

GRI Indicator	GRI Indicator Description	2013	2012	2011
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	Please view the Letter from the CEO on page 5.		
1.2	Description of key impacts, risks, and opportunities.	<p>Our rate of growth and the success of our business depend upon our ability to attract, develop and retain a sufficient number of affordable trained engineers and other skilled workers, either through direct hire or the acquisition of other firms employing such professionals. The market for these professionals is competitive. If we are unable to attract and retain a sufficient number of skilled personnel, our ability to pursue projects may be adversely affected, the cost of executing our existing and future projects may increase, and our financial performance may decline.</p> <p>A significant portion of our revenue is derived from foreign operations, which exposes us to risks inherent in doing business in each of the countries where we transact business. The occurrence of any of the risks described below could have a material adverse effect on our business operations and financial performance. With respect to any particular country, these risks may include but are not limited to:</p> <ul style="list-style-type: none">• Expropriation and nationalization of our assets in that country• Political and economic instability• Civil unrest, acts of terrorism, force majeure, war or other armed conflict• Currency fluctuations, devaluations and conversion restrictions• Confiscatory taxation or other adverse tax policies• Governmental activities or judicial actions that limit or disrupt markets, restrict payments, limit the movement of funds, result in the deprivation of contract rights or result in the inability for us to obtain or retain licenses required for operation <p>Due to the unsettled political conditions in many oil-producing countries and other countries where we provide governmental logistical support, our financial performance is subject to the adverse consequences of war, the effects of terrorism, civil unrest, strikes, currency controls and governmental actions. Our operations are conducted in areas that have significant amounts of political risk. In addition, military action or continued unrest in the Middle East could impact the supply and price of oil and gas, disrupt our operations in the region and elsewhere, and increase our security costs worldwide.</p> <p>Some of our services are performed in high-risk locations, such as Iraq, Afghanistan, Nigeria, Algeria, Egypt and Saudi Arabia, where the country or location and surrounding area is suffering from political, social or economic issues, war or civil unrest. In those locations where we have employees or operations, we have and may continue to incur substantial costs to maintain the safety of our personnel. Despite these precautions, we have suffered the loss of employees and contractors, which could expose us to claims and litigation. In the future, the safety of our personnel in these and other locations may continue to be at risk, exposing us to the potential loss of additional employees and contractors.</p> <p>For more information, please view our Annual Report.</p>		
2.1	Name of the organization.	KBR, Inc.		
2.2	Primary brands, products, and/or services. The reporting organization should indicate the nature of its role in providing these products and services, and the degree to which it utilizes outsourcing.	KBR, Inc. and it subsidiaries (collectively, "KBR") is a global engineering, construction and services company supporting the energy, hydrocarbons, government services, minerals, civil infrastructure, power, industrial and commercial markets.		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	<p>KBR offers a wide range of services through our business groups: Hydrocarbons; Gas Monetization; Infrastructure, Government & Power (IGP); and Services. We enter into joint ventures and alliances with other industry participants to reduce and diversify risk; increase the number of opportunities that can be pursued; capitalize on the strengths of each party; facilitate relationships between us, our venture partners and different potential customers; and allow for greater flexibility in delivering our services based on cost and geographical efficiency. Our significant joint ventures and alliances are described below. All joint venture ownership percentages presented are as of December 31, 2013.</p> <p>JKC Australia LNG Pty Ltd (JKC) is an unincorporated joint venture consisting of JGC Oceania Pty Ltd (JGC), 40 percent ownership interest; Kellogg Brown & Root Pty Ltd (KBRPL), 30 percent ownership interest; and Chiyoda Corporation (Chiyoda), 30 percent ownership interest, for the purpose of design, procurement, fabrication, construction, commissioning and testing of the Ichthys Onshore LNG Export Facility in Darwin, Australia (Inpex LNG Project). The project will be executed using two joint ventures in which we own a 30 percent equity interest. The investments are accounted for using the equity method of accounting and reported in our Hydrocarbons business group.</p> <p>Kellogg Joint Venture (KJV) is an unincorporated joint venture consisting of JGC Corporation (JGC), 30 percent ownership interest; Hatch Associates PTY LTD (Hatch), 20 percent ownership interest; Clough Projects Australia PTY LTD (Clough), 20 percent ownership interest; and KBR E&C Australia Pty Ltd (KBR E&C Aust), 30 percent ownership interest, for the purpose of design, procurement, fabrication, construction, commissioning and testing of the Gorgon Downstream LNG Project, located on Barrow Island off the northwest coast of Western Australia. We hold a 30 percent interest in the joint venture, which is consolidated for financial accounting purposes and reported in our Hydrocarbons business group.</p> <p>Aspire Defence Holdings Limited (Aspire Defence) is a joint venture incorporated in the United Kingdom, England and Wales between KBR (U.K.) Investments Limited ("KBRUKIL"), 45 percent ownership interest; Carillion Private Finance (Defence) Limited (Carillion), 127.5 percent ownership interest; and two financial investors formed to contract with the UK Ministry of Defence (MoD) to upgrade and provide a range of services to the British army's garrisons at Aldershot and around the Salisbury Plain in the U.K. We own a 45 percent interest in Aspire Defence, which is reported in our Ventures business unit that is included in our Other group. In addition, we own a 50 percent interest in each of the two joint ventures within our IGP group that provide the construction and related support services to Aspire Defence. We account for our investments in these entities using the equity method of accounting.</p> <p>Mantenimiento Marino de Mexico, S. de R.L. de C.V. (MMM) is a joint venture formed under a Partners' Agreement with MMM-SS Holdings, LLC (50.01 percent ownership interest) and Grupo R-affiliated entities. The principal Grupo R entity is Servicios Maritimos de Campeche, S.A. de C.V. (49.99 percent ownership interest). The Partners' Agreement covers five joint venture entities executing Mexican contracts with PEMEX. The MMM joint venture was set up under Mexican maritime law to hold navigation permits to operate in Mexican waters. The scope of the business is to render maintenance, repair and restoration services of offshore oil and gas platforms, and provisions of quartering in the territorial waters of Mexico. We own a 50 percent interest in MMM and in each of the four other joint ventures. We account for our investment in these entities using the equity method of accounting within our Services business group.</p>		
2.4	Location of organization's headquarters.	601 Jefferson Street, Suite 3400 Houston, Texas 77002		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	We conduct business in more than 70 countries. KBR's major operations in regards to revenue are in the following countries/ regions: U.S., Asia/Pacific (including Australia), Africa, Europe, Middle East, Iraq and Canada. KBR's major operations in regards to property, plant and equipment are in the following countries: U.S. and U.K.		

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2.6	Nature of ownership and legal form.	KBR, Inc. was incorporated in Delaware on March 21, 2006, prior to an exchange-offer transaction that separated us from our former parent, Halliburton Company. This process was completed on April 5, 2007. We trace our history and culture to two businesses, the M.W. Kellogg Company (Kellogg) and Brown & Root, Inc. (Brown & Root). Kellogg dates back to a pipe fabrication business, which was founded in New York in 1901 and has been creating technology for petroleum refining and petrochemical processing since 1919. Brown & Root was founded in Houston, Texas, in 1919 and built the world's first offshore platform in 1947. Brown & Root was acquired by Halliburton in 1962, and Kellogg was acquired by Halliburton in 1998 through its merger with Dresser Industries.		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Our business strategy is to create shareholder value by providing our customers with differentiated capital project delivery and services across the entire engineering, construction and operations project lifecycle, as a vertically integrated global contractor. We execute our business strategy on a global scale to deliver consistent results anywhere in the world. An essential feature of our global strategy is to establish local operations in market geographies where demand for our services is expected to grow. Our core skills are conceptual design, front-end engineering design (FEED), engineering, project management, procurement, construction, construction management, logistics, commissioning, operations and maintenance. We provide services to a diverse customer base, including international and national oil and gas companies, independent refiners, petrochemical producers, fertilizer producers, and domestic and foreign governments. A considerable percentage of revenue is generated from transactions with the Chevron Corporation ("Chevron") primarily from our Hydrocarbons business group and the U.S. Government from our IGP business group. For more information, please view our Annual Report.		
2.8	Scale of the reporting organization	KBR employs more than 27,000 people worldwide in locations that include the Americas, Australia, Africa, Europe, Asia and the Middle East. We deliver a wide range of services supporting the energy, hydrocarbons, power, industrial, civil infrastructure, minerals, government services and commercial services. For more information, please view our Annual Report.		
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: • The location of, or changes in operations, including facility openings, closings, and expansions; and • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	<p>In November 2012, the joint venture in which we hold a 50 percent interest sold the office building where we lease office space for our corporate headquarters and business unit offices in Houston, Texas, for \$175 million. Since we will continue to lease the office building from the new owner under essentially the same lease terms, the \$44 million pre-tax gain on the sale will be deferred and amortized using the straight-line method over the remaining term of the lease, which expires in 2030.</p> <p>In November 2012, we closed on the sale of our former headquarters campus located at 4100 Clinton Drive in Houston, Texas, for approximately \$42 million in cash. The sale resulted in a \$27 million pre-tax gain on disposal of assets in operating income in our consolidated statements of income.</p> <p>On December 31, 2010, we obtained control of the remaining 44.94 percent interest in our M.W. Kellogg Limited ("MWKL") consolidated joint venture previously held by JGC Corporation. MWKL is located in the U.K. and provides EPC services primarily for LNG, GTL and onshore oil and gas projects. MWKL will continue to support our LNG and other hydrocarbons projects.</p> <p>On December 21, 2010, we completed the acquisition of 100 percent of the outstanding common shares of ENI Holdings, Inc. ("ENI"). ENI is the parent to the Roberts & Schaefer Company ("R&S"), a privately held EPC services company for material handling systems. Headquartered in Chicago, Illinois, R&S provides services and associated processing infrastructure to customers in the mining and minerals, power, industrial, refining, aggregates, and precious and base metals industries. ENI and its acquired businesses have been integrated into our IGP business group. On December 6, 2012, ENI Holdings, LLC, filed a lawsuit in Delaware Chancery Court alleging that KBR is wrongfully withholding the escrowed holdback. On January 25, 2013, we filed an answer denying the wrongful withholding allegation. In addition, we filed a counterclaim for indemnity and fraud under the terms of the Stock Purchase Agreement. As of December 31, 2012, the escrowed holdback amount was \$25 million.</p>		
2.10	Awards received in the reporting period.	2013, CareerBliss – 4th Happiest Company in America 2013, <i>Washington Business Journal</i> - One of Washington's 50 Best Places to Work 2012, <i>Washington Business Journal</i> – 1st Best Places to Work 2012, <i>Newsweek</i> Green Rankings – 4th in Industrial Goods and 101/500 in top publicly traded companies 2011, <i>Newsweek</i> Green Rankings – 9th in Capital Goods and 88/500 in top publicly traded companies 2013, <i>Engineering News-Record (ENR)</i> Green Contractor Rankings – 37/100 2012, <i>ENR</i> Green Contractor Rankings – 32/100 2011, <i>ENR</i> Green Contractor Rankings – 39/100 2012, Gulf Coast Regional Blood Center Corporation of the Year Please view the Awards section for more information.		
3.1	Date of most recent previous report (if any).	KBR's inaugural 2007-2010 Sustainability Report was published in 2011.		
3.2	Reporting cycle (annual, biennial, etc.)	KBR currently publishes a Sustainability Report every three years.		
3.3	Contact point for questions regarding the report or its contents.	For questions regarding this Sustainability Report, please contact us at investors@kbr.com.		
3.5	Process for defining report content	Since KBR has operational control of our owned facilities, KBR determined to include owned office data and exclude leased facility data in this report. The report represents emissions covered within KBR's corporate boundary and excludes emissions produced at client sites. This report includes information contained in our 2011-2013 Annual Reports, including Form 10-K and Annual Proxy Statements. KBR prepared this report under the direction of KBR's Sustainable Development Committee, which assessed and determined the prioritization of report data. KBR's Sustainable Development Committee has executive management representation from Legal; Health, Safety & Environment (HSE); Corporate Communications; Corporate Giving; Commissioning & Startup; Operational Excellence; Operations-Construction; Operations-Engineering; Infrastructure; Procurement; Real Estate Services; and KBR Building Group.		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	This Sustainability Report includes KBR's global operations across all divisions and subsidiaries. KBR facility data includes owned facilities and excludes leased facilities. Safety data in the report includes subcontractors and joint ventures.		
3.7	"State any specific limitations on the scope or boundary of the report. If boundary and scope do not address the full range of material economic, environmental, and social impacts of the organization, state the strategy and projected timeline for providing complete coverage."	KBR is currently evaluating the inclusion of leased facility data in future reports.		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	KBR safety data provided in this report includes subcontractors and joint ventures. KBR facility data includes KBR-owned facilities, since KBR has operational control of these facilities.		

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3.9	"Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols."	For U.K. facility data (Greenford and Leatherhead), U.K. energy measurements follow the Carbon Trust Standard. For U.S. facility data (Birmingham), U.S. energy measurements follow the Environmental Protection Agency (EPA) recommendations.		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/ periods, nature of business, measurement methods).	There were no re-statements of information from prior reports in the 2011-2013 Sustainability Report.		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	The 2007-2010 Sustainability Report was GRI-referenced. The 2011-2013 Sustainability Report follows GRI 3.1.		
3.12	Table identifying the location of the Standard Disclosures in the report.			
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	KBR did not obtain third-party verification for the 2011-2013 Sustainability Report and is currently evaluating third-party verification for our next report.		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	<p>The Board of Directors (the Board) of KBR, Inc. (KBR) is comprised of nine members, eight of whom are independent directors. KBR's Bylaws authorize the Board to appoint such committees as they deem advisable, with each committee given the authority to perform the duties as determined by the Board. A substantial portion of the analysis and work of the Board is done by standing Board committees. A director is expected to participate actively in the meetings of each committee to which he or she is appointed. At this time, the Board has four standing committees to which it has delegated certain duties and responsibilities: Audit, Compensation, Nominating and Corporate Governance (NCG), and Corporate Social Responsibility (CSR). Each committee is comprised of four independent directors. The eight independent directors and the committees on which they serve are:</p> <p>W. Frank Blount, 75 (Audit and NCG) Loren K. Carroll, 70 (Lead Director, Compensation, and NCG Chairman) Linda Z. Cook, 55 (Compensation and CSR) Jeffrey E. Curtiss, 65 (Audit Chairman and NCG) John R. Huff, 67 (Compensation and CSR) Lester L. Lyles, 67 (Audit and CSR Chairman) Jack B. Moore, 60 (Audit and CSR) Richard J. Slater, 67 (Compensation Chairman and NCG)</p> <p>William P. Utt, 56 (Chairman of the Board, CEO and President)</p> <p>The Board represents the interests of KBR's stockholders in perpetuating a successful business. It is the responsibility of the Board to provide oversight of the effectiveness of management's policies and decisions, including the execution of our strategies, with a commitment to enhancing stockholder value over the long term. To this end, Board members are expected to act in the best interests of all stockholders, be knowledgeable about our businesses, exercise informed and independent judgment, and maintain an understanding of general economic trends and conditions, as well as trends in corporate governance. In addition, it is the Board's policy that Board members are expected to make every effort to attend the meetings of the Board and committees of the Board upon which they serve, as well as stockholder meetings. All of KBR's incumbent directors attended 75 percent or more of the aggregate of all meetings of the Board and of committees during 2013. KBR's Corporate Governance Guidelines provide that all Board members should attend our annual stockholder meetings, and all of our Board members attended our 2013 Annual Meeting of Stockholders.</p> <p>The Board is in the process of becoming declassified. The declassification is being phased in over two years. Commencing with the 2014 Annual Meeting of Stockholders, the Board will cease to be classified and all directors will be elected annually, with nominees standing for election to one-year terms.</p> <p>The Audit Committee reviews and reports to the Board the scope and results of audits by our principal independent public accountants and our internal auditing staff, and reviews with the principal independent public accountants the effectiveness of our system of internal controls. It reviews transactions between us and our directors and officers, our policies regarding those transactions and compliance with our Code of Business Conduct. The Audit Committee also engages our principal independent registered public accounting firm for each fiscal year, reviews the audit and other professional services rendered by our principal independent registered public accounting firm, and periodically reviews the independence of our principal independent registered public accounting firm.</p> <p>The Compensation Committee reviews and recommends to the Board the compensation and benefits of our executive officers, establishes and reviews general policies relating to our compensation and benefits, and administers the compensation plans in which our executive officers participate.</p> <p>The NCG Committee's responsibilities include, but are not limited to:</p> <ul style="list-style-type: none">• Developing, implementing and periodically reviewing KBR's corporate governance guidelines• Developing and implementing a process to assess Board and committee effectiveness• Identifying individuals qualified to become Board members, consistent with Board-approved criteria• Determining the composition of the Board and our committees; including selection of the Director nominees for the next annual meeting of stockholders• Periodically reviewing the compensation paid to non-employee directors (including Board and committee chairpersons) in the form of annual retainers and meeting fees, if any, and making recommendations to the Board regarding any adjustments <p>The Corporate Social Responsibility Committee's responsibilities include, but are not limited to:</p> <ul style="list-style-type: none">• Reviewing the status of KBR's health, safety and sustainable development policies and performance, including processes to ensure compliance with applicable laws and regulations• Reviewing KBR's health, safety and sustainable development performance to determine consistency with policies and goals• Reviewing and providing input to KBR on the management of current and emerging health, safety and sustainable development issues• Overseeing KBR's activities in managing our major risk exposures within the health, safety and sustainable development areas• Reviewing KBR's political and charitable contributions, as well as any trade organization memberships		

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4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Since the inception of KBR as an independent public company in April 2007, the Chief Executive Officer (CEO) and President of KBR has also served as the Chairman of the Board. KBR believes that the leadership of our Board is best served by combining the roles of CEO and Chairman. The CEO/Chairman of the Board is responsible to the Board for the overall management and functioning of KBR.		
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	The Board is comprised of eight independent/non-executive directors. Of the eight independent/non-executive directors, one is female. The Board is comprised of eight males (89 percent) and one female (11 percent). One member is African-American (11 percent). The age groups are: 50s (22 percent), 60s (56 percent) and 70s (22 percent). The Audit Committee is comprised of four males (100 percent), one of whom is African-American (25 percent). Three members are in their 60s (75 percent) and one is in his 70s (25 percent). The Compensation Committee is comprised of three males (75 percent) and one female (25 percent). One member is in her 50s (25 percent), two members are in their 60s (50 percent) and one member is in his 70s (25 percent). The NCG Committee is currently comprised of four males (100 percent). Two members are in their 60s (50 percent) and two members are in their 70s (50 percent). The CSR Committee is currently comprised of three males (75 percent) and one female (25 percent). One member is African-American (25 percent). One member is in her 50s (25 percent) and three members are in their 60s (75 percent).		
4.4	Mechanisms for shareholders and employees to provide ecommendations or direction to the highest governance body.	<p>To foster better communication with KBR's stockholders, KBR established a process for stockholders and other interested parties to communicate with the Audit Committee and the Board. The process was approved by the Board and our Audit Committee, and is designed to meet the requirements of the NYSE and the SEC. Stockholders and other interested parties may communicate with the Board or the independent/non-executive directors via mail (Board of Directors c/o Director of Business Conduct, KBR, Inc., P.O. Box 3406, Houston, Texas 77253-3406), telephone (1.855.231.7512 (toll-free from the U.S. or Canada) or 1.503.619.1884 (calling collect from any other cuntry), or email (fhoukbrbod@kbr.com). Information regarding these methods of communication is available at www.kbr.com under "Corporate Governance."</p> <p>KBR's Director of Business Conduct reviews all communications directed to the Audit Committee and the Board. The Chairman of the Audit Committee is promptly notified of any significant communication involving accounting, internal accounting controls, auditing matters or any other significant communications. Communications addressed to a named Board Director are promptly sent to the director. Communications directed to the independent/non-executive directors are promptly sent to the Lead Director. A report summarizing the significant communications is sent to each director quarterly and copies of communications are available for review by any director, except that those designated for the independent/non-executive directors are not available to executive directors. The process has been approved by both the Audit Committee and the Board, and is designed to meet the requirements of the NYSE and the SEC. Concerns may be reported anonymously or confidentially.</p> <p>Stockholders may present a proposal to be considered for inclusion in KBR's proxy material for our Annual Meeting of Stockholders, to be held in 2014, by submitting the proposal in writing to KBR's Corporate Secretary at 601 Jefferson Street, Suite 3400, Houston, Texas 77002. KBR must receive proposals not later than the 120th day prior to the date on which KBR estimates that it will send our materials for our 2014 Annual Meeting of Stockholders. Proposals submitted for inclusion in KBR's proxy materials must comply with Rule 14a-8 under the Exchange Act.</p> <p>In order for stockholder proposals to have been properly submitted for presentation at KBR's Annual Meeting of Stockholders, KBR must have received notice of the proposal not earlier than January 15, 2014, nor later than February 14, 2014 (the 120th and 90th days, respectively, prior to May 15, 2014, the intended date of the 2014 Annual Meeting of Stockholders). Proposals must comply with Article I, Section 9 of KBR's Bylaws.</p> <p>A nomination or proposal that does not comply with the above procedures will be disregarded. Compliance with the above procedures does not require KBR to include the proposed nominee or business in KBR's proxy solicitation materials.</p>		
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	KBR believes in providing a strong link between our senior executives' compensation and our company's performance. The payouts in our CEO's, CFO's and the next three highest-paid senior executives' short- and long-term incentive compensation have been consistent with the our company's stock performance over the one- and three-year periods in comparison to our Engineering & Construction Peer Group's stock performance. A significant portion of our senior executives' compensation in 2012 was performance-based. For example, 81percent of our CEO's compensation was performance-based. Performance-based compensation is comprised of short- and long-term incentive compensation. The short-term (annual) incentive (STI) plans reward executives and senior managers for improving financial results for KBR stockholders and provide a means to connect cash compensation directly to KBR's short-term performance. Payouts under the STI plans are based on the achievement level of several performance metrics including: KBR earnings per share, KBR or KBR business group/unit income, KBR or KBR business group/unit job income sold, KBR or KBR business group/unit cash flow from operations, and KBR or KBR business group/unit recordable incident rate. The long-term incentive (LTI) plan rewards executives and senior managers for consistent achievement of value creation and operating performance goals. LTI awards are delivered through a combination of cash-based performance awards and equity-based restricted stock units and stock options. The Compensation Committee concluded that this mix was consistent with KBR's pay for performance objectives. Specifically, the stock options and restricted stock units (i) are directly tied to KBR's stock price performance and, therefore, directly to stockholder value and (ii) provide a significant incentive for recipients to remain with KBR. The performance cash awards encourages executives and senior management to improve long-term returns and reward performance relative to industry peers.		
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	<p>At this time, all of our directors are independent, as set forth in KBR's Corporate Governance Guidelines and outlined below, except our Chairman, President and Chief Executive Officer, Mr. Utt, who does not qualify as an independent director.</p> <p>A director will be considered independent under KBR's Corporate Governance Guidelines if he or she:</p> <ul style="list-style-type: none">• Has no material relationship with KBR• Has not been employed by us or any affiliate of ours during the preceding three years, and no member of the director's immediate family has been employed as an executive officer of ours or any of our affiliates during the preceding three years• Has not received, and does not have an immediate family member who has received, during any twelve-month period within the preceding three years, more than \$100,000 in direct compensation from KBR, other than director's fees, committee fees or pension or deferred compensation for prior service• Is not a partner or an employee of KBR's independent auditor, and was not during the past three calendar years a partner or employee of KBR's independent auditor who personally worked on KBR's audit• Does not have an immediate family member who is a partner of KBR's independent auditor or an employee of KBR's independent auditor who participates in that firm's audit, assurance or tax compliance (but not tax planning) practice or was during the past three calendar years a partner or employee of KBR's independent auditor who personally worked on KBR's audit• Is not a current employee and does not have an immediate family member who is a current executive officer of any company that has made payments to, or received payments from, KBR or any of our affiliates in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2 percent of our or such other company's consolidated gross revenues• Has not (and has not had a family member who) within the preceding three years served as an executive officer with a company for which a KBR executive served on our compensation committee <p>The definition of independence and compliance with this policy will be reviewed periodically by the NCG Committee. All directors complete independence questionnaires at least annually, and our Board makes determinations of the independence of our members under the listing standards of the NYSE and the SEC requirements for Audit Committee members.</p>		

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4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and our committees,including any consideration of gender and other indicators of diversity.	<p>The Board is responsible for filling our vacancies. The Board has delegated to the NCG Committee the duty of selecting and recommending prospective nominees to the Board for approval. The NCG Committee considers suggestions of candidates for Board membership made by current Committee and Board members, KBR management and stockholders. The Committee may also retain an independent executive search firm to identify candidates for consideration. The NCG Committee will also consider candidates nominated by the stockholders, in accordance with KBR's bylaws. A stockholder who wishes to recommend a prospective candidate should notify KBR's Secretary.</p> <p>When the NCG Committee identifies a prospective candidate, the Committee determines whether it will carry out a full evaluation of the candidate. This determination is based on the information provided to the Committee by the person recommending the prospective candidate and the Committee's knowledge of the candidate. This information may be supplemented by inquiries to the person who made the recommendation or to others. The preliminary determination is based on the need for additional Board members to fill vacancies or to expand the size of the Board, and the likelihood that the candidate will meet the Board membership criteria listed above. The NCG Committee will determine, after discussion with the Chairman of the Board and other Board members, whether a candidate should continue to be considered as a potential nominee. If a candidate warrants additional consideration, the Committee may request an independent executive search firm to gather additional information about the candidate's background, experience and reputation, and to report our findings to the Committee. The NCG Committee then evaluates the candidate and determines whether to interview the candidate. Such an interview would be carried out by one or more members of the NCG Committee and others as appropriate. Once the evaluation and interview are completed, the NCG Committee recommends to the Board which candidates should be nominated. The Board makes a determination of nominees after review of the recommendation and the Committee's report.</p> <p>Candidates nominated for election or re-election to the Board should possess the following qualifications:</p> <ul style="list-style-type: none">• Personal characteristics:<ul style="list-style-type: none">- Highest personal and professional ethics, integrity and values- An inquiring and independent mind- Practical wisdom and mature judgment• Broad training and experience at the policy-making level in business, government, education or technology• Expertise that is useful to KBR and complementary to the background and experience of other Board members, so that an optimum balance of members on the Board can be achieved and maintained• Willingness to devote the required amount of time to carrying out the duties and responsibilities of Board membership• Commitment to serve on the Board for several years to develop knowledge about KBR's principal operations• Willingness to represent the best interests of all stockholders and objectively appraise management performance• Involvement only in activities or interests that do not create a conflict with the director's responsibilities to KBR and our stockholders <p>The NCG Committee is responsible for assessing the appropriate mix of skills and characteristics required of Board members in the context of the needs of the Board at a given point in time and shall periodically review and update the criteria. Diversity in personal background, race, gender, age and nationality for the Board as a whole may be taken into account in considering individual candidates, but KBR does not have a policy with regard to any particular aspect of diversity of our directors.</p>		
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	<p>KBR has the following internal Codes of Conduct and policies relevant to KBR's global economic, environmental and social performance:</p> <p>Code of Business Conduct Policy 3-0001, General Policy Regarding Laws and Business Conduct</p> <p>Code of Business Conduct Policy 3-0002, Equal Employment Opportunity</p> <p>Code of Business Conduct Policy 3-0006, Commercial Bribery</p> <p>Code of Business Conduct Policy 3-0012, Political Contributions and Activities</p> <p>Code of Business Conduct Policy 3-0014, Health, Safety and Environment</p> <p>Code of Business Conduct Policy 3-0016, Harassment</p> <p>Corporate Policy P-GLKBR-COM-0002, Charitable Contributions</p> <p>Corporate Policy P-GLKBR-COM-0003, Foreign Community Contributions</p> <p>Corporate Policy P-GLKBR-QHSE-2001, Quality, Safety, Health and Environment</p> <p>Corporate Policy P-GLKBR-HR-3000, Educational Assistance</p> <p>Corporate Policy P-GLKBR-HR-3751, Right to Work and Immigration</p> <p>Corporate Policy P-GLKBR-HR-3810, Trafficking in Persons</p> <p>Corporate Policy P-GLKBR-HR-4321, Employee Development</p> <p>Corporate Policy P-GLKBR-SEC-2102, Preventing Workplace Violence</p> <p>Global Human Rights Policy</p>		
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. Include frequency with which the highest governance body assesses sustainability performance.	<p>In addition to the enterprise risk management process described above, the Board also engages in risk oversight in the area of project revenues. The Board also engages in risk oversight through the project approval process, whereby projects reaching a threshold level of expected revenues require Board approval. In reviewing projects, the Board is presented with management's assessment of a particular project's cost exposure associated with operations risk, liabilities and funding risks, among others. In this manner, KBR's Board is engaged in risk oversight at the outset of the largest projects, which could have a material effect on KBR's operations.</p> <p>The Board is also engaged in risk oversight through regular reports from our Audit Committee. The Audit Committee is charged with reviewing with management the company's major financial risk exposures, as well as other areas of risk exposure if requested to do so by the Board, and the steps management has taken to monitor and mitigate those exposures.</p> <p>Finally, the CSR Committee has the responsibility for the oversight of KBR's activities in managing our major risk exposures within the health, safety and sustainable development areas. The CSR Committee receives periodic reports from KBR's Chief QHSE Officer relating to these risk exposures and the company's efforts to mitigate those risks. The CSR Committee met twice in 2012 and 2013.</p> <p>KBR has adopted a code of ethics, as defined in Item 406(b) of Regulation S-K. KBR's code of ethics, known as our Code of Business Conduct, applies to all directors, officers and employees of KBR, including our principal executive officer, principal financial officer, principal accounting officer and controller, and also applies to all employees of KBR and KBR's agents. KBR has posted our Code of Business Conduct at www.kbr.com.</p>		
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	The Board evaluates our own performance on an annual basis, and our performance is evaluated by KBR's stakeholders by our annual proxy.		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	KBR acknowledges the principles contained in the United Nations Rio Principles as a general standard for sustainable development concerns worldwide. KBR plays a role in upholding sustainable development by our own actions in the countries in which we do business.		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	While KBR does not currently subscribe to or endorse externally developed economic, environmental and social charters and principles, KBR does follow many of the economic, environmental and social principles and practices.		

GRI Indicator	GRI Indicator Description	2013	2012	2011
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	KBR and our employees participated in the following during 2011-2013: <ul style="list-style-type: none">• Aerospace, Defence and Security Association• American Chamber of Commerce – Australia, Azerbaijan, Brazil• American Council of Engineering Companies of Texas (ACEC Texas)• American Fuel & Petrochemical Manufacturers (AFPM)• American Immigrations Lawyers Association (AILA)• American Institute of Architects• American Institute of Certified Public Accountants (AICPA)• American Institute of Chemical Engineers (AIChE)• American Institute of CPAs• American Petroleum Institute (API)• American Society of Civil Engineers• American Society of Mechanical Engineers (ASME)• American Welding Society (AWS)• ASIS• Associated Builders & Contractors National Diversity Committee• Association for Financial Professionals• Association of Corporate Travel Executives (ACTE)• Association of General Contractors (AGC)• Association of the United States Army (AUSA)• Australian Petroleum Production and Exploration Association (APPEA)• Bayou Preservation Association• Bilateral U.S. Arab Chamber of Commerce• BIPAC• Birmingham Business Alliance• British Chemical Engineering Contractors Association (BCECA)• British Safety Council• Business Council of Alabama• Business Council of International Understanding• Business Roundtable – Golden Triangle, Houston• CAPS Research• Center for Houston's Future• Chamber of Commerce• Committee for Economic Development of Australia• Construction Industry Institute• Construction Management Association of America (CMAA)• Consult Australia – National Sustainability Roundtable• Design Build Institute of America (DBIA)• Energy Institute• Engineering and Construction Contracting Association (ECC)• Engineering and Construction Risk Institute (ECRI)• Engineering Construction Industry Training Board (ECITB)• Engineers Australia - Society for Sustainability and Environmental Engineering• Gas Processors Association Ltd.• Gasification Technologies Council (GTC)• Global Business Travel Association (GBTA)• Golden Training Business Round Table• Greater Houston Partnership• Gulf Coast Power Association• Gulf Petrochemicals and Chemicals Association (GPCA)• Houston Business Roundtable• Houston Minority Supplier Development Council• Institute for Supply Management• Institute of Electrical and Electronics Engineers (IEEE)• Institute of Materials, Materials and Mining• Institute of Measurement and Control• Institution of Engineering and Technology (IET)• Institution of Structural Engineers• International Facility Management Association (IFMA)• IT Service Management Forum (ITSMF)• Manufacture Alabama• Manufacturers Alliance for Productivity and Innovation (MAPI)• National Association of Industrial & Office Product (NAIOP) Northern Virginia• National Association of Minority Contractors• National Contract Management Association (NCMA)• National Defense Industrial Association (NDIA)• National Foreign Trade Council• National Petroleum Council• National Association of Minority Contractors• Partners for Environmental Progress• Petroleum Federation of India (PetroFed)• Process Industry Practices• Procurement Executives Group• Professional Services Council• Program Advisory Committee (PAC) Kitimat Valley Institute (KVI)• Project Management Institute (PMI)• Renewable UK• Restore America's Estuaries• Roads Australia – Sustainability Chapter• Safety Institute of Australia• Simulation Australia• Society for Human Resource Management (SHRM)• Society of American Military Engineers (SAME)• Society of Naval Architects and Marine Engineers (SNAME)• Society of Women Engineers (SWE)• South African Institution of Chemical Engineers• Subsea Energy Australia• Technical Association of Pulp and Paper Industry (TAPPI)• U.S. Chamber of Commerce – Iraq Business Initiative• U.S.-China Energy Cooperation Program• U.S. Green Building Council (USGBC)• Water Services Association of Australia• Women Business Enterprise Alliance• Women in Defence• Women's Energy Network		

GRI Indicator	GRI Indicator Description	2013	2012	2011
4.14	List of stakeholder groups engaged by the organization.	KBR engages with our stakeholder groups, including shareholders, clients, communities, nonprofits, governments, suppliers and employees.		
4.15	Basis for identification and selection of stakeholders with whom to engage.	KBR's Board of Directors has overall responsibility for stakeholders with whom KBR engages.		
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	KBR engages with shareholders through daily phone and corporate office meetings, quarterly earnings calls, analyst/investors days and industry conferences. KBR engages with nonprofits through industry organizations and committees, and through KBR's annual social impact assessment, which KBR uses to evaluate our social and environmental investments. KBR North American Government and Logistics (NAGL) performs client and customer surveys. Client surveys are performed quarterly and customer surveys are performed daily for each critical service area via customer feedback. The survey results are consolidated into metrics for monthly management reviews. Actions are taken based on cause trends from the monthly metrics at the project level and are documented into KBR's web-based data management for quality. In 2013, KBR conducted a company-wide employee engagement survey to help us ensure that we provide an environment that encourages employees to achieve outstanding and innovative performance.		
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	The results from our 2013 employee engagement survey indicate that KBR's employees' key topics and concerns are pay and benefits, confidence in leadership, entrepreneurial spirit and career development. KBR's leadership team is committed to responding to our employees' concerns and is currently evaluating ways to address them. In some cases, KBR may create programs and processes to increase leadership visibility, provide clarity on strategy and total rewards, improve opportunities for career development, reduce unnecessary bureaucracy and enhance pride and engagement. KBR continues to build the best environment for our most importance resource — our employees.		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	<p>In KBR's Consolidated Statements of Incomes from 2013, Net Income Attributable to KBR was \$229,000,000 USD. Services Revenue was \$7,283,000,000 USD.</p> <p>Cost of Services was \$6,702,000,000 USD.</p> <p>General and Administrative was \$249,000,000 USD.</p> <p>Net Interest Expense was \$5,000,000 USD.</p> <p>Other Non-Operating Expense was \$3,000,000 USD.</p> <p>Provision for Income Taxes was \$136,000,000 USD.</p> <p>In KBR's Consolidated Balance Sheets, Retained Earnings were \$1,902,000,000 USD.</p> <p>Please view KBR 2013 Annual Report for more information.</p>	<p>In KBR's Consolidated Statements of Incomes from 2012, Net Income Attributable to KBR was \$144,000,000 USD. Services Revenue was \$7,770,000,000 USD.</p> <p>Cost of Services was \$7,252,000,000 USD.</p> <p>General and Administrative was \$222,000,000 USD.</p> <p>Net Interest Expense was \$7,000,000 USD.</p> <p>Other Non-Operating Expense was \$2,000,000 USD.</p> <p>Provision for Income Taxes was \$86,000,000 USD.</p> <p>In KBR's Consolidated Balance Sheets, Retained Earnings were \$1,709,000,000 USD.</p> <p>Please view KBR 2012 Annual Report for more information.</p>	<p>In KBR's Consolidated Statements of Incomes from 2011, Net Income Attributable to KBR was \$480,000,000 USD. Services Revenue was \$9,103,000,000 USD.</p> <p>Cost of Services was \$8,463,000,000 USD.</p> <p>General and Administrative was \$214,000,000 USD.</p> <p>Net Interest Expense was \$18,000,000 USD.</p> <p>Other Non-Operating Expense was \$0 USD.</p> <p>Provision for Income Taxes was \$32,000,000 USD.</p> <p>In KBR's Consolidated Balance Sheets, Retained Earnings were \$1,607,000,000 USD.</p> <p>Please view KBR 2011 Annual Report for more information.</p>
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Existing or pending climate change legislation, regulations, international treaties or accords are not expected to have a material direct effect on our business or the markets that we serve, nor on our results of operations or financial position. However, climate change legislation could have a direct effect on our customers or suppliers, which could have an indirect effect on our business. For example, our commodity-based markets depend on the level of activity of mineral and oil and gas companies, and existing or future laws, regulations, treaties or international agreements related to climate change, including incentives to conserve energy or use alternative energy sources, could have an indirect impact on our business if such laws, regulations, treaties or international agreements reduce the worldwide demand for minerals, oil and natural gas. We will continue to monitor developments in this area.		
EC3	Coverage of the organization's defined benefit plan obligations.	<p>KBR sponsors some defined benefit plans that have been established in various countries in accordance with legal requirements and customs. The benefits offered by these plans define an amount of pension benefit to be provided, usually as a function of age, years of service or compensation. The measurement date for all defined benefit plans is December 31.</p> <p>Funding requirements for each plan are determined based on the local laws of the country where such plan resides. In certain countries, the funding requirements are mandatory while in other countries they are discretionary.</p> <p>For additional information regarding KBR's defined benefit plans, please view KBR's Annual Report.</p>		
EC4	Significant financial assistance received from government	KBR has not received financial assistance from any government.		

GRI Indicator	GRI Indicator Description	2013	2012	2011
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Compensation Philosophy: <ul style="list-style-type: none">• Attract, reward and retain high-performing employees• Target base pay at the 50th percentile of the competitive market• Link performance to pay• Be competitive within business and geographic markets• Allow for changing business needs Factors that influence pay: <ul style="list-style-type: none">• People, Performance and Results (PPR) rating• Job Market Pricing for similar jobs in other companies• Relative value of a job compared to other internal jobs• Job-related knowledge, skills and abilities• The annual merit budget for a specific location and KBR's overall financial performance Timing of Pay Increase(s): <ul style="list-style-type: none">• On-cycle adjustments - Annual Merit Review• Off-cycle adjustments - Movements in market rates• Promotion Global Job Classification and Salary Ranges <ul style="list-style-type: none">• The process of job evaluation begins with the collection of job duties and responsibilities. This activity is aided by a job description questionnaire that is completed each time a job changes or the need to create a new job classification arises. The completion of the job evaluation process will result in a job description specifying a job classification's duties and responsibilities in the organization.• Jobs are also evaluated on several compensable factors, such as diversity of tasks, scope of accountability, autonomy and leadership. This process assists in determining the comparative value of one job classification to another.• Job classifications of the same or similar nature are placed into salary ranges. There is a minimum, mid-point and maximum for every salary range. Mid-points are set using market competitive levels. The range for an individual job should fall between 20 percent below to 20 percent above a job's market price. Job Market Pricing <ul style="list-style-type: none">• The process of determining a competitive rate of pay for jobs is called Job Market Pricing. We want to ensure that our jobs are competitively compensated relative to comparable positions in the external marketplace. KBR ensures fairness in pay practices and confidentiality.• KBR is committed to provide competitive pay for our employees based on the nature of the job, and strives to be aligned with industry pay practices and in compliance with the legal regulations in each location where we operate.• Our payroll reporting systems are designed to enforce rigorous privacy and confidentiality in the handling of salary data. Access to pay-related information is limited and compensation is bound by strict authorization guidelines. Salary survey participation follows accepted professional standards at all times. Violations of the Code of Business Conduct are not tolerated.		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	For 2013, KBR's total spend with qualified Diverse Suppliers was \$16,034,493 USD.	For 2012, KBR's total spend with qualified Diverse Suppliers was \$35,173,943 USD.	For 2011, KBR's total spend with qualified Diverse Suppliers was \$49,612,397 USD.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	KBR's Supplier Diversity program is committed to seeking suppliers and contractors who add value to our company and to the customers we serve. As part of this commitment, KBR continually seeks to provide opportunities for minority- and women-owned businesses that offer goods, subcontracting services and professional services on a competitive basis. In addition, KBR strives to promote the economic growth of minority- and women-owned businesses by offering technical assistance and counseling/mentoring services, as well as sponsoring events that support the development of such business. KBR ensures that these supplier development goals are met by participating in industry-specific groups to create opportunities for meeting and networking with qualified diverse businesses and discussing potential opportunities within KBR. KBR also collaborates with other global corporations for best practices sharing and sponsorship of diverse networking events.		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement.	KBR supports hiring workers from the local communities where we operate. As a global leader, we are committed to increasing Aboriginal participation across our business. Our teams will build stronger relationships and create increased opportunities for engagement. As our relationships strengthen, we will further demonstrate our commitment of a culturally-inclusive engagement process within the environments in which we work. KBR, through our adherence to the Code of Business Conduct, further undertakes to: <ul style="list-style-type: none">• Supports all stakeholders inclusive of traditional owners; Aboriginal communities; and local, state and federal governments and their agencies, in the advancement of Aboriginal people across regions• Identify and champion employment opportunities for Aboriginal people across business units• Promotes a work environment which embraces diversity, free of racial discrimination and harassment• Ensures any learning and development programs supporting Aboriginal engagement are culturally inclusive• Will promote and support community relationships and partnerships for mutual growth and development• The objectives of the Aboriginal participation/engagement procedure are to:<ul style="list-style-type: none">- Embed cultural inclusion across our business units- Work with stakeholders to identify, champion and maintain employment and career development opportunities- Identify and champion opportunities for Aboriginal businesses and business development across business units- Establish and maintain effective community relationships and partnerships KBR supports these objectives to deliver meaningful cultural recognition, employment, training and business opportunities for Aboriginal people. We are committed to supporting initiatives and strategies which enable us to be a global leader in Aboriginal engagement. The responsibility of championing our commitment will be through our regional and local leadership teams, with the pivotal point to success through all KBR employees and our contractors.		

GRI Indicator	GRI Indicator Description	2013	2012	2011
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Our rate of growth and the success of our business depend upon our ability to attract, develop and retain a sufficient number of affordable trained engineers and other skilled workers, either through direct hire or the acquisition of other firms employing such professionals. The market for these professionals is competitive. If we are unable to attract and retain a sufficient number of skilled personnel, our ability to pursue projects may be adversely affected, the cost of executing our existing and future projects may increase, and our financial performance may decline. A significant portion of our revenue is derived from foreign operations, which exposes us to risks inherent in doing business in each of the countries where we transact business. The occurrence of any of the risks described below could have a material adverse effect on our business operations and financial performance. With respect to any particular country, these risks may include but are not limited to: <ul style="list-style-type: none">• Expropriation and nationalization of our assets in that country• Political and economic instability• Civil unrest, acts of terrorism, force majeure, war or other armed conflict• Currency fluctuations, devaluations and conversion restrictions• Confiscatory taxation or other adverse tax policies• Governmental activities or judicial actions that limit or disrupt markets, restrict payments, limit the movement of funds, result in the deprivation of contract rights or result in the inability for us to obtain or retain licenses required for operation. Due to the unsettled political conditions in many oil-producing countries and other countries where we provide governmental logistical support, our financial performance is subject to the adverse consequences of war, the effects of terrorism, civil unrest, strikes, currency controls and governmental actions. Our operations are conducted in areas that have significant amounts of political risk. In addition, military action or continued unrest in the Middle East could impact the supply and price of oil and gas, disrupt our operations in the region and elsewhere, and increase our security costs worldwide. Some of our services are performed in high-risk locations, such as Iraq, Afghanistan, Nigeria, Algeria, Egypt and Saudi Arabia, where the country or location and surrounding area is suffering from political, social or economic issues, war or civil unrest. In those locations where we have employees or operations, we have and may continue to incur substantial costs to maintain the safety of our personnel. Despite these precautions, we have suffered the loss of employees and contractors, which could expose us to claims and litigation. In the future, the safety of our personnel in these and other locations may continue to be at risk, exposing us to the potential loss of additional employees and contractors. For more information, please view our Annual Report.		
EN2	Percentage of materials used that are recycled input materials.	In 2013, the following is KBR's approximate weight of paper supplied to our owned facilities: Birmingham: 36,904 pounds Leatherhead: 22,531 pounds Greenford: 7,143 pounds	In 2012, the following is KBR's approximate weight of paper supplied to our owned facilities: Birmingham: 47,886 pounds Leatherhead: 24,185 pounds Greenford: 13,648 pounds	In 2011, the following is KBR's approximate weight of paper supplied to our owned facilities: Birmingham: 45,112 pounds Leatherhead: 31,854 pounds Greenford: 14,330 pounds
EN3	Direct energy consumption by primary energy source.	At KBR's facilities, paper is supplied through Xerox, which uses a chain-of-custody system with its suppliers and is certified with the Program for the Endorsement of Forest Certification, Forest Stewardship Council and the Sustainable Forestry Initiative. When compared to 2011, KBR reduced our paper supply by 22 percent in 2013.		
EN4	Indirect energy consumption by primary source.	In 2013, the following is KBR's natural gas consumption at our owned facilities: Birmingham = 0 Leatherhead = 835 tCO ₂ e Greenford = 328 tCO ₂ e	In 2012, the following is KBR's natural gas consumption at our owned facilities: Birmingham = 0 Leatherhead = 740 tCO ₂ e Greenford = 281 tCO ₂ e	In 2011, the following is KBR's natural gas consumption at our owned facilities: Birmingham = 0 Leatherhead = 808 tCO ₂ e Greenford = 246 tCO ₂ e
EN5	Energy saved due to conservation and efficiency improvements.	In an effort to reduce releases to the atmosphere from combustion engines, KBR implemented several ways to reduce energy consumption while traveling to and from work. KBR encourages ridesharing through carpools, vanpools and the use of KBR-sponsored metro ridership program. The Monterrey office implemented a campaign to foster a carpool program. The Leatherhead office provides racking and motor bike parking to promote cycling. To promote walking, running and cycling to work, the Leatherhead office provides a shower facility for employees.		
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	In 2013, the following is KBR's electricity consumption at our owned facilities: Birmingham = 2,315 tCO ₂ e Leatherhead = 3,493 tCO ₂ e Greenford = 1,743 tCO ₂ e	In 2012, the following is KBR's electricity consumption at our owned facilities: Birmingham = 2,448 tCO ₂ e Leatherhead = 3,443 tCO ₂ e Greenford = 2,121 tCO ₂ e	In 2011, the following is KBR's electricity consumption at our owned facilities: Birmingham = 2,802 tCO ₂ e Leatherhead = 3,662 tCO ₂ e Greenford = 2,372 tCO ₂ e
EN6		A number of factors and equipment improvements have resulted in the reduction of energy usage for the London Operating Centre (LOC). The introduction of an energy management plan and regular energy meetings within Real Estate Services resulted in a more structured approach. A bespoke monitoring and targeting tool allows KBR to download half-hourly electricity data and input gas readings to enable KBR to better analyze the usage. Two technical members of our Real Estate Services team have undergone training on remote learning courses for the Energy Institutes Certificate in Energy Management, resulting in a better understating of energy, auditing and cost analysis. Building Management Systems controls (BMS) have been reviewed, resulting in improved use, timed on/off functions, temperature settings and set points. Following cost analysis and payback, new boiler controls have been fitted to seven boilers at our Leatherhead facility. Up to 1,000 50-watt dichroic lamps have been replaced by 10-watt LED lamps. Car park lighting has been replaced with more efficient motion-detection lights. In 2013, our Birmingham office scheduled a capital project of replacing all of the building lighting with new electronic ballasts and T8 energy-efficient bulbs. The estimated cost savings in energy consumption should be approximately 30 percent to 35 percent.		
EN6		KBR communicates our expectations to subcontractors for minimizing and reducing harmful environmental impacts. In our Supplier Registration process, we have a Green Information tab which suppliers are required to complete to be able to be considered as a vendor. This information is available at www.kbr.com under Supplier Relations. KBR is signatory to the U.K. Ministry of Defence Sustainable Procurement Charter, an initiative committing the company to educate suppliers and share best practices, ensure an informed decision-making process and develop procurement performance measurement criteria. For KBR's U.S. government contracts and as requested by our clients, KBR follows Executive Orders 13423 and 13514. The Executive Orders require KBR to procure recycled products; energy- and water-efficient products, including WaterSense and EnergyStar; alternate fuels and alternate-fuel vehicles, including plug-in hybrid vehicles; bio-based products; non-ozone depleting products; and other environmentally preferred products and services. For the Executive Orders, KBR uses low/non-toxic and non-hazardous materials, minimizes pollution and waste, and uses our existing Environmental Management System.		

GRI Indicator	GRI Indicator Description	2013	2012	2011
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	For 2012, KBR's Greenford and Leatherhead U.K. offices set a 2.5 percent reduction target in greenhouse gas emissions, and a 7.1 percent reduction in greenhouse gases was achieved. KBR's U.K. offices obtained the CRC Energy Efficiency Scheme Accreditation and Carbon Trust Standard. To maintain KBR's ISO 14001 certification, Environmental Aspect & Impact Registers are completed and maintained for all global offices. Uniformly throughout the global offices, KBR implements and sustains several initiatives to reduce our potential global impacts.		
		Globally, KBR has taken several measures to reduce energy consumption from use of computers, notebooks, printers and plotters, to unnecessary consumption of electricity from leaving electrical appliances on when not use. All office equipment is switched off during night hours, and all printers and plotters are set up with an economy-saver mode. Toolbox and/or HOSAT meetings are held to encourage the reduction of energy use throughout the office locations. Several offices monitor and analyze the data collected from the energy meters to establish where energy consumption can be minimized.		
		To reduce energy consumption, several KBR offices take initiatives to reduce energy waste from inefficient lighting systems. Most offices have zoned lighting with clearly labeled controls so that the staff can work outside regular work hours without switching on lighting for an entire floor. Energy meters are monitored, and data is collected and analyzed. Our Singapore office designed the office layout to use the maximum amount of natural light, and only installs fluorescent tubes for an additional energy savings.		
EN8	Total water withdrawal by source.	In 2013, the following is KBR's water consumption at our owned facilities: Birmingham = 3,064,966 gallons Leatherhead = 2,920,157 gallons Greenford = 2, 242,127 gallons	In 2012, the following is KBR's water consumption at our owned facilities: Birmingham = 4,165,421 gallons Leatherhead = 3,053,036 gallons Greenford = 2,242,1279 gallons	In 2011, the following is KBR's water consumption at our owned facilities: Birmingham = 4,588,845 gallons Leatherhead = 2,515,182 gallons Greenford = 2,918,308 gallons
		To maintain KBR's ISO 14001 certification, Environmental Aspect & Impact Registers are completed and maintained for all global offices. Uniformly throughout the global offices, KBR implements and sustains several initiatives to reduce our potential global impacts. KBR uses low-water usage water faucets and performs planned preventive maintenance to ensure there are no water leaks. Our U.K. offices monitor the facilities' water meters and perform water usage audits.		
EN9	Water sources significantly affected by withdrawal of water.	KBR is not aware of our significantly affecting water sources from withdrawal of water from office activities.		
EN10	Percentage and total volume of water recycled and reused.	KBR does not use recycled and/or reused water for our office operations.		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	KBR is not aware of our owning and/or leasing land in, or adjacent to, protected areas of high biodiversity value outside protected areas.		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Our Leatherhead office established appropriate containment measures, including review and understanding of drainage plans, spill cleanup kits, buffer zones and timing of grounds works to minimize disturbance to sensitive flora and fauna in local ecosystem. In addition, the Leatherhead office uses a drift assessment when using chemical sprays onsite.		
EN16	Total direct and indirect greenhouse gas emissions by weight.	In 2013, the KBR's total direct and indirect energy consumption at our owned facilities was 2,315 tCO ₂ e.	In 2012, the KBR's total direct and indirect energy consumption at our owned facilities was 9,066 tCO ₂ e.	In 2011, the KBR's total direct and indirect energy consumption at our owned facilities was 9,587 tCO ₂ e.
EN17	Other relevant indirect greenhouse gas emissions by weight.	In 2013, KBR's global business travel emissions, including airline vehicle, and hotel were 36,867 tCO ₂ e.	In 2012, KBR's global business travel emissions, including airline vehicle, and hotel were 46,175 tCO ₂ e.	In 2011, KBR's global business travel emissions, including airline vehicle, and hotel were 80,059 tCO ₂ e.
		KBR requires preferred hotel suppliers to provide environmental and sustainability information in requests for proposals, which is considered during supplier evaluation. Provided information includes participation in one or more of the following sustainability programs: Energy Star, GreenLeaf, LEED, ISO 14001, EarthCheck, Green Globe, AAA Tourism Eco Friendly Star, EcoLabel, Green Tourism Business Scheme, IHG Green Engage Program and Project Planet. More than 100 of our preferred hotels participate in one or more of these programs. KBR's policy requires that employees' travel in economy or economy-plus for airline travel and rent-standard cars for auto rental. While there are some exceptions, following these policies enables KBR's employees to reduce their travel emissions in lieu of traveling business class and/or renting a larger vehicle.		
EN22	Total weight of waste by type and disposal method	In 2013, our KBR-owned offices produced the following amounts of waste: Birmingham: 34,942 pounds of paper Leatherhead: 553,360 pounds Greenford: 230,846 pounds The following are the annual average recycling rates: Birmingham: 74 percent paper only Leatherhead: 100 percent total waste Greenford: 97 percent total waste	In 2012, our KBR-owned offices produced the following amounts of waste: Birmingham: 30,819 pounds of paper Leatherhead: 682,021 pounds Greenford: 309,032 pounds The following are the annual average recycling rates: Birmingham: 64 percent paper only Leatherhead: 93 percent total waste Greenford: 97 percent total waste	In 2011, our KBR-owned offices produced the following amounts of waste: Birmingham: 27,492 pounds of paper Leatherhead: 837,756 pounds Greenford: 325,986 pounds The following are the annual average recycling rates: Birmingham: 64 percent paper only Leatherhead: 93 percent total waste Greenford: 96 percent total waste
		At both the Leatherhead and Greenford offices, waste is collected in general waste and mixed recycling. To maintain KBR's ISO 14001 certification, Environmental Aspect & Impact Registers are completed and maintained for all global offices. Uniformly throughout the global offices, KBR implements and sustains several initiatives to reduce our potential global impacts. To reduce waste production from document printing through printers, copies and plotters, KBR has taken measures to reduce releases to landfills from excessive use of paper. All global KBR offices establish Outlook public folders for employees to store emails in lieu of printing them. Paper recycling bins are provided in all KBR offices where recycle programs are available. Global offices also encourage the use of double-sided printing by setting double-sided printing as the printer default, and all offices encourage the purchase and use of recycled paper. To reduce disposal of non-biodegradable wastes to landfills, all global staff are provided with access to separate bins for paper recycling and other waste that can accumulate from desk spaces. Globally, cardboard recycling is greatly encouraged where possible. KBR implements several initiatives in offices to end the use of phone books, which typically are not recycled and sent to landfills. KBR offices phone list is available electronically via Outlook Properties. KBR ensures that employees can access online phone directories by providing wireless Internet throughout offices. Some employees may remotely access the online directory via their personal Internet if necessary.		
EN23	Total number and volume of significant spills.	During 2013, KBR did not have any significant spills.	During 2012, KBR did not have any significant spills.	During 2011, KBR did not have any significant spills.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	KBR is not aware of our owned office operations' discharges of water and runoff significantly affecting water bodies and/or related habitats.		

GRI Indicator	GRI Indicator Description	2013	2012	2011																																																														
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	KBR's Environmental Management System is part of our Integrated Management System. Our Environmental Management System enables us to define the impact of our business on the environment, implement actions demonstrating our acceptance of our responsibility for those impacts, communicate to our employees and subcontractors our expectation of them to minimize and reduce harmful impacts, and carry our environmental accountability into the communities affected by our business. Each of KBR's offices and projects complete an Environmental Aspect and Impact Register. Environmental Aspects are divided into the following categories: Emissions to Air, Emissions to Water, Releases to Land, Energy Consumption, Use of Raw Materials and Natural Resources, and Waste and By-Products. KBR uses an in-house system of risk management, applied throughout the company, to identify operational risks and opportunities, including those associated with environmental impacts, in a systematic and consistent manner. Integral to our risk management approach is the integration of our Code of Business Conduct elements and procedures. Individual business units have the responsibility to develop and maintain business risk registers for their particular business opportunities and areas. Our business development oversight organization is responsible for operating an internal comprehensive risk control process to assure a high degree of confidence in business practices and investments to our shareholders.																																																																
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	In 2013, KBR did not receive any significant environmental fines and had no non-monetary sanctions for noncompliance with environmental laws and regulations.	In 2012, KBR did not receive any significant environmental fines and had no non-monetary sanctions for noncompliance with environmental laws and regulations.	In 2011, KBR did not receive any significant environmental fines and had no non-monetary sanctions for noncompliance with environmental laws and regulations.																																																														
		During 2011-2013, KBR has no administrative and/or judicial sanctions for failure to comply with environmental laws and regulations.																																																																
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	During 2013, KBR's total workforce was 27,311. Afghanistan-288; Australia-1,690; Canada-2,379; Iraq-685; Mexico-1,628; Singapore-223; U.K.-1,625; U.S.-13,081; Other-5,712.	During 2012, KBR's total workforce was 27,438. Afghanistan-357; Australia-1,980; Canada-1,586; Iraq-1,579; Mexico-1,886; Singapore-305; U.K.-1,730; U.S.-12,887; Other-5,138.	During 2011, KBR's total workforce was 26,647. Afghanistan-371; Australia-1,780; Canada-808;Iraq-2,507; Mexico-1,662; Singapore-369; U.K.-1,984; U.S.-11,774; Other-5,392.																																																														
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	KBR's Executive, Technical and Administrative (ETA) voluntary turnover for December 2013 was 13.90 percent (annually weighted)	KBR's Executive, Technical and Administrative (ETA) voluntary turnover for December 2012 was 15.44 percent (annually weighted)	KBR's Executive, Technical and Administrative (ETA) voluntary turnover for December 2011 was 13.12 percent (annually weighted)																																																														
		Retention of our staff is key, and we have a continuous learning philosophy to ensure that our people continually develop to their full potential in a challenging and motivating environment. Together with our remuneration and benefits package, our facilities and initiatives are designed to promote employee engagement, enjoyment and well-being, serve to gain loyalty and aid retention. Retention strategies include short- and long-term incentive plans, and internal and external learning and development programs for technical and soft skills, such as our online university, employee engagement surveys, talent reviews, PPR (People, Performance, Results) reviews, career mentorships and further education sponsorship programs. Our graduate training programs are accredited with all the major institutions, and we are a gold partner of the IChemE. We operate a modern apprenticeship training program for school and college leaders. We have a global leadership development program, lunch and learns, and ad hoc training interventions as may be required. We also operate IMPACT, an organization for new industry entrants with up to seven years of experience for the purposes of professional and leadership development, networking and social opportunities, and volunteerism. This group is company-funded and manages our own budget. We believe that IMPACT is unique in our industry, and successfully guides members through the initial stages of their KBR careers. To encourage longevity of service, engagement and well-being, we encourage a cohesive working environment supported by the following: Employee Assistance Program, health programs, sports and social clubs, company and project social functions, and celebrations. We use a variety of communication channels, including company publications, e-newsletters, town halls, projects news, awards, employment engagement surveys, and employee and manager forums. We keep in touch with our staff that does leave us with a view of them returning in the future with added experience elsewhere, we have a comprehensive exit interview process to highlight any lessons learned. Key to retention and longevity of service to our projects is the work our employees are engaged in. This is at our strongest when the facilities listed above work hand-in-hand with interesting, challenging and motivating work that stretches our staff to reach their full potential.																																																																
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Benefits provided to full-time employees that are not provided to temporary or part-time employees:																																																																
		<table><tr><th rowspan="2">Benefit</th><th colspan="2">United States</th><th colspan="2">United Kingdom</th><th colspan="2">Canada</th></tr><tr><th>Temporary</th><th>Part-time</th><th>Temporary</th><th>Part-time</th><th>Temporary</th><th>Part-time</th></tr><tr><td>Life insurance</td><td>Basic or optional life</td><td>Basic or optional life</td><td>-</td><td>-</td><td colspan="2">Basic or optional life</td></tr><tr><td>Health care</td><td>Medical, dental, vision</td><td>Medical, dental, vision</td><td>-</td><td>-</td><td colspan="2">Medical, dental</td></tr><tr><td>Disability/invalidity coverage</td><td>Short- & long-term disability</td><td>Short- & long-term disability</td><td>-</td><td>-</td><td colspan="2">Short- & long-term disability</td></tr><tr><td>Parental leave</td><td>unpaid FMLA offered if 1 yr of service and 1250 hours worked in last yr</td><td>-</td><td>-</td><td>-</td><td colspan="2">N/A</td></tr><tr><td>Retirement provision</td><td>N/A</td><td>N/A</td><td>No diff. beg. 11/1/13</td><td>-</td><td colspan="2">Retirement & pension plans</td></tr><tr><td>Stock ownership</td><td>ESPP offering</td><td>-</td><td>ESPP offering</td><td>-</td><td colspan="2">N/A</td></tr><tr><td>Other benefits</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td colspan="2">N/A</td></tr></table>			Benefit	United States		United Kingdom		Canada		Temporary	Part-time	Temporary	Part-time	Temporary	Part-time	Life insurance	Basic or optional life	Basic or optional life	-	-	Basic or optional life		Health care	Medical, dental, vision	Medical, dental, vision	-	-	Medical, dental		Disability/invalidity coverage	Short- & long-term disability	Short- & long-term disability	-	-	Short- & long-term disability		Parental leave	unpaid FMLA offered if 1 yr of service and 1250 hours worked in last yr	-	-	-	N/A		Retirement provision	N/A	N/A	No diff. beg. 11/1/13	-	Retirement & pension plans		Stock ownership	ESPP offering	-	ESPP offering	-	N/A		Other benefits	N/A	N/A	N/A	N/A	N/A	
Benefit	United States		United Kingdom			Canada																																																												
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Other benefits	Salary packaging	-	N/A	N/A																																																														
		Notes: - Temporary and part-time employees may participate in the US retirement plan. - ESPP is only offered to full-time and part-time employees in the US, UK, and Australia. - In the US and Canada, employees that work more than 20 hours per week are health & welfare benefits eligible unless classified as temporary employees - In Australia, KBR contributes to the Super Guarantee Contribution for all employees including temporary and part-time. However, temporaryemployees' contributions are invested in a default industry superfund rather than receiving investment options like the part-time and full-time employees. - Statutory requirement for UK to automatically enroll temporary employees in the UK pension plan beginning November 1, 2013. - Regular, non-unionized employees in Canada may participate in their retirement and pension plans. - N/A indicates that there are no associated benefits offered in the country. - "-" indicates that the benefits are the same as full-time employees.																																																																
LA4	Percentage of employees covered by collective bargaining agreements	During 2013, 16.7 percent of KBR employees were under collective bargaining agreements.	During 2012, 15.8 percent of KBR employees were under collective bargaining agreements.	During 2011, 13.2 percent of KBR employees were under collective bargaining agreements.																																																														

GRI Indicator	GRI Indicator Description	2013	2012	2011
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	KBR gives every employee the opportunity to offer input into QHSE matters in their workplace. KBR management requires location managers (project/office) to promote communication and cooperation between management and employees in creating an incident- and injury-free workplace. When appropriate, every KBR meeting begins with a “safety moment” related to a HSE topic. Safety meetings (or Toolbox Meetings) are mandatory for all KBR project/office personnel and must be conducted and attended at least weekly. Individual departments may elect to conduct more regular safety meetings based upon their specific needs. Each KBR office has a Home Office Safety Awareness Team (HOSAT), which includes location top management, facility management and HSE leadership. HOSAT forms a joint management/employee consultative group to identify and resolve HSE issues. Personnel may raise HSE issues with either their Safety Meeting Coordinator or the supervisor of the relevant area. More than 75 percent of our total workforce is represented by HOSAT and safety meetings. HOSAT is responsible for the completion of our office risk registers, which is part of our Integrated Management System.		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region and by gender.	For 2013, KBR’s Total Recordable Incident Frequency Rate = 0.38 Total Lost Time Incident Frequency Rate = 0.06 Total Recordable Incidents = 279 Occupational Disease Incidents = 5 Lost Time Incidents = 47 Fatalities = 0	For 2012, KBR’s Total Recordable Incident Frequency Rate = 0.36 Total Lost Time Incident Frequency Rate = 0.09 Total Recordable Incidents = 285 Occupational Disease Incidents = 92 Lost Time Incidents = 73 Fatalities = 1	For 2011, KBR’s Total Recordable Incident Frequency Rate = 0.0.37 Total Lost Time Incident Frequency Rate = 0.10 Total Recordable Incidents = 468 Occupational Disease Incidents = 77 Lost Time Incidents = 128 Fatalities = 2
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	<p>Healthy Steps U.S. The Healthy Steps program for U.S.-based employees in 2013 gave employees the opportunity to earn a \$300 Healthy Reward. When employees completed the required step of getting an annual physical or participating in an on-site health screening, they earned \$150. They could earn an additional \$150 by completing various Healthy Steps and wellness activities. The Healthy Reward was paid out to employees in cash to their paychecks. 2,924 employees earned a Healthy Reward.</p> <p>Examples of the wellness activities employees could complete included: • Required Step – Attend a work site health screening or annual physical at their physician (\$150) • Completion of Destination: You program – at least 1 million steps required (\$100) • Get a dental exam (\$25) • Get a flu shot (\$25) • Get a cancer screening (\$50) • Lifestyle Health Coaching (\$100) • Condition Management Health Coaching for employees with asthma, diabetes, COPD, CAD and CHF (\$100)</p> <p>A wellness vendor, LiveHealthier, was hired to help administer the program and provide a customized wellness portal, incentive tracking, telephonic health coaching services, quarterly health challenges, health education content and health screenings.</p> <p>Health Screenings U.S. Employees in the KBR Tower, Eldridge Oaks, Birmingham, Newark, Arlington, Chicago, Sandy and Raleigh offices were offered a free health screening provided by our vendor, LiveHealthier. The screening included a blood pressure, body fat and body mass index measurement (BMI), a finger stick cholesterol test including glucose, HDL and LDL, triglycerides and a waist circumference measurement. Participants were given the opportunity to sit down with a health coach at the screening event to discuss their results and a path forward to improve their overall health. Program Success: 1,620 employees participated in the on-site screening events, which was a 5 percent increase from 2012. High-risk groups for HDL and BMI were reduced from 2012.</p> <p>U.K. Employees in the Greenford and Leatherhead offices participated in on-site health screenings. A total of 415 employees participated.</p> <p>Australia Employees in six different office locations participated in on-site health screenings. A total of 272 employees participated.</p>	<p>Healthy Steps U.S. The Healthy Steps program for U.S.-based employees in 2012 gave employees the opportunity to earn a \$300 Healthy Reward. When employees completed the required step of getting an annual physical or participating in an on-site health screening, they earned \$150. They could earn an additional \$150 by completing various Healthy Steps and wellness activities. The Healthy Reward was paid out to employees in cash to their paychecks.</p> <p>Examples of the wellness activities employees could complete included: • Required Step – Attend a work site health screening or annual physical at their physician (\$150) • Completion of Destination: You program – at least 1 million steps required (\$100) • Get a dental exam (\$25) • Get a flu shot (\$25) • Get a cancer screening (\$50) • Lifestyle Health Coaching (\$100) • Condition Management Health Coaching for employees with asthma, diabetes, COPD, CAD and CHF (\$100)</p> <p>A wellness vendor, LiveHealthier, was hired to help administer the program and provide a customized wellness portal, incentive tracking, telephonic health coaching services, quarterly health challenges, health education content and health screenings.</p> <p>Health Screenings U.S. Employees in the KBR Tower, Eldridge Oaks, Birmingham, Newark, Arlington, Chicago, Sandy and Raleigh offices were offered a free health screening provided by our vendor, LiveHealthier. The screening included a blood pressure, body fat and body mass index measurement (BMI), a finger stick cholesterol test including glucose, HDL and LDL, triglycerides and a waist circumference measurement. Participants were given the opportunity to sit down with a health coach at the screening event to discuss their results and a path forward to improve their overall health. Program Success: 1,535 employees participated in the on-site screening events, which was a 26 percent increase from 2011. High-risk groups for HDL and BMI were reduced from 2011.</p> <p>U.K. Employees in the Greenford and Leatherhead offices were given the opportunity to participate in on-site health screenings for the first time in September. A total of 580 employees participated.</p> <p>Australia Employees in six different office locations were given the opportunity to participate in on-site health screenings for the first time in August. A total of 364 employees participated.</p>	<p>Healthy Steps The Healthy Steps program for 2011 was a points-based program in which employees earn Health Points by completing Healthy Steps and activities. The goal for the program was to reach 50 points. When employees complete the required step of getting an annual physical or participating in an on-site health screening, they earn 25 Health Points and a \$100 Healthy Reward. If they earn another 25 points by completing certain healthy activities, they earn an additional \$100 Healthy Reward for a total of \$200. The reward was given to them in FSA or HSA dollars in January 2012. Examples of the healthy activities employees can complete to earn health points include: • Required Step – Attend a work site health screening or annual physical at their physician (25 points) • Completion of Destination: You program – at least 1 million steps required (10 points) • Get a dental exam (5 points) • Get a flu shot (5 points) • Get a cancer screening (10 points) • Wellness Coaching (4 points) Program Success: 2,334 employees earned one of the Healthy Rewards. 1,220 employees participated in the on-site screening events which was an 11 percent increase from 2010.</p> <p>Health Screenings Employees in the KBR Tower, Eldridge Oaks, Birmingham, Newark, Arlington, Chicago, Sandy and Raleigh offices were offered a free health screening provided by UnitedHealthcare. The screening included a blood pressure, body fat and body mass index measurement, a finger stick cholesterol test including glucose and HDL results. Employees were given the opportunity to sit down with a health coach at the screening event to discuss their results and a path forward to improve their overall health. Program Success: 1,220 employees participated in the on-site screening events which was an 10 percent increase from 2010. High-risk groups for total cholesterol, glucose, blood pressure and body fat percentage were reduced from 2010.</p> <p>Destination: You Destination: You is an activity-tracking program whereby employees wear an activity tracker on their shoe. As participants move around and perform daily tasks, as well as during exercise, the tracker counts the number of steps taken, distance walked, calories burned and the time of the activity. Participants must walk past an upload device located at the reception area in their building and their steps data is wirelessly uploaded to a personal web page where they can view their progress. The goal of the program is for each participant to reach 1 million steps between February 1, 2011, to September 30, 2011. Program Success: 511 (54 percent) completed 1 million steps. Total steps taken by participants was more than 665 million.</p>

GRI Indicator	GRI Indicator Description	2013	2012	2011
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	<p>Destination: You Destination: You is an activity-tracking program whereby employees wear an activity tracker on their shoe. As participants move around and perform daily tasks, as well as during exercise, the tracker counts the number of steps taken, distance walked, calories burned and the time of the activity. Participants must walk past an upload device located at the reception area in their building and their steps data is wirelessly uploaded to a personal web page where they can view their progress. The goal of the program is for each participant to reach 1 million steps between February 1, 2013, to October 31, 2013. Program Success: 554 (46 percent) completed 1 million steps. Total steps taken by participations was more than 1.4 billion.</p> <p>Flu Shots Flu shots were provided on-site at no cost to 1,625 employees at six KBR locations throughout the U.S. We also provided a Walgreens flu shot voucher to 243 employees at locations where it was not feasible to provide the shots on-site.</p> <p>Other Programs KBR Healthy Steps also offers various other programs to help employees live healthy lifestyles. These include on-site chair massages, Weight Watchers, discounts to the YMCA and other fitness facilities, and discounts at My Fit Foods and health fairs.</p>	<p>Destination: You Destination: You is an activity-tracking program whereby employees wear an activity tracker on their shoe. As participants move around and perform daily tasks, as well as during exercise, the tracker counts the number of steps taken, distance walked, calories burned and the time of the activity. Participants must walk past an upload device located at the reception area in their building and their steps data is wirelessly uploaded to a personal web page where they can view their progress. The goal of the program is for each participant to reach 1 million steps between February 1, 2012, to October 31, 2012. Program Success: 393 (43 percent) completed 1 million steps.</p> <p>Flu Shots Flu shots were provided on-site at no cost to 1,564 employees at six KBR locations throughout the U.S. We also provided a Walgreens flu shot voucher to 532 employees at locations where it was not feasible to provide the shots on-site.</p> <p>Other Programs KBR Healthy Steps also offers various other programs to help employees live healthy lifestyles. These include on-site chair massages, Weight Watchers, discounts to the YMCA and other fitness facilities, and discounts at My Fit Foods and health fairs.</p>	<p>Flu Shots Flu shots were provided at no cost to 1,935 employees at seven KBR locations throughout the U.S. We also provided a Walgreens flu shot voucher to more than 300 craft employees at locations where it was not feasible to provide the shots on-site.</p> <p>Other Programs KBR Healthy Steps also offers various other programs to help employees live healthy lifestyles. These include health coaching for lifestyle and chronic disease conditions, on-site chair massages, Weight Watchers, discounts to the YMCA and other fitness facilities, and discounts at My Fit Foods and health fairs.</p>
LA9	Health and safety topics covered in formal agreements with trade unions	While KBR has collective bargaining agreements globally, a large percentage of KBR’s collective bargaining agreements are in Canada. The following are typical health and safety topics covered in our Canadian agreements. All work shall be performed, and equipment operated, according to accepted safety conditions which must conform to the applicable provincial or federal regulations, acts and laws, and to employer regulations. Fresh, safe, cool drinking water and sanitary cups shall be furnished to the employees. KBR shall provide adequate sanitary facilities on the job for the welfare of our employees and protection of public health, and these facilities must be heated when necessary and provided with toilet tissue and kept clean with adequate facilities for wash-up (hot and cold running water) where practical. Joint Management-Employee Health and Safety Committees In order to build a cooperative relationship between KBR, the Union and the employees, committee meetings will be scheduled for each project. The meetings will serve as a forum for discussion and consultation about policies and practices covered by, and not necessarily covered by the collective agreement affecting the project. The areas for discussion may include safety measures, matters that affect the working conditions of employees, training and promotion, hiring policies, and discipline and discharge policies. When necessary, a committee will be established to address matters concerning safe work conditions and practices and to maintain a cooperative effort for the safety of the workforce. Meeting notes will record the business of each meeting, and copies will be distributed as the committee determines. KBR and the Union will each appoint representatives to the committee. KBR will make practicable provisions for the safety and health of our employees during the hours of their employment. Such provisions will be made known to all employees at the time of hire. The Union undertakes to give full support to these objectives by promoting safety consciousness and a personal sense of responsibility among the employees. It is the intent of the parties to have working conditions that are safe and healthy. An employee who is injured on the job during working hours and is required to leave for treatment for such injury will receive payment for the remainder of his or her shift. An employee who is injured on the job and who requires transportation from the work site to a local physician or hospital will receive such transportation provided for by KBR. Should an employee require hospitalization for a period of more than one week, KBR will provide transportation to an available facility near the employee’s home within Canada at no cost to the employee. If an employee is injured on the job and requires medical attention, the employee may be entitled to modified work and will inform the attending physician of the same. KBR reserves the right to require a second medical opinion by a physician selected by KBR. KBR will inform the physician of the types of modified work which may be available to the employee and will make the same available to the employee with the physician’s approval. The parties recognize the need for a safe workplace free of alcohol and drug use, along with employees being fit for duty. To that end, the parties agree that, where it is considered to be appropriate, KBR may develop a Drug and Alcohol Policy that complies with current legislation.		
LA10	Average hours of training per year per employee by gender, and by employee category.	For 2013, total employee training hours were 83,300 hours, which includes KBRU, leadership development and classroom training.	For 2012, total employee training hours were 187,718 hours, which includes KBRU, leadership development and classroom training.	For 2011, total employee training hours were 230,510 hours, which includes KBRU, leadership development and classroom training.

GRI Indicator	GRI Indicator Description	2013	2012	2011
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	<p>Educational Assistance</p> <p>It is KBR's intent that every employee realizes his or her full potential in an environment that values productivity and results. To this end, KBR provides educational opportunities that enable employees to improve their skills and/or knowledge outside the scope of standard on-the-job informal training. Educational assistance whenever possible should be planned and budgeted in advance, and applicable to an employee's current or projected position. All costs incurred will be applicable to the cost center where the employee resides. Additionally, eligible employees are approved based on managerial discretion, and on the condition that studies must be completed without jeopardizing the employee's work performance. Further, employees must show evidence of successful course completion at the conclusion of the course of study. In addition to country-specific eligibility requirements, specific monetary limits may be imposed. Participation in this program does not guarantee a promotion or change in job responsibilities and earnings. Following the reimbursement payment date of educational assistance, the employee is obligated for the course of one year to reimburse monies paid in the event of resignation or separation for cause. Upon acceptance of reimbursement, the employee authorizes KBR to take this deduction from any monies that may be owed to the employee. Reimbursement may also be applicable to an employee transferring from one manager to another across budgetary lines.</p> <p>Internal Training Courses</p> <p>KBR is committed to the continued development of our employees and believes that the employee and KBR have a shared responsibility for career and competency development. KBR recognizes the need for employees to acquire additional skills, knowledge and experience to meet the short-term needs of their jobs, as well as the longer-term needs of the individual and company. The KBR Transferable Competency model is core to The KBR Way and the creation of a culture focused on hiring the right people, requiring them to behave in a way that is consistent with our business values and brand, and executing processes that will allow us to win in the marketplace. The educational material contained in KBRU is to assist KBR, managers and employees globally to be more productive and have more meaningful and consistent conversations about performance, putting us on the path toward creating a more enriching experience at KBR. The competency model contains seven transferable competencies and is aligned with KBR's Mission, Vision and Values: • Quality, Health, Safety & Environment • Commercial Focus • Leadership • Business Process Thinking • Strategic Process Thinking • Empowerment • Communications.</p> <p>Time Off</p> <p>Balancing the demands of work and personal life is a concern for many of our dedicated employees. It is KBR's intent that every employee realizes his or her full potential in an environment that values productivity and results and where people have the flexibility and control to get the job done and balance their other commitments. To this end, KBR provides several options for time off that enable employees to manage work and personal life responsibilities, regardless of whether the time off is for personal reasons, illness, educational obligations or family leave.</p> <p>Depending on the type of leave, specific local eligibility requirements need to be met. These eligibility requirements may include time accruals, length-of-service and court-ordered instruction, as well as country-specific rules and legislation. Time away from work due to a leave of absence will not exceed 24 months for continuous and consecutive time off. Annual rollover balances applicable to vacation and sick leave will not exceed 400 hours (500 hours prior to December 29, 2012). Additionally, all time off is subject to supervisor approval and workload demand. Provisions within project-specific employment agreements or contracts for mergers and acquisitions supersede this policy and may affect overall application of service time.</p> <p>Severance Pay</p> <p>In the U.S., an employee is eligible for severance pay upon the involuntary termination of employment due to reduction in force or a release from employment for the convenience of KBR. The covered employee's length of service used in calculating severance pay is determined by the employee's most recent hire date. Severance is based on full and completed years of service. No service credit is given for partial years of service.</p> <p>Length of Service for Exempt Employees</p> <p>Less than three years - the equivalent of two weeks' regular pay</p> <p>Three to four years - the equivalent of four weeks' regular pay</p> <p>Five to 19 years - the equivalent of six weeks' regular pay</p> <p>20-plus years - the equivalent of eight weeks' regular pay</p> <p>Length of Service for Non-Exempt Employees</p> <p>Less than three years - the equivalent of one week regular pay</p> <p>Three to four years - the equivalent of two weeks' regular pay</p> <p>Five to 19 years - the equivalent of three weeks' regular pay</p> <p>20-plus years - the equivalent of four weeks' regular pay</p> <p>KBR, at our sole discretion, may substitute notice in lieu of all or part of the pay described above.</p> <p>If an employee is selected for termination due to a reduction in force and the employee meets the eligibility requirements for retirement, then the reason for the termination is documented as retirement in lieu of reduction in force, and the employee is eligible for severance pay.</p> <p>The basis for an employee's selection for reduction in force shall not be based on their eligibility for retirement.</p> <p>Retirement Training</p> <p>KBR provides retirement specialists who have extensive knowledge of KBR's retirement process. The retirement specialists assist employees with understanding their benefit options and the forms and information that will be received, determining what actions are need to take and when, set up necessary phone appointments and follow-ups, and process benefit elections. After retirement, KBR allows retirees to use the Employee Assistance Program. In the U.S. and if necessary requirements are met, retirees may enroll in KBR's Retiree Medical Program.</p>		
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	<p>The Board is comprised of eight independent/non-executive directors. Of the eight independent/non-executive directors, one is a woman. The Board is comprised of eight males (89 percent) and one female (11 percent). One member is African-American (11 percent). The age groups are: 50s (22 percent), 60s (56 percent) and 70s (22 percent). The Audit Committee is currently comprised of four males (100 percent), one of whom is African-American (25 percent). Three members are in their 60s (75 percent) and one is in his 70s (25 percent). The Compensation Committee is currently comprised of three males (75 percent) and one female (25 percent). One member is in her 50s (25 percent), two members are in their 60s (50 percent) and one member is in his 70s (25 percent). The NCG Committee is currently comprised of four males (100 percent). Two members are in their 60s (50 percent) and two members are in their 70s (50 percent). The CSR Committee is currently comprised of three males (75 percent) and one female (25 percent). One member is African-American (25 percent). One member is in her 50s (25 percent) and three members are in their 60s (75 percent).</p> <p>Please view the KBR Workforce section for employee data.</p>		
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	KBR considers this informaton proprietary.		
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	<p>KBR's due diligence process during our commercial transaction phases is designed to elicit general business information for evaluation to enter the contract and may include information related to anti-corruption and human rights where applicable to the scope of the services. KBR uses MK Denial data when necessary to ensure that suppliers are not listed as "denied parties" on a list of prohibited parties maintained by the U.S. or other relevant government. When necessary due to the scope of services, KBR requires contractors and suppliers to certify compliance with KBR's Code of Business Conduct for International Business Relationships, the FCPA and other applicable anti-corruption laws. KBR's Code of Business Conduct and other corporate policies address global human rights, equal employment opportunity, harassment and health, safety and environment.</p>		

GRI Indicator	GRI Indicator Description	2013	2012	2011
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Significant suppliers and other business partners are vetted though our contracting policies and a due diligence process designed to elicit general business information for evaluation to enter the contract, and may include information related to anti-corruption and human rights where applicable to the scope of the services. KBR uses MK Denial data when necessary to ensure that suppliers are not listed as "denied parties" on a list of prohibited parties maintained by the U.S. or other relevant government. Prior to executing any significant supplier and other business partner agreements, KBR requires the significant supplier and other business partner to execute a certification that it will comply with KBR's Code of Business Conduct for International Business Relationships, the FCPA and other applicable anti-corruption laws. KBR requires that the Board of Directors, appropriate employees of KBR, international commercial intermediaries and partners receive periodic training regarding the FCPA, other applicable anti-corruption laws, and KBR policies and procedures designed to ensure compliance with such laws. KBR may also require that an international services intermediary receive periodic training.		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	97 percent of employees completed the 2013 COBC Training, which includes training on KBR's anti-corruption policies and procedures. Employees completed more than 26,200 hours of COBC training.	90 percent of employees completed the 2012 COBC Training, which includes training on KBR's anti-corruption policies and procedures. Employees completed more than 30,700 hours of COBC training.	90 percent of employees completed the 2011 COBC Training, which includes training on KBR's anti-corruption policies and procedures. Employees completed more than 24,600 hours of COBC training.
HR4	Total number of incidents of discrimination and corrective actions taken.	During 2013, there were three discrimination claims resolved through KBR's Dispute Resolution Program. In 2013, KBR's Ethics Hotline received 324 calls with 37 percent of calls related to COBC issues.	During 2012, there were four discrimination claims resolved through KBR's Dispute Resolution Program. In 2012, KBR's Ethics Hotline received 301 calls with 41 percent of calls related to COBC issues.	During 2011, there were 13 discrimination claims resolved through KBR's Dispute Resolution Program. In 2011, KBR's Ethics Hotline received 669 calls with 18 percent of calls related to COBC issues.
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	KBR is not aware of any significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or is at significant risk.		
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	As stated in KBR's Code of Business Conduct and supported in a letter to employees by our CEO, KBR cannot in any way accept, condone or tolerate any instance of unethical or illegal behavior. KBR is not aware of any operations or significant suppliers as having significant risk for incidents of child labor. Measures taken to contribute to the effective abolition of child labor include requiring employees, subcontractors and agents to complete KBR's mandatory Code of Business Conduct (COBC) training, which includes human rights training. The charter mission of KBR's Board of Directors' CSR Committee oversees the activities of KBR in managing our major risk exposures in regards to sustainable development, including human rights. KBR does not employ anyone, in any capacity, under the age of 18 years except where this minimum employment age requirement is superseded by local law.		
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	As stated in KBR's Code of Business Conduct and supported in a letter to employees by our CEO, KBR cannot in any way accept, condone or tolerate any instance of unethical or illegal behavior. KBR is not aware of any operations or significant suppliers as having significant risk for incidents of forced or compulsory labor. Measures taken to contribute to the effective abolition of forced or compulsory labor include requiring employees, subcontractors and agents to complete KBR's mandatory Code of Business Conduct (COBC) training, which includes human rights training. The charter mission of KBR's Board of Directors' CSR Committee oversees the activities of KBR in managing our major risk exposures in regards to sustainable development, including human rights.		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	100 percent of our Security personnel completed the 2013 COBC Training.	100 percent of our Security personnel completed the 2012 COBC Training.	100 percent of our Security personnel completed the 2011 COBC Training.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	KBR is not aware of any incidents of violations involving rights of indigenous people.		
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	KBR is not aware of any of our operations being subject to human rights reviews and/or impact assessments.		
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	During 2013, there were three discrimination claims resolved through KBR's Dispute Resolution Program. In 2013, KBR's Ethics Hotline received 324 calls with 37 percent of calls related to COBC issues.	During 2012, there were four discrimination claims and one harassment claim resolved through KBR's Dispute Resolution Program. In 2012, KBR's Ethics Hotline received 301 calls with 41 percent of calls related to COBC issues.	During 2011, there were eight harassment and 13 discrimination claims resolved through KBR's Dispute Resolution Program. In 2011, KBR's Ethics Hotline received 669 calls with 18 percent of calls related to COBC issues.
		The KBR Dispute Resolution Program (DRP) actively promotes resolution by providing tools and options for employees seeking a collaborative approach to workplace conflict. Built on a foundation of confidentiality, neutrality and independence, the DRP adheres to the code of ethics and standards of practice of the International Ombudsman Association (IOA).		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	KBR projects in the FEED and engineering, procurement and construction (EPC) phases are executed in a manner consistent with the project-specific Environmental, Social and Health Impact Assessment (ESHIA). The critical elements of an ESHIA for major projects worldwide include social and health impacts, as well as environmental impacts. The owner defines and requires that impacts on the social and economic status of the local communities be addressed for each phase of the project, from design through construction and operation. Requisite plans are developed during engineering, including but not limited to HSE plans, stakeholder engagement plans, local content plans, etc. As an EPC contractor, KBR has input into and plays an active role in community involvement/stakeholder engagement. Working with the Owner, KBR ensures that site-specific environmental, health and safety issues are well defined and mitigation measures are implemented. Documentation of performance against project goals is provided by a monitoring program. As projects move the field, comprehensive community consultation programs are put in place.		
SO2	Percentage and total number of business units analyzed for risks related to corruption.	All transactions are analyzed for risks related to corruption. As stated in KBR's Code of Business Conduct and supported in a letter to employees by our CEO, KBR cannot in any way accept, condone or tolerate any instance of unethical or illegal behavior. The charter mission of KBR's Board of Directors' CSR Committee oversees the activities of KBR in managing our major risk exposures in regards to sustainable development, including human rights.		

GRI Indicator	GRI Indicator Description	2013	2012	2011
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	97 percent of employees completed the 2013 COBC training, which includes anti-corruption training. 3,621 employees received additional anti-corruption training.	90 percent of employees completed the 2012 COBC training, which includes anti-corruption training. 1,491 employees received additional anti-corruption training.	90 percent of employees completed the 2011 COBC training, which includes anti-corruption training. 4,281 employees received additional anti-corruption training.
S04	Actions taken in response to incidents of corruption.	<p>KBR has an extensive anti-corruption program. KBR completed a three-year term with an independent monitor in reviewing KBR's compliance with anti-corruption laws. The monitorship was completed in February 2012 after the monitor certified to the U.S. Department of Justice (DOJ) and the Securities and Exchange Commission (SEC) that "KBR's anti-corruption program is appropriately designed and implemented to ensure compliance with the FCPA and other applicable anti-corruption laws."</p> <p>All KBR employees are required to complete Code of Business Conduct (COBC) training annually, and KBR also has an extensive training program focused specifically on anti-corruption that includes live and online training.</p> <p>In February 2009, Kellogg Brown & Root, LLC, entered a guilty plea to violations of the FCPA in the U.S. District Court, Southern District of Texas, Houston Division (the Court), related to the Bonny Island investigation. The plea agreement reached with the DOJ resolved all criminal charges in the DOJ's investigation and called for the payment of a criminal penalty of \$402 million, of which Halliburton was obligated to pay \$382 million under the terms of the Master Separation Agreement (MSA), while we were obligated to pay \$20 million. In addition, we settled a civil enforcement action by the SEC which called for Halliburton and KBR, jointly and severally, to make payments totaling \$177 million, which was paid by Halliburton pursuant to the indemnification under the MSA. We also agreed to a period of organizational probation, during which we retained a monitor who assessed our compliance with the plea agreement and evaluated our FCPA compliance program over a three-year period that ended on February 17, 2012. At the end of the three-year period, the monitor certified that KBR's current anti-corruption compliance program is appropriately designed and implemented to ensure compliance with the FCPA and other applicable anti-corruption laws.</p> <p>In February 2011, M.W. Kellogg Limited (MWKL) reached a settlement with the U.K. Serious Fraud Office (SFO) in which the SFO accepted that MWKL was not party to any unlawful conduct and assessed a civil penalty of approximately \$11 million including interest and reimbursement of certain costs of the investigation, which was paid during the first quarter of 2011. The settlement terms included a full release of all claims against MWKL, its current and former parent companies, subsidiaries and other related parties, including their respective current or former officers, directors and employees with respect to the Bonny Island project. Due to the indemnity from Halliburton under the MSA, we received approximately \$6 million from Halliburton in the second quarter of 2011.</p> <p>On March 18, 2013, we received a letter from the African Development Bank Group (ADBG) stating that they are in the process of opening a formal investigation into corruption related to the Bonny Island project discussed above. In accordance with the indemnity clauses under the MSA, we notified Halliburton and they have responded that the matter does not fall within the scope of their indemnity. We disagree with Halliburton's position and have taken necessary actions to preserve our rights. We are working with the ADBG to resolve the issue. At this time we are still in the process of evaluating the matter and it is not possible to determine the outcome, financial implications or possible debarment of one or more KBR-related entities arising from this investigation.</p>		
S05	Public policy positions and participation in public policy development and lobbying	KBR believes strongly in the democratic process. Our directors, employees and legal agents should take an active interest in fostering principles of good government in the nations, states and communities in which they live. Directors and employees may spend their own time and funds supporting political candidates and issues, but they will not be reimbursed by KBR. Directors, employees and legal agents should ensure that their personal political contributions and activities are in compliance with applicable law. Furthermore, KBR will comply with applicable laws regulating political influence and campaign contributions. Some political conduct that is permitted and encouraged for individuals is unlawful for corporations.		
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	KBR participates in the political process through employee contributions to the KBR Political Action Committee (KBRPAC). KBRPAC is a voluntary, nonpartisan political action committee that allows KBR employees to pool personal, voluntary financial contributions to support candidates seeking elective office at the federal, state and local levels, who support issues important to our business, our employees and our shareholders. KBRPAC operations are transparent and compliant with all applicable laws. Because they are regulated by the Federal Election Commission (FEC) and state and local election agencies, PACS are considered the most transparent for of political involvement.		
S07	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	During the reporting period, KBR has no legal actions for anti-competitive behavior, antitrust and monopoly practices.		
S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	For 2013, KBR had no adverse determinations from the federal Equal Employment Opportunity Commission (EEOC), any state or local human rights commission, or the National Labor Relations Board (NLRB).	For 2012, KBR had no adverse determinations from the federal Equal Employment Opportunity Commission (EEOC), any state or local human rights commission, or the National Labor Relations Board (NLRB).	For 2011, KBR had no adverse determinations from the federal Equal Employment Opportunity Commission (EEOC), any state or local human rights commission, or the National Labor Relations Board (NLRB).
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	<p>Safety is an important element at all stages of a project's execution. Safety issues are addressed at the conceptual stage through detailed engineering, and are then carried to the field through construction, commissioning, start-up, operation and maintenance of the facility.</p> <p>At KBR, safety in design is under constant review to identify and quantify hazards as the design proceeds, with the aim of engineering out potential risk conditions. The principles of safety in design, inherent safety, exposure reduction, simplification and ALARP (as low as reasonably practical) reviews are applied to further enhance the field personnel and process safety performance and enable the intended step change in project safety performance. The goal of these reviews is the identification of potential hazards so that actions can be taken during the design, which will remove the cause of the hazard and/or reduce the consequence or the likelihood of the hazard. The keywords of this approach are: prevent, control and mitigate.</p> <p>For example, KBR safety would consider replacing a process that uses dangerous chemicals with one that uses something with fewer safety concerns, would investigate whether less storage of some chemicals would allow for a safer site without impacting operations, and whether the plant layout in regards to equipment spacing, wind direction and sources of ignition can improve plant safety.</p>		

GRI Indicator	GRI Indicator Description	2013	2012	2011
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	<p>During April 2013, KBR received a serious noncompliance with 30 CFR 56.11001 by the Mine Safety & Health Administration. KBR received a \$807 fine. KBR ensured all access points were cleared.</p> <p>During May 2013, KBR received a serious noncompliance with 30 CFR 56.18002 by the Mine Safety & Health Administration. KBR received a \$807 fine. KBR designated a competent person to examine each working place at least once weekly.</p> <p>During September 2013, KBR received four other-than-serious noncompliances with 30 CFR 56.12018, 56.12004, 56.12032 and 56.20014 by the Mine Safety & Health Administration. KBR received two fines in the amount of \$499, as well as fines of \$100 and \$745. KBR identified and labeled power switches; identified and corrected the exposure of electrical conductors; identified and corrected cover plates, and reviewed procedures to prevent reoccurrences of missing cover plates; and removed food items from exposed areas where chemicals are present, and reviewed these procedures.</p>	<p>During February 2012, KBR received a serious noncompliance with 29 CFR 1910.132 and 29 CFR 1910.151 by the Occupation Safety and Health Administration. KBR received a \$5,000 fine. All recommendations were corrected, and KBR reviewed policies and procedures with employees to ensure a repeat violation does not reoccur. The violation was discussed with our client.</p> <p>During July 2012, KBR received noncompliances with 29 CFR 1926.21, 29 CFR 1926.51 and 29 CFR 1926.62 by the Occupation Safety and Health Administration. KBR received a \$10,000 fine. KBR agreed to modify the method in which it assesses potential hazards in the pre-mobilization plan and for add-on projects.</p> <p>During September 2012, KBR received a significant noncompliance with 30 CFR 56.11001 and 30 CFR 56.20003 by the Mine Safety & Health Administration. KBR received \$117 and \$285 fines. KBR corrected the action by providing more access/egress points and correcting areas that contain wood splinters during daily pre-site inspections.</p>	<p>During March 2011, KBR received an other-than-serious noncompliance with 29 CFR 1926.1126 – Chromium (VI) by the North Carolina Department of Labor. KBR received a \$6,300 fine. KBR visited with OSHA to investigate an employee complaint. After the investigation, OSHA reduced the citation from serious to other, but cited KBR for the alleged reoccurrence.</p> <p>During June 2011, KBR received an other-than-serious noncompliance with 29 CFR 1910.146 by the Occupation Safety and Health Administration. KBR received a \$4,200 fine. OSHA investigated an employee complaint and cited KBR for inspection procedures of monitoring devices. In the closing conference, OSHA reduced the citation from serious to other and also reduced the fine.</p>
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	During the reporting period, KBR has no incidents of noncompliance with regulations and voluntary codes concerning product and service information and labeling.		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	KBR North American Government and Logistics (NAGL) performs client and customer surveys. Client surveys are performed every quarter, and customer surveys are performed daily for each critical service area via customer feedback. The survey results are consolidated into metrics for management reviews on a monthly basis. Actions are taken based on cause trends from the monthly metrics at the project level and are documented into KBR's web-based data management for quality.		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	During the reporting period, KBR has no incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	During the reporting period, KBR had no complaints of breaches of customer privacy.		
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	During the reporting period, KBR had no fines for noncompliance with laws and regulations concerning the provision and use of products and services.		

