

# 2019 Integrated Annual Report



**Jacobs**

Challenging today.  
Reinventing tomorrow.





**Challenging today.  
Reinventing tomorrow.**

To create a more connected, sustainable world.

- We do things right.
- We challenge the accepted.
- We aim higher.
- We live inclusion.

**Always  
looking ahead**

## 2019 Integrated Annual Report

For 2019 we are combining our *Annual Report* and our *Sustainability Report* into a single document. Our *2019 Integrated Annual Report* reflects the integral nature of our financials and our sustainability focus, and our commitment to transparency and robustness of non-financial data. We are also including a separate ESG report on the Investor Relations page of our website.



At Jacobs, we're curious — asking questions of what's accepted and challenging the status quo. We explore innovative solutions driven by our optimism and our focus on advancing the future.

We articulate our bold creativity in our new brand promise:

**Challenging today.  
Reinventing tomorrow.**

Like us, our promise is dynamic and in motion. Visually, we express our promise with a new, two-part symbol we call our "J-mark":

1



**Challenging today.**

**Upward arc symbolizing:**

- Agility to change course
- Boldness to go against convention
- Courage to make a difference

2

**Reinventing tomorrow.**

**Arrow pointing up and to the right signaling:**

- Impact on the future
- Infinite potential and optimism
- Forward advancement through innovative and creative solutions

### About the cover

The agility of the jet ski pilot changing course embodies our drive to question the status quo and boldly change course to advance the future.

# Financial Highlights

GAAP Numbers as reported

Dollars in thousands, except per-share information

	<b>2019</b> <i>September 27</i>	<b>2018</b> <i>September 28</i>	<b>2017</b> <i>September 29</i>
Revenues	\$ 12,737,868	\$ 10,579,773	\$ 6,330,126
Operating profit	404,851	387,443	244,142
Net earnings attributable to Jacobs from continuing operations	290,960	(4,185)	170,167
Per share information:			
Basic EPS from continuing operations	\$ 2.11	\$ (0.03)	\$ 1.41
Diluted EPS from continuing operations	2.09	(0.03)	1.40
Stockholders' equity	41.05	42.21	36.78
Closing year-end stock price	90.69	76.50	58.27
Total assets	\$ 11,462,711	\$ 12,645,795	\$ 7,380,859
Total Jacobs stockholders' equity	5,714,691	5,854,345	4,428,352
Stockholders of record	3,437	3,684	989
Total backlog	22,569,000	19,955,000	13,147,000
Talent force	52,000	80,800	54,700

## Adjusted Net Earnings from continuing operations<sup>1</sup>

19	\$704 million
18	\$540 million

## Adjusted Earnings Per Share from continuing operations<sup>1</sup>

19	\$5.05
18	\$3.87

## Adjusted Operating Profit<sup>1</sup>

19	\$893 million
18	\$715 million

## Adjusted Operating Profit Margin<sup>1</sup>

19	8.8%
18	8.6%

## GAAP Net Earnings from continuing operations *in thousands*

19	\$290,960
18	(\$4,185)

## GAAP Earnings Per Share from continuing operations

19	\$2.09
18	(\$0.03)

## GAAP Operating Profit *in thousands*

19	\$404,851
18	\$387,443

## GAAP Operating Profit Margin

19	3.2%
18	3.7%

<sup>1</sup> Financials reflect adjusted figures. Refer to GAAP reconciliation tables included in fiscal 2019 earnings press release, available on jacobs.com.

# Challenging today. Reinventing tomorrow.



- \$13B annual revenue
- Global workforce of approximately 52,000
- Ranked N°. 1 in our industry on Fortune's 2019 World's Most Admired Companies list
- Named a 2020 Women on Boards "W" Winning Company for having 27% women on our Board

Fellow shareholders,

It is a historic time for our company. We completed another year of record financial performance. We launched a three-year accelerated profitable growth strategy. We divested our Energy, Chemicals and Resources business while acquiring KeyW and announcing the acquisition of Wood Group's nuclear business, strengthening our shift to a higher margin portfolio. We launched a new brand and continued to challenge ourselves in building a strong inclusive culture where people are inspired to innovate new solutions for ourselves and our clients.

## **We delivered strong financial performance.**

We achieved results at the high-end of our 2019 financial outlook that we provided our shareholders. Jacobs posted net revenue growth of 13% for the year, with full-year earnings per share up double-digits year-over-year. Both lines of business also achieved double-digit growth in operating profit. And we outperformed industry peers on measures of shareholder value, with a one-year total shareholder return of 20% and a three-year return of 82%, placing Jacobs in the top quartile of our peer group and above the S&P 500 index for both periods.

## **We unveiled our new brand — Jacobs: Challenging today. Reinventing tomorrow.**

As part of our strategy, our new brand was created from an understanding of where we have been, what is true to our culture, and our strategy going forward. Central to it is our new tagline: *Challenging today. Reinventing tomorrow.* Signaling our transition from an engineering and construction company to a global technology-forward solutions company, we have a new look and

plan to have a new name — Jacobs Solutions Inc. — and we began trading as simply "J" on the New York Stock Exchange on Dec. 10.

Our new brand is the culmination of a one-year journey, involving more than 6,200 employees and 1,200 clients and shareholders who participated in surveys, focus groups and workshops. This brand articulates who we are and empowers us to tell our story: one that reflects our incredible journey together and the direction we are headed.

## **We benefitted from an engaged Board and robust governance.**

In 2019, Chris Thompson was elected as the new Lead Independent Director. I want to thank Linda Fayne Levinson for her tenure as Lead Independent Director. As the first to hold this position, Linda provided valuable leadership during three of the most transformational years in our company's history, and the Board will continue to benefit from her expertise and guidance as we embark on our new strategy.

We also welcome Georgette Kiser and Barb Loughran who joined the Board this year. They bring in-depth experience in technology, innovation and business leadership, further expanding the diverse geographic, industry and technical backgrounds represented on our Board. I want to thank Dawne Hickton for her contributions to the Board from 2015 through May of 2019. We are fortunate that we are now benefitting from her significant leadership experience in her position as Executive Vice President and COO of Critical Mission Solutions. Also, on behalf of the Board, we thank Barry Williams, who is retiring in January, for his 25-year tenure as a director first of CH2M, then Jacobs. His entrepreneurial and financial



leadership was critical to our successful integration.

In addition, we benefit from a fully engaged Board who participated in our Jacobs Employee Network Groups and played an active role in developing our new three-year growth strategy, acquisitions and divestitures, and enterprise risk management. We also began offering voluntary in-depth educational sessions in connection with each of our regular Board meetings so that our directors can be even more engaged with our business leaders across the company.

### **We continued our investment in our people.**

Our people are our brand, which means we each have an important role to play. What we stand for as a company is communicated through what we say as well as what we do. We made deep inroads in the investment of our people, culture and inclusion. Last year we made a commitment to lead by example through inclusion and diversity in our senior leadership and we have now achieved executive team diversity of 75% (with six of eight positions held by women or people of color). We also increased the diversity of our board of directors, achieving 27% women and 45% overall diversity, and we launched Conscious Inclusion training for all employees, having trained 94% of our global workforce to date, including 100% of our senior leadership team.

As we face some of the world's toughest challenges, including clean water, affordable energy, connectivity, climate change, environmental pollution and economic growth, our people are working to find better ways to create an enduring legacy. Aligned with the United Nations Sustainable Development Goals, we launched PlanBeyond™ as our approach to sustainability — planning beyond today for a more sustainable future for everyone. This year we have established 12 goals around people, places and partnerships and will be reporting on those goals throughout FY20. We continued to demonstrate safety excellence with another year of zero employee fatalities at work, and a total recordable incident rate of 0.20,

compared to the industry's most recently reported aggregate rate of 0.70.

Additionally, Jacobs invested more than \$2 million in FY19 in mental health training, awareness and support for its employees, with a focus on destigmatizing mental health issues. Through our Mental Health Matters program, Jacobs now has more than 1,700 trained Positive Mental Health Champions and trainers across 26 countries, resulting in at least one champion for every 31 employees.

### **We launched a new three-year growth strategy.**

After spending three years transforming our portfolio and setting the foundation to get us where we are today, we launched a three-year accelerated profitable growth strategy at Investor Day in February, focused on innovation and continued transformation to build upon our position as the leading solutions provider for our clients.

Our acquisition of KeyW and pending acquisition of Wood Group's nuclear business further position us as a leader in high-value government services and technology-enabled solutions, enhancing our portfolio by adding intellectual property-driven technology with unique proprietary C5ISR rapid solutions, and amplifying Jacobs' position as a Tier-1 global nuclear services provider.

We have turned the course of Jacobs' future and are now focused on broadening our leadership in high growth sectors, solving challenges across thriving cities, resilient environments, mission-critical outcomes, operational advancement, scientific discovery and cutting-edge manufacturing. To address these challenges, we are establishing innovation centers that will help us develop and advance new solutions that leverage a core set of technologies, including automated design, applied geospatial science, predictive data analytics, Internet of Things and cybersecurity.

As I reflect on these successes and those who helped get us here, I want to personally thank Gary Mandel who has

devoted more than 23 years of service and made considerable contributions to the company, playing a crucial role in our integration of CH2M and divestiture of ECR, positioning us well for the next stage of our journey. I was honored to announce Gary as the first inductee to the Jacobs Hall of Fame last December.

### **Looking forward to fiscal 2020**

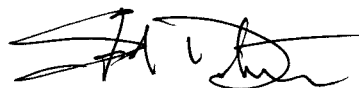
From a profitable growth perspective, our strategic portfolio actions have positioned the company in higher value markets that further enable us to deliver on our profitable growth strategy. Our backlog and sales pipeline remain robust and we are focused on efficiently deploying investments in our business. We remain on track to achieve our 2021 financial targets provided at our 2019 Investor Day.

I want to thank the Jacobs Board of Directors for their continued leadership and governance. Three years ago, we set a goal to become a company like no other, and with their active participation and counsel, we delivered strong results and have proven we can take Jacobs to the next level.

Today, we embrace a future of infinite possibilities with a new brand that reflects who we are and where we are going — capturing the shared passion, pride and drive of our people as we work with our clients and partners to solve some of the world's biggest challenges.

As we do so, our values continue to drive our behaviors, relationships and outcomes: **We do things right. We challenge the accepted. We aim higher. We live inclusion.** These values dominate the fabric of all that we do here at Jacobs.

We see every day as an opportunity to make the world better; creating forward-thinking, impactful solutions for our clients, shareholders and communities. This is Our Jacobs.



**Steve Demetriou**  
Chair and Chief Executive Officer

# We do things right.

We always act with integrity — taking responsibility for our work, caring for our people and staying focused on safety and sustainability. We make investments in our clients, people and communities, so we can grow together.

From the way we operate our business, to the work we perform with clients and other organizations, we continue to look at ways we can make a positive environmental, societal and economic difference for businesses, governments and communities around the world. Aligned with the United Nations Sustainable Development Goals (UN SDGs), **PlanBeyond™** is our approach to sustainability — planning beyond today for a more sustainable future for everyone. Responding to our **materiality assessment** — which prioritizes the environmental, social and economic impacts on our business — and focusing on our people, our places and our partnerships, PlanBeyond helps us turn our vision into reality. During FY19, we made clear progress on our 12 PlanBeyond 2020 goals.

Our **ESG Disclosures Report** also provides information regarding our Environmental, Social, and Governance (ESG) performance. The data reflects activity through FY18 and includes select notable activity from FY19. Periodic updates will be made as our ESG efforts progress.

## Optimizing our footprint

We are focused on reducing our greenhouse gas (GHG) emissions and helping our customers integrate low-carbon solutions into their capital projects and operations. Our outstanding environmental performance during FY19 saw no significant environmental incidents in our operations.

In FY19, we completed our first global GHG emissions inventory to assess our company-wide carbon footprint for Scopes 1 and 2, and Scope 3 for Business Travel emissions. This includes the recently acquired KeyW's footprint for FY19.

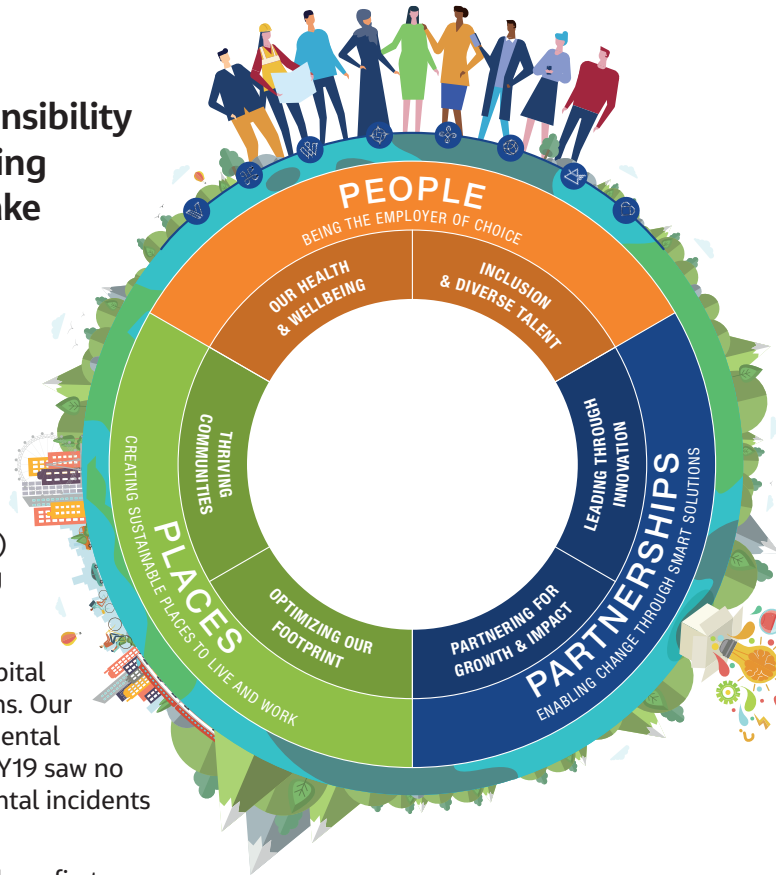
Our total emissions are estimated to equal 166,365 tCO<sub>2</sub>e — equivalent to the amount of energy needed to power approximately 19,921 average U.S. homes for one year.<sup>1</sup>

In FY19, preliminary estimates indicate that the largest single source of carbon emissions included in our inventory (60% of the total Scope 1, 2 and 3 emissions) was business travel,

and the second highest (32%) was purchased electricity.

Our “**Plastic Free July**” challenge launched an effort to reduce single-use plastic (SUPs) consumption across our business. We also eliminated 400,000 disposable plastic gloves from the waste stream across multiple client sites and our 2020 goal includes the elimination of SUPs in all our offices.

We received the **2019 Climate Leadership Award**, and Environmental Business International (EBI) also recognized our work with **11 Business Achievement Awards for**





**Environmental and Climate Change Innovations** for leadership and outstanding performance in our environmental and climate change work in 2018.

### Conducting our business with integrity

Our *Ethics and Code of Conduct* are rooted in our values and provide the standards and support to help us successfully navigate issues, make the right decisions, and conduct our business with the integrity that reflects our heritage and ethical reputation. We uphold Jacobs' global *Supplier Code of Conduct*, and in 2020 we are developing our sustainability partnership dialogue with some of our global suppliers.

We respect the human rights and dignity of people in our operations, supply chain and the communities where we work. Our approach is

*'Demand for smart, resilient solutions to address complex environmental challenges continues to grow globally. These awards stand as a testament to our employees and clients who advance innovative technologies and sustainable approaches to improve the spaces we inhabit and transform our communities for the better.'*

Jan Walstrom  
Jacobs Senior Vice President  
and Global Environmental Market Director

guided by international principles including the United Nations Guiding Principles on Business and Human Rights.

### Our culture of caring

At Jacobs, we believe the wellbeing of our people is fundamental to our success. Through our BeyondZero® culture of caring and genuine concern for each other, we work together to create a workplace that values the safety, positive mental health and sense of belonging of all employees.

We continued to demonstrate safety excellence with another year of zero employee fatalities at work, and a total recordable incident rate of 0.20, compared to the North American Industry Classification System's most recently reported aggregate rate of 0.70.

We furthered our industry-leading efforts to empower our workforce, to create an environment where everyone can bring their whole self to work. At the end of 2019, we have more than 1,700 Positive Mental Health Champions trained in how to guide staff who have mental health concerns or crises to the appropriate level of help; support fellow employees; and help us encourage positive mental health and wellbeing throughout the workplace. We are also working with our **Jacobs Employee Networks** to help us gain a better and diverse understanding of issues and impacts on our people.

During the year, the EBI recognized Jacobs' **Mental Health Matters** program for Social Contribution Merit, and we also received a **Silver Award in the Mind Workplace**

### Achievements in 2019

- **Zero** employee fatalities at work
- **5% decrease** in motor vehicle incidents on trafficable roads
- **66% decrease** in motor vehicle incidents of high potential consequence
- **More than 1,700** trained Positive Mental Health Champions
- **90%** of our global senior leadership team are trained mental health champions, helping efforts to normalize the conversation throughout Jacobs
- **\$2 million** invested in mental health training, awareness and support
- **400,000** disposable plastic gloves eliminated from the waste stream across multiple client sites
- **\$200,000** raised by employees to support Water For People's mission, with Jacobs contributing an additional \$50,000
- **94%** of our global workforce and 100% of our senior leadership trained for Conscious Inclusion

**Wellbeing Index**, recognizing our progress and commitment to the mental wellness of our employees.

We consider driving to be the most hazardous activity our employees will be exposed to. Our *Driving Safety Policy* continues to see an improvement in our employee driver safety performance with a strategy of cultural and behavioral change, and innovation. With a reduction of more than 5% in motor vehicle incidents occurring on trafficable roads in the past year, our greatest effort in risk mitigation has been achieved through the significant reduction of high potential consequence motor vehicle accidents which decreased by two-thirds.

We are increasingly utilizing virtual reality as part of our safety training, allowing our people to experience potentially dangerous situations and learn how to mitigate the risks from the safety of a controlled environment. Jacobs developed a **virtual reality training solution**, designed to keep workers safe on high speed roads, that helps improve site safety and minimize the time that they spend on site.

We also joined partners and sponsors industrywide again this year to help make Safety Week 2019 a time for safety celebration and reflection, and to share resources and best practices in and out of the business.

### Partnering with our communities

We live and play in the communities where we work — so we are personally invested in doing what is right for people in the places and communities we connect with.

We provide infrastructure, technology and intelligence solutions to help communities build resiliency today for a better tomorrow. Anticipated to add more than 1,000 residents and hundreds of permanent jobs, **Vertical Medical City – Orlando** involves the redevelopment of a critical brownfield site to provide urban healthy living and aging-in-place environments, sustainable building, vertical farming and an artificial intelligence interface.

Our global science, technology, engineering and mathematics (STEM) ambassador network activities help us **build partnerships** with schools and other education organizations and form lasting relationships that inspire the next generation and sustain our business. Jacobs' volunteers supported the **Malawi STEM Build expedition** to develop, deliver and launch STEM activities with a local school and workshops for teachers

We turned 7K+ pounds of space waste into building blocks for exploration and sustainability — contributing to recycling, reuse and waste diversion goals and creating a lasting benefit for Kennedy Space Center.

and other community members. Since 2014, Jacobs volunteers have improved community access on Bridges to Prosperity projects in Panama, Nicaragua, Rwanda and several other locations, the latest being the **Women's Suspension Build** in Uganda.

As natural disasters strike in the regions and communities where we work, we provide support and other relief efforts to aid in disaster response operations. We provided an emergency team to complete hundreds of inspections in the U.S. Virgin Islands, accelerating repairs and getting families into their homes over the holidays.

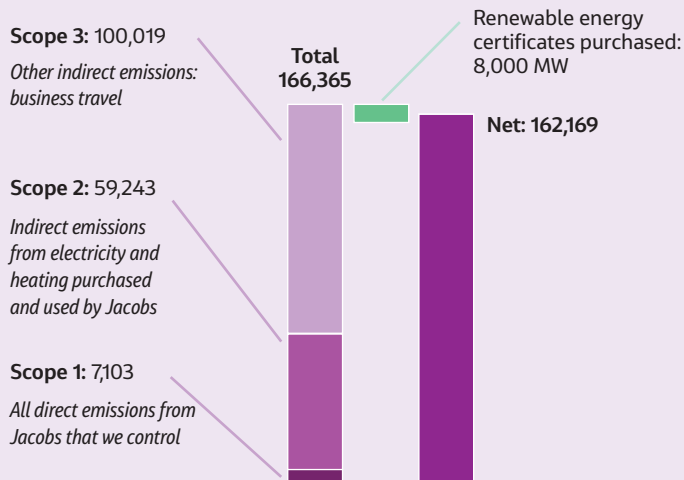


### Climate action plan

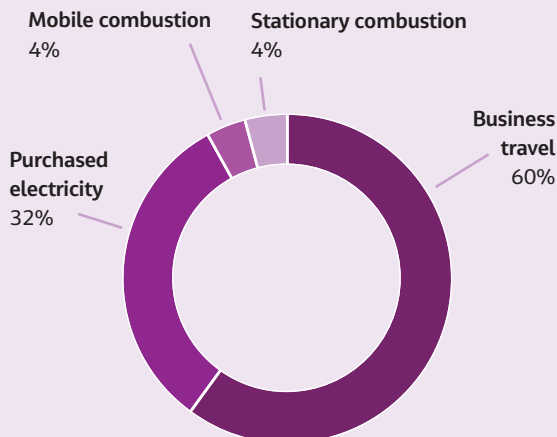
In FY20, we are developing a net-zero carbon goal for our operations alongside a Climate Action Plan. The Climate Action Plan will set out how we will continue to reduce carbon emissions from the facilities we own or operate, reduce emissions associated with our business travel, and other carbon mitigation initiatives.

### 2019 CO<sub>2</sub> emissions (estimated)

In tonnes CO<sub>2</sub>e



### 2019 CO<sub>2</sub> emissions by type (estimated)





Supporting the Community Plus+ charity for 10 years, our Brisbane team continued fundraising this year for this Brisbane-based not-for-profit organization that creates welcoming and active spaces where people can meet their neighbors, access support, and work together to create positive change in their community.

We are helping to advance Water for People's mission of promoting the development of high-quality drinking water and sanitation services, accessible to all, and sustained by strong communities, businesses and governments. Through this year's **Employee Giving Campaign**, more than \$200,000 was raised to support Water For People, with Jacobs contributing an additional \$50,000.

This year, we recognized 19 teams and individuals who went above and beyond in safety, ethics, sales, inclusion, innovation, and solutions delivery. To build on the positive

## Shaping tomorrow

- In 2020, as part of our developing Climate Action Plan, we are setting a Net-Zero Carbon target.
- In 2020, we are increasing our commitment to develop more sustainable workplaces and office sustainability practices.
- By 2020, we are incorporating the UN SDG impact reporting into Jacobs' project reporting tools and are launching a new global sustainability and resilience project framework procedure.
- By 2022, we are targeting a 20% reduction in travel-related carbon emissions
- In 2020, all of Jacobs' Vice Presidents will become Safety Ambassadors, committing to personally delivering safety training.
- In 2020, 100% of Jacobs' Senior Leadership Team will be trained in Positive Mental Health.
- In 2020, we will launch a new Global Giving and Volunteering program to help us focus, maximize and measure our efforts and positive impact.

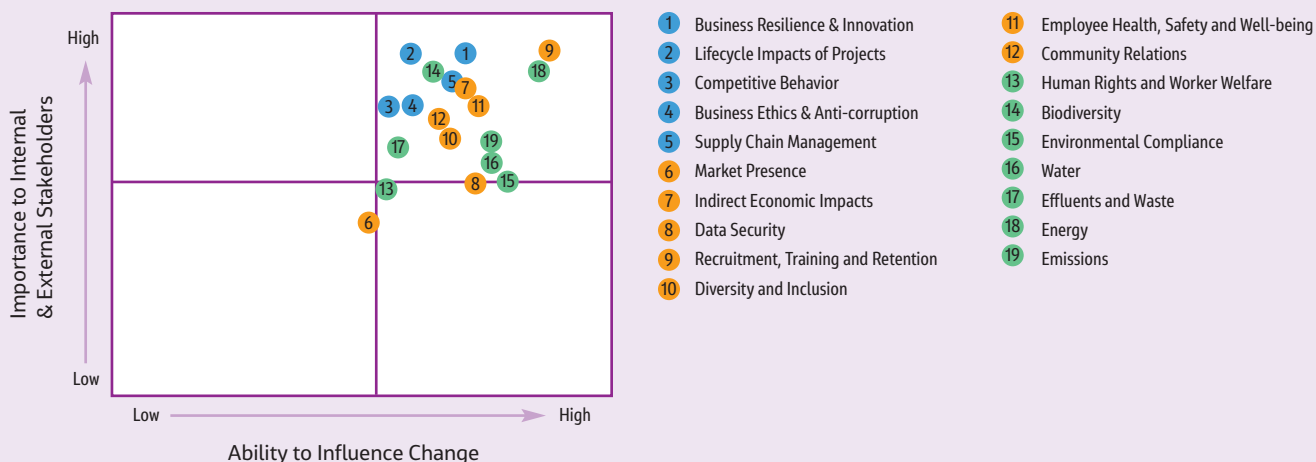
impact our people make every day, each winner chose a non-profit organization to receive a donation in their name, enabling more than \$100,000 to be donated to worthwhile causes around the world.

Committed to giving back, engaging with communities and building enduring partnerships, Jacobs donated more than \$2.7 million this year as part of our global giving program.

### About the sustainability priorities matrix

The sustainability priorities matrix below presents the findings of our materiality assessment. The assessment comprised stakeholder engagement, industry benchmark and other research, and the findings have informed our strategic sustainability priorities and focus areas.

### Sustainability priorities matrix



# We challenge the accepted.

**We know that to create a better future, we must ask the difficult questions. We always stay curious and are not afraid to try new things.**

What we do is more than a job; we work every day to make the world better for all. To us, everything we do — whether combatting water scarcity, addressing aging infrastructure, providing access to life-saving therapies or thwarting sophisticated cyberattacks — is more than projects outlined in proposals and business plans. They're our challenges as human beings, too.

We are willing and capable of disrupting the status quo — setting the standards of how we live over

and over. Whether with our clients or in our own business, we tackle what matters most, so the future is better for each of us.

## **Transforming our innovation culture**

In the past year, we established five innovation hubs — geospatial science, cybersecurity, automated design, Internet of Things (IoT — including 5G and edge computing) and predictive data analytics (including artificial intelligence and machine learning) to fuel more

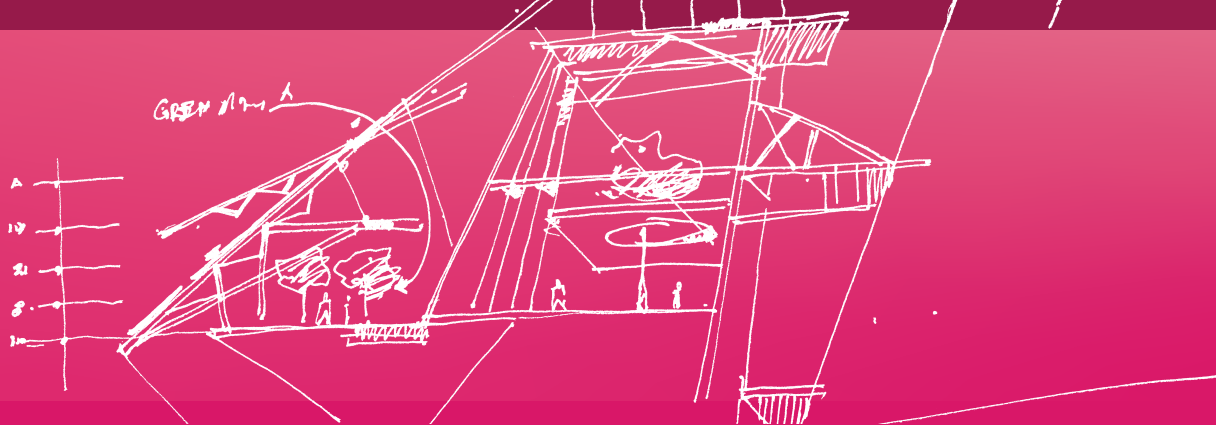
complete, higher-value solutions to address today's most-pressing issues and the bigger challenges of tomorrow.

In 2019, our employees submitted more than 190 innovative ideas to improve our own workflows and processes and nominated more than 50 initiatives and projects for the inaugural Innovation Solution of the Year award. Additionally, we launched our **What If campaign**, featuring more than 40 connected, sustainable solutions powering a better tomorrow.

With Replica™, Jacobs' Digital Twin Solutions Software, we are developing realistic simulations of facility behavior and assessing "what if" scenarios in the digital domain to solve some of the most perplexing challenges across markets — enhancing system understanding and achieving improved system design, optimized operations performance and reduced capital and operating costs.

We are applying Replica for a variety of projects and clients, including to minimize energy and chemical usage, to develop alternative control strategies against wet weather events and to create digital twins of infrastructure around the world.





*'As we continue to evolve into the company like no other, solving our clients' most difficult challenges, we are strengthening our innovation culture. Innovation doesn't happen by corporate mandate, it happens when people at every level have the courage and feel empowered to reframe the problem, challenge the status quo and try something new.'*

Heather Wishart-Smith  
Jacobs Senior Vice President,  
Technology and Innovation

**11 awards** from the Environmental and Climate Change Business Journal in 2018, celebrating solutions with our clients.

**N° 1** on Engineering News-Record's Top 500 Design Firms List; and top spots in 19 ENR market sectors, including aerospace, manufacturing, airports, health care, government offices, ports & maritime and wastewater treatment plants — just to name a few.

**N° 3** in innovation as recognized by Fortune's list of World's Most Admired Companies.

But, we are not stopping there. In the coming year, we'll continue engaging in emerging technologies like blockchain, additive construction and quantum computing, so that

when those technologies mature, Jacobs is positioned to apply them to our projects to redefine what's possible.

In our key focus areas, we combine our deep domain knowledge with the latest advances in technology to deliver solutions for our customers' most complex challenges.



#### Cutting-Edge Manufacturing

Rapidly evolving, complex facilities require fast-paced, innovative solutions. Bringing an inspired blend of collaborative, creative excellence we deliver innovation — at any budget — from electronics to pharmaceuticals, to universities and governments around the world.



#### Mission Critical Outcomes

For the first time in history, security and defense threats have no borders. From testing and training to intelligence and engineering and analytics, we work with defense, intelligence and law enforcement communities around the globe to ensure people, their information and our most critical networks stay protected.



#### Operational Advancement

It is one thing to dream up new solutions. At Jacobs, we also deliver them. To turn abstract ideas into realities that transform the world for good, it takes foresight into what's possible, courage to create solutions for the unknown and the knowledge and skills to make them real.



#### Resilient Environments

Environmental stewardship and climate change are the defining issues of our time. We tackle these challenges differently because we know that whatever we face, we have greater opportunities today to emerge stronger tomorrow.



#### Scientific Discovery

We solve some of the most complex challenges of exploration — both in space and closer to home. From wind tunnels to launch and from research to results, we invent by imagining what's possible.



#### Thriving Cities

Prosperous communities. Healthy cities. A brighter future. By working together to build a better future for everyone, we envision and deliver cities that are smarter and more connected. Inclusive and competitive. Safe and resourceful.



# We aim higher.

**We do not settle — always looking beyond to raise the bar and deliver with excellence. We are committed to our clients by bringing innovative solutions that lead to profitable growth and shared success.**

We craft solutions that affect the way people live. From accelerating the next generation of innovators to the world's first ultra-low emission zone, from helping communities recover to monitoring water quality to protect public health, we solve for better, never losing sight of our responsibility to each other.

In the next few pages, we share examples of ideas turned into bold, intelligent solutions for a more connected, sustainable tomorrow.



## Cutting-Edge Manufacturing

**Rapidly evolving, complex facilities require fast-paced, innovative solutions.**

- As main contractor for [Bristol-Myers Squibb's reimagined biologics manufacturing facility](#) in Dublin, we accelerated speed to market for life-saving immunology medicine, and laid the groundwork for future buildings so development and manufacturing can meet future production and testing needs.
- We successfully drove Evonik's new Goose Creek, South Carolina

precipitated silica facility to an early completion and outstanding safety performance, while employing sustainable technology to improve automotive transport efficiency and increase fuel savings for its customers.

- When one of the world's-largest producers of industrial enzymes, microorganisms and biopharmaceutical ingredients, Novozymes, discovered a need to expand its production capacity, they turned to us for an end-to-end solution. Through engineering, procurement, construction management, commissioning and start-up assistance, we delivered the facility quickly and safely — adding five new fermenters and boosting Novozymes' ability to meet enzyme formulation needs for increased demands.

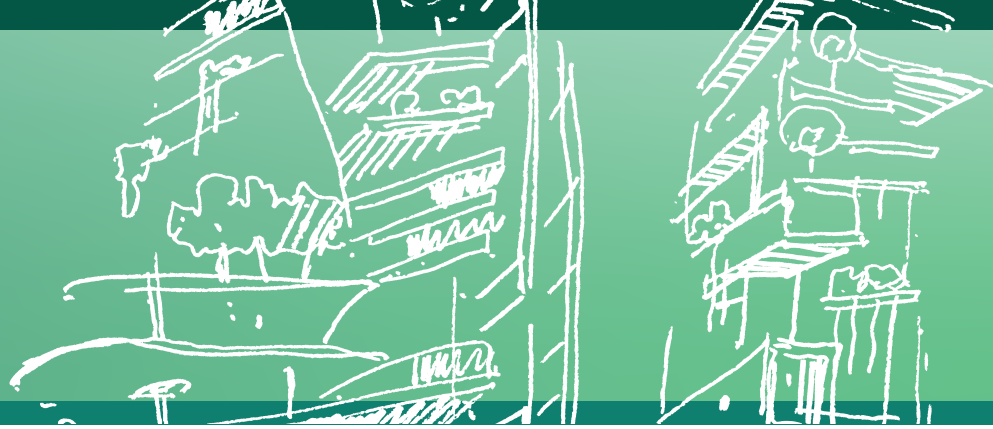
Based on the success of this fermentation expansion project, including achieving more than 131,000 site hours without a recordable incident and delivering more than \$7 million in capital investment savings, Novozymes selected us to perform similar services for their next expansion in Blair, Nebraska.



## Mission Critical Outcomes

**For the first time in history, security and defense threats have no borders.**

- Our proprietary software-defined KeyRadar® is flexible and deployable across all-weather, day/night operations and high altitudes to provide rapid, simultaneous imaging and tracking for any mission — a critical solution for organizations such as the U.S. Air Force and U.S. Navy.
- From continuous diagnostics and mitigation to big data analytics, threat intelligence, threat hunting and vulnerability assessments, to security training and remediation services — we identify threats before they occur and deliver proactive cybersecurity in near real-time. And, we are providing these services right now to protect approximately \$1.5 trillion in U.S. federal student loans against global threats.
- Using our domain experience in rapid prototyping and radio frequency systems, we disrupted how our customers acquire



ubiquitous satellite constellations, providing more cost-effective, quick technology options, such as next-generation hardware, autonomous algorithms with machine learning and artificial intelligence, and new approaches to electronics parts qualification for space applications. These safer, more connected solutions power humanitarian assistance, emergency communications, land cover/land use change, environmental planning, hydrology and ecology, and even help detect activity like illegal fishing and oil spills.



#### Operational Advancement

**It is one thing to dream up new solutions. At Jacobs, we also deliver them.**

- Alongside the San Francisco Public Utilities Commission, we developed a **cutting-edge application of magnetic flux leakage technology** to access data for early detection of weak spots on water mains to mitigate costs and future repairs, and ensure safe, reliable water services for tomorrow.
- Our **predictive, data-driven maintenance approach** keeps NASA's Kennedy Space Center's systems running smoothly by introducing data-driven, best-value and environmentally-sound planning and scheduling of system maintenance and improvements to prepare for launch dates into the future.

- In support of NASA, we successfully completed a **crucial full-stress flight test** of the Orion spacecraft's Launch Abort System, verifying the abort system can steer the spacecraft and astronauts aboard to safety if an emergency arises during ascent to orbit. The flight test, called Ascent Abort-2 (AA-2), is a critical step in helping demonstrate Orion's safety as NASA leads the next steps of human exploration to deep space.



#### Resilient Environments

**Environmental stewardship and climate change are the defining issues of our time.**

- Along the Australian coast, 99% of native shellfish reefs have disappeared from exploitation. Serving as lead engineer for The Nature Conservancy in its partnership to develop the continent's largest-ever reef reconstruction project, we designed the **second phase of Windara Reef's construction**, expanding the reef to 20 total hectares, or the equivalent of 20 American football fields in length. Today, the new reef is improving water quality (due to the filtration powers of oysters), increasing fishery productivity, influencing higher biodiversity and providing economic growth with new marine industry jobs.
- During the last decade, we **safely managed the environmental cleanup of the Central Plateau at the Hanford Site**, cleaning up solid

and liquid wastes left behind from decades of weapons production as part of America's defense program, and protecting the valuable Columbia River resource.

19.3B gallons of contaminated groundwater cleaned up thus far, supporting the overall mission of protecting the Columbia River, which is vital to the Pacific Northwest region's culture and economy.

- We work with NASA scientists to **leverage remotely-sensed data and images** shot from 240 miles overhead on the International Space Station to provide critical disaster response aid and help communities recover. And, we are on the ground assisting with **critical Federal Emergency Management Agency (FEMA) disaster-related operations** throughout the U.S. and its territories.



#### Scientific Discovery

**We solve some of the most complex challenges of exploration — both in space and closer to home.**

- We work with NASA scientists to **explore planetary habitat manufacturing and assembly technologies**, such as 3D printing, to develop options for practical, affordable and flexible structures capable of thriving whether on land or in space.
- In partnership with Cisco and s::can, we are using **advanced Internet of Things (IoT) sensors**



### Cutting-Edge Manufacturing

Bristol Myers Squibb  
Biologics Manufacturing Facility  
Dublin, Ireland



### Mission Critical Outcomes

U.S. Department of Education  
Federal Student Aid Program  
Washington, D.C., U.S.



### Operational Advancement

Port of Los Angeles  
TraPac Automated Container Terminal  
Los Angeles, California, U.S.

and wireless data capabilities to pave the way for early detection of potential waterborne bacteria issues, before they can harm water supplies or public health.

- With the U.S. Department of Defense, we conducted a field-scale pilot test of thermal desorption to remove Per- and polyfluorinated alkyl substances (PFAS) from impacted soils. Our results demonstrated that PFAS could be removed from soil effectively at much lower temperatures than other thermal treatment technologies — we successfully treated PFAS-contaminated soil at temperatures maintained above 350°C within just four days.

The potential for ultimate on-site destruction of PFAS in waste condensate liquids makes this technology approach the only on-site destructive technology for PFAS-impacted soils. Continuing our leadership in this technology, the U.S. Department of Defense Environmental Security Technology Certification Program recently selected a U.S. Navy and Jacobs team for an in situ thermal desorption field pilot test.



Thriving Cities

### Prosperous communities. Healthy cities. A brighter future.

At the forefront of the urban movement are examples set by great world cities and supported by Jacobs:

- London is implementing the world's first ultra-low emission zone, one of a series of measures to tackle poor air quality in the capital, protecting public health and helping thousands of Londoners to breathe cleaner air.
- Calgary implemented the largest in-vessel based composting operation in Canada, reducing the amount of organic waste sent to the city landfill from single family homes by 46% in just one year of operation.
- Sydney is exploring intelligent traffic technologies for its motorways during the next 20 years and is implementing the region's first smart motorway, the M4 Western, which is expected to reduce crashes by up to 30%.
- Addressing growing high-density conditions, Dallas is exploring options for an automated transportation system to better connect and mobilize its thriving population.
- On its city center transformation, Edinburgh is putting people ahead of design and firmly projecting its

*'Jacobs helps transform cities, shaping long-term, collaborative, integrated visions and defining how these can positively affect today's world. Through urban strategies and concrete interventions, strongly underpinned by effective digital tools and platforms, we tackle the toughest social, economic and environmental challenges, harvesting opportunities to support thriving communities.'*

Carlo Castelli  
Jacobs Head of Cities Solutions Europe

world heritage reputation into the future.

- Miami is undertaking an ambitious Ocean Outfall project to eliminate wastewater discharge to the ocean by 2025, protecting its wastewater facilities from extreme weather and climate-related risks — and is exploring the possibility of transforming a popular city-owned golf course into a wetland "eco-district," a natural infrastructure option aimed at keeping infrastructure dry through varying climate.





### Resilient Environments

Dounreay Site Restoration Limited  
Dounreay Decommissioning Programme  
Scotland, U.K.



### Scientific Discovery

NASA Johnson Space Center  
Thermal Protection System/Heat Shield  
Houston, Texas, U.S.



### Thriving Cities

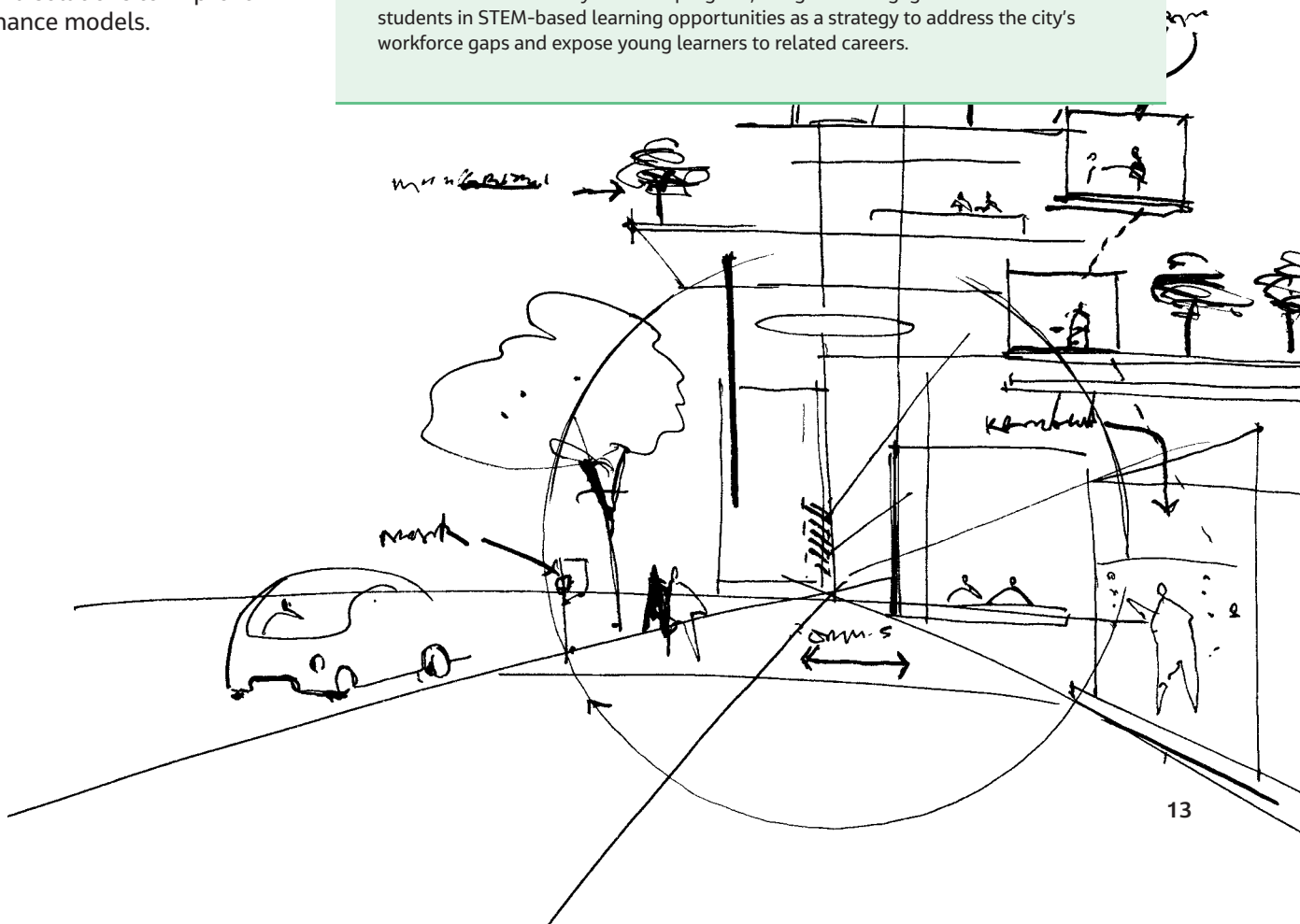
Aurangabad Industrial Township Limited  
Aurangabad Industrial Smart City  
India

- Aiming to become the first connected, smart cities in their respective countries, **communities in Canada** and the midwestern U.S. are implementing innovative, outcome-based business models and cutting-edge technologies to establish various smart infrastructure projects — delivering enhanced experiences and economic growth.
- Dubai is reinvigorating the city with a **vision to build a smart and sustainable city** centered around the happiness of its citizens, a comprehensive urban plan and solutions to improve governance models.

## Shaping tomorrow

Science, technology, engineering and math (STEM) are at the epicenter of challenging today and reinventing tomorrow:

- In York, U.K., we bottled local students' STEM ambitions, transforming 1,500 plastic bottles into a full-sized greenhouse that students are now using to grow their own produce.
- At the U.S. Department of Energy Paducah Gaseous Diffusion Plant — where we lead the deactivation and remediation contract team — more than 120 students explored hands-on activities designed to educate them on the presence of natural radiation in the world, as well as its history and practical uses at our "STEM 4 Girls" event.
- Helping young minds reach for the stars, we are proud mentors and volunteers in the FIRST® robotics community, which reached more than 570,000 students across 110 countries during the last year.
- We worked alongside the City and County of Denver and Scholars Unlimited on the Next Generation City Builder's program, designed to engage 300 diverse students in STEM-based learning opportunities as a strategy to address the city's workforce gaps and expose young learners to related careers.



# We live inclusion.

**We put people at the heart of our business. We have an unparalleled focus on inclusion, with a diverse team of visionaries, thinkers and doers. We embrace all perspectives, collaborating to make a positive impact.**

The aperture of inclusion is broader than lifestyle and culture. Joining, belonging and thriving — these are Jacobs' key elements in retaining talent and developing a culture where people want to stay — a place where you can bring your whole self to work. This year brought a lot of change for our people — a talent force of approximately 52,000 — and we doubled down on making sure talent, inclusion and diversity remained at the top of our priorities by focusing on the employee experience during our portfolio transformation.

We put the spotlight on ensuring that Jacobs is an employer of choice in every way: we aspire to be a merit-based organization that is inclusive and diverse; we take on the responsibility to continually recruit and develop the best talent; and we continue to foster leadership and innovation. In 2019 we continued to push the envelope around the following pillars:

## **Culture building and engagement**

- We added a new employee network, ACE (Assist, Connect, Educate) to promote and raise awareness of those with physical,

*'As a civil engineering student during college, I was convinced I'd have to sacrifice who I really was in order to follow my dreams. I found at Jacobs we have collectively created a culture where I can bring my authentic self to work and it has challenged me in new and exciting ways, allowing me to grow professionally and deliver the best results to our clients and communities.'*

Manny Calderon  
Jacobs Transportation Engineer  
and Prism Network leader

cognitive and mobility impairments, and to support caregivers, their families and friends, as well as our clients and members of the community.

- Broadening LGBTQI+ recognition, our executive leadership team participated in the Pride march in

our hometown of Dallas, we took top honors on the HRC's 2019 Corporate Equality Index — making us a "Best Place to Work for LGBTQI+ Equality."

- Launched Conscious Inclusion training for all employees and trained 94% in 2019.
- Held second annual Inclusion Week in 2019, with plans to expand in 2020.
- Named in top quartile of Forbes Best Employers for Diversity.

## **Leadership commitment and accountability**

- Since joining the Catalyst CEO Champions For Change, we appointed the first female executive vice president in the company's history, and five of our eight executive leadership team members are now women.
- We were honored by 2020 Women on Boards for our commitment to Board diversity in having 27% women on our board of directors — ultimately achieving overall Board diversity of 45%. We also achieved executive team diversity of 75% (with six of eight positions held by women or people of color).

- Each member of our senior leadership team has signed our Inclusion & Diversity Accountability and Commitment Statement, committing to aim higher, challenge what's accepted, and hold themselves accountable for creating a company where every employee is empowered to thrive, knowing their individual value is recognized.

#### Development of our talent

- We launched our new E3 program designed to Engage, Excel and Elevate as an opportunity to provide our employees a defined career trajectory.
- Through collective recruitment we leverage our network of employees to elevate recruitment around the world, resulting in 30% of our hires coming from employee referrals globally.
- Aiming to be the employer of choice for the brightest and most innovative university students, we strengthened our future talent through increasing the number of interns and grads hired in 2019, resulting in 959 interns and 873 graduates globally, with a goal of hiring 30% more interns and graduates in 2020.



More than 16,500 employees are involved in our eight employee networks:



**ACE**

Strength in our differences.



**Careers Network**

Explore. Navigate. Inspire.



**Enlace**

Linking our Latino communities.



**Harambee**

Black. Engaged. Empowered.



**OneWorld**

One planet, many cultures.



**Prism**

Bring your whole self to work.



**VetNet**

Serving those who served.



**Women's Network**

Working together for gender inclusion.



# Leadership

## Executive Leadership Team



**Steve Demetriou**

Chair of the Board & Chief Executive Officer



**Kevin Berryman**

President & Chief Financial Officer



**Bob Pragada**

President & Chief Operating Officer



**Joanne Caruso**

Executive Vice President, Chief Legal & Administrative Officer



**Dawne Hickton**

Executive Vice President, COO, Critical Mission Solutions



**Madhuri Andrews**

Senior Vice President, Chief Digital & Information Officer



**Shelie Gustafson**

Senior Vice President, Chief Human Resources Officer



**Marietta Hannigan**

Senior Vice President, Chief Strategy & Communications Officer

## Board of Directors



**Steve J. Demetriou**

Chair of the Board & Chief Executive Officer



**Christopher M.T. Thompson**

Lead Independent Director  
Former Chairman & Chief Executive Officer  
Gold Fields Ltd.



**Joseph R. Bronson**

Director  
Principal & Chief Executive Officer  
Bronson Group, LLC



**Robert C. Davidson, Jr.**

Director  
Former Director, Chairman & Chief Executive Officer  
Surface Protection Industries, Inc.



**General Ralph E. Eberhart (USAF, Retired)**

Director  
Director, Chairman & President  
Armed Forces Benefit Association



**Georgette D. Kiser**

Director  
Former Chief Information Officer and Managing Director  
The Carlyle Group



**Linda Fayne Levinson**

Director  
Former Partner  
GRP Partners



**Barbara L. Loughran**

Director  
Former Partner  
PriceWaterhouseCoopers



**Robert A. McNamara**

Director  
Retired Group Chief Risk Officer  
Lendlease Corporation (ASX)



**Peter J. Robertson**

Director  
Former Director & Vice Chairman  
Chevron Corporation

# Celebrating the 2019 BeyondExcellence Awards

Our BeyondExcellence Awards celebrate those who raise the bar and deliver the extraordinary with excellence. Leaders who care, collaborate and push beyond, solving for today and creating a brighter future.

This year, we recognized 19 teams and individuals who went above and beyond in safety, ethics, sales, inclusion, innovation, and solutions delivery. To build on the positive impact our people make every day, each winner chose a non-profit organization to receive a donation in their name. Together, we donated more than \$100,000 to worthy causes around the world.

## We do things right.

### Chair and CEO Safety Leadership of the Year Award

Recognizes those who demonstrate extraordinary commitment to our BeyondZero™ culture of caring.

- **Sellafield Limited**  
First Generation Magnox Storage Ponds Retrievals Project  
United Kingdom
- **Ashghal**  
Inner Doha Re-Sewerage Implementation Strategy  
Qatar
- **Biogen**  
Next Generation Manufacturing Facility  
Switzerland
- **U.S. Department of Energy**  
Savannah River Remediation  
United States of America
- **Mohamed Nizar**  
For individual safety leadership
- **Robert Kaul**  
For individual safety leadership
- **Liam Gooley**  
For individual safety leadership

### Sustainable Solution of the Year Award

Celebrates those who have created solutions that deliver a better, more sustainable future for us all.

- **NASA**  
TOSC Oil Pharmacy  
Kennedy Space Center  
United States of America

### Noel Watson Ethical Leadership of the Year Award

Honors those who lead us through difficult situations by encouraging and promoting ethical conduct and integrity.

- **Arti Bhardwaj**





## We aim higher.

### Joseph J. Jacobs Reinventing Excellence Award

Recognizes teams that do not settle — continuously improving and innovating in everything they do. They always look beyond to deliver with exceptional excellence.

- **City of Seattle**  
Elliot Bay Seawall  
United States of America
- **Energy Development Corporation**  
Mahanagdong  
The Philippines
- **NASA**  
Orion  
United States of America
- **Rio Tinto**  
Amrun Wharf  
Australia
- **Scottish Water**  
Shieldhall Tunnel  
United Kingdom

## We challenge the accepted.

### Innovative Solution of the Year Award

Recognizes those who always rethink the way we solve problems and challenge what is accepted to shape better solutions.

- **Multiple clients**  
Innovative Space (InSpace)  
United States of America
- **Multiple clients**  
Jacobs SafetyWeb  
Global

### Sales Leadership of the Year Award

Celebrates exceptional sales teams who create new projects by listening to the needs of clients and building approaches that ensure success.

- **U.S. Army Intelligence Center of Excellence**  
Huachuca Training and Support Contract  
United States of America
- **TenneT and TransnetBW**  
SuedLink  
Germany

## We live inclusion.

### Inclusive Leader of the Year Award

Honors individuals who demonstrate an unparalleled commitment to living inclusion every day and enable a culture of belonging in which we are all able to thrive.

- **Imad Feghali**



Challenging today.  
Reinventing tomorrow.

*2019 Integrated Annual Report*

# Always looking ahead

## About Jacobs

At Jacobs, we're challenging today to reinvent tomorrow by solving the world's most critical problems for thriving cities, resilient environments, mission-critical outcomes, operational advancement, scientific discovery and cutting-edge manufacturing, turning abstract ideas into realities that transform the world for good. With \$13 billion in revenue and a talent force of approximately 52,000, Jacobs provides a full spectrum of professional services including consulting, technical, scientific and project delivery for the government and private sector. Visit [jacobs.com](https://jacobs.com) and connect with Jacobs.

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### Forward-looking statements

Certain statements contained in this annual report constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. Statements made in this annual report that are not based on historical fact are forward-looking statements. We base these forward-looking statements on management's current estimates and expectations as well as currently available competitive, financial and economic data. Forward-looking statements, however, are inherently uncertain. There are a variety of factors that could cause business results to differ materially from our forward-looking

statements. For a description of some additional factors that may occur that could cause actual results to differ from our forward-looking statements see our [Annual Report on Form 10-K](#) for the year ended September 27, 2019, and in particular the discussions contained under Item 1 - Business; Item 1A - Risk Factors; Item 3 - Legal Proceedings; and Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, as well as the Company's other filings with the Securities and Exchange Commission. The Company is not under any duty to update any of the forward-looking statements herein to conform to actual results, except as required by applicable law.



As part of Jacobs' sustainability strategy, PlanBeyond, this is a 100% digital document; no copies were printed.

# Jacobs





Challenging today.  
Reinventing tomorrow.

*2019 Integrated Annual Report*

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