable value and to help clients meet their most pressing challenges today and in the future.

29,000
EMPLOYEES WORLDWIDE
including joint ventures
as of December 31, 2020

$59M
TOTAL GLOBAL TAX PAID 2020

$5.8B
2020 REVENUE

$1.28B
TOTAL GLOBAL SALARIES PAID 2020

Operations in More than **80 Countries**

Federal & Civilian

Aerospace & Defense

Intel & Data Science

Energy & Chemicals

Our Global Footprint

This map shows our office and project locations at the end of 2020 as well as the markets in which we did business.

● KBR Office   ● KBR Project   ■ Market   ● KBR Corporate Headquarters – Houston, Texas

ZERO HARM

Responding to the Pandemic

Corporate Response to COVID-19

While the pandemic presented us with many challenges, we pulled together as a team of teams to continue serving our customers, and protecting our employees and the communities we work in. Within days we developed new IT support systems, work processes and workflows to ensure Zero Harm remained our top priority. This required collaboration and cooperation between our global health and safety experts, human resources, communications, and leadership teams. All processes were established in conjunction with state and local health authorities and guidance from the Centers for Disease Control (CDC), European Center for Disease Control (ECDC), and the World Health Organization (WHO).

Supporting Our Employees

- **Key Work from Home Behaviors** were developed to provide best practices for safely working remotely and to help employees maintain the Zero Harm 24/7 mindset.
- **Key Pandemic Behaviors** were developed to provide general guidance on how to mitigate risks and safeguard the health and safety of employees, colleagues, family members and customers during a pandemic response.
- **Following the transition** of more than 90% of the global workforce to remote working, KBR launched Agile Work Weeks, flexible work arrangements that in many cases

provide employees the ability to work in ways that work for their schedule or life situation.
- **KBR disseminated communications** from local pandemic response teams, supported by a Coronavirus Dashboard and weekly COVID-19 email updates, to ensure employees remained updated on the latest safety advisories and case counts. We also created office and digital signage for KBR locations around the globe that communicated local pandemic guidance.

92%
SAID THEIR HOME OFFICE SETUP **IS SAFE AND DISTRACTION-FREE.*** **

92%
SAID WORKING FROM HOME HAS BEEN **GOOD FOR MENTAL WELL-BEING.*** **

* Source: "Reimagining How I Deliver" Employee Survey 2020
** These figures represent those who expressed a positive or negative opinion regarding the survey question.

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Teams Supporting Communities Across the Globe

KBR employees around the world made a positive impact to their local communities and for their colleagues abroad throughout the pandemic. Below is a snapshot of the initiatives they rolled out in 2020.

- Employees in our Leatherhead office in the UK collected and donated health care products, including sanitizers, paper towels and cleaning wipes, to a local assisted living home in London.

- With shelters and food banks closed throughout Chennai, India, KBR helped create a network of friends and family to assist the city's homeless population. The group raised funds to buy food, water and groceries, and in some cases organically grew and cooked food, packaged it, and then distributed it to those in need. Approximately 150 people a day were served, including lunch and dinner. Volunteers also offered drinks to janitors, security guards and policemen on duty throughout the city. Additionally, KBR employees created an organic sanitizer from a combination of neem leaf paste and turmeric powder diluted in water to disinfect homes and streets.

- Engineers at the KBR office in Oklahoma City, Oklahoma, manufactured and distributed 3D-printed masks to medical personnel and first responders. The group made 100 facemasks, based on the Billings Clinic Foundation design, and worked with the Oklahoma City Police Department and several hospitals, nurses and doctors across the metro area to get the masks to those who needed them. The group also used personal connections to distribute design files and print more masks for medical professionals across the country, including in Colorado, Virginia and Tennessee.

- Employees at KBR's Beijing Technology Center lacked much-needed facemasks in the office and were unable to source any in the local area. Upon hearing this, their teammates in Houston, Seoul and Dubai used their resources and connections around the world to procure facemasks and shipped them to China.

- KBR's Sustainable Technology Solutions business developed a vaccine support partnership with Apollo Hospital Medical Facilities in India, which provided vaccinations for KBR employees and their family members in our Chennai, Gurgaon and Pune offices.

- Vaccination support partnerships were implemented at select sites for clients and KBR employees across the United States. KBR craft professionals took advantage of the opportunity to get vaccinated. We offered free on-site vaccinations at many of our larger client sites and a very high percentage of our employees took advantage of the opportunity.

- KBR provided the majority of labor used to produce N95 and other surgical masks at two Honeywell locations in the Phoenix, Arizona, area.

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Community Support

A list of just some of the charities that KBR proudly supported over 2020:

- AFCEA Low County Chapter – U.S.
- AIChE – U.S.
- Association for India's Development (AID) – India
- Buffalo Bayou Partnership – U.S.
- Cane Bay High School Robotics
- Community Foundation for Surrey – UK
- Chesapeake Orchestra River Concert Series – U.S.
- Cruz Roja Mexicana – Mexico
- Feeding Britain – UK
- Feeding South Dakota – U.S.
- Goonj – India
- Galveston Bay Foundation – U.S.
- Greenwell Foundation – U.S.
- Houston Fire Department – U.S.

- Houston Methodist Hospital – U.S.
- Houston Police Department – U.S.
- Impact A Hero – U.S.
- INCOSE – U.S.
- Leadership Southern Maryland – U.S.
- Marine Corps Scholarship Fund, Houston – U.S.
- Memorial Hermann Hospital – U.S.
- Missionaries of Charity, Inc. – U.S.
- National Society for Prevention of Cruelty to Children Tidworth Service Centre – UK
- Prime Minister's Relief Fund – India
- Galen Catholic College – Australia
- Royal Air Force Winter Sports Alpine Association – UK
- Royal Logistic Corps Foundation – UK

- Southern Maryland Navy Alliance – U.S.
- Special Olympics St. Mary's County – U.S.
- Soldiers, Sailors and Airmens Families Association – UK
- St. Jude Children's Research Hospital – U.S.
- Texas Energy Museum – U.S.
- The Chester Pitts Foundation – U.S.
- The Exceptional Foundation – U.S.
- The Patuxent Partnership – U.S.
- The St. Vincent De Paul Society – Australia
- USS Delaware Commissioning Fund – U.S.
- WaterAid AUS Limited – Australia
- WHO (Covid-19 Response Fund) – Global
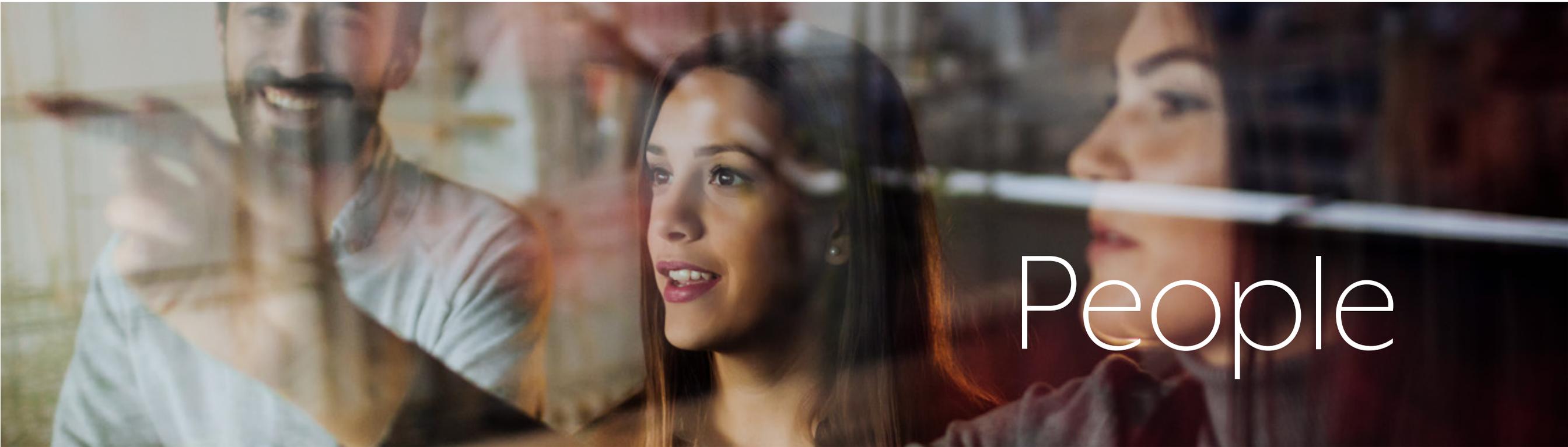
People

In This Section

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People

INCLUSION & DIVERSITY

HEALTH, SAFETY & SECURITY

COMMUNITY ENGAGEMENT

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Please see page 10 for more detail on the ESG topics we measure.

ZERO HARM

A Purpose-Centered Workforce

We develop and deliver technologies and solutions that are helping meet some of the world's most important challenges.

This requires the talents of exceptional scientists, technologists and engineers, and those who support them. While the domain knowledge, expertise, and certainly the personalities and experiences of our people are completely distinct, KBR strives to bring it all together in a common culture built on our "team-of-teams" ethos and our ONE KBR Values.

To accomplish this, we focus on three primary goals:

- **Cultivating a pervasive, authentic sense of belonging**
- **Promoting and enabling employees' growth and development**
- **Supporting their total well-being**

"Our people are the heart of KBR. We aim to inspire them through our purpose, culture and values, and to offer them fulfilling careers and an exceptional employee experience, all underpinned by compelling and competitive rewards."
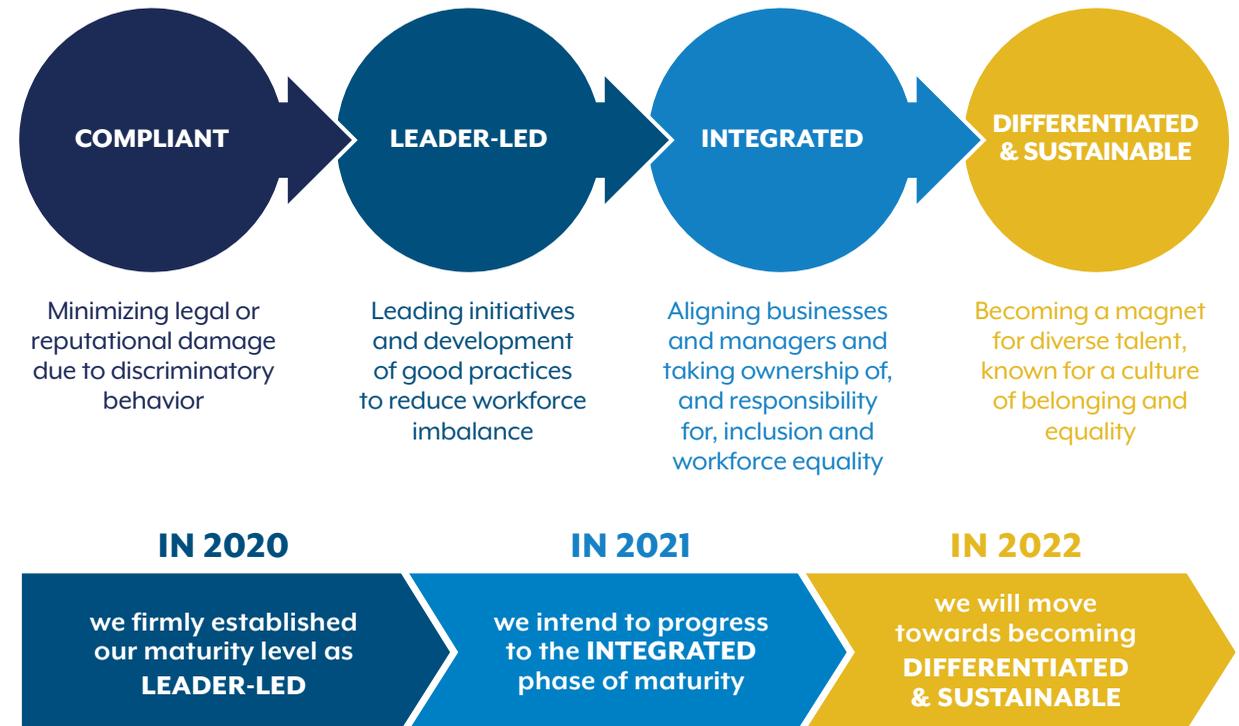
Jenni Myles, Chief People Officer

Belonging

We work hard to maintain and continually improve an inclusive culture that fosters a strong sense of belonging. We believe our individual differences and perspectives bring enhanced value to our teams and help us develop solutions for the most challenging problems. We understand that we are stronger, more resilient and more innovative when all our people can fully contribute and be their true selves at work.

Our Zero Harm philosophy extends beyond physical safety and security on project sites, in the office or at home. It also encompasses people feeling safe by feeling included and equal. By fostering this sense of belonging, our people feel trusted and listened to, and in that environment our people have the **Courage to Care**.

We also make sure that **wealth-building and career-building** opportunities at KBR are fair and equal across the organization regardless of race or gender.

OUR INCLUSION AND DIVERSITY ACTION PLAN

In 2019, we established an Inclusion & Diversity (I&D) Council and committed substantial resources to build initiatives aimed at improving our diversity performance. During the course of 2020, these programs and initiatives started to mature, and we made considerable advances in our inclusion, diversity and equity performance. We developed a strategic maturity model to inform our timeline.

COMPLIANT

Minimizing legal or reputational damage due to discriminatory behavior

LEADER-LED

Leading initiatives and development of good practices to reduce workforce imbalance

INTEGRATED

Aligning businesses and managers and taking ownership of, and responsibility for, inclusion and workforce equality

DIFFERENTIATED & SUSTAINABLE

Becoming a magnet for diverse talent, known for a culture of belonging and equality

IN 2020

we firmly established our maturity level as **LEADER-LED**

IN 2021

we intend to progress to the **INTEGRATED** phase of maturity

IN 2022

we will move towards becoming **DIFFERENTIATED & SUSTAINABLE**

Encouraged with our progress in I&D initiatives, we implemented a comprehensive I&D Action Plan, in line with our UN Decade of Action commitments. Each business and corporate group is responsible and accountable for their own improvements, which are specific, measurable, achievable and time-based. Ultimately, each business is working toward a fully diverse, inclusive and equitable workforce. This plan sets out yearly targets along with three-year near-term milestones for the businesses. These plans are integrated with our Sustainability Performance Indicators, which are aligned with our risk management actions and targets and are linked to our management incentive programs.

All business units and corporate groups have considered and implemented these I&D improvement plans for their respective areas across the organization. This effort was led by our executive leadership team and made available for all leaders and people managers within their businesses.

How are we getting there?

Each of these business unit action plans are guided by the following themes and activities.

HIRING
- Setting minimum diversity requirements for candidate short lists
- Establishing diverse representation in hiring teams
- Focusing on diversity in intern and graduate programs

REWARDING
- Monitoring pay gap for underrepresented groups
- Enhancing family-friendly policies and benefits
- Developing roadmaps to support supplier diversity

DEVELOPING
- Provide relevant education to equip employees to behave inclusively
- Embedding diversity lens in talent processes and conversations
- Developing and sponsoring talent in underrepresented groups

ENGAGING
- Sponsoring employee resource groups to facilitate mutual support
- Enabling flexible working to suit different people and lifestyles
- Utilizing employee surveys to obtain feedback on inclusion

REINFORCING
- Determiniing and publishing lead indicators and measures of success
- Setting targets and aligning incentives
- Sharing the story with employees and other stakeholders

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TOP 50 MOST POWERFUL WOMEN IN OIL & GAS

TOP 50 MULTICULTURAL LEADERS AWARD

VALERIE HULSE

ULYSSES GOREE

2020 I&D ACHIEVEMENTS

Access to Data and Statistics

In Q3 2019, we rolled out a new Human Resources (HR) and Learning Management System to understand, analyze and report on our global workforce with more granularity and accuracy. The data collected supports each of the businesses' I&D action plans.

All managers use individualized dashboards from this management system, allowing them to check lead indicators based on their populations in real time. They monitor key indicators such as headcount, hires, promotions, senior management and turnover.

We developed an education campaign for our employees on the importance of completing their profiles with detailed information. This continued dialogue is improving the quality of our employee data and statistics, informing our I&D initiatives and support programs.

Pay Equity and Career Building

We work hard to ensure wealth-building and career-building opportunities at KBR are fair and equal across the organization regardless of race or gender. We conducted a global pay equity review to better understand our baseline. We understand that pay equity does not fully address any potential pay gaps and we plan to conduct further annual pay equity assessments across the organization to ensure we are addressing and reducing any potential pay gaps.

Education and Unconscious Bias Training

In 2020, we developed an I&D intranet, offering employees access to a variety of education and training materials. Additionally, we put processes in place for people managers and HR recruiters to complete unconscious bias training as part of their annual development plans.

Hiring Practices

We reviewed our outreach and hiring practices and put in place gender-neutral writing guidelines for our recruiters and hiring managers. Interviewing protocols at all levels were established to ensure a diverse and representative group are present during the recruiting and interviewing process.

Reimagined Work Practices

2020 was a year like no other, and our team-of-teams ethos helped us to overcome the challenges of working remotely and flexibly, while still delivering to our stakeholders. The success of flexible and remote working during the pandemic proved that this approach was feasible. We will work to embed these flexible and remote work practices across the company for the long term. We believe this will enhance our ability to attract and retain the best talent, regardless of their circumstances or geographic location.

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Case Study

Women, Peace and Security: How KBR Cultivates Female Engagement Around the Globe

ISOA WPS CERTIFIED · 2020 ·

ZERO HARM

BACKGROUND

After many months of engaging, training and participating in the International Stability Operations Association (ISOA)'s Women, Peace and Security (WPS) program, KBR recently became one of the first companies to become fully certified by ISOA, a significant achievement underscored by KBR's Zero Harm culture.

This certification is also tied to the Global Fragility Act of 2019, which requires the U.S. government — in collaboration with civil societies — to develop a 10-year strategy to enhance stability and reduce violence and fragility globally. As a company standing behind the most critical missions of the U.S. government in overseas locations, KBR is committed to bringing WPS principles of inclusion, support and engagement to women of the nations where it operates.

KBR holds contracts and supports communities around the world where inadequate education impacts the overall success of the people and the economy. KBR combats this problem by hiring host-nation female employees in conflict zones, such as Kosovo, as well as making every effort to encourage their training, education and career advancement. These strategies give women a stronger voice both at work and in their communities, such as in Djibouti, where talented female employees support KBR's asset management program at Camp Lemonnier, the primary base of operations for U.S. Africa Command in the Horn of Africa.

KBR is proud to support these communities as part of our broader safety and social sustainability efforts around the globe. We believe that the involvement of women makes a crucial difference in achieving peace and security.

PROGRESS IN GENDER, RACE AND ETHNICITY

While we acknowledge that we have much more to do before we're a truly diverse and inclusive workforce, we're proud that our I&D efforts are producing results and that we're moving in a positive direction, as evidenced by the statistics below.

GENDER BY THE NUMBERS

Board of Directors and Executive Leadership Team

	GENDER	2019	2020	PERCENTAGE CHANGE
Board of Directors	Men	6	6	0
	Women	2	3	+50%
Executive Leadership Team	Men	10	8	-20%
	Women	1	3	+200%

KBR's Board of Directors realized a 50% increase in number of female directors on the board from 2019 to 2020.

KBR's executive leadership team saw a significant improvement in the percentage of female membership, an 18% increase, from 9% to 27%, from 2019 to 2020.

LEADERSHIP

33% WOMEN ON KBR'S BOARD OF DIRECTORS
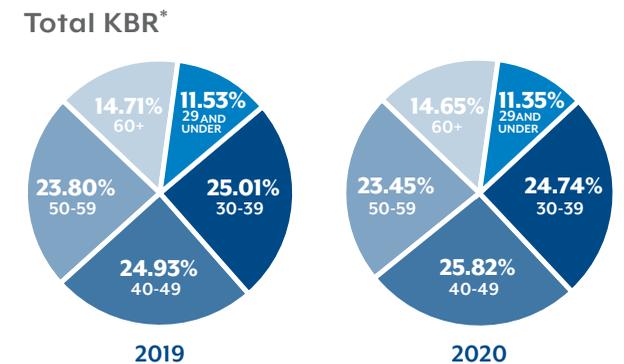
18% INCREASE IN WOMEN ON KBR'S EXECUTIVE LEADERSHIP TEAM IN 2020

Total KBR*

GENDER	2019	2020
Male	19,456	18,665
Female	5,699	5,740
Prefer Not to Answer	62	56
(Blank)	15	9
Other Gender Identity	1	2
Total	**25,233**	**24,472**
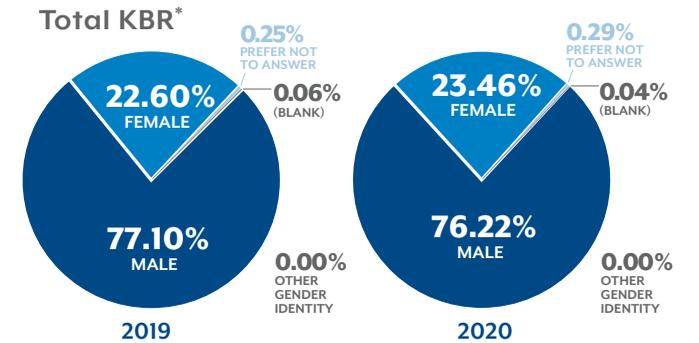
AGE RANGE BY THE NUMBERS

	AGE RANGE	2019	2020
Board of Directors	Under 30	0	0
	30-50	0	0
	Over 50	8	9
Executive Leadership Team	Under 30	0	0
	30-50	1	1
	Over 50	10	10

Total KBR*

2019: 22.60% FEMALE, 77.10% MALE, 0.25% PREFER NOT TO ANSWER, 0.06% (BLANK), 0.00% OTHER GENDER IDENTITY

2020: 23.46% FEMALE, 76.22% MALE, 0.29% PREFER NOT TO ANSWER, 0.04% (BLANK), 0.00% OTHER GENDER IDENTITY

Total KBR*

AGE RANGE	2019	2020
29 and Under	2,910	2,778
30-39	6,313	6,054
40-49	6,291	6,319
50-59	6,007	5,736
60 and Over	3,712	3,585
Total	**25,233**	**24,472**

Total KBR*

2019: 11.53% 29 AND UNDER, 25.01% 30-39, 24.93% 40-49, 23.80% 50-59, 14.71% 60+

2020: 11.35% 29 AND UNDER, 24.74% 30-39, 25.82% 40-49, 23.45% 50-59, 14.65% 60+

*There were approximately 5,000 employees in entities for whom we did not collect this data for in 2020.

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VOLUNTARY TURNOVER RATES 2020* ** ***

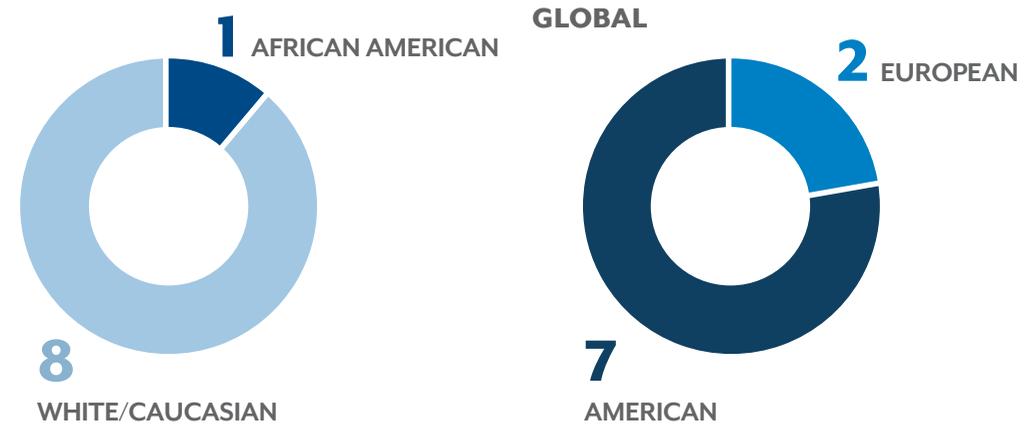| YEAR	VOLUNTARY TURNOVER	STARTING HEADCOUNT	ENDING HEADCOUNT	PERCENTAGE
2019	3,829	26,172	26,280	15%
2020	3,031	25,442	24,514	12.14%

*Voluntary turnover/average end headcount
**We do not report on non-voluntary turnover; however, this data is indicated in end headcount.
***There were approximately 5,000 employees in entities for whom we did not collect this data for in 2020.

RACE AND ETHNICITY BY THE NUMBERS

Board of Directors Race/Ethnicity

1 AFRICAN AMERICAN

GLOBAL

2 EUROPEAN

8
WHITE/CAUCASIAN

7
AMERICAN

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BENCHMARK IN GENDER, RACE AND ETHNICITY***

JOB CATEGORIES	MALE							FEMALE							TOTAL COLUMN A-N
	HISPANIC OR LATINO (A)	WHITE (B)	BLACK OR AFRICAN AMERICAN (C)	NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER (D)	ASIAN (E)	AMERICAN INDIAN OR ALASKA NATIVE (F)	TWO OR MORE RACES (G)	HISPANIC OR LATINO (H)	WHITE (I)	BLACK OR AFRICAN AMERICAN (J)	NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER (K)	ASIAN (L)	AMERICAN INDIAN OR ALASKA NATIVE (M)	TWO OR MORE RACES (N)	
Executive/Senior Level Officials and Managers (1.1)	0	49	3	0	1	0	0	2	8	0	0	1	0	0	64
First/Mid-Level Officials and Managers (1.2)	105	1,451	118	3	126	4	19	53	355	50	2	31	1	13	2,331
Professionals (2)	361	3,333	370	8	442	27	97	200	1,609	257	3	193	11	51	6,962
Technicians (3)	88	503	69	2	18	5	13	24	103	30	2	7	1	4	869
Sales Workers (4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative Support Workers (5)	34	120	33	3	13	1	6	70	270	100	2	12	1	11	676
Craft Workers (6)	184	316	96	10	15	10	16	8	14	7	2	0	1	0	679
Operatives (7)	26	37	15	0	1	1	0	6	14	8	2	0	0	2	112
Laborers and Helpers (8)	81	47	66	1	2	9	14	84	45	56	4	5	14	19	447
Service Workers (9)	36	306	157	0	17	2	28	11	58	54	1	5	0	12	687
Total Employees (10)	915	6,162	927	27	635	59	193	458	2,476	562	18	254	29	112	12,827

*These statistics are for the U.S. only.
**Source EEO-1 Report 2020.

WORKER TYPE***

	Overall	Administrative Support Workers	Craft Workers	Executive/Senior Level Officials	First/Mid-Level Officials & Managers	Laborers and Helpers	Operatives	Professionals	Service Workers	Technicians
Protected Veterans	988 (7.7% of headcount)	11	95	1	138	15	11	579	89	49
Individuals with Disabilites	523 (4% of headcount)	14	49	0	81	24	12	280	38	25

*These statistics are for the U.S. only.
**Source EEO-1 Report 2020.

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EMBRACING INCLUSION THROUGH EMPLOYEE RESOURCE GROUPS

All In and the Cornerstones

All In is KBR's global community dedicated to promoting and strengthening our I&D culture. The vision of All In is to make KBR an employer and contractor of choice where all employees, customers and partners are included and celebrated, and where a diverse team of teams collaborates to uphold our commitment to sustainability in the communities where we live and work.

The Mission of **All In** is to:

- Advocate for a safe, inclusive culture at KBR by providing awareness, education and a collaborative community to advance diversity in the business
  - Promote the sponsorship and advancement of underrepresented talent
    - Connect, unite and uplift a diverse community of passionate employees
    - Build a culture of belonging at KBR

All In is guided by five value-based Cornerstones that promote key I&D fundamentals. They reflect action-oriented behaviors for promoting I&D within KBR.

ADVANCE: WOMEN LEADERS

We are committed to the promotion of gender diversity in all our global businesses and specifically the advancement of women in leadership.

ADVOCATE: INDIVIDUALS WITH DISABILITIES

Through education and support, All In aims to promote positive awareness and combat common stereotypes and hurtful assumptions about individuals with disabilities.

ALLY: LGBTQIA+

We are committed to allying with our LGBTQIA+ friends and colleagues to combat the historical intolerance and prejudice they have suffered both at home and on the job.

EMPOWER: RACIAL AND ETHNIC IDENTITY

As a global company, we are proud to have employees and leaders representing a wide variety of countries, histories and cultures, and we commit to learning about the histories and life experiences of our colleagues and thoroughly understanding the talents they bring to KBR.

HONOR: VETERANS

We recognize that veterans are uniquely loyal and dedicated leaders who are committed to their mission, wherever they may serve. All In aims to honor veterans' service and invest in their future through knowledge sharing and empathy.

How Our Employee Resource Groups Support the Cornerstones

The I&D employee resource groups (ERGs), such as ASPIRE and Pride & Allies, are communities of volunteers who promote education and awareness and sponsor events in support of the Cornerstones. The Cornerstones set out the areas of focus and urgency for I&D at KBR. The ERGs are the grassroots communities of passionate KBR volunteers, that deliver content and awareness in support of the Cornerstones and provide a platform for KBR employees of all experiences to connect with each other.

In 2020, we provided incremental support to our ERGs, connecting them across our entire I&D platform and globalizing them to make them accessible to all employees. They include:

Aspire

Aspire's mission is to cultivate women leaders and promote gender diversity through a collaborative community that benefits employees and KBR. Their vision is to make KBR an employer of choice where women are influencing, leading and learning.

Pride & Allies

The vision of Pride & Allies is to work collaboratively to create and maintain a safe, supportive working environment at all KBR locations, and to offer support and advice via shared education and information.

Reconciliation Network

The Reconciliation Network's purpose is to create more opportunities for Aboriginal and Torres Strait Islander peoples in Australian communities and companies, including increased employment, training, mentoring and support, and to enhance retention and career progression and engagement with Aboriginal businesses.

Global Parents' Network

Recognizing the unique pressures parents and caregivers face, this group provides support and serves as a forum for discussing solutions and ideas for improving workplace flexibility for all parents and caregivers.

Employee Resource Groups, Cont.

KBR ERGs evolve organically from our employee base and amplify the feeling of belonging at KBR. They have a lasting positive impact on KBR employees by promoting community, advocacy and mutual support. In 2020, they connected hundreds of colleagues through virtual learning and networking events.

We have several ERGs that fall outside the scope of the All In community. Although they do not specifically focus on I&D, these ERGs are important networks that can support our colleagues with a wide range of resources, as many of our individual experiences are intersectional.

IMPACT

This ERG for young professionals in KBR's employee base offers career development opportunities and resources for its members. They learn about distinct parts of the business, develop new professional skills to improve effectiveness, and network with KBR senior leaders while engaging with other early career professionals.

OK NoW

KBR's Network of Well-being (NoW) raises awareness for and facilitates discussion around mental health and well-being, aiming to create a culture of understanding and empathy for these important issues.

KBR Sustainability and Corporate Responsibility Report 2020 INTRODUCTION **PEOPLE** PLANET GOVERNANCE INDEX APPENDIX **31**

A Purpose-Centered Workforce **Belonging** Growth and Development Well-Being Awards

A GLOBAL WORKFORCE

Our employees are made up of a multitude of nationalities across the globe. We have robust programs, policies and procedures in place to ensure we support them wherever they are
located around the globe. See Security in our Health and Safety section and our
Global Human Rights Policy.

The percentage of KBR employees that are foreign nationals*, that is anyone requiring an employment visa for work in the country in which he/she is employed, is **22.32%**.

Offshore Workers

COUNTRY	PERCENTAGE
United States (U.S.), Canada, Mexico	7%
Europe, Middle East and Africa (EMEA)	1%
Asia-Pacific (APAC)	0%

*See Appendix for foreign workers information.

MAKING WORK *WORK* FOR EVERYONE

The experience of remote working throughout 2020 and beyond provided the opportunity to rethink how our people, our workplaces and our supporting technology fit together. At KBR, we reimagined how we deliver by challenging traditional mindsets, management styles, work practices and workplace design.

As part of our I&D planning, we work closely with the Talent Development team to ensure our leadership development and succession planning focuses on female retention, from junior management into senior management roles. See our Growth and Development section.

We will continue to offer employees the choice to work remotely or choose other flexible ways of working through a hybrid model. This incorporates existing benefits that specifically support a work-life balance and are available to **all employees and contractors, full time and part time:**

- Flexible scheduling (Agile Work Weeks)
- Remote working
- Part-time working
- Parental leave (UK, EMEA, U.S. variations)
- Paid time off

In addition to these benefits, we provide generous time-off programs to accommodate family and personal needs.

Our AWW schedule allows employees to:

- Balance their work priorities and home life
- Maintain productivity and morale
- Maintain business efficiency
- Mitigate environmental impact by reducing the number of peak-time commuter journeys
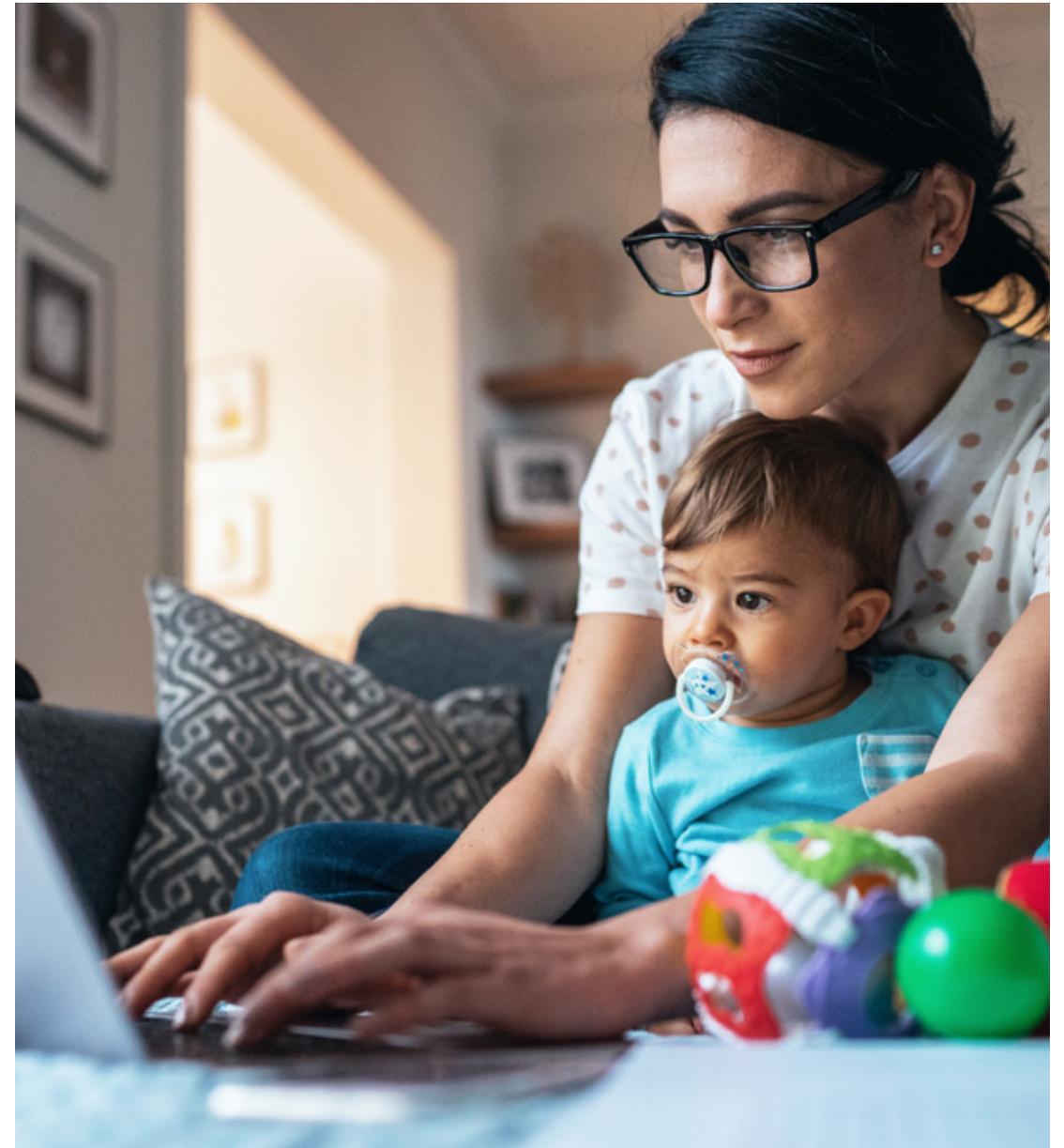
BENEFITS FOR ALL

To attract and retain the best and brightest talent for the future, we offer compelling reward packages for diverse populations across the globe. Our competitive compensation and benefits are an essential component of our employee offering and include:

- Employee Extras program (discounts for retail and destinations)
- Generous retirement package
- Savings plans
- Legal Insurance

Financial Wellness Program

This benefit helps employees reach their financial goals and plan for the future through an online educational portal, live and recorded webinars, and one-on-one consults with a financial advisor. [Offered to U.S. employees only at this time]

ONE KBR Award

The ONE KBR Award Program is designed to recognize and reward individuals or teams whose performance is outstanding, who go above and beyond for the benefit of the company, and who consistently demonstrate our ONE KBR Values.

Employee Stock Purchasing Program (ESPP)

Our ESPP is available for both full-time and part-time employees and all contractors. This benefit provides employees with the opportunity to purchase KBR common stock at a discount during two enrollment periods each year through payroll deductions. We currently offer this to eligible employees in Australia, Canada, the United Kingdom and the United States.

Educational Reimbursement and Support

We encourage career progression and educational development through our Education Reimbursement and Support program. We provide a comprehensive financial reimbursement scheme to all employees to obtain additional education or training through an accredited college or university degree program and/or professional certification and career development programs.

Growth and Development

KBR is on a journey to become a more people-driven, technology-enabled, sustainable company. We bring together the best and brightest minds from across the globe and many technical disciplines to deliver technology and solutions that help our customers accomplish their most critical missions and objectives. Enabling our employee's growth and development is key to achieving this vision, from top-level management through to our technical associates, graduates and apprentices.

CAPITALIZING ON CAPABILITY

KBR is committed to investing in its people and creating environments where employees can thrive and successfully progress their careers, while adding competence and capability to the team to accomplish business goals. **All employees have access to a multitude of developmental programs to increase their skills, broaden their experience and enhance their future career opportunities.**

Our commitment to people development and learning goes beyond simple regulatory compliance and includes leadership, management, interpersonal skills, communication and future-proofing skills, and technical learning opportunities.

We manage our global training and education through an integrated set of management practices, policies and procedures; an enterprise-wide learning management system (LMS); an enterprise Talent Development Centre of Excellence; and as-needed actions and programs. We also use a globally recognized Analysis, Design, Development, Implementation and Evaluation (ADDIE) model for training needs assessment, development and delivery.

Training and learning interventions deployed by KBR are systemic and are used to proactively reach a defined audience. Topics such as safety, environmental protection, information security and our Code of Business Conduct (COBC) are intentionally directed toward a broad audience across the organization. They are compulsory and monitored via our cloud-based learning management system. These training programs apply to all employees of KBR, its subsidiaries and affiliated companies worldwide.

Other training and education initiatives may be ad hoc or responsive to a particular business need. Ad hoc or responsive training may be shorter term in focus. However, we believe training should promote a longer-term perspective toward deeper leadership and management skills development to improve operational performance and employee experience.

OUR TALENT CYCLE

We proactively manage talent and succession for leadership and mission-critical roles, offer development opportunities to all our people, and support them with ongoing feedback and coaching. Our future success is ensured by the quality and depth of our leadership and technical and functional talent.

Our talent cycle is founded on assessments of performance and potential and robust talent calibration, viewed through the lens of business-critical talent pools. Our leadership talent pools are nurtured and challenged through structured global programs, which enable development of capabilities required at critical career stages. These include opportunities for first-time managers, frontline managers, high-potential leaders and executives.

This includes working with our I&D Council to ensure that we are proactively targeting first-time and junior mangers in less well represented groups, especially women, to ensure we are nurturing and retaining talent in these groups from the ground up. We have established specific training courses for this purpose. See General Workplace Training for more detail on this area.

Our commitment to the development and learning of our people is represented by an integrated talent development matrix of technical skills, interpersonal and general workplace skills, leadership and management skills, and skills for the future.

TALENT DEVELOPMENT

TECHNICAL SKILLS

INTERPERSONAL SKILLS

EXECUTIVE LEADERSHIP SKILLS

SKILLS FOR THE FUTURE

Technical Skills:

- Competency frameworks
- Capability identification, assessments and tagging
- Technical development programs
- Career planning and coaching
- Mentoring by Fellows and technical experts
- Targeted education assistance
- Links to Communities of Interest
- Links to Centers of Excellence
- Graduate programs
- Intern programs
- Other programs (e.g., apprenticeships)

General Workplace Skills:

- Resilience
- Agility
- Collaboration
- Communication
- Emotional intelligence

Executive Leadership Skills

- Global Leadership Development Program (GLDP)
- Manager Excellence Program (MEP)
- Business-unit-specific
- Leadership programs
- Succession planning
- Talent calibration

Skills for the future

- Green skills
- Digitalization
- Energy transition
- Sustainability
- Skills for the 21st century

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JOB-SPECIFIC AND TECHNICAL SKILLS TRAINING

As a technically complex, diverse and global company, it is best practice for job-specific training to be developed and implemented within the business units to ensure relevant and timely competence and job performance impacts.

Training development is guided by the KBR Training Standards Toolkit, an enterprise resource built on the globally recognized ADDIE best practice model. Using the toolkit, business leaders, HR business partners and learning coordinators have a common methodology for assessing learning requirements, designing and developing the interventions, implementing training, and assessing the impact on job performance. Some examples of job- and business-unit-specific skills training include:

- **Government Solutions U.S. Defense & Intelligence – Systems Integration Academy:** Provides career-path training to develop system integration skills to an industry standard, resulting in a professional certificate.
- **Integrated Solutions – U.S. Projects Group – Customer Development Program:** Combines business and interpersonal skills for project managers and leaders to understand customer relationship management and business development needs analysis.
- **Government Solutions, UK for Home Office – New Starter Induction training:** This two-week course based on specific process knowledge and competencies used in the contact center environment uses both classroom and

on-the-job learning interventions and recurring Annual Business Continuity and Disaster Recovery Training.
- **Government Solutions U.S., National Aeronautics and Space Administration (NASA) Johnson Space Center – Health and Human Performance Counterfeit Parts (HHPC) Awareness:** A job-specific training intended to introduce counterfeit parts and the risk associated with procuring/supply chain, identifying/inspecting, and implementation of counterfeit parts in the build of space flight hardware. HHPC Administrative Training is required for new hires and annually on NASA/government requirements.

- **Global – People Managers:** In the wake of COVID-19 and subsequent changes to our working environments, KBR deployed live facilitated training sessions on "Managing Virtually" to help people managers understand different dynamics of leading virtually.
- **Government Solutions U.S. – Science & Space NASA – Organization Conflict of Interest:** Training designed to assist employees in understanding organizational conflicts of interest as defined by the Federal Acquisition Regulation (FAR). The audience includes all employees on a specific contract, and it was created with non-specific contract language included so that it could be launched to any employee.

GENERAL WORKPLACE SKILLS TRAINING

In addition to customized training and learning programs developed by business units and functions, KBR provides a catalogue of tens of thousands of learning modules, expert videos, eBooks, audio books and job aids.

The catalogue of learning is organized into learning journeys that target job performance skills in many areas. **These include technology, business management, leadership, project management, health and safety, inclusion and diversity, business analytics, and emotional intelligence.** Learning journeys are available 24 hours a day, 7 days a week, 365 days a year from employee desktops and mobile devices, enabling uninterrupted access to learning. Examples of Learning Journeys and live bootcamps used by KBR people also include:

- **Leading in an Uncertain World**
- **Sustainable Business Practices**
- **Women's Career Development & Advancement**
- **Information Journeys:**
  - Blockchain
  - Cloud Computing
  - AI/Machine Learning/Data Analytics
  - Dev Ops/IT Operations
  - Cyber Security

- **Leadership Development Journeys:**
  - Leadership Essentials
  - Leadership Mindset
  - Leadership Transitions
- **Business Management Journeys:**
  - Marketing
  - Human Resources
  - Inclusion and Diversity
  - Product Management
  - Customer Relationship Management
  - Building Resilience

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MANAGEMENT AND LEADERSHIP TRAINING PROGRAMS

- **Global Leadership Development Program (GLDP)** – The year-long GLDP consists of an intensive live executive assessment simulation; three week-long classroom sessions on strategy, people development, inclusion and diversity, and communication; and a strategic business project and presentation to the KBR executive leadership team.
  - GLDP targets top candidates for future executive leadership.
  - The 2019-2020 class consisted of 18 senior, high-potential leaders from across our business units and functional groups.
  - To date, the program has run three times over six years, resulting in 50 alumni who are visible leaders for KBR.

- **Manager Excellence Program (MEP)** – The MEP learning program is a year in duration and consists of an online leadership assessment simulation and several classroom sessions on operational execution, coaching performance, inclusion and diversity, and communication. The capstone event focuses on presentation of a business case to executives.
  - MEP targets high-potential leaders with eight of more years' experience who are candidates for taking on greater leadership responsibilities for KBR.
  - The 2019 program included three cadres for a total of 55 participants. Students represented all business units and functional groups globally.
  - The 2021 program includes 50 participants.

- **Business-Unit-Specific Leadership Programs** – In addition to global leadership development programs, KBR business units run focused development initiatives based upon specific identified needs. Some recent examples include:
  - Government Solutions U.S. – Leadership Strategies – A development program that includes a week-long classroom session targeting top managers across the business unit; approximately 60 leaders participated in 2019, and 24 are participating in 2021.
  - Integrated Solutions – International and Government Solutions EMEA – Accelerated a multi-month leadership development program in the UK based on the 7 Habits of Highly Effective People.
  - Government Solutions Asia Pacific – Behavior and Interviewing Skills for hiring managers; utilizing research-based interview techniques to improve hiring results.

69% of our global workforce participated in career development training in 2020.

Total number of **hours of training in 2020 per person.**

TOTAL TRAINING HOURS	MALE	FEMALE	UNSPECIFIED GENDER	TOTAL
I&D	859	282	2	1143
Total Well-being	1,659	554	18	2,231
Compliance	20,672	6,887	127	27,686
Development	49,804	16,510	516	66,830
Percipio Development	457	198	33	688
TOTAL	**73,451**	**24,431**	**696**	**98,578**

Approximately 75% of these total training hours are for men and 25% are for women. Relative to our 2020 male-female population breakdown rates of 76% men to 24% women, currently women are receiving a higher number of training hours than men.

100% of our employees, directors and contract employees receive compulsory annual ethics training.

Employees and contract employees receive an average of 4.03 hours of training annually.

TALENT MANAGEMENT POLICY

KBR training and education is covered by our global Talent Management Policy, which is approved by the Executive Vice President, Chief People Officer.

The policy sets out the following commitments:

- KBR is committed to the continued development of its employees and believes the employee and the company have a shared responsibility for career and individual development. KBR recognizes the need for employees to acquire additional skills, knowledge and experience to meet the short-term needs of the job, as well as the longer-term needs of the individual and the company to further their careers within KBR.
- We provide guidelines and procedures to enable KBR's leaders to consistently model and communicate the KBR Way for developing employees, inclusive of identifying and aligning talented employees with the needs of the organization.
- KBR provides guidelines for managers and employees to work together to plan, monitor and review an employee's work objectives and overall contribution to the organization. Our continuous process of setting objectives, assessing progress, and providing on-going coaching and feedback helps ensure that employees are meeting their performance and career goals.
- Employees have equal access to developmental programs to increase their skills, broaden their experience and enhance their future career opportunities.
- Employee development is covered by a set of Talent Development procedures for **Talent Review, Performance Management and Succession Planning,** which provide guidelines for gauging performance and potential, coaching performance and sponsoring development for employees.

TALENT DEVELOPMENT THROUGHOUT KBR

Managers play a vital role across the annual goals-to-performance process, understanding learning and development needs and helping employees find appropriate resources. KBR's business units maintain responsibility for budgeting for employee development each year.

Training and education objectives are identified and prioritized by business owners and technical leaders and supported by HR business partners and Talent Development. Content and learning methods are developed through business reviews and environmental scans to reduce harm, improve skills and abilities, and create a culture of inclusion, engagement, and accomplishment.

HR leaders and representatives in the business units actively partner with business and technical leadership to understand competency, skill development, and education needs to shape programs and approaches.

The corporate Talent Development group is funded to support global leadership programs, targeted coaching and learning interventions, analytics and reporting, as well as talent, succession, and performance management processes. The Talent Center of Excellence (COE) also partners with business, technical, and HR leadership to define needs and identify resources for learning and development interventions.

TRAINING AND EDUCATION RESOURCES

KBR training and education is enhanced by robust resources:

- **Enterprise-wide, learning management system (LMS)**, which is cloud based and accessible via desktop and mobile device, on or off premises, allowing for access to learning 24/7/365.

- **Learning library of over 46,000 eLearning modules**, expert videos, eBooks, audio books and performance support tools. This entire library is available via the global LMS to any employee with connectivity.

- **Technical Leads** — subject matter experts in key knowledge domains — who identify critical skills and competencies needs, recruitment and skills development.

- **Global Communities of Interest (COIs)** — knowledge-based, employee-led cross-organizational networks — designed to facilitate knowledge sharing and identification of expertise and internal best practices.

- **Learning Coordinators in all business units** who can create, publish, assign, and report on training activity in the business unit or function.

- **HR business partners and Learning Coordinators** across business units focused on meeting specific training and education needs.

- **Talent Development COE dedicated to delivering global leadership programs**, targeted coaching and learning interventions, analytics and reporting, as well as talent, succession, and performance management processes. The Talent COE also partners with business, technical, and HR leadership to define needs and identify resources for learning and development interventions.

PERFORMANCE MANAGEMENT

KBR's Performance Management process links our business strategy and goals to the performance of our employees. The process is governed by the Talent Management Policy, guided by a Performance Management procedure, and includes goal alignment, performance coaching, feedback and development.

The annual performance process is designed to ensure that KBR employees' performance and development goals are clearly defined and discussed and effectively and fairly managed. This is accomplished through regular one-to-one meetings between managers and employees, interim reviews and annual performance assessment reviews.

The annual Performance Management cycle involves three key activities:

1. Employee goal setting
2. Quarter conversations
3. Annual performance review

KBR is piloting new approaches to performance coaching to increase our emphasis on the conversation between team leaders and team members. The pilot design includes less administrative activity and documentation. Team members and leaders are asked to check in regularly on several guidance questions: what is going well, where are there opportunities for improvement, what resources are needed, and what priorities are for the period ahead?

In 2020, **100%** of eligible employees participated in our performance management program*.

Eligible employees for performance management cycle include regular, expatriate project, and expatriate non-project employees; a total of 14,400, 59% of total global employee groupings. This program does not include project and temporary hires; union, affiliate and limited company employees.

TALENT PIPELINE DEVELOPMENT STRATEGY

KBR combines HR and people analytics via the global HR data system and several key people processes to assess the talent pipeline and adjust hiring and development strategies. The frequent conversations in the performance coaching process are combined with employee feedback via an **annual** global engagement survey. Performance coaching is intended to be strengths–based and forward looking, and should identify development opportunities for team members. The performance process is combined with KBR's Talent Calibration and Succession Planning processes to give a complete picture of the talent bench strength and needs for the future.

Succession Planning: In our 2020 succession planning, we identified potential successors for each of our executive and senior leadership roles.

Individual experience: Team members have frequent one-on-one conversations with their managers to ensure alignment of skills and abilities to business objectives, and to provide a dialogue around resource and development needs and goals for the future. In addition to the one-on-one conversations, all employees can create development goals in the global Human Resources Information Systems (HRIS) and also provide feedback via the annual engagement survey. Managers are also provided a guide for gauging performance.

Manager Workforce Evaluations: KBR leaders from the executive team (CEO and direct reports) down to all business and functional leaders at the senior vice president and vice president levels, undertake formal Talent Calibration reviews for their direct reports, and **succession plans are created annually** for critical leadership roles. Talent calibration centers around a conversation between the leader and her/his one-up manager, together with the HR business partner.

Talent calibrations look at performance and potential of each team member and provide a snapshot of talent bench strength and gaps. Talent calibration conversations result in development action items which the team leader and HR partner action with employees.

Beyond the performance, **calibration** and **succession** talent processes, KBR undertakes significant work around people metrics. A cross-functional work team meets regularly

with the Chief People Officer to review key HR and people metrics. People data reporting populates Manager Dashboards within the global HRIS platform, so that businesses and HR leaders can see data in real time.

UNIVERSITY PARTNERSHIPS

We partner with universities around the globe, enhancing our skills development and partnership work in cutting-edge research and development in the fields of science, technology and engineering, as well as executive leadership.

These university programs and partnerships enhance product innovation, provide mentoring experiences, real-life case studies and placement opportunities.

Southampton University

Supporting a 4-year **MEng Electrical Engineering** course, KBR sponsors the final year project. Consisting of five to six students each year, KBR engineers mentor students through the project and in some cases recruit them afterwards. The intellectual property (IP) is retained by the university, and the knowledge and findings are shared with KBR. Students produce end-of-year reports for KBR. This program has been running seven years.

This earlier year Southampton University program provides a select **multidisciplinary research** team of five to six students in the second or third year to work with KBR on discrete projects. This year's cohort completed a study on smart cities, developing green plans and investigating technologies, methodologies and metrics. Students present their findings and share their research and innovations with KBR. This group has run for two years.

Sussex University

Sussex University select **computer science** students and subsidize an eight-week internship with KBR. The interns work on projects such as laser scanning, research, digital twinning and coding. KBR has recruited several interns from this program. This program has been running for three years.

King's College University

Since 2017, KBR has supported select students from the Kings College London Masters by providing three-week internship in the Project Controls department. Each year the intern works on risk management and business transformation.

University of Houston

Construction Management Petrochemical program – KBR representatives serve on the industry advisory board and shape the university's curriculum and we provide placement opportunities for students who choose to join KBR's internship program.

Supply Chain Management (CPSM Certification Course) – KBR's Supply Chain Department partnered with the University of Houston's Supply Chain and Logistics Technology Department. Through this partnership, KBR provides the next generation of supply chain professionals global, first-hand experience of working in the supply chain industry. Students receive a robust mentoring experience that exposes them to real-life challenges. In addition, KBR receives a direct line into supply chain talent pools in order to attract the most promising and diverse candidates in the Houston area. Click here for full details.

University of Houston Law Center

KBR participates in the **JD Advantage** program focused on non-legal careers for lawyers. We also present on panels regarding alternative career opportunities and mentoring for diverse juris doctor (JD) and international LLM (Master of Laws) degree students. JD advantage legal careers are positions defined as law-related careers where a law license is not required, but a law degree is a considerable asset. These careers exist across all industries and are typically reserved for individuals who have some sort of advanced training. Examples of positions for which a JD is an advantage include jobs in personnel or human resources, investment banking, consulting, compliance, law firm professional development, and law school administrative offices.

The University of Houston Law Center (UHLC) has decided to capitalize on this growing legal market trend and establish a recruiting event specifically geared towards these non-traditional, law-related employment opportunities. The JD Advantage Career Table Talk (JDATT) invites employers to campus to speak to UHLC students and recent graduates about their organization and the opportunities they have for law students or graduates looking to embark on a non-traditional legal career. For more information, see UHLC website.

Virginia Tech, Louisiana State Univ. and Univ. of Houston (KBR Financial Leadership Program)

The Financial Leadership Development Program (FLDP) is a rotational program designed to develop high-potential finance talent into future finance leaders at KBR. The program is a premier entry point into KBR's global ffinance organization, providing exposure to key finance areas through four six-month rotational opportunities in such organizations as Accounting, Tax, Treasury, Financial Planning and Analysis, and Internal audit.

Employees are challenged to demonstrate adaptability and agility by working in varied rotations across the finance organization in Houston, Texas; the Washington D.C. Metropolitan Area; or other KBR locations, with an international rotation in Leatherhead, UK.

In addition to gaining well-rounded professional experience and exposure to key business lines, employees will engage in development and leadership activities throughout the program. This program also provides support for certified public accountant (CPA) certification. Upon completion of the program, graduates transition to a position on the KBR Finance team.

We also offer a Finance Intern program designed for college students to learn about KBR over the summer. Ideally most of the FLDP participants come from the pool of former interns from Virginia Tech, Louisiana State University and the University of Houston, but the program is open to candidates from other education institutions.

THE ONE KBR TECH FELLOWS PROGRAM

In support of our mission to become a more people-driven, technology-enabled, sustainable company, KBR is launching the ONE KBR Tech Fellows Program to recognize, reward and harness the capabilities of distinguished technical leaders across the organization. Tech Fellows will include KBR employees who have consistently executed challenging and innovative technical programs; published and presented significant research findings in their field; advanced the state of the art in their discipline; and developed and mentored technical talent at KBR. Fellows will be asked to:

- Review technical issues relevant to customer proposals and solutions development
- Provide internal leadership through Communities of Interest, mentoring and KBR workforce seminars
- Collaborate and identify opportunities to leverage knowledge across business units, customers and industries
- Present papers and chair sessions at relevant conferences
- Promote the Tech Fellows Program and connect with subject matter experts across KBR
- Conduct regular reviews with the Strategic Solutions Group to provide updates and track progress
- Potentially review future Tech Fellows Program applications, papers and presentations as emeritus member

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KNOWLEDGE SHARING AND INNOVATION

We know that creating opportunities to share, challenge and learn is vital for those who possess genuine professional and scientific curiosity. We have established **Communities of Interest, Communities of Practice and Centers of Excellence** to connect technical experts across the globe on a wide range of areas, including human performance enablement, artificial intelligence, machine learning, cyber, circular economy, energy transition and sustainability. As well as helping people grow, these collaborations foster innovation toward solving real-world problems.

Our professional and technical learning is also supported by IMPACT, KBR's early career ERG, which sponsors global learnings such as Vision Series webinars, where senior leaders engage with up-and-coming professionals to feed their curiosity, drive and motivation. At the same time, it provides an opportunity for leaders to learn from young professionals with fresh ideas and new perspectives.

	STRATEGY
COI COMMUNITY OF INTEREST	■ Deploy for key capabilities and emerging technologies ■ Focus on knowledge sharing and technical reach back ■ Broad participation 　■ Open to all KBR employees 　■ Targets subject matter experts (SME) and interested functional/operational staff 　■ Organic; led by SMEs without management directive
COP COMMUNITY OF PRACTICE	■ Deploy for "like" functional or work group practitioners within a business segment or across business segments ■ Execute outcome-based activities through small working groups ■ Limit membership 　■ Open to specific function/work group practitioners only 　■ Operate under guidance from executive sponsor
COE CENTER OF EXCELLENCE	■ Deploy for select transformative strategic areas (i.e., energy transformation, digitalization) ■ Execute outcome-based activities through small working groups ■ Limit participation; deliverables available to all 　■ Permanent Advisory Board and set of SME working group leads 　■ Additional SMEs added to working groups on demand

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ANNUAL EMPLOYEE SATISFACTION SURVEYS

We now perform an annual, comprehensive, anonymous workplace survey across the entire organization to monitor overall employee satisfaction and perspectives. In 2020, we released an enhanced survey, Reimagining How I Deliver, to capture additional feedback to determine whether employees had the right tools and support systems in place to work from home and cope with COVID-19. We monitored the feedback to inform and adjust our health and safety programs, including mental health and well-being, to ensure employees were receiving the correct level of support to remain healthy, safe and productive. In addition to planned annual surveys, KBR seeks employee feedback and satisfaction via smaller more frequent feedback surveys.

96%
SAID THEY CAN
ACCESS THE BUSINESS TOOLS AND INFORMATION THEY NEED WORKING FROM HOME.

94%
OF MANAGERS SAID
THEIR DIRECT REPORTS ARE AS EFFECTIVE AND PRODUCTIVE WORKING FROM HOME AS THEY WERE IN THE WORKPLACE.

93%
FEEL AS EFFECTIVE AND PRODUCTIVE WORKING FROM HOME AS IN THE NORMAL WORKSPACE.

98%
claim good communication and teamwork in virtual environment.

92%
feel as included in the business as before.

76%
feel as socially included with coworkers as before.

Source: "Reimagining How I Deliver" Employee Survey 2020.
All figures on this page represent those who expressed a positive or negative opinion regarding the survey question.

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How many employees were invited to take part?

24,066

How many respondents?"

8,608

Completed the survey

36%

14,487

comments

ZERO HARM* **

1 My home office space is set up safely and is free from hazards and distractions.

83% | **15% NEUTRAL** | **2%**

AGREED/
STRONGLY AGREED   DISAGREED/
STRONGLY DISAGREED

2 Working from home has been good for my mental well-being.

65% | **29% NEUTRAL** | **6%**

AGREED/
STRONGLY AGREED   DISAGREED/
STRONGLY DISAGREED

Women more likely to strongly agree
(36% vs 29% of participants)

Men more likely to strongly disagree
(77% vs 71% of participants)
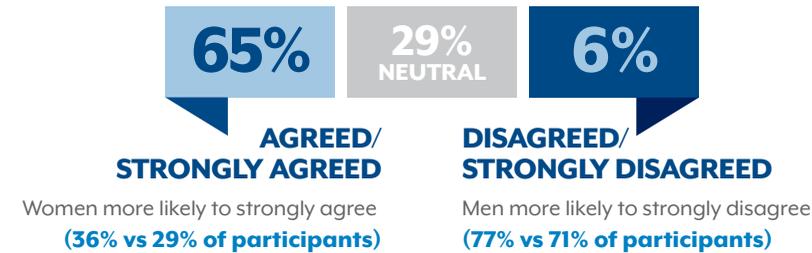
3 I feel safe returning to the workplace knowing the changes that have been made/are being made to enable social distancing.

46% | **15% NEUTRAL** | **39%**

AGREED/
STRONGLY AGREED   DISAGREED/
STRONGLY DISAGREED

Those in staff roles are more likely to strongly disagree
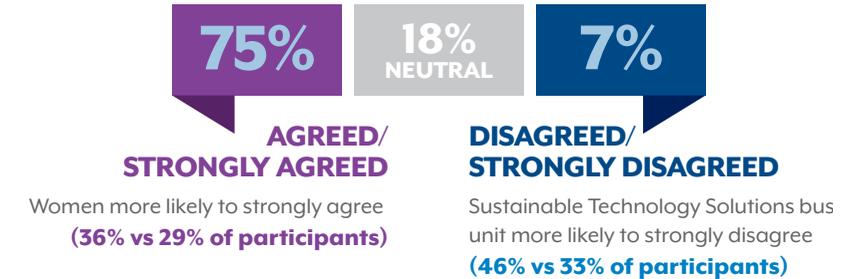**(69% vs 62% of participants)**

Women are more likely to strongly disagree
(40% vs 29% of participants)

INCLUSION* **

1 My work group/team is communicating and working effectively together in the new virtual environment.

87% | **11% NEUTRAL** | **2%**

AGREED/
STRONGLY AGREED   DISAGREED/
STRONGLY DISAGREED

2 I feel as included in the business as before (e.g., through participation in management discussions and decision making).

75% | **18% NEUTRAL** | **7%**

AGREED/
STRONGLY AGREED   DISAGREED/
STRONGLY DISAGREED

Women more likely to strongly agree
(36% vs 29% of participants)

Sustainable Technology Solutions bus unit more likely to strongly disagree
(46% vs 33% of participants)

3 I feel as included socially as before (e.g., through informal "water cooler" type connections with coworkers).

55% | **27% NEUTRAL** | **18%**

AGREED/
STRONGLY AGREED   DISAGREED/
STRONGLY DISAGREED

Government Solutions U.S. business unit more likely to strongly agree
(56% vs 48% of participants)

*Source: "Reimagining How I Deliver" Employee Survey 2020.
**These figures represent those who expressed a positive, negative or neutral opinion regarding the survey question.*

ZERO HARM
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FORMAL GRIEVANCE REPORTING AND ESCALATION PROCEDURES

Employees are informed about grievance processes on our website, on the KBR intranet, in their COBC training, and in their induction training and KBR starter packs.

We have a dedicated Dispute Resolution Program (DRP) that offers flexible options for airing and settling every kind of workplace conflict, while maintaining strict adherence to confidentiality and neutrality. The DRP is open to all and helps resolve disputes ranging from minor misunderstandings to violations of legally protected rights. The goal of the DRP is to resolve disputes quickly and fairly, repair damaged relationships, and foster a better work environment.

ZERO HARM
COURAGE TO CARE
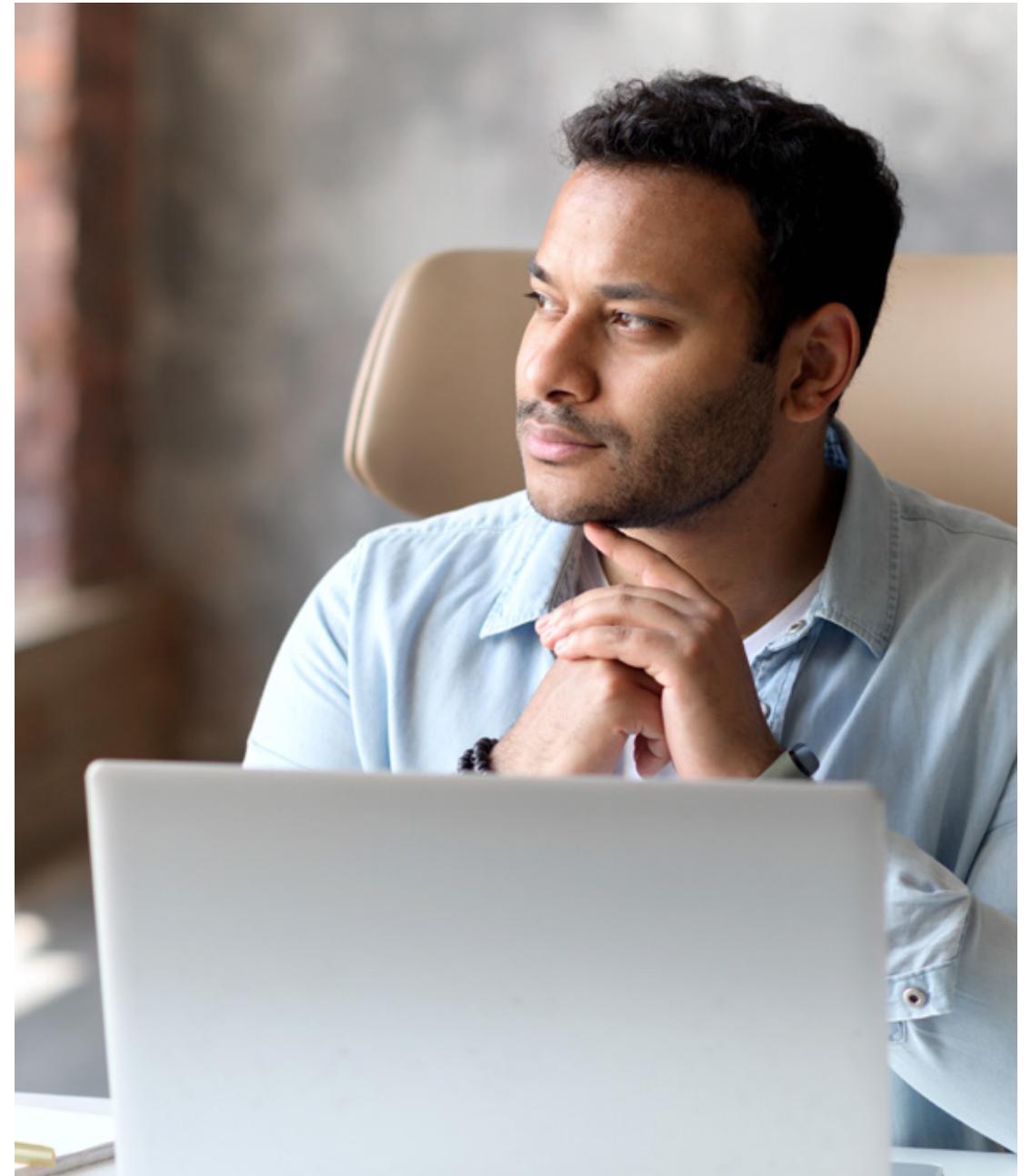
Well-Being

Committing to the Well-Being, Health and Safety of Our People

Our people's development, well-being and prosperity are central to our operations. We are committed to investing in our employees' health and safety, and in their futures, because we believe that a healthy, safe and well-treated workforce is a more productive and satisfied workforce.

That's why KBR is proud to offer a comprehensive and competitive benefits program, available to full-time and part-time employees.

OUR HEALTH AND WELL-BEING BENEFITS INCLUDE:
- Medical, dental, vision, disability and critical illness insurance
- Employee Support Program
  - Legal/financial services, household services, dependent and elder care
  - Access to counselors and wellness and trauma professionals
  - Coaching to navigate life transitions
- Surgery support program
- Advocacy services
- Wellness programs including nutrition counseling, cooking and lifestyle classes

Although our benefits programs vary from region to region, the principle of providing a comprehensive and competitive benefits program to support our employees' health, prosperity and well-being is consistent across the organization.

MENTAL HEALTH AND WELL-BEING

We cultivate an inclusive culture, centered on our employees' experiences and perspectives, with a deliberate focus on well-being and mental fitness to support peak performance. We recognize that mental health and well-being affect everyone. Building on our commitment to Zero Harm, we aim to create work environments where employees can thrive, and to inspire and enable our employees to proactively improve their own mental fitness.

Over the past year, COVID-19 showed just how important it is to offer support in this area. Uncertainties about financial security, health concerns and isolation generally contributed to a dramatic rise in the number of people suffering from stress and anxiety. We acted swiftly and pre-emptively to enhance our services so that our employees had access to the resources they needed.

Well-Being Ambassadors

We successfully developed a Well-being Ambassador Program, thoughout the UK and Australia. We plan to accelerate the rollout to our head office in Houston and offices in India, Singapore and Saudi Arabia, to eventually cover all regions. Well-being Ambassadors are professionally trained to recognize signs of mental health and and well-being-related issues and to provide individuals with guidance, supporting the development of a positive workplace environment and overall mental fitness. Our goal is to continue training ambassadors across the organization to increase their presence and availability for employees wherever they are located. Each region and the individual sites are risk assessed and the level of provision and the training is tailored accordingly.

To date we have trained 200+ Well-being Ambassadors, globally.

Well-Being in Your Pocket

We recently selected, piloted and launched a new app-based platform that is specially designed to teach employees new skills, help them understand emotions, ease stress, solve problems, and make better decisions.

Leading the Way in Mental Fitness

A key pillar in our Mental Health and Well-being Strategy is providing our managers with training to inspire and enable them to proactively improve their own and their teams' mental fitness and well-being. The training also helps them recognize mental health concerns and how to respond appropriately and effectively.

We have trained 700+ managers in mental fitness

ZERO HARM
COURAGE TO CARE

Employee Support Program

In 2020 we engaged a new and more comprehensive employee support program with improved global coverage, offering free access for all employees to:

- Counseling sessions in 70+ languages
- Access to emotional and mental health support via email, text, phone or a proprietary app
- Mindfulness-based stress-reduction programs
- Cognitive behavioral therapy sessions
- Work-life consultation, resources and referrals
- Life coaching
- Instant message support with clinical psychologists
- Rapid Response Critical Incident: Crisis support services plus on-site and/or virtual emotional support
- Manager Assist: guidance for managers with specialized counselors to support work-life balance, transition, grievances, stress management and referring employees to counseling
- A range of expert-led training seminars
- Additional resources and support available in 27 languages

Well-Being for Our Clients

It is no coincidence that KBR provides related services to our clients. For example, in the Preservation of the Force and Family program (POTFF), special operation forces have access to care from a full range of KBR's physical and mental health professionals. This helps optimize readiness and resilience of service members and their families.

The program expanded the very important work at NASA around astronaut health and human performance. We apply the same philosophy for the benefit of KBR employees, offering clinician supported training to every manager, expanding the Well-being Ambassadors and other ERG programs across the Globe, and offering access to counselors, learning and resources 24/7 through our employee support program.

HEALTH, SAFETY & SECURITY

HEALTH, SAFETY AND SECURITY

Our primary goal when it comes to our people is to ensure everyone returns home safely at the end of each day. Our people deserve to work in a safe environment. Our culture of safety and accountability is driven by our Zero Harm philosophy, which has successfully led to consistently high safety performance throughout the organization.

Our inclusive culture of care relies on strong leadership, personal accountability and a commitment to achieving our goal of Zero Harm.

KBR Health, Safety and Security – By the Numbers

GLOBAL HSE PERFORMANCE

KBR reported a **29.9% decrease in TRIR** from 2019 with an **11% increase in work hours.**

2020 GLOBAL DATA=EMPLOYEES/ CONTRACTORS/JOINT VENTURE

Work Hours: **101,103,778**
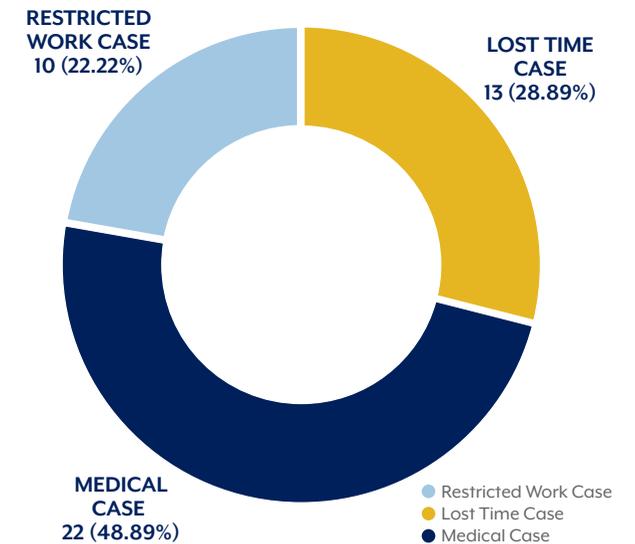Total Recordable Incident Rate (TRIR): **0.089**
Fatality Incident (FIR): **0.000**
HiPo* Incident Rate (HiPo IR): **0.973**
Lost Time Incident Rate (LTIR): **0.026**

HiPo - High Potential

Work Hours	YTD ▼	YTD SPPY	Difference	% Difference
	101,103,778	89,983,952	11,119,826	12.36%

Recordables	YTD ▼	YTD SPPY	Difference	% Difference
	0.089	0.127	(0.038)	(29.736%)

Lost Work	YTD ▲	YTD SPPY	Difference	% Difference
	0.026	0.036	(0.010)	(27.686%)

First Aid	YTD ▼	YTD SPPY	Difference	% Difference
	0.698	0.951	(0.253)	(26.594%)

YTD: Year to Date **SPPY:** Same Period Previous Year, 2019 compared to 2020

RESTRICTED WORK CASE 10 (22.22%)
LOST TIME CASE 13 (28.89%)
MEDICAL CASE 22 (48.89%)

● Restricted Work Case
● Lost Time Case
● Medical Case

Our Zero Harm Commitment

We remain steadfast in our commitment to zero workplace incidents. Our Health, Safety, Security and Environment (HSSE) policy applies to **KBR employees and KBR subcontractors globally.** It identifies overarching HSSE principles and is in the best interest of our customers, our employees and contractors, our stakeholders, and the communities in which we work and live.

Although we are committed to basic obligations and follow all applicable laws and regulations where we operate, we go above and beyond compliance and commit to the following:

- Protect and improve the health, safety, and security of our employees and contractors at all times
- Eliminate incidents through a Zero Harm culture
- Meet specified customer requirements and ensure continuous customer satisfaction
- Set HSSE objectives, measure results, assess and continually improve processes and services through the use of an effective management system
- Minimize our impact on the environment through pollution prevention, reduction of natural resource consumption and emissions, reduction and recycling of wastes, the use of recyclables, and the pursuit of circular practices
- Apply technical skills to all HSSE aspects of engineering and design
- Communicate openly with stakeholders and ensure an understanding of the HSSE policy, program and procedures
- Recognize outstanding HSSE performance

Our HSSE initiatives place an emphasis on continuous improvement, development, and implementation against our HSSE commitments and goals, with targets set annually to reduce health and safety incidents.

Health and Safety Management Systems

KBR's transactional management systems, the Absolutes, are designed to plan, organize, direct and control work tasks. With Transformational Leadership and our Zero Harm culture, non-task behaviors are also aligned with our core management systems. Both our transactional management systems and Transformational Leadership help ensure control of HSSE risks and deliver HSSE continuous improvement and performance while providing:

- Visible leadership, commitment and communication
- Commitment of the workforce by supporting the implementation of KBR programs and HSSE initiatives
- HSSE-related targets and objectives are set and monitored at all levels of the organization

Our people each have the opportunity and expectation to contribute to our Zero Harm culture. HSSE policies, procedures and manuals provide the support for business unit management to empower learning and best practice. KBR HSSE routinely assesses our internal systems and processes every two years or as needed. Lloyd's Register, our third-party auditor, is an international management system with certifications to International Standards Organization (ISO) 9001 for Quality management systems, ISO 14001 for Environmental systems, ISO 45001 for Occupational Health and Safety Systems throughout KBR global locations, and is audited every three years.

Left side: KBR's Transactional HSSE Management **The Absolutes**
Right Side: Transformational Leadership **Zero Harm Culture**

Promotion of Safe Work Practices – Safety Execution Plan

The Promotion of Safe Work Practices establishes consistent methods, responsibilities, and requirements for developing and implementing an office or project Safety Execution Plan (SEP). With this, hazards are identified and controlled, zero incidents are achieved, and the environment is protected. Roles, responsibilities, expectations and strategies for engagement of management within the plan lead to the success of KBR's Zero Harm culture.

A key element within our organization is awareness. This includes HSE training, HSE committees, toolbox meetings, poster contests, slogans, HSE milestone celebrations, and similar activities that contribute to a heightened awareness of HSE and related project issues. Project managers and team leaders are encouraged to develop awareness activities for all work locations and as part of the overall HSE program. Additional information — such as training (when, how often, and content of training), site audits and walk-throughs — is included in an SEP and is based on the scope of a project, client/owner requirements, regulatory requirements and the hazard analysis.

Hazard Identification, Incident Severity Risk Assessment, and Incident Investigation

KBR's Incident and Near Miss Management Procedure standardizes our HSE reporting and is applied globally across KBR. The procedure defines both the work hour reporting and injury classification requirements necessary to drive consistency across KBR global operations, and it ensures logical and consistent reporting and investigation of incidents and near misses. All reporting is completed using the KBR Health, Safety and Environment Incident Reporting System (HSERS). This procedure applies to all KBR-operated sites and all contractor operations and joint ventures where there is a contractual requirement to report incidents to KBR.

To deal with incidents efficiently, investigations are carried out at the earliest opportunity. The Incident Investigation Report is completed within seven (7) days of the incident occurring. In the case of a complex incident requiring a lengthier investigation, an interim report is made available within 21 days of the incident or near miss occurrence. It is the responsibility of the HSE supervisor or designated employee to prepare the Incident Reporting and Investigation Internal Standard Investigation Form and to submit it by attaching it to the Initial Incident Report in HSERS.

Incidents and near misses are first classified based on their actual severity, which determines the level of internal notification. The actual incident/near miss severity determines the level of reporting, but the realistic potential severity of the incident/near miss determines the level and independence of investigation.

KBR has multiple office buildings that are LEED Silver Certified.

Recognizing Achievements

The KBR CEO Award of HSSE Excellence recognizes individuals or groups who have demonstrated exceptional HSSE (Health, Safety, Security and Environment) leadership or extraordinary performance improvement.
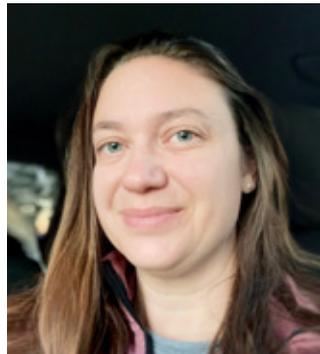
Danielle Allen-Blome
Army Prepositioned Stock-3 (APS-3)
Goose Creek, South Carolina

In two short years, HSE Manager Danielle Allen-Blome has successfully championed a monumental change in the attitude and behavior of the APS-3 workforce. Danielle was instrumental in the implementation of the TSTI-2 program and augmented the strategy to dramatically increase the number of graduates in one year. She also introduced an OSHA-10 training program to help develop the leadership team.

Thanks to Danielle's vision, APS-3 went from a Total Recordable Incident Rate (TRIR) of 3.50 and a Days Away, Restricted or Transferred (DART) of 2.06 in 2018 to finishing 2020 with a TRIR of 0.74 and DART of 0.56!

LOGCAP V – Task Order 0394

Poland

In a year when the world was heavily impacted by the COVID-19 pandemic, the LOGCAP – Poland team continued to exemplify KBR's Zero Harm culture. The team, which has been deployed in numerous countries across Europe and provides support to 12 sites in Poland, has achieved an astonishing 1,152 consecutive days (2.5 million labor hours) with zero recordable injuries, dating back to November 5, 2017.

INTERNATIONAL PRACTICE SPECIALTY SAFETY PROFESSIONAL OF THE YEAR AND COUNCIL ON PRACTICES AND STANDARDS SAFETY PROFESSIONAL OF THE YEAR

STEVEN GRAY

AMES SAFETY AWARD PROGRAM (ASAP II) AWARD

JEFF COLLINS AND NICOLA HUNT

SATORP CERTIFICATION OF APPRECIATION

KBR

ROSPA PRESIDENT'S AWARD

KBR GOVERNMENT SOLUTIONS EMEA

HSERS – Incident Reporting System

The Health, Safety, Environmental Reporting System (HSERS) is KBR's in-house global incident reporting system. The system is designed to report all incidents (work-related and non-occupational incidents) and is continually being updated to support the business. Data is analyzed through interactive dashboard tools for trend analysis. Features of HSERS include:

- Safety incident tracking, reporting and automated e-mail notification to management
- Claims tracking
- HSSE training tracking
- Random drug and alcohol program
- Safety Energy tracking
- Personnel medical clearance tracking
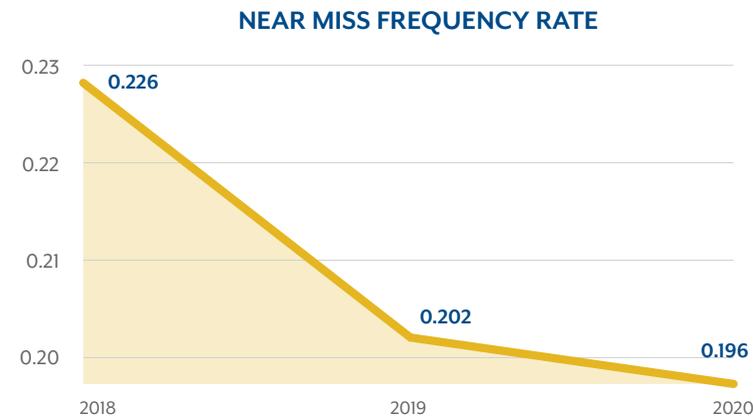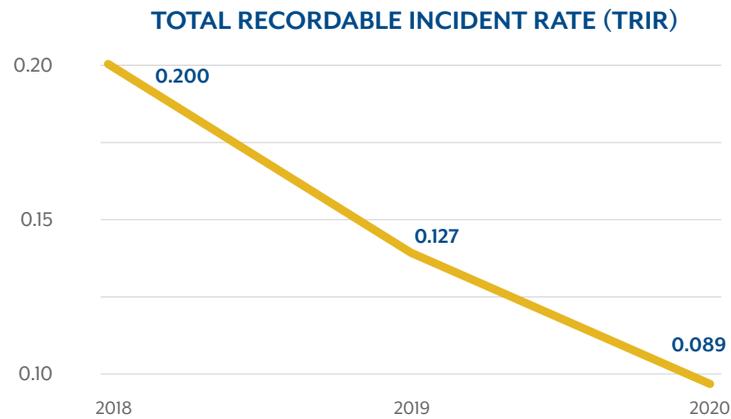- Historical data to support bids and proposals

HSERS is an online system that is maintained and managed by the Corporate HSE team in Houston, with regional users having responsibility for data entry. Regional HSE Directors working with Corporate HSE are responsible for ensuring that all business units, country operations, project teams, etc., within their region have all the required access rights to allow data input. The Corporate HSE team maintains the register of approved users and is responsible for providing and delivering system familiarization training to new users.

EMPLOYEE AND CONTRACTOR GLOBAL HSSE PERFORMANCE

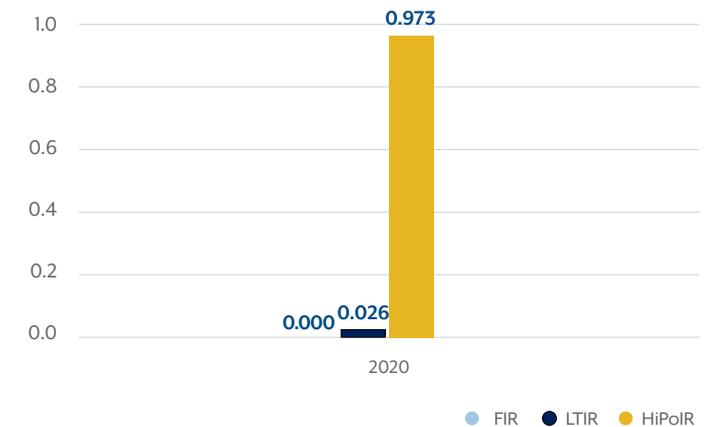| Year	Work Hours	Total Recordable Cases	Total Lost Time Cases	Total First Aid Cases	First Aid Cases Onsite	First Aid Cases Offsite	Medical Cases	Restricted Work Days Cases	Restricted Work Days	Lost Work Days	Fatalities	Property Damage Incidents	Near Miss Incidents	Vehicle Incidents
2020	101,103,778	45	13	353	304	49	22	10	303	528	0	103	99	136

HOURS BY YEAR
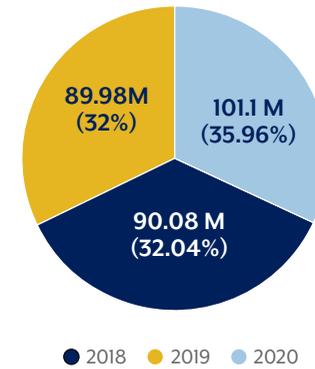
89.98M (32%)
101.1 M (35.96%)
90.08 M (32.04%)

● 2018 ● 2019 ● 2020

TOTAL RECORDABLE INCIDENT RATE (TRIR)

0.200
0.127
0.089

2018   2019   2020

NEAR MISS FREQUENCY RATE

0.226
0.202
0.196

2018   2019   2020

2020 RATES – FATALITY INCIDENT RATE, LOST TIME INCIDENT RATE, HIGH POTENTIAL INCIDENT RATE

0.973
0.000 0.026

2020

● FIR ● LTIR ● HiPoIR

ZERO HARM
COURAGE TO CARE

EMPLOYEE HSSE PERFORMANCE

Year	Work Hours	Total Recordable Cases	Total Lost Time Cases	Total First Aid Cases	First Aid Cases Onsite	First Aid Cases Offsite	Medical Cases	Restricted Work Days Cases	Restricted Work Days Cases	Lost Work Days	Fatalities
2020	77,368,374	32	8	275	244	31	17	7	268	453	0

HOURS BY YEAR
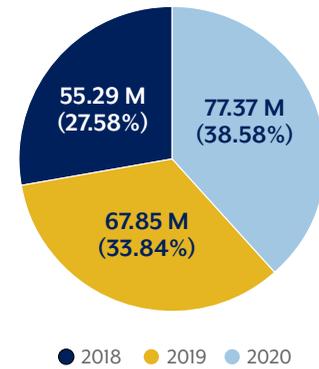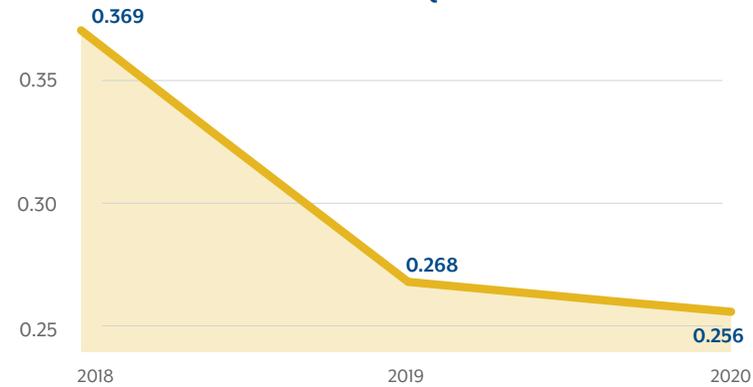
55.29 M (27.58%)
77.37 M (38.58%)
67.85 M (33.84%)

● 2018 ● 2019 ● 2020

TOTAL RECORDABLE INCIDENT RATE (TRIR)

0.156
0.115
0.083

2018   2019   2020

NEAR MISS FREQUENCY RATE

0.369
0.268
0.256

2018   2019   2020

2020 RATES – FATALITY INCIDENT RATE, LOST TIME INCIDENT RATE, HIGH POTENTIAL INCIDENT RATE

0.000   0.021   0.931
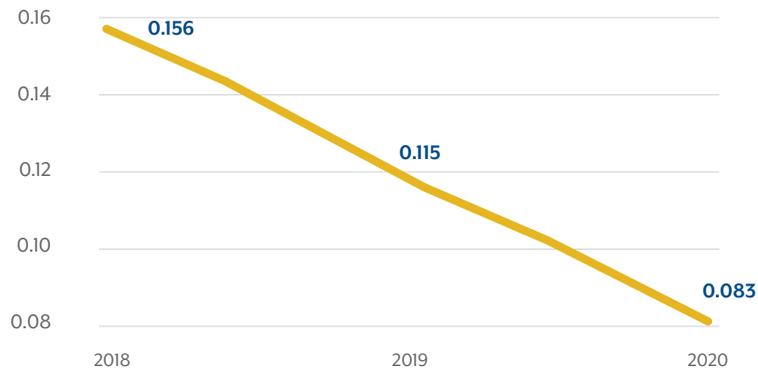
2020

● FIR ● LTIR ● HiPoIR
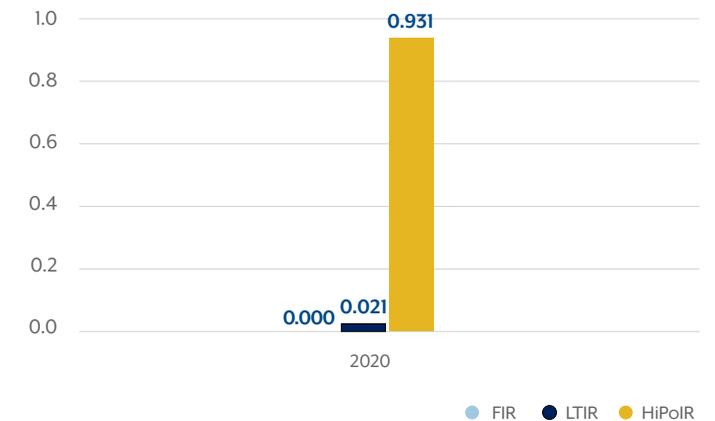
CONTRACTOR'S HSSE PERFORMANCE

Year	Work Hours	Total Recordable Cases	Total Lost Time Cases	Total First Aid Cases	First Aid Cases Onsite	First Aid Cases Offsite	Medical Cases	Restricted Work Days Cases	Restricted Work Days Cases	Lost Work Days	Fatalities
2020	22,968,252	13	5	78	60	18	5	3	35	75	0

HOURS BY YEAR
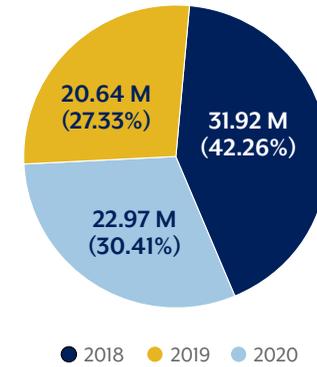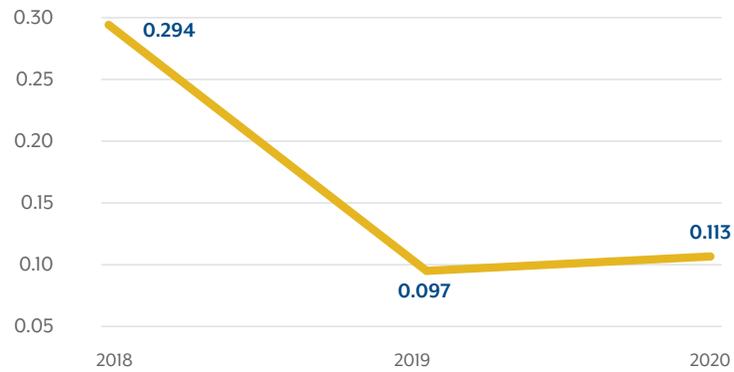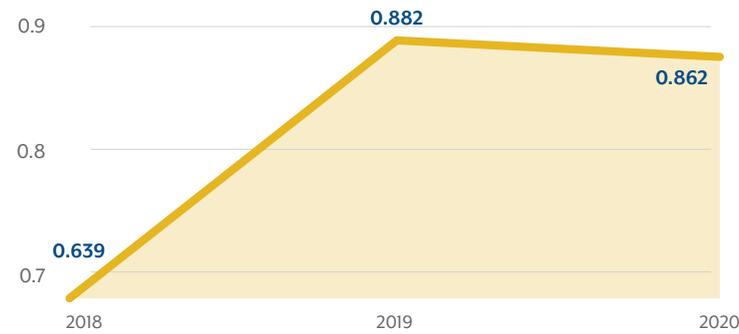
20.64 M (27.33%)
31.92 M (42.26%)
22.97 M (30.41%)

● 2018   ● 2019   ● 2020

TOTAL RECORDABLE INCIDENT RATE (TRIR)

0.294
0.097
0.113

2018   2019   2020

● FIR   ● HiPoIR

NEAR MISS FREQUENCY RATE

0.882
0.862
0.639

2018   2019   2020

2020 RATES – FATALITY INCIDENT RATE, LOST TIME INCIDENT RATE, HIGH POTENTIAL INCIDENT RATE

1.149
0.000   0.044

2020

● FIR   ● LTIR   ● HiPoIR

ZERO HARM
COURAGE TO CARE
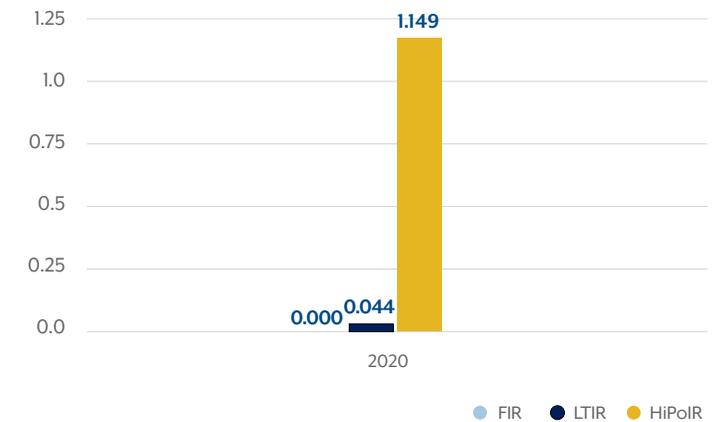
Security

To maintain Zero Harm during the global pandemic, we deployed "Work from Home" initiatives for the majority of global office teams. Due to previous acquisitions of virtual technology and the strategic placement of eLearning security programs in the e-Learning system, the initiatives were successful.

Security leveraged this virtual eLearning environment to deliver security solutions, COVID-19 education and crisis programs throughout the year. This had the added benefit of reducing our carbon footprint due to less frequent travel for in-resident courses and crisis exercises. Electronic records in the virtual learning and exercise environment also helped reduce paper usage. The virtual programs focused on several topics, such as COVID-19 education; cybersecurity;

insider threats; "Work from Home" security awareness; workplace security awareness; personal safety; exercise programs; and crisis management.

Through Zero Harm, we are committed to providing a safe and secure environment whether at home or the office for all employees, contractors and visitors. To support our global mission, preventive measures were put in place to reduce risks to our team members. These included COVID-19 prevention actions; locating offices in safe low-crime areas; work-from-home security assessment and crime prevention training; and providing appropriate office security based on periodic risk assessments.

KBR utilizes layers of physical security measures such as perimeter fencing; gated parking areas; security lighting; card

access-controlled facilities; and active security programs, with a very robust virtual security awareness program for team members. For the home environment, self-security assessments, residential alarm systems and additional crime prevention recommendations were provided. We also leveraged local community police resources.

Security for Foreign Travel and Expatriates

In 2020, business travelers and expatriates were limited to critical business travel due to the pandemic. Destinations and venues were reviewed to support those still traveling. We conducted pre-screening health checks; reviews for local transportation services; reviews of locations' medical capabilities; daily COVID-19 cases/rates; quarantine requirements; and vaccinations requirements. We utilized an online 24/7

**287 crisis incidents required action in 2019.
2020 saw a global reduction in crisis incidents (175) due to the global pandemic.**

travel safety advisory system with monitoring that includes location alerts and emergency communications for travelers. The system included a smart phone app for emergency communications.

Additionally, we leveraged International SOS, our worldwide travel medical and security assistance provider, for additional mental health counseling services and for COVID-19 medical advisories, with in-house medical expertise to assist KBR and travelers during the various global COVID-19 lockdowns and health challenges.

E-LEARNING FOR SECURITY PROGRAMS

COVID-19 Health Security Awareness: **28,020**

COVID-19: Seven Steps to Prevent Spread: **2,340**

How to Protect Yourself Against COVID-19: **1,600**

Workday Workplace Security Awareness: **14,247**

Workplace Security Awareness (New): **129**

Workday Active Shooter: **525**

KBR IT Security Awareness/Insider Threat: **23,170**

Security Outside the Office: **165**

Workday Working from Home: **12,700**

e-learning numbers for security programs as of 31 Dec 20

New Employee Orientation Resident
  - Bi-weekly

Workday "Virtual" Workplace Violence Prevention
  - Global
  - 24/7 ongoing

Workday "Virtual" Active Shooter
  - Global
  - 24/7 ongoing

Corporate Security "Virtual" Resources Site
  - Global
  - 24/7 ongoing

Global Crisis Management Team 2019

Crisis Incidents   *As of 31 Dec 2019*

Type of Incident	
Weapon Attack-Active Shooter, knife attack, vehicle ramming	11
Bomb Threat	5
Civil Unrest/Community Disruptions	
Corruption and Fraud	
Cyber Security Threat/Cyber Attack/Data Loss	
Detention by Local Authority (Lawful/Unlawful)	1
Employee off-duty deaths	4
Employee on-duty deaths	1
Extortion	1
Hostage Event	
Industrial Accident – (KMCO Fire Crosby-TX) (ExxonMobil-Baytown, TX) (Beaumont, TX-Port Neches Chemical)	3
Industrial Sabotage	
Kidnapping	
Lost Contact or Missing Employee	
Major Burglary	
Medical Emergency of Deployed Employee	3
Natural Disasters – Earthquakes, Hurricanes, Volcanic Eruption, Tsunami, Flooding, Wildfire	238
Other: (Air Travel Disruption) (GW Hotline Non-Ups) (CWI Comms notified of Travel Incident (Blackout-Indonesia) (Assault/Robbery-Mexico City) (Airport Evacuation-false alarm-New Jersey) (Major Power Outage-UK) (TAT Review-UK) Security Awareness Increased-Turkey) (TAT-100 yr anniversary) (Employee Terminations)	12
Pandemics/Outbreaks	
Project Labor Unrest	
Protest	1
Road Closures/Events	
Terrorist Attacks/Bombing/Arson/IED	7
US Military Response Operations/ Law Enforcement Security Response	
TOTAL	**287**

Global Crisis Management Team 2020

Crisis Incidents   *As of 31 Dec 2020*

Type of Incident	
Weapon Attack-Active Shooter, knife attack, vehicle ramming	1
Bomb Threat	
Civil Unrest/Community Disruptions	
Corruption and Fraud	
Material Cyber Security Threat/ Cyber Attack/Data Loss	0
Detention by Local Authority (Lawful/Unlawful)	4
Employee off-duty deaths	
Employee on-duty deaths	
Extortion	
Hostage Event	
Industrial Accident	
Industrial Sabotage	
Kidnapping	2
Lost Contact or Missing Employee	
Major Burglary	1
Medical Emergency of Deployed Employee	147
Natural Disasters – Earthquakes, Hurricanes, Volcanic Eruption, Tsunami, Flooding, Wildfire	13
Other: (KBR-Houston office-water restrictions) (Vehicle Vandalism-Houston 3/3) (Vehicle Vandalism x 3-Houston 3 (GW/EA Hotline down) (COVID-19 Medical Assistance for BU Pres.) (Repatriation flight from Iraq-	
Pandemics/Outbreaks	**1**
Project Labor Unrest	
Protest	1
Road Closures/Events	
Terrorist Attacks/Bombing/Arson/IED	2
US Military Response Operations/Law Enforcement Security Response/Government	3
Conflict/War	
TOTAL	**175**

ZERO HARM
COURAGE TO CARE

KBR ONE OCEAN: SUPPORTING A SUSTAINABLE PLANET

Our global sustainability education program, KBR One Ocean, continued to inspire and connect students around the world. In 2020, we revamped the syllabus to be deployed virtually so that we could continue to mentor and connect with schools and organizations globally.

One Ocean was designed to inspire and attract young students to careers in engineering, science and technology, and to create a robust and diverse **talent pipeline**. It was also created to develop professional skills and core competencies for KBR's new talent.

> So far we have connected 1,500 students and employees through our KBR One Ocean initiatives and programs.

With assistance from KBR employees, schools and organizations can access detailed lesson plans and resources for students. Courses can be customized to suit the needs of the school or organization, and the materials can be used to facilitate online or in-person delivery.

In addition to the curriculum, KBR employees share industry expertise and knowledge to mentor young people and to encourage them to investigate and develop creative and practical solutions to environmental issues affecting the ocean and climate. Solutions to environmental challenges are investigated using **design thinking** and **systems thinking, circular economy** and **biomimicry** principles, and other innovative and sustainable approaches.

Awards

5 STAR GREEN STAR AS BUILT RATING
KBR

#35 TOP 400 CONTRACTORS
KBR

GSAW BEST PRESENTATION AWARD
ROHIT MITAL

MENTOR-PROTÉGÉ AGREEMENT OF THE YEAR
HHPC TEAM

TEAM SILVER ACHIEVEMENT MEDAL (SAM) AWARD
HHPC EMPLOYEES

CHIEF OF AIR FORCE (CAF) COMMENDATION
ROGER SYMONS

SUPPLY CHAIN & LOGISTICS TECHNOLOGY PROGRAM INDUSTRY PARTNER IMPACT AWARD
KBR GOVERNMENT SOLUTIONS US, JOSE VERLADE

WASH100 AWARD RECIPIENT
BYRON BRIGHT

2020 MILITARY FRIENDLY® EMPLOYERS LIST
KBR

NASA'S HUMAN EXPLORATION AND OPERATIONS (HEO) HERO AWARD
TERRY KEELER

GOLD ADDY AWARD
KBR

GREENE MEDAL
FENELLA NORDQUIST

#3 TOP 500 DESIGN FIRMS
KBR

MOST INSPIRATIONAL – SPACE APPS CHALLENGE
CORY HARALSON

CHARLES V. CULBERTSON OUTSTANDING VOLUNTEER SERVICE AWARD
STEVEN GRAY

EARLY CAREER ACHIEVEMENT MEDAL
MARISSA ROSENBERG

SPACE FLIGHT AWARENESS TEAM AWARD
CLAIRE MOORE

ROYAL AUSTRALIAN NAVY COMMENDATION
MARTY RYAN

GLOBAL BEST RAIL PROJECT AWARD
KBR-SMEC-MOTT MACDONALD JV

ZERO HARM
COURAGE TO CARE

Planet

In This Section

ZERO HARM
COURAGE TO CARE

Planet

RECYCLE/
REUSE

EFFICIENT
ENERGY

SUSTAINABLE
TRAVEL

SUPPLY
PARTNERS

CLIMATE
CHANGE

2 ZERO HUNGER

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

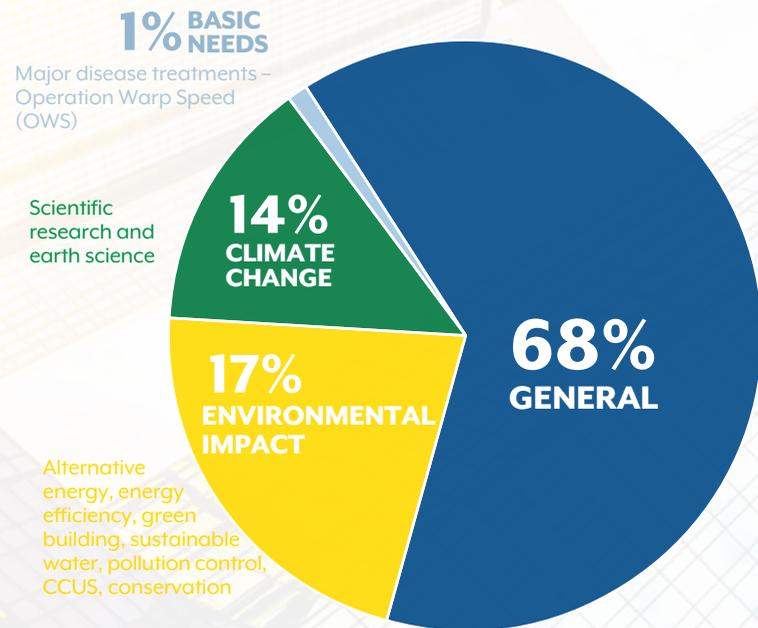14 LIFE BELOW WATER

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS

*Please see page 10 for more detail on the ESG topics we measure.

ZERO
HARM
COURAGE TO CARE

Our Sustainable Solutions

Sustainability-Focused Revenue

1% BASIC NEEDS
Major disease treatments – Operation Warp Speed (OWS)

14% CLIMATE CHANGE
Scientific research and earth science

17% ENVIRONMENTAL IMPACT
Alternative energy, energy efficiency, green building, sustainable water, pollution control, CCUS, conservation

68% GENERAL

Breakdown of Sustainability-Focused Revenue

ENVIRONMENTAL IMPACT:
Alternative energy, energy efficiency, green building, sustainable water, pollution control, CCUS, conservation

- Blue and green ammonia
- CCUS
- Hydrogen expertise
- Decarbonization
- Plastics circular economy
- Renewables and renewable biofuels
- Digitalization and sustainability
- Clean and green process technologies
- Environmental services

$997M   17%

CLIMATE CHANGE:
Scientific research and earth science

NOAA, NASA, U.S. Geological Survey projects

$804M   14%

BASIC NEEDS:
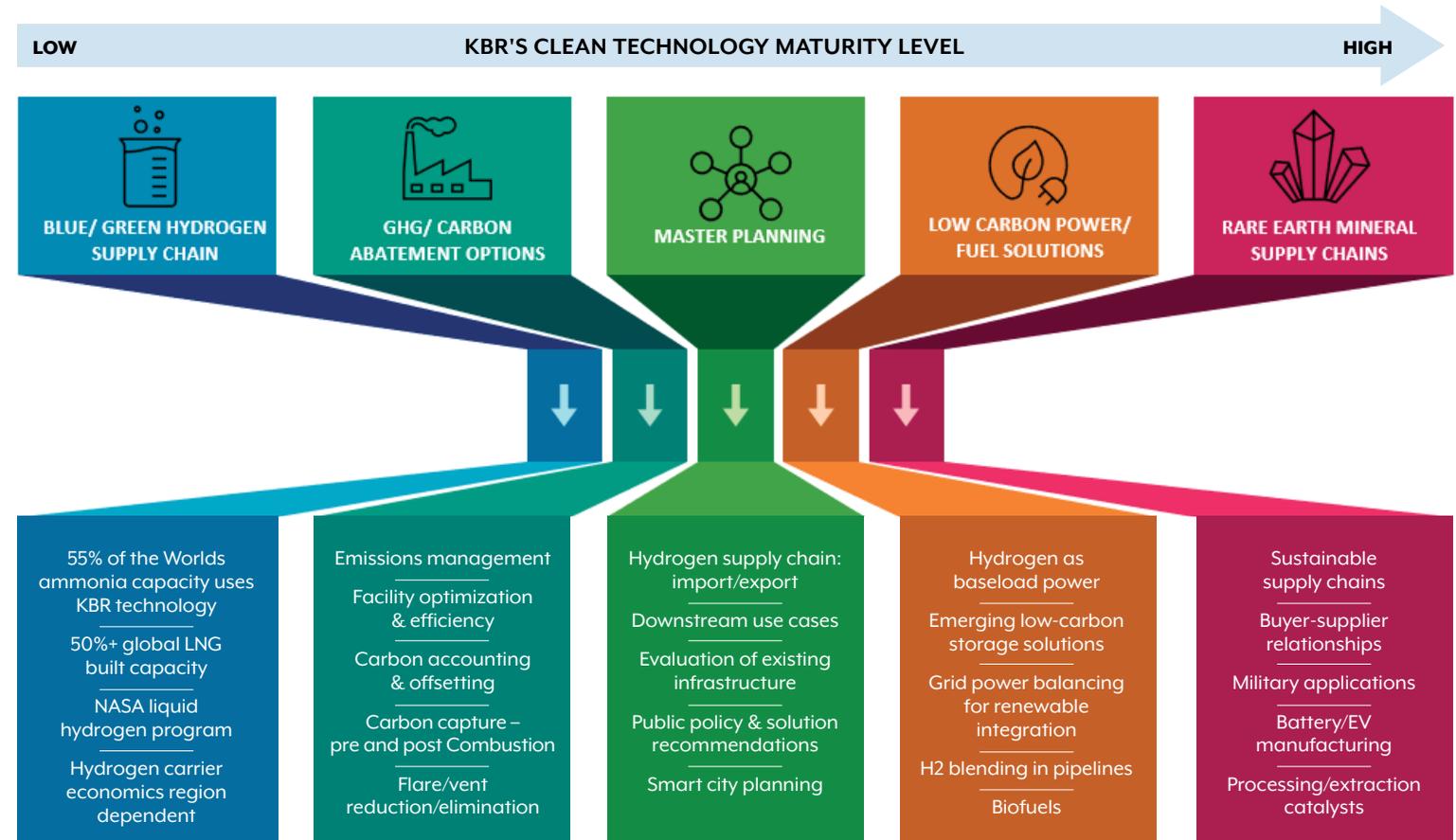Major disease treatments – OWS

$31M   1%

TOTALS $1,832BN   32%
REVENUE   PERCENTAGE

KBR's deep domain expertise, strategic focus on clean technology development, and existing market lead in sustainable technologies uniquely position us to help customers across numerous industries address the sustainability challenges they're facing today.

The following pages outline our innovations in clean technology and sustainable solutions.

LOW **KBR'S CLEAN TECHNOLOGY MATURITY LEVEL** **HIGH**

BLUE/ GREEN HYDROGEN SUPPLY CHAIN	GHG/ CARBON ABATEMENT OPTIONS	MASTER PLANNING	LOW CARBON POWER/ FUEL SOLUTIONS	RARE EARTH MINERAL SUPPLY CHAINS
55% of the Worlds ammonia capacity uses KBR technology	Emissions management	Hydrogen supply chain: import/export	Hydrogen as baseload power	Sustainable supply chains
50%+ global LNG built capacity	Facility optimization & efficiency	Downstream use cases	Emerging low-carbon storage solutions	Buyer-supplier relationships
NASA liquid hydrogen program	Carbon accounting & offsetting	Evaluation of existing infrastructure	Grid power balancing for renewable integration	Military applications
Hydrogen carrier economics region dependent	Carbon capture – pre and post Combustion	Public policy & solution recommendations	H2 blending in pipelines	Battery/EV manufacturing
	Flare/vent reduction/elimination	Smart city planning	Biofuels	Processing/extraction catalysts

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KBR, Ammonia and Energy Transition

KBR is well positioned to become the global leader in energy transition, thanks to our extensive innovation and experience in ammonia technology and production, cryogenics, carbon capture and storage, our electrolysis capabilities, and our leadership in hydrogen handling and storage.

Green Ammonia
K-GREEN™: is a zero-carbon-emission ammonia produced via electrolysis of water using renewable electricity. K-GreeN technology is central to KBR's support of global energy transition. The ammonia produced is the most promising storage and carrier for green hydrogen (well-proven, cost-competitive and reliable infrastructure) and can be used directly as a green fuel or fuel additive.

With more than 50% market share in designing and building ammonia plants, we hold the record for constructing the most reliable, most energy-efficient and largest single-train capacity plants in the industry.

Grey and Blue Ammonia
Grey ammonia refers to conventional ammonia and blue ammonia refers to ammonia produced with carbon capture, utilization and storage. KBR's ammonia technology produces lowest carbon footprint ammonia with 20% less CO2 than the other technologies. KBR's blue ammonia technology, KBR PurifierPlus℠, is a proven, safe, reliable, low capex and low opex technology.

- A large ammonia plant designed with KBR technology can produce food for 18 million people per year.
- A large ammonia plant designed with KBR technology can produce enough energy to fuel 140 large ships from Singapore to Los Angeles with zero CO_2.
- KBR's ammonia technology has the lowest carbon footprint, producing ~20% less carbon than competing technologies.

ZERO HARM
COURAGE TO CARE

Carbon Capture Storage and Utilization (CCUS)

KBR has been delivering solutions across the CCUS supply chain for more than 60 years. Our expertise in gas treatment has been applied to over 400 facilities with capacities up to 43.3 million square meters cubed (sqm^3) per day. We have successfully developed 10 different processes for CO_2 removal from ammonia synthesis gas and worked on the world's first carbon capture and sequestration (CCS) project. Our carbon capture experience expands to further applications including ammonia and hydrogen.

Ongoing planned projects for 2021 include:

- Providing engineering design services and technical support for various LanzaTech carbon capture projects
- Supporting the Green Energy Program with SK E&S, involving technical reviews of licensor technologies for carbon capture

Hydrogen Expertise

KBR has built a legacy as a market leader in hydrogen thanks to our expertise in industrial process development across our heritage sectors, our Liquified Natural Gas (LNG) mega-project capabilities, and our unique liquefied hydrogen solutions developed through our ongoing relationship with NASA.

FUN FACT

In the 1950s KBR was the first company to flow liquid hydrogen, the fuel of choice for the Saturn V rocket which launched the Apollo 11 spaceflight that first landed humans on the moon in 1969.

Ongoing planned projects for 2021 include:

- Working with Vopak and Keppel Data centers on the integration of hydrogen production, fuel cell systems and carbon capture in floating data center concepts
- Currently self-funding a review of hydrogen liquefication technology, including prequalifying key suppliers and understanding major technical risks
- Executing a confidential Concept and Feasibility Study to assess options for CCS, blue hydrogen production, conversion and transportation of energy carrier to demand markets
- Developing a conceptual design for a large-scale cryogenic hydrogen liquefaction plant for a confidential global client.

ZERO HARM
COURAGE TO CARE

Case Study

Demonstrating Clean Energy Supply Chains: Supporting an NEC consortium with monetizing low-value assets and establishing blue hydrogen supply chains

Project Name: Feasibility Study for High CO_2 Gas Field Development with Carbon Capture and Sequestration and Blue Hydrogen Export Project, Southeast Asia

Business Unit: Advisory Consulting, Asia-Pacific (APAC)

CONTEXT: Existing gas fields in Southeast Asia with high CO_2 have proven difficult and uneconomic to produce. Existing technologies are capex and opex intensive, and emerging technologies that lower the cost of production introduce additional execution risk. By leveraging emerging carbon reduction incentives, project developers are increasingly seeing potentially viable production pathways for such gas assets.

Generating clean energy in many developed nations within the APAC region and globally is hindered by their distance from suitable CO_2 sequestration reservoirs with appropriate capacity. The production of blue hydrogen in proximity to suitable sequestration sites for export to consuming markets mitigates this limitation, albeit at incremental cost over existing global energy supply chains.

OBJECTIVE/APPROACH: JX Nippon and its partners are examining technology and supply chain pathways to monetize these assets before 2030, with CO_2 removal and sequestration and production of blue hydrogen for export from the produced treated gas. KBR developed more than 60 potential pathways based on current and emerging technologies and screened these against technical, economic and technology risk parameters. The objectives of this project translate into a CO_2 emissions reduction of between 4 and 7mmtpa, far larger than the world's current largest CCS operation. The blue hydrogen chain is at an unprecedented scale and is expected to be a pioneer in clean energy projects.

OUTCOMES:
- Engaged with global technology providers and assessed more than 50 supply chain technologies, including CO_2 removal, power generation, hydrogen and ammonia production, CO_2 capture, CO_2 sequestration, power generation and liquid hydrogen carrier (LHC).
- Identified more than 60 project configurations based on the assessed technologies and screened these to less than ten.
- Developed Advancement of Cost Engineering (AACE) Class 5 capex and opex estimates for high CO_2 gas field development and for blue hydrogen production and export supply chain (subproject) configurations.
- Developed Levelized Cost of Hydrogen (LCoH) metrics for each blue hydrogen supply chain configuration.
- Assessed and analyzed project execution and life-cycle risks, including technical, economic, technology maturity, project delivery and operational.
- Produced technical and economic reports for different aspects of each subproject, including gas field development, technology assessment, cost and schedule, constructability, and configuration case selection.

IMPACT:
KBR's study formed the foundation from which the client consortium can assess and identify viable commercial models for achieving the ultimate project net-zero contribution.

Decarbonization

DECARBONIZATION CONSULTING:

For many years, our Advisory Consulting and Government Solutions teams have been advising governments on and building trusted working relationships with key nations supporting low-carbon solutions and sustainability roadmaps. These include developing strategies for government departments in Japan, the United Kingdom, Australia, Singapore, nations in the Middle East, and the United States. These partnerships are mirrored by our working relationships and experience with major energy companies who are key in the transition.

This, combined with our experience operating in remote locations and our excellence in mission control, puts us in a market-leading position in the transition towards greener and cleaner energy.

DECARBONIZATION OF EXISTING ASSETS:

We have the proprietary software, tools and design modernization solutions to monitor and optimize output and efficiency of existing assets and to reduce their emissions.

Climate change: Scientific Research and Earth Sciences

KBR has provided mission-critical space support services to NASA and other customers for more than 60 years, supporting NASA's mission to expand frontiers in air and space to benefit the quality of life on Earth. KBR currently operates at 11 NASA centers and facilities, providing space and mission solutions for astronaut training and health, satellite and human spaceflight ground control, mission operations, scientific research and development, extravehicular activity support and more. As part of its work, KBR executes International Space Station operations, performing real-time human spaceflight command and control 24 hours a day, seven days a week.

For more than 30 years, KBR has worked with government agencies, such as the National Oceanic and Atmospheric Administration (NOAA) and U.S. Geological Survey, fortifying their Earth science and data visualization operations benefitting a multitude of research communities, first responders, intelligence, agriculture, academia and more. KBR provides a broad spectrum of earth science and weather forecasting and tracking services, scientific computing, as well as engineering and operations support for related satellite communications and ground systems.

Case Study

UK Ministry of Defence: Roadmap for Sustainable Defence Support

Business Unit: Government Solutions and Advisory Consulting, EMEA

CONTEXT: Addressing climate change is now a top priority for the UK government. Its Net Zero 2050 (NZ50) target of net-zero carbon emissions by 2050, enshrined in the Climate Change Act, makes a binding commitment based on the science underpinning the Paris Agreement. That is, to avoid the worst impacts of climate change, global greenhouse gas emissions must be reduced by approximately 45% by 2030 and net zero by midcentury. The latest Her Majesties Government (HMG) Departmental assessments highlight that the Ministry of Defence (MoD) contributes around 50% of all departmental emissions. This means that there is a significant challenge facing the MoD and the Front-Line Commands in becoming net-zero emitters.

OBJECTIVE: To address and provide a NZ50 roadmap following Lt. General Nugee's NZ50 areas of focus:

- **Climate Change Resilience** – The implications of and how to operate in a climate-changed world
- **Estate Mitigation** – The primary vehicle to offset the irreducible minimum of operational capability emissions in the short to medium terms
- **Capability Adaptation** – Changing how we operate and procure now and in the future
- **Leadership, Policy and Process Change** – Embedding climate change and sustainability into MoD culture

OUTCOMES:
- The paper proposed a Carbon Measurement Framework for MoD and discussed where the implementation of alternative fuels can impact the main emitters without impacting operational capability. The operational impacts of a circular economy approach were analyzed and funding options were considered with a system-of-systems approach. In addition, legislation and policy analysis added clarity to the MoD's approach. KBR's recommendations included:
- Adopt the full fit-for-purpose UK Defence Carbon Measurement Framework.
- Apply circular economy principles to all procurement processes.
- Apply a system-of-systems approach and a rapid NZ50/ Sustainability Capabilities Office.
- Apply solution-evaluation criteria.
- Investigate further wider commercial industry-dominated funding and financing initiatives.
- Test and evaluate these initiatives through a living laboratory.
- Adopt further the formal collaborative working principles and frameworks available.

IMPACT:
The roadmap highlighted where urgent action is planned and where deeper analysis will enable the Chief of Defence Logistics and Support (CDLS) to meet NZ50 targets, to enhance operational capability and to deliver defence sustainability, both in the home base and when deployed on operations overseas. Several initiatives have been proposed by the wide community of industry responders for this paper.
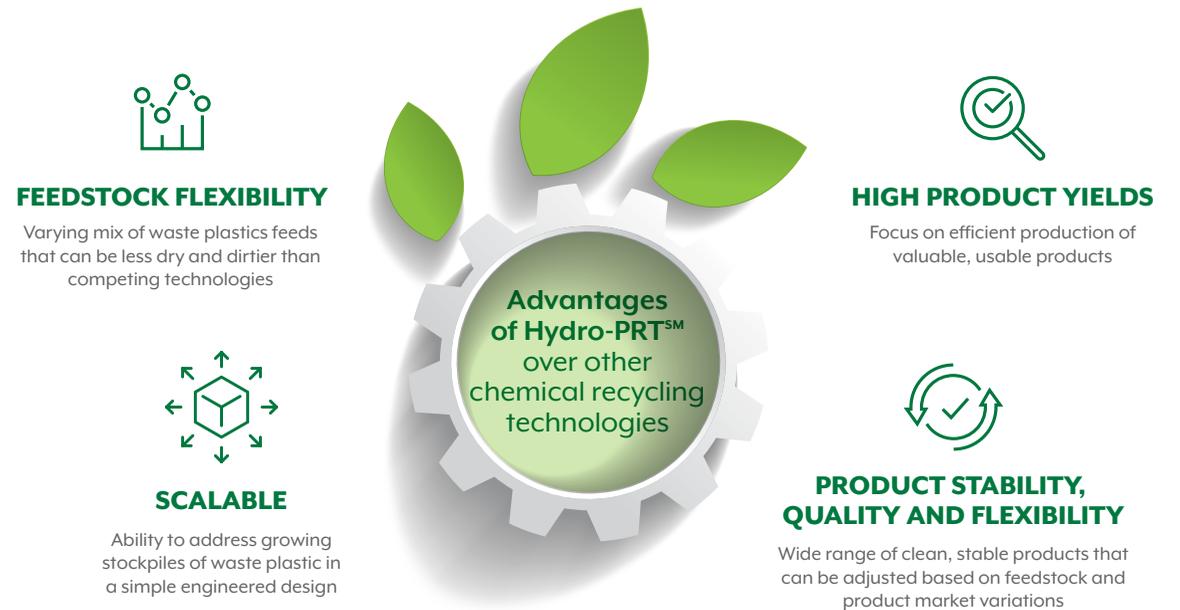
Circular Economy

We offer a sustainability-focused, innovative plastics recycling process, Hydro-PRT^{SM}, in alliance with Mura Technology Ltd. Plastics recycling is a key element of a functioning circular economy. Hydro-PRT recycles end-of-life plastic such as thin plastic packaging, which would otherwise be incinerated, sent to landfills or leaked into the environment. Hydro-PRT converts these mixed plastics into a hydrocarbon product that can be used as a drop-in or further refined into value-added chemicals or virgin polymers. The technology is based on a patented hydrothermal upgrading process that utilizes supercritical water to produce stable hydrocarbon products from a wide range of mixed plastic waste. Hydro-PRT produces four distinct and separate liquid hydrocarbon products for reuse in production of new plastics, chemicals, solvents, refinery feedstocks and other products.

Renewable Biofuels

Experience with a wide variety of biomass feedstock and processing technologies allows us to offer our clients all phases of project execution deliverables, from early works technology development and designing biofuel solutions, to construction management and commissioning for clients spanning from start-ups to established players.

FEEDSTOCK FLEXIBILITY

Varying mix of waste plastics feeds that can be less dry and dirtier than competing technologies

SCALABLE

Ability to address growing stockpiles of waste plastic in a simple engineered design

Advantages of Hydro-PRT^{SM} over other chemical recycling technologies

HIGH PRODUCT YIELDS

Focus on efficient production of valuable, usable products

PRODUCT STABILITY, QUALITY AND FLEXIBILITY

Wide range of clean, stable products that can be adjusted based on feedstock and product market variations

Renewables and Renewable Integration

KBR's expertise in renewables includes capabilities in solar, tidal, geothermal and hydropower. In particular, we draw on our long history of offshore, electrical and control systems engineering for wind energy projects. We support customers around the globe from the initial research and development stages to commercial operation and development.

ZERO HARM
COURAGE TO CARE

Digitalization and Sustainability

THE KBR DIGITAL SUSTAINABILITY SUITE

Our Digital Sustainability Suite is a set of integrated solutions and services that delivers enhanced operational efficiency through digital transformation. The suite offers companies an opportunity to reinvent themselves by generating sustainable benefits at any stage of their digital transformation journey. Solutions in our Digital Sustainability Suite allow customers to rethink their operations and help create more sustainable work environments through increased safety, reduced emissions, enhanced energy efficiency and prolonged asset life.

At the core of the Digital Sustainability Suite are our 10 Sustainability Pillars. Not only do our solutions help increase productivity and efficiency and reduce costs — they also help customers accomplish their environmental and social sustainability goals.

DIGITAL SUSTAINABILITY PROGRAM: A STEP-BY-STEP APPROACH TO EFFECTIVE ENERGY MANAGEMENT
Our Sustainability Program provides a roadmap to deliver significant sustainable benefits. The first phase of the proposed program has three solution modules:

KBR INSITE® Energy Management and Carbon Reduction Solutions (EnMS)
Our performance monitoring solution, KBR INSITE EnMS, is a specialized module for energy management. Through INSITE EnMS, clients can achieve a minimum 1% reduction in energy usage, which equates to an energy cost savings of about $1 million per year. Industry literature indicates that up to 5% improvement can be achieved with the implementation of a solution such as INSITE EnMS.

Artificial Intelligence/Machine Learning (AI/ML) Solution
The functionality of INSITE EnMS is enhanced by our AI/ML digital solution. It combines KBR's deep domain knowledge, in-process technology, reliability and maintenance with cutting-edge, data-driven AI/ML to analyze and optimize both process and asset performance.

Advanced Process Control (APC) Solution
Our APC Solution has been developed using best-in-class technology and is based on multivariable predictive control (MPC) and advanced regulatory control (ARC) systems that stabilize and optimize plant operation. Typical benefits generated by APC include a 1% to 3% increase in production or improvement in energy usage. APC's intangible benefits are standardization of operation, plant controllability, improvement of reliability and operator availability.

Our Digital Sustainability Suite has been designed to generate tangible sustainability outputs for our clients. These include:

Efficiency – Intelligent automation and data insights that have a significant impact on overall business performance.

Safety – Better visibility and greater control minimize risk and improve worker safety.

Productivity – We enable businesses to maximize output while minimizing waste. From data analytics to predictive maintenance, businesses can achieve greater yield with less energy, material and workers.

Environmental Sustainability – Intelligent platforms with fully digitalized energy management and automation systems allow businesses to monitor sustainability targets, spot energy waste, and dramatically cut emissions. *By leveraging our sustainability suite, sustained energy minimization efforts can lower specific energy usage by 1% to 5%, depending on the plant age and operational history.*

Return on Investment – Our Sustainability Program not only helps lay the groundwork, but also estimates financial investment and returns.

ZERO HARM
COURAGE TO CARE

Automated Engineering Tool

KBR provides customers with automated engineering design solutions for electric vehicle charging sites, smart asset management, data connectivity and data analytics.

Our tools:
- Help shorten project schedules
- Assure accurate calculations and design
- Reduce waste
- Improve supply chains
- Provide a corrective feedback loop for continuous improvement
- Reduce costs
- Increase overall project quality

Remote Sensing Support for Decarbonization

KBR uses remote sensing capabilities to help customers detect leaks and to understand the full greenhouse gas life cycle for biofuels. Our remote sensing experience includes spectral studies for leak detection of methane, ammonia and other gases; using airborne data to detect oil spills on land and in water; and detecting changes in land use.
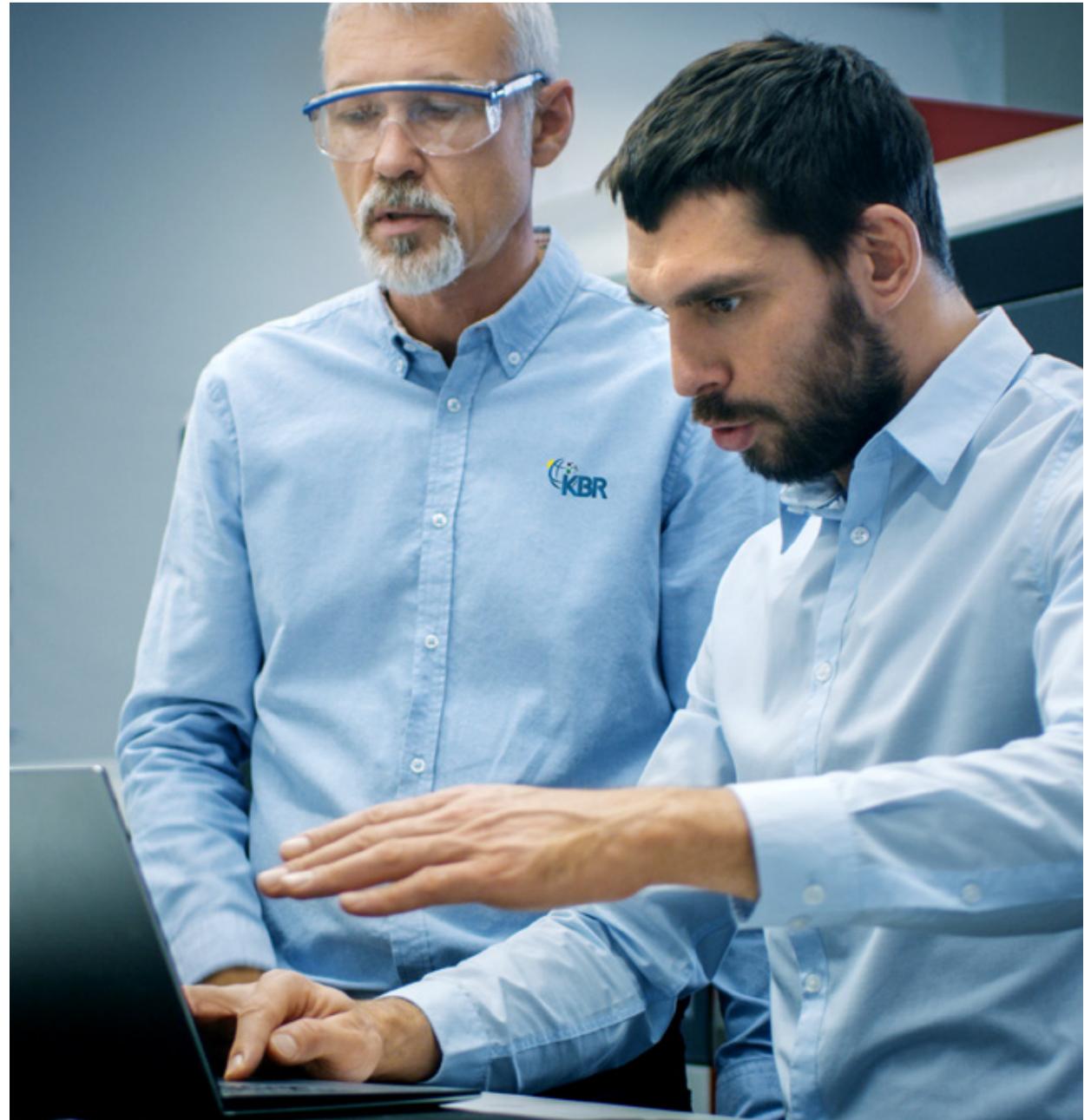
Our Innovative, Disruptive, Clean and Green Process Technologies

	PRODUCES CLEAN, SUSTAINABLE END PRODUCTS	IMPROVES ENVIRONMENTAL FOOTPRINT	REDUCES CARBON EMISSIONS	IMPROVES ENERGY EFFICIENCY	IMPROVES SAFETY AND REDUCES OPERATIONAL HAZARDS
K-GreeN® | Green Ammonia	✔	✔	✔	✔	✔
Ammonia Purifier™ | Ammonia	✔	✔	✔	✔	✔
Ammonia PurifierPlus™ | Blue Ammonia	✔	✔	✔	✔	✔
Methanol-Ammonia Co-Production	✔	✔	✔	✔	✔
SCORE® | Ethylene steam cracking	✔	✔	✔	✔	
Hydro-PRT℠ | Plastics Recycling	✔	✔	✔	✔	✔
K-SAAT™ | Solid alkylation	✔	✔	✔	✔	✔
ROSE® | Bottom of the barrel upgrading	✔	✔	✔	✔	✔
MAX-ISOM™ | Isomerization	✔	✔	✔	✔	
K-COT™ | Catalytic Olefins		✔	✔	✔	✔
K-PRO℠ | Propylene, PDH		✔	✔	✔	✔
PLINKE® | Concentration and Purification of Acids	✔	✔	✔	✔	✔
K-SEET℠ | KBR Sustainable Ethanol to Ethylene Technology	✔	✔	✔	✔	✔
K-MEG℠ | KBR Mono Ethylene Glycol technology for Ethylene Oxide and Ethylene Glycol	✔	✔	✔	✔	✔
Nitric Acid | Weatherly®	✔	✔	✔	✔	
KBR Ecoplanning® | Evaporation and Crystallization	✔	✔	✔	✔	

A snapshot of our energy-efficient and sustainable process technologies.

CLEAN REFINING

- KBR ROSE® Residue Upgrade Solution: Our ROSE technology recovers higher volumes of the cleanest possible deasphalted oil from residue streams than conventional solvent deasphalting technologies. It is also highly efficient, requiring up to 60% less energy than other technologies due to its use of supercritical solvent recovery and specially designed heat recovery exchangers.

- KBR MAX-ISOM™ Isomerization Technology: KBR introduced MAX-ISOM as the technology of choice for low-cost production of high-octane, cleaner burning isomerate. This has helped accommodate the rise of global demand for motor fuels that comply with strict specifications for sulfur, benzene, olefins and total aromatics content in gasoline.

- KBR K-SAAT™ Solid Acid Alkylation Technology: KBR K-SAAT maximizes the yield of motor fuels and enhances production of alkylate, an ultra-clean blendstock, by reducing the production of heavy hydrocarbon byproducts.

ZERO HARM
COURAGE TO CARE

KBR Environmental Services

WATER INFRASTRUCTURE

Water is a precious resource, and according to the UN, a quarter of the world's population is using water faster than natural sources can be replenished. We provide access to water for populations all over the world through critical infrastructure.

Whether providing drinking water or supporting agricultural or industrial needs, we deliver critical water and wastewater treatment, networks and management.

The work we do on some of the most advanced water treatment facilities, pipelines and infrastructure in the world ensures water gets to our communities and the people who need it. Using our latest proprietary software tools and our engineering procurement and construction capabilities, we work to increase capacity and improve the quality and efficiency of desalination, water recycling and water treatment. And our capital delivery and asset management solutions provide water safely and reliably to communities of all sizes.

KBR'S ENVIRONMENTAL MANAGEMENT SOLUTIONS

We provide infrastructure planning and natural resource management for our clients via a multidisciplinary approach that comprises environmental science, engineering design, planning and community engagement.

By considering both environmental and social factors, we are better positioned to deliver projects that avoid or mitigate harmful impacts and leave a positive legacy in the surrounding region.

SUSTAINABLE SOLUTIONS

Through Infrastructure Services Australia, we have developed a unique environmental discipline, providing sustainable services through a team of 40 specialists divided into the following sub-teams:

- **Planning** – Delivers strategic planning and policy development through to specific project approvals, and helps navigate and optimize strategic and statutory approvals across all levels of government
- **Environmental Engineering** – Stormwater management and pollution reduction, erosion and sediment control, and water-sensitive urban design
- **Sustainability** – Focusing on energy efficiency, recycled materials and circularity, renewable energy and water efficiency consulting, with the key responsibility of acquiring sustainability accreditations and certifications

The team works across a range of industries delivering a variety of solutions, from supplying drinking water to cities to completing billion dollar rail projects.

- **Environmental Management** for construction through to long-term species management and relocation.
- **Water Management** – Surface and groundwater quality assessment and management, including coastal waters
- **Ecology** – Delivering flora and fauna assessments within the legislative requirements, ensuring practical solutions for clients
- **Spatial Services** – Includes web geographic information system platforms for projects and stakeholders and mobile data capture solutions

ZERO HARM
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Environmental Stewardship

Environmental Management of Owned Facilities and Projects

Our Global Environment Policy sets out our approach for managing the environmental impact of both our owned (and leased) facilities and the projects we operate and control. Underpinning this policy are the procedures related to environmental impact and management that guide our work. These policies, procedures and work methods are part of our **Integrated Management System** (IMS), which is designed to incorporate all segments of the business into one coherent system, optimizing business execution and delivering excellence. It is managed, reviewed and updated by our executive leadership team regularly throughout the year. **The KBR IMS performs the role of a dedicated Environmental Management System.**

The KBR IMS conforms to the requirements of ISO 9001, ISO 14001 and ISO 45001.

Our Global Environmental Policy and all related procedures for environmental management outline the commitments, expectations and responsibilities for each employee and project team, in addition to the actions and processes necessary for meeting identified targets and objectives for each area of the environment.

Depending on the size of a project, we will either assign an environmental manager, or in the case of our mega projects, we will assign a full complement of environmental staff — including an environmental supervisor and manager — to handle various programs as outlined in the environmental management procedures within the KBR IMS.

The first task of this team is to identify all environmental impacts associated with KBR's activities to ensure they are assessed and managed at an exceptional level.

The procedural manuals outline the methods used for identification and assessment of environmental aspects and their impacts, and, where necessary, identification of objectives and targets. The assessment includes detailed reviews at each stage of the project and results are recorded in the project's Environmental Aspects Register.

ZERO HARM
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Managers are responsible for identifying, recording and escalating violations for resolution, and for training the environmental team, along with all personnel on the project site, in relevant environmental management aspects. They measure and monitor all environmental impacts in the following areas:

- Emissions to Air
- Emissions to Water
- Releases to Land
- Energy Consumption

- Use of Raw Materials and Natural Resources
- Waste and Byproducts
- Protection of Habitat and Biodiversity

For each of those categories, environmental managers are responsible for ensuring each project and its **environmental management team** perform the following:

- Identify
- Analyze
- Evaluate
- Determine Risk Treatment Strategies
- Record Environmental Impacts

IDENTIFY
ANALYZE
EVALUATE
DETERMINE RISK TREATMENT STRATEGIES
RECORD ENVIRONMENTAL IMPACTS

Protection of Habitat and Biodiversity

Emissions to Air

Waste and Byproducts

Emissions to Water

Use of Raw Materials and Natural Resources

Energy Consumption

Release to Land

ZERO HARM
COURAGE TO CARE
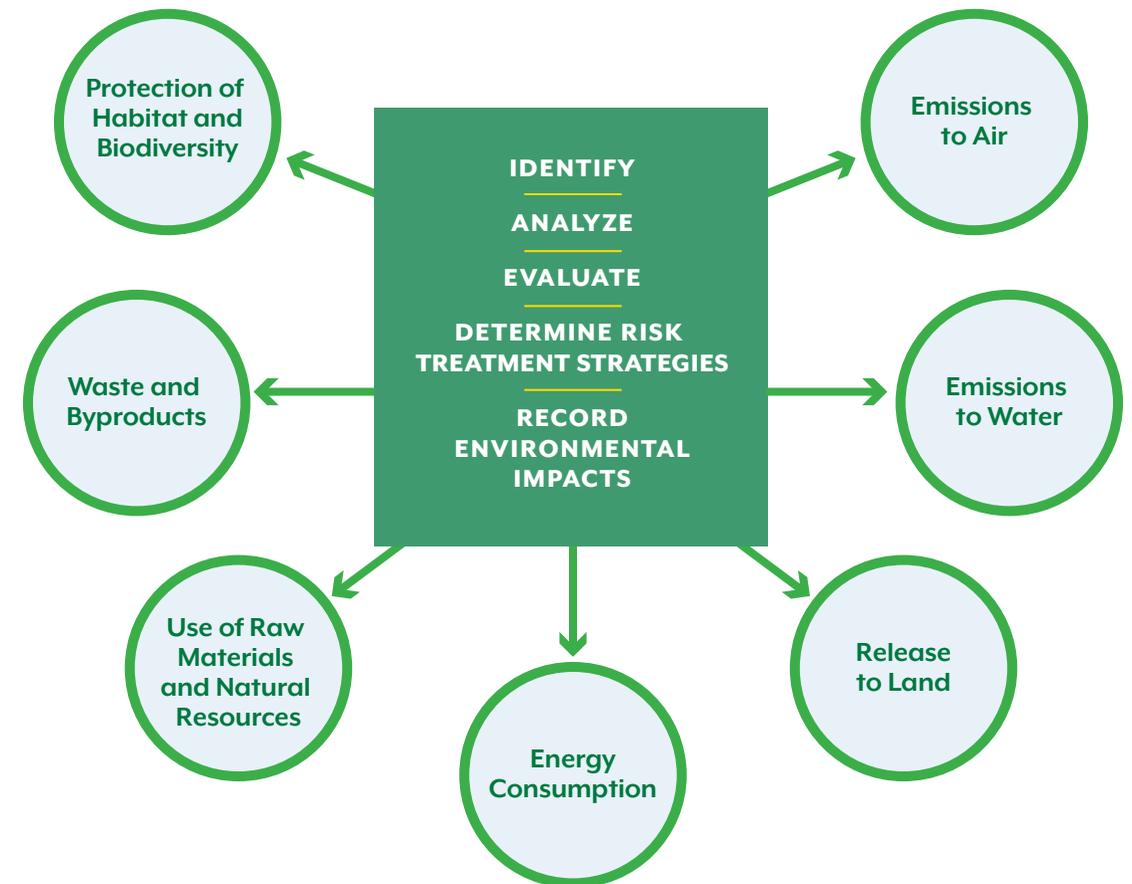
Managing Environmental Risk

The **Environmental Aspects Identification** (ENVID) is used in conjunction with the procedures on page 86 and undertaken to meet the requirements of **ISO 14001**.

The objective of the ENVID is to enhance those procedures by determining and re-evaluating the risks and potential environmental impacts of a new or modified design or facility, and to identify practicable methods to ensure minimum harm to the environment throughout the life of the project.

The Environmental Aspects Register and the ENVID Report establish compliance with ISO 14001:2015, as well as for internal and external auditing. These procedures apply to all global KBR offices and projects.

Our teams also refer to an Environmental Reference Manual, designed to present information and rules for preventing occupational injuries while executing projects in accordance with our ONE KBR Values and our Vision. The document comprises two parts:

- Environmental compliance, detailing procedures and requirements to ensure appropriate safety, record keeping and training
- Environmental guidance with plans and operational recommendations

KBR is ISO 14001:2015 certified by the Lloyd's Register Quality Assurance (LRQA) at the Global level, as well as at the business unit and office location level, across Europe, the Middle East and Africa (EMEA), Asia-Pacific (APAC) and the Americas.

Environment managers and teams are required to refer to the best available techniques assessment included in the IMS. This is a design procedure that provides an integrated, systematic approach to environmental protection and is therefore central to the control of pollution, waste, and the efficient use of materials and energy. The procedure is based on the concept of Integrated Pollution Prevention and Control, which is designed to provide a holistic approach to environmental protection, including health and the natural environment.

As part of our ISO 14001 certification and our Global Environment Policy, we perform external and internal environmental audits; perform regular environmental training programs for our employees; have developed corrective actions to foster continual improvement; and monitor performance records to ensure we are meeting our defined environmental objectives and targets.

Setting Targets and Measuring Our Progress

We invested in a new environmental management system, UL360, which will allow us to systematically collect, manage, monitor and target our environmental performance across the organization. In addition to automating our reporting, the system reduces the risk of data error and provides accurate and up-to-date information based on the latest standards, methodologies and emission factor sets, along with the ability to develop and track new sustainability initiatives. The environmental management system reports on the following indicators:

- **Energy and emissions**
- **Waste**
- **Water and emissions**
- **Environmental compliance**
- **Biodiversity**

- **Materials**
- **Certifications**
- **Environmental mitigation and protection**

One of our longer-running initiatives has been to reduce waste in our head offices in the UK and U.S. We plan to roll this out across the organization as part of our overall Net-Zero Roadmap.

KBR'S HEADQUARTERS, HOUSTON, U.S. 2020 YTD RECYCLING RESULTS*

TOGETHER WE HAVE SUCCESSFULLY RECYCLED: **36,541 POUNDS OF WASTE!**

SUCCESSFULLY RECYCLED **57.49%**

LANDFILLED **42.51%**

DIVERSION RATE

Source: Third party janitorial report 2020

KBR'S UK HEADQUARTERS 2020 YTD RECYCLING RESULTS*

TOGETHER WE HAVE SUCCESSFULLY RECYCLED: **395,620 POUNDS OF WASTE!**

SUCCESSFULLY RECYCLED **100%**

DIVERSION RATE

Source: D&E Roberts' Waste Report 2020

ZERO HARM
COURAGE TO CARE

Our Climate Action Plan

Our Sustainability and Corporate Responsibility Board Committee has made climate change one of KBR's top strategic business priorities. Though it is one of our five environmental Sustainability Pillars, outcomes from each of the other four pillars contribute to our impact on climate change.

Increased global prioritization of the current energy industry's potential impacts and contribution to climate disruption have led to an increased focus on elements of our business that will contribute to helping our clients solve the issues they face in this area.

We are committed to continually improving our energy efficiency and procuring clean energy where possible. We commissioned a third-party carbon auditor to calculate our emissions and provide an overview of the CO_2 emissions generated by our business activities across 131 of our sites, including heating and vehicles (Scope 1), electricity (Scope 2) and air and rail business travel (Scope 3 – category 6 business travel). Using 2019 data as a baseline we have repeated our calculations for 2020, in addition to screening our Scope 3 emissions.

We follow the methodology as set out by the Greenhouse Gas Protocol of the World Resources Institute and the World Business Council for Sustainable Development. We have calculated and disclosed the greenhouse gas (GHG) emissions associated primarily with our own 131 sites' energy usage.

Carbon Action Plan 2020-2030

SUPPLY PARTNERS

EFFICIENT ENERGY

CLIMATE CHANGE
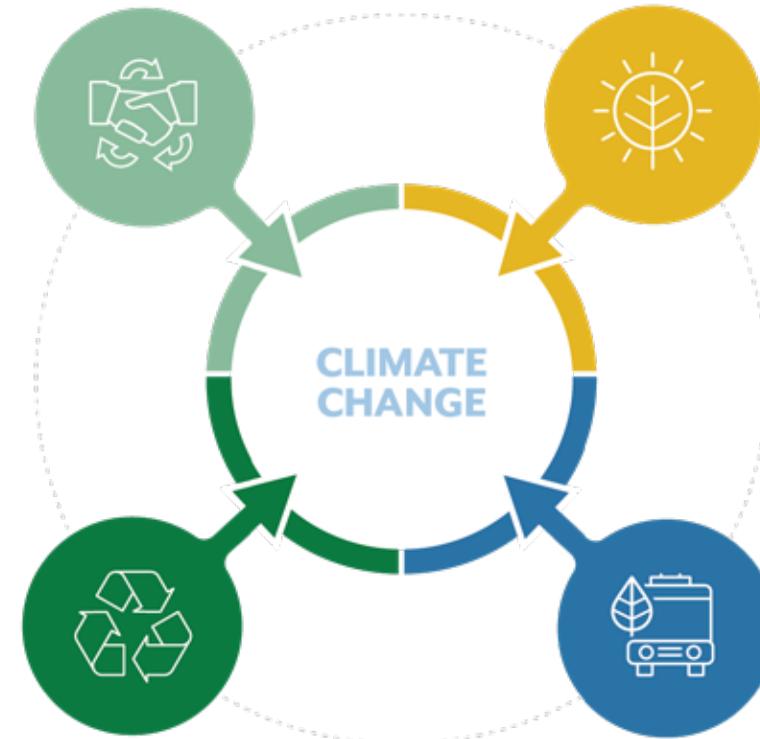
RECYCLE/REUSE

SUSTAINABLE TRAVEL

Our 2020 Corporate Carbon Footprint

In 2020, KBR's business activities generated a total of 73,961.3 tons of CO_2, 6.3% of which were Scope 1 emissions, 58.2% Scope 2 emissions and 35.5% Scope 3 emissions. Electricity was the most emission-intensive factor and represents the largest share of the company's carbon footprint.

When offsetting the emissions, we will add a safety margin to our corporate carbon footprint to account for any discrepancies that might have resulted from assumptions and estimates taken.

| Emmission source	Emissions [t CO₂]	Share, %*
Scope 1	**4,212.2**	**6.27**
Heating	2,119.1	3.15
Vehicles	2,093.1	3.12
Scope 2*	**39,133.6**	**58.20**
Electricity	39,085.0	58.13
District heating	48.6	0.07
Scope 3	**23,891.7**	**35.53**
Air travel	23,883.7	35.52
Train travel	8.0	0.01
Total	**67,237.5**	**100.00**
Total incl. 10% safety margin	**73,961.3**	
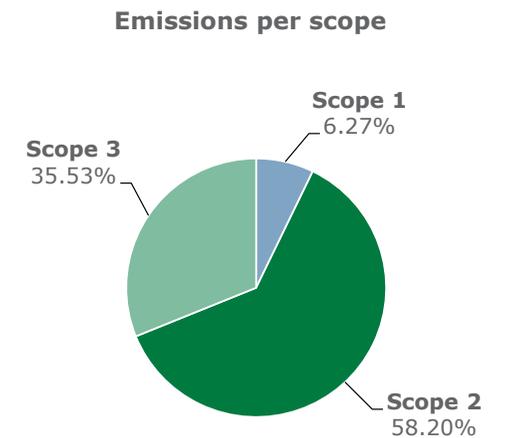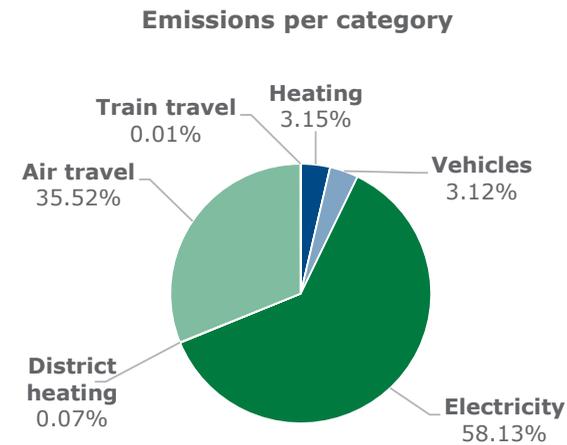
Scope 2 emissions were calculated using the location-based method, except for the UK where market-based method was used. UK location-based emissions amount to 1,435.1t CO2. Market-based emissions equal 0t CO2.

Emissions per category

Train travel 0.01%
Heating 3.15%
Air travel 35.52%
Vehicles 3.12%
District heating 0.07%
Electricity 58.13%

Emissions per scope

Scope 3 35.53%
Scope 1 6.27%
Scope 2 58.20%

Source: KBR 2020 Corporate Carbon Footprint – ClimatePartner

ZERO HARM
COURAGE TO CARE

A Snapshot of Our Net-Zero Carbon 2030 Roadmap

Across the organisation, we have implemented sustainability initiatives in several regions. Here are a few examples:

- Our KBR One Ocean program, which launched in 2018, spearheaded initiatives to remove single-use plastics and to introduce recycling across many of our office locations globally
- The expansion and rewilding of green spaces and wildflower meadows at our office locations in Singapore and the UK
- Waste initiatives to increase diversion rates; the UK headquarters now diverts 100% of their waste
- Initiatives to drive paperless offices by reducing the number of printers and introducing digital document management systems
- Providing employee commuting incentives such as Cycle to Work and electric vehicle financing schemes
- Providing reusable travel coffee mugs to our employees in various office locations
- Introducing a switch-off policy for all computers and appliances when not in use
- Switching all light bulbs to LED and motion-activated light switches
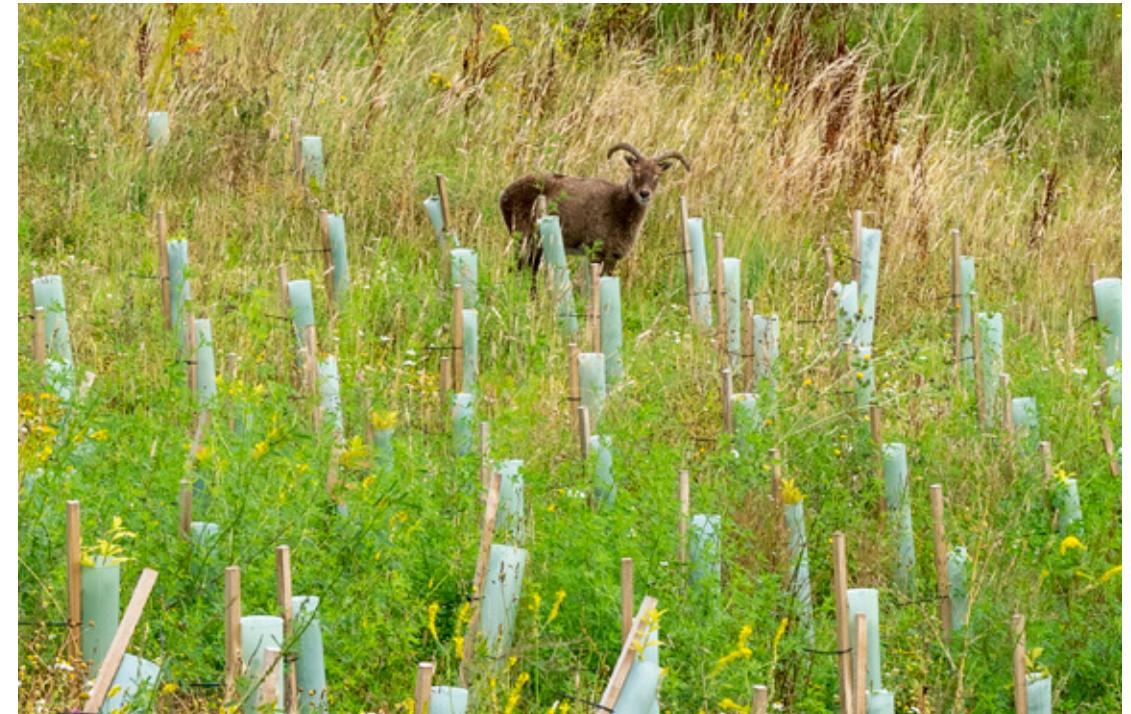
These successful programs will be integrated into our Net-Zero Carbon Roadmap and our discrete reduction plans, to be systemically implemented throughout the organization. Current procedures for environmental management of all our owned and leased facilities, assets, and projects will be enhanced by some of the following decarbonization and reduction programs:

- Increasing **Sustainable Travel:**
  o Commit to reducing business travel by **25% by 2025**:
    1. Updating our Travel Policy to reduce extraneous air travel
    2. Switching to virtual meetings where possible
    3. Reducing first and business class and using direct flights where possible
    4. Encouraging staff to use rail travel or other low-carbon methods of transport (public transport, coach, carpool) instead of short-haul flights
  o Encouraging sustainable **employee commuting** by:
    1. Providing more public transport incentives such as discounts and benefits for rail, bus and carpooling
    2. Installing more electrical vehicle charging stations to our offices globally
    3. Educating employees on the importance of green driving
- Increasing the use of **renewable energy** by **50% across global sites by year 2025 by**:
    1. Becoming an equity investor in renewable energy projects
    2. Developing our own microgeneration/decentralized electricity projects such as solar panels or small wind turbines at various office locations
    3. Entering into long-term power purchase agreements
- Increasing KBR's **green vehicle** fleet by **25% by the year 2025 by**:
    1. Increasing the ownership/use of electric/hybrid or hydrogen-powered vehicles by ensuring any new vehicle purchases are green
    2. Installing infrastructure on site to encourage charging of company cars at KBR facilities so that KBR has control over type of electricity used and control over emissions reduction

- Improving our **supply chain sustainability** by:
  o Assessing our current suppliers and their commitments to sustainability
  o Increasing the selection of carbon-neutral suppliers
  o Supporting local supply chains to improve supply chain efficiency
  o Modifying procurement practices and incentives to prioritize sustainability
- **Improving sustainability at our canteens** by:
  o Switching to fair trade products where possible
  o Assessing our food miles
  o Reducing our food waste
  o Composting on site
  o Donating surplus food to food banks
- **Improving at our estates or office buildings** by:
  o Implementing sustainable retrofitting to our offices and sites
  o Monitoring and managing our energy and emissions, fugitive emissions, waste, refrigerants, wastewater, HVAC, E-waste and other materials
  o Increasing the use of green office supplies
  o Implementing green initiatives within our office washrooms
- Increasing **employee education and awareness** by:
  o Monthly lunch-and-learns
  o Environmental and Sustainability Awareness Days
  o Sustainability training
- **Our merchandise** by:
  o Using sustainable packaging
  o Work with suppliers who use ethical manufacturers
  o Source our merchandise locally to decrease transportation emission and costs

Case Study

Business Unit: Government Solutions, APAC

North Western Project Alliance: Level Crossing Removal Project – Climate Change Risk Assessment

CONTEXT: There is an extensive and growing body of evidence that shows Australia's climate has changed significantly over the past 50 years. This will continue to place property, communities and infrastructure assets under increasing physical and financial risk. In order to design infrastructure for a 100-year lifetime, it is critical to consider the impacts of a changing climate.

APPROACH: A climate change risk assessment was conducted for each Alliance project, involving multidisciplinary internal team members and external stakeholders, to identify key climate change risks and develop mitigation measures to be included in the design. Examples of key risks that were identified include:
- Increase/decrease in rainfall intensity
- Increasing average temperatures/solar radiation
- More frequent storms/weather events

OUTCOMES:
Mitigation measures to account for these risks were then designed into the stations and infrastructure. Some examples below:
- Water-sensitive urban designs
- Water-efficient taps and toilets
- Solar panels
- Reduction in peak station load due to energy-efficient building design (including lighting)
- Backup generators for potential blackouts
- Rainwater tank
- Innovative U-shaped rail bridge structure to use less material
- Recycled materials used in concrete and asphalt
- Innovative metering and monitoring to improve energy and water use efficiency
- Native drought-resistant planting palette and weed removal
- Responsibly made steel
- Reclaimed native green areas under railways
- Shading trees and canopies

IMPACT:
The project identified clear climate risks and implemented mitigation solutions into project designs, equipping communities for the impact of climate change in the future.

EFFICIENT ENERGY   CLIMATE CHANGE   RECYCLE/REUSE

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

ZERO HARM
COURAGE TO CARE

Governance

In This Section

ZERO HARM
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COURAGE TO CARE

Governance

GOVERNANCE   RISK MANAGEMENT   SUPPLY PARTNERS

1 NO POVERTY   5 GENDER EQUALITY   8 DECENT WORK AND ECONOMIC GROWTH   9 INDUSTRY, INNOVATION AND INFRASTRUCTURE   10 REDUCED INEQUALITIES   11 SUSTAINABLE CITIES AND COMMUNITIES   12 RESPONSIBLE CONSUMPTION AND PRODUCTION   13 CLIMATE ACTION   16 PEACE, JUSTICE AND STRONG INSTITUTIONS   17 PARTNERSHIPS FOR THE GOALS

*Please see page 10 for more detail on the ESG topics we measure.

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KBR Has Lowered Its Governance Risk Profile

In 2020, KBR exited traditional energy, lump-sum EPC, construction risk, and commoditized services. KBR also reduced its reliance on contingency funding in the Middle East to non-material levels and retired many legacy risks over the last few years. We have instead increased our core strategic focus on bringing clean tech innovation and solutions to market through our Sustainable Technology and Government Solutions.

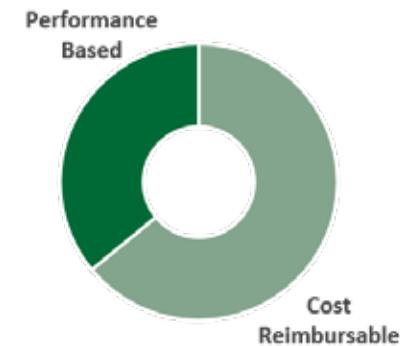KBR's Evolution by the Numbers
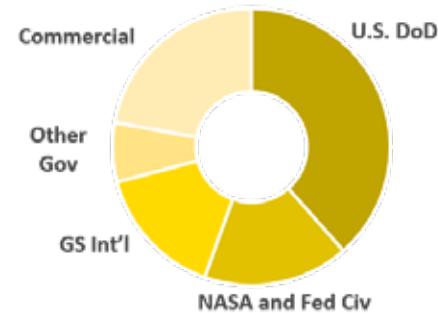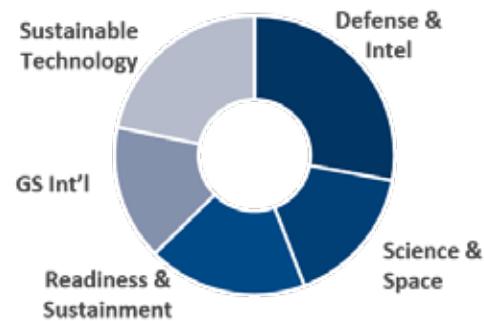
YESTERDAY (2015)

2015
Revenue: $5B
EBITDA: 6%

■ Gov't ■ Tech ■ Energy ■ NSB
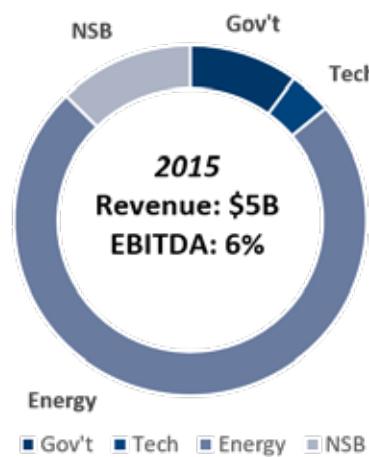
TODAY (2021)

~$6B
2021(E)
REVENUE

$19B
BACKLOG
& OPTIONS

~9%
ADJ. EBITDA
MARGIN

29K
EMPLOYEES

ANTI-CORRUPTION ▶ **ENTERPRISE RISK MANAGEMENT** ▶ **STRATEGIC RISK REDUCTION** ▶ **UNAOIL INVESTIGATION** ▶ **ESG** ▶ **DIGITALIZATION**

July 2009
KBR engages independent corporate monitor as approved by the Department of Justice (DOJ) and the U.S. Securities and Exchange Commission (SEC).

January 2010
KBR adopts enhanced anti-corruption program.

February 2012
At the conclusion of the three-year monitorship, the monitor certified that KBR's current anti-corruption compliance program has been appropriately designed and implemented to ensure future compliance with the Foreign Corrupt Practices Act (FCPA) and other applicable anti-corruption laws.

July 2014
Revised KBR COBC to disallow all facilitating payments to further reduce corruption risk.

June 2019
Hired Chief ERM Officer who, with her team, implemented a formal ERM COSO*-based program.

February 2020
ERM reports are required regularly at the Board level.

Q2 2020
Commenced applying ERM outputs to develop and implement strategic risk reduction.

March 2020
Restructured energy delivery and services businesses into a single, combined group – Energy Solutions.

June 2020
· Energy Solutions combined with technology business to create Technology Solutions.
· Exit engineering, procurement and construction (EPC) lump-sum work.

February 2021
Broader Techology Solutions business segment renamed Sustainable Technology Solutions.

July 2020
The Serious Fraud Office (SFO) informed KBR that the SFO's criminal investigation in relation to KBR no longer focused on the allegations of corruption involving Unaoil, although the investigation remained open to review "a number of other discrete lines of inquiry."

August 2020
DOJ and SEC conclude investigation into KBR over Unaoil. Based on the four-year thorough investigation of the available information, the DOJ closed its inquiry into KBR, and the SEC did not recommend any enforcement action against KBR regarding Unaoil.

March 2021
SFO closes investigation into KBR. Following a thorough four-year investigation of the available evidence, the SFO closed its investigation into KBR stating the "evidence in this case did not meet the evidential test as defined in the Code for Crown Prosecutors."

January 2021
Audit: The Sustainability team and KBR Internal Audit team partnered to audit the 2020 Sustainability Report. Reporting controls and processes established for 2021 and future Sustainability Reports.

Enterprise Risk Management and Sustainability: in 2021 our risk management framework and processes are applied to environmental, social and governance aspects and risks and opportunities are managed accordingly. Please see page 104 for more detail on this process.

July 2020 - December 2021
We have digitalized our anti-corruption processes including our International Services Intermediaries (ISI) due diligence workflow; our business courtesies and charitable contributions approval workflow; and International Commercial Intermediaries (ICI) and Partner due diligence workflow to improve accuracy, transparency and oversight.

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KBR Sustainability and Corporate Responsibility Report 2020

INTRODUCTION   PEOPLE   PLANET   GOVERNANCE   INDEX   APPENDIX   **98**

Our Changing Risk Profile   Our Boards   Ethics and Integrity   Risk Management   Data Privacy and Cybersecurity   Supply Chain Management   Protecting Human Rights   Product Safety and Quality

Our Board

KBR's governance framework is designed to achieve long-term value for our stakeholders and is guided by principles of accountability, good stewardship and integrity. KBR's Board of Directors is responsible for the oversight of:

- Our purpose, values and strategy
- Economic, environmental and social performance
- Risk oversight
- Our employees

Sustainability Oversight

Our board is responsible for closely monitoring current and emerging sustainability risk management themes, including, but not limited to, supporting a safe, skilled, diverse and inclusive workforce; cybersecurity and data privacy; climate change; human rights; ethics; and environmental management.

This is reinforced by our Sustainability and Corporate Responsibility Committee comprising of members of our board who are responsible for reviewing more closely all sustainability matters. The committee meets formally at least twice a year to guide strategy, set performance objectives, monitor implementation and performance of objectives, and monitor and oversee progress against goals and targets for addressing our material topics. The Audit Committee is responsible for overseeing all matters concerning ethics and integrity through the management of KBR's Code of Business Conduct (COBC). The Board also established a standing Cybersecurity Committee in August 2021.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY COMMITTEE

Members:
Ms. Pickard (Chair)
Mr. Baldwin
Lt. General Masiello
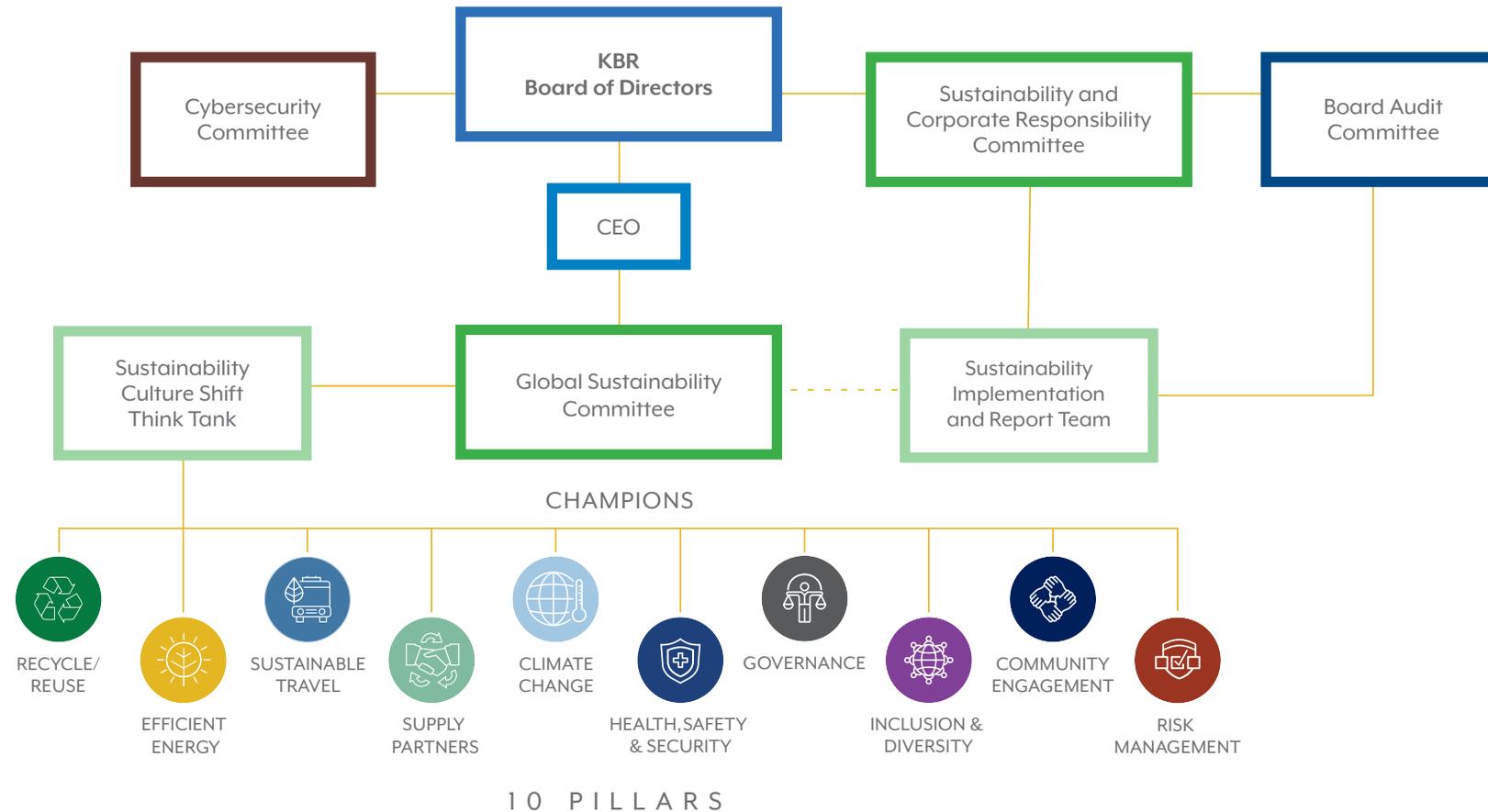Mr. della Sala

Meetings in 2020:
2
Attendance:
100%

The Sustainability and Corporate Responsibility Committee:

- Reviews policies and goals relating to health, safety, security, the environment and social responsibility, including processes to ensure compliance with applicable laws and regulations
- Reviews and provides feedback on the management of current and emerging sustainability issues
- Oversees KBR's activities in managing its major sustainability/ESG risk exposures including climate change
- Oversees and receives presentations at least annually from KBR's Chief HSSE Officer
- Reviews KBR's political and charitable contributions and social responsiblity activities
- Reviews KBR's sustainability strategy, including carbon dioxide emission neutrality and other sustainability goals
- Reviews KBR's public sustainability report
- Ensures KBR has policies and procedures to protect our culture and values, ensure fundamental human and workplace rights, prohibit all forms of forced labor and human trafficking, ensure we operate transparently and with integrity, and build a safe and resilient business that considers climate change and other sustainability issues.

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Our Changing Risk Profile   Our Boards   Ethics and Integrity   Risk Management   Data Privacy and Cybersecurity   Supply Chain Management   Protecting Human Rights   Product Safety and Quality

The Global Sustainability Committee responds to the Sustainability and Corporate Responsibility Board's directives and implements sustainability practices at a business level globally. Our CEO chairs this committee and members include business segment and corporate department executives, as well as key employees, to ensure well-rounded and in-depth discussions that support the development and implementation of KBR's sustainability strategy and targets.

The Sustainability Culture Shift Think Tank is chaired by KBR's Vice President, HSSE and Vice President, Global Communications and Marketing. The chairpersons are responsible for developing key sustainability messaging and creating targeted campaigns that embed sustainability into KBR's broader culture.

Ethics and Integrity

The continued success of our business depends on how we manage the risks that come with operating globally, including corruption and fraud risk, which can harm our reputation for being a service provider of integrity.

Our enhanced control environment, awareness, training around ethical behavior, and an organizational commitment to transparency help mitigate misconduct and reputational risk. Our strong global emphasis on ethical standards and corruption and fraud prevention has translated to a culture of integrity and heightened awareness of ethical behavior and procedures.

This section of the report highlights some of the rigorous procedures we've put in place to counter risk and develop a highly ethical workforce.

KBR's approach to ethical conduct is considered at the board level is and is part of our Enterprise Risk Management processes.

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Our Code of Business Conduct and Whistleblower Program

We encourage anyone who suspects inappropriate or unethical behavior or violations of our Code of Business Conduct (COBC) to report them through any of several established internal reporting channels, or via our external, confidential third-party managed Ethics Hotline. This system allows for anonymous reporting, and all allegations are evaluated and investigated.

We have a strong policy against retaliation for employees who report potential violations, with legal protection in accordance with applicable law:

- Identity protection and right to remain anonymous
- Protection from retaliation, harassment or intimidation

KBR policies, procedures and guidelines for proper requisitions, commitments, payments and record keeping

- The Audit Committee of the KBR Board of Directors oversees our compliance system and controls, including its Anti-Corruption Compliance program. The Chief Compliance Officer, who reports to the General Counsel, has responsibility for implementing and managing our anti-corruption program. The Chief Compliance Officer reports at least quarterly to the Audit Committee on any significant COBC and corruption-related compliance matters.

- Our anti-corruption program procedures and guidelines are owned and published by the Legal Department and adhered to by Procurement/Subcontracts, including a robust risk-based, third-party due diligence and approval process. Collectively, our KBR policies and procedures set forth the processes and guidelines for proper requisitions, commitments, payments and record keeping.

- All of our employees, directors and contract employees are required to complete compulsory annual ethics training, with signoff, which reinforces KBR's expectations that employees will conduct business ethically and in accordance with the COBC. In 2020, ethics training was offered in 16 different languages and was also provided in classroom settings at remote locations, where online training wasn't possible. As part of the training, employees certify that they understand the COBC and will comply with its provisions. We provide additional anti-corruption training to targeted employee groups.

- Employees occupying certain positions of substantial authority or critical job functions also complete annual compliance certifications to ensure that the COBC and anti-corruption laws are being adhered to throughout the organization and any potential conflicts of interests or issues are reported and evaluated.

- Our Anti-Corruption Procedure governs the due diligence requirements and engagement of third parties, provisions of business courtesies and donations, and other details of our anti-corruption program.

- We only engage third parties (e.g., international sales agents, business partners and other third parties that interact with non-U.S. government officials on KBR's behalf) that complete our rigorous anti-corruption due diligence review and approval process. Our contracts with these parties include specific anti-corruption compliance provisions, and the third parties are required to certify compliance with the Foreign Corrupt Practices Act (FEPA), the UK Bribery Act and other applicable anti-corruption laws, and we expect the same standard of compliance from our joint venture partners.

- As part of our internal monitoring system to detect potential corruption or suspicious payments, our internal audit services team regularly conducts anti-corruption audits of our projects and office locations through a risk-based approach and periodically conducts anti-corruption audits of selected third parties.

- Foreign charitable and community contributions undergo an anti-corruption review and approval process.

- We periodically review all general ledger accounts for facilitating payments, compliance-sensitive payments and improper fees.

- High-risk projects and offices are required to complete annual anti-corruption self-assessment questionnaires.

- COBC allegations of corruption and fraud, as well as allegations involving employees with a role in internal controls over financial reporting, are reported to the Audit Committee.

- We actively monitor and audit our internal compliance with our COBC via internal controls.

Refer to our Anti-Corruption program for more information.

Risk Management

One of our ten Sustainability Pillars is Risk Management. KBR's resilience, success and continued evolution depends on our ability to anticipate and respond to the constantly changing risks and opportunities in our existing and future operating environments. We use an Enterprise Risk Management (ERM) framework and process to manage, monitor and report on these risks and opportunities.

This fully integrated, enterprise-wide, Committee of Sponsoring Organizations of the Treadway Commission (COSO)-based ERM Framework and process is actively supported by the board and executive leadership. The framework drives sustainable business growth and enhances business resilience by encouraging uncertainty anticipation and resolution at all levels — from project to enterprise — across all global business units in real time.

By entrenching ERM principles and practices in our culture and operations, we can consistently visualize the entire risk landscape, mitigate risks, capitalize on opportunities, and create value and predictable outcomes.

The KBR ERM Framework comprises six phases:
Identification, Assessment, Analysis, Mitigation, Monitoring and Evaluation.

This approach creates visibility of our changing risk profile and enables informed decisions and adjustments, better communications to stakeholders, and a common focus based on consistent and reliable data. We apply all six phases to all material risks and opportunities.

The ERM Framework is a top-down and bottom-up approach. It is a consistent, scalable and auditable means for the identification and management of existing and emerging risks and opportunities, both internal and external, to current and future operations, whether at project level, business unit level and enterprise level. All employees are empowered to identify risks and opportunities; the framework provides a consistent mechanism for doing so.

The Board and Risk Oversight

Risk oversight is an integral part of our board of directors' role, and discussions regarding risks are deliberated throughout the year. Responsibility for risk management is distributed among the board as a whole and to individual board committees, supported by management in each case.

KBR's ERM Framework provides an effective tool for executive oversight of managing risks.

BOARD OF DIRECTORS

- Reviews semi-annual risk reports — including strategic, operational, financial and hazard risks — as well as management's assessment of their likelihood and impact, the perceived trend for each risk, and the measures being taken to monitor and manage those risks.
- Reviews legal and compliance risks and approves project prospects exceeding a certain amount of expected revenues and merger and acquisition prospects after deliberating related commercial, legal, and financial risks, agreement terms and, integration process.

ENTERPRISE RISK MANAGEMENT

- Guides all business segments in consistently implementing KBR's ERM Policy and Framework, comprising the six stages of risk management: identification, assessment, analysis, mitigation, monitoring and evaluation.
- Reports periodically to the board on KBR's changing risk profile, enabling risk-based strategy decisions and improved communications to stakeholders.

Risk Governance

KBR's executive leadership team convenes for dedicated risk reviews. The outputs are reported to the board of directors twice per year, and individual business units and projects manage risks and opportunities on an ongoing basis using the ERM Framework to provide real time risk-based data.

ESG – Sustainability Risk Management

The KBR ERM Framework is also applied to the management of KBR's sustainability risks and opportunities. Through engagement with subject matter experts, internal stakeholders and our supply chain, risks and opportunities associated with sustainability material topics are identified, assigned an appropriate owner, and thereafter managed within the framework.

The risk owners are accountable for the ongoing management, development and implementation of action plans, and are accountable for either enhancing opportunities or mitigating risks. Sustainability Performance Indicators aligned with the sustainability risks and opportunities are under development and will be used in part for ongoing risk monitoring.

Some of the identified sustainability risks and opportunities we actively manage through the ERM system include:

Innovative, sustainable solutions

Environmental impact

Health (mental and physical), safety and security of KBR employees and third parties' personnel and property

Employer of choice – effective human capital management and development

Inclusion and diversity

Ethics and integrity

Climate change – interruptions to our business operations

Human and labor rights violations in our supply chain

Data protection and our cybersecurity

Data Privacy and Cybersecurity

We approach data privacy and information security across all business lines and subsidiaries with the same level of rigor as we do physical safety and security. We manage information security while supporting data privacy with a multifaceted approach across all systems that prevents and minimizes the impact associated with external and internal cybersecurity threats. Our approach uses multilayer safeguards to protect strategic and sensitive assets, while also ensuring data privacy and information security is maintained for both personal and business information for employees, subcontractors, joint venture employees and customers.

Governing KBR's Data Security Policies and Procedures

Our cybersecurity policies and procedures are managed at the board level through our newly established Cybersecurity Committee. This standing committee was established in August 2021 to assist the board in fulfilling its responsibilities to provide oversight of the corporation's systems, including processes, policies, controls and procedures. And to (i) identify, assess and manage risks related to cybersecurity, (ii) respond to and manage cybersecurity threats, including cybersecurity incidents and (iii) comply with legal and regulatory requirements governing data security. The Audit Committee, as stated in its charter, is also responsible for reviewing the company's cybersecurity programs and strategy to mitigate cybersecurity risks. We also have four non-executive board members who have extensive backgrounds in technology and cybersecurity. They are Lynn Dugle, General Lester Lyles, USAF (Ret.), Lt. General Wendy Masiello, USAF (Ret.), and Lt. General

Vincent R. Stewart, United States Marine Corps. (Ret.). Both Lynn Dugle and Lt. General Wendy Masiello are on the Audit Committee and our General Counsel and Chief Information Officer report to them through Audit Committee updates twice a year.

POLICIES AND PROCEDURES COVERING DATA PRIVACY AND CYBERSECURITY

- Code of Business Conduct
- Data Privacy Policy
- Information Technology – Security and Acceptable Use Policy
- Social Media Policy
- Information Technology – Print Device and Usage Policy
- IT Major Security Incident Response Procedure
- Disaster Recovery and Backup Procedure
- Security Access and User Account Management Procedure
- IT Global Backup Retention Procedure
- IT Global Password Standard Procedure
- Acquisition, Delivery and Use of Computer Hardware, Software and Other IT Services Procedure
- Bring Your Own Device Procedure
- Invention Disclosures and Patent Applications
- European Union (EU) – U.S. Privacy Shield Procedure
- System Security Plan
- Employee Personal Data Management
- Export Compliance Manual

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Our Approach to Cybersecurity

1. Rigorous cybersecurity audits and risk assessments are conducted annually by internal and external auditors through cyber penetration and vulnerability testing against KBR's on-premise, public-facing, and cloud environments and systems. These audits and assessments emulate techniques and tradecraft leveraged by advanced persistent threat (APT) adversaries. All audit findings are reviewed, prioritized and remediated. All audit findings are reported to the Audit Committee board level and executive leadership.

2. Annual cybersecurity awareness training is provided to all employees, new hires and contractors. Training content is updated annually to align with data privacy laws and regulations, along with the latest cyber threats, including phishing, malware, ransomware, social media, data compromise and insider threats.

3. We conduct monthly user awareness phishing assessment campaigns that include teachable moment reinforcement. Each phishing scenario is aligned with real-world cybercriminal social engineering exploits.

4. Our quarterly Cyber Times newsletter informs our user population of emerging external and internal threats and data privacy requirements.

Our cybersecurity enterprise control frameworks comply with industry standards and regulatory requirements, ISO 27001 and 20000 (governing Information Security Management System and Service Management System), NIST 800-171 (National Institute of Standards and Technology governing non-federal information systems), DFARS (Defense Federal Acquisition Regulation Supplement), and ITAR (International Traffic in Arms Regulations). KBR enterprise policies, cybersecurity controls and systems are assessed annually by internal and external auditors. External ISO, NIST and Cyber Essential and Cyber Essential Plus certifications are maintained. All internal and external audits are reported quarterly to Audit Committee board level and executive leadership, who have oversight of KBR's data privacy, information security and enterprise risk management.

2020 External Cybersecurity Audits

- External DFARS NIST 800-171 Assessment (FEB)
- U.S. Government Defense Contract Management Agency (DCMA) – Defense Industrial Base Cybersecurity - Assessment Center (DIBCAC) NIST 800-171 External Assessment (APR)
- ISO 27001 External Audit – UK (MAY)
- Cybersecurity Vulnerability & Penetration Testing External Assessment (AUG)
- ISO 27001 & 20000 External Audit – USGS (AUG)
- Cyber Essentials External Assessment (JUN)
- Cyber Essentials Plus External Assessment (SEP)
- ISO27001 External Audit – UK (NOV)

2020 Enhancements for the Protection of Personal and Business Information

- KBR has made additional investments and adopted security technology for improving our security operations capabilities in security orchestration automation response (SOAR). We've also continued cybersecurity Target Threat Hunting (TTH) operations, leveraging our security technology, to detect and deter evolving cybersecurity Advanced Persistent Threats (APT) within the KBR enterprise network and acquired M&A networks.
- We have revised and published updated Cybersecurity Incident Response procedures to align with current cyber threat landscape, while ensuring regulatory reporting compliance requirements were current for 2020.
- KBR has also continued expanding and maturing our internal compliance framework for supporting regulatory and industry-standard security frameworks (ISO 27001, ISO 20000, NIST 800-171 and CMMC) as part of our continuing committment to Information Security Management and Service Management governance.

Our Approach to Data Privacy in 2020

- Expanded our **General Data Protection Regulation** (GDPR) Data Privacy Committee tasked with further strengthening compliance and educating employees on the scope of personal data obligations.
- Honed and refined **data mapping**/Record of Processing Activities of personal data in the UK and EU.
- Advanced our commitment to Data Protection by Design & Default.
- Provided **ongoing training** to key employees handling sensitive employee personal data to minimize risk of data breaches.

2020 Cybersecurity & Data Privacy – Highlights

- For three years, we have achieved and maintained ISO 27001 and Cyber Essentials Plus certifications through successful internal and external annual audits.
- During 2020 we began preparation for the forthcoming Cybersecurity Maturity Model Certification (CMMC) to include external and internal readiness assessments of additional controls within the CMMC Level 3 framework. The internal CMMC Level 3 assessment focused on 20 new security practices from CMMC and the three maturity processes for Level 3 future certification.
- Over the past four years sponsored email phishing campaigns have continued to show a notable end-user awareness improvement year over year. KBR targeted phishing emails are based on real-time threats and provide teachable moments to improve our user's overall cyber awareness. Targeted phishing campaigns in 2020 showed KBR users were less susceptible compared to the industry benchmark.
- We have expanded our Insider Threat committee to include required organizational components that are actively reviewing, creating and implementing relevant policies, procedures and technologies. Multiple committee members attended external Computer Emergency Response Team (CERT) Insider Threat Program Manager training and successfully achieved certification.

Additionally, 86% of more than 420 million emails received at the KBR Secure Email Gateways were blocked based on spam, virus, dynamic reputation and zero-hour cyber threat detection policies.

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Supply Chain Management

Our supply chains are critical for sustainably delivering our complex project solutions.

With tens of thousands of contractual relationships, our supply chain is the nucleus that underpins KBR's sustainable solutions. Our aim is to always find the right partners, who we can hold to the same sustainability and quality standards that we do our own operations. We do this through a rigorous assessment and collaboration process that ensures our partners work with us to support SDGs and deliver an equitable supply chain.

Procurement and Supply Chain Management policy, established in September 2021, and supporting governance framework delivers a business integrated, market aware and sustainable strategic sourcing function will require us to comply to the following foundational principles:

– Develop inclusive supplier relationships that promote small business participation, embrace diversity, practice corporate social responsibility, integrate sustainability and promote transitioning toward business models that incorporate a low-carbon economy, clean energy, sustainable transport, sustainable agriculture and commitment to the environment.

– Commit to comply with mindful business practices that uphold governance, corporate social responsibility and fiduciary responsibilities, as well as prevent insider trading, bribery, discrimination and conflicts of interest, through strict adherence to the KBR COBC, KBR Supplier Code of Conduct, KBR Global Human Rights Policy, the KBR Trafficking in Persons Policy, the UK Modern Slavery Act Statement filed by Kellogg Brown & Root Limited, and the KBR Anti-Corruption Compliance Program.

– Deliver responsible sourcing and environmental responsibility by supporting supply chain participants in making positive and lasting impacts on the people and communities from which they source

– Minimize potential risks by procuring goods and services from experienced, qualified, responsive, and/or approved vendors and subcontractors who demonstrate the highest levels of ethical integrity, financial health and stability, and safety and health.

These points offer a summary of the supply chain management principles that contribute to our sustainability practices. Please follow the link on this page for the full policy.

Here are some examples of areas in which we assess supply partners through our procurement processes:

	Topic	Supplier Screening Questions
ENVIRONMENT	Environmental Compliance	• Is your organization ISO 14001 certified? • Is your organization ISO 5001 certified? • Is your organization ISO 14064 certified?
	Waste Reduction/Prevention	• Do you have any waste reduction/prevention initiatives?
	Water Reduction	• Do you have any water reduction/recycling initiatives?
	Biodiversity	• Does your organization have a biodiversity action plan?
	Materials	• Do you use recycled input materials to manufacture the organization's primary products and services?
	Environmental Mitigation and Protection	• Do you have an enterprise-wide environmental management program? • Do you have a publicly available Vendor Code of Conduct?
	Carbon Reduction Initiatives – Net-Zero Strategy	• Have you developed any energy/emissions-reduction initiatives such as a net-zero strategy or a climate action plan/policy? • Do you report annually to the CDP (Climate Disclosure Project)? • Does your company assess climate-related risks and opportunities? • Does your company have a sustainable travel policy? Yes/No (option to upload) – Provide examples of steps taken to increase travel sustainability.
SOCIAL AND GOVERNANCE	Human Rights	• Do you have a publicly available enterprise-level human rights policy?
	Human Rights (tier 2)	• Do you have programs to screen your new suppliers for any of the following: environmental performance, labor practices or human rights performance?
	Information Security Management	• Does your company have a documented information security policy compliant with ISO27001? Yes/No
	Inclusion and Diversity	• Does your company disclose a labor rights or other formal policy that encompasses freedom of association and the right to collective bargaining (ILO 87 and/or 98)? • Does your company have an equality, diversity and inclusion (EDI) policy or provide training for your supply chain on EDI? Yes/No (provide option to upload)
	Ethics and Integrity	• Do you have a company-wide business ethics policy or code of conduct?

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Protecting Human Rights

As a global company, we impact economies and business growth in the communities where we operate, providing opportunities for disadvantaged businesses and local suppliers where appropriate. We respect and uphold the highest human rights standards and do not tolerate any form of discrimination, harassment or human rights violation.

KBR currently has more than 57,000 suppliers from 165 countries and takes a risk-based approach in assessing human rights vulnerabilities across our supply chain. Certain subcontractors and lower-tier subcontractors in high-risk countries are the focus of enhanced due diligence efforts to mitigate risks regarding human rights abuses. Our human rights vulnerabilities are assessed at the board level and form part of our Enterprise Risk Management process.

Additionally, the treatment of foreign, low-skilled employees working for KBR subcontractors in host countries is an area of focus and is addressed through our Trafficking in Persons (TIPS) and the Modern Slavery Act (MSA) programs.

Please see the Ethics and Integrity section of this report for information on how we promote human rights, as well as relevant policies and procedures for ensuring strict compliance among employees, subcontractors and suppliers.

OUR ACTIONS

- We acknowledge our corporate responsibility to respect human rights as set out by the UN Guiding Principles on Business and Human Rights, and we recognize that modern slavery is a heinous crime that affects communities and individuals across the globe.
- Our Global Human Rights Policy and related procedures acknowledge the principles contained in the UN Universal Declaration of Human Rights.
- Our Code of Business Conduct (COBC) recognizes promoting human rights as a corporate responsibility and we expect all employees to adhere to the COBC. All employees are required to complete annual ethics training, including training on human trafficking. A substantial portion of the workforce is also required to complete separate TIPS training as mandated by the U.S. government for defense contractors.
- We have an Ethics Hotline, where employees and affiliates can report human rights violations. KBR engages a third-party vendor to manage the hotline, which allows for anonymous reporting.
- Our COBC team promptly and thoroughly investigates all reports that include human rights abuses and works in partnership with the appropriate authorities where necessary.
- The Supplier Code of Conduct affirms that KBR has zero tolerance for child or forced labor and trafficking in persons and requires suppliers to adhere to these principles.
- We regularly conduct TIPS/MSA audits/ inspections of subcontractors that include interviews and surveys of subcontractor employees, housing inspections and prevailing wage reviews.
- We conduct restricted party screening on subcontractors and vendors to ensure KBR is doing business with entities that are not flagged for designated human rights abuses or other watchlists/sanctions.
- We conduct additional due diligence on certain business partners, including reviewing any derogatory information concerning human rights abuses.

Human Rights Policies Procedures and Statements

POLICIES:
1. Global Human Rights Policy
2. Trafficking in Persons Policy
3. COBC
4. Supplier Code of Conduct

PROCEDURES:
1. Combatting Trafficking in Persons (CTIPs) Procedure
2. Supplier Performance Evaluation Procedures
3. Procurement Corrective Action Team Procedure

NATIONALLY FILED STATEMENTS :
1. UK Modern Slavery Act Statement
2. Australia Modern Slavery Act Statement

Supply Chain Transparency and Human Rights – Our Approach

We require all suppliers and subcontractors to certify to the KBR Supplier Code of Conduct.

1. High-risk subcontractors performing work in high-risk locations outside the U.S. are required to complete our supplier anti-corruption compliance questionnaire.

2. We screen new suppliers and subcontractors on their compliance with HSSE codes, ISO certifications and ethical practices through our prequalification questionnaire.

3. We monitor suppliers and subcontractors on an ongoing basis through performance evaluations, shop surveys and new supplier assessment procedures.

4. Our procurement corrective action team reviews all performance evaluations, inspection reports, shop surveys, watch lists and unapproved vendors and collaborates closely with our global master data team to prevent business with noncompliant business partners.

5. We have a Combating Trafficking in Persons (CTIPs) plan in place for every U.S. government site.

6. Prior to starting work, we perform a critical review of our subcontractors' CTIPs plan as part of our risk assessment process.

7. We regularly conduct CTIPs audits and inspections. Our Quality Assurance function performs biannual assessments of our CTIPs program to ensure effectiveness.

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Case Study

Rights of Indigenous Peoples

In Australia there are around 250 different Indigenous nations, each one with its own language, history, laws and culture. KBR acknowledges the traditional custodians of all these nations, recognizing particularly the central role that sustainability plays in the care and maintenance of country and culture, as strong today as it has been for many thousands of years.

Since KBR in Australia launched its first Reconciliation Action Plan (RAP) in 2019, KBR has worked steadily to develop relationships, respect and opportunities with the Aboriginal and Torres Strait Islander peoples of Australia. Central to that commitment has been building our own understanding through CoRE (Centre of Resource Excellence) Cultural Learning for all KBR personnel in Australia and welcoming Indigenous representation on the RAP Steering Committee.

Around the country we have introduced respectful cultural protocols into the fabric of our business, such as Acknowledgement of Country to open meetings and other gatherings. Many of our offices have Indigenous artwork on display and have renamed meeting rooms after local Aboriginal tribal groups, animals and places. Each year we celebrate Indigenous cultures and histories during National Reconciliation Week and NAIDOC (National Aborigines and Islanders Day Observance Committee) Week.

Some of our projects' activities have included employing an Indigenous engagement officer to help facilitate

From left to right: Rob Hawketts (KBR), Antony Butler (cultural advisor), Michael Hardy (KBR), Selina Walker (Ngunnawal Elder and presenter of the Welcome to Country), and Duncan Smith (Wiradjuri artist and presenter of the traditional smoking ceremony)

relationship building between protect teams and communities, working with Indigenous park rangers to better understand environmental and heritage conditions on future project sites, and incorporating Indigenous co-design into a major railway upgrade.

Through our corporate membership with Supply Nation, we are working to increase Indigenous business representation among our supply partners. Our partnership with Career Trackers means we can offer paid internships to Indigenous students with potential for permanent roles once their studies are completed. Every dollar spent has a flow-on effect, supporting families and communities, as well as spurring reinvestment into Indigenous-led environmental and social sustainability activities.

Achieving Reconciliation is a journey, and we can be proud of the steps we have taken so far. KBR's second RAP will be launched in 2022.

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Our Commitment in Action:

North Western Project Alliance (NWPA) Level Crossing Removal Project – Indigenous Co-Design

OVERVIEW

The NWPA Level Crossing Removal Project involves the removal of 75 of the most dangerous level crossings across metropolitan Melbourne, Victoria, Australia, by 2025, while enhancing the local area through increased open spaces. One of the integrated sustainably initiatives involves the development of Aboriginal Culture design strategies to celebrate and honor the traditional owners and provide a lasting cultural legacy across project locations.

OUTCOMES SO FAR

- **Canoe Tree Monument – Moreland Precinct** (Bell to Moreland Project) Within Moreland Station was an existing canoe tree monument that commemorated the Aboriginal people and their craftsmanship. The canoe tree monument replaced an original gum tree once located on the site. Given the significance of the monument, NWPA included this in the Aboriginal co-design process, undertaken with the Wurundjeri Cultural Heritage Council. The Wurundjeri Elders advised on the appropriate treatment for the relocated canoe tree, which included native planting and a yarning circle where members of the community can meet, gather and yarn (have open dialogue, tell stories, build relationships and pass on cultural knowledge). In addition, the monument will be used for storytelling and other educational purposes for future generations.

- **Oakover Green Enhancement – (Preston Project)**
  - The Oakover green enhancements were produced based on feedback from key stakeholders, including Darebin City Council and the local community, to improve the open useable space. The theme was based on three visions — Connection to Nature, Connection to Culture and Connection to Community.
  - The drainage basin/wetlands serve as an integral part of the drainage function for the area. The project proposed to use native plants to populate the area.
  - Three Elders were involved in the development who were excited by the prospect of the area being part of the the Wurundjeri people's legacy and for building connections to community and country. The yarning circle central to the precinct will allow for educational learnings for future generations, including weaving and storytelling.

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Product Safety and Quality

EXCEPTIONAL SOFTWARE AWARD

MSOC / IMOC

Quality assurance at KBR is deeply linked to our commitment to Zero Harm, and we have a rich history of delivering quality products and services to our clients. From inception to completion, our teams are dedicated to delivering the safest and highest-quality products.

Our Quality Program begins at the highest level with our Quality Policy, which is endorsed by our CEO. This policy "… defines KBR's commitment to delivering quality products and services that meet or exceed the contractual requirements of its customers and commits KBR to:

- Delivering products and services that meet or exceed customers' expectations
- Complying with customers' quality standards
- Reviewing opportunities to improve processes through audits and lessons learned
- Providing a risk- and opportunity-based approach to achieve business objectives
- Complying with applicable legislation, relevant industry standards and contractual quality requirements."

Flowing down from the policy level is our ISO Certified Integrated Management System (IMS) Manual, which addresses all Product and Service Requirements, as per the ISO 9001 Quality Management standard.

Supporting the IMS Manual are several procedures and manuals, ranging from Internal Auditing to Training, Performance Monitoring, Management Review process, Incident Investigation and Reporting, and Quality Measurement with defined targets for continual improvement, as well as regularly scheduled Quality risk assessments.

Our Emergency Response procedures are included in our HSSE Program, which is also covered by the KBR IMS System.

Our KBR IMS System, which manages all our policies and procedures, is externally audited regularly by Lloyds Registrar across all operating centers and projects to support our continuing recertification process.

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Additionally, we have rolled out our Defect-Free Delivery Initiative across numerous projects, which is targeted to strengthen the KBR quality culture.

We go above and beyond having a Quality Management System by embedding quality in our organizational culture as a core value.

Our commitment to a quality culture is instilled through regular training, clear and concise communications, appreciation for excellent results, and management of KPIs and targets. Through these actions we aim for high performance in four controllable categories of activity:

- **Employee Ownership** – Instill a sense of individual ownership and empowerment related to quality issues.
- **Peer Involvement** – Create peer support networks to foster and encourage a commitment to quality.
- **Message Integrity** – Deliver authentic, understandable and relevant messages about quality.
- **Leadership Emphasis** – Back these actions with genuine leadership support for quality.
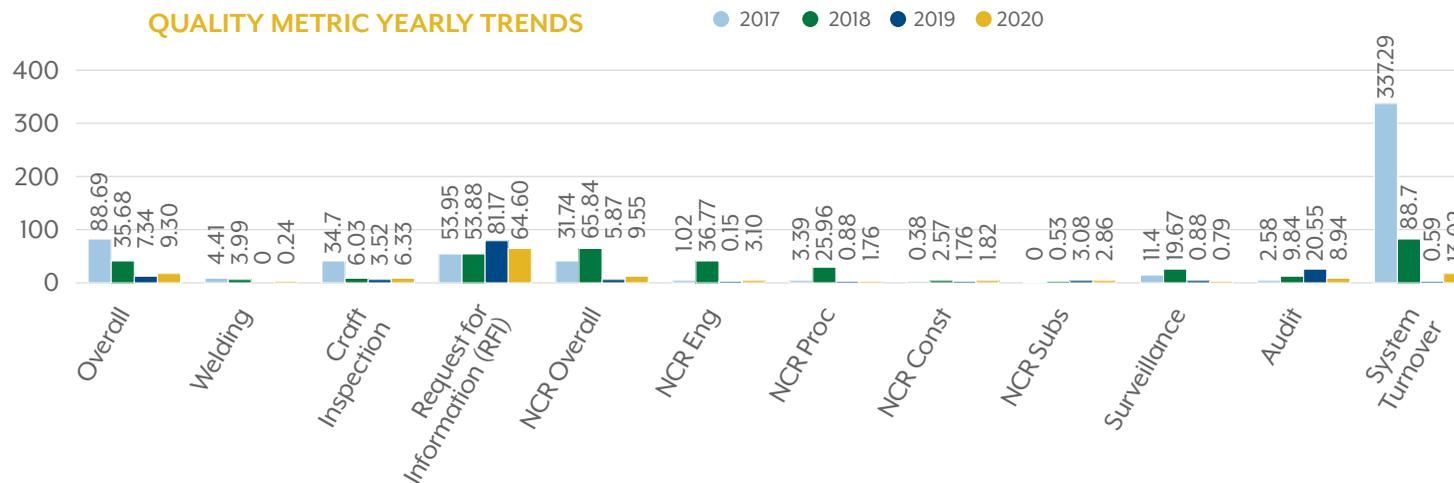
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This initiative has been hugely successful, as evidenced by the following results over the past four years*:

YEARLY QUALITY PERFORMANCE RATING (QPR)

Legend: ● 2017 ● 2018 ● 2019 ● 2020

88.69   35.68   7.34   9.30
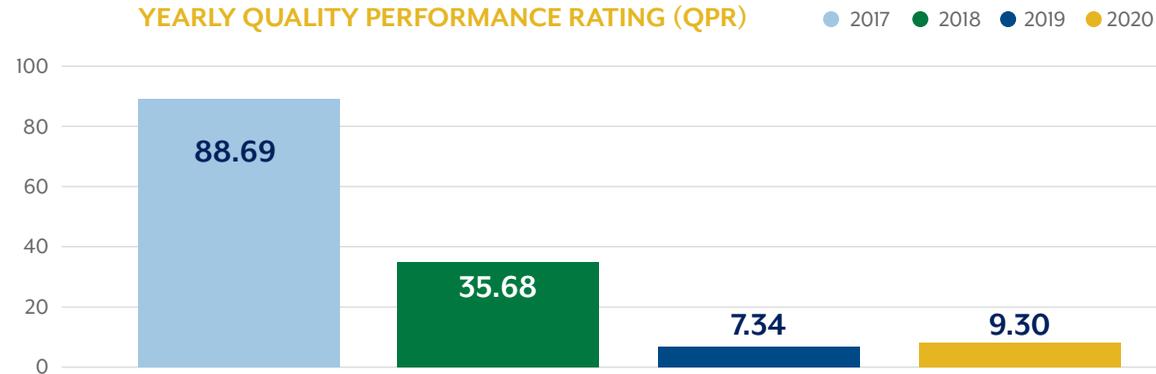
QUALITY METRIC YEARLY TRENDS

Legend: ● 2017 ● 2018 ● 2019 ● 2020

QUALITY PERFORMANCE RATING (QPR)

Metric (QPR)	2017	2018	2019	2020	2021 Targets
Overall	88.69	35.68	7.82	9.30	**6.80**
Welding	4.41	3.99	0.00	0.24	**0.25**
Craft Inspection	34.70	6.03	3.37	6.33	**3.00**
RFI	53.95	53.88	79.23	64.60	**50.00**
Engineering NCR	1.02	36.77	0.28	3.10	**0.25**
Procurement NCR	3.39	25.96	0.94	1.76	**0.84**
Construction NCR	0.38	2.57	1.69	1.82	**0.75**
Subcontractor NCR	0.00	0.53	2.95	2.86	**0.50**
Surveillence	11.40	19.67	0.98	0.79	**0.75**
Audits	2.58	9.84	19.95	8.94	**8.20**
System Turnover QPR	337.29	88.70	3.65	13.02	**3.25**

Other procedures or resources related to our Assurance and Control of Product and Services include:

- Quality manual
- Construction Quality Control procedures
- Safety Engineering manuals and procedures
- Enterprise Risk Management policy
- Commercial procedures

This data represents construction-related projects under KBR's operational control within the Sustainable Technology Solutions business only.

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VALUE REPORTING FOUNDATION – SUSTAINABLE ACCOUNTING STANDARDS BOARD AND TASKFORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES AND UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS INDEX

Link to 2021 10-K Report PDF

TOPIC	ACCOUNTING METRIC	CATEGORY	DISCLOSURE INFORMATION	PAGE NUMBER	CODE
			SASB / VRF		
PRIMARY SICS INDUSTRY DISCLOSURES					
IT SERVICES					
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity (3) percentage renewables	Quantitative	Not material to our business as we do not have designated hardware infrastructure. See Planet section, Our Climate Action Plan – Snapshot of our Net-Zero Carbon 2030 Roadmap.	Our Climate Action Plan, pg. 89	TC-SI-130a.1
	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Not material to our business as we do not have designated hardware infrastructure.		TC-SI-130a.2
	Discussion of the integration of environmental considerations into strategic planning for data center needs	Discussion and Analysis	See Environmental Stewardship section.	Environmental Management of Owned Facilities and Projects pg. 85; Managing Environmental Risks pg 87; Setting Targets and Measuring our Progress, pg. 88; Carbon Action Plan, pg. 89	TC-SI-130a.3
Data Privacy and Freedom of Expression	Description of policies and practices relating to behavioural advertising and user privacywww	Discussion and Analysis	Not material to our business as we do not practice behavioral advertising. See Privacy and Cybersecurity for data privacy policies.	Data Privacy and Cybersecurity, pg. 105 - 107	TC-SI-220a.1
	Number of users whose information is used for secondary purposes	Quantitative	Not material to our business as we do not practice advertising. See Privacy and Cybersecurity for data privacy policies.		TC-SI-220a.2
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Quantitative	Any material issues are disclosed in our 10-K report.		TC-SI-220a.3

TOPIC	ACCOUNTING METRIC	CATEGORY	DISCLOSURE INFORMATION	PAGE NUMBER	CODE
Data Privacy and Freedom of Expression	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Quantitative	Any material issues are disclosed in our 10-K report.		TC-SI-220a.4
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering or censoring	Discussion and Analysis	Not material to our business.		TC-SI-220a.5
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Quantitative	For security purposes this is not reported. For qualitative data see Data Privacy and Cybersecurity section.	Data Privacy and Cybersecurity, pg. 105 - 107	TC-SI-230a.1
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and Analysis	See Data Privacy and Cybersecurity section.	Data Privacy and Cybersecurity, pg. 105 - 107	TC-SI-230a.2
Recruiting and Managing a Global, Diverse and Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	Quantitative	See Belonging section. 1) 22.32% 2) 8%	A Global Workforce, pg. 31	TC-SI-330a.1
	Employee engagement as a percentage	Quantitative	See Wellbeing section. Employee engagement as a percentage: 36%	Reimagining How I Deliver - employee satisfaction survey, pg. 48	TC-SI-330a.2
Recruiting and Managing a Global, Diverse & Skilled Workforce	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative	See Belonging section. 1) Management Male: 14.6% Female: 4.02% Hispanic or Latino: 1.24% White: 14.52% Black or African American: 1.33% Native Hawaiian or other Pacific Islander: 0.03% Asian: 1.23% American Indian or Alaska Native: 0.03% Two or More Races: 0.24%	Progress in Gender, Race and Ethnicity, pg. 25	TC-SI-330a.3

TOPIC	ACCOUNTING METRIC	CATEGORY	DISCLOSURE INFORMATION	PAGE NUMBER	CODE
Recruiting and Managing a Global, Diverse & Skilled Workforce			2) Technical Staff Male: 41.59% Female: 19.45% Hispanic or Latino: 5.24% White: 43.25% Black or African American: 5.65% Native Hawaiian or other Pacific Islander: 0.11% Asian: 5.14% American Indian or Alaska Native: 0.34% Two or More Races: 0.84% 3) All Other Employees Male: 13.19% Female: 7.00% Hispanic or Latino: 4.20% White: 9.56% Black or African American: 4.61% Native Hawaiian or other Pacific Islander: 0.19% Asian: 0.54% American Indian or Alaska Native: 0.30% Two or More Races: 0.84% Source: EEO-1 report 2020		
Intellectual Property Protection and Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Any material issues are disclosed in our 10-K report.		TC-SI-520a.1
Managing Systemic Risks from Technology Disruptions	Description of business continuity risks related to disruptions of operations	Discussion and Analysis	See Data Privacy and Cybersecurity section.	Data Privacy and Cybersecurity, pg. 105 - 107	TC-SI-550a.2

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TOPIC	ACCOUNTING METRIC	CATEGORY	DISCLOSURE INFORMATION	PAGE NUMBER	CODE
IT Services Activity Metrics					
	1) Number of licenses or subscriptions, (2) percentage cloud-based	Quantitative	Not material to our business.		TC-SI-000.A
	(1) Data processing capacity, (2) percentage outsourced	Quantitative	Not material to our business.		TC-SI-000.B
NON-PRIMARY SICS INDUSTRY DISCLOSURES					
Engineering and Construction					
Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards and regulations	Quantitative	There have been zero incidents of non-compliance with environmental permits, standards and regulations in the last 7 years.		IF-EN-160a.1
	Discussion of processes to assess and manage environmental risks associated with project design, siting and construction	Discussion and Analysis	See Environmental Management section.	Environmental Management of Owned Facilities and Projects pg. 85	IF-EN-160a.2
Workforce Health and Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	See Health and Safety section. (1) Total recordable incident rate (TRIR): 0.089 (2) Fatality Rate for (a) Direct Employees: 0.00 and (b) Contract Employees: 0.00	KBR Health, Safety and Security – By the Numbers, pg. 55	IF-EN-320a.1
Lifecycle Impacts of Buildings and Infrastructure	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	Discussion and Analysis	See Environmental Management section.	Environmental Management of Owned Facilities and Projects pg. 85	IF-EN-410a.2

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TOPIC	ACCOUNTING METRIC	CATEGORY	DISCLOSURE INFORMATION	PAGE NUMBER	CODE
Business Ethics	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Any material issues are disclosed in our 10-K report. 1) 15 2) 2		IF-EN-510a.1
	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practice	Quantitative	Any material issues are disclosed in our 10-K report.		IF-EN-510a.2
	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	Quantitative	See Ethics and Integrity section for 1) and 2).	Ethics and Integrity, pg. 100	IF-EN-510a.3

NON-PRIMARY SICS INDUSTRY DISCLOSURES

Aerospace and Defence					
Data Security	(1) Number of data breaches, (2) percentage involving confidential information	Quantitative	This is not reported. For qualitative data see Data Privacy and Cybersecurity section.	Data Privacy and Cybersecurity, pg. 105 - 107	RT-AE-230a.1
	Description of approach to identifying and addressing data security risks in (1) company operations and (2) products	Discussion and Analysis	Refer to Cybersecurity and Data Privacy section.	Data Privacy and Cybersecurity, pg. 105 - 107	RT-AE-230a.2

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TOPIC	ACCOUNTING METRIC	CATEGORY	DISCLOSURE INFORMATION	PAGE NUMBER	CODE
Product Safety	Number of recalls issued, total units recalled	Quantitative	Not material to our business as we do not manufacture. Refer to Product Safety and Quality section.	Product Safety and Quality, pg. 114	RT-AE-250a.1
	Number of counterfeit parts detected, percentage avoided	Quantitative	Not material to our business as we do not manufacture. Refer to Product Safety and Quality section.	Product Safety and Quality, pg. 114	RT-AE-250a.2
	Number of airworthiness directives received, total units affected	Quantitative	Not material to our business as we do not manufacture. Refer to Product Safety and Quality Section.	Product Safety and Quality, pg. 114	RT-AE-250a.3
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	All material losses are reported in the 10-K.		RT-AE-250a.4
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery and/or illicit international trade	Quantitative	All material losses are reported in the 10-K.		RT-AE-510a.1
	Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defence Anti-Corruption Index	Quantitative	Total revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defence Anti-Corruption Index: $1,034,066,344.46		RT-AE-510a.2
	Discussion of processes to manage business ethics risks throughout the value chain	Discussion and Analysis	Refer to Ethics and Integrity and Supply Chain Management sections.	Ethics and Integrity, pg. 100; Supply Chain Management pg. 108	RT-AE-510a.3

NO.	SUSTAINABLE DEVELOPMENT GOAL	DESCRIPTION	KBR PILLARS	DISCLOSURE INFORMATION	PAGE NUMBER
1	No Poverty	End poverty in all its forms everywhere	I&D HSS Community Outreach Risk Governance Supply Partners	· Global Income Tax and Salary Paid 2020 · Teams Supporting Communities Across the Globe · Community Support · Ethics and Integrity · Protecting Human Rights · Global Human Rights Policy	14 16 17 100 110 111
2	Zero Hunger	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	I&D Community Outreach Climate Change Efficient Energy	· Community Support · Our Sustainable Solutions · KBR Environmental Services	17 70 83
3	Good Health and Well-Being	Ensure healthy lives and promote well-being for all at all ages	I&D HSS Community Outreach	· Responding to the Pandemic · Community Support · Well-Being · Health and Well-Being Benefits · Mental Health and Well-Being · Employee Support Program · Health, Safety and Security – Zero Harm · Health and Safety Management Systems	15 17 51 51 51 53 54 57
4	Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	I&D Community Outreach	· Community Support · Growth and Development Job-Specific and Workplace Skills Training · Leadership Training Programs · University Partnerships · The ONE KBR Tech Fellows Program · Knowledge Sharing and Development · One Ocean: Supporting a Sustainable Planet	17 34 37 39 44 46 47 66

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NO.	SUSTAINABLE DEVELOPMENT GOAL	DESCRIPTION	KBR PILLARS	DISCLOSURE INFORMATION	PAGE NUMBER
5	Gender Equality	Achieve gender equality and empower all women and girls	I&D Community Outreach Governance	· Community Support · Belonging · Case Study – Women, Peace and Security: How KBR Cultivates Female Engagement Around the Globe · Embracing Inclusion through Employee Resource Groups · How Our Employee Resource Groups Support the Cornerstones · Making Work Work for Everyone · One Ocean: Supporting a Sustainable Planet · Protecting Human Rights	17 21 24 28 29 32 66 110
6	Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all	Climate Change Governance	· KBR Environmental Services · Environmental Stewardship · Case Study – NWPA: Level Crossing Removal Project – Climate Change Risk Assessment	83 85 93
7	Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	Climate Change Efficient Energy Supply Partners	· Our Sustainable Solutions · Case Study – Feasibility Study for High CO_2 Gas Field Development with Carbon Capture and Sequestration and Blue Hydrogen Export Project, Southeast Asia · Environmental Stewardship · Our Climate Action Plan · Case Study – NWPA: Level Crossing Removal Project – Climate Change Risk Assessment	70 74 85 89 93

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NO.	SUSTAINABLE DEVELOPMENT GOAL	DESCRIPTION	KBR PILLARS	DISCLOSURE INFORMATION	PAGE NUMBER
8	Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all	I&D HSS Community Outreach Governance Risk Supply Partners	· Global Income Tax and Salary Paid 2020	14
				· Teams Supporting Communities Across the Globe	16
				· Belonging	21
				· Case Study – Feasibility Study for High CO_2 Gas Field Development with Carbon Capture and Sequestration and Blue Hydrogen Export Project, Southeast Asia	74
				· Risk Management	
				· Supply Chain Management	108
				· Protecting Human Rights	110
				· Global Human Rights Policy	111
9	Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	I&D Climate Change Efficient Energy Reuse/Recycle Governance Risk Supply Partners	· Growth and Development	34
				· University Partnerships	44
				· The ONE KBR Tech Fellows Program	46
				· Our Sustainable Solutions	70
				· Case Study – Feasibility Study for High CO_2 Gas Field Development with Carbon Capture and Sequestration and Blue Hydrogen Export Project, Southeast Asia	74
				· Case Study – UK Ministry of Defence: Roadmap for Sustainable Defence Support	77
				· Case Study – NWPA: Level Crossing Removal Project – Climate Change Risk Assessment	93
				· Cybersecurity and Data Privacy	105
				· Product Safety and Quality	114

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NO.	SUSTAINABLE DEVELOPMENT GOAL	DESCRIPTION	KBR PILLARS	DISCLOSURE INFORMATION	PAGE NUMBER
12	Responsible Consumption and Production	Ensure sustainable consumption and production patterns	Climate Change Recycle/Reuse Sustainable Travel Supply Partners Governance	· Our Sustainable Solutions · Case Study – UK Ministry of Defence: Roadmap for Sustainable Defence Support · Environmental Stewardship · Our Climate Action Plan · Net Zero Roadmap Summary · Case Study – NWPA: Level Crossing Removal Project – Climate Change Risk Assessment · Ethics and Integrity · Supply Chain Management	70 77 85 89 91 93 100 108
13	Climate Action	Take urgent action to combat climate change and its impacts*	Climate Change Recycle/Reuse Efficient Energy Sustainable Travel Risk Governance Supply Partners	· One Ocean: Supporting a Sustainable Planet · Our Sustainable Solutions · Case Study – Feasibility Study for High CO_2 Gas Field Development with Carbon Capture and Sequestration and Blue Hydrogen Export Project, Southeast Asia · Case Study – UK Ministry of Defence: Roadmap for Sustainable Defence Support · Environmental Stewardship · Our Climate Action Plan · Net-Zero Carbon Roadmap Summary · Case Study – NWPA: Level Crossing Removal Project – Climate Change Risk Assessment · Our Board · Risk Management · Supply Chain Management	66 70 74 77 85 89 91 93 98 102 108
14	Life Below Water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Community outreach Climate Change Sustainable Travel	· One Ocean: Supporting a Sustainable Planet · Our Sustainable Solutions · KBR Environmental Services · KBR's Environmental Management Solutions · Environmental Stewardship · Our Climate Action Plan	66 70 83 84 85 89

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NO.	SUSTAINABLE DEVELOPMENT GOAL	DESCRIPTION	KBR PILLARS	DISCLOSURE INFORMATION	PAGE NUMBER
15	Life on Land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and biodiversity loss	Climate Change Reuse/Recycle Sustainable Travel Supply Partners	· Our Sustainable Solutions · KBR's Environmental Management Solutions · Environmental Stewardship · Our Climate Action Plan · Supply Chain Management	70 84 85 89 108
16	Peace, Justice and Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	I&D Community Outreach Climate Change Governance Supply Partners	· Belonging · Case Study – Women, Peace and Security: How KBR Cultivates Female Engagement Around the Globe · Our Board · Ethics and Integrity · Protecting Human Rights · Case Study – Rights of Indigenous Peoples	21 24 98 100 110 112
17	Partnerships for the Goals	Strengthen the means of implementation and revitalize the global partnership for sustainable development	I&D Community Outreach Climate Change Reuse/Recycling Sustainable Travel Efficient Energy Supply Partners	· UN Global Compact · Belonging · Case Study – Women, Peace and Security: How KBR Cultivates Female Engagement Around the Globe · Growth and Development · University Partnerships · Knowledge Sharing and Development · One Ocean: Supporting a Sustainable Planet · Case Study – Feasibility Study for High CO_2 Gas Field Development with Carbon Capture and Sequestration and Blue Hydrogen Export Project, Southeast Asia · Case Study – UK Ministry of Defence: Roadmap for Sustainable Defence Support · Our Climate Action Plan · Supply Chain Management · Protecting Human Rights · Case Study – Rights of Indigenous Peoples	9 21 24 34 44 47 66 74 77 89 108 110 112

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

We are committed to providing transparency on our climate change risk management, governance and performance. The TCFD has developed voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders. A summary of our response to the TCFD-recommended disclosures is below. For more information on our climate strategy, please see our 2021 CDP response available at www.CDP.net.

GOVERNANCE

Our board of directors is responsible for monitoring current and emerging sustainability risk management themes including, but not limited to, climate change risk and environmental management.

This is strengthened by our Sustainability and Corporate Responsibility Committee of our board that is responsible for reviewing more closely all sustainability matters. The committee meets formally at least twice a year to guide strategy, set performance objectives, monitor implementation and performance of objectives, and monitor and oversee progress against goals and targets for addressing our material topics.

Responding to the Sustainability and Corporate Responsibility Board Committee's directives is the Global Sustainability Committee, which implements sustainability

practices at a business level globally. Our CEO chairs this committee, and members include business segment and corporate department executives, as well as key employees, to ensure well-rounded and in-depth discussions that support the development and implementation of KBR's sustainability strategy and targets.

The Sustainability Culture Shift Think Tank is chaired by KBR's Vice President, HSSE and Vice President, Global Communications and Marketing. The chairpersons are responsible for developing the key sustainability messaging, and targeted campaigns for embedding sustainability into KBR's broader culture.

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STRATEGY

We have identified climate-related risks and opportunities that may affect us over the short-, medium- and longer-term and integrate these as part of our strategic planning. These include:

Transitional risks – There are risks related to the transition toward a greener, less carbon-intensive economy. These include keeping pace with demand for low-carbon technologies, expectations from our customers and society in general for low carbon products and operations. There also is a risk of increased cost of energy and carbon and the impact on our operations, clients and suppliers.

Legal and regulatory risks – Current and emerging regulations are relevant because our operational footprint includes many countries with different regulatory requirements, and the consequences for non-compliance could negatively impact our operations, financial performance and reputation. There is additional impact on KBR's ability to meet its objectives that may occur due to the cost of compliance with emerging regulations or the adverse consequences of non-compliance.

Physical risks – Physical impacts of natural disasters and extreme weather are relevant and included in KBR's processes for identifying and assessing climate-related risks due to the potential negative impact of lost revenue and increased expenses that could arise from damaged infrastructure and related impact on our employees.

Strategic opportunities - We are uniquely positioned to capitalize on our expertise and experience as leaders in science, engineering and technology. Our range of sustainable technology solutions have been designed to assist our clients with more efficient and sustainable operations. KBR provides our customers with advisory and consulting services on energy transitions and circular economy; sustainability-focused technologies and IR; integration and supply chain management; and technology-led industrial solutions.

Increasingly, our clients are coming to us with their own sustainability objectives, and we are responding to the need for new and innovative solutions by seeking new technologies, processes, and new ways of doing business to help customers achieve their own goals. By aligning our products and technical offerings with our clients' climate change mitigation goals we create strategic advantages.

Some examples include: fully integrated solutions for production of green hydrogen and nitrogen; carbon capture storage and utilization developed across the supply chain; decarbonization consulting/decarbonization of existing assets, helping clients to optimize output and efficiency of existing assets and reduce their emissions; digitalization and operational efficiency; process technologies for cleaner refining; and recycling technologies.

RISK MANAGEMENT

One of our ten Sustainability Pillars is Risk. Our resilience success and continued evolution depends on our ability to anticipate and respond to risks in our operating environment. Additionally, we have mapped the risks that climate change can present to our business, both physically and transitionally, and are working toward mitigating those risks by meeting our near- and long-term carbon-reduction targets.

Risk oversight is an integral part of our board's role with responsibility for risk management distributed among the **KBR Board of Directors** as a whole and **individual board committees**, in each case supported by management. The board reviews risk reports at least twice a year, including strategic, operational, financial and hazard risks. These reports include assessments of the likelihood and impact, perceived trend, and measure being taken to monitor and manage each risk. The board also receives periodic reports on KBR's changing risk profile, enabling risk-based strategy decisions and improved communication to shareholders.

KBR uses an **Enterprise Risk Management (ERM)** policy and framework to manage, monitor and report on these threats and opportunities. This is a fully integrated enterprise-wide, COSO-based (Committee of Sponsoring Organizations) ERM framework and process and is actively supported by the board and executive leadership.

The **executive leadership team** convenes for dedicated risk reviews three times a year. The outputs of those risk reviews are reported to the board of directors twice per year. Individual business units and projects manage risks, including climate risks and opportunities, on an ongoing basis, using the ERM process to provide real time risk-based data. KBR's ERM policy mandates that every identified risk and opportunity have an assigned owner — a **Sustainability Champion** — responsible for ownership of the risk. Sustainability Champions are accountable for the ongoing management of the risk, including the development and implementation of mitigation plans.

Our board oversees climate change risk management as part of the wider sustainability risk management philosophy. The Climate Change risk owner is responsible for collaborating with internal and external stakeholders and identifying the physical and transitional risks to the business. Climate change is fully integrated into the company's risk management processes and the ongoing management of climate change risk.

METRICS

a) Metrics used
We are committed to continually improving our energy efficiency and procuring clean energy where possible. We commissioned a third-party carbon auditor to calculate our emissions. We track our Scope 1, 2 and 3 carbon emissions.

b) Scope 1 and Scope 2 GHG emissions
Scope 1 emissions (2020): 4,212.2 t CO_2

Scope 2 emissions (2020): 39,133.6 t CO_2

Scope 3 emissions cat.6 Business Travel (2020): 23,891.7 t CO_2

Total = 67,237.5

+10% safety margin = 73,961.3 t CO_2

c) Targets
We have established emissions targets based on our Sustainability Metrics:
- Commitment to Net-Zero Carbon 2030
- KBR Consolidated Business Travel – 25% target reduction by 2025
- Increasing the use of renewable energy by 50% across global sites by year 2025
- Increasing KBR's green vehicle fleet by 25% by the year 2025

Since 2019, we have achieved carbon neutrality by offsetting our reported Scope 1, 2 and 3 (business travel) emissions and have done so for 2020 emissions as we roll out our carbon reduction plans globally.

Appendix

ABBREVIATIONS

AACE Association for the Advancement of Cost Engineering	**CDLS** Chief of Defence Logistics and Support	**DOJ** Department of Justice	**HR** Human Resources
ADDIE Analysis, Design, Development, Implementation and Evaluation	**CDP** Carbon Disclosure Project	**ENVID** Environmental Aspects Identification	**HRIS** Human Resources Information Systems
	CEO Chief Executive Officer	**EPC** Engineering, Construction and Procurement	**HSS** Health, Safety and Security
AFCEA Armed Forces Communications and Electronics Association	**CERT** Computer Emergency Response Team	**ERG** Employee Resource Groups	**HSERS** Health, Safety and Environment Incident Reporting System
	CMMC Cybersecurity Maturity Model Certification	**ERM** Enterprise Risk Management	
AI Artificial Intelligence	**COBC** Code of Business Conduct	**ESG** Environmental, Social and Governance	**HSSE** Health, Safety, Security and Environment
AIChE American Institute of Chemical Engineers	**COE** Center of Excellence	**ESPP** Employee Stock Purchasing Program	**I&D** Inclusion and Diversity
AID Association for India's Development	**COI** Community of Interest	**EU** European Union	**ICI** International Commercial Intermediaries
APAC Asia-Pacific	**COP** Community of Practice	**FAR** Federal Acquisition Regulation	**IMS** Integrated Management Systems
APC Advanced Process Control	**CoRE** Centre of Resource Excellence	**FCPA** Foreign Corrupt Practices Act	**INCOSE** International Council on Systems Engineering
APS-3 Army Prepositioned Stock-3	**COSO** Committee of Sponsoring Organizations of the Treadway Commission	**FLDP** Financial Leadership Development Program	**IP** Intellectual Property
APT Advanced Persistent Threat		**FIR** Fatality Incident	**IR** Incident Rate
ARC Advanced Regulatory Control	**COVID-19** Coronavirus	**GDPR** General Data Protection Regulation	**ISI** International Services Intermediaries
AUAF American University of Afghanistan	**CPA** Certified Public Accountant	**GHG** Greenhouse Gas	**ISO** International Organization for Standardization
AUS Australia	**CTIPS** Combatting Trafficking in Persons	**GLDP** Global Leadership Development Program	**ISOA** International Stability Operations Association
AWW Agile Work Weeks	**DFARS** Defense Federal Acquisition Regulation Supplement	**GRI** Global Reporting Initiative	**IT** Information Technology
AZSA Arizona Sustainability Alliance	**DRP** Dispute Resolution Program	**HEO** Human Exploration and Operations	**ITAR** International Traffic in Arms Regulations
CAF Chief of Air Force	**ECDC** European Center for Disease Control	**HHPC** Health and Human Performance Counterfeit Parts	**JDATT** JD-Advantage Career Table Talk
CCUS Carbon Capture, Storage and Utilisation	**EDI** Equality, Diversity and Inclusion	**HiPo** High Potential	**LCoH** Levelized Cost of Hydrogen
CCS Carbon Capture and Sequestration	**EMEA** Europe, the Middle East and Africa	**HMG** Her Majesties Government	**LGBTQIA+** Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual
CDC Centers for Disease Control	**EnMS** Energy Management and Carbon Reduction Solutions	**HON** Honeywell	

ABBREVIATIONS (CONTINUED)

LHC	Liquid Hydrogen Carrier	OWS	Operation Warp Speed	TTH	Target Threat Hunting
LMS	Learning Management System	PEQ	Proprietary Equipment	UAE	United Arab Emirates
LNG	Liquified Natural Gas	POTFF	Preservation of the Force and Family Program	UHLC	University of Houston Law Center
LTIR	Lost Time Incident Rate	PRT	Plastics Recycling Technology	UK	United Kingdom
LRQA	Lloyd's Register Quality Assurance	QPR	Quality Performance Rating	UN	United Nations
MEP	Manager Excellence Program	RAP	Reconciliation Action Plan	US	United States
ML	Machine Learning	RLC	Royal Logistic Corps	USAF	United States Airforce
MoD	Ministry of Defence	RFI	Request for Information	USMC	United States Marine Corps.
MSA	Modern Slavery Act	SAM	Silver Achievement Award	USS	United States Ship
MPC	Multivariable Predictive Control	SASB	Sustainability Accounting Standards Board	WHO	World Health Organization
NAIDOC	National Aborigines and Islanders Day Observance Committee	S&CR	Sustainability & Corporate Responsibility	WPS	Women, Peace and Security
		SDG	Sustainable Development Goals		
NASA	The National Aeronautics and Space Administration	SEC	U.S. Securities and Exchange Commission		
NCR	Non-Conformance Report	SFO	Serious Fraud Office		
NIST	National Institute of Standards and Technology	SK E&S	SK Group South Korea		
NOAA	National Oceanic and Atmospheric Administration	SME	Subject Matter Expert		
NoW	Network of Well-being	SOAR	Security Orchestration Automation Response		
NWPA	North Western Project Alliance	SSAFA	Soldiers, Sailors, Airmen and Families Association		
NSPCC	National Society for the Prevention of Cruelty to Children	TCFD	Task Force on Climate-Related Financial Disclosures		
		TIPS	Trafficking in Persons		
NZ50	Net Zero 2050	TRIR	Total Recordable Incident Rate		

FOREIGN WORKERS

COUNTRY	PERCENTAGE
Afghanistan	100%
Australia	0.8%
Bahrain**	100%
Bulgaria**	100%
Diego Garcia*	100%
Djibouti**	100%
Germany	34%
Iraq	89%
Kenya**	100%
Kosovo	0.25%
Kuwait**	100%

COUNTRY	PERCENTAGE
Luxembourg	100%
Malaysia	14%
Oman	67%
Poland**	100%
Romania**	100%
Saudi Arabia	60%
Singapore	11.7%
Turkey	1.32%
United Arab Emirates (UAE)	99%
United Kingdom	1.33%
United States	1.2%

*Diego Garcia is a British Indian Ocean Territory and does not have local nationals. The workforce on the island mostly includes US and Filipino Citizens and a few other nationalities.

**We do not directly hire local national employees in these locations. However, we engage local nationals through local agencies.