



WorleyParsons

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14 March 2013

H.E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr Secretary-General,

I am pleased to confirm that WorleyParsons continues to support the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption.

We are also proud to submit our first annual Communications on Progress (COP) that describes our company's efforts in implementing the ten principles over the last 12 months.

With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engage in collaborative projects which advance the broader development goals of the United Nations.

We support public accountability and transparency, and therefore commit to report on our progress annually according to the Global Compact COP Policy.

Yours faithfully,

Mr Andrew Wood
Chief Executive Officer



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United Nations Global Compact (UNGC)

Communications on Progress 2012/2013





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1. INTRODUCTION

WorleyParsons is a leading global provider of professional services to the resources and energy sectors, and complex process industries. WorleyParsons employs 40,400 people globally and has over 165 offices in 41 countries. For many years, WorleyParsons has engaged in a broad range of social, economic and environmental sustainability programs across its business while balancing the interests of its diverse stakeholders.

2012 was a significant milestone for WorleyParsons as we revised and updated our Corporate Responsibility Statement to more clearly articulate the company's commitment to, and aspirations of, Corporate Responsibility leadership.

In the same year, WorleyParsons was proud to become a signatory to the United Nations Global Compact (Global Compact) and has demonstrated our support to the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption.

WorleyParsons has been recognised externally for our Corporate Responsibility initiatives by receiving the 'Top 100 Best Enterprises with an Award for excellence in Corporate Social Responsibility' at the 2012 China Company Social Responsibility Annual Summit in Beijing. The evaluation criteria for this award is based on organizational set up, labour rights protection, customer focus engagement, transparency in supply chain, environmental protection, public welfare and charity.

WorleyParsons has also been recognised as a Top 50 Finalist in the Social Investment Pioneer Awards 2012. The inaugural award is an initiative of the Principles for Social Investment Secretariat, United Nations Global Compact Initiative. The award recognizes the importance of private sector engagement in sustainable community development.

This 'Communications on Progress' document highlights WorleyParsons' efforts from May 2012 to April 2013 in implementing the ten principles of the Global Compact.



2. SUMMARY OF WORLEYPARSONS COMMUNICATION ON PROGRESS

| Principles | Corporate Responsibility Statement | Governance and policies | Outcomes |
|---|---|---|--|
| Human Rights | | | |
| <ol style="list-style-type: none"> Business should support and respect the protection of internationally proclaimed human rights Make sure that they are not complicit in human rights abuses | <p>We will respect the basic rights of the people we deal with and will not be complicit or engage in activities that solicit or encourage human rights abuse</p> | <ul style="list-style-type: none"> Personnel Policy Work and Life Balance Policy Prevention of Harassment Policy R3 (Ready Response and Recovery) System OneWay™ Framework Code of Conduct | <ul style="list-style-type: none"> Participation and contribution to a series of UNGCA 'Human Rights Leadership Group for Business' workshops Review of business exposure and impact of human rights Developed and introduced company-wide Human Rights Policy Released Supply Chain Code of Conduct with expectations on human rights |
| Labour Standards | | | |
| <ol style="list-style-type: none"> Business should uphold the freedom of association and the effective recognition of the right to collective bargaining The elimination of all forms of forced and compulsory labour The effective abolition of child labour The elimination of discrimination in respect to employment and occupation | <p>We apply fair labour practices and comply with the applicable national and local labour laws of the countries and communities that we work in</p> <p>We promote a diverse and inclusive workplace as outlined in our global Diversity and Inclusion Policy</p> <p>We do not employ or condone the employment of forced or child labour</p> | <ul style="list-style-type: none"> Equal Opportunities Policy Personnel Policy Global Diversity and Inclusion Policy Global Diversity and Inclusion measurable objectives Corporate Responsibility Policy Code of Conduct OneWay™ Framework Human Rights Policy | <ul style="list-style-type: none"> Disclosure of measurable gender diversity statistics to the ASX in the annual report and Workplace Gender Equality Agency (formerly EOWA, Australia) Expansion of <i>Women of WorleyParsons</i> network Participation in the United Nations Women's Empowerment Principles Ongoing annual performance review Released Supply Chain Code of Conduct which includes expectations on fair employment practices Strengthen position against forced and child labour through the Human Rights Policy |



| Environment | | | |
|---|---|--|--|
| <p>7. Business should support a precautionary approach to environmental challenges</p> | <p>We recognize the importance of operating sustainably and commit to continually identifying opportunities for improving our environmental performance</p> | <ul style="list-style-type: none"> • Health, Safety and Environment Policy • Corporate Risk Management Policy • EcoNomics™ Framework • OneWay™ Framework • Quality Policy • SEAL design framework (Safe and Sustainable Engineering for Asset Lifecycle) | <ul style="list-style-type: none"> • Public disclosure of environmental performance data • Ongoing voluntary participation to the Carbon Disclosure Project (CDP) • Participation in the launch of the UNGCA Environmental Leadership Group for Business • Released Supply Chain Code of Conduct which includes expectations on environment • Achieved ISO14001 in six offices • Engage in carbon reduction and biodiversity conservation activities • Develop internally verified greenhouse gas tools |
| <p>8. Undertake initiatives to promote greater environmental responsibility</p> | <p>We believe that all our people are responsible for performing their work in an environmentally sustainable manner</p> | | |
| <p>9. Encourage the development and diffusion of environmentally friendly technologies</p> | <p>We will continue to deliver profitable sustainability to our clients through our EcoNomics™ service offering</p> | | |
| Anti-Corruption | | | |
| <p>10. Business should work against corruption in all its forms, including extortion and bribery</p> | <p>We conduct our business in an open, honest and ethical manner as described in our Code of Conduct and our integrity framework, OneWay™</p> | <ul style="list-style-type: none"> • Code of Conduct • Continuous Disclosure Policy • Securities Dealing Policy • OneWay™ Framework • Corporate Risk Management Policy • Sanctions - Due Diligence Procedure | <ul style="list-style-type: none"> • Ongoing participation in UNGCA 'Anti-Corruption Leadership Group' workshops • Annual Code of Conduct refresher training for all our people • Anti-bribery and anti-corruption training for all relevant personnel • Ongoing internal audits on our locations • Released Supply Chain Code of Conduct which includes expectations on anti-corruption to our suppliers and contractors |
| <p>We will actively strive to implement socially responsible supply chain practices and anti-corruption practices working closely with our clients and suppliers as partners.</p> | | | |



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3. HUMAN RIGHTS

3.1 Global Compact Principles

1. Business should support and respect the protection of internationally proclaimed human rights
2. Make sure that they are not complicit in human rights abuses

3.2 Commitment

'We will respect the basic rights of the people we deal with and will not be complicit or engage in activities that solicit or encourage human rights abuse'

WorleyParsons acknowledges and recognises that the protection of human rights is an integral part of our business. Our operations can have an impact, positive or negative, on the human rights of a broad set of people, including but not limited to employees, clients, suppliers and their employees, business partners and to the communities in which we operate.

WorleyParsons has put in place a range of initiatives and policies to help us strengthen our commitments and ensure that we meet the principles of the Global Compact in protecting the human rights of our internal and external stakeholders.

3.3 Governance and policies

We aim to avoid human rights abuses by observing international treaties and laws and the laws of the host governments in all countries in which we operate. Issues such as economic and social governance, including human rights, are taken into consideration in our risk management framework prior to any involvement in any project work.

Our policies and business practices reflect our commitment towards human rights, which is applied across the company. We have several policies that govern and influence the behaviour of our people.

In WorleyParsons, our Personnel Policy specifically outlines commitments to human rights and supports the development, safety and support of our people. The Personnel Policy underpins other policies such as our Work and Life Balance Policy and Prevention of Harassment Policy and sets out the minimum expectations for our operations. Some of our commitments include:

- Promoting a safe and healthy working environment for our people. We provide our people with access to protective equipment and training to perform their tasks safely
- Supporting our people to achieve their choices in work-life balance. This includes but is not limited to infrequent over-time requirement, reasonable breaks and rest periods, living wages that are aligned with the national standards, paid holiday leave, sick leave and parental leave in accordance with international minimum standards
- Providing a work environment that is free of any form of harassment or discrimination, including physical, verbal, sexual or psychological harassment, abuse or threats



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- Maintaining an open channel for communication where we provide a mechanism for hearing, processing and settling grievances for our people. In many locations, our people are provided access to the Employee Assistance Program (EAP). The EAP is an objective third party that provides assistance and support for matters related to workplace conflicts, depression, childcare, family issues and stress.

Our Ready Response and Recovery System (R3 System) is an integrated business resilience and critical incident management tool that incorporates our approach to crisis, emergency, business continuity and security management. This system incorporates our security arrangements that are in accordance with international human rights principles for law enforcement and the use of force. Our R3 System ensures the safety of our people when they travel overseas.

3.4 Key Outcomes

- Ongoing participation and contribution from key employees on the 'Human Rights Leadership Group for Business' workshops held by the United Nations Global Compact Network Australia (UNGCNA) in Melbourne and Sydney. Lessons shared and learned in the workshop are communicated broadly to our key stakeholders
- Commenced a review of our operations against the business exposure and impact of human rights as part of a global risk assessment and review. A full workshop was conducted to ascertain the risk and exposure of the company in areas such as supply chain, business operations and local community.
- Developed and introduced a formal Human Rights Policy (based on the UN Human Rights Council's '*Protect, Respect and Remedy Framework*') that states our business principles and confirms our commitment to human rights
- Published our first Supply Chain Code of Conduct that reflects our own employee Code of Conduct and set the minimum and preferred requirements for our suppliers and contractors including our expectations that they share our commitments to human rights



4. LABOUR STANDARDS

4.1 Global Compact Principles

3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
4. The elimination of all forms of forced and compulsory labour
5. The effective abolition of child labour
6. The elimination of discrimination in respect of employment and occupation

4.2 Commitment

'We apply fair labour practices and comply with the applicable national and local labour laws of the countries and communities that we work in'

'We promote a diverse and inclusive workplace as outlined in our Diversity and Inclusion Policy'

'We do not employ or condone the employment of forced or child labour'

As a global company, diversity is one of our strengths. We welcome a very diverse population of people that reflects the range of countries, cultures and contexts spanned by our operations.

Globally, we have a strong focus on diversity and inclusion, with measurable group diversity and inclusion objectives that are tracked and reported annually through our annual report, the Australian Government Workplace Gender Equality Agency (formerly EOWA) and others as globally necessary.

Diversity and inclusion is championed by our Executive Committee and is led by the business through a Diversity and Inclusion Council, made up of men and women from around the world and our business sectors. The responsibility for the application of diversity and inclusion involves participation from all our people, including - to the extent WorleyParsons can enforce application - joint ventures, partnerships and companies in which WorleyParsons has a participation interest.

Our business practice and culture does not restrict our employees from the freedom of association and recognition of the right to collective bargaining and we are aligned to national and local laws and regulations.

As a professional services company, we only employ professionals from the countries and communities in which we operate. We have policies and criteria which ensure that we do not condone the employment of forced or child labour.

4.3 Governance and policies

WorleyParsons' policies and business practices are compliant with the applicable national and local labour standards of the countries in which we operate. Our Equal Opportunities Policy underlines our commitment as an



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equal opportunity employer and does not discriminate on grounds of race, gender, marital status, creed or disability. Our commitments include:

- We select the best person for a position based on individual merit, knowledge, skills and abilities for the role
- Our people are actively supported to assist their personal and professional development
- We comply fully with legislative requirements and as such do not restrict our employees from the freedom of association and recognition of the right to collective bargaining

Our Global Diversity and Inclusion Policy aims to ensure that WorleyParsons hires, assigns, develops, promotes, rewards and retains the best people for the job and the company, regardless of their diversity profile. Our approach to diversity and inclusion is based on the following objectives:

- To retain, promote and hire the best people we can for our organization, focusing on actual and potential contribution in terms of their performance, competence, collaboration and professional accountability
- To foster an inclusive culture and to ensure that current and future opportunities for all of our people are based on competence and performance irrespective of race, ethnicity, gender, sexual orientation, socio-economic status, culture, age, physical ability, education, family status and religious, political and other beliefs and work styles. This includes being intolerant of behaviours that denigrate or otherwise diminish such attributes or that discriminate on the basis of such attributes.
- To create ways to improve talent management, cultural diversity and inclusion - including where the under-representation of an available population group is preventing us from taking full advantage of the diversity of the talent pool
- To provide a fair level of reward in order to attract and retain high calibre people - and to build a culture of achievement by providing a transparent link between reward and performance

Our Code of Conduct sets the minimum standard expected of our personnel and our commitment to the global marketplace by conducting ourselves in a manner that is consistent with the current community and corporate standards and complies with all applicable laws. The revised Code of Conduct to be launched in late May provides that WorleyParsons does not employ or condone forced, bonded or child labour.

4.4 Key Outcomes

- Reported our global Gender Diversity statistics to the Workplace Gender Equality Agency (Australia) and published our measurable objective for increasing gender diversity in the 2011/2012 Annual Report and on our external website at www.worleyparsons.com/aboutus/diversity.
- Expansion of the *Women of WorleyParsons* network that includes regular networking opportunities and profiles of successful women within the company to inspire others. Events are organised by the local communities to promote and celebrate Diversity and Inclusion within the company, including celebrating International Women's Day in March 2012 in over 30 locations across 5 continents.
- Continued our support and funding for a wide range of external organisations who share our values and objectives around diversity and inclusion, which include: Robogals (promoting engineering as a career for young women). CareerTrackers (providing paid internships and career pathways to Australian students of indigenous heritage), the Chief Executive Women's Program (networking and leadership skills for high potential women) and WINSETT (championing women in science and engineering).
- Participation in the thematic discussion on the United Nations Women's Empowerment Principles



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- Ongoing annual performance review to identify personal development needs and training requirements, to be actioned if it is feasible
- Including our commitment to fair employment practices in our Supply Chain Code of Conduct that reflects our own employee Code of Conduct and set minimum and preferred expectations required for our suppliers and contractors
- Strengthen our position against forced and child labour through the introduction of a formal Human Rights Policy



5. ENVIRONMENT

5.1 Global Compact Principles

7. Business should support a precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally friendly technologies

5.2 Commitment

'We recognize the importance of operating sustainably and commit to continually identify opportunities for improving our environmental performance'

'We believe that all our people are responsible for performing their work in an environmentally sustainable manner'

'We continue to deliver profitable sustainability to our clients through our EcoNomics™ service offering'

At WorleyParsons, we have a strong enterprise-wide integrity management framework, OneWay™ that governs the expectations that align our entire business on a path towards zero harm to people, assets and environmental incidents. The framework includes our commitment towards managing our environmental footprint.

OneWay™ is a frame of reference that we use in every location, on every project and in our day to day work to systematically assess where our performance meets acceptable standards and where we need to improve.

OneWay™ is supported by a comprehensive set of processes, systems, policies and standards that describe in detail what needs to be done. A key element in OneWay™ is 'Caring for Our People and the Environment'.

As a leading global provider of professional services to the resources and energy sectors and the complex process industries, we recognise the key role that we have to play in supporting our clients' transition towards a low carbon economy. We continue to deliver profitable sustainability services to our clients through our EcoNomics™ service offering.

The Board and the CEO's Committee (CEOC) monitor and oversee WorleyParsons standard approach to risk management framework, application and implementation. This includes identifying significant environmental issues that are material and pose a significant risk to our business.

5.3 Governance and policies

WorleyParsons is committed to our vision of zero harm to people and assets, and zero environmental incidents. Our group-wide Health, Safety and Environment Policy highlight our commitment towards the environment as follows:

- Comply with all applicable laws, regulations and standards, customer requirements and apply company standards where laws do not exist



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- Consult and seek contributions from our people on issues that have the potential to affect the environment and their health and safety
- Identify, assess and manage risks that impact health, safety and the environment prior to commencing activities and when circumstances change
- Foster a culture that empowers and supports anyone intervening to safeguard people and to protect the environment
- Requirement for our contractors and suppliers to manage health, safety and environment using relevant international standards and practices that align with our own
- Drive continual improvement in health, safety and environmental performance through open reporting, effective assessment and analysis of our performance, leadership and engagement with our stakeholders

We recognise that in addition to managing and reducing our own environmental footprint, we play a key role in supporting our clients' transition to a low carbon economy adapting and managing their risks associated with climate change. We offer a seamless extension of our established project delivery capability by providing our clients with a competitive business advantage by enhancing their project risk management and improving sustainability performance through EcoNomics™.

Our EcoNomics™ framework comprises of three components:

- Sustainable Decisions: We use our EcoNomics™ Assessment process to qualify and monetize relevant environmental, social and financial project factors across the asset lifecycle, helping our customers develop profitable and sustainable decisions. Our unique process is audited and approved by Lloyd's Register Quality Assurance under ISO 9001:2008
- Sustainable Project Delivery: Through our proprietary project delivery systems, we integrate sustainability-based systems, tools and expertise into our clients' projects, enhancing project risk management and converting their sustainability objectives into profitable project outcomes
- Sustainable Operations: We utilize our established *Improve* Operating Platform to identify and deliver projects that improve the environmental, social and financial performance of existing assets

5.4 Key Outcomes

- Publicly reported our environmental performance for the first time through our 2011/2012 Annual Report and external website
- Ongoing voluntary participation to the Carbon Disclosure Project in monitoring and measuring our environmental performance since 2009
- Participation in the launch of the UNGCA Environmental Leadership Group for Business to understand and share our experience in managing our risk, exposure and initiatives in climate change
- Set our minimum and preferred expectations in favour to our suppliers and contractors who conduct their business operations in a way that protects and sustains the environment
- Achieved ISO 14001: Environmental Management certification in six offices
- Engage in carbon reduction activities, including car-pooling initiatives, print-on demand systems and provisions of public transportation passes to company personnel
- Engage in bush regeneration, tree planting and beach clean-up activities across a number of countries
- Developed an internally verified greenhouse gas inventory tool that tracks internal environmental activities



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6. ANTI-CORRUPTION

6.1 Global Compact Principles

10. Business should work against corruption in all its forms, including extortion and bribery

6.2 Commitment

'We conduct our business in an open, honest and ethical manner as described in our Code of Conduct and our integrity framework, OneWay™'

'We will actively strive to implement socially responsible supply chain practices and anti-corruption practices working closely with our clients and suppliers as partners'

WorleyParsons regards good corporate governance as a critical element in our business practices and culture and as being essential in the prevention of all forms of bribery, corruption and extortion.

Our Code of Conduct, the segregation of certain roles and financial controls, including audits provides a strong framework for effective management of our exposure to potential internal and external fraud. WorleyParsons complies with all applicable prevention of bribery and corruption legislation and requires those who act on its behalf to also comply. WorleyParsons prohibits the payment of facilitation payments under the terms of its Executive Directive on facilitation payments.

WorleyParsons recognises the risk that can be posed by inappropriate gifts, entertainment and hospitality. WorleyParsons will only give or accept gifts, entertainment and hospitality that are for a legitimate business purpose and that foster constructive business relationships. WorleyParsons maintains gift registers to ensure transparency in relation to gifts, entertainment and hospitality.

Risk management is an integral aspect of our day to day business practice. When ethical issues such as extortion and bribery are identified, we will, whenever possible, undertake a full risk assessment to manage our exposure and liability that arises from these risks.

WorleyParsons Ethics Committee has been established by the Chief Executive Officer (CEO) and comprises members from senior management and representation from the legal department, human resources, corporate governance and the internal audit functions. The role of the committee includes:

- assessing, developing, implementing and overseeing WorleyParsons ethical culture on a global basis
- providing the oversight necessary to guide senior management and employees in their collaborative efforts to adhere to high standards of ethical conduct consistent with WorleyParsons' objectives, policies, codes and procedures
- recommending to the CEO and the CEO's Committee (CEOC) the objectives, policies, codes and procedures, and amendments to them, that will promote and support high standards of ethical conduct in the carrying out of WorleyParsons' activities



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6.3 Governance and policies

WorleyParsons' Code of Conduct provides a benchmark for professional behaviour at all locations throughout WorleyParsons. The Code of Conduct applies to everyone working at, or engaged by, WorleyParsons and is available in local languages in addition to English.

In our Code of Conduct, standards and expectations are set in relation to bribery and corruption. We do not offer, solicit or receive gifts or payments in kind. The general expectations we have of our personnel are that they:

- Are law abiding and work to avoid conflicts of interest
- Act honestly and fairly in all our business dealings
- Are open and accurate in all our communications
- Are economical and responsible in utilizing Company and client resources
- Respect the confidentiality of the technical and commercial information of our clients
- Are reliable and diligent in discharging Company and job responsibilities, and
- Respect the rights of others and support community values and expectations

Our Code of Conduct provides clear guidelines in reporting unlawful and unethical behaviour to the immediate manager, an ethics officer, human resources manager, managing director and the CEO without the fear of retaliation. An ethical reporting hotline is currently being implemented and will be accessible and available for all our people.

The Executive Directive concerning Ethics Investigations provides protection to whistle-blowers and encourages reporting of contraventions by our people and supports an open and honest culture. The key mechanisms for protection of whistle-blowers are confidentiality, anonymity, protection of employment conditions and appropriate support to prevent any other forms of retaliation (e.g. loss of opportunities, shunning, ill treatment, harassment, etc.).

6.4 Key Outcomes

- Participation in the UNGCA Anti-Corruption Leadership Group for Business in Sydney and Melbourne to share our values, learn from others and understand the key risks occurring globally
- Annual Code of Conduct refresher training for all our people to ensure they understand WorleyParsons' expected behaviour and anti-corruption commitment
- Anti-bribery and anti-corruption training for all relevant personnel
- Ongoing internal audits on our locations to ensure compliance to WorleyParsons corporate governance standards in areas of operational and balance sheet risk, legal/regulatory compliance and financial reporting
- Included our minimum and preferred expectations in our Supply Chain Code of Conduct in favour to our suppliers and contractors who share our commitment to corporate responsibility. This includes strict compliance with all local and national laws and regulations on bribery, corruption and prohibited business practices.