Living Our Mission

2010 Sustainability Report

RTI INTERNATIONAL

RTI's inaugural sustainability report makes public our longstanding commitment to environmental stewardship and sustainable practices, and it communicates our plans for continuous improvements. In this document we summarize our current environmental practices, our recent efforts to formalize our sustainability program, and the measures we are taking to better understand and minimize our environmental impact.

Beyond the boundaries of our own corporate environmental footprint, we are also committed to continuing our investments and research in science and technology that focus on improving environmental and sustainability policies and practices around the world.

Embracing sustainability is one of the many ways we are living our mission to improve the human condition.

Cover photograph:
A collage of several RTI buildings as seen from the center of RTI's campus.

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RTI's Sustainability Commitment

RTI's Sustainability Commitment

For more than 50 years, RTI International has been a leader in science and technology, helping our clients address the world's most complex social and scientific challenges in fields ranging from health and education to environmental science, renewable energy research, and international development.

As a leader in these fields, we are committed to using our scientific knowledge, technical expertise, and business acumen to be a role model for implementing sustainability practices and ensuring environmental responsibility.

To ensure we live up to this commitment, we will be taking the steps necessary to reduce our environmental impact and use of natural resources and to implement forward-looking sustainability and environmental stewardship practices in the following areas:

- We will explore and implement cost-effective, science-based ways to minimize our use of natural resources and reduce our impact on the environment.
- We will implement permanent monitoring and public reporting of our resource use.
- We will invest in state-of-the-art research to advance scientific knowledge and technology concerning the environment and sustainability.
- We will adopt and promote our environmental sustainability commitment in our research and business projects, decision making, and operational practices.
- We will clearly and transparently communicate our environmental and sustainability policies and practices to staff members, clients, regulators, vendors, other stakeholders, and the public.
- We will provide environmental sustainability training and information to staff members, emphasizing the impact we can make in promoting sustainability in the workplace, in our homes, and in our communities.

We view our commitment to sustainability and to reducing our impact on the world around us as one of the many ways we demonstrate our commitment to RTI's mission to improve the human condition by turning knowledge into practice.

Victoria Franchetti Haynes
President and Chief Executive Officer
RTI International

Formalizing RTI's Sustainability Program

In 2009, RTI's Executive Leadership Team asked Dr. Satinder Sethi (right), the Executive Vice President of RTI's Operations Group, Allwyne Richards (left), Vice President of RTI's Facility Strategic Services, and Rebecca L. Nicholson, Senior Director of RTI's Environment, Health, and Economics Division, to design and implement an institute-wide sustainability program. To help with this effort, they formed a sustainability team with representatives from the environmental sciences, facilities, finance, and communications offices.

In 2009, our president and Executive Leadership Team created an institute-wide program to help focus our sustainability efforts and communicate our vision. As you will find in this report, many elements of RTI's sustainability program have been in place for many years. But bringing them together into a single coherent program that captures all the complexities and interrelations and builds a solid foundation for our efforts is a complicated task.

When first approached with the opportunity to lead this effort, we recognized that it represents a new way of approaching our core mission at RTI: to improve the human condition. We have always recognized the importance of our science and research efforts in supporting our mission. Recasting these efforts within the framework of environmental sustainability highlights the fact that the work we do, and the products we develop, contribute to technological advances necessary to reduce global environmental pressures and stem the rise in greenhouse gas emissions.

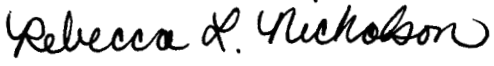
RTI's research in energy, advanced materials, economic, statistical, international development, and behavioral science addresses many of the changes that are occurring in response to environmental pressures and the threat of global climate change. We conduct research on the social, economic, environmental, and health effects of climate change and investigate new concepts for mitigating these effects. Our economists are examining how technologies are evaluated by consumers and businesses and describing the real and perceived barriers to adoption of new practices. We provide support to federal, state, and local agencies charged with improving environmental practices that reduce resource use, cut costs, and ultimately improve the human condition.

But sustainability is not only about living our mission by helping our clients achieve their goals. It is also about living our mission at home by continuing to improve our own operations. Our sustainability program encompasses our mission and directs our efforts within the framework of "meeting the needs of the present without compromising the ability of future generations to meet their own needs," which refers to the goal of sustainable development as defined by the World Commission on Environment and Development.

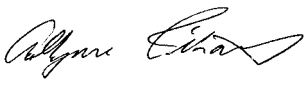
RTI's ongoing efforts to reduce the resource use on our main campus have shown promising results. Through equipment upgrades and improvements in building operations, we have significantly reduced the amount of water and electricity consumed on our main campus on a per-gross-square-foot basis. In 2009, approximately 460 staff moved into RTI's newest building, the first U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Gold Certified building on our campus. We also implemented a new chemical inventory management system that allows us to track all laboratory chemicals purchased and used in all RTI laboratories and more efficiently review and minimize hazardous impacts, encourage recycling and reuse, and improve waste management.

We have made a good start, but we can do much more to promote sustainability at RTI. This first sustainability report reflects our team's efforts at developing the institute-wide sustainability program. We are drawing on the expertise of staff members and taking concrete steps to build a program that reflects our strong commitment to environmental responsibility. With this report, we are enthusiastically and sincerely expressing our commitment to ensuring that sustainability and environmental responsibility are a core part of living our mission.

Satinder Sethi
Executive Vice President, Operations
RTI International



Rebecca L. Nicholson
Senior Director, Environment, Health, and Economics Division
RTI International



Allwyne Richards
Vice President, Facility Strategic Services
RTI International

Corporate Profile

RTI International is one of the world's leading independent, nonprofit research institutes, dedicated to improving the human condition by turning knowledge into practice. Our staff of more than 2,800 provides research and technical expertise to governments and businesses in more than 40 countries in the areas of health and pharmaceuticals, education and training, surveys and statistics, advanced technology, international development, economic and social policy, energy and the environment, and laboratory and chemistry services.

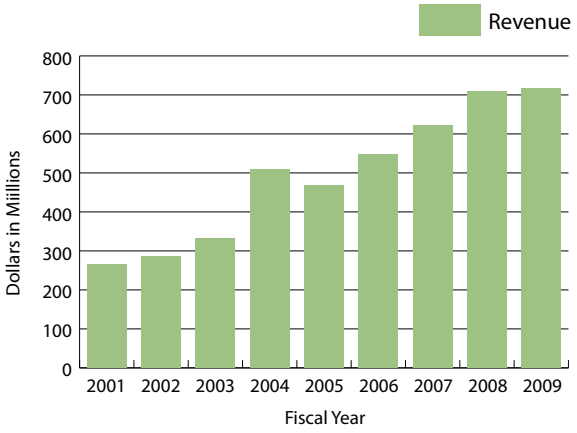
Established in 1958 as the Research Triangle Institute, RTI is headquartered in North Carolina's Research Triangle Park on a 180-acre main campus at the center of a triangle formed by the locations of its three founding universities. We have 22 buildings and 730,000 gross square feet of laboratory and office space on the RTP main campus. In addition, we have seven regional offices in the United States and eight international offices.

We are a 501(c)(3) nonprofit corporation. Our governing structure comprises the members of the corporation, the board of governors, and the corporate officers. The members of the corporation, representing Duke University and The University of North Carolina system, meet annually as the nonprofit equivalent of stockholders. They elect the board of governors, which formulates policy consistent with our mission to improve the human condition by turning knowledge into practice. The board meets at least bimonthly and consists of up to 15 governors, who represent the 17 University of North Carolina institutions, Duke University, and the business and scientific communities.

Corporate officers are senior management team members who are accountable to the board for specific aspects of corporate governance and financial management.

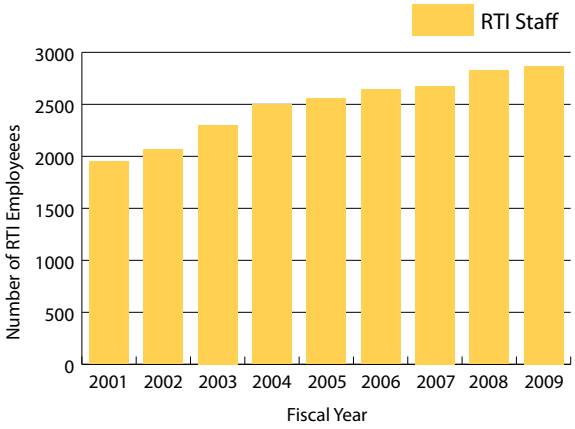
Revenue

RTi's annual revenue from contracts and grants totaled $718 million for the fiscal year that ended September 30, 2009.



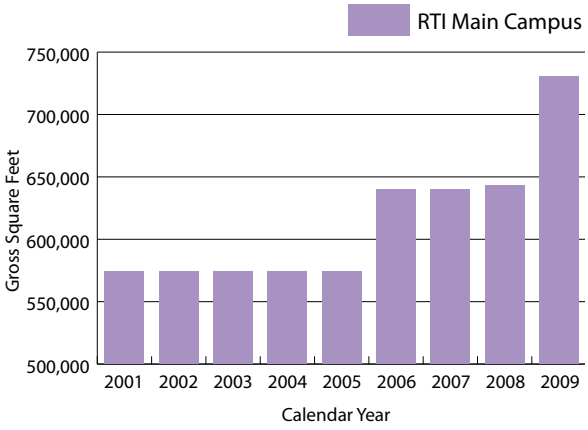
RTI Staff

Number of RTI employees at all offices in the U.S. and overseas. Does not include contractors and host-country nationals in international programs.



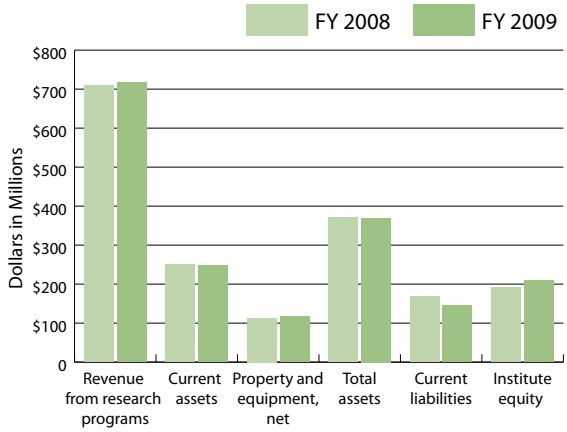
Gross Square Feet on RTI Main Campus

Gross square feet from 2001 to 2009 on RTI's main campus in Research Triangle Park, NC. Gross square feet is the entire area of the buildings, including each floor, as measured from the inside surface of the exterior walls.



Selected Financial Data

RTI's financial position and outlook remain strong, with institute equity increasing to $209 million as of September 30, 2009. As a nonprofit corporation, we invest our net revenue in facilities, programs, and capabilities.



Environmental and Energy Research

For more than 50 years, RTI has conducted research to measure and assess environmental exposures and their health effects for government and commercial clients.

Today we conduct large-scale environmental assessment and management projects that form the scientific basis for critical federal regulatory and policy making decisions. At the same time, we assist industry and other private-sector clients with environmental permitting, compliance, and management concerns.

During the past four decades, our scientists have led research to identify threats to public health and the environment. They have pioneered methods to monitor, collect, measure and analyze airborne pollutants; developed reports to the U.S. Congress on the condition of coastal ecosystems; and established an environmental management program for government of the United Arab Emirates.

The following selected projects in energy, climate change, and water use are a sampling of the many ways we are currently working to improve the environment beyond our own footprint.

Energy

Developing Energy-Efficient Lighting

RTI International has developed a revolutionary lighting technology that is more energy-efficient than the common incandescent light bulb and does not contain mercury, making it environmentally safer than the compact fluorescent light bulb.

At the core of RTI's breakthrough is an advanced nanofiber structure that provides exceptional lighting management. Nanofibers are materials with diameters and surface features much smaller than the human hair but with comparable lengths.

RTI's technology, funded in part by the Solid-State Lighting Program of the U.S. Department of Energy (DOE), centers around advancements in the nanoscale properties of materials to create high-performance, nanofiber-based reflectors and photoluminescent nanofibers. When the two nanoscale technologies are combined, a high-efficiency lighting device is produced that is capable of generating in excess of 55 lumens of light output per electrical watt consumed. This efficiency is more than five times greater than that of traditional incandescent bulbs.

RTI's nanofiber-based lighting technology provides high-efficiency, environmentally friendly lighting.

Early Environmental Efforts

Love Canal

In 1973, the U.S. Environmental Protection Agency (EPA) contracted with RTI to collect and analyze suspected carcinogens in the atmosphere. Institute chemists developed the first methods to identify volatile organic compounds in effluents and ambient air, in minute traces measured at parts per trillion.

Five years later, residents in Niagara Falls, New York, were complaining of strange odors in their homes and a rash of diseases, including epilepsy, asthma, urinary tract infections, nervous disorders, and cancers.

RTI researchers traveled to Love Canal and used small, wearable sampling monitors they developed to collect organic substances like benzene and toluene in the surrounding air continuously for hours or days. The RTI team discovered toxic chemicals in the basements of the Love Canal homes, which had been built on 21,000 tons of buried chemical waste, dumped in the canal and covered with five feet of clay by Hooker Chemical Company in the 1940s.

Most of the homes in the area were demolished, and the area near the landfill remains largely abandoned today. The crisis led to the passage of the federal Superfund Act, which gives the U.S.government authority to mandate cleanup of heavily contaminated sites, protecting people and communities from the ill effects of toxic waste.

Reducing the Cost of Coal Gasification Plants

Our program in power generation is helping the DOE scale up and test our novel syngas cleanup technology at Tampa Electric Company's 250-megawatt integrated gasification combined cycle (IGCC) power plant. The goal is to use up to 20 percent of the syngas produced by the coal gasifier. A DOE-funded study predicts a 2- to 3-percentage-point net increase in overall IGCC thermal efficiency and a 6 percent reduction in the cost of electricity by using the RTI contaminant removal process for an IGCC plant.

Assessing Virginia's Future Energy Needs

In 2008, the Commonwealth of Virginia decided to address economic distress in its southern and southwest regions by creating three new Regional Energy Innovation Centers to support research and development as well as workforce development in nuclear energy, coal, and biofuels. These centers will facilitate public-private partnerships and provide the necessary knowledge resources to expand industry within their regions.

Working with the sponsoring organizations, RTI helped develop industry assessments and business plans for each center. Our experts assessed market demand, examined regional assets, identified short- and long-term economic opportunities, and developed operating plans and budgets that responded directly to Virginia's energy plans and to regional needs and opportunities for economic development. Using RTI's plans, the centers jointly requested and received more than $24 million in funding. From this strong beginning, Virginia's Regional Energy Innovation Centers are expected to create much-needed jobs and contribute significantly to the technology of emissions reductions and to U.S. energy independence.

Developing Biomass and Biofuels

Drawing on decades of experience in coal gasification research, RTI scientists are developing technologies to make biomass conversion and biofuels production technically and economically feasible. Biomass technology options under investigation at RTI include both gasification and pyrolysis to maximize domestic biomass resources for biofuels production. Together with the DOE and industrial partners, we are working on a novel technology using catalytic pyrolysis of biomass to generate hydrocarbon intermediates that can be converted to advanced biofuels in existing petroleum refineries.

RTI is developing a process through which second-generation biomass feedstocks are transformed into a form of bio-crude oil. Similar to petroleum crude, this bio-crude could be upgraded into liquid transportation fuels using existing processes at U.S. refineries.

Climate Change

Supporting the First U.S. Greenhouse Gas Reporting System

With support from RTI, in September 2009 EPA finalized the first comprehensive national system for reporting emissions of carbon dioxide and other greenhouse gases produced by major sources. The new system will cover approximately 85 percent of the nation's greenhouse gas emissions from about 10,000 facilities nationwide—including fossil fuel suppliers, electric utilities, cement manufacturing facilities, iron and steel producers, and other major industrial emitters.

Our engineers developed methods and guidance on how each of 17 industrial sectors should measure and monitor greenhouse gas emissions, and we estimated the associated cost burden as well. Our economists helped EPA prepare a regulatory impact analysis showing the economic impacts and benefits of each regulatory option for all the industrial sectors covered by the new reporting requirements. We estimated that complying with the new greenhouse gas reporting requirements will cost the private sector $115 million for the first year and $72 million annually in subsequent years.

Modeling the Economics of U.S. Climate Change Action

An RTI climate change study has found that measures being proposed by the U.S. Climate Action Partnership to curb greenhouse gas emissions are unlikely to affect potential long-term economic growth in the United States. Our study assessed the impacts of the partnership's legislative plan and found that measures being proposed would cost the average American household $57 in 2015, $89 in 2020, and $269 in 2030. Over the same time period, household consumption, which is a measure of household purchasing power, is expected to rise approximately 70 percent while emissions are being reduced.

The petroleum refining sector was one of the many industry sectors for which RTI staff assisted EPA in developing monitoring, record keeping, and reporting requirements as part of the first mandatory greenhouse gas reporting rule in the U.S.

RTI researchers are working to solve the health and climate problems resulting from global use of biomass cookstoves.

Tackling the Problem of Indoor Cook Stoves

More than half of the people in the world cook their food and heat their homes by burning coal and wood, dung, and other biomass in open fires or rudimentary stoves. The more than 3 billion cook stoves operating in developing countries contribute an estimated 18 percent of the global black carbon particles emitted into the atmosphere each year. The contribution of these emissions to global warming is comparable to that posed by worldwide emissions from diesel vehicles. Also, cleaner-burning biomass stoves would measurably improve maternal and child health in developing nations and significantly reduce global carbon emissions.

Starting in 2010, we are pursuing three levels of study and action to tackle the problems created by these cook stoves. We will apply our thermoelectric technologies to improve stove design; we will explore intervention-based designs for epidemiologic studies that can characterize the expected improvements in health outcomes when cleaner stoves are used; and we will explore new ways to commercialize improved stove designs and speed diffusion of these technologies into the cultural fabric of developing nations.

Water Use

Analyzing Water Losses to Help Countries Better Allocate Resources

We invested our own funds to develop a model for analyzing utility losses of water and revenue through leaks, illegal connections, unmetered public use, meter error, and data recording errors. Known as nonrevenue water, these losses amount to as much as $5.8 billion per year in developing countries. Using secondary data, RTI's model has been applied to utilities in nine countries in South America, Africa, Asia, and Eastern Europe.

Evaluating Water Resource Projects

Using our experience in impact evaluation of water and sanitation projects in India and across South Asia, RTI is evaluating the impact and sustainability of The Ripple Effect Project's commercial water transport and storage solutions. The Ripple Effect Project, funded by the Bill & Melinda Gates Foundation, aims to identify and develop commercial water transport and storage solutions whose designs are based on the needs, aspirations, and behaviors of the poor.

RTI is evaluating the impact and sustainability of water transportation and storage solutions in India.

Managing Environmental Services for Abu Dhabi

In 2009, RTI began work under a 10-year agreement to support environmental services for the government of Abu Dhabi in the United Arab Emirates. As part of this effort, we are assessing the potential multimedia environmental impacts of rapid development, including its effect on the quality of air and water, usability of land, and generation of hazardous waste. RTI has led the review of 265 environmental impact studies submitted to the Environmental Agency-Abu Dhabi (EAD) by proponents of construction and development projects. We also authored technical guidance documents and standard operating procedures that will bring EAD operations in line with international best practices in environmental permitting. We have conducted nearly 1,000 routine inspections related to the permitting program, begun developing a system that will help prioritize industrial inspections based on the level of risk to human health or the environment, and helped accredit and register 18 new environmental consultants. In a separate effort, a team of RTI economists and engineers conducted an assessment of energy and water usage in Abu Dhabi, which has increased rapidly in recent years. The RTI team recommended a range of initiatives for reducing water and energy use, including more stringent building codes, a public campaign to encourage conservation, and installation of water-efficient irrigation technologies.

Goals and Plans

We are committed to making meaningful changes to reduce our environmental footprint. In 2009, we created our sustainability program and set our first goal: to develop and implement a plan that lays out numerical targets and specific initiatives for a more sustainable RTI. This plan will establish the process for reviewing current practices and incorporating new initiatives. Protocols for monitoring, record keeping, and benchmarking will be developed to ensure that we can effectively evaluate, track, and report our progress over time.

RTI Goal: *Develop and implement a strategic sustainability management plan that identifies numerical targets and specific initiatives toward a more sustainable RTI.*

RTI's newly created sustainability team completed a preliminary environmental baseline assessment for RTI's main campus in Research Triangle Park, North Carolina. Based on the results of the preliminary analysis, we identified the following

high-impact areas on which to focus our initial sustainability efforts:

- Energy use,
- Greenhouse gas emissions,
- Water use, and
- Waste reduction and recycling practices.

We also assessed RTI's current policies and practices as they relate to the Global Reporting Initiative (GRI) indicators with the intent of enhancing the accuracy, clarity, comparability, and transparency of our reporting (see page 26).

We recognize that our employees will play a major role in how we implement our sustainability practices and reduce our environmental footprint. Therefore, among our first and most important goals will be establishing a staff outreach and education plan that provides a forum for sharing ideas and identifying initiatives that will make meaningful changes throughout our organization. The outreach and education plan will help staff understand the changes they can make to improve sustainability at work, at home, and in their communities.

Energy Use

Energy use is the sum of the electricity RTI purchases from our power suppliers, the natural gas we use for space and water heating, and the diesel fuel we use in on-site emergency generators.

The majority of RTI's energy use on our campus in Research Triangle Park is for heating, cooling, and ventilation in our office and laboratories; indoor and outdoor lighting; operating computers, office equipment, and centralized data centers; and providing hot water. Lesser amounts are used for cooking in our campus cafeteria, running refrigerators, and other incidental office activities. Energy use in our research and development laboratories varies widely over time depending on the type and duration of projects.

To monitor water consumption, Gary Bunce checks a meter for one of the buildings on RTI's main campus.

In our efforts to reduce energy use and save on operating costs, RTI has already made changes to improve the energy efficiency of our lighting and computing. Over the past decade, we have gradually updated building lighting with energy-efficient compact fluorescent light bulbs and fluorescent tube lighting, resulting in an estimated 26 percent increase in lighting energy efficiency. All of RTI's computers and monitors are Energy Star and Electronic Product Environmental Assessment Tool certified. We have carried out building energy upgrades that include installation of occupancy sensors and improvements in temperature monitoring, and we have begun the process of installing building energy management systems.

The cooling towers are part of the chilled water production system at the central utility plant on RTI's main campus.

In 2006, we constructed our first central utility plant (CUP) with the immediate goal of consolidating and improving the efficiency of heating and cooling equipment for two buildings with the ultimate capacity to service seven buildings on our campus.

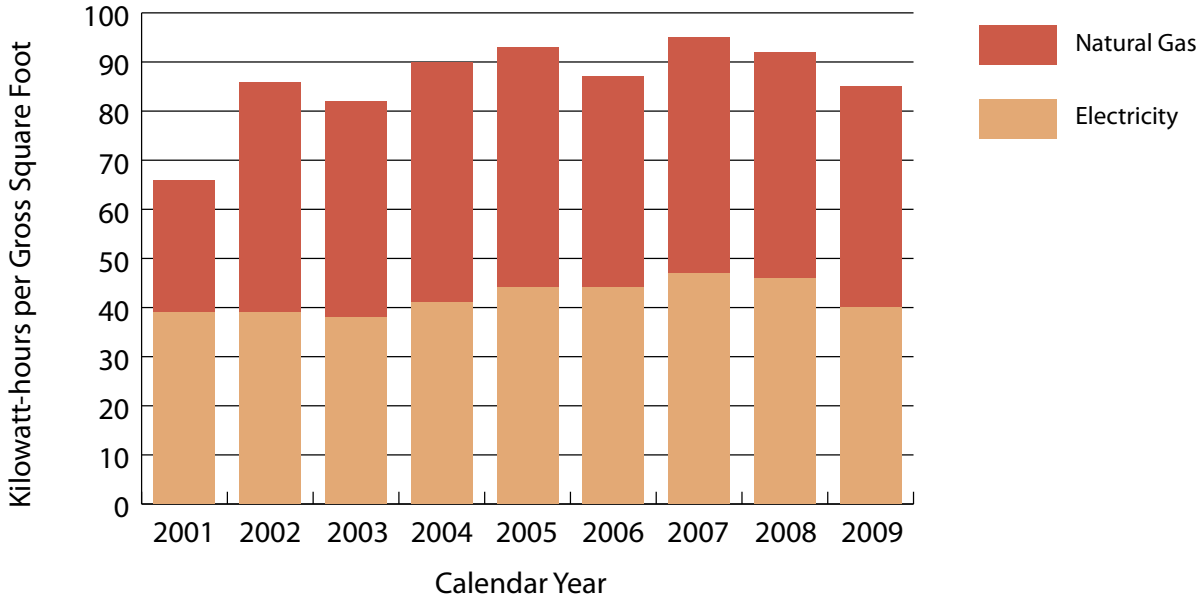
The most recently constructed building on our campus is also the first RTI building to receive a LEED Gold Certification for New Construction. This building, first occupied in 2009, has 127,000 square feet and houses over 460 staff and an advanced computer data center that uses innovative methods for cooling equipment. Design features of the new building include optimized building orientation and shape, high-efficiency lighting, and a building control system. This building is almost twice as energy efficient as the older buildings on our campus.

RTI Goal: *Carry out an audit of our current energy use and develop and implement an energy use reduction plan.*

Energy Use for RTI Main Campus

Energy use for the past nine years at RTI's main campus in Research Triangle Park, NC.

Electricity and natural gas data are based on metered data provided by our utility vendors. Energy use is normalized per gross square foot. All diesel use and service vehicle use values are less than 1 percent and are not shown in this chart.



How Will RTI Meet This Goal?

We recognize that reducing our energy use will be met only through energy conservation and deploying improved, more efficient technology in all our operations. Our energy audit will provide the building-by-building and system-by-system information necessary to quantify our current energy use and establish an energy use reduction plan that is data-driven and realistic. Our plan must balance costs and return on investment with our commitment to minimize our use of natural resources and reduce our impact on the environment. Under our new sustainability program, we have already taken specific steps toward this goal.

In October 2009, our board of governors approved an accelerated 3-year investment plan to complete the final phase of building the infrastructure necessary to connect the central utility plant to five additional buildings. By 2013, the central utility plant will provide highly efficient heating and cooling for 263,600 square feet of office and laboratory space, representing 38 percent of all campus facilities. As part of this plan, we will retire the older air conditioning systems in these five buildings and reduce our overall use of refrigerants on campus.

In 2010, we began the process of installing an electricity submetering system that will provide real-time data on electricity usage in all 22 buildings on our main campus and further submetering in several specific energy-intensive laboratories and data centers. This real-time data will feed an improved building management system that enables us to monitor and optimize our buildings' energy use. The data collected in this system will be available to all RTI staff though an intranet-based dashboard application.

Based on the success of our first LEED Gold building, RTI has recently begun construction of a second new office building on campus, which is also being built to LEED Gold standards. When finished, this new building will allow us to reduce the number of leased off-campus buildings we occupy and move staff from several older, less energy-efficient buildings. As part of our strategic sustainability management plan, RTI plans to adopt a policy that all new office space on our main campus will be constructed according to LEED standards.

Raising employee awareness about conservation practices will also play a major role in achieving our energy efficiency goals. Our employee outreach plan will encourage employees to identify energy-intensive activities and equipment, investigate ways to improve efficiency by collaborating with facilities' staff and researchers, and adopt more efficient practices and tools.

The central utility plant's chillers and boilers serve multiple buildings on RTI's main campus.

Greenhouse Gas Emissions

Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. Approximately three-quarters of RTI's greenhouse gas (GHG) emissions are directly tied to our energy use. The remaining quarter is related to transportation, with a small amount from incidental release of greenhouse gases used as refrigerants and in our research laboratories.

Energy use—including electricity purchased from power suppliers, natural gas burned on campus for heating, and diesel fuel in on-site emergency generators—accounts for nearly three-quarters of total GHG emissions, based on a preliminary assessment of RTI's main campus utility purchasing records for 2008.

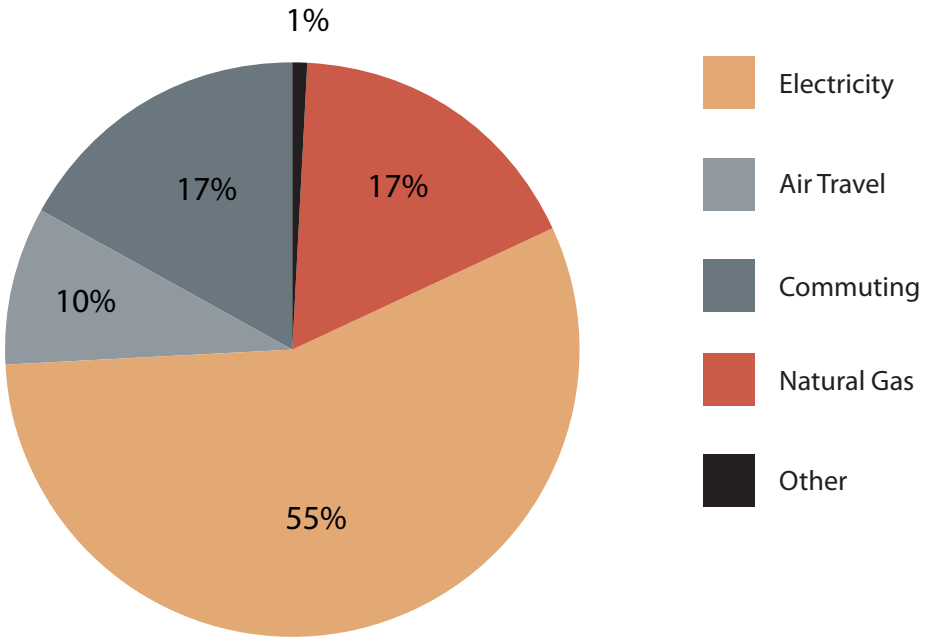
The remaining quarter is primarily related to transportation—business travel, including air travel and the use of rental cars, the operation of our campus service vehicles, and employee commuting. A small percentage of our GHG emissions results from the incidental release of hydrofluorocarbon gases from refrigerators and air conditioning systems. Some GHG emissions also come from our use of gases and chemicals in our research laboratories.

RTI Goal: *Complete a comprehensive greenhouse gas (GHG) emissions inventory and develop both short- and long-term GHG emissions reduction plans.*

Greenhouse Gas Emissions for RTI Main Campus, 2008

2008 greenhouse gas emissions profile at RTI's main campus in Research Triangle Park, NC.

'Air travel' includes estimated greenhouse gas emissions arising from RTI employees' flights that were booked through RTI's travel agency. 'Other' includes diesel fuel use, service vehicle use, rental car travel, and estimated refrigerant losses. Rental car travel includes greenhouse gas emissions from estimated road travel by RTI employees for business purposes.



Pablo Torres, a devoted cyclist, helped organize a bike repair facility on the RTI main campus.

How Will RTI Meet This Goal?

Because almost three-quarters of our GHG emissions are related to our energy use, achieving reductions in our GHG emissions will depend heavily on our ability to reduce energy use and purchase green power. A comprehensive GHG emissions inventory will help us understand all the sources and trends in our GHG emissions and establish the changes necessary to reduce our emissions.

Transportation is second only to energy use in contributing to our carbon footprint, so we will continue to promote and encourage staff to participate in smart and alternative commuting programs. RTI is one of 27 members of SmartCommute@rtp, the Research Triangle Park (RTP) transportation management association that represents the majority of RTP employees. The association promotes alternate commuting practices, partners with the NC Department of Transportation to develop funding, policies, and services, and coordinates the annual SmartCommute Challenge campaign.

As part of SmartCommute and other efforts, RTI currently offers employees financial incentives to take a bus, train, or vanpool to work. With our employee engagement plan, we will encourage staff to participate in the annual RTP SmartCommute Challenge and Bike-to-Work Week and continue efforts to expand the use of carpooling, public transportation, and alternative transportation methods.

To encourage the adoption of alternative commuting practices, RTI has designated prime parking spaces on campus for use by staff who are carpooling and vanpooling. Other spaces are reserved for hybrid vehicles, and in our newest building, we plan to install facilities for electric car charging.

RTI has recently implemented a new chemical inventory management system (CIMS) that allows us to track chemical purchase and use carefully and improve the reuse and sharing of laboratory chemicals to minimize purchase and the need for disposal. We will use CIMS to identify chemicals that may contribute to GHG emissions and quantify the amount of potential GHG emissions. Then, working with laboratory health and safety officers, we will be able to determine what percentage of these chemicals are actually consumed in experiments and product development, the percentage recycled or discarded in the waste stream, and what percentage contributes to our GHG emissions.

Water Use

Water is critical to our operations. We use water in our research laboratories, cafeteria, sanitary facilities, and cooling systems and for landscape irrigation. Our evaporative cooling towers, which help maintain air conditioning in our offices, account for almost 40 percent of our annual total water use and for 63 percent of the total during the peak cooling season, from June through September.

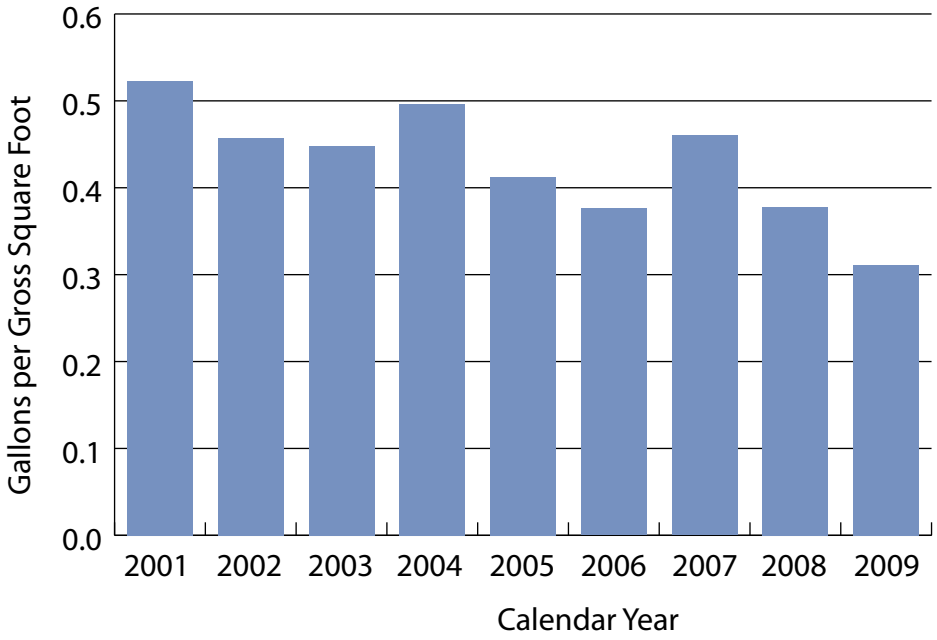
Efforts to minimize our water use have been ongoing, especially during the record-setting drought experienced on our North Carolina campus during 2008. Our 180-acre campus is largely covered with mature trees, with less than four acres of landscape that require regular watering. We have replaced or upgraded all toilets, urinals, sinks, and showers on campus with more water-efficient fixtures. We also have a system for regular inspection and maintenance of all plumbing to minimize water losses.

RTI Goal: *Develop a numerical water use target and optimization plan based on an audit of all of our water uses. Investigate areas of our operations that can be altered to reduce our baseline and peak water use throughout the year.*

To set reasonable and achievable water use targets, we will need to complete a comprehensive audit of all of our practices and equipment that use water, and determine where improvements can be made. Because a substantial amount of the water we use each year is for air conditioning, our water use is strongly influenced by the duration and intensity of the summer cooling season.

Water Use for RTI Main Campus

Water use in gallons per gross square foot for the past nine years at RTI's main campus in Research Triangle Park, NC. Water use is based on monthly readings provided by the City of Durham Customer Billing Service.



In response to the drought in North Carolina in 2008, several water conserving measures were implemented on RTI's main campus.

How Will RTI Meet This Goal?

To improve our understanding of where and when water is being used on campus, we are installing upgraded water meters that will record the total water being used in selected buildings and laboratories on campus. As part of an extensive upgrade of our sanitary sewer system, we are installing meters to record the amount of sewage effluent being discharged to the municipal sewer system. All of the information from these meters will be fed to the building management systems and will be part of the dashboard application available to all RTI staff on our intranet.

Through our efforts to improve the operation of our buildings, we will optimize the amount of water consumed in the evaporative cooling towers. By 2013, the completion of the infrastructure to connect the central utility plant with five additional buildings will allow us to replace the current air conditioning systems in those buildings with heating and cooling supplied by the much more efficient centralized system. Improvements in the building management systems, which allow more fine-tuning of air conditioning and heating, will allow us to determine the best way to maintain temperature control. Our goal is to keep buildings at comfortable temperatures while they are occupied, and save energy by reducing air conditioning while the buildings are unoccupied.

Research laboratories represent another major user of water on RTI's main campus. We will continue our analysis of laboratory water use and investigate options for replacing or upgrading various laboratory fixtures. Our goal is to minimize water use while still maintaining high-quality facilities that meet the needs of our research staff.

Staff involvement will be a critical part of both setting water use targets and making the changes necessary to reduce water use where possible. During the drought in 2008, staff were able to identify and improve practices in laboratories and offices that contributed significantly to our ability to meet water-use reduction targets and respond to the severe water shortage. Our outreach plan will help staff understand our water use and make those changes that can reduce our water use not only during emergencies, but over the long term.

Waste Minimization

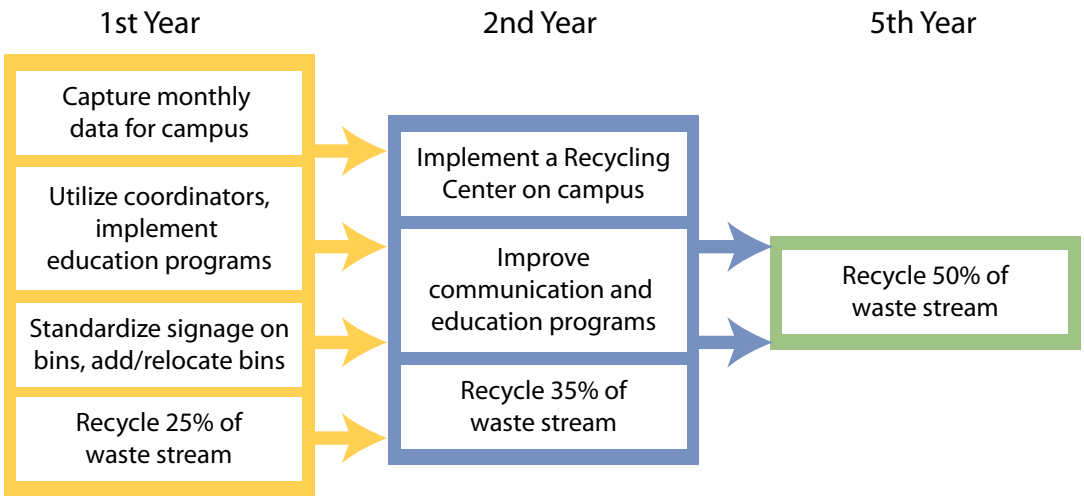
Waste minimization is the process and policy of reducing the amount of waste generated, increasing the amount recycled, and lowering the toxicity and persistence of wastes that are generated.

Our research laboratories produce both regulated and unregulated waste as a necessary aspect of our work. Our offices generate waste paper, packing material, plastic, and food scraps as part of our normal operations. In 2008, we generated approximately 700 metric tons of nonhazardous waste in our laboratories and offices, 17 percent of which was diverted to recycling. Our Information Technology Services group has implemented an electronics recycling effort over the last few years so that all surplus electronics and office equipment, including computers and refrigerators, are sent to approved recyclers and none of the equipment is discarded as waste. We recycle all refrigerants used on campus as well as consumables such as printer ink, toner cartridges, and batteries.

RTI Goal: *Reduce or eliminate the use of hazardous and nonhazardous materials wherever possible without compromising product quality or employee safety.*

Waste minimization is an area of our sustainability plan that incorporates numerical targets already set by previously established operational groups.

RTI's Waste Reduction Goals



Rodney Price installs new recycling containers on RTI's main campus, where staff members recycle glass and plastic bottles, aluminum cans, magazines, newspapers and white paper.

How Will RTI Meet This Goal?

RTI requires all functional organizations to consider reducing or eliminating waste generated and use of hazardous materials and to eliminate waste at the source wherever possible without compromising product quality or employee safety. We will periodically review performance against objectives and adjust waste minimization practices as necessary.

Changes in laboratory practices and improvements in materials handling and chemical inventory tracking are two areas where staff are controlling hazardous materials use and reducing wastes in core business areas. RTI's chemical inventory management system allows us to track chemical purchase and use carefully and improve the reuse and sharing of laboratory chemicals to minimize purchases and the subsequent need for disposal.

Our waste reduction goals depend heavily on the full participation of staff. In 2008, RTI implemented an aggressive program to reduce waste generation on campus and maximize the percentage of waste that is recycled. (Our goals are outlined on page 22.)

As part of our recycling effort, we recruited 35 sustainability coordinators to help spread awareness of recycling programs and other environmental initiatives to staff members. The sustainability coordinators serve as advocates for RTI's recycling and sustainability program, attend meetings to participate in developing RTI's institutional efforts, support staff efforts within their work areas, and provide feedback on ways to improve the recycling and sustainability programs.

Looking Forward

Our inaugural report outlines RTI's sustainability program and the steps we are taking to implement sustainability practices, minimize our environmental impacts, and serve as an environmental role model in the community. We have established the following goals to measure our progress:

- Develop and implement a strategic sustainability management plan that sets numerical targets and outlines specific steps designed to reduce our environmental impact.
- Develop a protocol for monitoring, tracking, and reporting environmental performance data and invest in the equipment and systems needed to support these activities.
- Conduct an audit of our current energy use and develop and implement an energy-use reduction plan.
- Complete a comprehensive greenhouse gas (GHG) emissions inventory and develop both short-term and long-term GHG emissions reduction plans.
- Audit our water use and investigate ways to further reduce our baseline and peak water usage throughout the year. Develop water use reduction targets and specific action plans.
- Reduce or eliminate the use of hazardous and nonhazardous materials wherever possible without compromising product quality or employee safety. We have already established numerical one-, two-, and five-year targets for these reductions.
- Develop and implement a staff outreach and education program that promotes environmental sustainability practices among RTI staff members.

In our next sustainability report, we plan to report our progress toward achieving these goals. We will report on the results of our audits and expanded monitoring and reporting initiatives. We will establish numerical targets for reducing our environmental impacts and identify further steps needed to achieve those targets. In future years, our sustainability reports will examine a broader range of sustainability practices and environmental impacts, and we will expand our reporting and goal-setting to other environmental indicators. We will also extend our sustainability reporting to capture our initiatives and progress at RTI's other offices and laboratories in North Carolina, at our U.S. regional offices, and at our offices around the world.

Our goals and plans depend heavily on the participation of our staff. In this report, we discuss ways staff are involved and will be involved in implementing our initiatives and enhancing environmental practices at RTI. Our next report will further highlight the ways that the sustainability program will foster staff interest and involvement through continuing outreach and education events. We look forward to sharing the new and exciting ways that we at RTI are living our mission.

GRI Content Index

This first sustainability report provides an overview of our new sustainability program. While this report does not provide specific numerical targets for reducing our resource use, it provides the background and explains the steps we are taking to establish those targets. In the future we expect to regularly publish sustainability reports that provide numerical targets and our progress toward reducing our energy use, water use, greenhouse gas emissions, and solid waste. These reports will also contain details of other actions we are taking that relate to our sustainability and environmental performance.

RTI International is providing the following index using the Global Reporting Initiative (GRI) G3 Sustainability guidelines. Because this report is concerned with describing our initial efforts, we have chosen not to seek external assurance and have relied on internal resources for auditing and reviewing.

Strategy and Analysis		
GRI Indicator	**Description**	**Reference**
1.1	Statement from the president	Page 3
Organizational Profile		
2.1	Name of the organization	2009 Annual Report, page i
2.2	Primary brands, products, and/or services	2009 Annual Report, page 1
2.3	Operational structure of the organization	www.rti.org/management
2.4	Location of organization's headquarters	2009 Annual Report, page 35
2.5	Number of countries where the organization operates	2009 Annual Report
2.6	Nature of ownership and legal form	2009 Annual Report, page 42
2.7	Markets served	2009 Annual Report, pages 42-44
2.8	Scale of the reporting organization	2009 Annual Report, page 43
2.9	Significant changes during the reporting period in size, structure, or ownership	Not applicable
2.10	Awards received in the reporting period	2009 Annual Report, pages 40-41
Report Parameters		
3.1	Reporting period	Page 16 and 20
3.2	Date of most recent previous report (if any)	not applicable
3.3	Reporting cycle (annual, biennial, etc.)	Biennial
3.4	Contact point	Dr. Satinder Sethi
3.5	Process for defining report content	Pages 14-15
3.6	Boundary of the report	Pages 14-15
3.7	Specific limitations on the scope or boundary of the report	Pages 14-15
3.9	Data measurement techniques	Pages 14-20
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement	Not applicable
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Not applicable
3.12	Table identifying the location of the Standard Disclosures in the report	Appendix (this table)
3.13	Policy and current practice with regard to seeking external assurance for the report	Not currently seeking external assurance

Governance, Commitments, and Engagement		
GRI Indicator	**Description**	**Reference**
4.1	Governance structure of the organization	www.rti.org/governance; www.rti.org/management
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	2009 Annual Report, page 37
4.3	Number of members of the highest independent governance body	2009 Annual Report, pages 36-37
4.8	Mission statement	www.rti.org/values
4.14	List of stakeholder groups	Pages 4-5
4.15	Basis for selection of stakeholders	www.rti.org/page.cfm/ethics; www.rti.org/page.cfm/supplier_diversity
Economic		
EC1	Direct economic value generated	2009 Annual Report, pages 42-43
Environmental		
EN3	Direct energy consumption by primary energy source	Pages 15-16
EN4	Indirect energy consumption by primary source	Pages 15-16
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Page 17
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Page 17
EN8	Total water withdrawal by source	Page 20
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Page 19
Social: Labor Practices and Decent Work		
LA3	Benefits provided to full-time employees	www.rti.org/benefits
Social: Society		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities	www.rti.org/quality
Social: Product Responsibility		
PR5	Practices related to customer satisfaction	www.rti.org/quality

RTI International is one of the world's leading research institutes, dedicated to improving the human condition by turning knowledge into practice. Our staff of more than 2,800 provides research and technical expertise to governments and businesses in more than 40 countries in the areas of health and pharmaceuticals, education and training, surveys and statistics, advanced technology, international development, economic and social policy, energy and the environment, and laboratory and chemistry services. For more information, visit www.rti.org.

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