

# 2023 Sustainability Report

Employee Owned | Established 1965



# CEO Statement

## IN THIS SECTION

About This Report

---

CEO Introduction

---

2023 Achievements

---

Company Overview

---

## Introduction

At Terracon, building a sustainable future for our employees, clients, and communities is a natural part of who we are and what we do. Sustainable practices are essential for the health of our planet and the long-term success and resilience of our business. Our purpose to Explore Beyond the Surface calls us to use our expertise and innovative practices to help solve sustainability challenges and create positive social impacts, from supporting local communities to creating an inclusive work environment where employees feel valued. We believe that by prioritizing sustainability, we can deliver greater value to our clients, enhance our competitive edge, and contribute to healthier, more equitable communities.

In the past year, we have made significant strides toward our sustainability goals, including achieving a 4% reduction in greenhouse gas revenue-based emissions intensity, fortifying recycling programs across our offices and laboratories, and expanding our Green Teams and employee resource group offerings. Looking ahead, we aspire to further decrease our carbon footprint, expand our use of renewable energy, and continue to innovate to



**M. Gayle Packer** - Chair, President, and CEO

optimize our business practices. This report outlines our efforts toward making responsible business decisions and providing sustainability services for our clients. Together, with the people who shape our company and our communities, we are building a sustainable, prosperous future.

## About Terracon

This report pertains to the operations of Terracon Consultants, Inc., an employee-owned company headquartered in Olathe, Kansas, and its affiliates and subsidiaries during the calendar year 2023.

Terracon is a consulting engineering firm providing sustainable solutions to engineering challenges for clients across environmental, facilities, geotechnical, and materials service lines, with an emphasis in the commercial, healthcare, transportation and infrastructure, logistics, digital infrastructure, and power generation and transmission industries, as well as federal, state, and local governments. Questions regarding this report and the information contained herein may be directed to [Lori Cathcart, Director of Corporate Sustainability](#).



## 2023 Achievements

In this section, we highlight our key accomplishments and goals aligned with the United Nations Sustainable Development Goals (UNSDGs). By tracking our progress with clear metrics, we demonstrate our commitment to continuous improvement and underscore the critical importance of setting and achieving sustainability targets to drive meaningful change.

	2023 Goals	2023 Accomplishments
	Finalize Scope 1 and 2 greenhouse gas (GHG) emissions baseline and collaborate on path forward to reduce emissions	Completed 2022 Preliminary GHG Emissions Baseline Report, which helped us understand our carbon footprint. Based on the results of this report, we prepared an Emissions Target Plan and set a 15% revenue-based emissions intensity reduction target to be achieved over five years. Our goal is to understand and reduce our Scope 1, 2, and 3 GHG emissions, as well as our energy, waste, and water consumption across the company.
	Perform Materiality Assessment to discover what matters most to us and our stakeholders, and what is most impactful.	Gathered stakeholder feedback through initiating our first sustainability materiality assessment, grouping top 10 factors identified in the assessment within our sustainability pillars of Environment, People, and Management. These factors inform our emerging sustainability strategy.
	Discover baseline environmental and social impacts, set targets, KPIs, and emerging goals for measurable improvement	<p>Formally established the cross-functional Corporate Sustainability Action Team (CSAT), with representatives from corporate services, operations development, and operations.</p> <p>Prepared BI Dashboards summarizing our fleet, electricity, natural gas, water and GHG data, and collaborated with operations on goals to make improvements in these areas.</p> <p>Partnered with our laboratory teams to reduce our impact on local landfills through the recycling or upcycling of our concrete cylinders, organic materials, and in some locations, our plastic cylinder molds.</p> <p>Continued progress in our Supplier Diversity (SD) efforts through establishment of an intranet page to share information about our SD program, our commitment to diversity spending, and information about certifications. Added sustainable requirements language to our Procurement Reference Guide and prepared a Supplier Code of Conduct.</p> <p>Completed our annual reporting and disclosure to EcoVadis and CDP, improving our scores from previous years. Expanded our Employee Resource Group (ERG) offerings.</p> <p>Reaffirmed our Guiding Behaviors as our “north star” to lead our inclusion journey.</p>
	Expand, energize, and support office green teams to accelerate our focus on sustainable office, laboratory and project practices	<p>Expanded to 39 Green Teams companywide.</p> <p>20+ Green Teams active in Earth Day activities in their communities.</p>

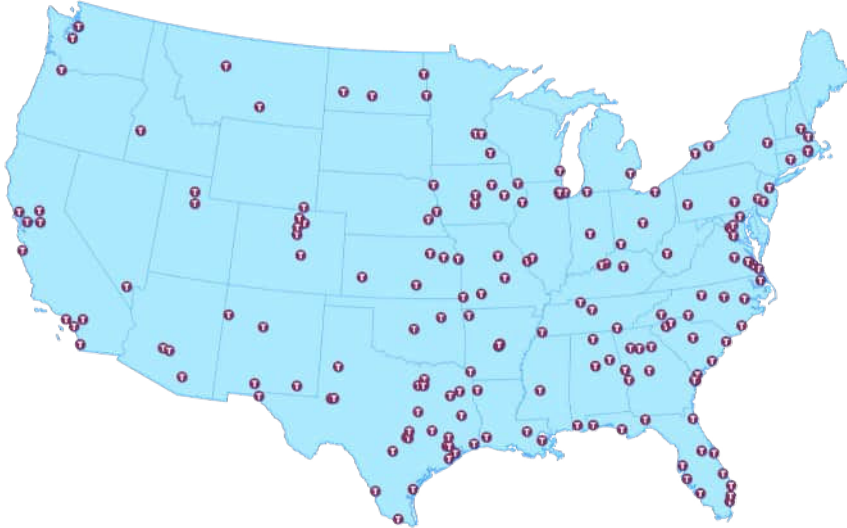


## Company Overview

At Terracon, our more than 6,000 curious minds are dedicated to solving engineering and technical challenges while striving for sustainability. From 175 locations nationwide, our employee-owners - including engineers, scientists, architects, and field professionals - work together to create an unmatched client experience. Real-time data-driven insights guide our approach, so that every project, from earth to sky, aligns with sustainable practices.

In 2023, Engineering News-Record (ENR) ranked Terracon as a top 20 design firm. Our growth, both organic and through strategic acquisitions, reflects our commitment to innovation and specialized capabilities. We envision a future where people, innovation, and prosperous growth converge, all while maintaining safety as the foundation of our company.

Terracon's innovation investments drive tangible improvements in sustainable performance across operations. Utilizing cutting-edge technology, including artificial intelligence (AI), these technologies reduce our environmental footprint and enhance resource efficiency. Our clients benefit from the fast and accurate delivery of information, allowing them to accelerate the project lifecycle.


**175**

Number of offices


**6,445**

 Number of  
Employees

**3,564**

 Fleet  
(Pickup Truck,  
SUV, Van, or Car)

**371**

 Exploration  
Services  
Equipment

## Revenue Growth by Sector (from 2022 to 2023)

**↑ 18%**

National Accounts

**↑ 3%**

Commercial

**↑ 15%**

 Transportation  
and Infrastructure

**↑ 36%**

 Power Generation  
and Transmission

**↑ 7%**

Logistics

**↑ 24%**

 Digital  
Infrastructure

**↑ 9%**

Federal

**↑ 13%**

Healthcare

**↑ 14%**

 Financial, Legal,  
Investment



## Our Purpose

### Exploring Beyond the Surface

We are critical thinkers who explore beyond the surface of our careers, our people, our clients' technical challenges, our geographies, and our company. We strive to align our work with sustainable business practices.

## Our Values



## Our Vision

Together...  
We are the best at people.  
We lead innovation.  
We are dominant in our markets.





## Our Service Lines



Facilities



Environmental



Geotechnical



Materials





# Sustainability Framework

## IN THIS SECTION

Responsible Business

---

Five-Year Sustainability Strategy

---

Sustainability Team

---





## Responsible Business

**The foundation of our sustainability journey is our commitment to caring - for our employees, our clients, our communities, and our world. Sustainability is essential to everything we do at Terracon. Our goal is to improve the world around us - people, planet, and communities - through the work we do for clients and how we operate as a responsible company.**

In 2022, we formally aligned our program to the United Nations Sustainable Development Goals (UNSDGs) framework. In 2023, we structured our program on three sustainability pillars - Environment, People, and Management - and aligned these pillars with four UNSDGs: 4 - Quality Education, 9 - Industry Innovation and Infrastructure, 12 - Responsible Consumption and Production, and 13 - Climate Action. This approach is integral to our strategic plan, which is centered on achieving safe, prosperous growth. By prioritizing actions in these three sustainability pillars, in alignment with our four prioritized UNSDGs, we can drive sustainability success and create value for our stakeholders.













### Terracon has prioritized the following UNSDGs



In 2023, we initiated our first materiality assessment to better understand what is most important to our key stakeholders, both internal and external. We identified opportunities and risks to guide us in further forming our sustainability strategy. Materiality, for us, encompasses the critical impact of sustainable business practices on our financial performance, the well-being of our people, the effectiveness of our management practices, and the protection of the natural environment.

Our 2023, initial assessment included a survey and interview process involving numerous internal and external stakeholders, where we gathered feedback about sustainability risks and opportunities. The top 10 factors identified in the assessment are grouped within our sustainability pillars of Environment, People, and Management.

Environment	People	Management
 Scope 1 emissions	 Safety and wellness programs	 Discovering material issues
 Water consumption	 Employee retention	 Anti-corruption
 Single-use plastic	 Workforce inclusion	
 Waste reduction and recycling	 Innovation and resilient infrastructure	



## Five-Year Sustainability Strategy

Our Corporate Sustainability Team reviewed the results of our initial materiality assessment, and with the approval of our Board of Directors and Executive Committee, built a five-year sustainability strategy.

As shown in the graphic below, our five-year strategy aligns our three sustainability pillars, nine goals, and Terracon's prioritized UNSDG focus areas.



Our initial materiality assessment results have been reviewed by the Board of Directors, our Executive Committee, and senior leaders. In 2024, we plan to complete the materiality assessment by preparing a materiality matrix and report, and sharing the results

with stakeholders. Going forward, we will endeavor to update our materiality assessment every other year to ensure the relevance and priority of sustainability topics are understood and addressed. The next assessment is planned to occur in 2025.

## Sustainability Team

To strengthen our sustainability governance structure, in 2022 we appointed Lori Cathcart as our Director of Corporate Sustainability, and in 2023 established our Corporate Sustainability Action Team (CSAT), a cross-functional strategy leadership team that works with the CEO, Executive Committee, and senior leaders to prioritize actions around our sustainability program and Environmental Social Governance (ESG) factors. The Director of Corporate Sustainability provides leadership in developing, implementing, and managing sustainability/ESG strategies, policies, procedures, practices, stakeholder consultation, materiality, risk analysis, transparency, and reporting.

The Director identifies, directs, and manages sustainability/ESG programs and systems needed to track and measure the company's progress in integrating sustainable practices throughout the organization. The Director meets with the CEO monthly and reports goals, program progress, successes, and opportunities to the Executive Committee quarterly and the Board of Directors at all scheduled meetings. The Director leads CSAT with the CEO and the Executive Vice President, Services and Quality, as executive team members. CSAT is made up of eight core team members and eight advisory team members.

### Executive Sponsors



**M. Gayle Packer**  
Chair, President,  
and CEO



**Mike Covert**  
Executive Vice President,  
Services and Quality

### Core Team Members



**Lori Cathcart**  
Director of Corporate  
Sustainability



**Ronda Freeman**  
Director of Procurement  
and Payables



**Tamara Grimm**  
National Director of Pursuits



**Lucio Nunez**  
Environmental Department  
Manager, Baton Rouge



**Tony Pooley**  
Senior Sustainability  
Manager



**Kevin Rottinghaus**  
Manager, Corporate  
Real Estate



**Eric Wooten**  
Environmental Department  
Manager, Sport Environmental



**Paul Morris**  
Senior GIS Analyst

### Advisory Team Members



**Laura Campa**  
Service Line  
Director, MAT



**Jana Dawson**  
Director of  
Employee  
Communications



**Kristi Balwinski**  
Office  
Manager,  
DC Metro West



**Aaron Mann**  
Chief  
Legal Officer



**Aaron Muck**  
Assistant  
Service Line  
Director, GEO



**Sean Williams**  
National  
Manager, LAB



**Sam Rogers**  
Fleet Manager



**Sarah Gilliland**  
Manager,  
Human  
Resources



### The Corporate Sustainability Action Team charter:

*CSAT recommends, develops, and implements our sustainability program, strategies, goals, and objectives.*

*We partner across the organization for the success of our Strategic Plan. We are active ambassadors and change leaders for sustainability. CSAT develops and supports a culture that works to reduce our environmental impacts, improve social value, and create a purpose-driven employee, client, and community experience. CSAT members endeavor to advance a sustainability mindset and practices at Terracon through education, transparency, responsible management, and social responsibility, to contribute to the well-being of our employee-owners, maintain prosperous growth, and protect the natural environment.*



Our 2023 goals, as stated in our 2022 Sustainability Report, included:

#### 2023 Goals



Finalize Scope 1 and 2 GHG emissions baseline and collaborate on path forward to reduce emissions



Perform materiality assessment to discover what matters most to us and our stakeholders, and what is most impactful



Discover baseline environmental and social impacts, set targets, KPIs, and emerging goals for measurable improvement



Expand, energize, and support office Green Teams to accelerate our focus on sustainable office, laboratory, and project practices

In 2023, the CSAT team members managed and executed internal projects, increased sustainability education and awareness through a communication

plan, identified sustainable business and project practices, and helped to create a culture for change. The CSAT core team met bi-weekly, and the full team met quarterly. We continued to build and manage our corporate sustainability program and team, advanced our sustainable procurement actions, strived for waste reduction in our materials laboratories and offices, advanced our education and communication efforts, and partnered with our sustainability employee resource group, the HIVE, to build our sustainability culture. We also partnered with our Sustainability Services Practice Resource Group to expand our service offerings in climate solutions and to understand our opportunities to advance sustainable project practices throughout our operation.

Our commitment to combating climate change and its impacts aligns with UNSDG 13, emphasizing the urgency to address this global challenge. In 2024, we will further develop our corporate sustainability strategy and start to build out our climate strategy. Through 2024 and 2025, we will work to integrate climate solution considerations into our policies, strategies, planning, and project work and practices to contribute to a more sustainable future and further reduce our environmental footprint.



# Environment

## IN THIS SECTION

Commitment to Environment

Greenhouse Gas Program

Waste Reduction and Recycling

Green Teams





# Commitment to Environment

## Environment Strategy and Focus Areas

Our Environment Strategy focus areas include:

- Reducing our Scope 1 and 2 emissions
- Reducing project and office-generated waste
- Procuring sustainable fleet and real estate assets
- Aligning our program with the UNSDGs and our commitment to build a sustainable future for our employees, clients, and communities

### MATERIALITY SURVEY RESULTS

#### Environment



Scope 1 emissions



Water consumption



Single-use plastic



Waste reduction  
and recycling



### 2023 Achievements

↑ **13%**

Growth in Gross Revenue  
Year-Over-Year

2022 Completed  
**Greenhouse  
Gas Emissions  
Baseline Report**

**15%**

Established Emissions  
Intensity Reduction Target

↓ **4%**

Emissions Intensity  
Reduction

**5**

Sustainability  
Dashboards Created

**4,800**

Metric Tons of Concrete  
Cylinders Diverted  
from Landfills

**39**

Green Teams  
Companywide

## Greenhouse Gas Program

At Terracon, we committed to reducing our greenhouse gas (GHG) emissions in alignment with UNSDG 13 - Climate Action. Our GHG Program aims to systematically identify, manage, and reduce our GHG emissions to mitigate our environmental and climate impact.

In 2022, we completed our Preliminary Emissions Baseline Report, providing an understanding of our carbon footprint. In 2023, we finalized and evaluated this report and developed our Emissions Target Plan, setting a goal to reduce Scope 1 and 2 revenue-based emissions intensity by 15% over five years. In 2024, we will evaluate strategies for calculating our Scope 3 emissions.

We have the largest drilling fleet of any geotechnical engineering firm in the U.S., along with a substantial vehicle fleet, to reach our clients in all 50 states. We are aware of the environmental impact associated with vehicle emissions and are committed to implementing sustainable practices and exploring alternative fuel options to reduce our Scope 1 emissions.

Below is a snapshot of our 2023 operations, vehicles, and equipment:

<b>Employees</b>	> 6,000
<b>Vehicles</b>	> 3,500
<b>Drill Rigs and Support Equipment</b>	> 150
<b>Buildings (with direct utility pay)</b>	149

As an organization that relies on transportation in our operations, the use of vehicles to deliver services is an essential aspect of our business. Our buildings and the energy consumed within them also contribute to emissions, providing us with the opportunity to adopt energy-efficient technologies and actively seek renewable energy sources. Our employee-owners play a crucial role in reducing our overall emissions. Through education, training, and engagement programs, we strive to cultivate a culture of sustainability and encourage sustainable behaviors

and work practices throughout our operations and the services we provide to our clients.

## GHG Emissions Methodology

Our GHG Emissions Program Methodology follows the comprehensive guidelines established by The Greenhouse Gas Protocol, a global standardized framework developed through a multi-stakeholder partnership including businesses, non-governmental organizations (NGOs), and governments. Launched in 1998 by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the GHG Protocol provides the foundation for measuring and managing GHG emissions across private- and public-sector operations, value chains, and mitigation actions. This methodology ensures consistency and transparency in GHG accounting, facilitating the development of strategies to achieve significant and measurable emission reductions.

## GHG Inventory Development Process

Step	Description
Review GHG accounting standards	Ensure alignment with best practices
Define organizational and operational boundaries	Declare consolidation approach
Collect and quantify emissions data	Gather accurate data for analysis
Set and track emission reduction targets	Establish and monitor targets

By categorizing emissions into Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from the generation of purchased energy), we help gather a thorough and accurate assessment of our carbon footprint. Additionally, we follow the guidelines provided by the Intergovernmental Panel on Climate Change (IPCC).





## Emissions Baseline Overview

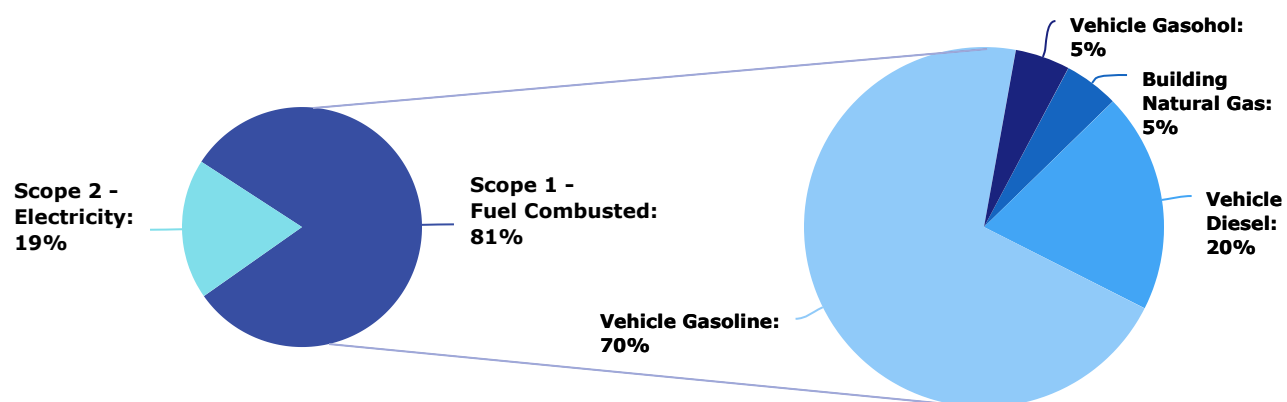
In 2022, we developed our GHG emissions baseline for our gross global Scope 1 and 2 emissions. This baseline guided our efforts to formalize our emissions target. Our target aligns with UNSDG 13 - Climate Action. In 2023, we set a 15% emissions intensity reduction target to be achieved over five years (i.e., by the end of 2028).

According to our emissions baseline, in 2022 our combined Scope 1 and 2 emissions were 40,064 metric tons of carbon dioxide equivalent (mtCO<sub>2</sub>e). Scope 1 emissions were primarily from fuel consumed by fleet vehicles, while Scope 2 emissions were from purchased electricity for our offices.

The graphics below provide an overview of our emissions baseline.

### Scope 1 and 2 Emissions Baseline in 2022

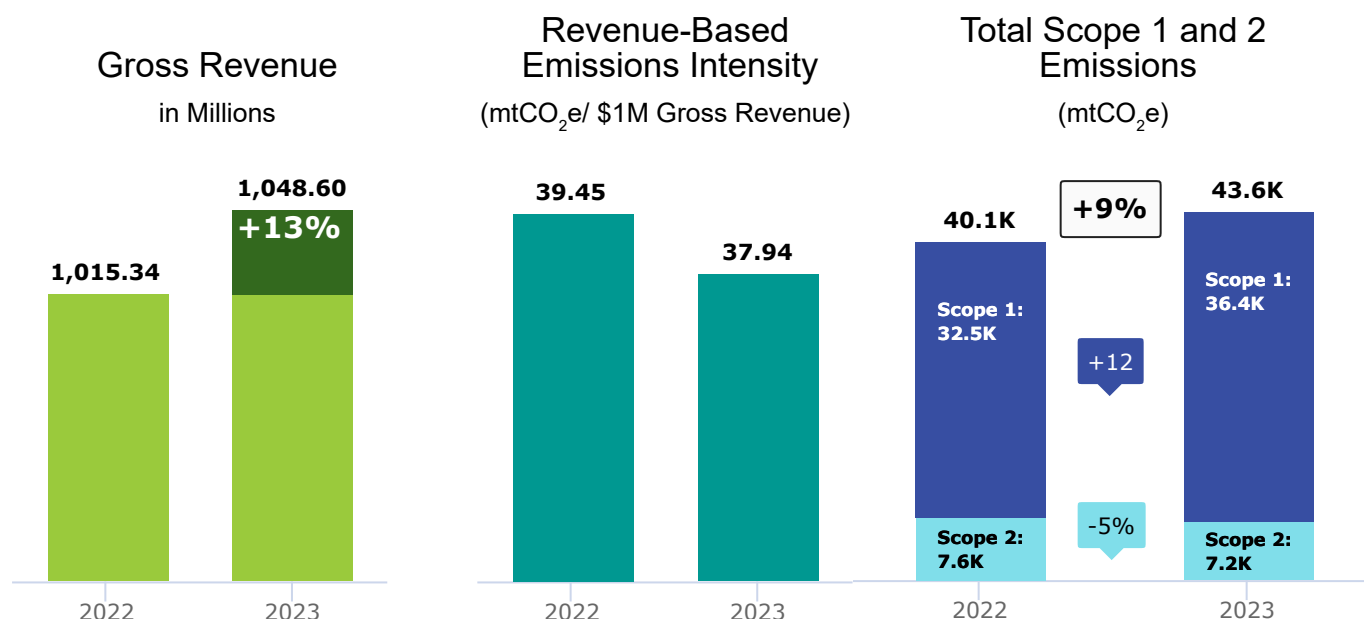
Summary and Breakdown



## 2023 GHG Emissions Results

In 2023, we achieved significant progress in GHG emissions management, in line with our sustainability goals. Our revenue-based emissions intensity, measured as  $\text{mtCO}_2\text{e}$  per million dollars of gross revenue, decreased by 3.8% from 39.5 in 2022 to 37.9 in 2023. This improvement occurred despite a 13.1% growth in gross revenue, demonstrating our commitment to decoupling emissions growth from revenue growth. Our absolute combined Scope 1 and 2 emissions increased by 8.9%, from 40,060  $\text{mtCO}_2\text{e}$  in 2022 to 43,607  $\text{mtCO}_2\text{e}$  in 2023.

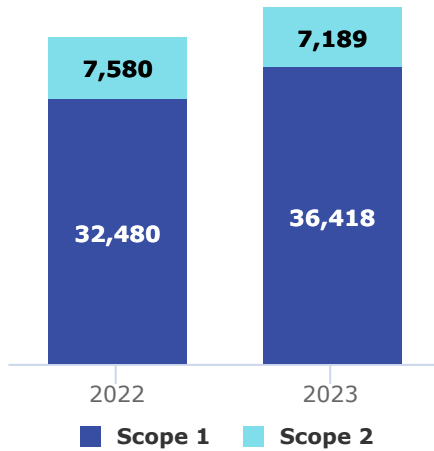
The tables and graphs below show our key performance indicators for evaluating and assessing progress on our emissions intensity target. In 2023, we reduced our emissions intensity more than anticipated through initiatives like retiring older vehicles, rolling out analytics dashboards for operations to review sustainability-related fleet and utilities data, and optimizing energy efficiency in key offices.



Scope	Emission Source	2022 $\text{mtCO}_2\text{e}$	2023 $\text{mtCO}_2\text{e}$	Percent Change 2023 vs 2022	Percent Change by Scope
Scope 1: Direct emissions	Mobile Combustion	30,827	34,905	13.2%	12.1%
	Stationary Combustion	1,653	1,513	-8.5%	
Scope 2: Indirect emissions (purchased electricity)	Purchased Electricity	7,580	7,189	-5.2%	-5.2%
<b>Total</b>		<b>40,060</b>	<b>43,607</b>	<b>8.9%</b>	

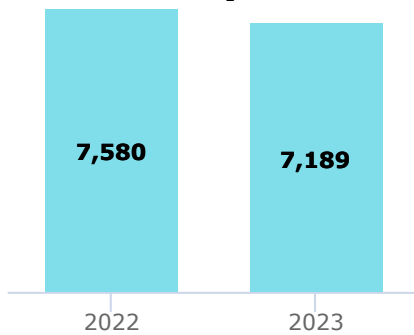


### Total Annual Emissions (mtCO<sub>2</sub>e)

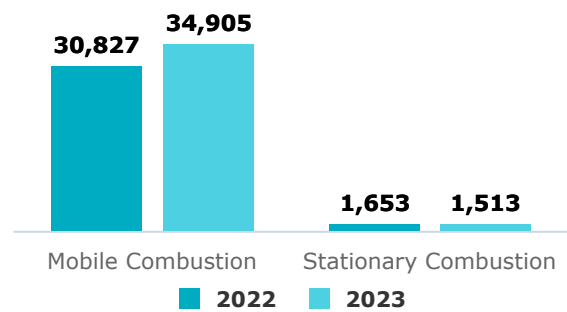


The increase in Scope 1 emissions was primarily driven by higher fuel consumption for our vehicle fleet, with diesel and gasoline usage increasing by 10.4% and 12.4%, respectively. This was partially offset by a decrease in building-related emissions, as natural gas consumption dropped by 8.5%. Our energy efficiency initiatives were successful in reducing electricity consumption by 1.2%, contributing to the reduction in Scope 2 emissions. These efforts highlight our strategic focus on energy efficiency and sustainable practices across our operations, aligning with our emissions intensity reduction targets.

### Annual Scope 2 (mtCO<sub>2</sub>e)



### Total Annual Emissions (mtCO<sub>2</sub>e)



# Waste Reduction and Recycling

## Waste and Recycling

Terracon has aligned with UNSDG 12 - Responsible Consumption and Production. We are dedicated to reducing waste generation through prevention, reduction, recycling, and reuse, as outlined in UNSDG Target 12.5. Our waste disposal and recycling strategy applies to all employee-owners and emphasizes reducing office-generated waste and working to recycle or upcycle project-generated waste, including geotechnical soil samples, concrete cylinders, and plastic cylinder molds. In 2024, we will provide training and support to staff on best practices to further reduce our waste streams.

"Always keep our planet clean with recycling, reusing, and revamping. Teaching others recycling is the only way to go, so you too can help our planet."

*Susan Collins,  
Senior Administrative Staff, St. Louis, Mo.*

## Waste Diversion

In 2023, we diverted approximately 4,800 metric tons of concrete cylinders from landfills. This was accomplished through improved waste management strategies such as partnering with our laboratory teams, improving reporting methodology for concrete recycling, and recycling or upcycling concrete cylinders, organic materials, and plastic cylinder molds.

In 2024, we will strive to build upon our 2023 success by focusing on the initiatives below:

- Increase office participation with our centralized waste management broker, and request recycling data/results from sites not using our broker
- Increase percentage of office and lab recycling efforts by 10%
- Refine dashboard of waste reduction and recycling results
- Revisit plastic cylinder mold recycling and alternative cylinder mold options





## Green Teams

**Our Green Teams embody our commitment to fostering a sustainable future through collaborative and innovative practices by our associates.**

**These dedicated groups within our organization are made up of employee-owners who are passionate about identifying and implementing strategies to reduce our environmental footprint, promote social equity, and enhance economic prosperity.**

Aligned with the UNSDGs, our actions contribute to global efforts in addressing critical challenges such as climate change, resource conservation, and social inclusivity.

By leveraging the diverse expertise and passion of our employees, our Green Teams drive impactful changes that support both our corporate sustainability objectives and community impact by organizing local sustainability initiatives that support our people, planet, and communities.



### 2023 Accomplishments

- Expanded, energized, and supported office Green Teams to accelerate our focus on sustainable office, laboratory, and project practices.
- Established 39 Green Teams that are making a positive difference with waste, energy, and water-use reduction, recycling programs, and community cleanup events.
- Specific examples include:
  - Our Lodi office introduced a water-saving sustainability initiative that reduced water usage by 70% by implementing a hydro-fogger system in their cure room.
  - Approximately 120 employees volunteered their time to community conservation and cleanup events on Earth Day, and the Terracon Foundation offered a matching gift event that doubled employee-owners' donations to nonprofits, raising over \$2,000.

### Organizations Supported by Green Teams and local offices in 2023



**Alabama  
Environmental  
Council**



**RAINFOREST  
TRUST**



"Starting the Green Team at the Charlotte office has given me a new motivation to excel in my work! I enjoy coming in knowing Terracon invests in extracurriculars such as the Green Team to give back to the community and increase our office sustainability. The team building associated with all the events and initiatives is a great bonus too!"

*Hayden Brinke,  
Field Geologist, Charlotte, N.C.*

"We want the generations to come to enjoy what we have enjoyed in terms of nature conditions and resources."

*Jon Sheng, P.E.,  
Senior Principal and Office Manager, Midland, Texas*

"Being part of the Green Team at Terracon has been transformative, allowing me to introduce and promote my passion of sustainability that motivates me to champion eco-friendly practices and inspire my colleagues to adopt greener habits."

*Maxine Contreras,  
Field Scientist, Lodi, Ca.*

"The Green Team is such an encouraging purpose that has provided confirmation to me that Terracon is on the right path to becoming more environmentally sustainable while also inspiring others to act on this purpose. It allows employee-owners to give back to their communities and also show care and concern for one another and for our clients."

*Brad Reese,  
GIS Manager, Pittsburgh, Pa.*







In 2023, we made great progress on our Environment goals and further developed our sustainability management program.

Based on feedback from stakeholders received during our materiality assessment survey, we set ambitious Environment goals for 2024. These goals are aligned with UNDSGs and our commitments to our employees, our clients, and the planet.

We continuously seek to improve our environmental performance by setting and achieving specific goals, fostering a culture of sustainability within our organization. Through continuous improvement and targeted actions, we are committed to achieving our emissions reduction goals and enhancing our overall sustainability performance.

## 2024 Environment Goals

Reduce Scope 1 Emissions Intensity	Reduce Scope 2 Emissions Intensity	Waste Reduction and Recycling
Add 2 EVs into fleet	Prepare sustainable office guidelines	Increase number of laboratories reporting on recycling concrete cylinders
Complete idle improvement software pilot program	Perform energy audits on 3 high intensity offices	Develop office recycling guidelines, including single-use plastics and food waste
Complete EV pilot program	Complete renewable energy pilot program	Initiate pilot program on improving lifecycle of plastic cylinder molds
Prepare and implement vehicle retirement policy	Perform utility optimization projects at 5 locations	

# People

## IN THIS SECTION

Community First

---

Employee Wellbeing

---

Health and Safety/III

---

Inclusive Culture

---

Continuous Learning/Education and Awareness

---

4  
QUALITY  
EDUCATION



9  
INDUSTRY, INNOVATION  
AND INFRASTRUCTURE





## Striving to Improve Our Social Impact and Value

Our people and our communities are at the heart of sustainability. We're committed to creating an inclusive workplace; building a more diverse workforce; and giving back to our communities. In alignment with our purpose, vision, and values, as well as the UNSDGs, we strive to ensure our initiatives embody best at people, reflect our commitment to inclusion, improve social value, enhance economic opportunities, and protect the environment for future generations. Our Guiding Behaviors and our Code of Conduct confirm our belief and commitment to a fair and ethical workplace. We recognize that labor and human rights violations affect our employees and the communities we serve. We have policies and processes in place to identify, prevent, mitigate, and account for how we address adverse impacts.

### MATERIALITY SURVEY RESULTS

#### People



Safety and  
wellness  
programs



Employee  
retention



Workforce  
inclusion



Innovation and  
resilient  
infrastructure



Wake Technical Community College | Raleigh, N.C.



Dakota Stage Limited | Bismarck, N.D.



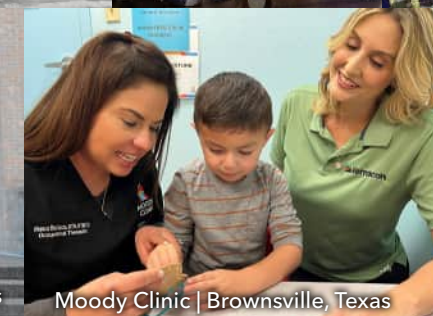
Sageland Collaborative | Salt Lake City, Utah



Colorado State University | Fort Collins, Colo.



University of Texas at Austin | Austin, Texas



Moody Clinic | Brownsville, Texas



Pathfinders Robotics | Urbandale, Iowa



Tennessee Tech University | Cookeville, Tenn.



my BELONGings Charitable Foundation | Baton Rouge, La.



Hickman Mills C-1 School District - Compass Elementary | Kansas City, Mo.

## Community First

### Terracon Foundation



The Terracon Foundation strives to become a real part of the lives of Terracon employees and the communities we serve. The Terracon Foundation gives through community and university grants and national partners with a focus on education and the built and natural environment.



**\$400K+**  
Total Giving



**\$17K+**  
Total Equity Grants



**\$37K+**  
Total Environmental  
Grants



**\$180K**  
Terracon Foundation  
University Grants 2023



**\$115K+**  
Terracon Foundation  
Community Grants 2023



**\$74K**  
Terracon Foundation Employee  
Dependent Scholarships 2023



**\$47K+**  
Terracon Foundation Matching Gifts  
and Companywide Giving 2023  
(includes EE and TF contributions) /  
(\$22K+ is the TF contribution)



**\$17K**  
Feeding America  
Holiday Giving



**\$17K**  
Employee Matching Gift  
Program - Standard



## Community Grants

- ACE Mentor Program of Central Iowa
- Architectural Foundation of Cincinnati
- Arts Council of Midland
- Charleston Junior Golf Foundation
- Construction Education Foundation of Georgia
- CrossRoads Missions
- Dakota Stage Limited
- Durant Road Elementary School PTA
- Environmental Information Association Foundation
- Greater Ogden Community Nature Center
- Hickman Mills C-1 School District
- Inclusion Connections
- Iowa Architectural Foundation
- Kansas City Public Schools Education Foundation\*
- Keep Columbus GA Beautiful Commission
- Latinx Education Collaborative\*
- Louisville Nature Center, Inc.
- Macon Area Habitat for Humanity, Inc.
- Mariposa Alliance\*
- Mending Waters Montana Fly Fishing, Inc.
- Moody Clinic
- my BELONGings Charitable Foundation
- Pathfinders Robotics
- RCI-IIBEC Foundation, Inc.
- Reconciliation Services\*
- Robert T. Hill Middle School STEM Academy Booster Club
- Robin Hill Community Support Foundation
- Sageland Collaborative aka Wild Utah Project
- Spring Forward Learning Center
- Trout Unlimited, Inc.
- Tucson Clean and Beautiful, Inc.
- Variety of Greater Kansas City
- United Way of Brazoria County
- Young Men's Christian Association of Kansas City

\* Equity grants which support organizations that mirror Terracon's commitment to diversity and inclusion

## University Grants

- Auburn University
- Arizona State University
- Campbell University
- Colorado State University
- Columbus State University
- Iowa State University
- Kansas State University
- North Carolina State University
- St. Louis University
- The University of Texas Permian Basin
- The University of Texas Rio Grande Valley
- University of Arizona
- University of California Davis
- University of California Riverside
- University of Texas at Austin
- University of Washington
- Virginia Tech Foundation
- Wake Technical Community College, Raleigh, N.C.

## Endowments

- Tennessee Tech University
- Texas Tech University

### 2023 Terracon Foundation Board

Scott M. Kolodziej, Dallas, Chair

Morgan A. Bratton, Harrisburg

Stephanie M. Cardoza, Pharr

Monica J. Curls, Corporate

Alex A. Goharioon, Atlanta

Derek D. Koller, Tucson

Carl A. Parten, Colton

Joseph E. Starr, Raleigh

Michael J. Yost, Corporate

Kristi J. Tahmasiyan, Corporate,  
Foundation Manager

M. Gayle Packer, Corporate,  
Board Liaison

## Employee Wellbeing

**The employee experience at Terracon is a direct reflection of our values - caring, courage, curiosity, excellence, integrity, and prosperity. In 2023, we enhanced wellbeing programs and development opportunities, increased our retention rates, and made progress to reach our vision to be best at people.**

### Wellbeing

We continued to expand our wellbeing resources and benefits to provide overall holistic wellbeing in 2023 by moving to a new Employee Assistance Program partner, SupportLinc. Through our partnership with SupportLinc, employees were offered an enhanced suite of benefits, such as more counseling sessions, greater accessibility for reaching support, and additional resources such as financial counseling, caregiver referrals, and legal support.

To better serve our employees' health care needs, in 2023 we began the transition to a new insurance provider, with more support resources all in one place, making it easier to navigate care.

All employees and their family members are now offered free subscriptions to the Calm® app, which provides mental and emotional wellness learning opportunities and activities. Our new paid parental leave supports new parents welcoming a child into their family.

Due to the engagement of our employees and their family members in managing healthcare costs, toward year-end we had a surplus of funds in the insurance benefits budget. As an employee-owned company, we were able to offer a "premium holiday" for all employees enrolled in a Terracon medical plan, with the surplus covering the cost of their medical insurance premiums for the month of December.



**2,500+**

Terracon University courses  
to support career development



**153**

2023 Internship  
Program participants



## Career Development/Training

We create opportunities for employees to connect and lead to make a positive impact within Terracon and in our communities. In 2023, we continued to create new development opportunities for employees. We extended leadership development resources for all employees no matter where they are on their career journey with Terracon. Employees have access to short courses and team activities focused on specific challenges brought forward by our operations teams. We promote Connection Conversations, which are opportunities to build the supervisor/employee relationship toward the overall health and wellbeing of employees, and Career Conversations, which are focused on building personalized, measurable goals that create a path for the employee's career development.

Eight new career paths were added in the technical and operations management roles to empower employees to explore and plan their future career development at Terracon. Additionally, we launched our Sustainability Services Practice Resource Group, where we empower our employee-owners to innovate climate solutions and sustainable infrastructure through the work we do with our clients and in our communities.

We continued our leadership development experiences for office, department, and laboratory managers to build leadership skills and connect employees across the country. We also added a new development program for all supervisors, meaning anyone with at least one direct report. The Supervisor Development Experience was created and launched in 2023 with a goal for all supervisors at Terracon to adopt a leader's mindset, lead change, model productivity tools, delegate effectively, and leverage human resources to support their direct reports. The course is self-directed and is held at the office level.

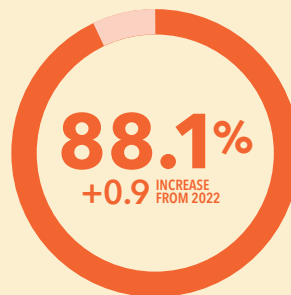
Annually, we register and certify each applicable business unit within the Office of Federal Contract Compliance Programs (OFCCP) Contractor Portal which covers Federal contractors and subcontractors to ensure they are meeting the requirements to develop and maintain annual Affirmative Action Plans (AAP).

## Employee-Owner Engagement/ IIF Survey

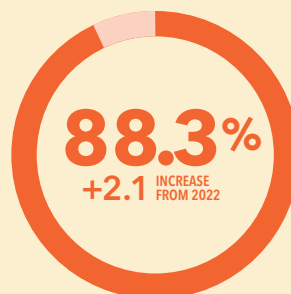
We use our annual Engagement/*Incident and Injury-Free (IIF)* Survey to gather feedback and take meaningful action.

Of our 19 engagement questions, 17 had results showing improvement over the last year, which means we are making progress on our vision of being best at people.

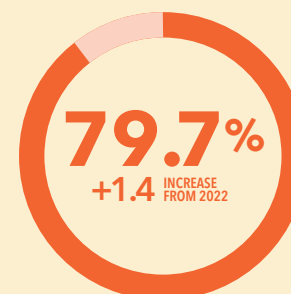
A best-in-class response rate is 85% and our employee-owners exceed expectations with a companywide response rate of 89%.



I have the opportunity to develop and learn in my work.



Terracon demonstrates care and concern for its employees.



Being an employee-owner at Terracon is important and meaningful to me.



## 2023 Safety Metrics Year-Over-Year

↑ **45%**

Safety Coaching Rate

↑ **22%**

Safety Check-Ins

↑ **19%**

Positive Feedback

## Talent Attraction and Retention

Development of Terracon's brand as an employer of choice has led to steady progress in creating candidate engagement and building our talent pipeline, leading to an increase in application volume. Retention rates across the company also increased steadily throughout the year.

For the second year in a row, Terracon was selected as a winner of RippleMatch's 2024 Campus Forward

Awards in the Large Early Career Programs category, and our "New Grad" program was named one of the top 50 programs in the country.

Our early career focus now reaches new graduates and extends beyond our internship programs. In January 2023, we launched GearUp, a program for new grads focused on developing and retaining geotechnical professionals.



		INCREASE FROM 2022
■ All	78.70%	<b>+2.5%</b>
■ Salaried	87.40%	<b>+2.3%</b>
■ Hourly	69.00%	<b>+2.4%</b>
■ Technicians and Inspectors	66.60%	<b>+4.1%</b>
■ Exploration Services	65.60%	<b>+6.1%</b>

## Health and Safety/IIF

Safety is not just a priority at Terracon; it's a way of life. We promote an *Incident and Injury-Free® (IIF)* safety culture. Our goal is to empower employees to make safe choices so they can go home to their families every day. In 2023, our High-Risk Season safety campaign, "Strong Voices, Safe Choices," encouraged everyone to speak up for safety, and our metrics during that period and throughout the year reflected that the strong voices of our employees had an impact.

Although we increased our Safety Coaching Rate by 45% this year, 45% of all injuries and 43% of all preventable motor vehicle incidents (PMVIs) continued to involve employees with less than one year of Terracon experience. Now that we have increased our Safety Coaching Rate, we will be focusing our energy on increasing coaching conversations to make sure employees – especially those new to our company – have the information and tools they need to stay safe.

We ended 2023 with a slightly higher number of PMVIs but a lower rate due to increased miles driven. Backing incidents on project sites decreased while on-road crashes increased. The increase in on-road collisions reinforces the need for proactive, defensive driving and continued focus when behind the wheel.

Psychological safety is an area we will continue to explore as we educate our employees toward their overall physical, emotional, and mental wellbeing.



### 2023 Safety Metrics Year-Over-Year

→ **2.42**

Preventable Motor  
Vehicle Incident Rate

Similar to **2.44**  
in 2022

↓ **0.46**

Total Recordable  
Injury Rate

Improved from **0.56**  
in 2022

↑ **0.21**

Injury Severity (DART)

Increased  
from **0.18** in 2022

↓ **18%**

Recordable Injuries  
Decreased

↑ **8%**

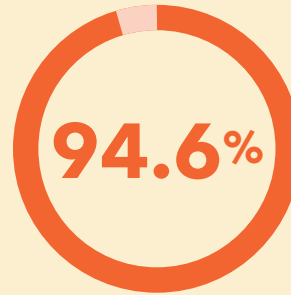
Hours Worked  
Increased

**805**

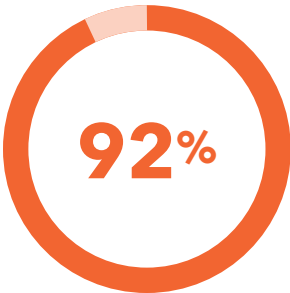
Attended IIF Safety  
Leadership Workshops



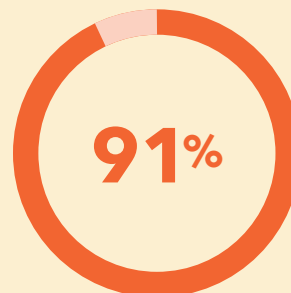
## 2023 Engagement/IIF Survey Results



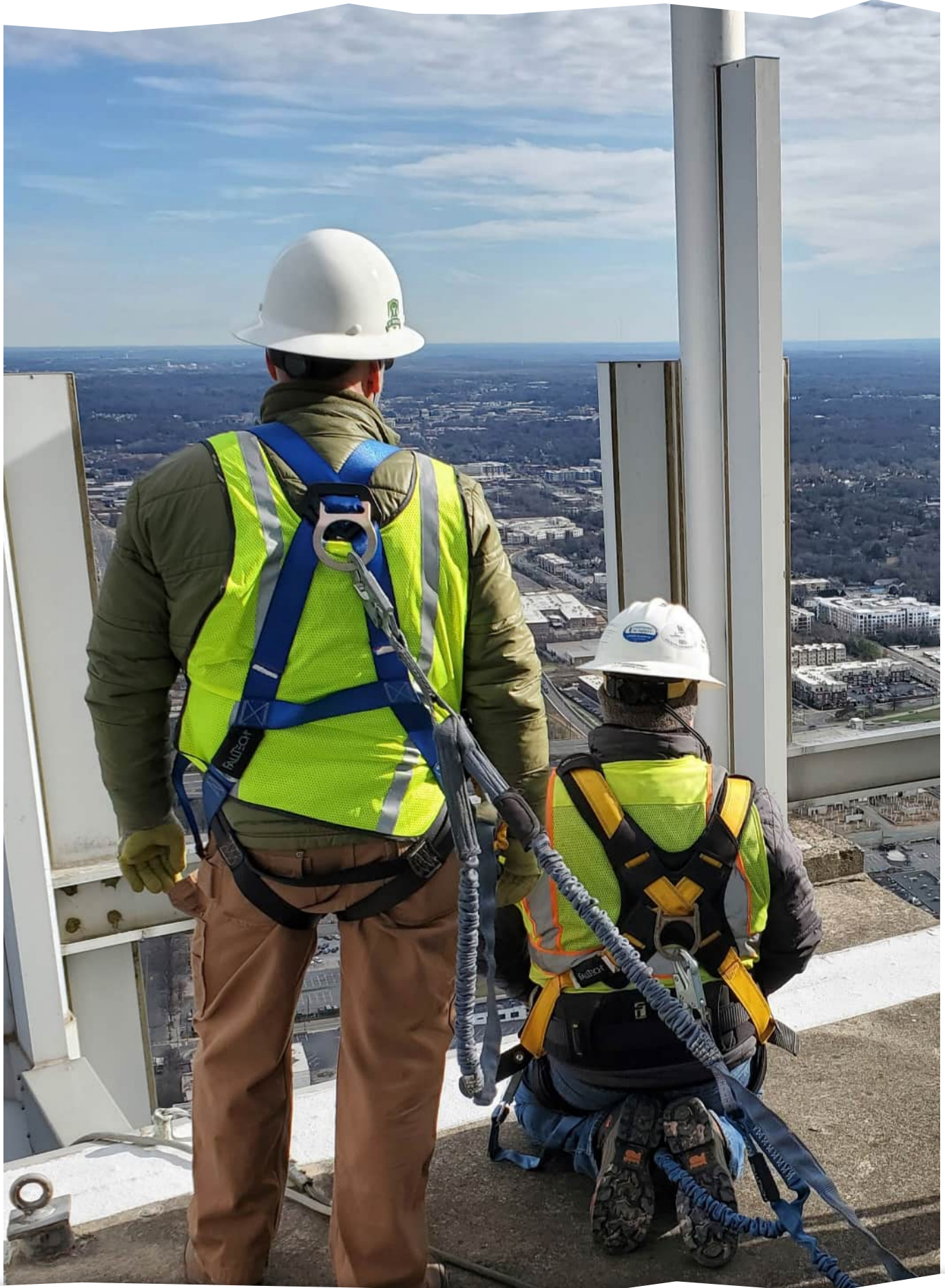
Believe Terracon has an uncompromising commitment to everyone going home safely every day.



Observe coworkers in their office working to make Terracon an *IIF* workplace through their words and actions.



Bring what they have learned from Terracon's *IIF* culture into their personal lives and homes.





## Inclusive Culture

We value diverse voices and ways of thinking and recognize how unique perspectives add tremendous value to our company and our sustainability journey. The Inclusive Culture Leadership Team (ICLT), founded in 2022 as a one-year task force, created strategies to progress our inclusion journey. At the close of 2022, the Employee Experience Leadership Team (EXLT), accepted the ICLT recommendations and assumed accountability for executing the strategies to create and sustain a culture where employees feel heard, valued, accepted, and included.

We reaffirmed our Guiding Behaviors as our “north star” to lead our inclusion journey as we work

toward our vision of being best at people. Each new employee completes a Guiding Behaviors course, with an updated refresher course to be offered in 2024 to all employees and mandated updates every two years. We published an Inclusive Cultural Events Calendar to highlight the holidays and events celebrated by various employees across the country. This is also highlighted in our employee communications and social posts to create awareness and education to support these inclusive celebrations. We also expanded our employee resource group (ERG) offerings, growing from three to six.



### Sphere (Cultural and ethnic diversity)

2023 Accomplishments	2024 Goals
<ul style="list-style-type: none"> <li>Approved logo and tagline (“Together We Grow”)</li> <li>Held informal planning calls for company launch preparation</li> </ul>	<ul style="list-style-type: none"> <li>Finalize plans for company launch</li> <li>Explore opportunities to highlight cultural holiday celebrations.</li> </ul>



### LEAP (Lead, Explore, and Prosper)

Launched in 2023 to create opportunities for team members and mentors to connect, innovate together, and develop professional and leadership skills at all levels of Terracon.



### PRISM (LGBTQIA+)

Formed in 2023 to develop a sense of community among LGBTQIA+ employees and their allies across the company, provide educational opportunities, and promote personal and professional development.



### Sphere (Cultural and ethnic diversity)

Established in 2023 to promote a safe, inviting environment for celebrating cultural and ethnic diversity, belonging, and personal and professional growth.



### The HIVE (Sustainability)

Led Terracon's celebration of Earth Day 2023, inviting employees to connect and engage in local sustainability efforts. The Terracon Foundation also established an Earth Day employee matching gift program to extend employees' giving to environment-focused organizations.



### iWIL (Increasing Women in Leadership)

Expanded its number of local chapters to 10, held quarterly programs, and successfully completed its second mentorship program. Terracon was recognized with the 2023 Glass Hammer Award by the American Road and Transportation Builders Association (ARTBA). The award honors companies in the transportation and construction industries for innovative programs and activities that successfully promote women leaders within their organization and in the community.



### VetNet (Veterans Network)

Maintained its mission of supporting veterans in the workplace, fostering a better understanding of the value and skills that military veterans bring, and increasing the number of veterans working at Terracon. VetNet members attended veteran-focused career fairs to attract talent, sponsored career workshops for veterans, and implemented their Battle Buddy program to offer one-on-one support to veterans as they joined Terracon.

#### The HIVE (Sustainability)

2023 Accomplishments	2024 Goals
<ul style="list-style-type: none"> <li>Provided input for sustainability reports and client discussions</li> <li>Increased involvement in waste reduction strategies through Office Green Teams</li> <li>Engaged interns who contributed to future Earth Day celebrations</li> </ul>	<ul style="list-style-type: none"> <li>Plan meeting topics and activities for 2024, including Earth Day initiatives</li> <li>Continue growth of Office Green Teams and Sustainability initiatives</li> </ul>

#### iWIL (Increasing Women in Leadership)

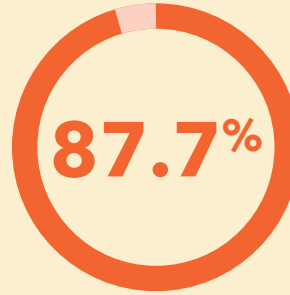
2023 Accomplishments	2024 Goals
<ul style="list-style-type: none"> <li>Received the 2023 Glass Hammer Award from the American Road and Transportation Builders Association for promoting women leaders in the transportation construction industry</li> <li>Expanded to 10 local chapters including new chapters in Texas and Florida, now covering all divisions</li> </ul>	<ul style="list-style-type: none"> <li>Host quarterly development calls</li> <li>Update metrics with promotions and newly appointed Senior Associates</li> <li>Connect members with on demand learning resources on Terracon University through local chapters</li> <li>Educate members on Senior Associate appointment criteria to increase women in leadership's pipeline</li> </ul>

#### VetNet (Veterans Network)

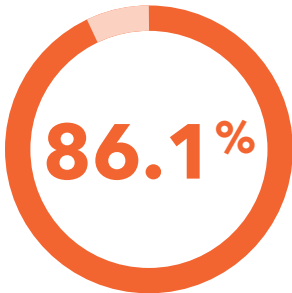
2023 Accomplishments	2024 Goals
<ul style="list-style-type: none"> <li>Participated in veteran recruiting events nationwide</li> <li>Strengthened the "Battle Buddy" program to support newly hired veterans</li> <li>Provided resources for veterans and their families to support deployment and reentry</li> </ul>	<ul style="list-style-type: none"> <li>Prepare for Veterans' Day recognition</li> <li>Plan recruiting efforts for 2024 and review activities from 2023</li> </ul>



## 2023 Engagement/IIF Survey Results



Believe their supervisor creates an environment where they are treated with respect and feel included.



Feel empowered to speak up for others and themselves



See Terracon's values in action and guiding our behaviors in their daily work.

# Continuous Learning/Education and Awareness

We prioritize the implementation of education and awareness programs aimed at fostering a culture of sustainability among our employees, clients, and stakeholders.

Integrating continuous learning, education, awareness, and training into our sustainability strategy is essential for fostering a culture of Quality Education for our employee-owners in alignment with UNSDG 4. This allows us to empower our employee-owners to drive positive change at Terracon and within the communities we serve. This commitment ensures our employee-owners are equipped with the necessary skills and knowledge to drive sustainable innovation and leadership within our industry, increase communication of our sustainability progress, and increase sustainability awareness training at all levels. We facilitate this type of training through initiatives such as specialized sustainability workshops, online learning platforms like Terracon University, quarterly and annual Terracon training outlets and events, company webinars, and presentations.

We believe in equipping our employees with knowledge and skills to actively contribute to our sustainability strategy. Terracon University is our internal training and education resource, providing our employees with the knowledge and skills to

actively contribute to our climate related engagement strategy. We offer diverse courses, including safety, cybersecurity, engineering, environmental and sustainability management, labor and human rights, business conduct and ethics, IIF and Safety, project delivery, and client development.

Every new employee is required to take an introduction to our [Guiding Behaviors](#) course, with expanded content for supervisors that covers what it looks like to create an environment where everyone thrives. It is centered on three primary baseline expectations for our employee culture:

- 1. We treat everyone fairly and respectfully.
- 2. We commit to inclusion.
- 3. We speak up for ourselves and others.

In partnership with the Hive ERG, we developed a sustainability curriculum, including climate change awareness. In 2024, we will be expanding our offerings to create a general education program for our employees, at all levels. This program will focus on sustainability strategies and actions that our local teams can adopt to reduce emissions and engage in the communities they serve. By engaging our employees through these initiatives, we empower them to be active participants in our sustainability-related endeavors.

## 2024 People Goals

Increase Communication	Education and Awareness	Sustainability and Resiliency (S&R) Services
Update and optimize TerraNet page	2024 Principal’s meeting education and awareness “moments”	Track and refine S&R services and finalize Practice Resource Group leader team
Develop strategic message framework	Develop onboarding/ orientation video	Hire S&R services manager
Prepare and publish 2023 sustainability report	Develop Green Team program and tool kit	Develop opportunity and growth plan
	Increase number of Green Teams to 30% of offices	
	Develop content for existing supervisory level trainings	



# Management

## IN THIS SECTION

Board of Directors

---

Ethics and Integrity

---

Sustainable Procurement

---



## Board of Directors

Terracon is an employee-owned corporation (both individual owners and an employee stock ownership program) with a nine-person board of directors (shown below). Five directors are current employees of the company. Four directors are from outside the company, with varied backgrounds and skill sets from both within and outside the A/E/C space. Our board structure allows us to have a majority of internal stakeholders but also allows us to be guided by the valuable outside expertise and perspectives of our external directors. We also have a Lead Director role which is held by an external director to provide direct advice and counsel to the board chair and additional structure and oversight of our external director activities.

Directors serve staggered three-year teams. The board's governance committee gathers shareholder feedback annually about proposed board candidates. The committee then recommends a slate of candidates for approval by shareholders at our annual meeting. In addition to the governance committee, there also are board committees for audit/risk management and executive compensation.

With regard to ESG Matters, the Board has oversight responsibilities with regard to environmental, health and safety, corporate social responsibility, sustainability, philanthropy, corporate governance, reputation, diversity, equity and inclusion, community issues, political contributions and lobbying, and other public policy matters relevant to the Company (collectively "ESG Matters").

### MATERIALITY SURVEY RESULTS

#### Management



Discovering  
material issues



Anti-corruption

## 2023 T T/TSVC Board of Directors

### Internal



**M. Gayle Packer**  
Chair, President and  
CEO



**Don Vrana**  
Chief Financial  
Officer



**Michael Covert**  
EVP, Services and  
Quality



**Michael O'Grady**  
Chief Growth  
Officer



**Robert Pavlicek**  
EVP, Group Manager

### External



**Craig Martin**  
Former President  
and CEO Jacobs  
Engineering Group



**Laurel Krzeminski**  
Former CFO,  
Granite Construction



**Dawnet Beverley**  
EVP, Donneley Financial  
Solutions



**Nancy Tuor**  
Former Vice-Chair,  
CH2M Hill

## Ethics and Integrity

At Terracon, we are committed to upholding ethical standards in all our business practices. We strive to ensure that our actions and decisions align with our core values. We promote ethical business practices that benefit our company, the communities we serve, and the environment. We believe that by prioritizing ethics and sustainability, we can create a better future, as outlined in our [Business Conduct and Ethics Policy](#) and our [Guiding Behaviors](#).

In these policies we address the following:

- Alignment with the UNSDGs
- Continuous improvement
- Environmental responsibility
- Governance and accountability
- Human rights and labor practices
- Monitoring and enforcement
- Policies and code of conduct
- Stakeholder engagement
- Supply chain and third-party management
- Training and awareness
- Whistleblowing



"Terracon is committed to a work environment where employees feel free to ask questions, to speak up about concerns or violations without fear of retaliation."

*M. Gayle Packer,  
Chair, President, and CEO*

### 2023 Objectives

- Promote transparency and accountability in all aspects of our business practices.
- All employee-owners complete training to understand and abide by the ethical principles set forth in our Principles of Business Conduct and Ethics policy.
- Continuously improve our ethical practices and integrate sustainability into our business operations.
- Foster an inclusive workplace by promoting equal opportunities, preventing discrimination, and supporting underrepresented groups.
- Promote ethical leadership through training at all employee levels, cultivating ethical leadership and decision-making skills among employees and management.

All employee-owners have mandatory training on the [Business Conduct and Ethics Policy](#) on a bi-annual basis, and all new employee-owners receive training during onboarding. Each new employee completes a Guiding Behaviors course during onboarding, with an updated refresher course to be offered in 2024 to all employees and mandated updates every two years. We track training completion rates, frequency, and effectiveness, as well as the implementation and regular updating of ethics policies bi-annually. Metrics focus on employee awareness and adherence to our policy and is tracked through our on-line learning platform, Terracon University. These practices ensure coverage and continuous improvement in fostering a culture of integrity and excellence aligned with our core values.



# Sustainable Procurement

Procurement plays a pivotal role in fostering sustainability across our organization. Our commitment to sustainable procurement extends beyond mere compliance with regulations; it is an integral part of our corporate ethos and strategic vision. We understand that our purchasing decisions have far-reaching implications, not only for our own business but also for the environment, society, and the global community.

In alignment with UNSDG 12, our organization is committed to fostering sustainable procurement practices that contribute to economic, social, and environmental well-being. Our procurement strategy is designed to support the UNSDGs and strives to promote sustainability across our supply chain. Terracon expects its suppliers to be legally compliant in accordance with applicable laws and regulations. Terracon has zero tolerance for modern slavery and prohibits the use of forced, compulsory or trafficked labor, or anyone held in slavery or servitude, whether adults or children by any of our contractors, suppliers, or other business partners. Terracon requests Social and Environmental Responsibility information from suppliers as part of the RFX and supplier onboarding processes, including but not limited to, ISO 26000. It

is Terracon’s goal to move toward more sustainable suppliers and products.

Our 2023 accomplishments include the following:

- Updated the Procurement Reference Guide (buying policy) with Social and Environment Responsibilities, including definition around our commitment to developing valuable supplier relationships with diverse suppliers.
  - 10% of our spend is with diverse suppliers.
  - Created a process and started reporting on Tier II supplier diversity spend from our top suppliers.
- Brought visibility to items in catalogs that are sustainable.
- Created a Supplier Code of Conduct that outlines the ethical practices and environmentally responsible suppliers we only do business with.

By integrating sustainability into our procurement practices, we not only mitigate risks but also unlock opportunities for long-term growth and resilience. As we continue our sustainability journey, we remain committed to driving positive change and making a meaningful difference in the world.

## 2024 Management Goals

Data Management and Reporting	Management Program	Climate Risk Analysis
Develop streamlined data collection and reporting methodology	Evaluate data and operations to identify and evaluate scope 3 reporting	Initiate Climate Scenario Analysis
Complete EcoVadis reporting	Develop strategic sustainability kpis	Evaluate climate risk as part of ERM
Complete CDP climate change disclosure	Develop sustainability management program	Incorporate climate hot spots into our acquisition and IIF programs (2025)
	Develop sustainability opportunity for 2 divisions	
	Evaluate our anti-corruption measures	
	Promote ethical leadership through training at all employee levels	
	Grow diversity spend to 20%	
	Add supplier acknowledgement of code of conduct to onboarding	



# Sustainability and Resiliency Services

## IN THIS SECTION

Sustainability and Resiliency Services PRG

Biodiversity Protection and Preservation of Natural Reserves of Raw Materials

Featured Projects





**Our purpose to Explore Beyond the Surface calls us to use our expertise to help solve our own and our clients' climate adaptation and resiliency challenges. Our teams are dedicated to pioneering innovation and approaching every project with curiosity. This mindset empowers us to transform how we tackle sustainability challenges at various stages of the project lifecycle. From our adventures in solving climate challenges and helping clients track their impact, to reducing and recycling project-generated construction waste, our teams are actively engaged in this sustainable industry transformation.**



## Sustainability and Resiliency Services PRG

We continued the growth of our sustainability and resiliency consulting services in 2023 through the efforts of the Sustainability and Resiliency Services Practice Resource Group (PRG). The PRG's purpose is to increase awareness of sustainability and resiliency opportunities and develop synergy through innovation, services. Comprised of technical experts from all service lines, the PRG initially focused on identifying cross-service line sustainability offerings – areas where our work positively impacted the natural world and the communities reliant upon these limited resources. The PRG also identified integrated services that are aligned with sustainability, and discreet service offerings specific to sustainability enablement.

Our service offerings are represented within the following five key areas:

- Corporate and Community Sustainability
- Disaster Planning, Response, and Recovery
- Ecological Planning and Restoration
- Renewable Energy
- Sustainable Site Development and Community Resiliency

The PRG is led by Dave Reynolds National Director of Regulatory Compliance, and Tamara Grimm National Director of Major Pursuits, and is sponsored by Mike Hagemeister Environmental Service Line Director, and Lori Cathcart, Director of Corporate Sustainability.



**Dave Reynolds,**  
National Director  
of Regulatory Compliance



**Tamara Grimm,**  
National Director  
of Major Pursuits



**Mike Hagemeister,**  
Environmental Service  
Line Director



**Lori Cathcart,**  
Director of Corporate  
Sustainability



## Biodiversity Protection and Preservation of Natural Reserves

Terracon's ecologists, environmental scientists, archaeologists, and historic preservation experts specialize in habitat conservation, preservation, and protection. Our experience has shown that a carefully considered review of environmental concerns can provide an effective framework for both development

and conservation of natural resources. Terracon also offers a full range of wetland services, ranging from the initial wetland assessment determination to developing a wetland mitigation plan and submitting a permit application to the U.S. Army Corps of Engineers (USACE).

## Featured Projects

**Below we are highlighting key sustainability and resiliency projects from 2023. It is through our project work that we have the greatest opportunity to reduce our environmental impact, preserve our natural resources, and work to improve social value, which aligns with various UNSDGs. Together with our clients, we develop solutions to plan, design, and build sustainably for a better future.**



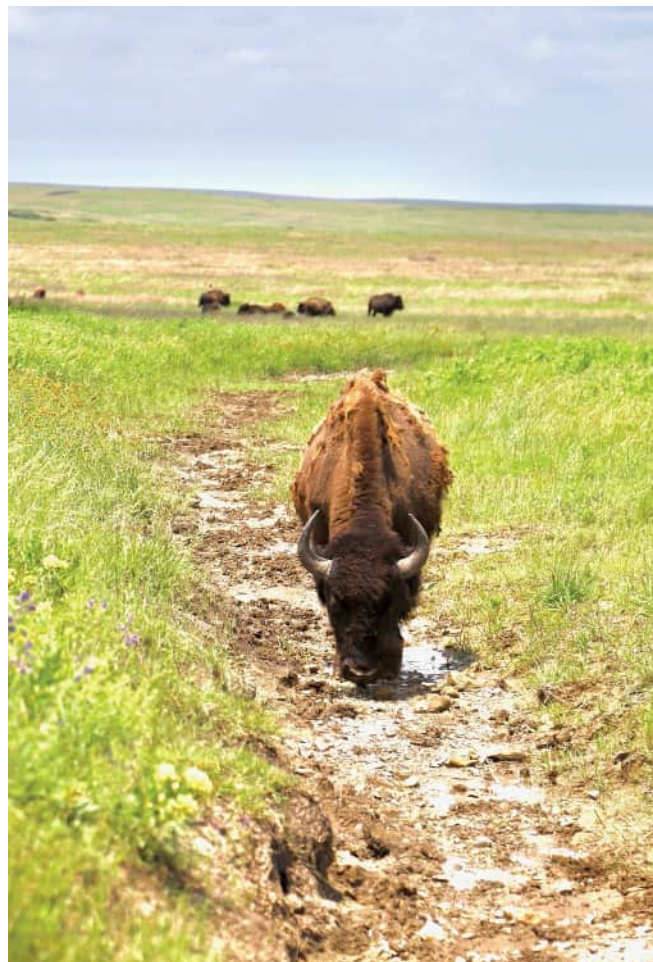
## Oklahoma Department of Environmental Quality

Terracon was selected by the Oklahoma Department of Environmental Quality (ODEQ) to work with ODEQ staff and a diverse group of stakeholders to develop Oklahoma's Priority Action Plan (PAP). ODEQ received a \$3 million planning grant to develop the PAP through the Environmental Protection Agency's Climate Pollution Reduction Grants (CPRG) Program.

The program was authorized under the Inflation Reduction Act to provide \$5 billion in grants to states, local governments, tribes, and territories to develop and implement ambitious plans for reducing greenhouse gas emissions and other harmful air pollutants.

Specific tasks performed by Terracon to develop the PAP included assisting with community engagement, verifying current statewide emissions, identifying, evaluating, and quantifying emissions reduction opportunities, and authoring the PAP.

### Related UNSDGs



## Florida Fish and Wildlife Conservation Commission

The Florida Fish and Wildlife Conservation Commission (FWC) engaged Terracon for a five-year on-call project that includes environmental planning, ecological services, and geotechnical services on their Wildlife Management Areas (WMAs) throughout the state. Florida has one of the largest WMA systems in the country at over six million acres. FWC is the lead manager or landowner on over 1.46 million acres.

### Related UNSDGs





## SeaPoint Industrial Terminal Complex

Terracon received an Environmental Protection Agency Phoenix Award at the National Brownfields Conference for work on the SeaPoint Industrial Project in Savannah, Georgia. Spanning 755 acres, the SeaPoint Industrial Project was the largest Brownfields cleanup by area in the history of the Georgia Environmental Protection Division Brownfields Program. Work included excavation of contaminated material from drainage ditches, uplands, and wetlands, remediation of dredge spoils, and permitting, designing, and constructing a wastewater treatment pond. The Phoenix Awards recognize extraordinary practitioners and projects in brownfields redevelopment.



### Related UNSDGs



**Award:** Environmental Protection Agency  
Phoenix Award



## Confidential Energy Company

Terracon provides environmental justice and resiliency consulting support services for multiple site development projects. Our services included collaborating with the client to address disadvantaged communities, developing strategies for community outreach, drafting grant submittals, performing peer benchmarking, and completing sustainability and resiliency assessments for current and future project locations.

### Related UNSDGs



## Florida Forestry Services

Terracon has been assisting the Florida Forestry Services with the Rural and Family Lands Protection Program over the past six months to acquire "less than fee" properties throughout the state. To date we have completed seven projects of over 7,500 acres of land. These properties secure the conservation values of the property while allowing the agricultural aspect to remain. We provide environmental planning, ecological services, and due diligence services to support the Florida Forestry Services team.

### Related UNSDGs





## Greenhouse Gas (GHG) Emissions Mitigation for Multiple Clients - Permian Basin

Terracon partnered with upstream oil and gas clients to voluntarily avoid greenhouse gas (GHG) emissions. By transitioning 389 natural gas-driven pneumatic controllers to compressed air, our clients avoided emitting 16,206 metric tons of carbon dioxide equivalent (mtCO<sub>2</sub>e). This reduction is equivalent to the emissions from 3,606 gasoline-powered passenger vehicles driven for one year. Terracon's technology-driven approach and tailored best practices supported clients in achieving cost-effective emissions reduction and operational efficiency. For this work, our team was awarded a Climate Change Business Journal, 2023 Business Achievement Award for Advancing Best Practices: GHG Mitigation.



### Related UNSDGs



**Award:** Climate Change Business Journal, 2023 Business Achievement Award for Advancing Best Practices: GHG Mitigation.

## University Hospital Authority and Trust

Terracon provided Retro-Commissioning (RCx) services for the University Hospital Authority and Trust's (UHAT) Children's Hospital, in Oklahoma City, Oklahoma. The Children's Hospital was originally constructed in the early 1970s and underwent several major expansions to reach its current building area. The purpose of the RCx services of the mechanical HVAC systems was to conduct limited visual observations and engineering diagnostics of the systems to assess the operating condition, perform modeling and assess the energy performance of the systems, develop a master list of energy conservation opportunities (ECOs), and provide recommendations for energy conservation and operational improvements. The master list of findings gathered supplemented the visual assessment performed in Terracon's Facility Condition Assessment (FCA) report, with energy efficiency performance monitoring and physical diagnostic measurements to confirm the recommendations of the FCA and to identify ECOs. Terracon also identified additional opportunities for improving building energy efficiency and operations without compromising comfort for the building occupants.

### Related UNSDGs



## 2024 Goals

### Sustainability and Resiliency (S&R) Services

Track and refine Sustainability and Resiliency Services offerings and finalize PRG Leader Team

Hire Sustainability and Resiliency Services National Manager

Develop opportunity and growth plan

# Innovation and Thought Leadership

IN THIS SECTION

Technology

---

ENR Rankings

---

Awards and Best Places to Work

---





## Technology

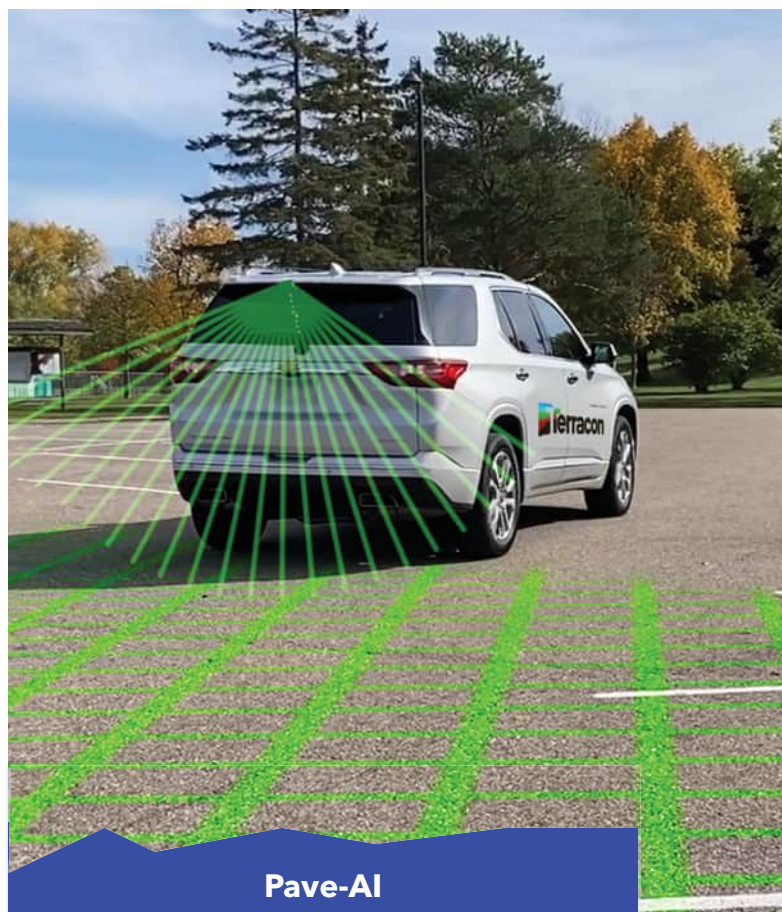
**Innovation is front and center in our Strategic Plan. In today's rapidly evolving technological landscape, innovation plays a central role in addressing sustainability challenges. At Terracon, our employee-owners strive to lead innovation by leveraging cutting-edge technologies, including artificial intelligence (AI), to develop innovative solutions to reduce our environmental footprint, enhance resource efficiency, and foster social progress. From sustainable project delivery to advanced data analytics, our innovation investments drive tangible improvements in sustainable performance across our operations.**

### Virtual Soil Profile

Terracon developed a viable concept for our Virtual Soil Profile – a way to harvest our vast soil boring data and, using computer algorithms, provide predictions of subsurface conditions on unexplored sites. This data model combines public domain information with Terracon's proprietary data sources to offer our clients an improved and enriched way of evaluating expected soil conditions for site selection, conceptual foundation design, and cost estimating, without deploying field staff or equipment.

### Stage1

Stage1 uses Terracon's historical project records and public and private data to help clients streamline site selection and estimate development costs. Stage1 had an outstanding year with growth of more than 70%, driven heavily by the Power Generation and Transmission sector.

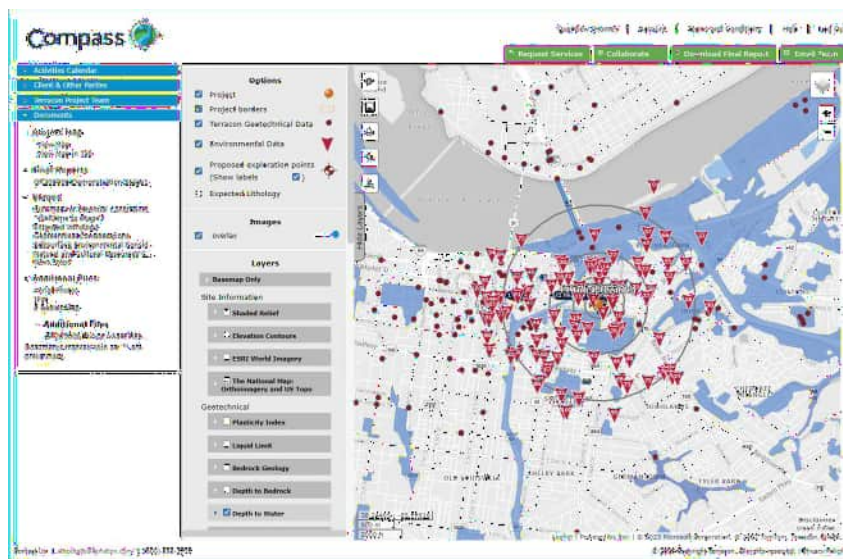
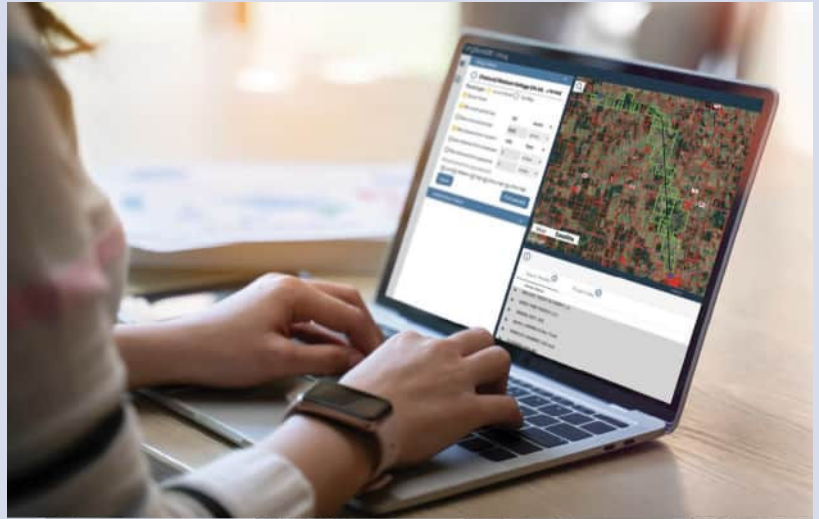


### Pave-AI

Artificial Intelligence is allowing for new opportunities in client engagement for Terracon Pavement Consulting. In 2023, we implemented a fully automated AI asphalt assessment model, Pave-AI, and plan to complete our concrete assessment model. Current standards rely on a subjective approach to assessments. Pave-AI conducts an objective, comprehensive, and repeatable assessment that provides the data clients need to create pavement management plans. These data-driven plans can extend the cycle between maintenance operations, reducing the carbon-based materials used at each interval, and improving the life expectancy of the pavement assets. This gives the client greater confidence in Terracon's deliverables and has led to increased client engagement.

## Pivot

Pivot, a software as a service data visualization and analytics platform, assists clients – including developers, operations, and engineering and environmental firms – with access to fast analysis and reporting on prospective sites through siting and routing applications. Pivot allows clients to beat their competition and gain critical early-stage knowledge of potential risks, while helping to reduce our environmental footprint and enhance resource efficiency.



## Compass

Compass, our client portal, enables our progressive delivery approach and enhances our consulting capability. The platform continues to enable Terracon to deliver digital products to our clients, such as Stage1 and Pave-AI, and reduces our environmental footprint. In 2023, Compass continued to grow as an integral part of our client experience. Over 12,000 individual clients (representing over 5,000 companies) viewed their project data on Compass in 2023, and it became a central tool for some of our largest clients.

## Device Magic

Device Magic, a mobile data collection tool, has become a mature part of Terracon's field data collection system. Adoption of Device Magic has proven to be an effective avenue for consistently excellent adoption of Compass, where clients can easily view results and photos. The use of this real-time data delivery tool increases quality and reduces fuel consumption and use of natural resources during field activities.





## ENR Rankings

Thought leadership encourages our culture of innovation. By constantly exploring new ideas and solutions for today's challenges, we stay ahead of the curve and develop cutting-edge practices and technologies that garner peer recognition, improve our performance and meet our client's needs. The following pages highlight our collective efforts and results in the communities we serve.

#1	Asbestos and Lead Abatement
#11	Top 100 Pure Designers
#20	Top 500 Design Firms
#44	Top 150 Global Design Firms

#63	Top 200 Environmental Firms
#12	Top 20 General Building
#13	Top 20 Hazardous Waste
#17	Top 20 Telecommunications

#1	Asbestos and Lead Abatement
#2	Distribution and Warehouses
#3	Retail
#5	Multi-Unit Residential
#7	Solar Power
#10	Clean Air Compliance
#10	Towers and Antennae
#11	Commercial Offices

#14	Data Centers
#15	Marine and Port Facilities
#15	Chemical and Soil Remediation
#16	Government Offices
#16	Hotels, Motels, and Convention Centers
#19	Transmission and Distribution
#20	Refineries and Petrochemical Plants
#21	Pipelines

#22	Education
#23	Power
#29	Petroleum
#30	Manufacturing
#39	Transportation
#40	Water Supply
#46	Industrial Process

## Our Awards

### ENR Regional Rankings

#### #9 ENR Southeast Top Design Firms

- #17 Top Florida Design Firms
- #6 Top Georgia Design Firms
- #12 Top North Carolina Firms
- #8 South Carolina Design Firms
- #8 Top Tennessee Design Firms

#### #9 ENR Southwest Top Design Firms

- #9 Top Arizona Firms

#### #13 ENR Intermountain Top Design Firms

#### #8 ENR Colorado and Wyoming

#### #7 ENR Midwest Top Design Firms

- #8 Top Indiana Design Firms
- #5 Top Iowa Design Firms
- #6 Top Kansas Design Firms
- #5 Top Nebraska Design Firms
- #8 Top Ohio Design Firms

#### #29 ENR California

#### #9 ENR Texas and Louisiana

- #7 Top Arkansas Design Firms
- #11 Top Louisiana Design Firms
- #7 Top Mississippi Design Firms
- #5 Top Oklahoma Design Firms
- #11 Top Texas Design Firms

#### #17 ENR Northwest Top Design Firms

- #16 Top Washington Design Firms
- #15 Top Oregon Design Firms

#### #24 ENR MidAtlantic Top Design Firms

#### #56 ENR New York Region Top Design Firms

### Company Awards



#### Climate Change Business Journal

Advancing Best Practices:  
GHG Mitigation

#### Environmental Business Journal

Business Achievement Award, Diversity and  
Inclusion

Business Achievement Award, Mergers and  
Acquisitions

#### American Transportation and Builders Association (ARTBA)

2023 Glass Hammer Award

#### Morrissey Goodale

2023 Most Innovative Acquirer Award

#### Geoprofessional

#### Business Association

2022-23 Member Engagement Award



## Individual Awards



### **ENR Northwest**

2024 Top Young Professionals,  
Brice Plouse, Portland, Oregon

### **ENR California**

2024 Top Young Professionals,  
Ryan Merrell, Concord  
Joshua Morgan, Los Angeles

### **ENR Texas and Louisiana**

Top Young Professionals,  
Brett Pope, Austin

### **American Concrete Institute Houston Chapter**

2024 Certification Award,  
Mark Dornak, Houston

### **Society for Marketing Professional Services, Sacramento Chapter**

2023 Rising Star Award, Alberto Flores  
Franco, Sacramento

### **Society of American Military Engineers (SAME)**

Regional Presidents Award,  
Cindy Nash, Virginia Beach  
National Post Service Medal,  
Jeff Davis, Federal Sector



## Office and Team Awards



### **Society for Marketing**

#### **Professionals Merit Award**

Marketing and Communications

### **Society for Marketing**

#### **Professionals Excellence Award**

Marketing and Communications

### **Kansas City Business Journal**

2023 Best Places to Work Honoree,  
Lenexa and Corporate Offices

### **San Antonio Business Journal**

#5 Top Environmental Engineering  
and Testing Firms, San Antonio

### **Arizona Parks and**

#### **Recreation Association**

2023 Best of the Best

Natural Resources Award,  
EPG, A Terracon Company

### **American Concrete Institute**

#### **Central New York Chapter**

Bronze Award, Rochester Office

### **Arizona Business Magazine**

Most Admired Companies  
2023, Arizona

## Office and Team Awards

### **American Council of Engineering Companies (ACEC)**

National Honor Award SeaPoint  
Industrial Complex, Savannah, Ga.  
Engineering Excellence Merit Award, RS 26  
Intersection Improvement, Indianapolis  
Honorable Mention, Engineering  
Excellence, F and M Bank Arena, Nashville

### **International Federation of Consulting Engineers**

City of Billings Nutrient Upgrade Expansion,  
Expansion, Billings Improvements  
of The Hugh K. Leatherman Terminal,  
Charleston

### **National Brownfields Conference**

Phoenix Award, SeaPoint Industrial  
Project, Brownfields

### **State of Florida**

Florida Preservation Award,  
Sunset Lounge, West Palm Beach

### **Triad Business Journal's 2023**

#### **Commercial Real Estate Awards**

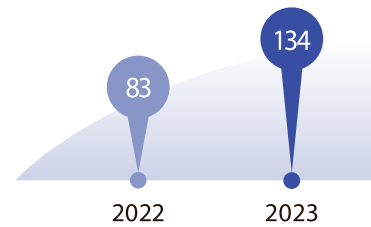
Best Project, GTCC - Medlin  
Campus Center Renovation, Greensboro



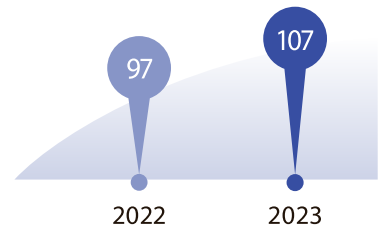
## Published Author Program

Our Published Author Program encourages employees to write articles for external publications, submit to professional journals and associations, or present at conferences supporting our industry. The program continues to be unique in our industry and an important component of our Thought Leadership strategy, in addition to offering meaningful recognition and development opportunities.

## Content Submissions



## Published Authors







## 2023 Sustainability Report

[Terracon.com](https://terracon.com)