

Sustainability



Tetra Tech has long focused on helping our clients address water, natural resources, environment, infrastructure and, more recently, renewable energy needs. We lead and support programs that minimize our collective impacts on the environment—through the solutions we provide for our clients; through our procurement and subcontracting practices; and by the processes we use within the company to promote sustainable practices, reduce costs, and minimize environmental impacts.

Our vision of the future is to more fully incorporate the concepts of sustainability into our daily operations and to "meet the needs of the present without compromising the ability of future generations to meet their own needs," as proposed by the United Nations World Commission on Environment and Development. Tetra Tech is in a unique position to further this vision, and has the ability to provide innovative solutions to meet pressing global challenges. On a daily basis and on a global scale, our work plays a direct role in helping to achieve the balance that will allow future generations to access the necessary resources to meet all of their needs.

The focus of Tetra Tech's Sustainability Program is to continue sustained growth of our business, reduce greenhouse gas (GHG) emissions, and provide an exceptional work environment for our associates, all while providing better solutions for our clients.

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Executive Summary



On the 40th anniversary of Earth Day, Tetra Tech formalized our Sustainability Program to champion the efforts of our associates in making our projects, procurement, and internal processes more sustainable now and into the future. Tetra Tech has long focused on providing our clients with expert sustainable solutions in water, natural resources, environment, infrastructure and, more recently, the renewable energy arena.

To support our ongoing commitment to our clients as well as to enhance our internal focus on sustainability, Tetra Tech established a Sustainability Council to help coordinate and track our sustainability program, oversee development of an annual corporate Sustainability Report, and support communication of best practices across the company. The council is made up of representatives appointed by each business group and the relevant corporate departments and is led by Tetra Tech's Chief Sustainability Officer, Dr. Leslie Shoemaker.

Our Sustainability Program focuses on supporting Tetra Tech's mission to be:

“A premier provider of consulting, engineering and construction services focused on water, natural resources, environment, infrastructure, and energy”

We will achieve this mission by adopting a sustainability goal of:

“Embracing sustainability in our business and operations while supporting the company in delivering excellent services to our clients, maintaining superior financial performance, and emphasizing safety in the execution of services.”

The Sustainability Program is framed around a “3P” approach – sustainability in Projects, Procurement, and internal Processes. This approach is incorporated into our Sustainability Program in terms of organization analysis and reporting. In addition, our Program is based on the Global Reporting Initiative (GRI) Sustainability Reporting Framework which includes three fundamental impact areas: environmental, economic, and social sustainability.

Specific metrics have been established for the company and six corporate service departments. In addition to measuring our performance against these established metrics, Tetra Tech compiles best practices from our operating units and corporate service groups by means of a Quarterly Sustainability Survey. This survey is used to identify sustainable practices that can be introduced across the company.

Selected Tetra Tech Sustainability Metrics

| Metric | GRI Sustainability Aspect |
|--|-------------------------------------|
| Overarching Corporate Metrics Revenue Growth Carbon Emission Reductions Headcount Growth | Economic Environmental Social |
| Real Estate | Environmental and Economic |
| Information Technology | Environmental and Economic |
| Health and Safety | Social and Economic |
| Human Resources | Social and Economic |

| | |
|--|----------------------------|
| | |
| Shared Services | Environmental and Economic |
| Business Development Support/Communications | Environmental and Economic |

Letter from the CEO

To our stakeholders,

Tetra Tech is a leading provider of consulting and engineering services for water, environment, and energy projects worldwide. We have a long history of supporting sustainability in the work that we do. More than 30 years ago, Tetra Tech’s founders defined the direction of the company as: “Tetra Tech’s past, current, and future activities revolve around the fundamental relationship between the world’s water and energy requirements...” That statement is as true today as it was then. Today we are at the forefront of the consulting and engineering services that provide alternative energy, reduce energy use, conserve water, and restore the environment. We support our government and commercial clients in projects in more than 100 countries around the world, helping them to solve complex problems and achieve solutions that are technically, socially, and economically sustainable.

Tetra Tech’s Sustainability Program supports Tetra Tech’s mission by helping us to:

Embrace sustainability in our business and operations, while supporting the company in delivering excellent services to our clients, maintaining superior financial performance, and emphasizing safety in the execution of services.

To formally recognize and further expand our commitment to sustainability, Tetra Tech launched our Sustainability Program on April 22, 2010, the 40th anniversary of Earth Day. Under the guidance of our Chief Sustainability Officer, Dr. Leslie Shoemaker, our Sustainability Program has appointed a Sustainability Council with representatives from across the company and defined the specific metrics that we will use to track our progress.

We have chosen to evaluate our sustainability efforts based on three main categories: Projects, Procurement, and Processes. We have implemented many practices throughout the company that contribute to sustainability—from voluntary recycling programs, to greening our facilities, to helping our clients to identify ways to save water and energy at the jobsite, and reducing the use of paper and energy in our daily operations.

I would like to thank our clients, vendors, and Tetra Tech associates around the world for their support of Tetra Tech's sustainability initiatives.

Sincerely,

Dan Batrack

Chairman and Chief Executive Officer

Organization



Tetra Tech is a leading provider of consulting, engineering, program management, construction management, and technical services worldwide. We serve the full project lifecycle. Tetra Tech's organizational structure and core values are highlighted on the [Our Company](#) section of our website.

Tetra Tech formally established the governance and framework for our Sustainability Program on April 22, 2010. A governance document was issued on that date and outlines the goals for the program, the design of the council, and specific roles and responsibilities for all council members.

Sustainability Program Governance

The organizational elements of Tetra Tech's Sustainability Council match those of company operations. Executive management leads the council and all business groups and corporate support services departments participate.

Executive Management Support

Tetra Tech’s executive management directly authorized creation of the Sustainability Council, provides final review and approval of the Tetra Tech Sustainability Plan, and reviews the progress of the company in achieving the goals and objectives of the overall program. Tetra Tech’s Chief Sustainability Officer, Dr. Leslie Shoemaker, leads the Sustainability Council.

Sustainability Council

In accordance with the guidance provided by executive management, the Sustainability Council leads and directs the program-related goals, objectives, tasks, communication, and tracking needs of Tetra Tech’s Sustainability Program. The council is comprised of representatives from executive management, each of the four business groups, and each of six corporate departments: real estate, information technology, health and safety, human resources, shared services, and business development support and communications. The two additional corporate service departments—finance and investor relations—play supporting roles in our sustainability program by accounting for and disseminating information about our sustainability performance.

The council is specifically tasked with developing the goals and objectives of the sustainability program, reviewing the sustainability plan and report card, providing input from the business groups and corporate departments, communicating aspects of the program internally, and supporting tracking needs. The council meets quarterly to review the sustainability program.

Sustainability Plan Workgroup

Tetra Tech’s Sustainability Council is supported by a Sustainability Plan Workgroup that works under the direction of the Sustainability Officer and Sustainability Council. It is comprised of selected Sustainability Council members and support staff from Tetra Tech’s business groups. The workgroup designs specific objectives and the structure of the program; identifies associated tracking needs, data sources, and metrics; and evaluates Tetra Tech’s sustainability baseline. The workgroup will develop Tetra Tech’s Web-based sustainability report.

Methodology



Tetra Tech’s Sustainability Program supports our ability to deliver innovative solutions for our clients as well as our internal operations. Thus, our program is focused on the “3 Ps,” as executed and supported by Tetra Tech associates:

- **Projects** – Work that we do that contributes towards reducing energy, reducing GHG emissions, promoting water conservation, and restoring resources.
- **Procurement Activities** – Purchases that encourage sustainability by changing priorities, using Tetra Tech’s negotiating position to purchase more sustainable products, and influencing the vendors we use for projects and corporate resources.
- **Processes** – Tetra Tech programs and policies that encourage sustainable practices such as electronic reporting and recycling programs.

Global Reporting Initiative (GRI) Protocol

GRI is the internationally predominant sustainability reporting protocol and provides standardized indicators for corporate sustainability plans. The Sustainability Plan Workgroup evaluated the GRI indicators to select metrics and adapt them to our company’s sustainability framework. The GRI indicators that apply to our business in a meaningful way represent ongoing activities related to Tetra Tech’s projects, procurement, and processes (the 3 Ps).

To properly make use of the GRI reporting protocol and support the claim that our report is GRI-based, Tetra Tech declares the level we have applied to the GRI Reporting Framework via the “Application Levels” system. Tetra Tech self-declares its level based on its own assessment of its report content against the criteria in the GRI application levels.

Reporting, Organization, Procedures, and Schedule

Tetra Tech’s Sustainability Program is documented electronically and provides a clear set of metrics that are aligned with corporate reporting cycles, program structure, governance, baseline information, and other pertinent information. Tetra Tech reports on our Sustainability Program on this website. The website includes metrics and explanations, baseline data, and associated external reporting and partnerships. Tetra Tech also provides examples of sustainability activities for communication to our clients and shareholders, as well as internally to all Tetra Tech associates.

Our governance documents and the metrics we track may be revised as dynamics change and evolve to meet the present and future needs of Tetra Tech’s projects, procurement, and processes.

Performance Indicators

As discussed in the [Methodology](#) section, Tetra Tech organizes our sustainability indicators around the “3P” approach that has been fully ingrained in Tetra Tech’s culture and business model. Triple bottom line analysis—incorporating environmental, economic, and social impacts—will be a core component of Tetra Tech’s corporate sustainability reporting. These impacts will be analyzed according to the projects, procurement, and processes.

Each area of our 3P approach will be analyzed against the following indicators:

- Environmental performance, including energy efficiency, recycling, renewable energy, and emission reductions.
- Economic performance, including benefits to our clients and shareholders and operational efficiency.
- Social performance, including beneficial social project results, shareholder benefits, community outreach, workforce enhancements, and health and safety metrics.
- Integrated performance indicators yielding double or triple bottom line results.

Enterprise-Wide Performance Indicators

Tetra Tech uses the following metrics as indicators of our overall economic, environmental, and social sustainability:

- Revenue Growth – as documented in the company's annual report
- Headcount Growth – as documented in the company's annual report
- Carbon Emission Reductions – normalized per associate

Specific Performance Indicators

Specific performance metrics have been established for Tetra Tech's centralized services, as described in the table below. The table identifies each metric and explains its significance for improving Tetra Tech's sustainability. The table also identifies ongoing policies and practices being implemented by each corporate service to enhance our company's sustainability. These metrics will be used to measure our progress in annual reporting on the program.

| Real Estate |
|---|
| <p>Average Facility Sustainability Rating</p> <p>Each new leased facility is rated according to our "Sustainable Office Lease Considerations" scoring sheet. This metric addresses environmental sustainability.</p> |
| <p>Tenant Improvement Funds Invested in Greening Our Offices</p> <p>During lease renewals, certain tenant improvement funds are used on green</p> |

improvements within the office space. This metric addresses environmental sustainability.

Footprint (square foot/associate)

Improving the efficiency of space utilization reduces energy consumption and utility costs. This metric addresses environmental and economic sustainability.

Information Technology

Percent of Computers Less than 5 Years Old

Measuring how current our systems are provides an assessment of the energy efficiency of our IT systems. This metric addresses environmental and economic sustainability.

Percent of Tetra Tech on Tetra Linx

With implementation of Tetra Linx, Tetra Tech's payroll, procurement, expense accounting, and other administrative processes have been transferred to a paperless format. This metric addresses environmental and economic sustainability.

Number of IT System Servers per Associate

Reduce the number of servers in our IT network translates into reduced capital costs, maintenance costs, and energy consumption. This metric addresses environmental and economic sustainability.

In addition to the specific metrics listed above, IT Services implements the following policies and practices in its operations:

- Replacing desktop CRT monitors with energy efficient LCD monitors
- Leveraging our national imaging services contract for more sustainable products
- Evaluating multi-use systems (copy, print, fax, and scan) to reduce equipment needs
- Installation of "sleep mode" software on all Tetra Tech computers

Health & Safety

Improving Health and Safety Performance and Tracking

Health and safety is the most important component of Tetra Tech's duty of care to its employees.

Health and Safety Services implements the following policies and practices in its operations:

On-line health and safety reporting
Sharing training resources

Human Resources

Number of Promotions from Within Tetra Tech

This metric addresses social and economic sustainability.

Training per Associate

This metric provides an assessment of Tetra Tech's investment in our employees. This metric also addresses social sustainability.

Certifications per Associate

Encouraging and supporting our employees in obtaining additional credentials allows Tetra Tech to better serve our clients and to prepare for meeting the demands of new and more complex challenges. This metric addresses social sustainability.

In addition to the specific metrics listed above, Human Resources implements the following policies and practices in its operations:

Annual Community Service Award promoting social sustainability
Human Resources business operations and hiring processes are paperless
Reduced use of print advertising
Each new operating unit acquisition is converted to current paperless HR practices

Shared Services

Office Supply Costs per Associate

This metric corresponds to the consumption of office supplies such as paper with the goal of improved efficiency in use of office supplies. This metric addresses environmental and economic sustainability.

Number of Overnight Courier Shipments per Associate

By reducing the number of shipments, significant costs are avoided, emissions related to shipping methods are reduced, and resources used in shipping materials and packaging are saved. This metric addresses environmental and economic sustainability.

In addition to the specific metrics listed above, Shared Services implements the following policies and practices in its operations:

On-line stationary templates and on-demand stationary printing
On-line business card ordering
Centralized imaging equipment procurement (under development)

Business Development Support/Communications

Use of Electronic Marketing Instead of Print Media

With increased use of electronic marketing materials instead of using print materials, reductions in paper use, printing costs, emissions stemming from mailing are achieved. This metric addresses environmental and economic sustainability.

In addition to the specific metrics listed above, Business Development Support and Communications Services implements the following policies and practices in its operations:

Using recycled paper for internal and external publications
Development of print-on-demand brochures
Development of email brochures and on-line viewers
Development of conference-specific websites for information-sharing

Highlights – Sustainability Practice Achievements



Fransen, A Tetra Tech Company, selected a LEED Gold, Energy Star rated building for its new offices in British Columbia.

Tetra Tech compiles best practices from our operating units and corporate service groups by means of a Sustainability Survey. This survey is used to identify sustainable practices that can be transferred enterprise-wide. This survey is also used to assess participation in our Sustainability Program.

Selected examples of sustainability initiatives throughout the company include:

Companywide

- Tetra Tech's IT Department initiated a process to shut down all company computer monitors after 15 minutes of inactivity. This switch amounts to a potential energy savings of 2.5 million kilowatt hours (kWh) hours per year — enough to power more than 220 American households — and a companywide cost savings of about \$300,000 per year.
- Tetra Tech's Payroll Department switched from mailed paper pay stubs to electronic-only pay stubs. This switch reduced paper cost and the costs associated with mailing hard-copy pay stubs.
- The Technical Support Services (TSS) Business Group piloted an Operational Efficiency Program (OEP) that provides office-specific tracking and reporting on sustainability. Each office nominates an Operational Efficiency Monitor to compile an office baseline and then track utility costs and consumption; implement office conservation measures; and motivate and educate other Tetra Tech employees. As part of the U.S. Environmental Protection Agency (EPA) Climate Leaders Program, the EMI unit of TSS set a goal of reducing its carbon footprint by 20 percent from 2006 to 2011. Based on the 2009 reporting period, the unit successfully met its goal.

Offices

- When Fransen, A Tetra Tech Company, moved to new offices in Richmond, British Columbia, they selected a Leadership in Energy and Environmental Design (LEED) Gold and Energy Star rated facility. Tetra Tech evaluated building construction (energy and water savings, indoor air quality, and building materials) and green programs (transportation, waste minimization, cleaning services, and pest management). The property, which scored 92 percent on our Sustainable Office Lease Considerations checklist, featured recycled materials in its construction, a shuttle to the local SkyTrain transit station, bicycle lockers and showers, and sustainable landscape elements.

- The Tetra Tech office in Fort Collins, Colorado, joined the city's Climate Wise program, upgrading to more energy-efficient lighting, switching to reusable dinnerware and utensils, installing energy-efficient dishwashers, and changing to a double-sided default setting on printers. The office also initiated a "Bike to Work" program that logged more than 1,550 miles in 5 months.
- Our office in Warner Robins, Georgia, led the entire office park in recycling paper, cardboard, and glass. This program not only diverts 5,000 tons of refuse from the landfills, but raises funds for Happy Hour Service Center, which provides job and social training to developmentally disabled citizens in the community.
- The Tetra Tech office in Cincinnati, Ohio, sponsored a public outreach program at the Cincinnati Nature Center, where employees demonstrated and installed rain barrels for Nature Center use and as examples of how individuals and businesses can install their own.

Sustainability Report Card

Tetra Tech's sustainability metrics are used to report, evaluate, and track our performance. By evaluating our contributions to sustainability, we have the opportunity to improve management, make our operations more efficient, and provide better long-term solutions for our clients – solutions that respond to critical global issues, environmental challenges, and the values important to our stakeholders.

In compiling our Sustainability Report Card, we measure our sustainability progress in core areas of company operations. Each metric corresponds with one or more performance indicator from the [Global Reporting Initiative \(GRI\)](#), the internationally predominant sustainability reporting protocol for corporate sustainability plans. The indicators reported apply to our business in a meaningful way and represent ongoing activities related to Tetra Tech's 3Ps: projects, procurement, and processes. These metrics were chosen as repeatable and effective measures of our performance and progress.

In order to track our progress and improvements, we have established a current score or progress estimate for each target. For this first report card, the score is also used to set a baseline for comparison and evaluation of our progress. Certain metrics are tracked by fiscal year while others are tracked by calendar year, as specifically noted below. The scores will be updated annually to reflect our sustainability progress and achievements.

Visit our [Sustainability Performance Indicators](#) page to learn more about how these metrics correspond to economic, environmental, and social responsibility.

Tetra Tech's Sustainability Report Card provides an overview of our sustainability performance, but cannot be inclusive of the full range of our employees' sustainability activities around the world. To see selected examples of sustainability initiatives across Tetra Tech, please visit our [Sustainability Highlights](#) page.

Overarching Corporate Metrics

| Reportable Metric | Related GRI Performance Indicator | Metric Target | Fiscal Year 2011 Status | % Change from FY '10 |
|---|---|---|---|-----------------------------|
| Revenue Growth | Economic > Economic Performance – EC1 | 15% average annual growth rate through 2015 | \$2.6 billion | 17% improvement |
| Headcount Growth | Labor Practices > Employment – LA1 | 15% average annual growth rate through 2015 | 13,000 | 24% improvement |
| Carbon Emission Annual Reporting | Environmental > Emissions, Effluents and Waste – EN 16, EN 17 & EN 18 | Reduce GHG emissions by 20% per associate by 2015 | 3.45 metric tons CO2e per associate in CY '10 | 16% reduction* |

Real Estate

| Reportable Metric | Related GRI Performance Indicator | Metric Target | Fiscal Year 2011 Status | % |
|--------------------------|--|--|---|-----------------------------------|
| Footprint | Environmental > Energy – EN5 | Maximize space efficiency and reduce footprint | Since CY'08, reduced space by 367,000 square feet In CY'11 had 246 square feet per FTE | 11% reduction 6% reduction |

Information Technology

| Reportable Metric | Related GRI Performance Indicator | Metric Target | Fiscal Year 2011 Status | % |
|--------------------------|--|----------------------|--------------------------------|----------|
|--------------------------|--|----------------------|--------------------------------|----------|

| | | | | |
|---|-------------------------------|---|----------------|----------------|
| Percent of Computers Less than 5 Years Old | Environmental and Economic | Maximize use of new energy efficient computers | 89% | 1% improvement |
| Percent of Tetra Tech on Tetra Linx | Environmental and Economic | 100% of Tetra Tech operating units on our web-based administrative system | 87% by revenue | 3% improvement |
| Number of Associates per IT System Servers | Environmental > Energy – EN 6 | Increase | 9.6 | 9% improvement |

Health and Safety

| Reportable Metric | Related GRI Performance Indicator | Metric Target | Fiscal Year 2011 Status | % |
|----------------------------------|--|--|--|---------------------------------------|
| Lost workday incidents | Labor Practices > Occupational Health and Safety – LA7 | To achieve and maintain zero lost workday incidents on an annual basis | 32 Tetra Tech operating units worked all of 2011 with zero lost workday incidents for over 18 million hours worked Since 2005, Tetra Tech has reduced its Lost Workday Incident Rate by more than 73% | 50% improvement 6% improvement |
| Recordable Incident Rates | Labor Practices > Occupational Health and Safety – LA7 | Focus on continual improvement and achieve a Total Recordable Incident Rate better than the industry average | 18 Tetra Tech operating units worked all of 2011 with zero recordable injuries or incidents for over 8 million hours worked Since 2005, | 167% improvement 5% reduction |

Tetra Tech has reduced its Total Recordable Incident Rate by n/a more than 63%. Tetra Tech performs 43% better than the US Bureau of Labor Statistics 2010 national averages for Recordable Incident Rate for our industry.

| | | | | |
|--|-----------------|---|---|-----|
| Occupational Health and Safety Awards and Recognition | Labor Practices | To recognize health and safety efforts and raise company awareness of health and safety achievements company wide | Tetra Tech received multiple national and client recognitions for our safety performance in 2011 | n/a |
|--|-----------------|---|---|-----|

Human Resources

| Reportable Metric | Related GRI Performance Indicator | Metric Target | Fiscal Year 2011 Status | % |
|--|---|-------------------------|--------------------------------|-----------------|
| Promotions from Within | Labor Practices > Employment – LA 2 | Increase year over year | 484 | 38% improvement |
| Training Expenditures per Associate | Labor Practices > Training and Education – LA10 | Increase year over year | \$684 | 5% improvement |
| Certifications per Associate | Labor Practices > Training and Education – | Increase year over year | .31 | 15% improvement |

Shared Services

| Reportable Metric | Related GRI Performance Indicator | Metric Target | Fiscal Year 2011 Status | % |
|---|-----------------------------------|--|---|--------------|
| Office Supply Costs per Associate | Environmental > Energy – EN6 | Reduce use of consumable office supplies | \$482 per FTE | 2% reduction |
| Number of Overnight Courier Shipments per Associate | Environmental > Transport – EN29 | Reduce | 45% reduction in courier shipments since 2007 | 3% reduction |

Business Development Support/Communications

| Reportable Metric | Related GRI Performance Indicator | Metric Target | Fiscal Year 2011 Status | % |
|--|-----------------------------------|--|---|-----|
| Use of Electronic Marketing Instead of Print Media as Measured by Printing Costs | Environmental > Materials – EN2 | Reduce number of paper materials | Electronic invitations to Tetra Tech conference events: 3,945 Electronic Holiday cards sent: 4,200 | n/a |
| | | Number of visitors to the marketing Intranet website | 285 visits/month | n/a |
| | | Improve the | FSC-Certified | n/a |

| | |
|---|--|
| sustainability of paper materials that are used | paper material: 5,003 pounds (100% of paper) 100% recycled paper material: 4,080 pounds (82% of paper) Non-recycled paper material: 0 pounds (0% of paper) |
|---|--|

* Items with an asterisk denote changes to baseline measurement resulting from additional information or improved measurement techniques. Details are available upon request.