

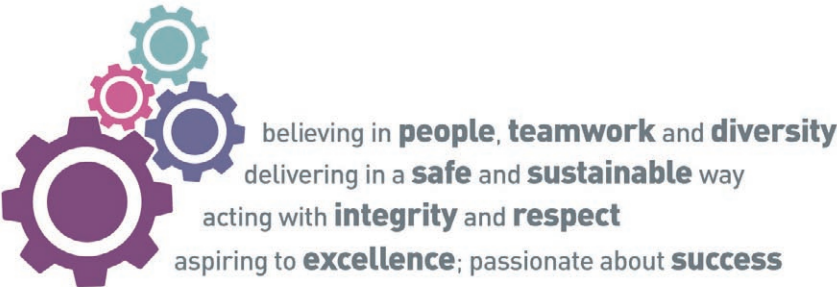
Delivering Sustainability

AMEC plc annual sustainability performance report 2010



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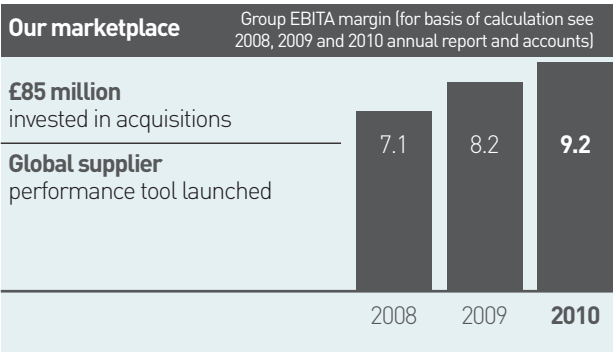
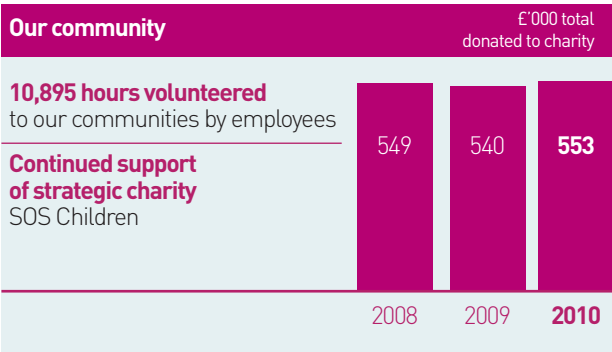
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2010 performance at a glance



*2010 figure includes carbon for acquisitions made in 2009



Sustainability report – introduction from Samir Brikho

My view has, if anything, strengthened since last year: sustainability is vital to a business which wants to be successful. That's why, on behalf of AMEC, I am proud of our continuing support for the UN's Global Compact. As Eleanor Roosevelt said: **“The future is literally in our hands to mould as we like. But we cannot wait until tomorrow. Tomorrow is now.”**

As you read through this report, our tenth, you will see how closely sustainability is intertwined with our daily operations. The examples below illustrate how it supports the core components of our Vision 2015 strategy: Customers, people, growth – delivering the AMEC Way.

Customers

We continue to strengthen and develop our customer relationships, building their trust by our understanding of how best we can help them deliver.

We have been expanding our sustainability services capabilities and have advised our customers on a range of issues. For example, in 2010, it was the sustainable approach we recommended on the Mount Milligan Mine project in Canada which ensured that it received approval to proceed.

People

Our success lies in the success of our employees and the way in which they deliver to our customers. We must recruit, develop and retain the best people, ensuring they are engaged and committed to the company's success.

AMEC Academy was launched in late 2009 to support our training and development activity. In 2010 we ran development programmes involving over 600 people and more than 7,800 personal career path profiles were created using the career paths tool. The range of activities will be expanded in 2011.

The participation rate in AMEC's global employee survey increased again this year but employee engagement levels, though strong, were lower.

We saw some great examples of world-class safety performance in 2010. Sadly we failed to achieve our target for lost time incidents, which at 0.06 per 200,000 exposure hours were higher than our target of zero for the year. Safety remains in focus in 2011, supported by our Beyond Zero programme.

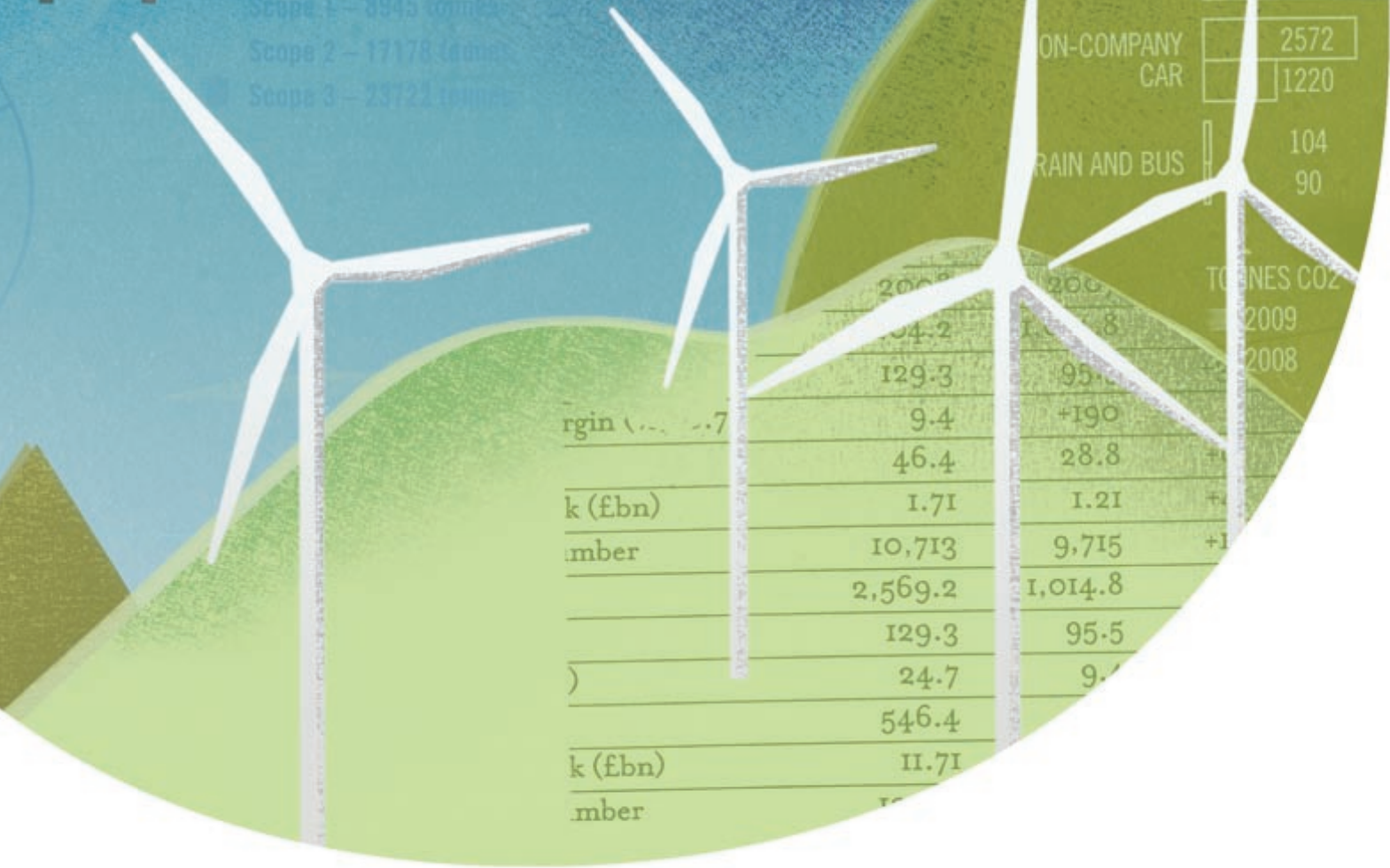
Growth

In 2010 we grew both organically and by acquisition, building on our existing market positions as well as expanding our geographic footprint and strengthening our capabilities in areas such as water services.

Growth is only successful in the long term if a common culture is created and consistent values are adopted throughout an organisation. We work hard to achieve this.

Delivering the AMEC Way

For our employees to deliver high quality work for our clients, they need the right tools and processes and a culture of continuous improvement. Our Operational Excellence programme is now well embedded in the company and has become AMEC Way of doing things. In 2010 I was particularly pleased to see the introduction of our supplier performance tool, which assesses their approach to ethics, human rights and climate change and which will be rolled out more extensively in 2011. 2010 also saw the development of a simple tool



to enable our projects to routinely evaluate sustainability risks as part of the total risk management assessments, again this will be piloted during 2011.

By rigorous focus, we have reduced our absolute carbon emissions in 2010 by 5 per cent from 2008 levels. While not achieving our 10 per cent reduction target, the building blocks for further improvement are now in place.

Our Vision 2015 strategy

As the world's population expands, a sustainable approach to energy, power and water usage becomes ever more important. We see natural resources remaining an important part of our portfolio, but opportunities in other areas increasing. Our 2015 growth aspirations will only be achieved by focusing on our customers, our people and how we deliver safely and sustainably in line with our values – the AMEC Way.

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

“ Sustainability is too important to be left to others; we must each, as I am, be personally committed to making it a part of our day to day lives.”



About AMEC

AMEC plc is a FTSE 100 company, whose shares are traded on the London Stock Exchange and included 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 oil and gas, minerals and metals, clean energy, water and environmental sectors. AMEC's businesses employ over 22,000 people in around 40 countries worldwide, with major operations in the UK and America's. The company's registered office is in Knutsford, United Kingdom.

AMEC's Vision 2015 (announced December 2009) sets out AMEC's next stage of our journey – Growth. Widening our customer reach, focusing on key segments, prioritising markets, reinforcing strong delivery inherent within the brand and broadening our service offering. Priorities for the future are simple – grow while maintaining margins by continuing to deliver to our customers and invest in our employees.

Our business is organized into three divisions;

Natural Resources (NR)

Includes AMEC's activities in Oil and Gas services, Unconventional Oil and Gas and Minerals & Metals. Natural Resources is recognising 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.

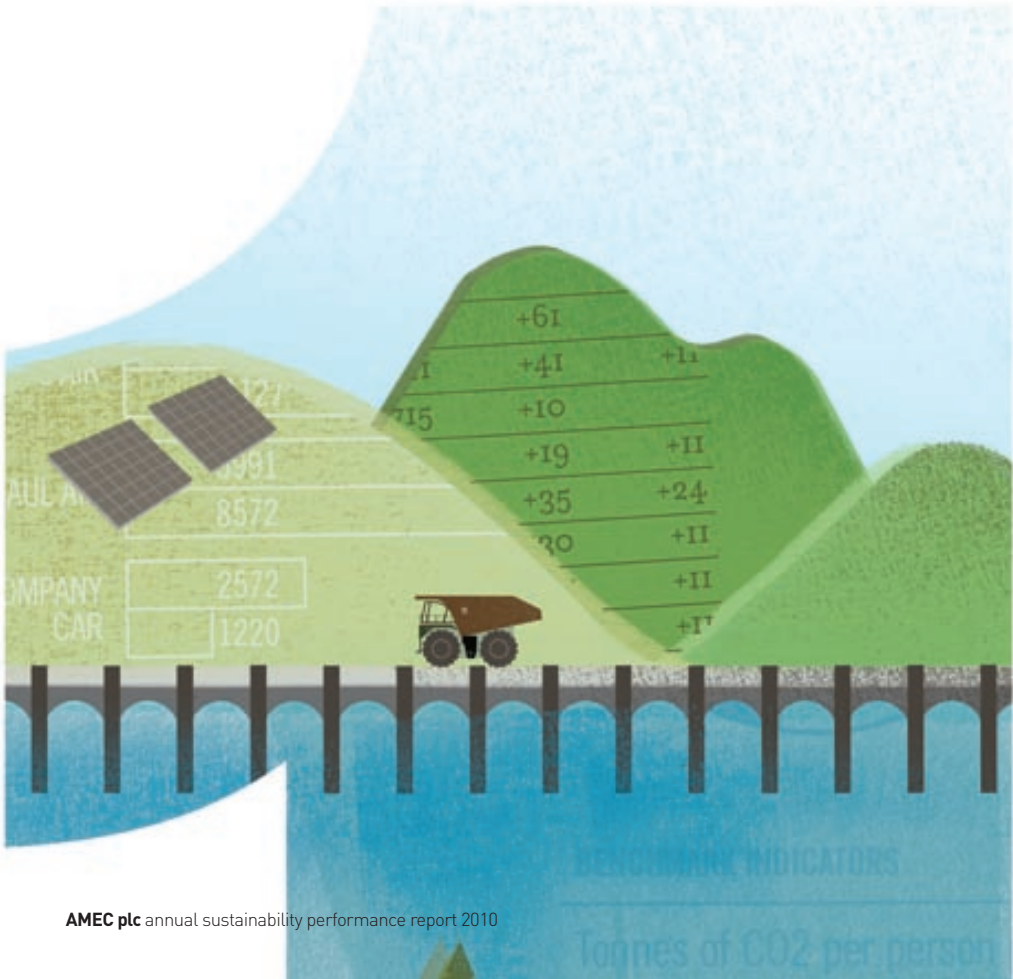
Power & Process (P&P)

Provider of total life of asset services, particularly in areas of clean energy and carbon efficiency with a leading position in the nuclear sector – particularly in the UK. It also offers services in renewable and bioprocesses which are a growing element of the business portfolio.

Earth & Environmental (E&E)

Is a leading international environmental and engineering consulting organisation, offering a diverse portfolio of services to both public and private sector clients. Recent acquisitions have been particularly focused on the water sector.

For more information about our business and the sectors we service, please visit our website at 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).

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)
- Principles to which we have signed up (e.g. UN Global Compact Principles)

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 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. This control principle is applied as the basis under which we report, including joint ventures unless otherwise stated. Note: 2009 Greenhouse Gas Conversion factors were used to calculate carbon stated in this report.

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 divested 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 2010 (January 2010 – December 2010), comparing it with previous years.

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

We hope you find our report information 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 clean energy, water 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, principles 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.

More information on AMEC's business threats and opportunities is listed within the Managing Risks section of the Annual report and accounts 2010.

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

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 2010 annual report and accounts, available at amec.com.

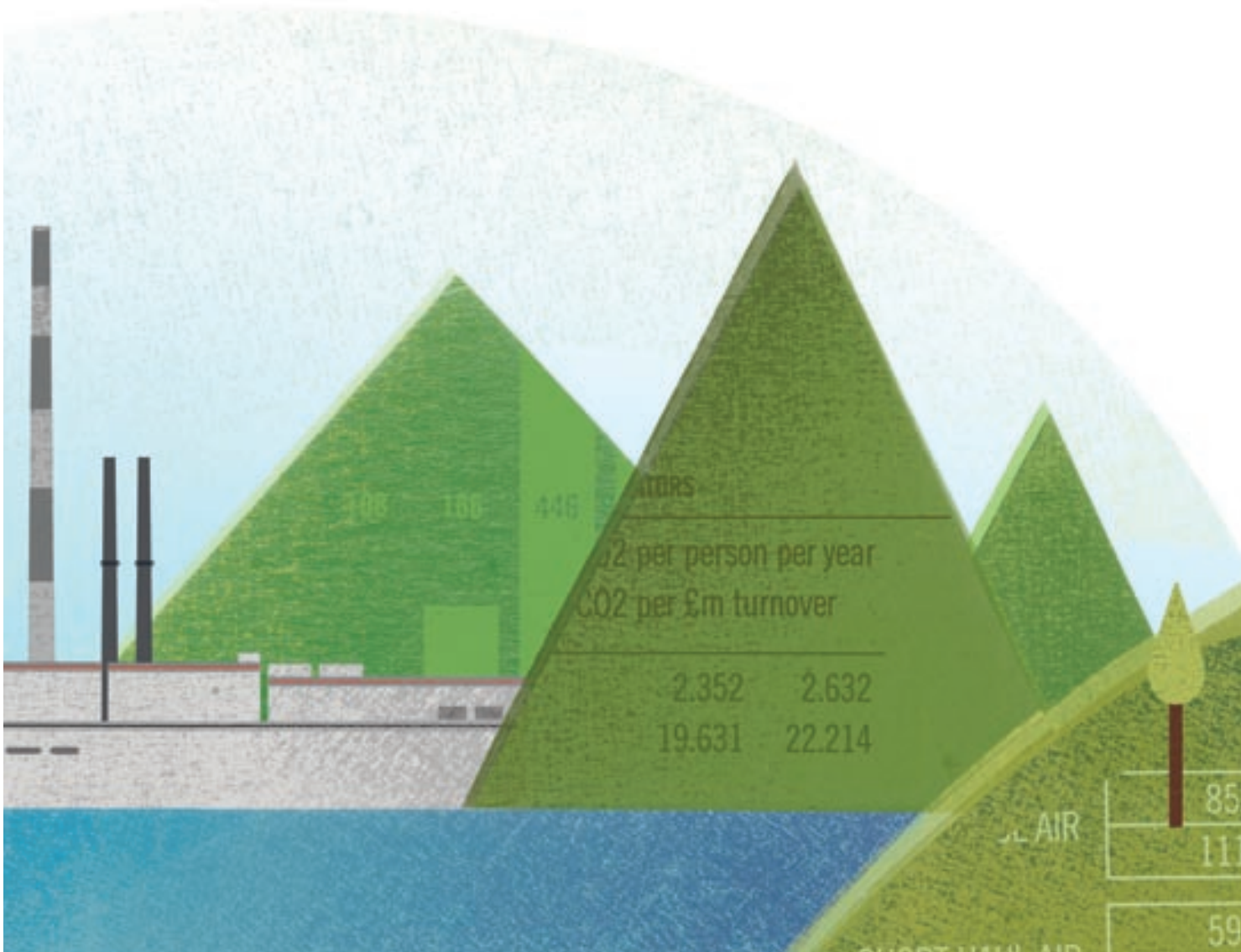
The boards, and its committees, have a continuous process for identifying, evaluating and managing significant risks faced by AMEC. These include strategy, major projects to be undertaken, significant acquisitions and disposals, as well as entry to and exit from different markets. Where appropriate, 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. Principle risks are set out in the 2010 Annual Report

and Accounts. Those relating to Sustainable Development discussed in more detail on page 10.

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 2010 annual report comprised five non-executive directors and three executive directors. AMEC considers our 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. Following Martha Hesse's (non-executive director) retirement from the board in May 2010, the compliance and ethics committee is chaired by Simon Thompson (non-executive director) and comprises all independent non-executive directors.

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 email 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.

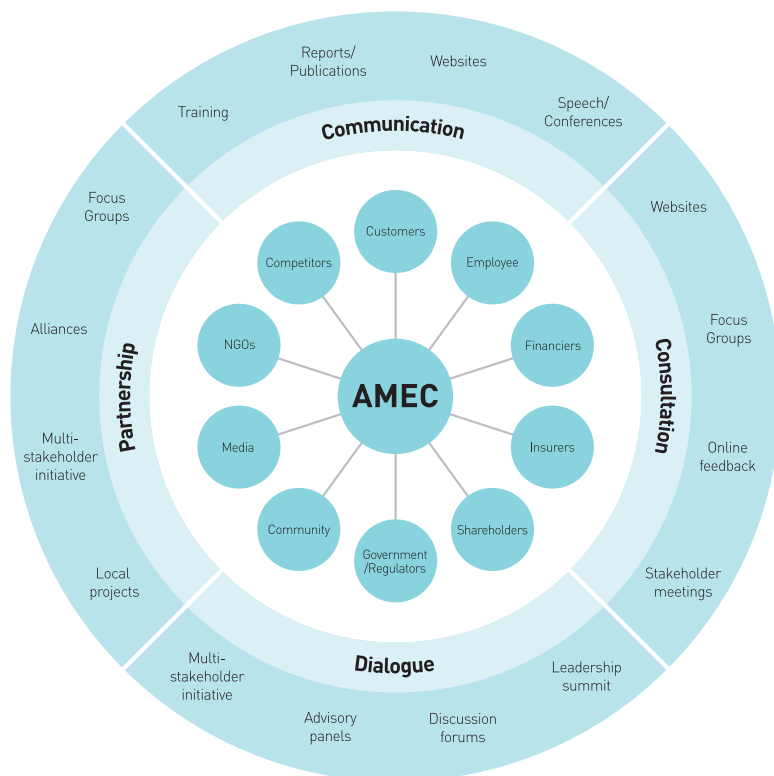
AMEC provides a wide range of mechanisms for employees to share knowledge, to be kept informed of developments within AMEC and to raise issues and discuss matters of concern.

Stakeholder engagement

The way that we interact with the world around us determines how we, as a company, are perceived by our stakeholders – who are vital to our future growth and prosperity. We understand that from project to region, region to industry, the mix of stakeholders changes, as does the type of engagement appropriate.

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.

The diagram below highlights some of our key stakeholder groups, and the methods we have used to engage with them.



Understanding the views of our numerous stakeholders 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: internal magazines; new internal intranet sites including AMEC TV, and the continuation of AMEC breakfast meetings offering employees time with their management teams. 2010 also saw our third global employee survey, which asked how our people feel about the company, and provided AMEC with feedback on the effectiveness of the measures put in place following the previous surveys. 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 2010 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.

Engagement with governments

Governments and political stakeholders form an importance audience for AMEC as they develop policy, legislate and regulate in our key markets. In addition, the public sector, through government departments or agencies, state-owned companies and quasi-national organisations are important customers.

AMEC regularly meets with members of governments and public sector officials at formal meetings and briefings to ensure that there is continuing dialogue. It is important that we understand what new areas of policy are being developed and that government can take in to account any undesirable or unintended consequences of their action. In the UK, North America and more widely, AMEC has pushed forward the debate on energy and climate change including in relation to nuclear new build, carbon capture and storage, wind energy, water resources and investment in transmission and distribution systems. Discussions relating to the availability of key resources and appropriate skills in the engineering sector remain high on our agenda.

Samir Brikho, continues to serve as a UK Business Ambassador, having been re-appointed by the new UK Prime Minister, David Cameron. Neil Bruce, AMEC Board Member, also continues as Chairman of UK Trade & Investment's International Oil and Gas Sector Advisory Board. Mike Saunders, group management team member, represents AMEC on the Department of Energy & Climate Change's Nuclear Development Forum.

AMEC takes time to meet with Government Ministers, national or provincial, either in country, at international events or if they are visiting the UK; examples include meetings with Dalton McGuinty, Premier of Ontario, and John Yap, British Columbia's Minister for Climate Action, in Vancouver, with Ken Cheveldayoff, Saskatchewan Minister for Enterprise and Trade in Houston, President Lee of South Korea in Davos, and South African Deputy President Kgalema Motlanthe, on a visit to London.

Sustainability and investor meetings

As part of our commitment to stakeholder engagement, we held a number of one-on-one meetings with investors interested in our approach to sustainable development. Areas of interest in 2010 included our work to support sustainable energy projects in North America and the UK, as well as our activities to minimise the impact of exploration in environmentally sensitive regions. Investors were also keen to understand our employees strategy in support of our commitment to attract, develop and retain our skilled work force across the regions where we are based. We are planning another investor CSR and sustainability event in 2011 to discuss these and other topics in more detail.

2010/11 Dow Jones Sustainability index

For the second consecutive year, AMEC has been ranked the sector leader for sustainability in the oil equipment and services sector of the worldwide Dow Jones Sustainability Index (DJSI) 2010/11. AMEC was in competition with 41 other organisations. This is the seventh year in succession that AMEC has featured in the DJSI, which annually surveys and benchmarks the world's 2,500 largest companies.



Samir Brikho speaks at GLOBE 2010

In March 2010, Samir Brikho spoke at the "Water - Potential Impacts and Issues for Business session" at the GLOBE Conference and Trade Fair, in Vancouver, Canada.

The GLOBE Conference in March which focuses on the global economic and environmental agenda; hosted more than 10,000 international leaders in the business of the environment from over 70 countries. New to the GLOBE agenda in 2010 was the water session, highlighting the increasing focus on water in the sector.

The session focused on the efficient use of water in terms of long-term corporate success and sustainability. Samir took the opportunity to discuss the background behind the increasing focus on water efficiency in industry, and AMEC's experience and expertise in the water arena.

The conference was a great opportunity for Samir to discuss AMEC's Vision 2015, of which water and AMEC's increasing water business is key.



Offshore Technology Conference in Houston

In his first major role as a UK Business Ambassador, Samir Brikho attended the Offshore Technology Conference in Houston in 2010. OTC is the major offshore technology event for the development of offshore resources in the fields of drilling, exploration, production, and environmental protection and is held every year in early May. OTC attracts more than 70,000 attendees and 2,000 exhibiting companies representing more than 110 countries.

Samir hosted a "UK, subsea excellence" luncheon and the UKTI Energy Excellence VIP Reception, acted as moderator at a breakfast briefing on Oil & Gas Technologies and Application in Offshore Wind Power and attended other briefings on oil and gas global opportunities.



AMEC continues its support of the United Nations Global Compact principles

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 continues to commit to the 10 principles of the global compact, and will continue to embed the principles within company policy, behavior and culture. AMEC will endeavour to work with our supply chain, clients and peers to disseminate the requirements of the principles along the value chain. 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 roles at conference/ seminar events during 2010

January 2010

CMP (Canadian Mineral Processors) 2010, student sponsorship, Ottawa, Canada

February 2010

Light pollution, Host, Portland, OR, US
EEEGR Southern Northern Sea, Norwich, UK
SME (Society for Mining, Metallurgy & Exploration) 2010, Exhibitor, Denver, US
Mining Indaba 2010, Exhibitor, Cape Town, South Africa
Oil & Gas UK Breakfast Briefing, London and Aberdeen, UK

March 2010

Scottish Offshore Achievement Awards, Sponsor, Aberdeen, UK
GLOBE 2010, Sponsor, presenter, exhibitor, Vancouver, BC
Australasian Oil and Gas Exhibition & Conference (AOG), Exhibitor, Perth, Australia
PDAC 2010, Exhibitor, Toronto, ON

Preparing for studies – getting it right! Mining seminar, Toronto, ON



John Pearson, Managing Director, Europe & West Africa, Natural Resources, speaking at the Oil and Gas UK Breakfast briefing, February 2010

ExpoMin 2010, exhibitor, Santiago, Chile
9th World Copper Conference, Exhibitor, Santiago, Chile

May 2010

AWEA Exhibitor, Dallas, TX
CIM (Canadian Institute of Mining) 2010, Vancouver, BC
Offshore Technology Conference, Exhibitor, Houston, TX, US

June 2010

World National Oil Companies Congress, Sponsor, London
Heavy Oil World MENA 2010, Sponsor and exhibitor, Bahrain

August 2010

Uranium 2010, sponsor, Saskatoon, Canada

September 2010

World Energy Congress 2010, Samir Brikho, panelist, exhibitor, sponsor and presenter, Montreal, Quebec

October 2010

European Future Energy Event, Sponsor, London
KIOGE, Almay, Kazakhstan

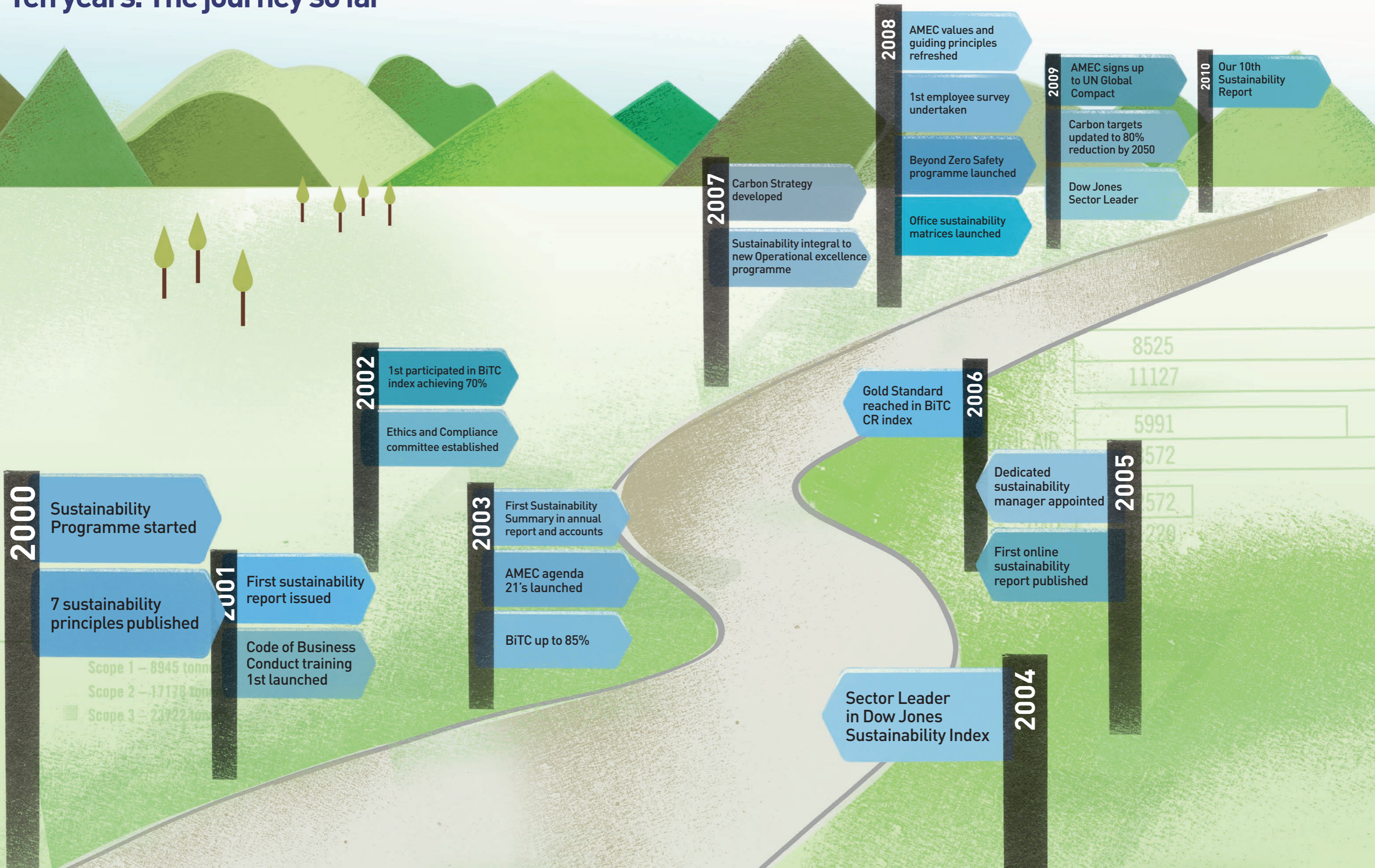
November 2010

OSEA 2010, Singapore
Mines and Money 2010, London
CBI Climate Change Summit 2010, Samir Brikho speaker
CanWEA – Canadian Wind Energy Association, Exhibitor, Montreal, Quebec
UK Decommissioning & Waste Management 2010, Presenter, Penrith, Cumbria, UK

December 2010

Exhibitor at POWER-GEN, Orlando, Florida

Ten years. The journey so far



Our workplace

As articulated in last year's report, we have reviewed and aligned our people strategies behind our Vision 2015 strategy. We continue to consistently focus on: 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">■ Engagement■ Attraction and retention■ Occupational health, safety and security■ Equal opportunities and diversity■ Employee/capability development■ Performance excellence |

We continue to 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.

2010 was the third year that AMEC undertook a global survey. Originally initiated as part of the Operational Excellence programme, it has now become a regular part of 'The AMEC Way of doing things'. It is designed to measure employee engagement and the factors affecting it, as well as assessing the impact of organisational initiatives.

The most recent survey was undertaken in June 2010 via web and paper to over 20,000 people in ten languages: the response rate reached an outstanding 72 per cent (6 percentage points higher than in 2009). Some of the highlights were as follows:

- Our commitment to employee safety, social and environmental responsibility continue to be the highest scoring factors – 12 percentage points above the global norm of other international companies. We have invested a significant amount of time and hard work to reinforce our commitment to safety and sustainability across the business: Beyond Zero, Six Safety Essentials, Earth Week and other initiatives are examples of this.
- 80 per cent of our employees believe AMEC is socially and environmentally responsible – 10 percentage points above the global norm.
- Communication of and taking actions based on the previous survey results increased by 9 and 2 percentage points respectively.

There are other areas where improvements were noted as well as areas where we still need to significantly improve our performance if we wish to be the best. The 2010 survey pointed out the following challenges:

- Engagement levels, at 68 per cent positive, remained good though down 5 percentage points compared to 2009. This may be, at least in part, a reflection of the global economy. We need to continue to engage our employees in all parts of the global business.
- There was improvement in the way different parts of the global AMEC organisation work collaboratively together although there still needs to be further progress on this.
- Whilst particular areas for improvement varied between different parts of the organisation, common themes included the continued desire for more opportunities for personal growth and development.

As in response to the 2009 survey, our approach has focused on communicating and discussing local business unit and geographic results in order to address the most meaningful issues for each staff grouping whilst taking and embedding certain initiatives at a group-wide level, in particular, around Employee Development and Leadership requirements. For example, several hundred of our most senior leaders were measured by those reporting to them on how well they embodied a number of “leadership essentials” – including how they communicated, recognised and developed their staff.

Developing high potential and giving ‘time to think’

In December 2010 Hosny Mohamed, AMEC’s Operations Director in Chile, attended one of the first centres for High Performance Development set up in Atlanta, Georgia. The development centres were set up as part of AMEC Academy and are part of AMEC’s Pathfinder process, a way to consistently assess the development needs of talent and high potential in AMEC.

Hosny’s participation, gave him the opportunity to reflect on his skills as well as the future needs of AMEC. The two day assessment included individual sessions and feedback as well as group tasks and business simulation. The development centre also included developing a common understanding of AMEC’s high performing behaviours, and personal development planning.

‘I found the assessment very interesting and helpful. The findings from the assessment brought to light some aspects and qualities that I haven’t considered utilizing or developing in the past’, commented Hosny. ‘I found the event a chance to reflect on my personality and management style changes in the last 10-15 years, which I’ve made to cope with the ever changing world in and outside the workplace. It also gave me a window onto our vast organisation through the eyes and thoughts of other potential leaders’.

Hosny found the centre a chance to reflect on the relevancy of his skills and experience to AMEC’s new initiatives and strategic goals. ‘It was a ‘time to think’ about the future’ ‘...where I want to go and what I need or should have for the next journey’.

Hosny’s development centre experience, like others held across AMEC, is just one part of AMEC’s global high potential development process which also includes continued development discussions and planning, regular monitoring of progress and of course development activities. These may include participation in the AMEC Academy’s world class development programmes, on-the-job experience, directed reading, mentoring and coaching, classroom training, and secondments or assignments depending on the individual and business needs.



Believing in people, teamwork and diversity

The AMEC Academy integrates areas of training and development across the company and delivers 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 which are aligned to achieving AMEC's business objectives. Throughout 2010 the development and implementation of the AMEC Academy has continued as we maintain the long-term investment in our employees.

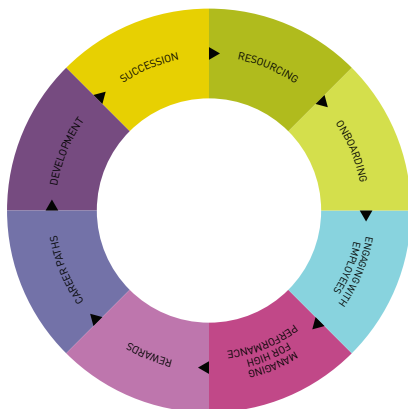
My Future

The achievement of our objectives is dependent on the quality of our people. It is vital that we continue to attract the best people to AMEC and develop the people who already work for us.

In 2010, AMEC launched a people framework, My Future, which describes how we aspire to manage our people globally.

A number of activities occurred in 2010 to build on the My Future launch:

- Introduction of external development assessment centres to support high potential employees create development plans
- Introduction of Leadership Evaluation – over 300 senior managers and leaders participated in 180° survey, providing feedback against a range of leadership behaviours and qualities that the company has identified
- Introduction of a global onboarding system, My Compass, to help employees become effective as they start new roles within the company
- Introduction of a global resourcing system, Kenexa, improving overall visibility of resource needs and improving management of personal applications
- Introduction of global mobility approach to ensure the consistent mobilisation of people between countries
- Implementation of development activities through AMEC Academy, building both technical, leadership and management skills throughout the company.



AMEC Academy – attracting, retaining and developing the best army of people

The role of the AMEC Academy is to ensure that every individual has the opportunity to develop and reach their professional goal while ensuring AMEC has a consistent foundational knowledge embedded across the whole organisation.

We believe that excellent people development leads to excellent people, and this in turn supports the delivery of excellence for our customers. This sustainable cycle of individual development, company development, and excellent delivery formally for our customers is at the core of the AMEC Academy.

Since its creation at the end of 2009 the AMEC Academy has made huge strides in keeping a consistent approach across functions and businesses, and in joining up all aspects of the AMEC Academy to provide an integrated and holistic approach to people development. This includes:

- the on-going enhancement of the career path frameworks to provide a consistent framework and set of expectations across our key functions. These frameworks now apply to 63 per cent of AMEC employees, and 7,800 individual profiles have been created and are accessible via our intranet globally.
- the launch of suites of AMEC specific development programmes to support our functions and global operations. While many of these programmes were only developed in 2010, already over 600 employees attended.
- the creation of the knowledge portal which is an online resource centre where employees from across the globe can access a series of tools, modules and resources that support and are inherent to building the awareness required at all levels within AMEC. During 2010 8,666 employees accessed the various online modules despite this area of the AMEC Academy being at an early stage.

In addition to these three key areas 'manager toolkits' are being developed in the management and leadership, project management and engineering & technical families. These are a series of two hour modules designed to be delivered 'in-house' by 'in-house' identified individuals, providing a practical and tailored approach to training our project leaders and developing our management.

Furthermore in order to achieve AMEC's Vision 2015 strategy and beyond there is a greater focus on developing and managing the future leaders of AMEC. A new set of high potential criteria, backed up by a robust process for assessment and then long term support and development has been developed to accelerate the career progression of our high potential people.

All of this learning and expertise needs to be supported back in the workplace. The AMEC Academy is working with the businesses to provide mechanisms that can be adopted and implemented to support managers, including a consistent and supported approach to coaching and mentoring.

We support and serve our customers in some of the most challenging industries in the world. There is a real need to attract, develop and retain more energy and resources specialists to fill the gap in people resources the future energy challenge brings. Our aim is to support as many employees as possible, consistently and globally, while supporting our business and customer needs.

Our challenge for the future is to meet the needs and expectations of our employees, our strategy, and our customers.

“The AMEC Academy listens to the needs of the business and designs, wherever possible, common and consistent global solutions to employee development and career progression. We want to equip AMEC employees to be able to meet the challenges of the future vision and aspirations of the business while developing their careers.”

Ian Hedges, President, AMEC Academy

Our employment performance

Employment in AMEC

In 2010 AMEC employed on average 21,907 full-time equivalents including agency staff, representing an increase of six per cent on the previous year.

Staff costs for continuing operations (extract from AMEC plc 2010 annual report and accounts)

| | 2010 £ million | 2009 £ million | 2008 £ million |
|--|-------------------|-------------------|-------------------|
| Wages and salaries | 1,100.6 | 908.5 | 900.6 |
| Social security cost | 70 | 62.5 | 61.3 |
| Equity settled share-based payments | 13.6 | 10.7 | 9.3 |
| Contributions to defined schemes | 25.8 | 22.2 | 14.1 |
| Defined benefit pension schemes credit | 11.9 | 6.6 | (5.9) |
| | 1,221.9 | 1,010.5 | 974.9 |

Staff costs represented 41.4 per cent of AMEC's total revenue during the year. For further information, please refer to AMEC plc's 2010 annual report and accounts.

Recruitment

We continued to welcome significant numbers of new people to the company as well as 167 people (up from 66 in 2009) who returned to us through our Alumni programme, which keeps us in touch with those who have worked for us previously. A further 350 people (up from 129 in 2009) were hired through our Employee Referral programme which rewards existing staff for recommending people they know and encouraging them to join AMEC. We continued to provide opportunities for those starting their careers, which is critical to our long term sustainability.

| | Male | | Female | | All employees | |
|--|-------|-------|--------|------|---------------|-------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Total number of new hires | 3,151 | 3,526 | 1,452 | 987 | 4,603 | 4,513 |
| Number of new hires for whom AMEC is their first job | 193 | 144 | 89 | 70 | 282 | 214 |
| Number hired to specific training programmes | 85 | 108 | 29 | 30 | 114 | 138 |

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.

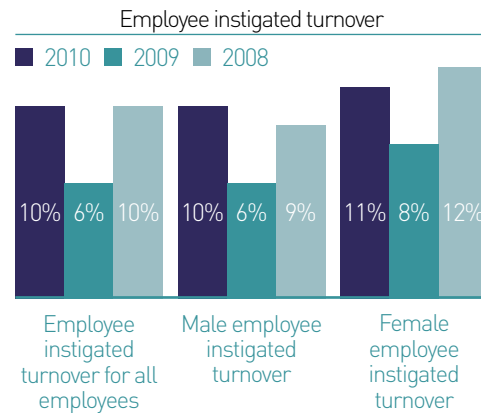
The Internal Promotion Rate measure shows how many of our people have been able to progress their careers during the year through a formal promotion, although we recognise that 'sideways' moves to develop new skills and experience are equally a part of career progression. Disappointingly the internal promotion rate fell back during the year and will be the subject of renewed focus in 2011.

| | Male | | Female | | All employees | |
|-----------------------------|------|------|--------|-------|---------------|------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Internal promotion rate (%) | 3.35 | 8.66 | 5.43 | 13.18 | 3.87 | 9.72 |

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.

Last year, we saw a big drop in turnover and noted that this may have been affected by the general economic climate and the availability of alternative attractive employment opportunities. In 2010, this turnover has returned to more normal levels.



Angola gets technical training boost

A JV between two engineering companies and two universities aims to help the West African nation train the next generation of scientists, increasing engineering skills and employment.

The initiative, kicked off during February 2010, was undertaken by AMEC Paragon and Prodoil Exploração e Produção de Hidrocarbonetos S.A.R.L (Prodoil), with input from national and international energy companies as well as representatives from the University of Houston and University Agostinho Neto.

Angola is one of the richest hydrocarbon provinces in the world, however following 30 years of civil war, its educational system has languished. With increasing requirements to employ nationals, with local content targets set, there is an increasing struggle to provide the skilled workers required.

Terry Ivers, President of AMEC Paragon said "We wanted to find a better way to develop engineers produced from the area while using the country's own resources. It's not enough to meet minimum requirements of man-hour percentages. Our industry needs to step up and develop the next generation of leaders in Angola through cross-training opportunities, curriculum development, student transfer, and adjunct professor opportunities to increase the region's technical knowledge."

AMEC Paragon is providing project management for the program, with collaborative input from Sonangol, Chevron, Prodiama, BP, ExxonMobil, Total, Eni, Schlumberger, Endiama, and Paragon Angola.

AMEC Paragon has a history of providing engineering and design services for oil and gas projects in Angola. For the recently completed front-end engineering design phase of the Kizomba Satellites project, Paragon Angola delivered on a commitment to Sonangol and ExxonMobil to deliver 25% of the total man-hours locally in Angola – one of the highest local content levels set for such a project in Angola.

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 rights of AMEC people.

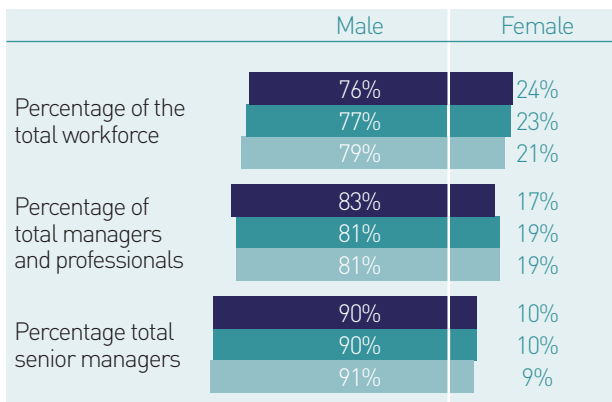
Our business is growing, particularly in developing market areas, so growing our employees of the future is fundamental to our success. As the numbers entering science and engineering degrees is falling in some of our mature home markets, we will need to look more widely for our future workforce.

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 further slight increase in the proportion of women in the company overall but a reduction for those in professional and management roles. We recognise that we have more to do, in particular at senior manager level.



■ 2010 ■ 2009 ■ 2008

Employee communication

We seek to engage our people in decisions which affect them in a number of ways. Our Chief Executive and other members of the group management team 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.

Our health and safety performance

Beyond Zero is our aspiration to be recognised as world-class leaders in health and safety (HSE). Whatever we do is not a success unless it is delivered in a safe and sustainable way. 2010 brought great HSE successes with some outstanding examples of truly world-class performance.

AMEC takes health and safety very seriously. Over the years we have demonstrated our full commitment to achieving an excellent HSE performance, with a continuous improvement of over 10 per cent. In 2010, we increased our focus on security and health – setting benchmarks for performance in each of these areas and strengthening our central support team.

“We will be putting more focus on sharing good practice across AMEC as there has been some truly world-class performance in many areas – we need to share the successes and get inspired by them.”

Nina Schofield, Group HSSE Director

Safety management

During 2010 we have undertaken a strategic review of our management system and Beyond Zero programme. Our objective is to revitalise our approach to HSE management, refresh our programme and, as a function, align our focus with AMEC’s Vision 2015. Throughout the year we have been working closely with our HSE Leadership Team to develop our new HSE Management Framework.

Our Principles

Our new HSE Management Framework sets out clear core expectations for the management of each critical area of HSE. These core expectations form the basis of our standards across the business and reinforce and support our leadership. The core expectations are underpinned by our mandatory procedures

where we have a one-AMEC process in operation. The new framework sets a clear standard for our global operations and will form the basis of our 2011 assurance process.

Our Leadership

Leadership and personal accountability play a vital role in the management of HSE issues in AMEC. Strong and active leadership from the top is a proven demonstration of commitment, engagement and risk management.

We continued to develop the skills of people throughout 2010 through the AMEC First Step Leadership programme. The programme was delivered across 10 countries and more than 1360 people attended the course in 2010.

Our Standards

The standards that we set are our people's guide to working safely. Compliance with these minimum standards act as our global 'licence to operate' when moving into new or working in existing areas of operation.

Throughout the year we put significant effort into raising the awareness of our Safety Essentials and Safety Rules as part of our commitment to Beyond Zero.

Recording and reporting incidents

In last year's report we talked about AMEC's new on-line incident management tool, Trackwise, which we had been developing with a software provider. This is a smart internet based management system which allows us to report, track and manage health, safety, security and environmental incidents across our worldwide operations.

Through quarter one of 2010 we began the huge task of rolling the new system out to our operations as the system went live. The tool represents a significant step forwards in global incident management. It introduces a number of "gateways" to be passed before an incident can be closed out, giving greater visibility of incidents, more transparency in management control as well as access to live incident data wherever AMEC is in the world.

As we embed Trackwise into our business we have identified even greater potential for the tool and have embarked on a plan to evolve the reporting aspect of the system which will help our HSE teams to produce monthly statistics and information with minimal effort.

Occupational Health

Our objective through the year has been to raise the profile of occupational health (OH) throughout the business and we have tackled this in two strategic ways. The first was to mobilise the business in developing a clearer picture of occupational health risks within their operations through conducting occupational

health risk assessments. We developed a comprehensive OH risk review process which identified specific OH risk, potential health impact and mitigation measures designed to reduce risk; through the year more than 50 of these assessments were completed across AMEC.

The second was to work with OH representatives across AMEC to develop a set of occupational health standards which would add value to the business by ensuring we protect our people, learn any lessons from our OH risk assessment process, improve OH awareness and raise the bar of current OH performance. These standards have been incorporated into AMEC's new 14 Core Expectations which forms part of our global mandatory management system rolling out in 2011.



During the year we have also been tracking days lost through occupational ill health and injury and benchmarking the number of cases above and below four weeks. In our HR system more than four weeks is classed as a long-term absence but more importantly this gives us an indication of the level of OH severity as a longer recovery time is required. Although this is a lagging indicator it has helped to raise the awareness of occupational health with our leadership. It has been a key indicator for our reports during the year.

Continuous improvement – next phase

Our business is constantly changing and evolving, and so too must the management processes which govern us. These include our HSE management system. Through 2010, working with our global leadership HSSE team, we have completed a thorough review and update of our corporate HSE management system.

During 2011, in line with our Vision 2015 strategy, we will be rolling out our new corporate HSE Management system and implementing the new Performance Standards tool.

Our safety performance

While we had many fantastic examples of world-class performance in 2010, we unfortunately did not achieve all of our improvement targets. We are on the right track with our Beyond Zero programme which focuses on promoting a consistent high standard, robust leadership and ensuring that everyone is engaged in the process.

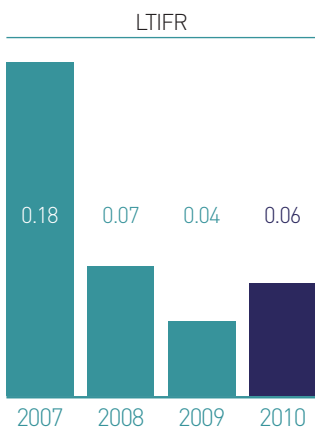
| | Employees | | Sub contractors | | Others | |
|----------------------|-----------|------|-----------------|------|--------|------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Number of fatalities | 0 | 0 | 0 | 0 | 0 | 0 |

Incident data

AMEC set a target of zero fatalities and a 10 per cent improvement on previous best performance across the three key lagging performance indicators. Zero fatalities were recorded across AMEC operations in 2010.

Lost time Incident Frequency Rate (LTIFR)

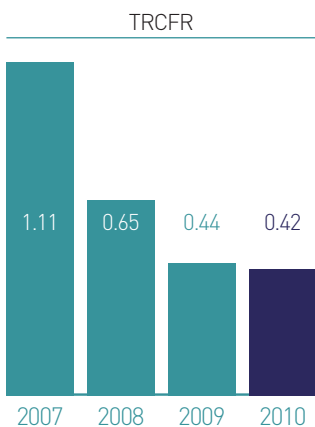
The graph below show's AMEC's rate per 200,000 exposure hours.



Our target for LTIFR in 2010, was zero. One business unit met this target and one business demonstrated continuous improvement. AMEC as a whole did not achieve the target set for the year.

Total recordable case frequency rate (TRCFR)

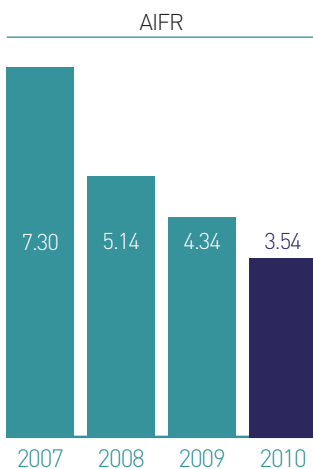
The graph below show AMEC's rate per 200,000 exposure hours.



Our target for TRCFR in 2010 was 0.40. Half of the businesses exceeded their target set for the year. While AMEC as a whole did not meet the target set, we did demonstrate continuous improvement on the previous year's performance.

All injury frequency rate (AIFR)

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



Our target for the year was 3.91 which we exceeded.

AMEC's performance compares well with figures produced by the US Occupational Safety and Health Administration which collate industry incident rate figures. These are useful benchmarks against which to compare our global performance.

| OSHA 2009 | Professional and business services | Construction | All industry |
|--|------------------------------------|--------------|--------------|
| TRCIF Total number of recordable cases per 200,000 hours worked | 1.8 | 4.3 | 3.9 |
| LTIFR Number of lost time incidents per 200,000 hours worked | 0.6 | 1.6 | 1.2 |

Health and Safety enforcement

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

Two improvement notices were served on AMEC group Limited as duty holders on the Dunlin A Offshore Installation. Both notices related to fabric maintenance and an improvement plan has been put in place for the platform.

Occupational health

Days lost through occupational ill health and injury is a new indicator for our HSE management programme report. The number of cases above and below four weeks, although crude, gives an indication of the level of severity of each case, in that it represents the number of recovery days before the person is well enough to work.

| Days lost through occupational ill health and injury | |
|--|------|
| 2010 days lost total | 1332 |
| Number of cases under 4 weeks | 9 |
| Number of cases over 4 weeks | 13 |

The most significant intervention we can make in managing this aspect of our business is to eliminate the risk of occupational ill health or injury and this is our primary objective. For people who are injured or ill we can ensure that they have the appropriate rehabilitation and support to get them back into work.

Reportable cases of ill health

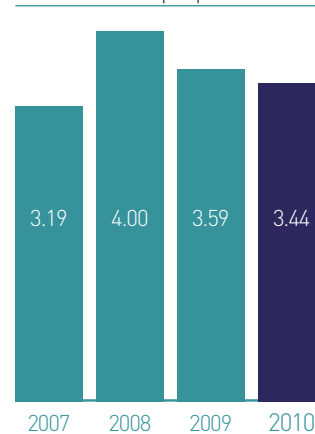
This indicator relates to incidents of ill health which are required to be reported to the relevant regulatory authority. The nature of occupational reportable diseases are defined by national regulatory guidelines e.g. RIDDOR for the UK, OSHA in the US.

During the year there were no reportable cases of ill health.

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 processes to support our employees back to work.

Average days sickness absence per person



HSE awards

Natural Resources Growth Regions

- China AJEC awarded No. 1 contractor in three categories for Contractor HSSE Awards in SECCO
- CIS AMEC BKKS ranked second out of sixteen contractors by KPO

Power & Process Europe

- RoSPA Gold Medal awarded
- Westlakes received the Gold Award
- RoSPA Gold Medal (9th consecutive year)
- 2009 Safe Working Award by the ECIA

Power & Process Americas

- AMEC Cade earned a five-star rating for its safety standard from Chilean General Contractors committee

Earth & Environmental

- Annual contractor safety awarded from ExxonMobil, and Occupational Excellence Award from US National Safety Council
- Roger Jinks was recognised by the National Safety Council as a corporate leader who has made distinguished contributions to the safety and health of his employees and his corporate community
- National Safety Achievement Award at the National Safety Council Congress and Expo.

CE Awards

The Chief Executive's HSE Awards programme was introduced in 2003 and continues to recognise and reward outstanding performance as well as encouraging and promoting best practice. Awards are presented in 4 categories, namely; HSE Excellence, People, Best Practice and the Beyond Zero award.

The 2010 award winners were as follows:

Safety Excellence – Power and Process Europe – M1 Corridor Gas Alliance

This is an award to a business or project that has delivered excellent safety performance either through maintenance of already high levels of performance or through year on year improvement.

This award was presented to the M1 Corridor Gas Alliance for overcoming the HSSE challenges of a project site covering 3,700 square miles. The team have worked hard to embed a culture in the workforce that enables them to work safely under a climate of trust and ownership of responsibility. A number of initiatives, innovative workshops and engagement sessions with the management team and workforce took place. Changes implemented post workshops have included; interactive engagement sessions with actors to bring to life real situations on the street; real life accident victims discussing their injuries and the impact on their families; the Management Team taking more proactive safety leadership roles; targeted stand down days to focus on HSE performance; active engagement sessions with the workforce; and the introduction of a 'Safety Battleships' game which had the theme of 'Are you safe or are you lucky?'

This resulted in improved rates of safety incidents across the project. The LTIFR is down from 0.3 to 0.07 and the electric cable hit rate is down from 0.6 to 0.13. The M1 Corridor Alliance is seen as the 'Flagship Alliance' by the Client.

Best Practice – Natural Resources Europe and West Africa Leman Project Team

This award recognises the deployment or development of practices or equipment that has had a significant and demonstrable positive impact on HSE performance.

The team have been given this award for their promotion of their Beyond Zero programme from the outset.

From an early stage, the leadership team in this project demonstrated visible health and safety leadership and commitment and set clear targets towards achieving a safety performance consistent with the AMEC Beyond Zero mindset.

Their main target was to embed a safety culture where all project personnel can continuously utilise the numerous project and company HSE tools to positively influence the design, procurement and execute phases of the job, create a successful interface management with AJS and Shell and implement where necessary the change management processes so all risks are constantly identified and managed.

By creating and managing the Beyond Zero mindset and setting clear, measurable targets the team have ensured that a strong safety message is communicated to all employees from the design stage through to completion. Their objective was to create an atmosphere of trust – where everyone is involved in keeping everyone else safe.

Commendation

One commendation was also awarded in this category to the Kruger Wind Farm Team for their innovative soil stabilisation technique. This road construction method resulted in less soil removal, used fewer vehicles and operatives who could remain in the vehicles through the execution of the work. This lowered the risks of working around heavy machinery, decreased installation time and made the road surface less susceptible to weather damage.

People – Richard Oliver, Construction Team Leader, Growth Regions

This special reward is to recognise the contribution made by an individual or team that has had a significant and demonstrable impact on HSE performance.

Richard Oliver is the Construction Team Leader at the Saja'a Gas Plant in the United Arab Emirates, where AMEC provides Engineering and Project Management Services to BP Sharjah Limited. Richard coordinates the construction activities of the 100-strong construction team.

BP Sharjah recently achieved 3 million man-hours without a DAFWC incident. At the HSE celebration, Richard received a recognition award from BP Sharjah for his contribution to that landmark. He received an award to recognise over 120 Safety Observations raised in less than 10 months during 2009. Moreover, the quality of these observations and his tenacity in following up actions from these interventions received special mention. The Safety Performance of the Construction Contractor is now recognised by BP Sharjah as excellent. Averaging over 400,000 man-hours a year, the All Incident Frequency rate is zero.

Richard was nominated for stepping out of his area of responsibility indicating a strong and active HSE leadership and commitment. It is especially commendable considering that the construction work force is from a different company and features a wide variety of cultures and personalities. This was a true example of safety leadership by taking the time to talk, being observant and intervening.

Beyond Zero: – Earth and Environmental Calgary Team

This award recognises good examples of a team or individual who has gone that extra mile to promote AMEC's HSE values in support of the local community.

The Calgary E&E office has been running a Commuter Challenge program since 2008. It encourages employees to commute to work using modes of transportation that are more sustainable than a single-driver vehicle. Included in the 2010 program are all self-propelled modes (bike, walk, run, rollerblade etc.), public transit, carpooling and high efficiency vehicles (vehicles that use a maximum of 6L/100km).

This year, Calgary E&E management agreed to donate money to two local charities, based on employee participation milestones. The charities were chosen based on their alignment with the goals of the challenge: sustainability, physical fitness and teamwork. Regular milestone goals were issued to participants throughout the duration of the challenge.

The 2010 Quarry Park-It challenge will offer participants several learning opportunities through a series of lunch and learn workshops. Topics include road and pathway safety with the Calgary police, buying a bike, bike fit, fitness nutrition, improving vehicle efficiency and basic bike maintenance.

As a result of Calgary E&E's efforts a number of other AMEC offices have expressed great interest in the Challenge. Not only has this program proven to offer substantial employee health and morale benefits but it certainly has great potential for "One AMEC" to shine!

Commendations:

One commendation was also awarded in this category to the Chile Management Team. This commendation recognises the response of the AMEC Chile combined management team to the earthquake in February 2010 for their effective utilisation of disaster management tools and their ongoing support to the staff and the community.



Senior management and award winners at the Chief Executive's HSE 2010 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. This is very apparent where our geographical reach spreads into remote locations, but is equally valid in our larger, city based locations. Working with our local communities by building relationships and investing time and effort has the potential to bring all parties lasting and positive benefits.

Through investing in local supply chains, infrastructure, education and skills we, as a company, believe we can and are building a positive legacy of benefits and contributing 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"> ■ Investment ■ Access to employment/local content ■ Skills building ■ Human rights and dignity |

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, Guiding Principles and within our Business Code of Conduct.

AMEC is committed to supporting the communities in which we operate and to society in general... acting with integrity and adhering to the highest ethical standards, promoting respect and diversity in our workforce and ensuring a safe and healthy workplace. Our responsibility to the wider social environment is more than that and includes promoting sustainable development, encouraging volunteering by our employees and strict compliance with applicable laws."

Extract from Code of Business Conduct

Working in diverse locations means that we must approach engagement with our communities in a flexible manner. In the places in which we work we seek to invest in community projects, improve skills, and support education and access to employment. Respect for human and labour rights is integrated throughout our management policy and practices. These range from policies on equal opportunities in employment, promotion of diversity and ethical standards, through to assessment of human rights and labour issues in the supply chain. Our approach to the protection of human rights is informed by both the Global Compact principles and guidance on human rights and the Business Leaders' Initiative on Human Rights.

We have an established Charities Committee which is a board committee and which is led by our chairman, Jock Green-Armytage. It 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 we made a commitment to report more accurately on the time AMEC's employees spend supporting and volunteering within their communities, by participating in the LBG (London Benchmarking Group). LBG uses a measurement model tool which provides a comprehensive and consistent set of measures to determine a company's contribution to the community, including cash, time and in-kind donations, as well as management costs. It also has the ability to capture the outputs and long term impacts of the community projects on both the community and on the business. LBG is helping AMEC to understand the contribution we make by identifying the different types of activity we support (such as health, education etc) and the geographic spread of our activities. A brief summary of the results can be found in the community performance section of this report, with the full detailed assessment available on amec.com once released from LBG from September 2011. Note: Entec did not complete the LBG returns for 2010, they will form part of the collection process from 2011 onwards.

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, Executive Director and Chief Operating Officer, 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.

AMEC's leadership team also take an active interest in AMEC's strategic charity – SOS Children. Following the group management team meeting in Vancouver during 2010, Roger Jinks, then President of Earth & Environmental, and Sue Scholes, Director of Communications, visited the only Canadian SOS Children's Village. Each foster family living there typically includes at least one child with special needs and SOS provides the additional support they need to function and achieve to their potential.

2010 AMEC Shoreline Cleanup has gone global

During the month of September, 37 of AMEC's offices in Canada, the United States and internationally came together to help improve their local communities by participating in the AMEC Shoreline Cleanup. AMEC staff, friends and family volunteered to pick up and dispose of shoreline, marine and other litter in their local communities. This was the first international effort in what has become an annual event in the AMEC calendar, and 2010 saw over 3,600kg of waste and recyclables collected collectively.

Shoreline cleanup offers our employees and the other volunteers an opportunity to get involved in improving the environment in the local communities around our offices. It also provides team building, with several offices working together to gain maximum impact.



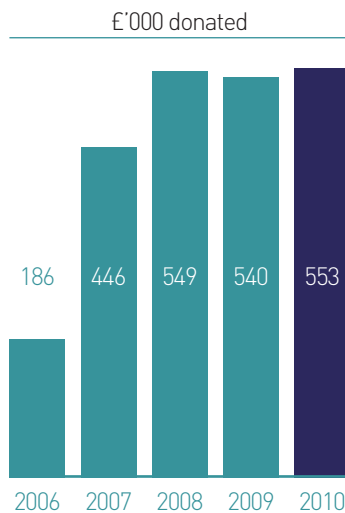
“The commitment and dedication we found was awe-inspiring. Nearly 80 per cent of children in foster care do not complete high school – yet there is a 100 per cent graduation record from the children brought up in this village.”

Sue Scholes, Director of Communications

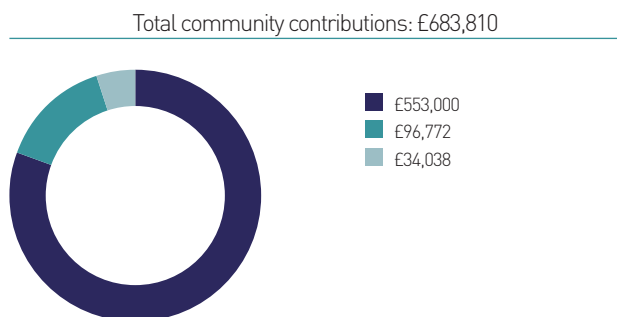
Our community performance

Community investment

In 2010 AMEC donated £553,000 to good causes and charitable institutions worldwide, including matching employee volunteer fundraising. This represented 0.20 per cent of profit.



The graph below shows the total contribution from AMEC, including time volunteered during work hours and in kind donations.



A further £466,714 was raised by our employees and 7,591 additional hours were volunteered by our employees in their own time.

Employee engagement

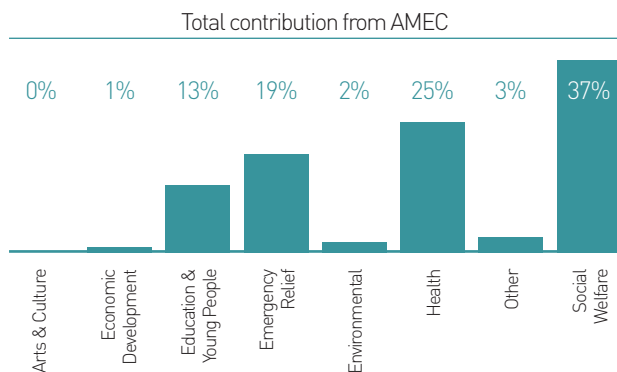
Across the globe AMEC continued to match fund employee volunteer events. AMEC believes these events are important in promoting and demonstrating local relationships and demonstrating our support for great causes. These local fundraising opportunities are valuable to the community and AMEC, bringing our people together to support and benefit people and places where we live and work. 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. Using the LBG model has allowed us to record and report a more comprehensive set of data over and above just the cash donated, and put a monetary value to this involvement. For example:

| | |
|---|---|
| <p>3,304 hours volunteered by AMEC employees in work hours.</p> <p>Equating to £96,772</p> | <p>Cash value of in-kind donations £34,038</p> |
| <p>7,591 hours volunteered by AMEC employees outside of work hours</p> | <p>£466,714 raised and donated by AMEC employees</p> |

Note: equated value of work hours based on average cost per hour of staff time in each location

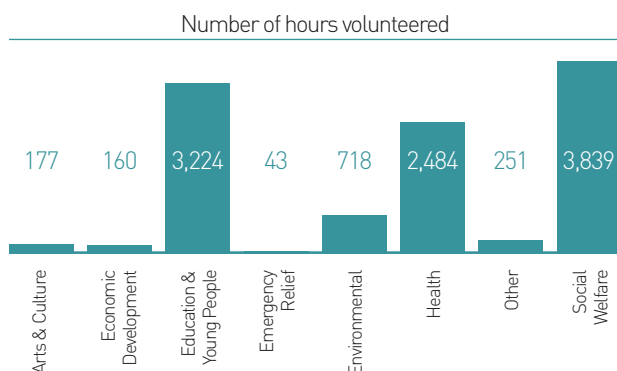
The data shows that almost 4,900 employees took part in activities requiring them to give up some of their time on community investment efforts during the year – this equated to over 10,000 hours in our communities.

The following graph shows the types of community investment undertaken throughout the year, with Social welfare (37 per cent) and Health (25 per cent) making up the majority of the investment. Emergency relief at 19 per cent of the total investment related to the global efforts following the Haiti, Chilean and Pakistan disasters during the year and is not expected to be sustained.



The graph represents absolute contribution and so includes AMEC, employee and other contributions in addition to the value attributed to volunteered hours.

The following graph shows how our employees' volunteered hours were split between the various causes. This shows a slightly different picture to that above – largely because the contributions due to emergency relief were largely made in the form of cash. The volunteered hours show a greater proportion attributed to education and young people, demonstrating the time and effort AMEC applies to its school and university partnerships. Examples of these are detailed later in this section of the report.



A more detailed analysis of this data will be available to download from amec.com from September 2011 and will be included in our next annual sustainability report, once the full analysis has been received from LBG.

Access to employment and skills development

As AMEC's business grows, we need to ensure that the local community is offered employment opportunities where possible. AMEC remains committed to building local workforces wherever we work, leaving a positive legacy of benefits through investments in promoting and nurturing local talent. We have seen this approach pay off for both the community and AMEC, leading to the recruitment and development of a highly skilled

workforce in the areas of the world where we need them.

In areas, vocations or sectors where skills shortages have been identified, AMEC offers a variety of support mechanisms to local people to enable access to employment opportunities.

Our support extends to;

- Enrolment in an AMEC training facility
- University sponsorships
- Work experience
- Mentoring opportunities
- Apprenticeships

We will continue to support this approach because we know and have seen, first hand, that it works.

One example of this was the result of an identified shortage of project controls personnel. In the UK AMEC was instrumental in the development and implementation of an apprenticeship framework for Project Controls, through a partnership between Darlington College and NETA training (specialist vocational training provider for engineering and construction) in the UK. New entrants to this type of role were historically university graduates; however AMEC campaigned for a framework which would attract younger people into the profession. The apprenticeship framework is accredited by the ECITB (Engineering Construction Industry Training Board), a UK statutory organisation, national training provider and awarding body with responsibility for the training and development of the UK's engineering construction workforce. It allows AMEC to embed best in class practises from day one as apprentices are taught the 'AMEC Way' of doing things and are given opportunities to further their careers and earn accredited and widely recognised qualifications, coupled with valuable, real work experience. Five of the first apprentices to undertake the course are currently employed in AMEC's Power & Process Europe business and are about to embark on the fourth year of the course. The success in the North East has resulted in the framework being made available in other areas of the UK.

Skills development

We are proud of the work that we do in the community to promote the development of skills, support mechanisms for local people to gain access to employment opportunities and also promotion of skills in school.

Our involvement can take many forms and is closely aligned to the need of the stakeholder.

The Nuclear industry in the UK has recently selected AMEC's John Male as the chairperson for the Northwest / Northeast region of the National Skills Academy for the Nuclear Business. These types of opportunities provide AMEC with a privileged opportunity to become actively involved in shaping and influence

the long term skills agenda for the nuclear sector. The National Skills Academy for Nuclear is an employer led organisation established to ensure that the UK nuclear industry and its supply chain has the skilled, competent and safe workforce it needs to deal with current and future UK nuclear programmes.

Working with, and supporting, local supply chains is an important element in developing skills and providing access to employment in a number of our locations. One example of this is the work Earth & Environmental's mining team are doing on the proposed Baomuhun Gold Project in central Sierra Leone working for a British mining company, Cluff Gold. AMEC has been commissioned to lead the environmental and social impact assessment work required to gain a permit and information to operate, and in due course close the mine. By working closely with a local environmental consultant, (CEMMATS), we are ensuring they are able to take advantage of our relevant international experience. We are consulting with them on the specification of the work; their survey teams are working with our senior specialists; we are reviewing their work reports and providing feedback; and, we are, providing specific training, support and assistance as appropriate.

AMEC also continues to form Community and Educational Partnerships with local institutions. Each partnership is designed around the individual circumstances, giving 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 for visits and schools
- National event support
- Tutoring / lecturing (school and university level)
- Award of scholarships

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.

2010 saw the continuation of two, now well-embedded, education support programmes. ASK (Amec Students in Kazakhstan) saw an additional 20 students entering the programme, in which AMEC sponsors their higher education and provides work experience opportunities throughout their sponsorship. AMEC's North America Employee Scholarship Programme continued, awarding 15 scholarships amounting to a total award of US\$62,200 throughout the year. The programme is aimed at encouraging and recognising academic excellence and the pursuit of higher education among the

children, stepchildren and grandchildren of AMEC employees in North America.

We find that our employees value and enjoy opportunities to support education and skills development projects, using their knowledge and expertise to help and inspire the next generation of engineers, project managers and consultants. Some examples of this include:

- Support for the Zevenfontein Education Fund in South Africa, where monies raised help children in a local squatter camp, orphaned by HIV/AIDS, to remain in school. AMEC Minproc's contributions in 2010 helped two young people attend their second year of school, one of whom attained distinctions in all her subjects
- Our Nashville, US office received a community service award from McMurray Middle School – a school where 22 languages are spoken and many of the children are from families struggling financially. As part of AMEC's involvement, employees participate in the school's career days, workshops and science demonstrations and sponsor some of the events.

AMEC employees and ASK students work together to create sports area for local school for children with disabilities

AMEC employees in Kazakhstan have regularly taken time during their lunch hours to play football in the local school for children with hearing and speech disabilities. In 2010 AMEC worked hard organising billiards tournaments to raise funds to create a playground for younger children and a football field and volleyball site for older children. By August 2010, staff had raised enough money for the topsoil for the site, and with the help of the ASK students, employees spread and leveled the ground ready for the grass.



Other case studies and example of Community and Education Partnerships can be found on amec.com community sustainability pages.

Human rights and dignity

Upholding internationally recognised human rights is essential to AMEC in building a successful company. We believe that this is also 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 principles are already largely enshrined in our policies and procedures and the way in which we undertake our business on a day to day basis; however gaps were identified. Those relating to AMEC's stand on forced and child labour will be specifically addressed in our new Code of Business Conduct, due to be released during 2011. The revisions will also address the new UK Bribery Act.

Matters relating to the Global Compact principles have also been addressed within our supply chain performance evaluation criteria. New to the business – having been launched during December 2010 – all suppliers will be assessed on sustainability related issues such as climate change, human rights, ethical conduct and health and safety. It is hoped that these new performance criteria will help our supply chain to realise how important these issues are for AMEC, and in turn themselves.

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. Following a detailed assessment to find a charity with real international reach and one that supported elements of the Millennium Development goals, AMEC committed to continue supporting SOS Children as our strategic charity.

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

The money donated to the charity in 2010 went largely to supporting the relief efforts by SOS Children following the disasters in Haiti, Chile and Pakistan. Money to Haiti provided emergency relief including hot food, tents, water, clothes, hygiene items, medicines and trauma counselling. The efforts in Chile were put towards temporary shelter for unaccompanied children and reunification with families. In Pakistan AMEC's money paid for approximately 2,000 food parcels for families.

2010 was an unprecedented year in terms of global appeals, and this is reflected in the cash donated by our employees and matched by AMEC throughout 2010.

Project Control Manager Amir Khan speaking on the global fundraising efforts for the Pakistan disaster stated "Events like this bring people of different nationalities together and fund matching offered by AMEC inspires people to get involved. It was incredible – the moment we communicated it, the funds started pouring in from virtually everywhere: Canada, Australia, Germany, the US, the UK, Chile, Korea, etc."

Response to Haiti disaster by AMEC employees

In 2010, almost £100,000 was donated to SOS Children, the Red Cross and the Salvation Army to support work in Haiti. This figure was match funded by AMEC. Our SOS Children section of this report briefly outlines what the money was used for. In addition, some of AMEC's professionals were able to use their expertise first hand, spending a week in the region investigating geotechnical and geological aspects of the earthquake.

Senior Geologist Donald Wells and Senior Geotechnical Engineer Jim French, both from the AMEC Geomatrix office in Oakland, California, are members of a Geo-engineering Extreme Events Reconnaissance (GEER) team that conducted a six-day investigation of the 12 January earthquake in Haiti. The 11-member team, supported by the National Science Foundation and led by University of Texas at Austin Prof. Ellen Rathje, performed reconnaissance investigations of the earthquake's ground deformation effects for a report to the professional community. The GEER team seeks to further engineers' understanding of what happens during an earthquake as part of the US National Earthquake Hazards Reduction Program (NEHRP)

Donald Wells says "The observations that we make and data we gather during these reconnaissance trips are always important in furthering our understanding of earthquakes and in developing mitigation for earthquake hazards."

"This information is put into practice and is used to update building and other codes to improve seismic safety worldwide. But at a more basic level, we see that good engineering and construction practices, even without specific seismic design and detailing, will substantially increase the likelihood that a building (or other structure) will still be standing after an earthquake or other extreme event."



Our environment

Maintaining a world-class environmental performance is essential to AMEC's business, its people, our clients and all our major stakeholders. We have long recognised that environmental performance is closely linked with our economic and social performance and this is borne out in the last ten years of reporting. Our company commitment to protecting and enhancing the environment is laid down in our core values and Guiding Principles.

Our reputation is hard won on our ability to identify and manage environmental risk and we have invested in the technology, capability and world-class scientists and engineers to achieve this. We acknowledge there will always be more to do in this area but we drive ourselves through setting continuous and challenging targets for our most significant environmental aspects.

Environmental management

AMEC has a systematic approach to environmental management, going beyond the traditional boundaries of a traditional ISO 14001 compliant frameworks which tends to focus on operations and exclude the more strategic element of business management such as strategy review, supply chain management and risk management. Environment is (and should be) of critical importance for all companies and carefully considered at all levels of governance and management. We continue to make sure that environmental aspects are discussed at risk review and management team level on a regular basis as part of our management approach.

We believe that our environmental performance is closely linked with our health and safety performance and continue to operate an integrated health, safety and environmental (HSE) policy and function; you can read our policy statement on amec.com/about.us. Our policy sets out our key environmental obligations including:

- Prevention of pollution
- Environmental accountability and leadership
- Robust environmental management systems
- Working with clients to minimise negative environmental impacts

We have in place an AMEC-wide standard for environmental management which is detailed in our Safety, Health and Environmental framework document. During 2010 we have been reviewing the content of this document and our core policies and procedures, with the aim of updating and refreshing our standards for the business. Our new framework will go-live in the first quarter of 2011 and will contain new Environmental Management Core Expectation and Environmental Standards. These will be drawn from AMEC's key environmental aspects and commitments.

From an AMEC-wide perspective we have a number of common significant environmental aspects which are very important to all

operations and the company as a whole. Our key issues are listed in the table below;

| Our key environmental issues | |
|------------------------------|---|
| Management | <ul style="list-style-type: none"> ■ Pollution prevention ■ Risk assessment and control ■ Emergency response and incident control ■ Supply chain management ■ Legal compliance |
| Climate change | <ul style="list-style-type: none"> ■ Energy use and efficiency ■ Travel and transport ■ Carbon emission footprint ■ Service provision |

Our approach sets a standard for all AMEC operations worldwide and, these standards are reflected within their individual environmental management systems, processes and procedure. We manage environment in this way because we need to make sure that our operations comply with local laws and regulations but at the same time set a minimum global expectation for AMEC operations. This is particularly important where local environmental governance and protection is weaker.

Carbon trading schemes

We have, for a number of years, been accounting for our carbon dioxide emissions and have put significant resources in place to improve our ability to do this. This approach has served AMEC well as local regulatory attention is increasingly looking at how to tackle business based emissions.

During 2010 AMEC qualified for inclusion into a new UK-government emissions trading scheme, known as the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. The new regulation is a mandatory cap and trade scheme in the United Kingdom that applies to large non energy-intensive organisations in the public and private sectors. It is anticipated that the scheme will cut carbon emissions in the UK by 1.2 million tonnes of carbon per year by 2020.

Changes in local regulatory requirements put greater emphasis on our carbon management procedures. Having a robust accounting process has made compliance with the new CRC regulation easier, in that we have the information required at hand. Through reducing our carbon footprint, we can also reduce the impact of such legal requirements, which effectively place a charge on the amount of energy and resultant CO₂ produced.

Climate change

AMEC continues to believe that climate change is one of the biggest challenges we face. AMEC remains involved in energy production and the conversion of energy into electricity. We see this as a defining moment, in which our role is threefold. Firstly, AMEC, and companies like us, play an important role in defining possible solutions to climate change 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 continues to build its renewable services business. We have been working with National Grid on a Carbon Capture and Storage (CCS) project in Scotland, UK, we have a successful wind power business in Canada, which we are expanding into the Americas and we are also working on INEOS-Bio's first commercial scale advanced bio-energy facility in the US. 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.

Carbon strategy

Our carbon management strategy was developed by analysing the short, medium and long term effects of climate change on our business, including imminent regulatory impacts, and by considering various international reports. The strategy and its key milestones were initially communicated in 2008, and our targets updated in 2009. The objective 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.

Our long term targets form part of our strategy and remain at;

- 15 per cent reduction in CO₂ by 2013 from 2008
- 40 per cent reduction in CO₂ by 2020 from 2008
- 60 per cent reduction in CO₂ by 2030 from 2008
- 80 per cent reduction in CO₂ by 2050 from 2008

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

| | |
|-------------|--|
| Scope one | <ul style="list-style-type: none"> ■ Company fleet vehicles ■ Gas and oil consumption (building utility) |
| Scope two | <ul style="list-style-type: none"> ■ Electricity consumption (purchased grid) |
| Scope three | <ul style="list-style-type: none"> ■ Air travel (long, medium and short haul) ■ Rail travel |

These constitute the majority of the carbon emissions falling within our operational boundary and contribute a significant cost to our business. More detail of the makeup of AMEC's carbon footprint can be found on pages 38 to 39 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. Use of the tool has meant that AMEC has been able to fine-tune various systems, which has resulted in on-going improvements in the accuracy of the data recorded, as new reporting mechanisms are implemented and take effect.

In 2010, we undertook awareness programmes and events relating to carbon reduction. These are described below;

- Quarterly awareness campaign material, forming part of a carbon reduction toolkit. Topics covered were electricity, flights and car usage
- AMEC Earth Week – took place during the first week of June and focused on environmental and carbon related issues.

Moving forward

AMEC's carbon management programme forms part of our environmental management system, and is a key component of the HSSE policy (found on amec.com). Lagging indicators specific to the business have been set to reduce the carbon footprint of the total business in line with its first milestone of reaching a 15% reduction on 2008 levels by 2013. Targets have been set dependent on current reduction performance in the business.

Our environmental performance

We have selected environmental performance indicators that help us to monitor the implementation and performance of AMEC's core policy commitments. We have also reviewed and used appropriate indicators listed in the Global Reporting initiative – sustainability reporting guideline. Our global indicators align with our key environmental aspects and are common across the whole of the organisation.

Performance in 2010 has been positive. The total number of environmental incidents has significantly reduced and the environmental incident frequency rate has almost halved.

However, we have been issued with one regulatory notice which is a disappointment.

Ration your ride

Throughout autumn, and in line with the quarterly carbon awareness programme, the Scottish Energy Saving Trust visited AMEC Aberdeen offices with their Eco-Simulator. The aim was to learn how to drive safer, greener and stress-free.

Within a 15 minute time slot, the simulator takes the driver on a short urban route in which participants are faced with stops, starts, twists, turns, junctions and traffic lights. Once the drive has completed, a score is calculated to indicate how efficient the driving technique was and the driver is given recommendations on how they can improve!

Advisors from the Energy Saving Trust were on hand to offer hints and tips on how each driver can make their driving more efficient and eco friendly. They also talked to employees on a one on one basis providing tips on how to save money and be more eco friendly at home.

2010 was used to continue to raise awareness of sustainability and AMEC's carbon strategy amongst employees.



Environmental regulatory action

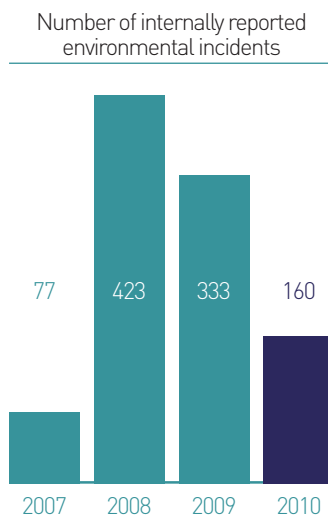
Our target for regulatory performance is to have zero enforcement action. Our policy commits us to comply with local environmental laws wherever we operate.

| | 2010 | 2009 | 2008 | 2007 |
|--|------|------|------|------|
| Number of prosecutions | 0 | 0 | 0 | 0 |
| Number of notices orders and citations | 1 | 0 | 0 | 1 |

Disappointingly we received an environmental clean-up notice from Muswellbrook Shire Council which was issued to our office in New South Wales, Australia. The notice was served following the overflow of a shared septic tank. The failure was due to a design fault in the landlord's septic tank system. The notice was issued to AMEC as the occupier of the building although it did not result from AMEC's negligence. A fee of Au \$444 was paid to the issuing authority by the landlord and the system redesigned to make sure the pump feed shuts down once the tank becomes full, thus stopping any overflow.

Reported environmental incidents

This indicator relates to environmental incidents which were reported internally by our businesses as part of their environmental management processes, where the incidents did not result in action being taken by the regulator.

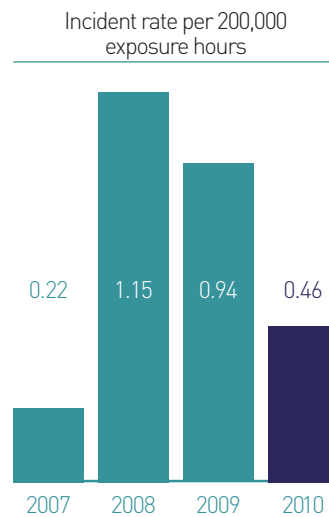


During 2010 we have continued to see a significant reduction in the number of internally reported environmental incidents.

Environmental incident frequency rate

We calculate the frequency rate because it takes account of the number of hours worked which varies from year to year, this makes sure we understand whether environmental incident

reduction is as a result of fewer work hours. During 2010 there was a real reduction in the number of incidents per 200,000 hours worked.

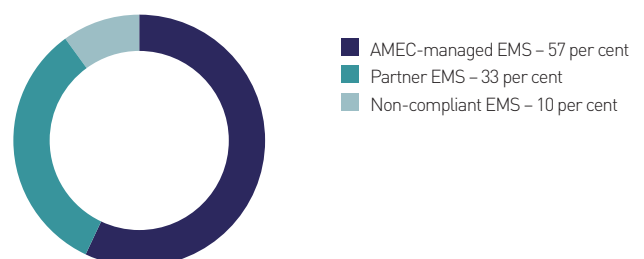


Environmental Management System coverage (EMS)

More than 57% of AMEC's environmental management systems are ISO14001:2004 compliant, with our Natural Resources Europe and West Africa, Power and Process Europe and UK based Earth & Environmental business units gaining a third party ISO 14001:2004 certification.

Less than 10 per cent of our organisation operates within an environmental management system which we assess to be non-compliant with the standard. This compares favourably with 29 per cent last year. The improvement in EMS coverage has been significantly influenced by an increasing number of AMEC employees working within environmental management systems which are managed by our partners or clients rising from 13 per cent in 2009 to 33 per cent in 2010.

In 2011 we aim to introduce a company-wide environmental standard. The objective is to make sure that we have robust processes in place in areas of significant environmental risk and that these processes are influenced by a clear and definitive AMEC standard.



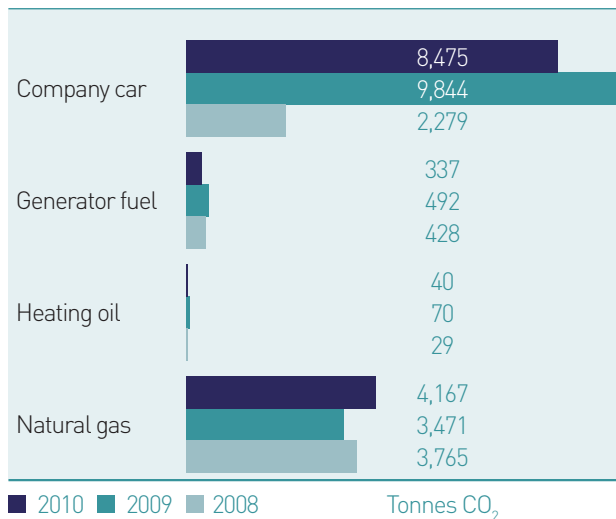
Accounting for carbon emissions

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 through to 2010.

Collating this information still remains a significant task, however systems that were introduced in 2009 have been further embedded and levels of estimation continue to reduce. Following the publication of the 2009 report and as a result of further system understanding, availability of actual data in place of estimations and further improvements in the collection systems, the carbon footprint for 2009 has been updated. This update took the total carbon footprint for 2009 from 49,845 tonnes to 55,411 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 reduced by 6 per cent, however this data includes our acquisitions from 2009 which were not included in the 2009 footprint. On a like for like basis, we actually saw a reduction in scope one emissions of 12 per cent. Although most elements of the scope one emissions saw good reductions, the natural gas usage increased significantly by 20 per cent, 6 percentage points of which came directly from the Entec acquisition.

Note: Like for like is used to mean excluding major acquisitions ie Entec and GRD Minproc. This definition applies wherever like for like is used with this section of the report.

Scope two – emission from indirect energy

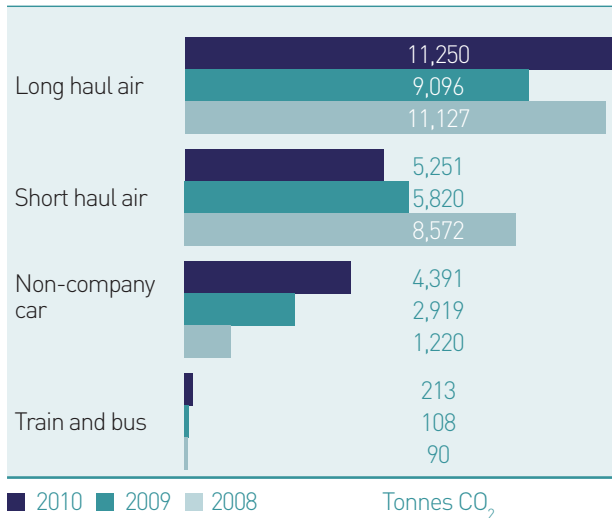
Analysis of our scope two emissions are helping us to assess the impact of the UK Carbon Reduction Commitment requirements for which we qualified for inclusion in 2010, by understanding the better performing areas, we can seek to replicate best practices at many of our facilities. Roll out of the 10:10 programme and its toolkit (posters, audits, focus weeks etc) as well as target setting within the office action matrices have had an impact on our electricity consumption during 2010, showing a 6 per cent reduction in consumption over the year overall. On a like for like basis i.e. excluding acquisitions the 2009 to 2010 reduction was 13 per cent.

2010 saw 14 per cent of electricity we consumed originating from renewable sources. This is an increase from 9.6 per cent from 2009.

| Electricity consumed | 2010 | 2009 | 2008 |
|-----------------------------|---------------|--------|--------|
| '000 Kilowatt hours | 44,771 | 48,118 | 59,137 |
| '000 GJ | 161 | 173 | 213 |
| '000 Tonnes CO ₂ | 20.9 | 23.6 | 30.4 |

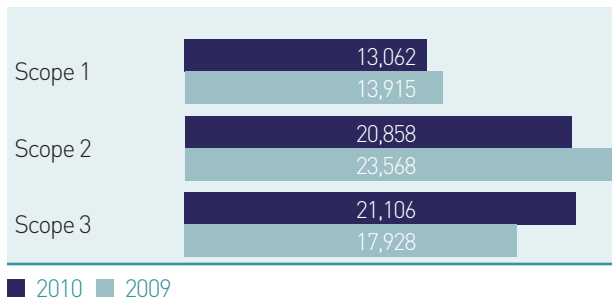
Scope three – CO₂ emission from travel

The nature of our business means our workforce is highly mobile. It is an area of major expenditure and comprises of considerable proportion of AMEC's total footprint. Improving our efficiency in this area will not only reduce our emissions but save us money. We saw an increase in our scope three emissions as a whole, amounting to 16 per cent (or 11 per cent like for like). The biggest increases came from long haul flights and non-company car usage. Long haul flights increase was due largely to the acquisition of GRD Minproc based in Australia, in late 2009, as well as to the nature of its business. The increase in non-company car usage is due to improved methodology and reporting systems in the Earth & Environmental business in comparison to previous years.



AMEC's carbon footprint

In total AMEC's businesses (excluding joint venture partnerships) reported emitting 55,025 tonnes of carbon, representing a decrease of absolute carbon of 1 per cent from 2009.



| Benchmark indicators | 2010 | 2009 | 2008 |
|---|---------------|--------|--------|
| Tonnes of CO ₂ per person per year | 2.512 | 2.669 | 2.632 |
| Tonnes of CO ₂ per £m turnover | 18.649 | 21.823 | 22.214 |

This absolute carbon figure includes the carbon associated with AMEC's acquisitions in 2009, which were not included in the 2009 figures. When comparing like for like business, a reduction on absolute carbon of 7 per cent was achieved. Although we did not hit our reduction target of 10 per cent for 2010 across the whole of the business, we are in track to hit our first milestone in our carbon strategy of a 15 per cent reduction from 2008 levels. Significant achievements were seen in many parts of the business, and we will be sharing the learning and best practice examples from these throughout the whole business.

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.

Our business also works in more sensitive environmental arenas such as oil and gas, mining and unconventional oil and gas 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"> ■ Strategic development ■ Shareholder value ■ Investment/divestment |
| Ethical trading | <ul style="list-style-type: none"> ■ Anti-corruption ■ Business practice ■ Marketing ■ Human rights |
| Supply chain | <ul style="list-style-type: none"> ■ Ethical agreements ■ Governance ■ Local content |

“ Everything we do is about servicing our customers, delivering excellent work for our customers, developing long-term relationships with our customers and securing repeat work from our customers.”

Neil Bruce , Chief Operating Officer

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, which set out the standards AMEC employees and agency staff are to achieve and adhere to.

These mandatory procedures and processes relating to our marketplace include strategy, ethical conduct and our supply chain. These 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

Where practicable AMEC seeks to mitigate the exposure to all forms of risk through effective risk management as risk transfer practices. 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 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 on the next page.



| | |
|---|--|
| <ul style="list-style-type: none"> Focus the project team by defining the project's Risk Management strategy. Consider: <ul style="list-style-type: none"> Projects and Risk Management scope and objectives Organisation, roles and responsibilities Approach, process, tools and technique Deliverables Review and reporting cycles. | |
| <ul style="list-style-type: none"> Define the project Ensure common understanding Define business and project objectives. | |
| <ul style="list-style-type: none"> Use identification techniques such as: <ul style="list-style-type: none"> Brainstorming SWOT analysis Assumptions analysis Past experience /interviews. Identify risk owners | |
| <p>PROBABILITY (Score 1 to 5) How likely is it to occur? IMPACT (Score -5 to -1) How good? (Score 1 to 5) How bad?</p> <p>Plot on a Probability/Impact Diagram (PID) to identify the priority of the risk – Very Low to Very High Opportunity or Threat.</p> | |
| <ul style="list-style-type: none"> Develop response strategies for: <ul style="list-style-type: none"> Threats – Avoid, Transfer, Mitigate, Accept Opportunities – Facilitate, Involve, Increase likelihood and Consequence Allocate action owners Review effectiveness by revising PID Implement responses. | |
| <ul style="list-style-type: none"> Manage and audit the process Use Risk Management outputs Review existing risks with owners Identify and document new risks Revise assessments. | |
| <ul style="list-style-type: none"> Continually gather feedback information - e.g. trend analyses, project reports, incident reports, risk register, sources of risk. | |

The following outlines some of the specific risks face 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 addresses the threats and opportunities associated with each tender submitted. The implementation of a web-based workflow tender approval process across AMEC has resulted in improved visibility of the threats and opportunities associated with tender submission as well as providing a consistent and auditable approach to the management of tendering risk and provides clear control over approval authorities.

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 and the safety of 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 and utilising local specialist

security companies where appropriate. AMEC specifically agrees security plans for designated high-risk countries for named personnel. Contingency arrangements are also in place to respond to any adverse security incidents affecting AMEC's operations across the globe.

Geopolitical and economic conditions

AMEC operates predominately in the UK and North America 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 have been 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 and is available to all employees on our intranet or in hard copy.

At board level AMEC has a non-executive director, Simon Thompson, who chairs AMEC's compliance and ethics

committee. This committee is responsible for upholding AMEC's core values of honesty, integrity and respect.

The committee is also responsible for reviewing and monitoring compliance with all relevant legislation, regulation, and current best practice regarding the prevention of:

- Bribery and corruption
- Conflicts of interest (including, but not limited to, gifts, outside interests and related party transactions)
- Unfair or disrespectful behaviour in the workplace (including harassment and discrimination)
- Unfair competition (including collusion and price fixing)
- The inappropriate use of company assets

AMEC's Code of Business Conduct sets out clear standards of behaviour in our business dealings and commitment to anti-corruption measures. The code which is translated into a number of languages 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.

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

As part of our membership of the World Economic Forum, AMEC is an active participant in the Partnering Against Corruption Initiative.

Acting with integrity and respect

AMEC has zero tolerance for bribery and corruption. Over 750 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 2010. AMEC and its shareholders have a clear outline of the objectives, growth market sectors and geographies.

To be the leading supplier of high-value consultancy, engineering and project management services to the world's oil and gas, minerals and metals, clean energy, water and environmental sectors.

For further information on how AMEC has started delivering against Vision 2015 in 2010, see the 2010 annual report and accounts or amec.com.

We take pride in understanding our customers' needs and changes in end market focus. Through the integration of Natural Resources, Power and Process and Earth and Environmental, we have moved forward and remodelled our business to better align with the market. 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.

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 2010 supporting our strategy of growth in the water and environmental sectors was Entec Holdings Limited. This increased the Earth and Environmental division's footprint in Europe by some 700 people. Entec has a leading position in the UK water services and waste water sector. It also provides renewable, nuclear and other energy services, industrial engineering, contaminated land and regeneration services, environmental planning and project management services, enabling us to strengthen our relationships with existing customers, as well as providing access to new ones.

Australasia is a region which we have targeted for growth and investment. Progress was made in 2010, with three acquisitions completed during the year. In January, the acquisition of Currie & Brown (Australia) provided us with a regional platform to deliver business consultancy services such as independent cost and commercial management advice to clients in the oil

and gas, mining, building, transport, utilities and infrastructure sectors. This business, which is now trading as Aquentia Consulting, was strengthened in November by the acquisition of BurmanGriffiths, a Brisbane-based provider of estimating and programming services to the civil engineering industry.

The strategic partnership with S2V Consulting, also an Australian company, strengthens our consulting services capability in the oil and gas sector. This partnership will enhance our ability to provide front-end services, including field development planning, conceptual screening and project assurance, as well as technical consulting in areas such as subsea, pipelines, environmental and complex upstream projects, which were all identified as areas of focus for our vision.

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 successful mergers and acquisitions. By leveraging our geographic presence, client base, expertise and broad services offering, we are able to provide the necessary support to allow the individual entities we acquire or partner with to grow at a faster pace than they would have done independently.

It's all about delivery and ensuring the customer has a great experience with AMEC."

Ron Reeves, President, Business Development & Strategy, Natural Resources

Delivering Excellence to our customers - Consistency and quality through The AMEC Way

The AMEC Way emerged from Operational Excellence as our consistent, global way of project delivery and support. We have standardised the way we do engineering, project management and other areas of functional support and project delivery right across AMEC meaning we deliver engineering and technical services the same way – the AMEC Way – for our customers across the world. It's all about our customers – winning work from them, delivering for them and developing long-term relationships. Examples of this include the two BP Global Agreements which rely on us being able to support our customer globally and consistently wherever they work. Our relationship with EDF, spanning a number of sectors, shows how important good customer relationships can be: AMEC supports EDF in the UK at the Hole House gas storage facility and at West Burton power station.

We were also recently awarded an 11-year contract to support EDF's architect operation engines at Hinckley Point and Sizewell nuclear stations in the UK. Implementing AMEC Way Project Management Plans will provide a consistent way of delivering our services and a platform to continuously improve through sharing of best practice, to create efficiencies and to better service our customers.



Sustainability services

As businesses worldwide face legislative or other pressure to operate sustainably, AMEC is ideally placed to support them. We have seen a big shift in the marketplace over the last couple of years, with clients expecting us to provide sustainability services while at the same time demonstrate that we work sustainably. It's a differentiator for AMEC because of our global mix of technical and scientific capabilities. One of the recent examples is the Mount Milligan Mine project in Canada – our sustainable approach to mining was approved and recognised as a model for other companies to follow. Sustainability can mean different things to different people. In some areas of the world, it is more of a climate change related issue, in others it is more the social and human side of sustainability. AMEC's diverse project teams can help clients manage both the environmental and social aspects of sustainability. The sustainability services we offer are built upon our internal knowledge and expertise and our own internal sustainability programme, and cover three broad areas;

In order to develop these three sustainability services areas further, AMEC's Earth & Environmental business has appointed a sustainability services programme manager. More information on AMEC's sustainability services will be available on amec.com during 2011.

1. Sustainability management

AMEC provides management support and expertise to assist leaders with integrating sustainability into their operations. From economic analysis and planning to carbon management and sustainability reporting, we use our combination of technical expertise, industry knowledge and experience with sustainability to provide analysis and advice that reduces risks, improves performance and helps to build your brand reputation.

2. Sustainable engineering

Managing climate change and natural resources like water requires a renewal of infrastructure and energy systems. AMEC is a leader in providing sustainable engineering services across a broad range of technologies including: green energy from wind, solar and biomass; alternative fuels like biodiesel and ethanol; and green infrastructure. We are also supporting the development of new green technologies like carbon capture, algae biofuels, tidal power and geothermal.

3. Applied sustainability

At AMEC, we believe that achieving sustainability goals requires integrating sustainability thinking into every aspect of the project lifecycle. Building on our internal sustainability programme and our expertise in project design and delivery, we use best practices and innovative solutions to improve the overall sustainability of projects by evaluating energy efficiency, improved resource use and social responsibility.

In order to develop these three sustainability services areas further, AMEC's Earth & Environmental business has appointed a sustainability services programme manager. More information on AMEC's sustainability services will be available on amec.com during 2011.

“Whether finding better ways to use resources or to help local communities – they're all steps in the right direction.”

Wayne McPhee, Sustainability Services Programme Manager, AMEC Earth & Environmental

AMEC's Sustainable Approach helps gain federal green light for project

In June 2010 AMEC was awarded (as part of a joint venture with Fluor) the provision of engineering, procurement and construction management services for Thompson Creek Metals' Mt Milligan copper-gold project in Canada.

The mine is located 150km northwest of Prince George in British Columbia and should provide about 400 direct permanent jobs and significant long-term economic benefits for the region.

AMEC completed the pre-feasibility, environmental impact assessment, and engineering, project and construction management studies over the past six years and the Canadian Government granted federal authorisations in November 2010 to proceed with the development.

Federal Environment Minister Jim Prentice reported "The Mount Milligan project has been designed in a way that minimises impacts to the environment... (and) should serve as a model to other companies seeking approval under the country's environmental process".

Project Manager Tim Bekheys stated; "I'm proud of the committed team at AMEC and, in particular our new role of integrating leading-edge sustainability criteria into the engineering design.



Supply chain management (SCM)

During 2010 a new global position of Vice President Supply Chain Management was created, giving clear ownership for procurement and supply chain strategic direction and improvement and a direct reporting line to the Chief Operating Officer. The role was intended to further aid the focus on project delivery 'The AMEC Way', reinforcing the consistent, global and integrated working of project management, engineering and supply chain management to deliver our customers' needs. During 2010 a global SCM Leadership team was also formed to manage the global supply chain and AMEC's interactions with the supplier community. Its goal is that "AMEC is viewed by the supply community as a company they want and need to do business with".

This goal is set within the context of the SCM Leadership's aim: 'to deliver effective Supply Chain Management services that enable the company to satisfy customer requirements and deliver enhanced business performance, through the skills of our people and our suppliers'.

AMEC's suppliers play an increasingly important role in our successful project delivery as our business grows. During 2011 the SCM Leadership team will be working with the other project delivery functions and the business to determine how to further engage with the supply community across all of its sectors.

Sustainability and Supply Chain

During 2010 we designed and implemented a pan-AMEC Supplier Performance Assessment system. The system is used to "assess" and record in a structured and consistent manner a supplier's performance in the execution of their work awarded to them by AMEC. The global system captures the levels of performance against specific categories and pre-determined criteria related. The information is then used to assist in project execution. The assessment categories are:

- Responsiveness in bidding
- Commercial
- Delivery
- Technical Compliance
- Documentation
- Health & Safety
- Environmental
- Sustainability

This system enables a consistent focus on sustainability with our suppliers of goods and services.

| Prior Sustainability | | | | | Status: Not Started |
|--|---|--|--|---|---------------------|
| Human Rights | Incidents of child or forced labor, discrimination has been reported/ observed and reports substantiated | Materials were found to have sourced from red-listed countries with no checks undertaken | Materials were sourced from red-listed countries, however sufficient checks were undertaken and found to be in line with policies and international guidelines | Policies in place and actively implemented. Origins of materials fully recorded with preference made to non listed countries | N/A |
| Ethics | Incidents reported and substantiated relating to corruption, bribery, harassment, etc | Contractor has no policies in place regarding ethics, however no incidents reported | Contractor has ethics policies/ procedures in place. Any incidents reported were adequately investigated and dealt with | Contractor actively worked to ethics policy. Training/ awareness was provided to employees | N/A |
| Supply chain, workforce and community | Poor behavior by contractor resulted to complaints by local community | No engagement with local community/ local supply chain etc | Contractor had community investment programme in place - supporting local charity or local community project | Contractor made considerable efforts to utilise local suppliers/ workforce to help build long-term relationships with the community where appropriate. Community investment programmes in place | N/A |
| Carbon management and climate change | Project delayed due to climate change related issues. Emissions from equipment do not meet permit/ environmental licensing requirements | No environmental/ climate change considerations made during design or purchasing decisions | Environmental/ climate change considerations were incorporated into design/ purchasing decisions | Climate change risks were identified and managed. Contractor considered carbon emissions part of criteria for choosing equipment. Contractor actively manages/ measures its carbon footprint | N/A |
| Evaluator | | | | | |
| Would you work with this supplier/contractor again? | <input type="radio"/> Yes <input type="radio"/> No | | | | |
| Comment | <div style="border: 1px solid black; padding: 2px;"> A B I U [List of icons] </div> | | | | |

Our Marketplace Performance

2010 delivered another year of excellent results, with significantly improved operating cash flow and a record EBITA margin of 9.2 per cent. This represented a rise of 100 base points from 2009. The priority in 2011 will be to deliver growth while maintaining margins at around 9 per cent. This will be achieved by continuing to deliver to customers and invest in employees. Although the pace of economic recovery is uncertain, 2011 is expected to be another year of gradual recovery.

| | 2010 £millions | 2009 £millions | Change |
|-------------------------------------|-------------------|-------------------|--------|
| Continuing operations: Revenue | 2950.6 | 2539.1 | +16% |
| Adjusted profit before tax | 279.7 | 215.6 | +30% |
| Profit before tax | 258.2 | 203.5 | +27% |
| Adjusted diluted earnings per share | 62.5p | 46.7p | +33% |
| Dividends per share | 26.5p | 17.7p | +50% |

For more information and full details of the basis of calculation please see AMEC plc 2010 annual report and accounts at amec.com.

We have continued to invest in the growth of our business, expanding our geographical reach and services provision to our clients in line with our vision and strategy. In aggregate, we have agreed to pay a cash consideration in excess of £88 million during 2010 in respect to four transactions.

Our future

| Date | Business | Market | Initial consideration £ million |
|----------|---|---|------------------------------------|
| January | Currie & Brown (Australia) Pty | Australian-based cost and commercial management consultancy | AU\$36.4m |
| March | Entec Holdings Limited | UK environmental and engineering consultancy | £61.2m |
| November | BurmanGriffiths | Australian estimating consultancy | AU\$4.5m |
| December | Majority Shareholding in S2V Consulting Pty Ltd | Australian-based specialist front-end consultancy | Not disclosed |

For further information on our strategic acquisitions, please see pages 44 to 45 or refer to amec.com.

Ethics helpline

We believe that we must continue to reinforce our commitment to ethical behavior and encourage people to report poor ethical performance. Workplace Alert Reports are received by AMEC's confidential ethics helpline, all of which are followed up and investigated, unless the caller has chosen to remain anonymous. The total Workplace Alert Reports received for 2010 was 47 and this compares with 39 for the previous year.

Our workplace

2011's focus will be all about further embedding and communicating the initiatives and programmes that have been developed and rolled out over the past year. These include My Future and AMEC Academy for example.

2011 will see the roll out of the new global mandatory HSE management system and the implementation of the new HSE performance standards.

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.

Review how the company's water usage is measured and agree a baseline from which to work going forward.

Our community

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

We will continue to use the London Benchmarking Group model to record our employees and offices local community work and charity fundraising efforts. We will publish the first full set of analysis from our 2010 data in 2011.

Our marketplace

2011 will continue to see further development and marketing of AMEC's sustainability services, focusing on clean energy solutions, adapting to climate change and water.

Further embed the Global Compact principles within our business policies, re-issuing our Code of Business Conduct to incorporate these changes and take account of the UK Bribery Act.

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:

- Included a table within this year's sustainability report signposting the reader to the material issues that were identified for the business for 2010.
- Made further improvements in carbon data collection systems throughout the business, and continued with internal audit checks of this data to test its robustness
- Improved the data reported with regards to community performance using the London Benchmarking Group model. This data and initial analysis has been included during this year's report, and further analysis will be made available on amec.com once available.

Through investing in our data infrastructures, we have improved the validation process. 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. Implementation of a new integrated reporting system in 2011 should improve the reporting process for our human resources data.

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 2010

Assurance Objectives

SKM Enviros has conducted an independent assurance review of the web based AMEC Sustainability Report 2010 (see 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 are the responsibility of AMEC. This statement is the responsibility of SKM Enviros and represents our independent opinion for the report audience, and is written to be read in its entirety.

Methodology

This assurance engagement was conducted between February and April 2011 via meetings, telephone discussions and e-mail correspondence with staff responsible for collating and reporting the data on which the report was based. We also reviewed supporting evidence and data collection systems to substantiate the data and claims. Telephone and email based field audits were conducted to sample the collection of data within the business to assure ourselves that the process is robust and to review data transposition within the businesses. Internal carbon audits were carried out by AMEC to assure the data being supplied by the businesses and SKM Enviros attended one of the carbon audits to assure robustness of the audit process. The assurance scope excluded any data already submitted to regulatory audit or other third party checks. However, we did check that this information has been translated accurately into the report.

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 assurance has the appropriate experience and competency to do so and are not working for AMEC in any other capacity. SKM Enviros has a Quality Management System (QMS) which is certified to BS EN ISO9001.

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 were encouraged to see that internal communication on sustainability had strengthened this year, with the launch of a

new sustainability intranet site for the Earth and Environmental Division and AMEC TV globally.

AMEC's materiality process incorporates inclusion of stakeholders to define the reporting strategy. Although these guidelines are in place, there was however only limited evidence to demonstrate the linkages between stakeholder engagement and prioritisation of the key sustainability issues to report. We would encourage AMEC to undertake specific consultation with their stakeholders to ensure that the report style and content are inclusive to their needs.

Materiality

AMEC uses their materiality guidelines to determine the issues to report on. This process has been further developed this year through use of a 'materiality matrix' to help identify issues of 'significance to stakeholders' and 'significance to the company'.

AMEC has revised its key sustainability impact areas to now include:

- Risk Assessment and control
- Emergency response and incident control
- Supply chain management (revised from Supply Chain and procurement)
- Legal compliance (revised from Legal and other requirements including waste)

Efficient use of resources was included as a specific key sustainability impact area for 2009. This has been changed for 2010 to emphasise the focus on efficient use of energy and reduction in carbon emissions.

Responsiveness

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.

We were encouraged to see new sections to the report this year: such as AMEC's journey over the last 10 years and a section on Sustainability Services. We were also pleased to see the continued developments on management of AMEC's supply chain, through the formation of a Supply Chain Leadership team and the launch of the Supplier Performance tool.

However, the structure and content of the report is very similar to the previous years and we would like to see a clear demonstration that the report represents a response on an ongoing basis to stakeholder needs. The materiality process would now benefit from greater inclusion of the report section authors with regards to how they should respond to meet changing stakeholder needs in writing and structuring their report sections.

Navigation around the report has been improved by including a table detailing the page number where the report addresses performance against each sustainability issue. However, there remains an imbalance in the level of commentary describing AMEC's performance for each of the defined sustainability issues and not all of the issues have identified performance indicators. This makes it more difficult to understand AMEC's performance in each key impact area and we would encourage AMEC to consider how this balance can be achieved in next year's report, possibly alongside a prioritisation of the issues.

It is acknowledged that AMEC has reviewed and removed 'Employees covered by union agreements' as an indicator because it is not considered to be the most relevant measure of performance to the business. We would encourage AMEC to continue to review the appropriateness of all their indicators to ensure they respond to stakeholder needs and as far as possible reflect the way performance of the business is measured internally.

Reliability of Performance Information

The data collection systems used for collating the sustainability performance information are generally similar to last year with the addition of 'Trackwise' for recording health and safety and environmental incident data. AMEC has also improved the community data collection process by participating in the London Benchmarking Group (LBG) for community data and it is noted that further training is planned to ensure this data collection process is used consistently across the business. We are also pleased that we could assure the reliability of the ethics data this year.

There have been some notable improvements in carbon data collection and although internal auditing has highlighted some areas for further improvement, this is acknowledged in the Sustainability report.

It is difficult to audit employee 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.

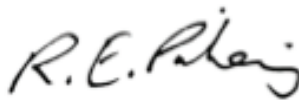
Although we have not identified any material anomalies in the data there is reliance in some parts of the business on anomalies to be identified by the Corporate centre rather than within the business. Accountability for data quality rests with the Heads of each discipline and inconsistencies remain in the level of data checking within the businesses.

Some of the information concerning Environmental Management System coverage was incorrectly reported

by parts of the business. Although this inconsistency was amended, this highlighted a need for clarification on the definition of a 'compliant EMS'. We recognise that the new HSE Framework should improve this process and ensure consistency during 2011.

Recommendations for Future Reports and Sustainability Programme

- Undertake consultation with stakeholders to ensure that the report style and content are inclusive to their needs.
- Include report section authors in the materiality assessment process to ensure they can respond appropriately to meet changing stakeholder needs in writing and structuring their report sections.
- Consider prioritising the identified material sustainability issues and reflect this in the balance of the report commentary.
- Review the sustainability indicators to ensure they respond to stakeholder needs and where possible reflect the way performance is measured by the businesses.
- Address the areas for improvement in the carbon and community data collection processes.
- Consider implementing a procedure to ensure data/information is signed off by the businesses that it has been subject to appropriate checks for inclusion within the Report.
- Clarify the definition of a 'compliant EMS' and ensure this is applied consistently within the businesses.



Rachel Pickering
Area Technical Lead, SKM Enviros



Signposting our Sustainability Report

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 | 39-40 |
| EN16 | Greenhouse gas | 39-40 |
| EN28 | Non-compliance | 38 |

| GRI section No. | Standard disclosure | AMEC report |
|-----------------|--------------------------|-------------|
| LA7 | Rates of injury | 24-25 |
| SO1 | Community | 29-34 |
| EC1 | Direct economic value | 47 |
| EC8 | Community infrastructure | 29-30 |
| EN23 | Spillage | 38 |
| LA14 | Employee category | 21-23 |
| EN17 | Indirect greenhouse gas | 39-40 |



| Category | | Issues | Page |
|---------------|------------------------|--|---|
| Social | Workplace | <ul style="list-style-type: none"> ■ Engagement ■ Attraction and retention ■ Occupational health, safety and security ■ Equal opportunities and diversity ■ Employee/capability development ■ Performance excellence | 18-19 20-22 23-28 22 20-22 21-23 |
| | Community | <ul style="list-style-type: none"> ■ Investment ■ Access to employment/local content ■ Skills building ■ Human rights and dignity | 29-32, 34 32 32-33 34 |
| Environmental | Management | <ul style="list-style-type: none"> ■ Pollution prevention ■ Risk assessment and control ■ Emergency response and incident control ■ Supply chain management ■ Legal compliance | 35 35, 41-43 38 45 35-36, 38 |
| | Climate change | <ul style="list-style-type: none"> ■ Energy use and efficiency ■ Travel and transport ■ Carbon emission footprint ■ Service provision | 39 39 36-37, 39 40 |
| Economic | Economic effectiveness | <ul style="list-style-type: none"> ■ Strategic development ■ Shareholder value ■ Investment/divestment | 44 47 44, 48 |
| | Ethical trading | <ul style="list-style-type: none"> ■ Anti-corruption ■ Business practice ■ Marketing ■ Human rights | 43, 48 43 43 34 |
| | Supply chain | <ul style="list-style-type: none"> ■ Ethical agreements ■ Governance ■ Local content | 34, 47 47 32-33 |

Our awards

During 2010 AMEC was given a number of awards.

Many are highlighted in the body of the report. In particular, safety awards are in our workplace section of the report on page 26-28

- Remediation Technology Merit award was received from the Environmental Business Journal (EBJ) for innovative demonstration projects under way for the U.S. Air Force Center for Engineering and the Environment. The award marks the sixth year in a row that Earth & Environmental has been selected for an EBJ Business Achievement Award.
- Engineering Excellence Grand Award from the Arizona chapter of the American Council of Engineering Companies for the in-house processing and interpretation of satellite-produced interferometric synthetic aperture radar (InSAR) data.
- National Safety Achievement Award in recognition of "Exceptional Safety Performance in the Workplace" was received by AMEC at the National Safety Council (NSC) Congress and Expo in San Diego, Calif.
- 2010 Premier's Gold Award of Excellence, for its contribution to Alberta Transportation's Carseland-Bow River Main Canal and McGregor Dam Rehabilitation Project.
- AMEC Principal Engineer Peter McGlone recently received the Niagara Engineering Award of Merit, an annual award recognising his lifetime of contribution to engineering and the Ontario, Canada community.
- British Columbia (Canada) Ministry of Transportation and Infrastructure Deputy Minister's Award, presented in recognition of excellence in design and contract preparation for roads.
- Four awards in recognition of engineering innovation and excellence from the annual Consulting Engineers of Alberta (CEA) showcase awards.
- For the third year in a row and for four out of the last five years, AMEC has been awarded Environmental Consultant of the Year honors by CSX Transportation. The AMEC team also received the Engineering and Field Services Consultant of the Year (second consecutive year) and Most Projects Closed in 2009.



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