

# Delivering Sustainability

**AMEC plc** annual sustainability  
performance report 2009

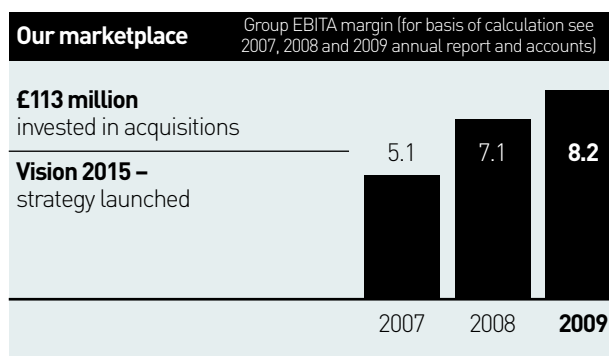
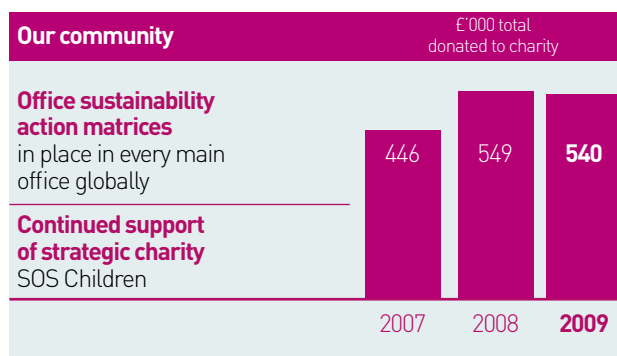
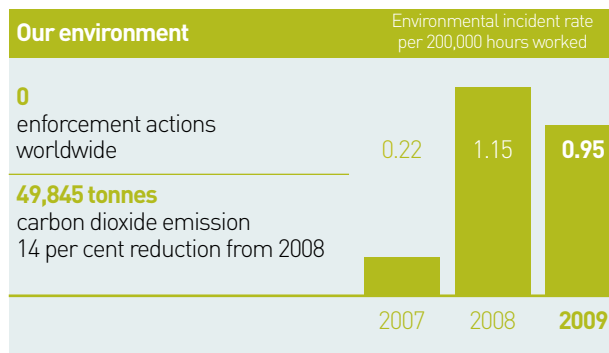


# Contents

|    |   |
|----|---|
| 03 | 2009 performance at a glance                    |
| 04 | Introduction from our Chief Executive           |
| 06 | About AMEC                                      |
| 07 | About our report                                |
| 09 | Sustainability impacts, risks and opportunities |
| 10 | AMEC and governance                             |
| 12 | Stakeholder engagement                          |
| 16 | Delivering Operational Excellence               |
| 18 | Our workplace                                   |
| 28 | Our community                                   |
| 32 | Our environment                                 |
| 39 | Our marketplace                                 |
| 46 | Our future                                      |
| 47 | Report assurance process                        |
| 48 | SKM Enviros statement                           |
| 50 | Global Reporting Initiative                     |
| 51 | Appendix – awards                               |



# 2009 performance at a glance



# Sustainability report – introduction from Samir Brikho

I believe sustainability is vital to a business which wants to be successful. It has to be a key part of our day to day lives and I remain personally committed to making this happen. In simple terms: “We do not inherit the earth from our ancestors; we borrow it from our children.”

In this report, you will see how AMEC has been living its values and Guiding Principles during 2009. I have picked out a few examples below: further details on each can be found elsewhere in the report. We have not always been perfect, but look to learn from our mistakes so we can improve in future. Even when things have gone well, we know we cannot afford to be complacent.

## **Believing in people, teamwork and diversity**

We continue to invest in our employees, with AMEC Academy launched late in 2009. We wanted to integrate all the various areas of training and development across the company and deliver them using a consistent and accessible global approach. Our goal is to provide a clear, transparent picture of an individual's career framework and the development opportunities available.

The participation rate in AMEC's global employee survey increased this year and employee engagement levels were also higher, moving AMEC into the “high performing companies” norm, as measured by our external provider. Our third global survey is planned for mid-2010.

## **Delivering in a safe and sustainable way**

We had another record safety performance, with lost time incidents of only 0.04 per 200,000 exposure hours in 2009. We distributed some 3,000 copies of our new “AMEC Beyond Zero” handbook and took almost 750 people through our Safety Leadership programme.

For the first time, we started to measure our carbon footprint consistently across our operations. Our primary sources of carbon emissions are office utilities and transportation costs

and in 2009, we achieved a 14 per cent reduction to 50,000 tonnes. In 2010, our goal is to reduce this by a further 10 per cent and we have made a formal commitment to this by signing up to the 10:10 Campaign.

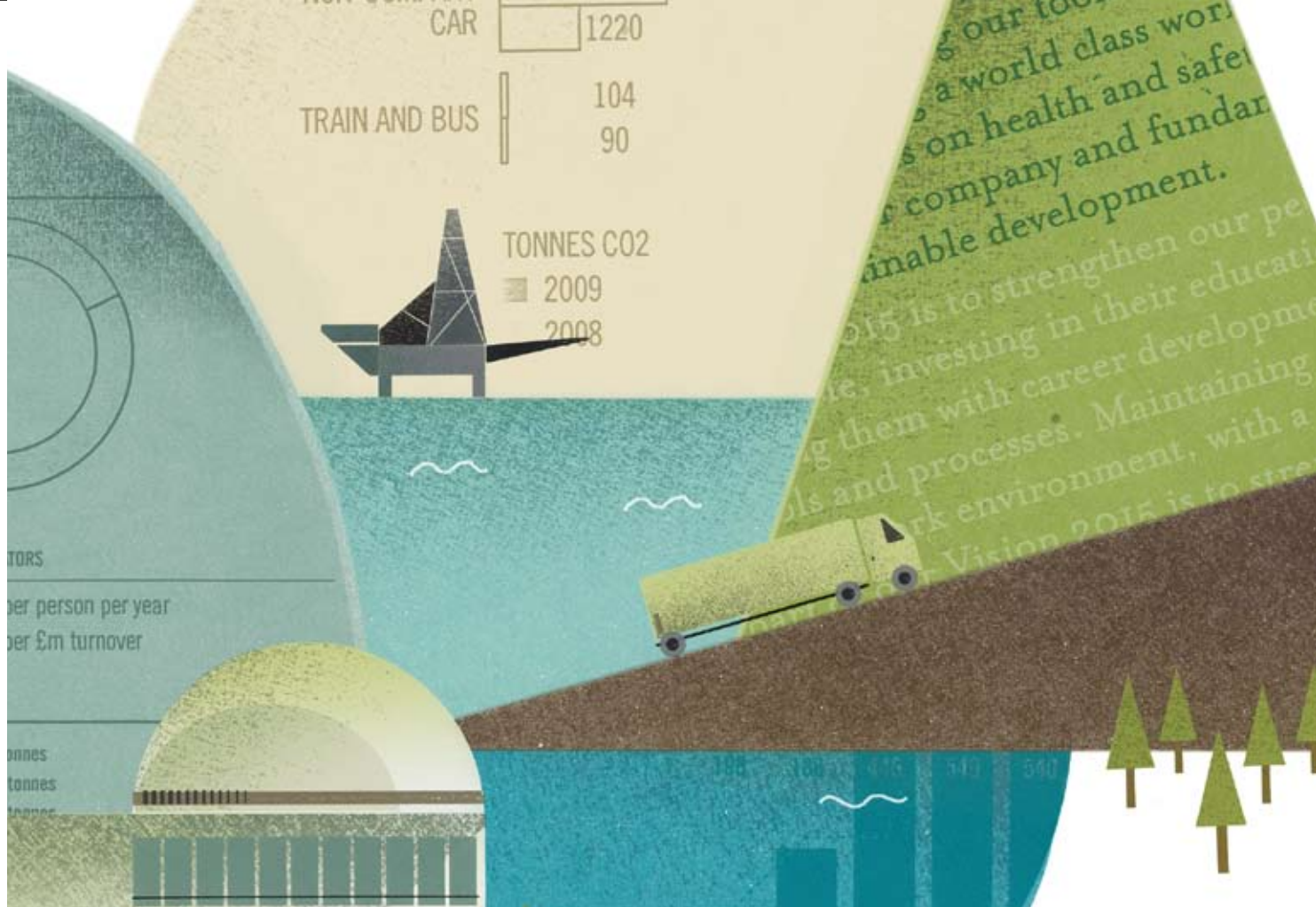
For AMEC, sustainability is also a business opportunity. During 2009 we advised our customers on a range of sustainability issues, for example, helping determine a suitable location for a commercial scale, third generation biofuel pilot plant.

## **Acting with integrity and respect**

Not everything was positive. In 2009, AMEC paid £4.9 million plus associated costs in respect of a Civil Recovery Order, relating to certain irregular receipts which we self-reported to the UK's Serious Fraud Office. We take compliance and ethics very seriously and have appointed an independent consultant to review and report on any improvements we should be making.

## **Aspiring to excellence; passionate about success**

Yet again we have been included in the Dow Jones Sustainability Index and this year we were proud to be confirmed as leader in the oil equipment and services sector. AMEC was also added to the United Nations register of Global Compact participants on 31 March 2009.



We spent 2009 delivering on our Operational Excellence programme and ensuring a culture of continuous improvement. In December, we announced our Vision 2015, setting out the next stage of AMEC's journey. While natural resources will remain an important part of our portfolio, we see increasing opportunities in other areas. As the world's population expands, a sustainable approach to energy, power and water usage becomes ever more important. No-one can predict the future with confidence, but I firmly believe our commitment to sustainability will strengthen as we move forward.

I hope you enjoy reading this report. We would very much appreciate any comments or feedback you may have, which would help us improve further.

**“I believe sustainability is vital to a business which wants to be successful. It has to be a key part of our day to day lives and I remain personally committed to making this happen.”**





# About AMEC

AMEC plc is a FTSE100 company, whose shares are traded on the London Stock Exchange and listed in the Oil Equipment and Services sector (LSE:AMEC.L).

AMEC is a focused supplier of high value consultancy, engineering and project management services to the world's natural resources, nuclear, clean energy, water and environmental sectors. AMEC's businesses employ over 21,000 people in around 40 countries worldwide, with major operations in the UK and Americas. The company's registered office is in Knutsford, United Kingdom.

During 2009 AMEC's vision has been refined, and during December 'Vision 2015' was announced, setting out the next phase of the group's development. There will be an increased focus on assured growth, with further margin improvement and a move towards a more efficient capital structure. As part of Vision 2015, AMEC will continue to strengthen its people, tools and processes; and enhance its capabilities, with increased focus in the subsea engineering, underground mining, renewables and water sectors; and further enhance its geographic footprint.

## Our business is organised into three divisions:

### Natural Resources

Includes AMEC's activities in Oil and Gas, Oil Sands and Mining & Metals. Natural Resources is recognised as a world leader in the provision of engineering, project management and asset support services, with particular expertise in large and complex projects in growth regions and in extending the life of assets.

### Power & Process

Has leading positions in sectors including nuclear and transmission and distribution. The power and process business also offer services in renewables and bioprocesses which are a growing element of the business portfolio.

### Earth & Environmental

Is a leading international environmental and engineering consulting organisation, offering a diverse portfolio of services to both public and private sector clients.

For more information about our business and divisions please visit our website at [amec.com](http://amec.com).



# About our report – introduction

Our sustainability, or long-term future as a successful business, relies upon our ability to balance economic, social and environmental issues in our decision making processes, across the entirety of our business. We believe that doing this well is the key to being a great company, helping ensure we identify and manage risk and opportunities.

AMEC began its sustainability journey back in 2001. We have been communicating our progress since then through our annual sustainability reports, building on information appearing in our annual report (see [amec.com](http://amec.com)).

We use our sustainability performance report and the programme which informs it to:

- Benchmark and assess our performance against laws, codes, performance standards and voluntary initiatives
- Demonstrate how AMEC influences and is influenced by global sustainable development issues
- Compare performance over time within the organisation and against peers where it is useful to do so.

## **Boundary and scope of reporting**

AMEC's sustainability programme is a living, breathing process and does not begin and end with the publication of our report. Through reading our report, you can find out about our key sustainability issues, how we manage them, our performance over the year and where and how we plan to improve performance into the future.

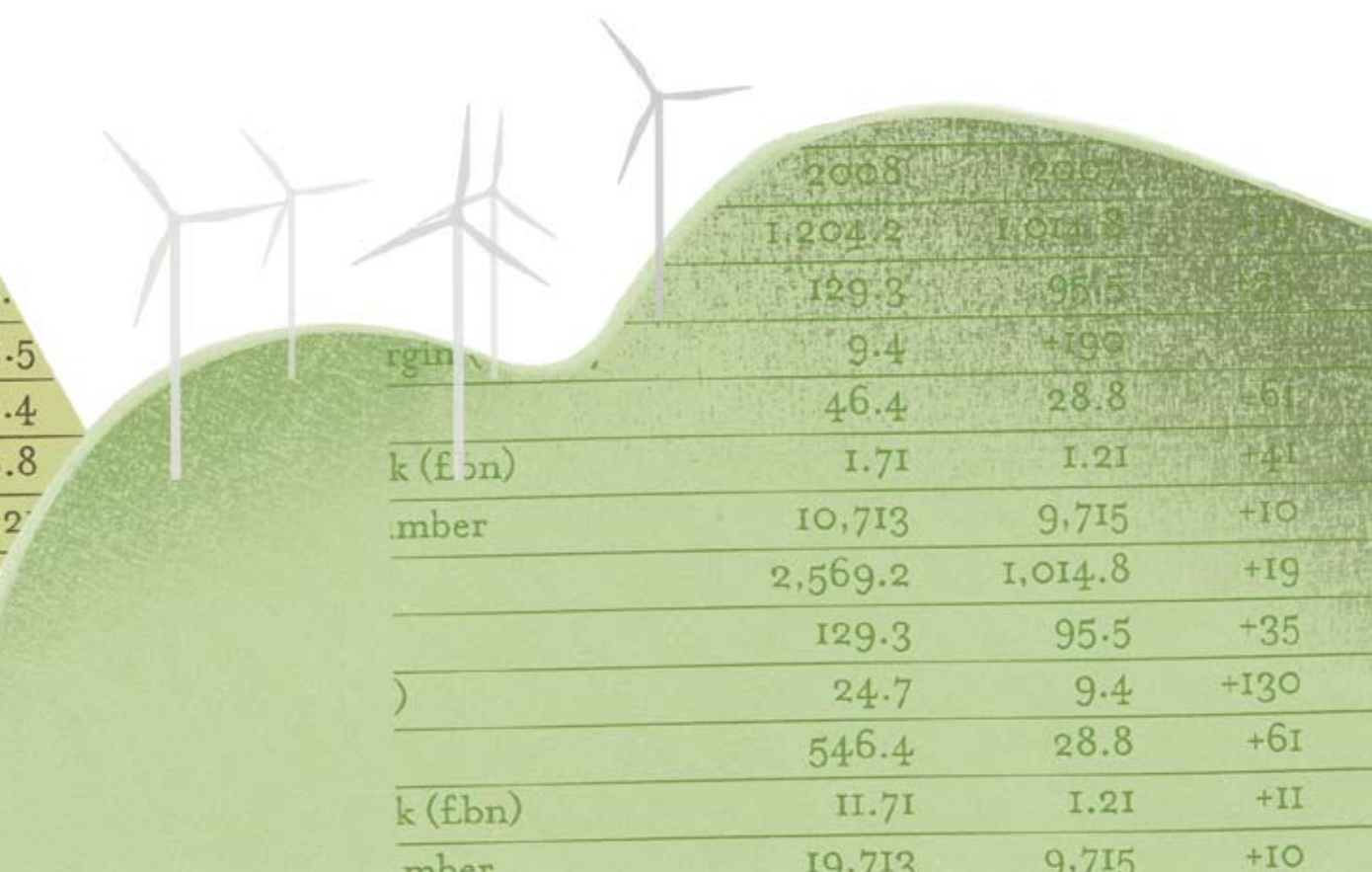
The content of our report is also influenced and shaped by a number of factors, including:

- AMEC's sustainability programme
- Stakeholder engagement
- Values and Guiding Principles
- Standards and guidelines (e.g. Global Reporting Initiative).

As an organisation we are faced with a wide range of sustainability issues and it would be useful neither to our stakeholders nor to AMEC to report on every aspect. We have therefore focused on areas which are most important to AMEC to manage, important to our stakeholders, and are critical for AMEC's long term success. These are described in the sustainability risks and opportunities section of our report (page 9).

We have grouped our sustainability issues into four areas, Workplace, Community, Environment and Marketplace. This report also is inclusive of our Global Compact Communication of Progress report.

The data included incorporates AMEC's three divisions, plus corporate and shared services. For our carbon based data, and in line with the Greenhouse Gas Protocol, we have only included emissions where AMEC has operational and/or financial control. We do not include, for example, information from buildings where AMEC is the landlord and is not in control of paying the bills or operating the building. This control principle is applied as the basis under which we report, including joint ventures unless otherwise stated.



Information which has been restated to provide a like-for-like comparison with previous years is clearly identified in the performance sections. We have restated information only where discontinued operations have significantly influenced past performance and would otherwise distort comparisons.

The key performance indicators used in this report are regularly reviewed and updated according to their value. We aim to use indicators which give AMEC a good benchmark for performance and add value for our stakeholders.

This report reviews our key sustainability issues and performance through 2009 (January 2009 – December 2009), comparing it with previous years. To find out more information about AMEC's approach to sustainability, please go to our sustainable development area at [amec.com](http://amec.com).

If you have any questions or comments, you can email, write or call our Sustainability Programme Manager. Full contact details are available online.

We hope you find our report informative and useful.

**“We believe that doing sustainability well is the key to being a great company.”**

Samir Brikho, Chief Executive



# Sustainability impacts, risks and opportunities

A significant sustainability impact is an aspect of our business which is important to our long-term success and which interacts with wider global sustainable development goals. Sustainability impacts can be grouped into social, environmental or economic categories, often referred to as the 'triple bottom line' issues in sustainability reports.

AMEC is influenced by global sustainability impacts through laws, cultural norms and stakeholder expectations. In turn, AMEC influences global sustainability by the nature of the work we do and how we do it. As an international business, our sustainability impacts are diverse and inextricably linked to the regions in which we operate.

We believe that sustainability impact management must be integral to the way we manage our business and integrated throughout our management system. These are issues which offer us opportunities through effective and efficient management to deliver a return to the bottom line. They may do this through lower operating cost, increased capacity, or skills and innovation in service provision.

Our clients continue to look for added value in the services we provide and we believe that our approach to managing sustainability issues is a differentiator. We also see an opportunity to develop sustainable solutions to global problems, such as involvement in renewable energy project, third generation biofuels, and carbon capture and storage technology.

Sustainability-related issues are part of our everyday lives at every location and we have to concentrate on those which have the greatest impact on our ability to manage our business.

We have used a number of techniques to identify the sustainability impacts which are key to AMEC, including:

- Risk management
- Stakeholder engagement
- Sustainability surveys
- Global standards and frameworks

The table illustrates our key sustainability impact areas. We have grouped AMEC's key sustainability risks and opportunities into Workplace, Environmental, Community and Marketplace issues and these are more fully described within this report. Please refer to the specific sections for management and performance data.

Through identifying our key issues, we can focus our efforts on managing and improving performance in these areas. It is essential that we keep reviewing and checking what our key issues are, since they change as our management systems and business evolve. They reflect our operations, markets

and the regions where we work, and are a part of the wider continuous improvement process which operates within our management systems.

In 2009 using our risk management process AMEC identified issues additional to those listed from 2008. These have come about through review of the Global Compact principles, and increasing emphasis on climate change as both a risk and opportunity.

More information on AMEC's risk management processes can be found within the Our Marketplace section of this report.

| Category      |                        | Issues   |
|---------------|------------------------|--|
| Social        | Workplace              | <ul style="list-style-type: none"> <li>■ Engagement</li> <li>■ Attraction and retention</li> <li>■ Occupational health, safety and security</li> <li>■ Equal opportunities and diversity</li> <li>■ Employee/capability development</li> <li>■ Performance excellence</li> </ul> |
|               | Community              | <ul style="list-style-type: none"> <li>■ Investment</li> <li>■ Access to employment/local content</li> <li>■ Skills building</li> <li>■ Human rights and dignity</li> </ul>  |
| Environmental | Management             | <ul style="list-style-type: none"> <li>■ Pollution prevention</li> <li>■ Incident control</li> <li>■ Efficient use of resources</li> <li>■ Legal and other requirements including waste</li> <li>■ Supply chain and procurement</li> </ul>                                       |
|               | Climate change         | <ul style="list-style-type: none"> <li>■ Energy use and efficiency</li> <li>■ Travel and transport</li> <li>■ Carbon emission footprint</li> <li>■ Service provision</li> </ul>  |
| Economic      | Economic effectiveness | <ul style="list-style-type: none"> <li>■ Strategic development</li> <li>■ Shareholder value</li> <li>■ Investment/divestment</li> </ul>  |
|               | Ethical trading        | <ul style="list-style-type: none"> <li>■ Anti-corruption</li> <li>■ Business practice</li> <li>■ Marketing</li> <li>■ Human rights</li> </ul>  |
|               | Supply chain           | <ul style="list-style-type: none"> <li>■ Ethical agreements</li> <li>■ Governance</li> <li>■ Local content</li> </ul>  |

# AMEC and governance

The highest tier of authority at AMEC plc is the board of directors; it is comprised of eight highly qualified, experienced individuals. Three members of the board are executive directors, including the Chief Executive. The board is responsible to shareholders for the management of the company and for the protection of its assets. As such, it is ultimately responsible for implementing AMEC's systems of internal control and for reviewing their effectiveness. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and consequently can provide reasonable, but not absolute, assurance against material mis-statement or loss.

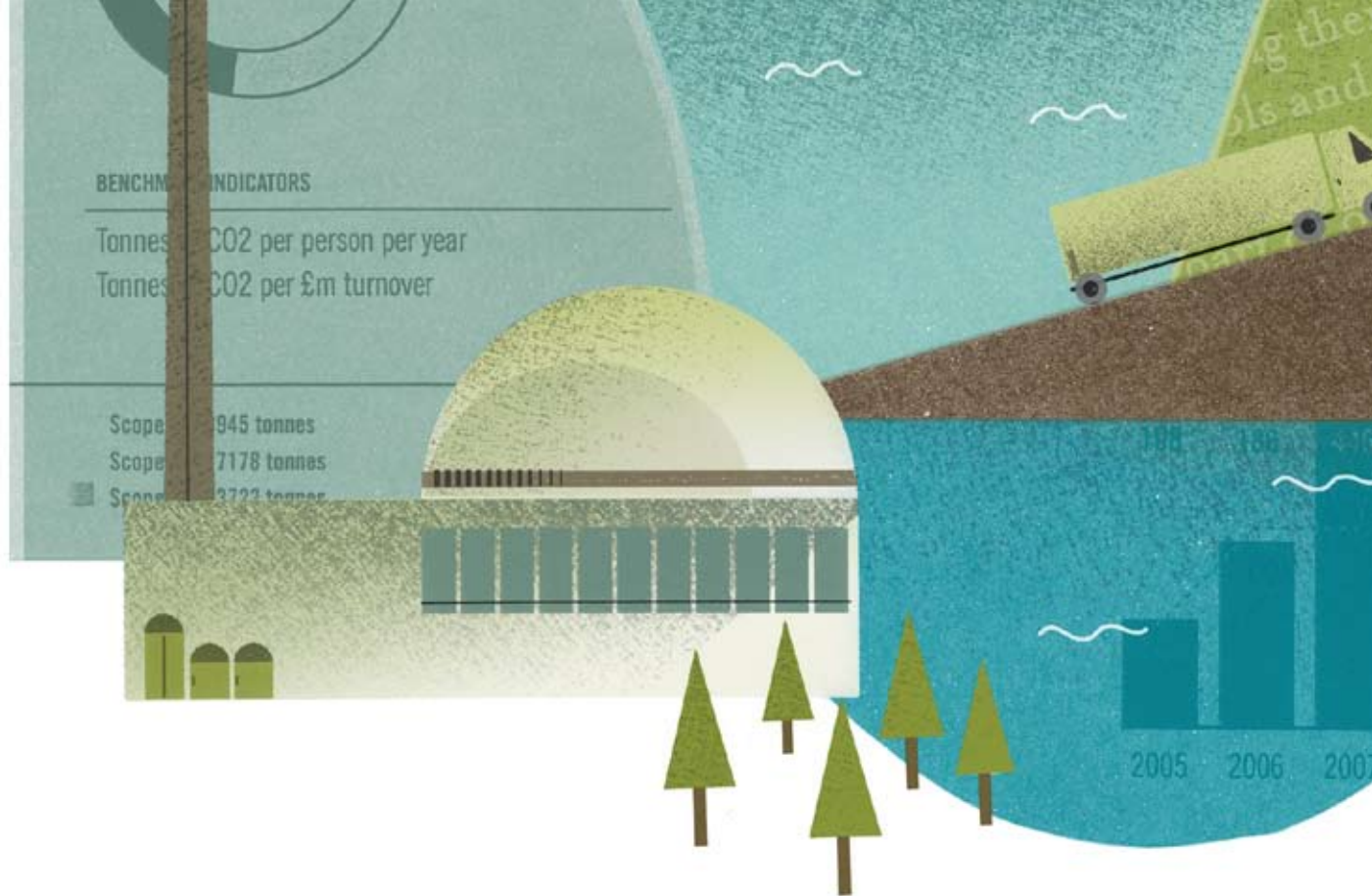
Under AMEC's Management and Policy Framework, the board has formally delegated specific responsibilities to various board committees, all of which have written terms of reference. These committees consider, analyse and monitor material elements of AMEC's management system, including some which are covered as part of our significant sustainability aspects. For more detail of these committees, and AMEC's approach to corporate governance including their remit, please refer to the Report of the Directors in our 2009 annual report and accounts, available at [amec.com](http://amec.com).

The board, through its committees and at its regular meetings, has a continuous process for identifying, evaluating and managing significant risks faced by AMEC. These include strategy, major projects to be undertaken, significant acquisitions and disposals, as well as entry to and exit from different markets. Where appropriate, business decisions are reached following a structured and documented review of potential opportunities and threats, taking steps designed to manage or mitigate any residual risk exposure.

The company does not combine the role of Chairman and Chief Executive; the status of the Chairman can be described as independent. In addition to the chairman, the board at the date of the 2009 annual report comprised four non-executive directors and three executive directors. Of the eight, one board member is female. AMEC considers its definition of independent to be consistent with the definition given in the Global Reporting Initiative. AMEC's Chief Executive is also the chairman of AMEC's sustainability programme. In addition Martha Hesse, a non-executive director, chairs AMEC's Compliance and Ethics committee.

## **Shareholder and employee questions**

As a company listed on the London Stock Exchange, AMEC must comply with the Companies Act 2006, including in relation to shareholder resolutions. Minority shareholders (not covered by the Act) have the right to ask the board any relevant questions at the annual general meeting or put questions to the board in writing.



AMEC operates an extensive programme of investor relations with current and potential shareholders. Key events are the company's preliminary and interim results announcements, when AMEC's Chief Executive and Chief Financial Officer make presentations to the financial community. These events are webcast live, with slides and speaking remarks being published on AMEC's website. Following these announcements, institutional investors in the UK, North America and Continental Europe are offered meetings with management.

Shareholders value opportunities to meet operational management. AMEC recognises this and has put in place a series of seminars which showcase different parts of the business. Seminars are announced in advance to the London Stock Exchange and are webcast live, with all slides being published on AMEC's website.

AMEC recognises the importance of the internet in financial communications. AMEC's website offers a convenient source of published information on the company together with an e-mail

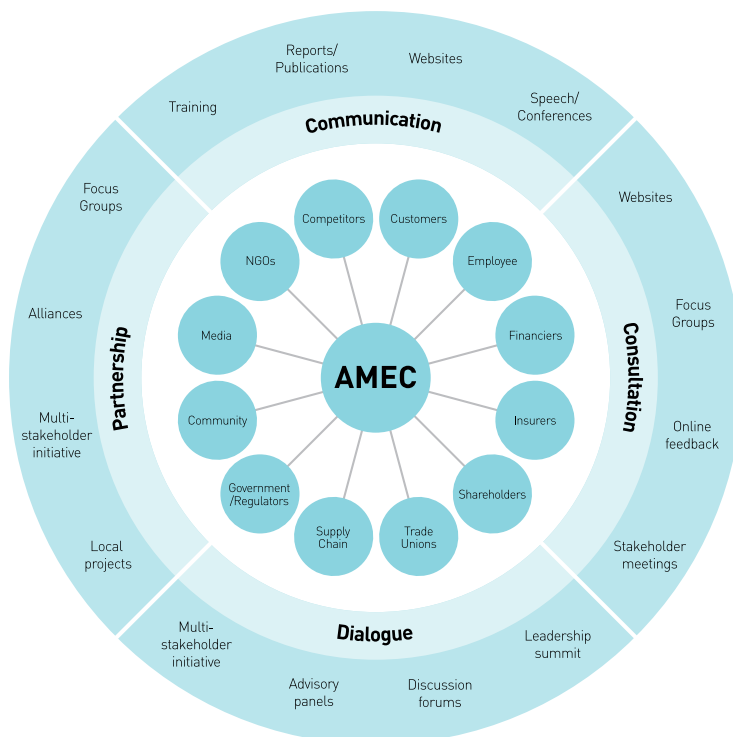
alerting service. This is a quick and efficient way to be kept apprised of announcements and forthcoming events.

All employees are encouraged to raise issues, questions and ideas with the Chief Executive through his intranet site, or directly. Questions to the Chief Executive during the year included issues such as employee share save schemes, data security and employee morale.

We have established employee forums or works councils in both the UK and Americas, although we do not have global coverage.

# Stakeholder engagement

The way that we interact with the world around us determines how we, as a company, are perceived by our stakeholders. Stakeholders are the people, or groups of people, affected by AMEC and its operations and they are vital to our future growth and prosperity. When engagement with our stakeholders is successful, it offers the ability to significantly improve our bottom line, through attracting investment, talent and the best partners for example. We understand that from project to region, region to industry, the mix of stakeholders changes, as does the type of engagement appropriate. The diagram below highlights some of our key stakeholder groups, and the methods we have used to engage with them.



AMEC has numerous stakeholders located all over the world. Understanding their views helps us to make better and more informed decisions; however we understand that we will not always meet every stakeholder expectation. As a business we have to strike a balance between what our stakeholder groups want and what is best for our business. We understand that what is most important is to listen to their views and concerns and most importantly be accessible.

We identify significant stakeholders through risk and opportunity analysis which is informed by our stakeholder engagement guidelines. These have been developed by AMEC's Stakeholder Liaison specialists, part of our Earth and Environmental division.

### **Stakeholders inform our approach**

We have continued to engage our key stakeholders, with a number of events taking place throughout the year. These opportunities have once again helped to shape this year's performance report in both style and content.

In addition, we have sought to be more proactive in communicating with and engaging AMEC people. Various methods have been utilised including: an updated internal magazine; breakfast meetings offering employees time with their management teams; and work undertaken to redesign the internal intranet site which is due to launch early 2010.

2009 also saw our second global employee survey which asked how our people feel about the company, and provided AMEC with feedback on how effective the measures we put in place following the 2008 survey had been. We are again using the feedback from the survey to inform our improvement programmes. Further details can be found in the 'Our employment' section of the workplace report.

Sharing our experience with clients and peers has been useful in helping us to develop our sustainability programme; but we know we can improve in our engagement processes. Our involvement with forums, summits, meetings and workshops gave us opportunities to share our approach and experience. We find that this helps us to develop our strategy, through talking and sharing.

In 2009 AMEC took part in a variety of forums and events, a number of which are listed on page 15. These forums provide us with the opportunity to present our knowledge and expertise to various groups and also speak to clients, peers, industry bodies and government organisations.

### **Sustainability and investor meetings**

As part of our commitment to stakeholder engagement, we held a number of meetings with investors interested in our approach to sustainable development. Feedback from our

### **Engagement with governments**

Due to the nature of AMEC's business, governments and political stakeholders form important audiences as they develop policy, legislate and regulate in our key markets.

AMEC regularly meets with members of governments and civil servants at official meetings and briefings. We have continuing dialogue with Government and Opposition to push forward the debate on energy and climate change, in particular in relation to nuclear new build, carbon capture and storage, smart meters and the further development of renewables. Discussions relating to skills and resourcing in the engineering sector also remain key.

Each year we host a reception in the UK bringing together business, political and media stakeholders, to showcase the work we have been undertaking across the world.

Samir Brikho, AMEC Chief Executive continues to serve as the Chairman of UK Energy Excellence, and has recently also been appointed a UK Business Ambassador. Neil Bruce, AMEC Board member, also continues as the Chairman of the UKTI's International Oil and Gas Sector Advisory board.

In 2009 AMEC, the Korea Electric Power Corporation (KEPCO), the Korea Gas Corporation (KOGAS) and the Korea Development Bank (KDB) agreed to form a joint venture company to develop energy-related business opportunities and projects in South Korea and internationally.

The joint venture received strong support from both the UK and South Korean governments, and marked a significant step in the cooperation between the two countries.

It culminated in our joint venture agreement with KEPCO, KOGAS and KDB being signed in No. 10 Downing Street and witnessed by Prime Minister Gordon Brown and President Lee of South Korea during the G20 meeting in London.





investor community has led us to improve this year's report marketplace section content, specifically including increased information pertaining to our sustainability services, supply chain management and risk management processes.

In addition during 2009 AMEC hosted a meeting with a group of analysts in our Calgary office. The analysts looked in detail at our Oil Sands business, providing them with a deeper understanding of the industry in general, and AMEC's role and expertise in this area. A copy of the presentation can be found on amec.com.

#### **2009/10 Dow Jones Sustainability index**

AMEC has been ranked the sector leader for sustainability in the oil equipment and services sector of the worldwide Dow Jones Sustainability Index (DJSI) 2009/10. AMEC was in competition with 37 other organisations.

This is the sixth year in succession that AMEC has featured in the DJSI, which annually surveys and benchmarks the world's 2,500 largest companies.

**“ Sustainability is an increasingly important part of modern-day business and we are really committed to it. Our stakeholders, who include customers, employees and the public, expect nothing less and we will continue to invest in our people, communities, the environment and our industry to maintain the high standards we have set ourselves.”**

Keith Bradford, Human Resources Director



#### **Samir Brikho at the Offshore Europe Conference in Aberdeen**

As Chairman of UK Energy Excellence, Samir Brikho attended the Offshore Europe Conference in 2009. Offshore Europe usually attracts around 25,000 visitors from all parts of the world and most of the major players in the oil and gas industry. This makes it a major opportunity to promote the UK oil and gas industry to overseas clients. The theme of this year's conference was 'Energy at a Crossroads', which provided Samir Brikho the opportunity to promote the expertise and experience of the UK energy sector, as well as that of AMEC, to the world's energy market. It also provided the opportunity to listen to a wide range of stakeholders on their thoughts on global energy security issues, and the changing energy mix.

UK Energy Excellence was established to act as the focal point for a high-level, joint government and private sector initiative to market and enhance the UK's competitive position in the energy sector globally. It aims to promote the UK as a world class centre of energy expertise and a target for both overseas trade and inward investment across all energy segments.

The UK Energy brand will help companies, individually or in concert, to provide consistent messaging on the key UK industry strengths of Innovation, Quality, Adaptability, Sustainability and Knowledge.



### AMEC signs up to the United Nations Global Compact

Launched in 2000, the United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Participation in the UN Global Compact offers a wide range of benefits to business including: the sharing of best and emerging practices to common challenges; advancing sustainability solutions in partnership with a range of stakeholders; linking business with subsidiaries across the value chain; and access to the UN's knowledge and management tools and resources.

AMEC was pleased to announce that the company supports all ten Global Compact principles and on 31 March joined the register of Global Compact participants. This move strengthens AMEC's commitment and drive towards a more sustainable future.

This report is also AMEC's Communication of Progress, and will be posted onto the Global Compact website in accordance with the condition of participation.



### Some examples of AMEC speaking roles at conference/seminar events during 2009

#### February 2009

---

1050 Panel member – Positioning yourself to take advantage of the opportunities for carbon capture and storage (CCS) retrofitting, UK  
Advance power generation technology forum, DECC HQ, UK

#### March/April 2009

---

Sponsor and exhibitor at WaterEC – International Water Efficiency Conference, California, US

#### May 2009

---

Energy Institute – Carbon Capture and Storage Presentation, UK

#### September 2009

---

CanWEA – Canadian Wind Energy Conference and Trade Show exhibitor, Toronto CA  
Global Local Content Summit, sponsor, exhibitor and speaker – London, UK

#### October 2009

---

Addressing the Skill Shortage and Establishing a Career Path – Project Controls, UK  
European Council on Corporate Responsibility and Sustainability, Brussels  
National Environmental Leadership conference for the Nuclear Industry  
2009 TAPPI Engineering, Pulping, Environmental Conference, Memphis, US  
Biofuels International Canada Expo and Conference, Montreal, CA

#### November 2009

---

Cellulosic Biofuels, Washington, US  
Carbon Capture and Storage – Concept to Reality, Birmingham, UK

#### December 2009

---

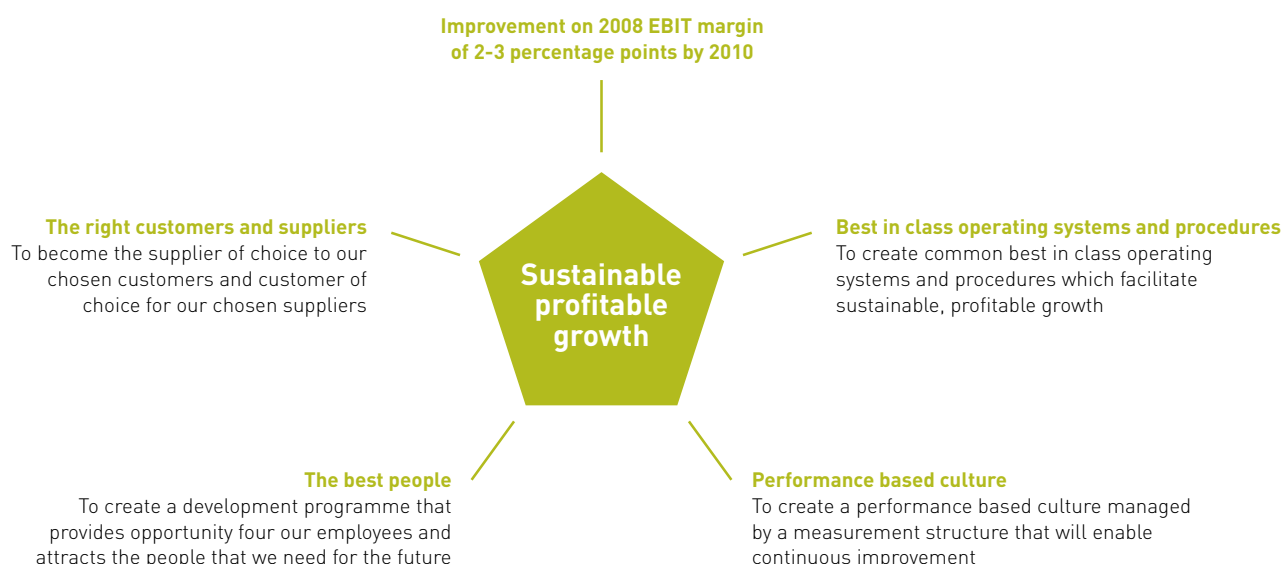
Global Climate Change Policies and Implications for Business, UK

# Delivering Operational Excellence

We cannot operate a successful sustainability programme unless we have a sustainable business. We have to provide services that clients want and need, performing work in a way that meets our clients' expectations. In return our clients provide AMEC with revenue. If we manage our business in a sustainable way, we create a sustainable profit.

In September 2007 AMEC commenced its Operational Excellence culture change programme. The background to this programme can be found in more detail in the 2008 Sustainability Report.

The Operational Excellence programme had five objectives shown in the model below;



In December 2009 the Operational Excellence central programme team and twelve functional focus areas completed their activities, passing continuation of implementation and sustainability to each of AMEC's functions and divisions. The programme has resulted in AMEC truly working as one.

With this way of working, AMEC can build on the foundations established (common processes and systems), monitor performance and drive for continual improvement. In addition to the "One AMEC" approach and consistency across divisions, the recently established AMEC Academy will be the vehicle that

integrates and provides longevity to training and development across the organisation.

Along with the successes, lessons have been learnt; including those in key areas such as the importance of programme ownership and advocacy, communication content and ongoing stakeholder engagement. These are all being taken forward as part of the 2010 programme sustainability plans.

### Key successes

A number of successes have been witnessed from the programme. The key successes are described in more detail below:

**AMEC Career Paths** Career paths have been developed for technical/engineering, project management and business Management. Career paths are also being developed for business support and consulting. The overall career path framework is a key part of the AMEC Academy and will underpin and focus employee career progression pan-AMEC.

**Pan-AMEC Directorates** These directorates are made up of key individuals in their respective functions from across AMEC. Directorates have been developed for Project Management, Engineering, Supply Chain Management and Strategic Relationship Management. They will ensure pan-AMEC collaboration, ownership of improvements and sustainability beyond the Operational Excellence programme.

**AMEC Way** Pan-AMEC processes have been developed for a number of functions, including Project Management, Engineering, Supply Chain Management, Strategic Relationship Management and Commercial. These common processes detail the mandatory expectations for these functions across AMEC. With common, best in class processes, AMEC can be confident in its project delivery, acquisition integration and continual improvement. In addition, these processes allow workshare between geographies and divisions.

**Beyond Zero** AMEC's health and safety programme details our vision of what we need to do – and where we need to go – to achieve sustainable, world-class HSE performance throughout all our global operations. In addition to this, Beyond Zero is our way of taking consistent world-class HSE performance beyond the workplace and out into the wider community. It puts supporting tools in place and drives a safety culture across everything we do.

**Project Swift** Derived as a follow-on from the formal Operational Excellence programme, Project Swift is a programme which will rationalise all of AMEC's financial systems and HR systems, impacting all geographies and divisions. In October 2009 approval was granted by the board to progress to the implementation phase of the project which is expected to last 2-3 years.

### Programme sustainability

Work is required in 2010 to ensure successful continued implementation, embedding and improvement of those systems, tools and processes developed throughout the Operational Excellence programme. The following global activities are scheduled to be completed during 2010 (list not exhaustive):

- AMEC Way processes continued development/improvement
- Project Management systems investment/consolidation
- Further development of cross-divisional marketing plans
- AMEC Academy development – adding further career paths / development programme optimisation
- Induction programme launched
- Supply Chain procurement centre launch
- Action Tracker development and deployment
- 2010 employee survey
- Project Falcon (Human Resources System optimisation)
- Project Swift (Financial System optimisation)
- Further Metastorm (process automation) deployed

A number of measures have been put in place to support and drive the sustainability of the Operational Excellence programme. These include the improved One AMEC approach, improved communications and the AMEC Academy.

In addition, the directorates have been put in place and a proposed common AMEC dashboard has been developed. This proposed dashboard details pan-AMEC key performance indicators (KPIs) in 2010 and is illustrated below:



In addition to the pan-AMEC dashboard, ongoing sponsorship of the continual improvement process, by AMEC's management team, has been established. The ownership of the programme improvements now lie with the functions, directorates and divisions with the support from a specific risk register for sustainability and continual improvement beyond 2009.

# Our workplace

A key part of our Vision 2015 is to strengthen our people: recruiting talented people, investing in their education and training, providing them with career development and harmonising our tools and processes. Maintaining and enhancing a world-class work environment, with a strong emphasis on health and safety continues to be a top priority for our company and fundamental to our commitment to sustainable development.

Our long-term success and profitability rests on managing our workplace key issues effectively, ensuring fair and effective management policies, engaging with our people and cultivating a 'Beyond Zero' safety culture.

| Our key workplace issues |   |
|--------------------------|---|
| Workplace                | <ul style="list-style-type: none"><li>■ Engagement</li><li>■ Attraction and retention</li><li>■ Occupational health, safety and security</li><li>■ Equal opportunities and diversity</li><li>■ Employee/capability development</li><li>■ Performance excellence</li></ul> |

**“Without high quality, engaged people, AMEC has no business.”**

Samir Brikho, Chief Executive

We aspire to be the employer of choice, with world-class safety performance, delivering services in a way which meets our values and principles and those of the Global Compact. This section of our report will explore our employment management and safety improvement processes.

## Employment management

We aspire to demonstrate in our delivery to our clients that we have the best engineers, project managers and consultants in the world. We believe that driven and successful people make a driven and successful company.

Our employees are fundamental to our having a successful future. We give high priority to the development of employees to ensure that we have the necessary skills and behaviours to deliver our strategic business objectives and to provide for management succession.

Our employment policies set out a consistent approach to workplace rights and responsibilities, reaffirming the company's values and principles concerning freedom of association, fairness, equal opportunity and diversity.



## Employee survey

We are committed to engaging with our people to ensure they understand the direction in which the company is going, are committed to AMEC's values, and are empowered to propose and make changes to improve how we operate. AMEC employees embody our knowledge, brand and reputation and it is through their activities that we deliver on our business objectives and commitments. If we are to be successful we need to test the course that has been set to ensure that our employees understand the purpose of our direction and that they feel well supported and equipped to achieve our goals.

2009 was the second year that AMEC undertook a global survey. Initiated as part of the Operational Excellence programme in 2008 and now established as a regular annual process, the survey is designed to measure employee engagement and the factors affecting it, as well as assessing the impact of organisational initiatives. The survey was administered in June 2009 via web and paper to over 20,000 people in seven languages, and over 66 per cent of the AMEC team responded (this was an improvement of three percentage points from 2008 level).

Overall we are proud to score amongst the top performing companies across the globe in the following areas;

- Our engagement across the organisation has increased by six percentage points to a 'high-performing companies level'. However there are significant variations between our most and least engaged work groups

## Case Study

### Managing for High Performance in Indonesia

Ben Dowson has been President of AMEC Berca Indonesia since 2008 and has lived in Indonesia since 1991.

"From our offices in central Jakarta we provide engineering services to EPC contractors, international oil companies and some national oil companies. We have a young and educated workplace, very attuned to the global way of working. While there is a strong Indonesian and particularly, regional culture, it fits easily within what is largely a Western business model.

Recently we have used the 'Managing for High Performance' training, developed under Operational Excellence, as an opportunity to deliver key aspects of the leadership development programme to our supervisors. It has been well received, with lots of enthusiasm and good positive feedback. For me, one of the modules which stood out was how you handle the diverse people within a team. It really underpins one of our core values of "believing in people, teamwork and diversity."

- Safety and sustainability remain key strengths for AMEC – up three percentage points from 2008
- Significant improvements in views on performance management – six percentage points more favourable than in 2008. This is one area where our Operational Excellence programme is already having a positive impact. 1,666 of our managers attended the Managing for High Performance training. This programme was developed in response to the 2008 survey results and is focused on educating and supporting line managers to develop meaningful performance and development plans with their people. The roll out continued in 2009.

There are many other areas where improvements were noted, and also those areas where we still need to significantly improve our performance if we wish to be the best. These challenges are noted below:

- Further collaboration between divisions and functions
- Development and growth opportunities
- Initiatives were felt not to have been effectively implemented and completed
- Employees were not clear that actions had been taken after the 2008 survey.

Following the feedback received AMEC has taken a different approach to action planning from 2008, by holding the manager accountable for engaging with our employees at a local level to determine the most important actions for their groups, and then ensuring that these actions are addressed.

Even when you're in a position to delegate work, you still need to reassure and support people. If you leave them to their own devices you're not going to get the best from them. I suppose the greatest thing that I have achieved is the development of the local workforce, bringing the best out of the local team itself. By and large it's they who run the business."



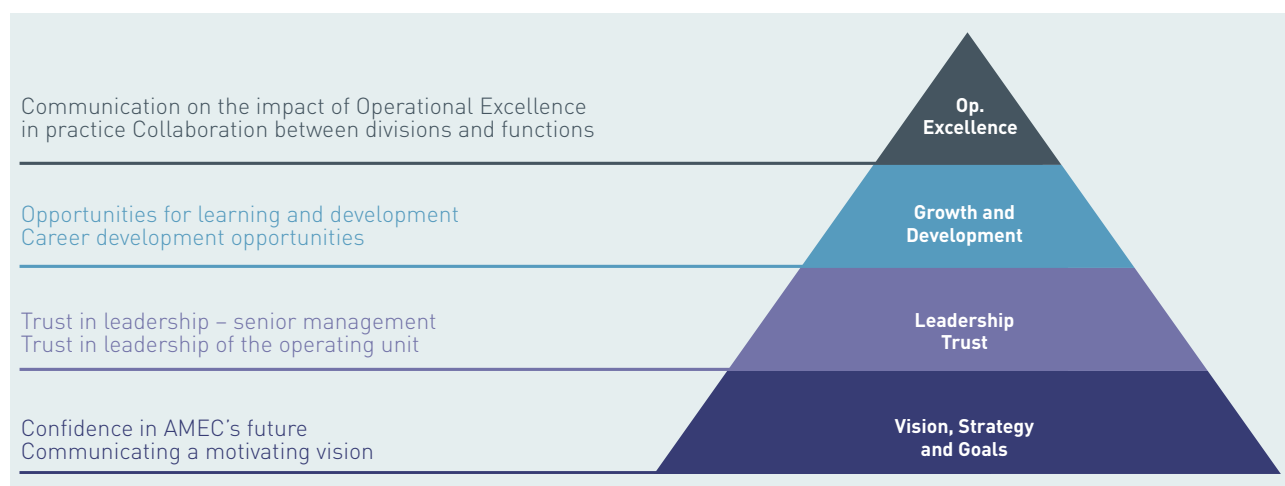
In addition to the actions that are being implemented locally, the senior management team committed to a small number of AMEC-wide actions in response to the challenges noted above.

These included:

- Further communication on Operational Excellence implementation and the impact this will have on employees day to day work – new video and cascade briefing in Q4 2009

- Communicating a clear vision, strategy and goals – Vision 2015
- Embedding our employee growth and development framework – see page 21 for more information.

The diagram below shows these key action areas:



### AMEC Academy – Embedding excellence in employee development

Investment in our people is an investment on our future. It is because of this understanding that we have established the AMEC Academy, to support the development of both employees and the business.

AMEC Academy is the vehicle that underpins and integrates all the various areas of training and development across the business and delivers them using a consistent, integrated and accessible global approach into the future. By identifying business and individual requirements, we can ensure meaningful training and development is in place to achieve the best individual and business impact both in the short and long terms.

AMEC's goal is to provide a clear, transparent picture of an individual's career framework and the development opportunities available to employees. In December 2009 AMEC launched 'AMEC career paths' designed to help employees assess where they are in their career and where they want to go, by building a profile of current skills and comparing this profile against AMEC's expectations. In 2009 AMEC launched career path frameworks for engineering and technical, and for project management. Additional job family career paths are in development for roll-out in 2010.

There are three core elements to the delivery of individual development within AMEC. Firstly it is important to ensure we have a consistent foundational knowledge across the whole organisation, be that in management skills, project management or commercial awareness. Secondly the development delivered must be business relevant and applied to the way in which we expect business to be delivered in AMEC. Thirdly and most importantly we must have experiential learning – both technical and behavioural across different markets or geographies of the world.

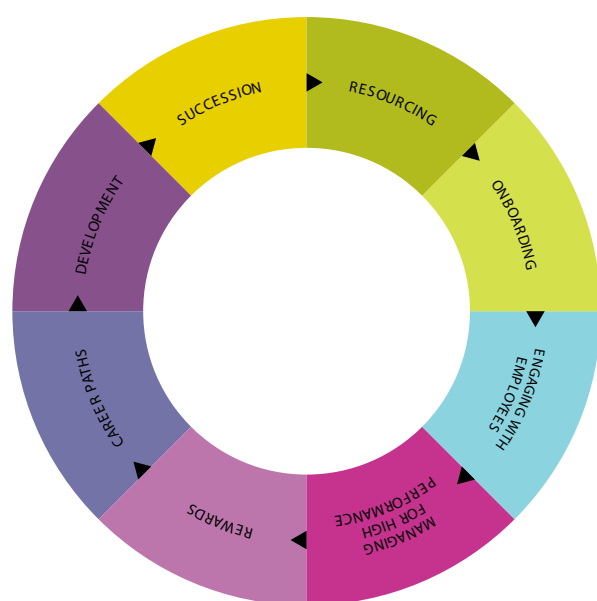
Development may take all shapes and forms. It can be a combination of a programme, mentoring, coaching or a career rotation. We recognise that all of those things help to enable us to develop and progress our future careers.

**“ We have mapped career paths across AMEC and identified related development opportunities. With the right knowledge you can continue to develop your skills and experience for all of your working life.”**

Ian Hedges, President AMEC Academy

## My Future – Embedding excellence in people management

In 2010 AMEC is launching its 'My Future' people framework. The framework, which is derived from our values and Guiding Principles gives a clear direction on how – together – we will meet the company's objectives through setting and meeting the expectations of our people. There are eight interdependent areas which make up the framework, which are shown in the diagram below;



More detail of these areas will be discussed within the 2010 report and on amec.com once the framework has been fully launched, starting early 2010.

There are three specific areas for focus in 2010;

- New leadership measurement programme, looking at key leadership requirements and behaviours and assessing our leaders on these behaviours. Measurement will be based on feedback from those that they manage, will be focused, and the measurement process introduced as a mandatory element of being a leader within the business
- New on-boarding process (My Compass), aimed at giving people new to AMEC the information they need to become effective as quickly as possible
- Review of the recruitment and selection process, which will look at the quality of the recruitment process in general, and the experience of the process for both the recruiting manager and the recruitee. This will be supported by the deployment of a new on-line recruitment tool.

## Our employment performance

### Employment in AMEC

In 2009 AMEC employed on average 21,193 people worldwide (including agency staff), representing a decrease of five per cent on the previous year. Our employees embody knowledge, brand and reputation and it is through their activities, day by day, that we are able to deliver on our business objectives and those of shareholders, customers and the wider community.

### Staff costs for continuing operations

(extract from AMEC plc 2009 annual report and accounts)

|  | 2009<br>£ million | 2008<br>£ million | 2007<br>£ million |
|--|-------------------|-------------------|-------------------|
| Wages and salaries                     | 908.5             | 900.6             | 693.5             |
| Social security cost                   | 62.5              | 61.3              | 85.8              |
| Equity settled share-based payments    | 10.7              | 9.3               | 4.1               |
| Contributions to defined schemes       | 22.2              | 14.1              | 9.0               |
| Defined benefit pension schemes credit | 6.6               | (5.9)             | 1.9               |
|  | 1010.5            | 974.9             | 790.5             |

Staff costs represent 39.8 per cent of AMEC's total revenue. For further information, please refer to AMEC plc's 2009 annual report and accounts.

### Attraction, development and retention

Any company will tell you that the key to a successful business is having the right people and making the most of their talent. Here at AMEC, nothing could be more true. Our people are the key to our success and we have been working hard to make sure we listen to our people and make changes which improve their employment experience. This is described more fully in the 'Employee Survey' section.

### Recruitment

Although the overall number of employees fell during the year, we continued to welcome significant numbers of new people to the company as well as 66 people who returned to us through our alumni programme, which keeps us in touch with those who have worked for us previously. We continued to provide opportunities for those starting their careers which is critical to our long term sustainability.

|  | Male  |       | Female |       | All employees |       |
|--|-------|-------|--------|-------|---------------|-------|
|  | 2009  | 2008  | 2009   | 2008  | 2009          | 2008  |
| Total number of new hires                            | 3,526 | 3,800 | 987    | 1,332 | 4,513         | 5,132 |
| Number of new hires for whom AMEC is their first job | 144   | 202   | 70     | 107   | 214           | 309   |
| Number hired to specific training programmes         | 108   | 182   | 30     | 35    | 138           | 217   |

### Skills development

While bringing new talent into the business and the industry is vital, we also seek to grow the skills and provide career development opportunities for our existing people. The establishment of the AMEC Academy, described more fully elsewhere in this report, is a major investment in the development of our people. We have also introduced a structured approach to career paths to help our people identify how they can advance within AMEC. Opportunities are advertised openly within the company and we have clear processes for succession and talent management.

The Internal Promotion Rate measure shows how many of our people have been able to progress their careers during the year through a formal promotion, although we recognise that 'sideways' moves to develop new skills and experience are equally a part of career progression.

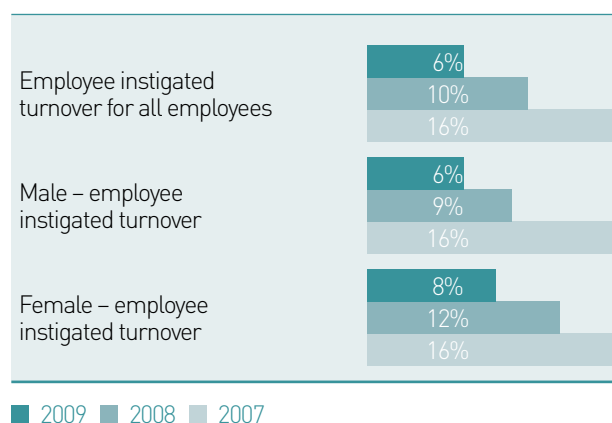
|                             | Male |      | Female |      | All employees |      |
|-----------------------------|------|------|--------|------|---------------|------|
|                             | 2009 | 2008 | 2009   | 2008 | 2009          | 2008 |
| Internal promotion rate (%) | 8.66 | 6.33 | 13.18  | 8.19 | 9.72          | 6.73 |

### Employee turnover

The employee turnover measure reflects the number of people who leave us voluntarily. While several of these will be because of changed personal circumstances, we see this as a key indicator of how well our employment policies are providing a competitive, engaging, secure and safe work environment. Healthy companies operating in buoyant markets will always see people coming and going but high employee turnover rates

can be a sign that there is something to be addressed in people management policies. This measure can be usefully cross-referenced with related indicators from the employee survey.

We are delighted to see continuing year-on-year improvement although we do recognise that this may be affected by the general economic climate and the availability of alternative attractive employment opportunities.



### Diversity and equal opportunity

For us, diversity is primarily about the strength that comes from being open to different ways of thinking and acting. As a result, we see great advantage in having a workforce made up of people with different backgrounds, cultures and beliefs. Operating, as we do, in all parts of the globe, we have a particular need to bring together people of many nationalities in a common enterprise with strong shared values. Our employee survey showed that our employees believe that AMEC has created an environment where people with diverse backgrounds can succeed. We have in place equal opportunity policies and codes of conduct to ensure that this happens, protecting the human rights of AMEC people.

Our business is growing, particularly in developing market areas, so growing our employees of the future is fundamental to our success. AMEC has initiated a number of schemes designed to support the development of people in the areas of the world where we need them. In Angola, our Oil & Gas business is helping to forge links between the Agostinho Neto University in Luanda and the University of Houston in the US. In Bucharest, Romania, we are participating in a schools programme to promote careers in the nuclear industry – both locally and internationally. In Uralsk, Kazakhstan, we continue to provide sponsorship for 60 university students.

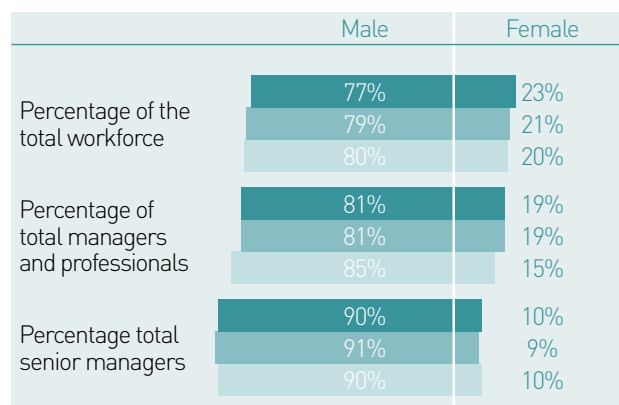
As the numbers entering science and engineering degrees is falling in some of our mature home markets, we will need to look more widely for our future workforce.

## Gender balance

One aspect of diversity that we are able to measure on a consistent basis globally is the ratio of males to females in the work environment. Women are an under-represented group within the engineering environment and AMEC is working with education providers to promote engineering as a rewarding career path for women to pursue.

Our gender indicators help to see whether we are succeeding in attracting and retaining women in the work environment. The bar chart below shows our male to female percentage across the company.

There has been a slight increase in the proportion of women in the company overall and in professional and management roles. This is encouraging, but we recognise that we have more to do, in particular at senior manager level.



■ 2009 ■ 2008 ■ 2007

## Employee communication and representation

We seek to engage our people in decisions which affect them in a number of ways. Our Chief Executive and divisional heads provide regular briefings which are designed to keep our people informed about the state of the company. We also look to have dialogue with our people through employee cascades, town hall and group meetings, as well as regular communications through online news, magazines and emails. In some parts of our business we also have forums in place where management and elected workforce representatives meet on a regular basis.

A majority of our workforce is not covered by formal trade union recognition or collective bargaining agreements. Where they are, this is usually as part of an industry sector wide agreement involving other employers as well as AMEC.

|  | 2009 | 2008 | 2007 |
|--|------|------|------|
| % employees covered by union agreements            | 23   | 25   | 40   |
| % employees <u>not</u> covered by union agreements | 77   | 75   | 60   |

Please note that the definition for this metric has been changed which may affect year on year comparisons.

## Case Study

### Employer of choice

We aspire to be the employer of choice wherever in the world we are.

In 2009 AMEC was recognised as one of Canada's Top 100 Employers for 2010. This was the first time AMEC has been featured and is a significant achievement.

Following on from the success of this recognition, in November 2009, AMEC were announced as one of the winners of the Financial Post's Ten Best Companies to work for 2010 (FP 10). The FP 10 are chosen based on strenuous criteria that look at a company's policies, programmes, considering everything from workplace to health benefits, financial benefits, vacation time, support for development training and employee communication as well as the company's role in the community.



## Our health and safety performance

The safe and sustainable delivery of our operations is one of AMEC's Guiding Principles and providing a healthy and safe working environment for our employees is of paramount importance. Our vision is to 'go Beyond Zero' and achieve sustainable world-class health and safety performance across our global operations.

In 2009, under Operational Excellence, we laid the foundations of our Beyond Zero programme and developed an HSSE roadmap to help drive our HSSE programme.

2009 delivered the best ever AMEC HSSE performance. All three of our key lagging performance indicators, at a corporate level, recorded performance well below our set targets and all three divisions recorded significant improvements across some or all of their performance measures.



## Safety management

The essence of our Beyond Zero philosophy is the relentless pursuit of excellence. This commitment to continuous improvement is reflected in our company values and Guiding Principles down through our HSSE Policy and Management Systems.

Our safety performance is a critical factor of our success and an operation is not seen as successful unless it is delivered safely.

**“Our vision is to achieve world-class HSSE performance across all our global operations.”**

Nina Schofield, HSSE Director

AMEC's approach to safety management is subject to continuous review to ensure that it accurately reflects the demands of a continuously evolving business. Our global Health, Safety and Environmental policy sets out our key objectives across the business and has developed to focus on the three core elements of our Beyond Zero programme:

- Our standards
- Our leadership
- Everyone involved

### Our standards

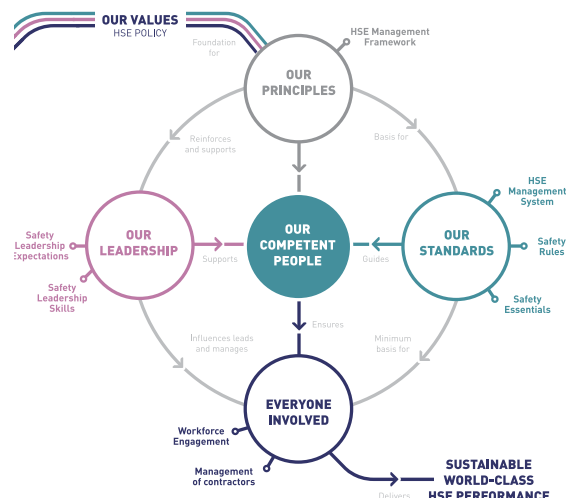
We retain a core global health, safety and environmental management framework which is built around the International Standard of OHSAS 18001 and ISO14001. We require all divisions to comply with this framework and reporting standards.

In addition, 2009 saw the launch of AMEC's ten Safety Rules which provide global standards for managing our critical tasks. During the year we have been rolling these rules out through our safety networks and the business as a whole. We do this through lots of different media, formal training, lunch and learn, employee cascades, AMEC news channels and messages from our leaders across the business.

### Our leadership

Leadership and personal accountability play a vital role in the management of HSE. We believe that safety is everyone's responsibility and our approach has developed to reflect the need for safety leadership at all levels. Safety Leadership has been the primary focus of our 2009 Beyond Zero programme. Our first approach was to clarify our leadership expectations and communicate them to our people.

We then focused on the development of a skills programme to help our people to become leaders. The AMEC First Step



Safety Leadership programme is aimed at management and supervisors and is designed to ensure that they recognise and understand the importance of clear and visible commitment and accountability for safety from the top. In 2009 this programme was delivered to almost 750 personnel across our global business and was also shared with members of our customer and supply chain organisations.

**“Completing this programme has helped me understand the importance of safety behaviours within my sphere of influence.”**

Kevin Howard, INPEX

**“I now have a better sense of being a safety leader.”**

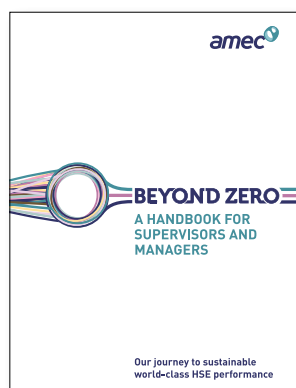
Kim Thomson, Primat



## Everyone involved

Everyone involved is the third core element of our programme and is aimed at ensuring that our people, and all those who work with us, remain safe by being involved at all times.

2009 saw the launch of our Beyond Zero Handbook. The handbook is a practical guide which contains a number of tools, methods and techniques to help drive our HSE programme and improve health and safety performance. One of the key elements of the book is a section of best practice tools that can be used to facilitate engagement in the workplace.



## Continuous improvement – next phase

### Recording Incidents

Robust performance management relies on knowing what is happening across a dispersed global business operating in many regions and time zones across the world. AMEC have invested in a new online incident reporting and tracking system, Trackwise. Throughout 2009 we have been working closely with our provider to develop, test and commission this bespoke system. Our system is a multifunctional incident management and data analysis tool which will assist us to record, track, communicate, analyse and report safety, health and environmental and security incident and near miss events. This system will provide a step change in incident reporting across AMEC and will allow us to access live data and as a result, reduce the global response time to manage and trend incidents.

We currently anticipate the system going live during the first part of 2010 and are currently in the process of training users.

### Focus on Occupational Health

We have put significant emphasis on the safety aspects of our management programme, however, we have identified a need to strengthen our global occupational health strategy. Our underpinning principle to the management of Occupational Health is that occupational ill health is preventable through proactive risk assessment, risk mitigation and awareness. As part of our commitment to improvement in this area, we have

engaged an occupational health lead for the business and developed a global occupational strategy and plan for 2010. The AMEC Global HSSE Leadership team has developed a plan of action to support the strategy which concentrates on the provision of occupational standards, assessment and support.

## Our safety performance

2009 delivered the best ever AMEC HSSE performance. The targets were set at a 10 per cent improvement on our previous best ever performance.

While the statistics are really important and help us to quantify our performance, the real issue here is that we have reduced the number, and the severity of injuries that have happened to our people. Through Operational Excellence and programmes like the Chief Executive's Awards, there have been some excellent examples of HSSE best practices that have been taken across AMEC operations and into client organisations and so improved the inherent safety of our activities. This is testament to the hard work and commitment of everyone involved in our operations.

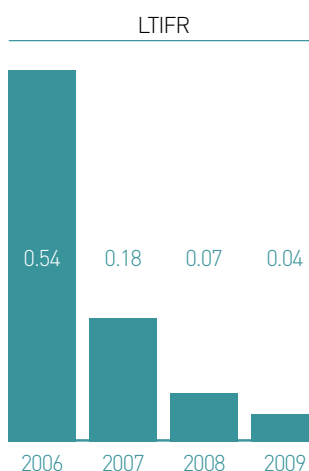
|                      | Employees |      | Sub contractors |      | Others |      |
|----------------------|-----------|------|-----------------|------|--------|------|
|                      | 2009      | 2008 | 2009            | 2008 | 2009   | 2008 |
| Number of fatalities | 0         | 0    | 0               | 0    | 0      | 0    |

### Incident data

AMEC set a target of zero fatalities and a 10 per cent improvement on previous best performance across three key lagging performance indicators. Zero fatalities were recorded across AMEC operations in 2009.

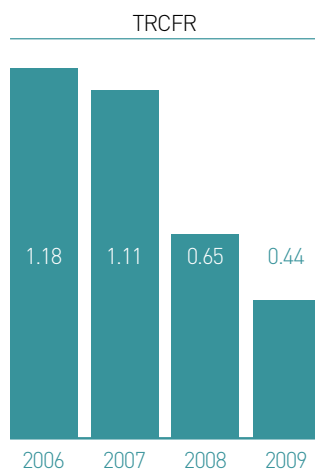
### Lost Time Incident Frequency Rate (LTIFR)

The graph below shows AMEC's rate per 200,000 exposure hours.

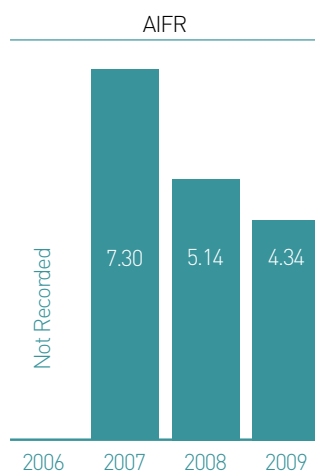


### Total Recordable Case Frequency Rate (TRCFR)

The graph below shows AMEC's rate per 200,000 exposure hours.



During 2007 we introduced an All Injury Frequency Rate (AIFR) which monitors the number of recordable injuries plus first aid cases per 200,000 exposure hours. Our 2007 performance formed the benchmark and we now use this measure as one of our significant lagging indicators.



Our performance data compares well with the USA Occupational Safety and Health Administration figures, which are routinely used to benchmark global performance. We use the categories listed below as best match to our operations. We continually review global standards for comparison opportunity.

| OSHA 2008  | Professional and business services | Construction | All industry |
|--|------------------------------------|--------------|--------------|
| <b>TRCIF</b> Total number of recordable cases per 200,000 hours worked | 1.9                                | 4.7          | 4.2          |
| <b>LTIFR</b> Number of lost time incidents per 200,000 hours worked    | 0.6                                | 1.7          | 1.2          |

### Health and Safety enforcement

This indicator area shows whether the business is performing to the objectives laid down in our policy statement of complying with the law. We monitor enforcement action across all legal jurisdictions.

|                                      |   |
|--------------------------------------|---|
| Number of prosecutions               | 0 |
| Number of fines                      | 1 |
| Number of prohibitions               | 0 |
| Number of orders/improvement notices | 2 |

AMEC was fined approximately £750 for failing to carry out the appropriate workplace certification in AMEC's Baku office in Azerbaijan.

Two Improvement Notices were served on AMEC Group Limited as duty holder of the Dunlin A Offshore Installation. Both notices related to fabric maintenance and the management of asset integrity on the installation. An improvement plan has been put in place for the platform which has been agreed with the Regulator.

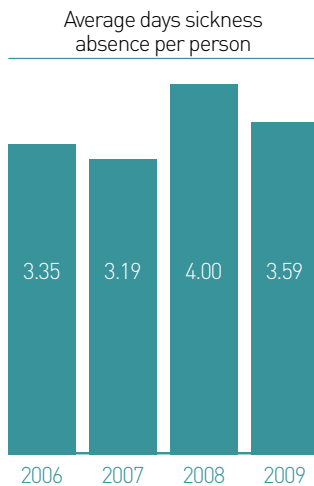
### Occupational Health – reportable cases

This indicator relates to incidents of ill health which are required to be reported to the relevant authority. The nature of occupational reportable diseases are defined by national guidelines e.g. RIDDOR in the UK, OSHA in the US.

During the year there was one case of an occupational disease recorded. An employee in California was diagnosed with bilateral carpal tunnel syndrome in both wrists. Follow-up workplace assessments were conducted and changes fully implemented.

### Sickness absence

Employee absence through ill health is a common issue to all industries and can be an indicator that there may be something to investigate in the work environment. We track our sickness absence rates across the business and have in place policies to support our employees back to work.



### Safety awards

AMEC received a number of awards for outstanding safety achievement from both our clients and professional institutions. These included (also see page 51):

#### Natural Resources division:

- Europe and West Africa in London won a Green 500 Silver Award
- Growth Region's KOC PMC project team were awarded Safety Winners Program by KOC for the implementation of AMEC Safety Standards

#### Earth and Environmental division:

- E&E were named as one of America's eight safest companies in 2009 by EHS Magazine and added to Americas Safest Companies list
- Received two National Safety Council (NSC) Awards recognising leadership and safety performance in the workplace

#### Power and Process division:

- Europe: received two RoSPA Gold Awards and a RoSPA Gold Medal
- Process business awarded the European SHE Excellence Bronze and Silver Awards by SABIC

### Chief Executive's HSE Awards

The Chief Executive's HSE Awards programme was introduced in 2003 as a way of recognising and rewarding outstanding performance as well as encouraging and promoting best practice. Awards are presented in four categories, namely; HSE Excellence, Best Practice, People and the new Beyond Zero award.

#### The 2009 award winners were as follows:

- Growth Regions Guangxi project team (Natural Resources China) won the HSE Excellence award for their excellent HSE programme and their resultant project performance of working over 20 million man-hours without a Lost Time Incident
- Kearn Oil Sands (Natural Resources Americas) won the Best Practice award for their Human Factors in Construction programme which seeks to address and 'design out' hazards associated in construction projects at the front end and detailed design phase of a project
- Christopher Jones (Transfynnydd Alliance team, Power and Process Europe) won the People Award for his inspiring personal leadership
- The Earth and Environmental Team were awarded the Beyond Zero award for their commitment to the International Coastal Cleanup project where 27 AMEC office across North and South America picked up more than 6,000 pounds of waste and recyclables from the shore line.



Photo: Senior management and award winners at the Chief Executive's HSE 2009 Awards ceremony

# Our community

Building strong, positive relationships and trust is vital to our work and the success of the company. Every AMEC stakeholder, present and future, lives in a community and their perception of AMEC is shaped by their experience and interaction with our employees and organisation.

The work we do often brings us into close contact with local communities, and working with them, building relationships and investing time and effort brings us all lasting and positive benefits.

We believe that we can and are building a positive legacy of benefits for communities. Through investing in local supply chains, infrastructure, education and skills we, as a company, can contribute to wider global sustainable development objectives. We tap into the networks created by our people and harness their talents to identify and channel investment where it is needed. Through our strategic charitable work, we work together to support those less fortunate than ourselves.

| Our key community issues |  |
|--------------------------|--|
| Community                | <ul style="list-style-type: none"><li>■ Investment</li><li>■ Access to employment/local content</li><li>■ Skills building</li><li>■ Human rights and dignity</li></ul> |

## Community management

Our commitment to support, protect and enhance our wider community, beyond the doors of our offices, is laid down in our core values and Guiding Principles.

**“ We respect the many different cultures of the communities in which we live and work and the human rights and dignity of their people.”**

Extract from AMEC Guiding Principles

Working in diverse locations means that we must approach engagement with our communities in a flexible way. In the places in which we work we seek to invest in community projects and objectives and improve skills, education and access to employment. Respect for human rights is integrated throughout our management policy and practices. This ranges from policies on equal opportunities in employment through to assessing human rights issues, such as protection of workers, in the supply chain. Our approach to the protection of human rights is being informed by both the Global Compact principles and guidance on human rights and the Business Leaders Initiative on Human Rights.

Our board of directors has established a Charities Committee which seeks to support community engagement both at an employee volunteer level and through strategic charity support. Strategic charities are selected on the basis of their support for Millennium Development goals and support from and strategic fit with the business.

In 2009 as part of the Operational Excellence Sustainability Programme our Office Sustainability Action Matrices were rolled out. These matrices require each location to identify sustainability actions, in four areas, one of which is support for the community. The matrix provides a structure to legitimise community engagement at an office level, promoting employee involvement and action. During 2009, all of our key office locations developed and implemented an office sustainability action matrix, progress on which was reported on a quarterly basis.



As a result of the level of work being undertaken in our communities it was felt that a more accurate method of measuring the time and value invested should be adopted. In December 2009, the Charities Committee agreed to participate in the LBG (London Benchmarking Group) from 2010 onwards. This participation will allow AMEC to more accurately report on the time our employees spend, both in and out of work time on community investment efforts, looking at the value and legacies we leave as a result. Our 2010 report will include this information.

### Case Study

#### Greenville office employees partner with Habitat for Humanity

Employees in AMEC's Greenville office were keen to work 'hands-on' in the community, working on a programme where they could be involved in the full lifecycle of a community project. As such during 2009, the Greenville office partnered with the Habitat for Humanity programme in Greenville County.

Habitat for Humanity is dedicated to providing affordable home ownership opportunities to low-income families, and volunteers participate in the lifecycle of a home building project on weekends over a 14-16 week period.

AMEC, in partnership with Baldor Election decided to split the \$60,000 cost of sponsoring a home for the Williams family.

A combination of cash and household goods donations from employees, barbeque lunches and silent auctions, coupled with lots of volunteers to help with the actual construction meant that the family's dream of owning a house has come true.



### Leadership and community involvement

Community engagement is supported from the very top of the organisation with many of our senior management actively involved in community projects.

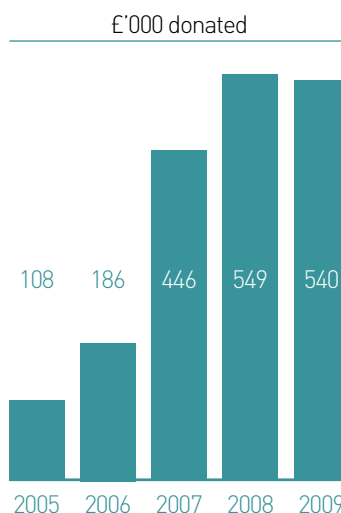
Neil Bruce, a board director and Chief Operating Officer of our Natural Resources and Power and Process divisions, continues to be actively involved as a patron of CLAN (Cancer Link Aberdeen and North). In addition Neil is also a trustee for Engineers Against Poverty, a charity which works with industry, government and civil society to fight poverty and promote sustainable development.

Roger Jinks, President of AMEC's Earth and Environmental division continues to be actively involved in supporting local charities, with particular involvement in the annual shoreline cleanup programmes. For further information on AMEC's strategic charity support please turn to page 31.

### Our community performance

#### Community investment

In 2009 AMEC donated £540,000 to good causes and charitable institutions worldwide, including matching employee volunteer fundraising. This represented 0.25 per cent of profit and was a 1.6 per cent decrease on the year before.



#### Employee engagement

Across the globe AMEC continued to match fund employee volunteer events. These events are important in promoting local relationships and demonstrating our support for great causes. These local fundraising opportunities are valuable to the community and AMEC, bringing our people together to support and benefit people and places where we live and work. Further emphasis on employee volunteering events and charity

fundraising through the use of the sustainability action matrix.

Our investment in local communities extends beyond providing cash. AMEC people actively participate in our community and schools partnerships. We also support our communities through gifts in kind, donating essential equipment and materials.

#### Promoting access to employment

AMEC's business is growing and we need to ensure that employment opportunities are available to the local community. We remain committed to building a local workforce and ensuring we build a positive legacy of benefits in areas where we work. We do this through committing investment in promoting local talent through sponsorship, mentoring and providing access to education. We have seen this approach pay off for both the community and AMEC, recruiting and developing highly skilled people in the areas of the world where we need them.

In areas or sectors where we need skills, AMEC offers a variety of support mechanisms to local people to enable access to employment opportunities and equipping them with skills for life. Our support extends to:

- Enrolment in an AMEC training facility
- University sponsorship
- Work experience
- Mentoring opportunities.

We will continue to support this approach because we know and have seen, first hand, that it works. For AMEC, education has a much longer lasting benefit than just providing charitable donations. It is both a good way of helping and supporting the communities in which we work, and it also helps to grow the business in new regions – especially those where there may be a skills shortage. It also helps to improve labour standards in those regions. One example of this is the AMEC Students in Kazakhstan (ASK) programme. Not only have the students received some financial support and mentoring, but they have also undertaken work experience with AMEC during vacations and have been involved in activities in the local community.

Within the office, training organised by the AMEC team teaches leadership, teamwork and decision making, whilst away both students and staff have worked organising activities at children's homes, orphanages and schools around Uralsk. There is also a regular quiz aimed at improving the students English language skills – the business language used in the area.

This programme continues to be a win-win arrangement for both AMEC and the students, helping AMEC identify and develop good quality potential recruits to sustain and grow the business and therefore help develop the local economy. The students are able to gain valuable insights into the commercial

world that will help with their academic studies and enhance their business and communication skills.

2009 saw the first group of students graduate from the programme and our first intake into the company. Such is the success of ASK that it won the International Platinum Award at the Energy Institute (EI) awards in 2009.

**“ We struck a balance between our own global engineering skills and employing and training local people. It has had the double benefit of making us welcome and creating a long-term self-sustaining operation.”**

Ronnie Anderson, Country Manager, Kazakhstan



Photo: ASK students and Ronnie Anderson receiving the International Platinum Award

#### Skills development

We are proud of the work that we do in the community to promote the development of skills, particularly with young people. As well as offering support mechanisms for local people to get access to employment opportunities, we are also involved in promoting skills in schools.

Our involvement can take many forms and is closely aligned to the need of the stakeholder. AMEC has formed a number of 'AMEC Community and Educational Partnerships' with local institutions. Each partnership is designed around the individual circumstances, giving the stakeholders the opportunity to draw

on the talents of our employees with the objective of building skills. These partnerships are often long-term relationships and activities include:

- Holding safety awareness classes
- Work experience days and visits for schools
- National event support
- Tutoring (school and university level)
- Award of scholarships.

Our Power & Process division, as part of their employee scholarship programme, awarded a total of fifteen scholarships to children of Power & Process America's employees. The programme aims to encourage and recognise academic excellence and the pursuit of higher education.

AMEC also continue to partner with schools and educational facilities close to its offices. Aberdeen's Hazlehead Academy Partnership continued to grow, with 2009 seeing the launch of a new work experience course providing the students with an introduction to the oil and gas industry. The course developed by AMEC and ASET (Aberdeen Skills and Enterprise training) was held over a five week period and contained a bias towards safety, as well as providing an insight and practical experience in areas of instrumentation, mechanical, electrical and process engineering. The course was developed to engage pupils in a practical way whilst providing opportunity to take engineering from theory into working practice. One batch of twelve of students completed the new course during 2009. 2010 will see this programme rolled out further with 2-3 batches of students each year completing the programme.

We find that our employees value and enjoy these opportunities and we believe we are investing in our future, inspiring the next generation of engineers, project managers and consultants.

### Human rights and dignity

Upholding internationally recognised human rights is essential to AMEC in building a successful company. We believe that this is very important to our stakeholders, particularly our employees. In March 2009, we signed up to the Global Compact, promising to ensure that our business is underpinned by human rights principles. We believe that these are already largely enshrined in our policies and procedures. One area identified as a gap is a specific human rights policy, so we are working on developing and publishing this policy during 2010. Matters relating to the Global Compact principles are also being addressed within our supply chain evaluation process (due for release 2010), ensuring that we are aware of our suppliers/ subcontractors performance and management of these issues prior to working with them. Further work will be undertaken during 2010 to raise the awareness of the principles to which we signed in 2009, including a focus on human rights and labour.

### AMEC's strategic charity supporting human rights

We believe that, as a FTSE 100 company, we have an obligation to step beyond our immediate boundaries of control, supporting international efforts to strengthen human rights. We committed, last year, to use our charitable donation process to support one global strategic charity. We looked hard to find a charity which was supporting elements of the Millennium Development goals and that had a true international reach.

Building on the relationships forged during 2008, AMEC made the decision to support SOS Children's Villages as its strategic charity for the following two years.

SOS Children is the world's largest orphan and abandoned children's charity. It provides new family and homes for more than 70,000 children in 475 unique Children's Villages in 123 countries, addressing and reducing child mortality and giving children access to education.

The money donated to the charity in 2009 from AMEC supported orphaned children in Kazakhstan, Azerbaijan, the Philippines and Peru to lead a normal life, attend school and gain an education. AMEC's donation provided school fees and equipment for over 480 children in towns local to many of our offices including Baku and Ganja in Azerbaijan; Astana, Kazakhstan; Manila, Philippines and Chiclayo, Peru.

AMEC will continue to support SOS Children during 2010.



**SOS Children's Villages**  
*the world's largest orphan charity*

# Our environment

AMEC's reputation and success relies upon maintaining a high standard of environmental management. Many of AMEC's projects have a significant potential for serious environmental harm; our aspiration and Guiding Principle underpinning our approach to environmental management is to enhance the environment whilst minimising negative impacts.

Our success as a global company is measured on making sure the environmental consequences of our activity is mitigated to its lowest levels. Managing our impact is not just a fundamental issue in our own operations but also a significant part of our service provision through AMEC Earth and Environmental. Therefore environmental standards are important to our reputation and ability to win work from clients who expect only the highest standards of environmental protection.

## Environmental Management

We express our commitment to environment in both our company values and Guiding Principles, because it is such a critical issue to our business and stakeholders. Therefore our approach to environmental management relies in assuring that environmental aspects are considered at the earliest stages of decision making and that we establish robust standards of operation throughout our business. Our environmental values and principles are cascaded throughout our business management system. For example environmental issues are covered in AMEC's risk management process, tender review, supply chain and ethics policy and process. This approach ensures that environment is a consideration at the earliest stages of decision making.

An important communication of our environmental intent is captured in our global Health, Safety and Environmental policy statement. Here our Chief Executive sets out AMEC's global environmental objectives which we make publicly available on [amec.com](http://amec.com).

**“ We protect and improve the environment wherever we can, minimising harm. We choose and promote effective environmental management systems and practices wherever possible. We are committed to continuous improvement of our environmental performance.”**

Extracted from AMEC's Guiding Principles

The nature of our business means that we have a broad range of environmental issues to manage. These are unique to the operations AMEC is involved in, from oil platform maintenance to habitat restoration and remediation projects. However, as a global organisation, there are some key environmental issues common across our operations. These issues require us to, where appropriate, set minimum standards through our management system and/or implement assurance processes to make sure we manage these issues properly.

| Our key environmental issues |  |
|------------------------------|--|
| Management                   | <ul style="list-style-type: none"> <li>■ Pollution prevention</li> <li>■ Incident control</li> <li>■ Efficient use of resources</li> <li>■ Legal and other requirements including waste</li> <li>■ Supply chain and procurement</li> </ul> |
| Climate change               | <ul style="list-style-type: none"> <li>■ Energy use and efficiency</li> <li>■ Travel and transport</li> <li>■ Carbon emission footprint</li> <li>■ Service provision</li> </ul>  |

AMEC's global approach to environmental management establishes a mandatory environmental management standard which is based on ISO14001:2004 which we require all operations to comply with. We made the decision not to require operations to certify to the standard unless there is a business case to do so; however, all operations are required to comply with AMEC's HSE framework as part of AMEC's global management standards. The framework does contain all the elements of the ISO14001 standard and is, therefore, set up for third party assurance if required.

The framework approach allows individual operations to develop an environmental management system designed around the needs of the region, business and stakeholders they are designed to protect. Over time and given our experience in management our approach has developed into an integrated framework bringing together health, safety and environmental management practice because we believe there is an inextricable link between these management processes, sharing many common systems and procedures.

During 2009 we took steps to further strengthen our environmental assurance and management system by employing a new environmental lead for the business. As

a starting point we have developed a global environmental strategy which we will implement through 2010. The focus will be to maintain and enhance our global environmental performance as well as providing a high level of environmental assurance for our management team.

### Waste management

Over the years this environmental aspect has reduced in its impact on the business. AMEC once generated more than a million tonnes of waste a year predominantly through the construction-related activity, now divested. We are still concerned with the careful management of waste today rather than the volume of waste. Many jurisdictions in which we work have significant waste legislation in place and, at times, AMEC is managing hazardous types of waste.

Over time AMEC has moved away from being a significant producer of waste. At times we manage waste on behalf of our clients; provide assurance in a project management capacity that third parties are managing waste; through to advising clients what they can do with their waste.

Whilst AMEC offices throughout the world continue to operate waste minimisation practices such as recycling, reuse and reduction, the waste issues have moved on. As our company has evolved, so too has this aspect of environment, changing from a producer-led aspect to a management-led aspect.

### Climate change

AMEC believes that the biggest challenge we currently face is climate change. Today, AMEC is heavily involved in energy exploration and the conversion of energy into electricity. AMEC sees this as a defining moment to step up to the plate. We see our role as threefold. First, AMEC and companies like us, play an important role in defining possible solutions to climate change. AMEC plays an important role in helping governments and policy makers shape and prioritise policy change. Second, AMEC can help our customers achieve the lowest carbon footprint possible via the services and technology we provide. Third, at a company and individual level, we should continue to conduct our work and our lives in an environmentally sustainable way.

AMEC has already committed to building our renewable group. We are working on Carbon Capture and Storage (CCS) pilot projects in the UK, we have a successful wind power business in Canada, which we are expanding into the Americas and we are also working on biofuels projects. We will further build on our renewables position and in order to significantly enhance our vision for alternative and low carbon energy: nuclear, wind, solar, biofuels and CCS.



### Case study

#### Climate change service

##### Reducing energy use in Colorado state

AMEC has become a partner of choice for the United States Air Force as they deliver their programme to reduce their energy usage. One of the first contracts to be awarded to AMEC under the agreement was the Buckley Solar Project, a 1MW solar photovoltaic renewable project in Colorado State, US.

The project includes the construction of solar panels over an 8 – 10 acre site that will provide 5 – 10 per cent of the base usage at peak times.



### Operational Excellence – Low Carbon Management

In 2008 AMEC communicated its carbon management strategy. The strategy and the supporting tools were developed as part of the Operational Excellence programme, and were further implemented throughout the business during 2009.

The carbon management strategy was developed through analysing the short, medium and long term effects of climate change on our business, including imminent regulatory

impacts. We also considered a great number of international reports (e.g. United Nations, Greenhouse Gas Protocol) and government strategies including the implications of the Stern Report. The objective of the strategy is to facilitate the implementation of carbon management across the whole of our organisation, pushing climate change and carbon emissions higher on our management's agenda.

During 2009 following further debate and dialogue with various parties including industry bodies, clients, peers and governments it was decided to update the targets associated with the carbon strategy. Our long term target was updated at the start of the year from 60 per cent to an 80 per cent reduction by 2050 from 2008 levels.

### Target: Reduce AMEC's CO<sub>2</sub> emissions by 80 per cent by 2050 based on 2008 levels

To help us to reach our long term target, we have also updated our key milestones which form part of our strategy.

- 15 per cent reduction in CO<sub>2</sub> by 2013
- 40 per cent reduction in CO<sub>2</sub> by 2020
- 60 per cent reduction in CO<sub>2</sub> by 2030
- 80 per cent reduction in CO<sub>2</sub> by 2050

Working through the Greenhouse Gas Protocol guidelines and ISO 14064(1) we have identified our key emission target sources on which we concentrate our efforts in controlling.

|             |  |
|-------------|--|
| Scope one   | ■ Company fleet vehicles<br>■ Gas and oil consumption (building utility) |
| Scope two   | ■ Electricity consumption (purchased grid)                               |
| Scope three | ■ Air travel (long, medium and short haul)<br>■ Rail travel              |

These constitute the majority of our carbon emission falling within our operational boundary and contribute an significant cost to our business. More detail of the makeup of AMEC's carbon footprint can be found on pages 36 and 37 of this report.

To help us to monitor, track, trend and report both our carbon emissions and costs from these key sources, AMEC invested in an online, bespoke carbon foot-printing tool. This tool was rolled out and implemented in 2009, with local focal points able to manage their own data and reporting requirements. Implementation of the tool has meant that AMEC was able

to fine-tune various systems in order to obtain actual data, which has resulted in improved accuracy of the data recorded. This improvement is expected to continue as new reporting mechanisms are implemented and take effect.



Online carbon footprinting tool provided by Best Foot Forward

Through 2009 we rolled out a number of tools to support our low carbon management programme and these are described below;

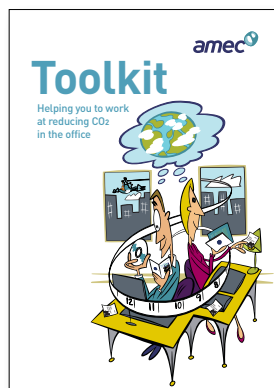
- Online sustainability awareness programme – seeing over 6,500 employees completing the package and setting their own individual sustainability actions plans during 2009
- Development and implementation of the Office Sustainability Action Matrix. Matrices were introduced as a tool and rolled out during 2009, and required targets in four key areas, including environment to be set. Matrices were developed and published in the majority of AMEC offices
- Roll out of the personal low carbon diet booklets, and associated awareness material including an Office Low Carbon Workbook, posters, and five minute climate change awareness presentation.

2009 was used to raise awareness of sustainability and AMEC's carbon strategy amongst employees, and to embed the systems required to accurately report carbon data associated with AMEC's carbon footprint. We believe that, through awareness and simple changes in our choices and personal behaviour, we will be able to meet our target of reducing emission by 15 per cent by 2013.

### Moving forward

AMEC's carbon management programme forms part of its environmental management system, and is a key component of the HSSE policy (found on amec.com). 2010 will see carbon management included as a key element of the HSSE improvement scorecard. For 2010 a lagging indicator has been set to reduce the carbon footprint of the business by 10 per cent from 2009 levels. Leading indicators require each business to develop and implement a local carbon reduction plan in order to support this target. In addition AMEC has signed on the 10:10 initiative, requiring the business to work towards a 10 per cent

reduction in 2010 – tying in with the internal targets already set. In order to support the business to achieve this 10 per cent reduction target, further tools have been developed, which will be rolled out and implemented during the course of 2010. These tools are all available electronically via the new 10:10 toolkit which was developed by champions within the business.



Our 10:10 carbon reduction toolkit

### Our environmental performance

We are fully committed to continuous environmental improvement; it is a central part of our principles and policy. As with any improvement programme it is a fundamental requirement to be able to measure performance in order to improve it and there are many things that we could measure across our business. We have selected core environmental indicators aligned to our key environmental issues.

Through 2009 we saw a marked improvement in our environmental leading and lagging performance indicators across the organisation. Our environmental management performance shows an improvement in both environmental management system coverage and a reduction in incidents, but there are still areas for improvement.

### Environmental regulatory action

Our target for regulatory performance is to have zero enforcement actions. Our policy commits us to comply with national environmental laws wherever we operate.

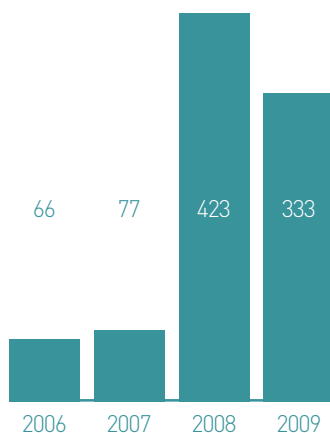
|  | 2009 | 2008 | 2007 | 2006 |
|--|------|------|------|------|
| Number of prosecutions                 | 0    | 0    | 0    | 1    |
| Number of notices orders and citations | 0    | 0    | 1    | 1    |

### Reported environmental incidents

This indicator relates to environmental incidents which were reported by the business internally as part of their environmental

management system but did not result in any regulatory action being taken. Only four of the incidents reported during 2009 warranted a report (or first alert) report to the functional Head of Environment.

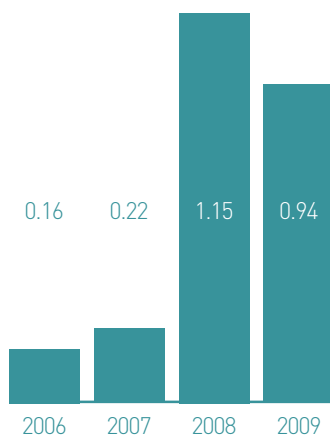
Number of environmental incidents



Our first alert system relates to potentially significant environmental incident events which have the potential to harm the environment. During the year we received two first alerts relating to the release of hydrocarbons, one relating to a release of sewage and one in respect of a failure in our record keeping systems.

Our performance in 2009 showed both a reduction in total recorded incidents and our environmental incident rate. Our target was to reduce our rate of environmental incidents which we met.

Incident rate per 200,000 exposure hours



During 2010 we will be introducing a new incident reporting process called Trackwise. This new system will assist us in classifying and rating our incidents across the business improving the consistency of our reporting process.

#### Environmental Management System (EMS) coverage

AMEC has in place a mandatory standard for environmental management, based on ISO 14001. We require all operations to implement this standard. During 2009 the coverage of the EMS increased, overall, by seven per cent.



This is a small but important improvement and an area where we have the opportunity to make further progress through 2010. Whilst we do not require our businesses to put in place a third party ISO 14001 system, unless there is a business case for investing in a certification to the standard, we do require AMEC operations to comply with AMEC's environmental management standard. However, 30 per cent of AMEC's business is certified to the ISO 14001 standard via a third party. The majority of certifications are held in the UK where the standard has a high profile.

#### Accounting for carbon emissions

Using our greenhouse gas protocol compliant carbon accounting tool which was developed as part of the Operational Excellence programme we have been able to record and analyse our emissions and costs (scopes 1 and 2, as well as travel data in our scope 3 emissions) from 2008 and 2009.

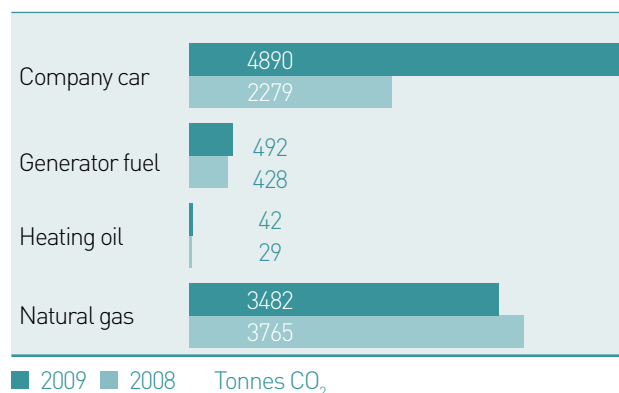
Collating this information has been a significant task, however systems were introduced in 2009 to ease the collation of data and ensure that the level of estimated data was reduced.

As a result of the improved systems the carbon footprint for 2008 has been updated using more accurate estimations or actual data which became available following publication of the 2008 report. This update took the carbon footprint for 2008 from 51,585 tonnes to 57,898 tonnes.

#### Scope one – emissions from direct energy

This includes gas consumption at our facilities and transport

mileage from our fleet of vehicles. We do have a small number of generators operating on site but the majority are under the control of sub-contractors and fall outside of our direct control. Where we have data we have included fuel consumed in AMEC generators in our scope one footprint.



Overall our scope one emissions have increased by 22 per cent, largely due to increases in company car usage and is a reflection of improved reporting systems introduced throughout the year.

#### Scope two – emission from indirect energy

Our scope two emissions are helping us to assess the impact of the UK Carbon Reduction Commitment requirements which are due to be implemented in 2010. We can also gauge the better performing areas and duplicate best practices at many of our facilities.

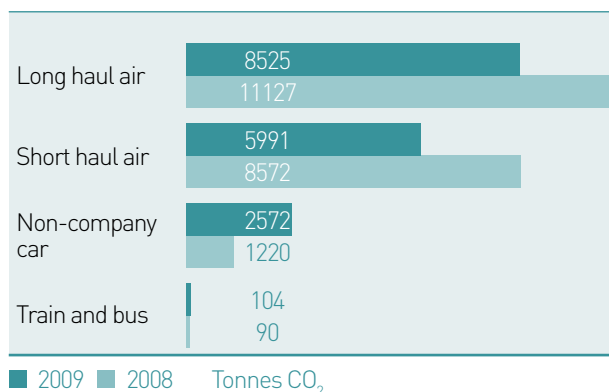
Roll out of operational tools such as the low-carb diet guides (personal and for offices) as well as target setting within the office action matrices have had an impact on our electricity consumption during 2009, showing a 18 per cent reduction in consumption over the year.

| Electricity consumed        | 2009   | 2008   | 2007   |
|-----------------------------|--------|--------|--------|
| '000 Kilowatt hours         | 48,286 | 59,137 | 57,492 |
| '000 GJ                     | 174    | 213    | 207    |
| '000 Tonnes CO <sub>2</sub> | 23.7   | 30.4   | 24.3   |

#### Scope three – CO<sub>2</sub> emission from travel

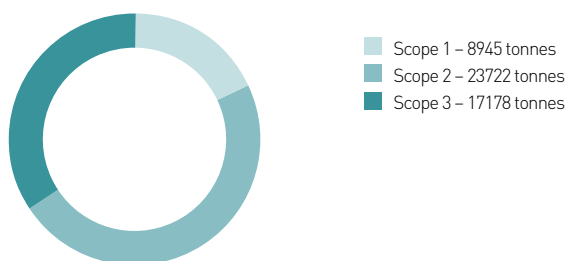
The nature of our business means our workforce is highly mobile. It is an area of both major expenditure and considerable proportion of AMEC's total footprint. Improving our efficiency in this area will not only reduce our emissions but save us money. During 2009 we updated and issued a new travel policy and further developed our approach to travel authorisation and booking. We believe this new policy in conjunction with increased

awareness and improved conferencing facilities resulted in the significant reduction in the emissions resulting from both long and short haul flights that was recorded – see below. Non-company car usage has increased significantly – we believe this is due to improved reporting systems in comparison to those in place during 2008 when this information was first recorded.



#### AMEC's carbon footprint

In total AMEC's businesses (excluding joint venture partnerships) reported emitting a total of 49,845 tonnes of carbon, representing a reduction of 14% from 2009.



| Benchmark indicators                          | 2009   | 2008   |
|---|--------|--------|
| Tonnes of CO <sub>2</sub> per person per year | 2.352  | 2.632  |
| Tonnes of CO <sub>2</sub> per £m turnover     | 19.631 | 22.214 |

#### Addressing environmental concerns

Climate change, waste management and resource use continue to be major issues for AMEC and our clients to deal with. For us, addressing concerns around climate change in particular means addressing our energy use and services provision for our clients. We need to ensure that we bring the latest technology to the market and make best use of resources. Through our Office Action Matrix, we continue to promote 'doing more with less'.

Our business also works in more sensitive environmental arenas such as oil and gas, mining and oils sands developments. We know that these areas of our work have significant environmental impacts, however, the resources they yield feed global demand. Society, through economics, has made these resources highly valuable. What matters is that they are extracted in an environmentally responsible way. We believe that we have an obligation to work with responsible clients, to help them achieve world class operational environmental management through providing excellence in design, engineering, management and monitoring.



# Our marketplace

As a company we are passionate about what we do; working with our partners and supply chain we think about what our customers need and how we can improve our delivery and support their sustainable development aspirations.

Doing business with integrity builds trust and positive relationships that are central to maintaining a successful business. We work hard to ensure that we maintain the highest standards of ethical conduct in all that we do and we expect no less of our business partners than ourselves.

| Our key marketplace issues |  |
|----------------------------|--|
| Economic effectiveness     | <ul style="list-style-type: none"><li>■ Strategic development</li><li>■ Shareholder value</li><li>■ Investment</li></ul>                 |
| Ethical trading            | <ul style="list-style-type: none"><li>■ Anti-corruption</li><li>■ Business practice</li><li>■ Marketing</li><li>■ Human rights</li></ul> |
| Supply chain               | <ul style="list-style-type: none"><li>■ Ethical agreements</li><li>■ Governance</li><li>■ Local content</li></ul>                        |

### Managing our business

AMEC’s businesses are managed on a decentralised basis. While the board has retained reserve powers, the day-to-day management has been passed to the business leaders within defined authority limits. The management philosophy is to empower the business leaders to take the actions necessary to deliver the company’s operational business objectives, within defined Mandatory Procedures and Delegated Authorities. These set out the standards AMEC employees and agency staff are to achieve and adhere to.

These mandatory procedures and processes include dealing with our key marketplace issues such as strategy, ethical conduct and our supply chain. The policies and procedures set out clear standards for our businesses to achieve.

One key element in managing our business is operating an effective risk management process. Our risk management process ensures we have a pro-active approach to identify, assess and manage risk across the globe.

### Risk management process in AMEC

AMEC seeks to mitigate the exposure to all forms of risk through effective risk management. AMEC has, therefore, developed and established a risk management process in order to ensure that a formal, pro-active approach is taken to the identification, assessment, planning and management of risk across all AMEC companies and businesses throughout the world. This process is driven from board level down through the organisation and is co-ordinated via the Corporate Risk Management Director. The AMEC risk management process is

mapped out in the diagram below:



The following outlines some of the specific risks faced by AMEC and the measures being taken to manage these:

#### Bidding risk

AMEC addresses the risk associated with bidding via a stringent tender review process which address the threats and opportunities with each tender submitted. The implementation of a web-based approval process across AMEC has resulted in improved visibility of the threats and opportunities as well as providing a consistent approach to the management of risk.

#### Subcontracting risk

In its subcontracting arrangements AMEC must ensure that it can perform its contractual obligations through robust supply chain arrangements. A set of AMEC Subcontracting Principles has, therefore, been developed which set out how subcontracting risk should be managed across the AMEC supply chain. AMEC pays considerable attention to subcontractors' insurance arrangements and is developing a software tool to improve the management of this process.

### Project execution risk

Various measures are in place in order to address the project execution risk, including the risk management process, project reviews, internal audit of projects, and the implementation of peer reviews. Project execution risk has also been a key focus of the Operational Excellence programme particularly from a project management perspective.

### Security of employees

The personal security of our employees and contractors based, or travelling extensively on business, in potentially hazardous locations is of paramount importance to AMEC. Risks are mitigated by keeping security in relevant locations under continual review with contingency arrangements in place to respond to any adverse security incidents affecting AMEC's operations across the globe. AMEC also operate a "working in countries subject to approval" procedure under which approvals are required prior to tendering for a contract which may involve working in a country designated as high risk.

### Geopolitical and economic conditions

AMEC operates predominately in the UK, the Americas and Australia and is therefore particularly affected by political and economic conditions in those markets. The company is not, however, dependent on any one area of economic activity.

The risk associated with economic conditions resulting in a downturn and affecting the demand for AMEC's services has been addressed, as far as practicable, by seeking to maintain a balanced business portfolio.

In light of the current global economic downturn, steps are being taken in order to assess and monitor any potential impact on AMEC's project opportunities and address potential increased supply chain risk.

### Environmental and social risk

AMEC's operations are subject to numerous local, national and international environmental regulations and human rights conventions. AMEC has taken steps to ensure that climate change related risks are appropriately highlighted in the corporate risk management process.

Breaches of, or changes in environmental or social standards, laws or regulations could expose AMEC to claims for financial compensation and adverse regulatory consequences, as well as damaging corporate reputation.

AMEC takes a pragmatic, integrated approach to managing environmental and social risks utilising existing business management systems to identify and mitigate such risks.

### Ethics in AMEC

Companies considered to have a high standard of ethical conduct benefit from strong relationships with stakeholders and are seen to have a positive reputation. Reputations can be made or lost on the actions of a single employee. Efforts to manage reputational risk arising from corrupt practices by employees or business partners require a management system that has supporting processes in place, with the appropriate leadership support. AMEC has implemented a robust ethical management process, which has developed over a number of years. AMEC has a Code of Business Conduct which operates across AMEC.

At board level AMEC has a non-executive director, Martha Hesse, who chairs AMEC's Compliance and Ethics Committee. This Committee considers and approves the Code of Business Conduct and related compliance arrangements, taking responsibility for the management of investigations into any violations as necessary.

Our Code of Conduct sets out clear standards of behaviour in our business dealings and commitment to anti-corruption measures. This approach is supported by the ethics hotline which was introduced in 2008 – a confidential option for employees and others to report suspected violations of our policy and code.

As part of our membership of the World Economic Forum AMEC has joined the Partnering Against Corruption Initiative.

### Ethical business conduct

Ethical conduct and compliance is absolutely central to AMEC's vision and values and ensures that we attain the highest standards of honesty and integrity in the way in which we behave and operate in the workplace.

During the year we have translated our Code of Business Conduct into a number of languages to ensure all our employees understand our requirements.



The code gives clear and unambiguous advice, building on key ethical risk areas to which our people, through their business life, may be exposed. It sets out a clear standard of conduct which AMEC expects all its people to adhere to. The code is arranged into six main sections, focusing on our responsibility to:

- our customers
- our business partners
- each other
- the company
- governments
- the wider social environment.

The Code of Conduct is available to all employees on our intranet or in hard copy.

We continue to encourage our people to report any behaviour that may constitute a breach of our code of conduct using the process set out in the Business Code of Conduct. Further advice and encouragement is given on AMEC's Ethics intranet site.

**“Reputations can be made or lost on the actions of a single employee.”**

Michael Blacker, General Counsel and Company Secretary

#### Acting with integrity and respect

As announced on 26 October 2009, AMEC has paid a sum of £4.9 million (plus associated costs) in respect of a Civil Recovery Order following the identification by the company of certain irregular payments received between November 2006 and early 2007. External advisers were immediately appointed and AMEC self reported its findings to the Serious Fraud Office in March 2008. As part of AMEC's commitment to main the highest ethical standards, an independent consultant has been appointed to review and report on AMEC's ethics and compliance programme.

AMEC take compliance and ethics seriously. We have a zero tolerance for bribery and corruption. Over 300 senior managers have been through the latest compliance and ethics training programme, and in the Americas, refresher training continues on the specific ethics requirements of the US Government.

#### Strategic development

##### Vision 2015 – assured growth

The unveiling of Vision 2015 in December 2009 defined our overall corporate vision, targets and strategic direction for AMEC beyond 2015. Through the Operational Excellence programme and now Vision 2015, AMEC and its shareholders have a clear outline of objectives, growth markets and geographies.

We take pride in understanding our customers' needs and changes in end market focus and through the integration of Natural Resources and Power and Process moved forward and remodelled our business to reflect these. This collaborative approach allows us to work closer together and provide leaner and more effective services to our clients, whilst opening up large growth opportunities across the sectors.

Through the Operational Excellence programme we are achieving the highest standard in every area of our business and we are continuously improving to striving to better position our company in our target markets. As well as strengthening our financial position, Operational Excellence is becoming a way of life for everyone at AMEC, helping us achieve our vision:

**To be the leading supplier of high-value consultancy, engineering and project management services to the world's natural resources, nuclear, clean energy, water and environmental sectors.**

#### Mergers and acquisitions: A pillar for growth

Acquisitions are an integral part of AMEC's vision and make a key contribution to AMEC's long-term prospects. One such acquisition which took place in 2009 and supports our strategy of growth globally was GRD Limited, which built AMEC's presence in Australia to almost 750 people. The mining expertise from its internationally recognised subsidiary, Minproc, complements our existing services and strengthens our presence in Australia, South Africa/Africa and South America. This acquisition along with our existing mining business increases our geographic reach and broadens our client base.

Another region for growth for AMEC is North America and the acquisition of Phillips Engineering in Quebec, Canada, provided us with infrastructure capabilities at a time when the Canadian Federal and Ontario governments committed to substantial economic stimulus spending. Our position was further solidified in the region through the acquisition of JBA, which strengthened the geotechnical, mining and environmental engineering consultancy services; and Arcas, which provided archaeological consulting expertise. Their long term, trusted relationships with key clients, help AMEC to diversify its client base and broaden business opportunities in Canada.

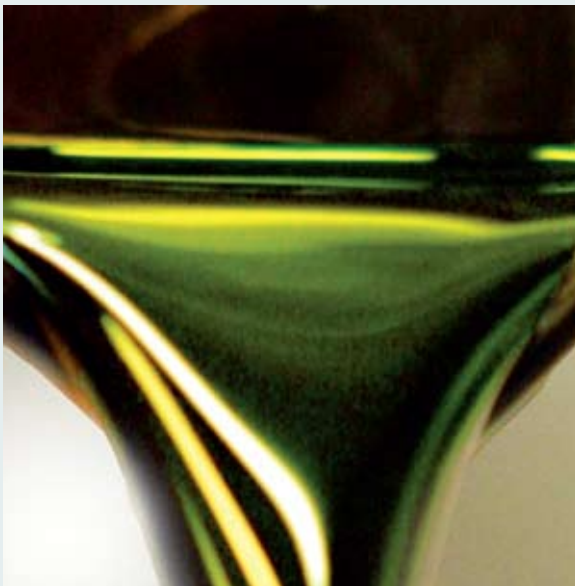


#### Case study

##### **Creating a greener future with Sapphire Energy**

When our clients are seeking to pioneer alternative energy sources, AMEC is right beside them working to create a greener and sustainable future. Sapphire Energy is pushing the boundaries of alternative fuel source investigation and development and AMEC have been chosen to help them determine a suitable site to build the first commercial-scale pilot plant for their project. They have applied all the current biotechnology knowledge to develop green crude, a unique commercially viable fuel source that derives from strains of algae that can be readily converted from a living organism to a fuel.

Myles Grotbo, Principal Geologist with AMEC Geomatrix says: "This project extends the traditional environmental work that we have done and applies it to a newly regulated, little known industry. Trying to explain these types of projects to regulators and communities is challenging, we have to work very closely with them to build an understanding of what the project is, combat any misconceptions, and educate the regulators on the impacts associated with the project. The work we are doing is very multi disciplinary in nature, and now AMEC is working closer together than ever before we have those specialists ready to mobilise which is a distinct advantage and benefit for Sapphire Energy."



The purchase of Performance Improvements Group (PI) Limited, the UK based asset optimisation consultancy enhanced AMEC's services for our oil and gas customers. In this case the company's wide client base, ranging from international oil companies to new entrants also has a significant potential for international expansion into other oil and gas markets such as the Middle East, Caspian and South East Asia.

Of major importance to our acquisition process is the management of integration and culture during what can be a stressful and worrying time for employees. Ensuring that new employees are listened to, communicated with and well equipped with the necessary tools to work alongside AMEC is essential in a successful merger. We also provide the necessary support to allow the individual entities to grow at a faster pace than they could have done independently.

**“ Acquisition has allowed us to expand our geographic footprint and improve our capabilities.”**

Roger Jinks, President, Earth & Environmental

#### **Operational Excellence**

Our Operational Excellence programme focused on achieving a sustainable, profitable business into the long term. In 2009 we developed and implemented key tools and processes in marketplace areas including:

- Strategic marketing
- Strategic relationship management and business capture
- Commercial management
- Project management
- Engineering
- Supply chain management.

#### **Operational Excellence and Supply Chain Management**

The goal of the supply chain management focus area was to ensure that AMEC becomes the customer of choice to the best suppliers. It is important for us to concentrate on forming key positive relationships with our supply chain, and working together to respond to our clients' needs.

During 2009 a Supply Chain Management (SCM) directorate was established to provide pan-AMEC direction and leadership of the Supply Chain Management activities for the supply of goods and services. It consists of all the lead SCM management across the world.



The directorate's vision for SCM is: "To deliver effective supply chain management services that enable the company to satisfy client requirements and deliver enhanced business performance through the skills of our people and our suppliers."

The members of the directorate meet regularly to focus on delivery of this vision, by institutionalising the SCM Operational Excellence initiatives across AMEC to strengthen our people and positioning for 2015. It has clear ownership for procurement and supply chain strategic direction and improvement. It actively engaged and supports the whole Supply Chain Management

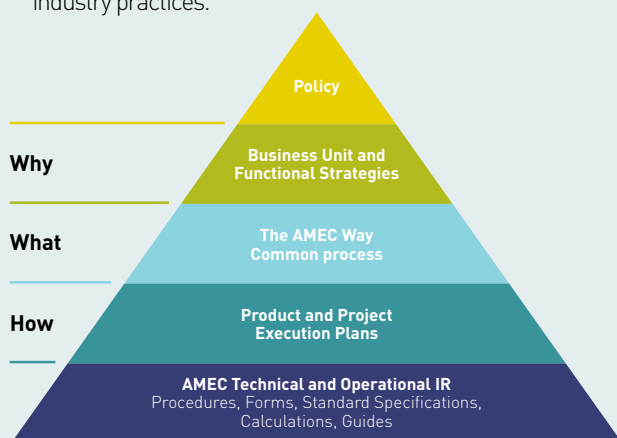
### Case study

One of the key deliverables from the Operational Excellence programme was the development of a business management system that supports governance, assurance and learning across AMEC with the benefit of improving the quality and predictability of our business outcomes.

Part of the development recognised that we needed common approach on "how AMEC does its work" and developed a common process model for our key deliverables – "The AMEC Way".

The AMEC Way is a delivery assurance framework covering AMEC's key business processes and represents a common AMEC-wide approach to executing our business which:

- Defines performance standards for all the mandatory activities which make up AMEC's agreed common functional activities
- Provides guidance, tools and best-practice examples to support personnel in their activities
- Interfaces all relevant sub-processes in related functional areas e.g. project management, commercial, engineering, supply chain management, business development,
- Is deployed in a web-based format accessible to all AMEC personnel using simple graphical and text based interface
- Is presented in accessible, 'world English' based on established best-practice examples available within AMEC's existing operations and on generically applicable recognised industry practices.



The benefits of developing such a framework are:

- Faster, smarter start-ups
- Increased interface robustness
- Consistency of approach
- Knowledge capture and transfer
- Embraces good initiatives, already in progress
- Moves us towards a performance-based culture
- Improved customer satisfaction.

The AMEC Way supports our consistent and excellent performance delivery by:

- Defining a common language for what we do
- Stating common expectations of WHAT we MUST and SHOULD do in executing day-to-day tasks without constraining HOW we may do it
- Providing accessible links to resources in the form of guidance, procedures, templates and tools which represent AMEC-recommended best practice in each activity and sector.

To realise these benefits, the key delivery processes have been mapped based on inputs from across all AMEC divisions, business units, industry sectors and operating regions. Based on these agreed maps performance standards have been defined, in the form of MUST and SHOULD expectations that anyone performing a delivery role within AMEC should aspire to. It is simply part of the way we will achieve excellence.

In management systems terms, the AMEC Way provides a common framework above established management system execution plan such as the Project Management Plans which prescribe local solutions defining HOW business will be undertaken.

In 2010, led by the functional directorates, we will be working to implement the AMEC Way common process methodology fully across the business.

The diagram left outlines the new AMEC Way process, and how it fits in with current management systems.

community by focusing on:

- Strengthening our people
- Harmonising tools and processes
- Enhancing our capabilities
- Driving forward our supplier relationship management programme.

Strong links and networking are taking place between the Project Management, Engineering and Supply Chain Management directorates to ensure a focus on alignment and delivery of processes, procedures and systems which recognise and address the effectiveness of the critical interfaces and interaction that drives the successful technical delivery on projects.

### Sustainability and supply chain

To ensure a consistent focus on sustainability with our suppliers of goods and services, a sustainability evaluation module has been included within AMEC's online procurement centre. It was originally scheduled for release by the end of 2009, but has been delayed to ensure its effectiveness. It is now scheduled for release and use during Q2 2010.

It consists of a series of focused questions to examine and determine a supplier's commitment to sustainability and the activities it undertakes to support AMEC's commitment to sustainability. In addition, a performance assessment has been included, to assess the extent to which a supplier met our requirements and their own stated commitment to sustainability.

### Our marketplace performance

2009 delivered another year of excellent results, with significantly improved operating cash flow and a record EBITA margin of 8.2 per cent. This represented a rise of 1.1 percentage points from 2008. We believe that the trading environment will remain challenging but continue to be firmly on track to deliver our target of 8.5 per cent EBITA margin in 2010.

### Summary of AMEC's financial performance

|                                     | 2009<br>£millions | 2008<br>£millions | Change |
|-------------------------------------|-------------------|-------------------|--------|
| Continuing operations: Revenue      | 2539.1            | 2,606.4           | -3%    |
| Adjusted profit before tax          | 215.6             | 210.3             | +3%    |
| Profit before tax                   | 203.5             | 306.6             | -34%   |
| Adjusted diluted earnings per share | 46.7p             | 44.0p             | +7%    |
| Dividends per share                 | 17.7p             | 15.4p             | +15%   |

For more information and full details of the basis of calculation, please see AMEC plc 2009 annual report and accounts at amec.com.

We have continued to invest in the growth of our business, expanding our geographical reach and service provision to our clients in line with our vision and strategy.

| Date     | Business                                    | Market   | Purchase cost<br>£ million |
|----------|---|--|----------------------------|
| January  | Performance Improvements Group (PI) Limited | UK based asset optimisation consultancy services         | 18                         |
| March    | Philips Engineering Ltd                     | Canadian civil engineering consultancy                   | 4.8                        |
| June     | JBA   | Canadian geotechnical and mining engineering consultancy | 2.0                        |
| June     | Arcas Consulting Archeologists Limited      | Western Canadian archaeological firm                     | 0.3                        |
| November | GRD Limited                                 | Australian resources engineering and project development | 88                         |

For further information on our strategic acquisitions, please see page 42 and 43 or refer to amec.com.

### Ethics helpline

We believe that we must continue to reinforce our commitment to ethical behaviour and encourage people to report poor ethical performance. The table below shows the number of incidents reported by the business.

On receipt of additional information the 2008 figures have been updated. Last year's reported figures are in brackets for information.

|   | 2009 | 2008       | 2007 |
|---|------|------------|------|
| Extent to which employees or third parties bring alleged breaches of the Guiding Principles to management's attention | 26   | 33<br>(17) | 24   |
| Extent to which complaints result in formal action being taken against individual employees                           | 4    | 3<br>(2)   | 0    |

# Our future

## Gold Status for compliance with Supply Chain Code of Practice

In December 2009, AMEC secured a Gold Status Award for its compliance with the Oil and Gas UK Supply Chain Code of Practice.

The Code of Practice has been introduced to improve performance and efficiency and promote best practice in supply chain management around three themes of Planning, Performing and Paying. For the first time, the industry's major purchasers amongst the 150 signatories of the supply chain code of practice were subjected to an in-depth analysis of their compliance levels, looking at a variety of factors including, speed of invoice payments, transparency of forward work planning and the use of standardised contacts.

The new tiered compliance scheme allows companies to work towards three different award levels, according to ratings they receive from their suppliers.

AMEC was pleased to achieve Gold Status during this first year.

## Our workplace

AMEC will launch its 'My Future' programme, and continue to improve its employee development programmes as part of the AMEC Academy during 2010.

There will be continued focus on the Beyond Zero Health and Safety programme. Specific items for roll-out in 2010 include the introduction and use of the new incident reporting, tracking and reporting tool, and the launch of the occupational health strategy.

## Our environment

AMEC will continue work towards reducing its carbon footprint in order to meet our first milestone of 15 per cent reduction by 2013.

2010 will see a global reduction target of 10 per cent from 2009 levels introduced and rolled out as part of the Health, Safety, Security and Environmental performance scorecard which will be monitored quarterly.

## Our community

We will continue to support the communities in which we work through education, community volunteering and other methods as appropriate.

In 2010 we will begin to record and analyse the hours spent by our employees in the community using the London Benchmarking Group model which will provide us with a better indication of the support we provide to our local communities over and above monetary charitable donations.

## Our marketplace

2010 will see further development and marketing of AMEC's sustainability services, focusing on clean energy solutions and adapting to climate change.

Internally AMEC will look to further embed the Global Compact principles within our business policies and processes.

# Report assurance process

We believe that it is important for us and our stakeholders to subject our report to independent review, so the reader can have confidence that we are reporting a fair and balanced view of performance in our reports. Our validation assessments also offer us opportunities to improve our process of reporting.

Following the advice of our independent assessor SKM Enviros during our last reporting cycle, we have:

- Developed formal guidelines to determine material sustainability issues to report upon
- Made improvements in carbon data collection systems throughout the business, and introduced internal audit checks of this data to check its robustness
- Improved communications relating to sustainability via roll out of the on-line sustainability awareness programme, roll out of the office sustainability matrices globally, and increased communication via internal magazines, intranet systems.
- Provided commentary on waste management in AMEC within this report
- Included more information on supply chain programmes within AMEC via the new supply chain directorate which was formed during 2009
- Included more case studies relating to programmes developed from the Operational Excellence programme following feedback from key stakeholders.

Through investing in our data infrastructures through Operational Excellence, we have made the validation process better. The data provided in this report is collected and collated by functional heads of discipline for AMEC plc. It is checked by them and their direct reports. Many of the systems used to collect data are externally certified by independent auditors, such as ISO 14001, 9001 etc.

We are looking at ways to improve the validation process and are in discussion with our internal audit department. We have continued to work with our external assurance provider SKM Enviros and have asked them to provide a robust statement of opinion from which AMEC can plan improvements in the future. This is an important part of our report development process.

# SKM Enviros Assurance Statement for AMEC Sustainability Report 2009

## Assurance Objectives

SKM Enviros has conducted an independent assurance review of the web based AMEC Sustainability Report 2009 (see [www.amec.com](http://www.amec.com)). The objectives were to provide an independent evaluation of the accuracy and balance of the report to ensure statements made and data presented reflect business practices within AMEC.

## Responsibilities

The information and presentation of data within the AMEC Sustainability Report 2009 are the responsibility of AMEC. This statement is the responsibility of SKM Enviros and represents our independent opinion, and is written to be read in its entirety by readers of the AMEC Sustainability report 2009.

## Methodology

The assurance was conducted via meetings, telephone discussions and e-mail correspondence with staff responsible for collating and reporting the data on which the report was based. Both quantitative and qualitative data were substantiated through examination of relevant files and documents supplied by AMEC at these meetings. Limited telephone and email based field audits were conducted to sample the collection of data at the grass roots level within the business to assure ourselves that the process is robust and to review data transposition within the businesses.

## Quality Assurance

Following guidance and recommendations from the AA1000 (2008) Assurance Standard SKM Enviros has provided comments against each of the principles of assurance of inclusivity, materiality and responsiveness and has made an assessment of the reliability of performance information.

The team performing the verification has the appropriate experience and competency to do so and are not working for AMEC in any other capacity.

## Our Opinion

### Inclusivity

AMEC has systems in place for internal and external stakeholders to participate in the development of the organisation's response to sustainability issues.

We are encouraged that AMEC has recently developed guidelines to determine material sustainability issues to report on. This incorporates inclusion of stakeholders to define the reporting strategy.

### Materiality

The new guidelines have been developed to define the report content and to aid transparency and consistency in the reporting process and we believe this will strengthen the future reporting

process. The UN Global Compact has also influenced AMEC's reporting since AMEC became a signatory from March 2009. AMEC has identified a number of new key sustainability impact areas:

- Occupational health
- Security
- Legal and other requirements including waste
- Divestment
- Human rights as an ethical trading issue.

We are pleased to see the establishment of a new Supply Chain Directorate to provide direction to supply chain management activities.

### Responsiveness

The report is presented as an update to last year's report and in particular is being utilised to communicate the next steps achieved in rolling out the Operational Excellence programme and informing stakeholders of the Vision 2015. It was notable through our interaction with AMEC staff that sustainability is becoming more widely integrated throughout the business and that the Operational Excellence programme has helped sustainability be considered as a main stream business issue.

The boundaries of the report are clearly stated and we believe the coverage and presentation of the data reflects current business practices and performance at the amalgamated group level. Best practice would include the Sustainability report signposting more detailed reporting at a divisional level and we would encourage AMEC to consider how this can be achieved in next year's report.

AMEC is demonstrating responsiveness to changing sustainability issues through their shaping of the Vision 2015 and in re-evaluation of key sustainability impacts of the business, for example, through review of the carbon emissions target from 60% to an 80% reduction by 2050 from 2008 levels.

Staff engagement in sustainability impacts was noted as a strength in the strategy for 2009 and AMEC has addressed the need for improved communication as fed back through forums such as the employee survey.

Balanced commentary should be included for each of the defined key sustainability issues and we believe greater attention in the report is needed to explain how and where the report addresses performance against each issue.

### Reliability of Performance Information

The data collection systems used for collating the sustainability performance information are generally similar to last year with reliance on the expertise of individuals completing forms and providing the required information.

Accountability for data quality rests with the Heads of each discipline. The data checks at the business level are generally limited to comparison with previous data to flag anomalies. However, we were able to view evidence that justification is sought for material data anomalies. Spot checks of data to ensure a robust audit trail from project/ office level up the business are generally not in place. We recognise the new Trackwise system should improve the assurance process for HSSE related 2010 data but acknowledge the delays in its roll out in 2009.

We were unable to confirm the reliability of the ethics performance data due to confidentiality issues concerning the data. We acknowledge that AMEC must consider confidentiality but would suggest that consideration should be given over the next year as to whether data can be presented in a format that would facilitate the effective assurance of this data.

There have been some notable improvements in carbon data collection and internal auditing has been conducted internally on a selection of the data to check data robustness. It is noted that this has highlighted some areas for improvement and this is acknowledged in the Sustainability report.

It can be difficult to audit data beyond the Divisional level and plans for a new financial and HR information system should ensure a more transparent tool with clearer ability for viewing and checking workplace data from corporate level down into the divisions on a more regular basis.

AMEC has recognised that employee's time spent on community investment is not robustly recorded. However, in 2010 this will be reported through AMEC's participation in the London Benchmarking Group which should improve data quality.

Recommendations for Future Reports and Sustainability Programme:

- Consider signposting more detailed reporting at a divisional level for the 2010 report
- Further develop the materiality assessment process to ensure clear links between the risk assessments and process for defining report content
- For next year's report, clarify how the prioritisation of material issues has informed the balance and coverage of sustainability issues reported
- We would encourage AMEC to support the heads of disciplines by working with the internal audit function to check sustainability data collection processes and audit trails throughout the reporting year

- Continue to review development of reporting and performance indicators particularly in the areas of supply chain, community performance, ethics and diversity
- Continue focus on improving the quality of the reported carbon data.
- Following amalgamation of the Power & Process and Natural Resources divisions it will be important for AMEC to ensure comparability of data with previous years in order for the report to clearly present sustainability progress.



Rachel Pickering  
Area Technical Lead, SKM Enviros  
April 9th 2010





# Global Reporting Initiative

AMEC use the C compliance matrix from the Global Reporting initiative to focus report content.

| GRI section No. | Standard disclosure    | Report page |
|-----------------|------------------------|-------------|
| 1.1             | Statement from CEO     | 4-5         |
| 2.1 – 2.10      | Organisational profile | 6           |
| 3.1 – 3.8       | Profile and boundary   | 7-9         |
| 3.10 – 3.12     | Restatement            | 7-8         |
| 4.1 – 4.4       | Governance             | 10-11       |
| 4.14 – 4.15     | Stakeholder engagement | 12-15       |
| EN3             | Energy consumption     | 36-37       |
| EN16            | Greenhouse gas         | 36-37       |
| EN28            | Non-compliance         | 35-36       |

| GRI section No. | Standard disclosure      | AMEC report |
|-----------------|--------------------------|-------------|
| LA4             | Collective bargaining    | 23          |
| LA7             | Rates of injury          | 25-26       |
| SO1             | Community                | 28-31       |
| EC1             | Direct economic value    | 21,41       |
| EC8             | Community infrastructure | 28-31       |
| EN23            | Spillage                 | 36          |
| LA14            | Employee category        | 23          |



# Our awards

During 2009 AMEC has been given a number of awards. A number are highlighted throughout the body of the report. In particular, the safety awards are in our workplace section of the report on page 27.

- AMEC Earth and Environmental was awarded International Environmental Advisor of the Year in the ACQ Global Awards 2009
- AMEC Earth and Environmental was awarded two Business Achievement Awards by the Environmental Business Journal (EBJ), one being the Mergers and Acquisitions Award for a series of five acquisitions in the US, the other being a Business Achievement Award for results from the recently established R&D programme
- AMEC was recognised as Sector Leader from SAM for our performance in the Dow Jones Sustainability Index 2009/10
- AMEC Natural Resources was awarded International Platinum Award at the Energy Institute awards for its ASK programme
- AMEC Earth and Environmental was awarded the Tree of Life Award by Canadian Consulting Engineer for development of breakthrough technology to clean up contaminated land site in Manitoba
- AMEC Earth and Environmental received Safety Excellence and National Safety Achievement awards from the US National Safety Council
- AMEC Power and Process was awarded a silver in recognition of outstanding contractor SHE performance by SABIC (Saudi Basic Industries Corporation)
- AMEC Nashville office won two awards from the American Council of Engineering Companies (ACEC). The Honor award was for development of an integrated geographic information system database, website and 3D model for Wolf Creek Dam. AMEC also received a Merit Award in the transportation category for treating and repairing roadbed instability
- AMEC Power and Process Europe achieved RoSPA Gold Awards for the Trawsfynydd Strategic Integrated Framework (TSIF), its nuclear business at Sellafield and Westlakes, for their third time, and AMEC's Darlington business achieved the Gold Medal for more than five years consistently achieving the Gold Award standard.



AMEC plc

76-78 Old Street  
London EC1V 9RU  
United Kingdom

Tel: +44 (0)20 7539 5800  
amec.com

