



Environment

Safety

People

Integrity

Collaborating
Improving
Growing
Achieving

Our values

AMEC believes sustainable business is the balance of economic, environmental and social responsibilities, meeting the requirements of our stakeholders, consistently, in line with living our values.

- **Sustainably delivering excellence to our customers**

- Exceeding the expectations of our clients and others we work with
- Thinking sustainably, for the long term
- Passionate about success

- **Believing in people**

- Investing in training and development
- Promoting teamwork and the sharing of knowledge and best practice
- Recognising the power of diversity

- **Never compromising on safety**

- Protecting and supporting employees and anyone working with us or affected by our activities
- Committed to continuous improvement

- **Acting with integrity**

- Being reliable, trustworthy and fair in all we do
- Showing respect
- Committed to delivering on our promises



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Introduction from Samir Brikho

Shaping our future - together


As I write, the media is full of bad news: the banks in Cyprus, austerity and recession in the UK, concerns about the Korean peninsula. In these uncertain times, some would see sustainability purely as a cost - and therefore discretionary.

This is not AMEC's position. Sustainability permeates everything we do. It is about integrating social, environmental, and economic concerns into our values and operations, in a transparent and accountable manner. It is integral to the achievement of our long-term strategy.

In 2011 we spoke to our external stakeholders about our sustainability approach; in 2012 it was the turn of our employees. The results were fascinating and have helped inform how we present this report. Interestingly there was no common view of what we mean by sustainability, with some employees defining it so narrowly, they struggled to see the value of the debate. It seems that they recognise the strength of our commitment to health and safety; value our commitment to developing the skills of our employees; and see commercial advantage in engineering safety into our designs, yet fail to see the key role each of these plays in the wider sustainability agenda.

For me, this link is obvious. Sustainability is not just about carbon emissions, community involvement or our response to climate change, though it includes all these things. Nor is it a soft, 'feel good' activity which can be picked up and then dropped when times get tough. It is about all the factors which are core to our long term success and enable us to deliver excellence: such as people, customers, safety and integrity. It is clear that we need to do more to educate our employees and I will continue to lead on this.

Our sustainability strategy, newly launched this time last year, is now well embedded and will assist in this education process. It is described using three, interwoven elements.

 We continue to support the UN Global Compact with pride."
Samir Brikho, Chief Executive



Living our values

Our values are integral to how we do business and how we deliver projects successfully for our customers. Particular highlights in 2012 included:

- We recruited over 10,000 people into the business: **people**
- Our focus on safety remained, and we saw improvements in the All Injury Frequency Rate. We can never afford complacency on this topic: **safety**
- We rolled out a new online Code of Business Conduct training module: **integrity**
- New power management software is already making significant savings in our energy use: **environment**.

Excellent project delivery

Our growth aspirations will only be achieved by focusing on our customers and how we deliver to them safely and sustainably in line with our values. In 2012, we:

- Rolled out a new global supplier registration and qualification system
- Introduced a new training course, supporting inherently safer design
- Won two 'achiever' awards from BHP Billiton for the Jabulani training centre, part of the Sappi GoCell project in South Africa.

Sustainable growth

This final element links 'living our values' and 'excellent project delivery' to our business strategy and delivery of the vision.

- We were again confirmed as sector leader in the Dow Jones Sustainability Index
- We implemented a new, simplified geographic structure, to improve collaboration and maximise potential growth opportunities.

This report contains further details on each of these, together with many other examples of our progress.

For 2013, our priorities are clear. We will continue to care about what happens as a result of the work we do: how our customers are better able to meet their own sustainability challenges; how our employees retain their safe behaviours outside the workplace; and how we become a part of the communities in which we work. Economic uncertainty makes no difference to our commitment to create long term sustainable success.



Measurements and targets

To ensure we continually manage our key sustainability related risks and strive for continuous improvement, we set and measure goals to monitor our performance. The targets below are pertinent to the delivery of our sustainability strategy and form part of our annual global business KPIs, published as a separate section for the first time in this report.

Integrity

It is important that we act with integrity at all times. We will never accept or excuse behaviours that are inconsistent with those laid out in our values and our Code of Business Conduct. We are committed to supporting the communities in which we operate, by building relationships and investing time and effort. We support the elimination of forced or child labour.

Our long term goals

- Ensuring all of our employees are aware of and understand our Code of Business Conduct
- Helping our employees support their local communities and those charities that are important to them.

2013 focus areas

- Ensure 100 per cent completion of the Code of Business Conduct training
- Revise and roll out face-to-face anti-bribery and corruption training for appropriate personnel
- Continue to encourage charity and community events that our employees / local offices choose to support
- Continue to assist our global strategic charity SOS Children’s Villages.

For more detailed information go to pages 43 - 50.

Table 1: 2012 target and performance - Integrity

	2012 target	2012 performance
Ethical business conduct	Roll out new online Code of Business Conduct training to all employees	17,863 employees completed the training between September and December 2012
Community	Continue to support our employees' community investment and charitable efforts	£507,000 donated by AMEC 4,078 hours volunteered by our employees



Safety

AMEC is focused on achieving the highest standard of health and safety management. We want to provide a safe working environment and encourage our people to take this same thinking home with them and into their communities – AMEC’s beyond zero approach.

Our long term goals

- Deliver year on year improvement in our safety performance
- Zero Lost Time Incidents (LTI)
- Continue to drive workforce engagement.

2013 focus areas

- Zero Lost Time Incidents
- 10 per cent improvement on our best ever

performance for Total Recordable and All Injury Frequency Rates (TRCFR and AIFR)

- Benchmarking our performance against our standards to ensure all business are complying
- All senior management to have a beyond zero action plan (see pages 28-29 for information on our beyond zero programme)
- HSSE risk register development to provide comprehensive risk-based safety management through mapping key hazards and mitigation strategies
- Monitoring close out of actions to provide a hard focus on what lies behind safety failings and deal effectively with them.

For more detailed information go to pages 28 – 34.

Table 2: 2012 target and performance - Safety

	2012 target	2012 performance
Performance	<p>10 per cent improvement in TRCFR rate</p> <p>Zero LTIs</p> <p>Focus on high potential incidents</p>	<p>Increase in TRCFR from 0.37 per 200,000 man hours to 0.38</p> <p>12 LTIs. This did represent a reduction in our frequency rate, though it is still unacceptable to us</p> <p>Analysis of high potential incidents undertaken in order to focus on immediate and root causes. Result at end of 2012 was to re-map the potential matrix to capture more incidents as high potential.</p>
Safety in design	All operations to advance inherent safe design practice	<p>HSSE core standards have been revised to incorporate engineering standards</p> <p>1,414 people attended the new 'essentials of engineering safety and environmental protection through the project lifecycle' training programme.</p>
Security	Plan for people's security	<p>Risk assurance and mitigation measures introduced within the six major business units</p> <p>70 security 'focal points' were trained to support the regional security advisors</p> <p>Information security awareness and travel security awareness programmes rolled out.</p>
Leadership	Safety leadership – beyond zero	99 per cent of our leadership have beyond zero plans in place, 96 per cent of which have been reviewed for progress.



Environment

We seek to protect and improve the environment when we can, minimising harm through excellent environmental management and delivering services to our clients. By ensuring the efficient use of natural resources, we are both looking to reduce AMEC's carbon footprint and eliminate waste.

Our long term goals

- Year on year improvement in our environmental performance
- 80 per cent reduction in our carbon performance per person by 2050 from our 2008 levels.

2013 focus areas

- 10 per cent reduction on our best ever environmental incident rate
- Roll out of the water strategy with focus on priority sites in relation to water management and reduction programmes
- Re-baseline our carbon footprint to take into consideration changes in the business since 2008
- Undertake a full review of our carbon management and reporting systems ahead of mandatory reporting regulations which are due to be announced during 2013.

For more detailed information go to pages 35 – 42.

Table 3: 2012 target and performance - Environment

	2012 target	2012 performance
Performance	10 per cent reduction on our best ever environmental incident rate	We saw a huge decrease in our environmental incident rate from 0.47 per 200,000 man hours in 2011 to 0.23 in 2012.
Carbon	<p>Minimise our carbon footprint and the associated cost of business travel by 5 per cent</p> <p>Look towards reaching our 2013 milestone of reducing our carbon per person by 15 per cent from 2008 levels.</p>	<p>5 per cent reduction in travel per employee achieved in 2012</p> <p>Our absolute emissions rose significantly in 2012, due to better inclusion of more complete data from our Americas business. We will be reviewing this in 2013 and looking at re-baselining our 2008 data following numerous acquisitions.</p>
Water	Develop a risk based water strategy for the global business	<p>Strategy developed along with risk based priority sites</p> <p>Estimated direct water consumption based on typical water use per region is 504,156 m³.</p>



People

Our success lies in the success of our employees and the way in which they deliver to our customers. It is vital that we recruit, develop and retain the best people, ensuring they are engaged with AMEC and committed to the company's success.

Our long term goal

- Attracting, engaging, and developing the best people for AMEC and our customers

2013 focus areas

- Engaging employees – understanding why our people choose to join us and then stay at AMEC, listening to what their experience of AMEC is: 'Why AMEC'

- Focus on diversity
- Mobility – facilitating the movement of our people to better advance their careers and also serve our customers
- Talent management – ensuring the tools we have implemented are having the impact we need
- Global resource planning for graduate recruitment.

See pages 20-27 for more detailed information relating to the people performance in the business, along with case studies where appropriate.

Table 4: 2012 target and performance - People

	2012 target	2012 performance
Resourcing	Recruit and develop people for the future.	Recruited over 10,000 people into the business over the 12 months 521 strategic recruits - see page 21 for more detail.
Development	Identify high potential employees and ensure they undergo managed career paths (MRC) process More than 75 per cent of employees to complete a performance review (PDR).	442 employees were identified as high potentials in 2012 15,158 employees completed a performance review using the new e-system in 2012.
Engagement	Improve employee retention Improve employee communications and engagement.	Employee instigated turnover at 10.8 per cent, slightly improved from 11 per cent reported in 2011 Developed our employee value proposition (Why AMEC) which will be rolled out during 2013.
Mobility		Introduction of specific targets and timescales relating to movement of people across geographies Reviewed existing business practices, resulting in revised procedures for ongoing mobility of our people.



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People

About AMEC

AMEC plc is a FTSE 100 company, whose shares are traded on the London Stock Exchange and listed in the Oil Equipment and Services sector (LSE:AMEC.L).

AMEC is a focused supplier of consultancy, engineering and project management services to its customers in the world's oil and gas, mining, clean energy, environment and infrastructure markets. With annual revenues of some £4.2 billion, we operate in around 40 countries, working for customers ranging from blue chip companies to national and local governments. We support assets such as oil & gas production facilities, mines and nuclear power stations, from inception to decommissioning. The company's registered office is in Knutsford, United Kingdom.

Historically (up until 31 December 2012), our company was structured into three divisions, and 2012 reporting has been prepared on this basis. Our Natural Resources division provided engineering, project management and asset support services in conventional oil and gas, unconventional oil and in mining. Our Power and Process division provided engineering, project management and asset support services in the clean energy market. Our Environment and Infrastructure division provided environmental, engineering and consulting services across all of AMEC's markets.

From 2013, reporting will be on a simplified geographical basis (Americas, Europe and Growth Regions), designed to strengthen our customer

focus and maximise growth opportunities. For more information on the new structure, please see page 5 in the 2012 annual report and accounts.

AMEC's Vision 2015 (announced December 2009) sets out the next stage of AMEC's journey to growth.

- Our customers - we want our customers to recognise our engineering, project management and consultancy expertise and to trust us to deliver their projects successfully
- Our people - our success lies in the success of our employees and the way in which they deliver to our customers
- Achieving growth - we need to build on our existing market positions, and also enhance our capabilities and expand our geographical coverage
- Delivering the AMEC way - how we work together across the company to deliver successful projects
- Improving financial metrics - Vision 2015 also looks at financial metrics recognising that AMEC needs a more efficient capital structure.

The new structure will support our journey '2015 and beyond'. Our strategy is unchanged but our tactics have been altered. By collaborating, improving and growing we will ensure we are achieving our goals.

For more information about our business and the sectors we service, and how we are implementing our Vision 2015 growth strategy, please visit our website at amec.com, or see our annual report and accounts.



AMEC and governance

The ultimate goal of the board is to collectively and effectively lead the delivery of long-term, sustainable success. Maintaining strong corporate governance practices is a core board responsibility in support of this goal.

The highest tier of authority at AMEC is the board of directors. It comprises a non-executive chairman, two executive and five non-executive directors. The company does not combine the role of Chairman and Chief Executive, and the Chairman was considered independent on appointment at 1 June 2011. The board is ultimately responsible for ensuring the long-term success of the company in accordance with the expectations of, and its obligations to, all stakeholders. It is responsible for setting the company's strategy and ensuring the security of the resources necessary to achieve the resulting objectives. It must also set and guarantee the dissemination of, and adherence to, the company's values and standards.

To ensure the operation of AMEC's businesses in accordance with a cohesive policy framework, the board has issued a number of group-wide policies, including the Code of Business Conduct. During 2012 a team was set up to produce a global mandatory policies and procedures framework, to support AMEC's vision, values and the Code of

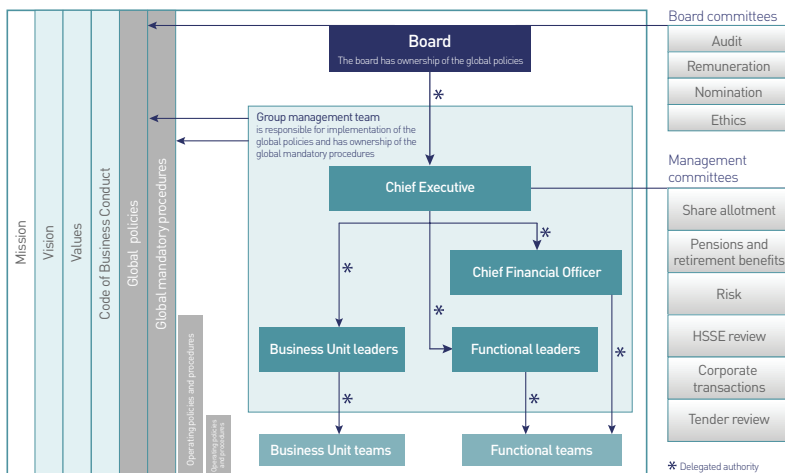
Business Conduct. This framework will be an integral part of AMEC's corporate governance processes and an overview is set out below.

The diagram shows how the key policies and procedures which are integral to the sustainability strategy are managed within the business, either through board / management committees, or by the group management team. Supporting delivery are the business unit and functional teams; however we truly believe that every individual has a part to play.

For more information on our approach to governance, or our board committees see the 2012 annual report and accounts – pages 38 – 64.

In particular AMEC must comply with the Companies Act 2006, including in relation to shareholder resolutions. Minority shareholders have the right to ask the board any relevant questions at the annual general meeting, in writing or as part of our investor programme.

Fig 1: AMEC governance overview





Sustainability in AMEC

AMEC is a company with a clear vision, a common sense of direction and a culture of performance and delivery. Our aim is to create a successful, sustainable company for the long term. To achieve this, we need to balance economic, social and environmental issues in our decision making processes, ensuring sustainable working is integrated into the very core of our business.

In 2011 we revised our sustainability strategy to strengthen the visible linkage with the core business strategy - from our values to Vision 2015 and beyond. We are now using three interwoven elements - **living our values, excellent project delivery** and **sustainable growth** - to support the delivery of our vision. Each element is intertwined

with each other, success in one element being dependent on achievement in the other two. The diagram below depicts this revised sustainability strategy and more information relating to the strategy can be found in the 2011 sustainability report.

Sustainability impacts, risks and opportunities

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 must be integrated throughout the entire management system.

Fig 2: Sustainability strategy

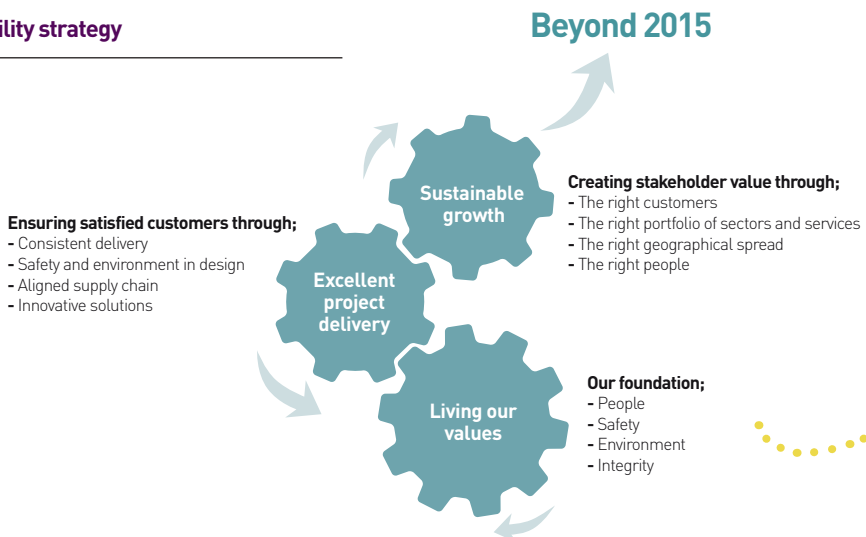




Table 5: AMEC's top 5 sustainability risks

	Description	How we manage the risk
Major third party environmental event	<p>A major third party event resulting in significant environmental damage may lead to adverse developments in one of AMEC's key markets</p> <p>AMEC is involved in an event resulting in significant environmental damage.</p>	<p>We would work to mitigate the impact by working closely with stakeholders and other interested parties.</p> <p>Internally we ensure we have appropriate environmental controls within our designs and projects, have effective environmental management systems and that we implement the global environmental standards consistently.</p>
Health, Safety & Security	<p>AMEC is involved in activities and environments which have potential to cause serious injury to personnel or damage to property or the environment and damage to our reputation.</p>	<p>We are focused on achieving the highest standards of health and safety management, through effective Health, Safety, Security and Environmental (HSSE) policy and ensuring effective leadership is in place to deliver it.</p>
Staff recruitment and retention	<p>An inability to attract and retain sufficient high-calibre employees could become a barrier to the continued success and growth of AMEC.</p>	<p>We have a clear HR strategy aligned to the business strategy focused on attracting, developing and retaining the best people for AMEC</p> <p>We continually review compensation and benefits</p> <p>AMEC Academy delivers development activities for our employees.</p>
Ethical breach	<p>A substantive ethical breach and /or non compliance with laws or regulations could potentially lead to damage to reputation, fines, litigation and claims for compensation.</p>	<p>We have a number of measures in place to mitigate this risk including;</p> <ul style="list-style-type: none"> • Code of Business Conduct • Independent whistle-blowing mechanism • Ethics officers • Anti-fraud and other internal audits • Ethics training programme.

Sustainability Action Matrix 2013

Our office sustainability action matrix demonstrates how we are contributing to making AMEC a more sustainable company. It supports our values and the foundations of our sustainability strategy, bringing those commitments to life. Living our values helps us to deliver projects in a consistent and sustainable way which in turn supports the business in meeting its long term, vision and goals.

Our People
 Our office will support the AMEC-wide commitment to:
 Ensuring we attract, develop and retain the best of the best, in an environment built on mutual respect, open communication, free from harassment, offering equal opportunities for advancement and promotion.

Our office will commit to supporting these programmes by:	Q1	Q2	Q3	Q4



Our Environment
 Our office will support the AMEC-wide commitment to:
 Protecting and improving the environment when we can, minimising harm. Efficient use of natural resources, reducing AMEC's carbon footprint and eliminating waste.

Our office will commit to supporting these programmes by:	Q1	Q2	Q3	Q4

Our Health and Safety
 Our office will support the AMEC-wide commitment to:
 Promoting a world-class "Beyond Zero" safety culture, aspiring to excellence in HSE performance and never compromising on safety.

Our office will commit to supporting these programmes by:	Q1	Q2	Q3	Q4

AMEC believes sustainable business is the balance of economic, environmental and social responsibilities, meeting the requirements of our stakeholders, consistently, in line with living our values

Our Integrity and Communities
 Our office will support the AMEC-wide commitment to:
 Observing the highest ethical standards in our interactions with all stakeholders, ensuring we support the communities in which we operate.

Our office will commit to supporting these programmes by:	Q1	Q2	Q3	Q4

To help drive sustainability action at a local level we use our office sustainability matrix tool. The matrix provides a consistent way in which our employees can see what is going on locally around them so that they can be actively involved in our sustainability programme. In 2012 we updated our office sustainability matrix in line with our sustainability strategy, requiring offices to set targets appropriate to them, in the areas of people, environment, safety and integrity.

Sustainability-related issues are part of our business. We have to ensure we concentrate on those which have the greatest impact on our ability to manage our operations. We use a number of techniques to do this including;

- Risk management
- Stakeholder engagement
- Sustainability surveys
- Global standards, principles and frameworks.

Our approach to risk management in terms of management process reporting and monitoring can be found on page 21 of the 2012 annual report and accounts.

See pages 22-23 of the 2012 annual report and accounts for AMEC's principal business and strategic risks.

Our report

We use our sustainability performance report 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
- Communicate our key sustainability issues and how we manage and improve on them.

We have focused this report on those areas which are most important for us manage, are important to our stakeholders, tied with principles to which we are committed and are critical for AMEC's long-term success. We have grouped these sustainability issues into chapters aligned to our sustainability strategy: living our values, excellent project delivery and sustainable growth. This report includes our global compact communication of progress report.

The data included incorporates AMEC's business units, plus corporate and shared services. Where historical data is available it is stated from 2009 to 2012 inclusive. Information which has been restated to provide a like-for-like comparison with previous years is clearly identified in the performance sections.

The key performance indicators used in this report are regularly reviewed and updated according to their value.

The table below illustrates our material sustainability impact areas which are more fully described within the content of this report. One of the methods we use to help shape the content of our report, which also feeds into our materiality assessment, is our stakeholder engagement process. This year we focused primarily on our internal stakeholders - our employees. See pages 16-17 for more information.

2012 / 13 Dow Jones Sustainability Index

AMEC was ranked industry leader for oil equipment and services in the worldwide Dow Jones Sustainability Index (DJSI) for 2012-13. This was the fourth year in succession that we were sector leaders and the ninth year in succession that we had featured in the DJSI.

Table 6: Material sustainability impact areas

People	Integrity and community	Environment
Engagement	Ethical trading – anti-corruption and bribery	Pollution prevention
Attraction and retention	Community investment	Climate change
Equal opportunity and diversity	Access to employment / local content	Legal compliance
Employee / capability development	Skills building	Emergency response
Employee mobility	Human rights	
Safety	Excellent project delivery	Sustainable growth
Occupational health, safety and security	Performance excellence	Strategic development
Risk assessment and control	Service provision	Shareholder value
Emergency response and incident control	Supply chain management	Investment / divestment



Engagement with our stakeholders

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 company we have to strike a balance between what our stakeholder groups want and what is best for our business.

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 helped to shape this year's performance report in both style and content, and are also helping us to develop the focus for 2013 and beyond.

“ I think there is a lot of really great discussion on this topic and I look forward to these ideas being reviewed, considered and hopefully adopted by our organisation, because I believe it will strengthen our brand as One AMEC, committed to providing sustainable services and results to our customers.”

(US-based employee response)

Employees

Following on from the 2011 external stakeholder panel (the results of which can be found on amec.com), we invited our internal stakeholders – our employees - to provide feedback and comments in two areas, our sustainability

strategy and our report. Due to the global nature of our business and the spread of our employees, a bespoke online forum was developed. Starting in September and over a four week period, a select audience of 100 employees with an interest in, or responsibility for, sustainability and related topics took part in the online forum. It was managed by Corporate Citizenship through the monitoring of conversations and posting of new questions for debate.

Key themes

The following are a small sample of the topics that were discussed, in relation to our sustainability strategy and programmes:

- AMEC's definition of sustainability, specifically in relation to corporate sustainability and the success of the business from a triple bottom line perspective as compared with the wider global sustainability and AMEC's role
- Internal communications and how they could be strengthened
- Demand for more tools to be made available to ensure that sustainability is incorporated within projects i.e. case studies, costed business cases etc.

We are already doing a lot in these areas, but the results suggested that some of the

Fig 3: Key words used by employees during the online forum discussions



communication is not working as well as it could. To address this, we will be rolling out a revised version of the online sustainability awareness training during 2013. This should provide our employees with a clearer view of what we as a business mean by sustainability, how our sustainability strategy works in practice, and also provide real examples of sustainable projects and best practice examples.

The figure top right depicts some of the key words that were used during the debate, and provides an overall flavour of the topics of conversation.

The discussions relating to the sustainability report itself provided different responses. Below are a small sample:

- Using more case studies – in particular focusing on impacts from a sustainability perspective
- Ensuring objective and targets are clear within the body of the report
- More localised information, based on geography, so that readers can find out what is going on local to them.

There were many comments about the content and structure of the report. Some felt it was too long, while others wanted more information. There is a fine balance in terms of content and length, especially in relation to ensuring that all mandatory information is incorporated. We will be looking at this in more depth for future reports, seeing how we can portray more localised or specific information online, separate to the main report. Within this report, we have attempted to include various case studies to show how our sustainability

and other internal initiatives are working in practice. We have also introduced a new 'measurements and targets' spread to help articulate our KPIs and objectives in line with our sustainability strategy.

Within this section of the report we talk in more detail about our engagement with investors and governments. We recognise that there are other stakeholder groups – including our community, our suppliers and our customers – and more information on how we engage with these groups can be found within the body of the report; community within the integrity section and our suppliers and customers within the project delivery section.

Investors

Engagement with our investor community (both current and potential) is important to ensure that they know and understand our business and how it is run, and for us to deliver key messages to them. It is also an opportunity for us to listen to their views.

In March, we attended Nomura's two-day European Sustainable and Responsible Investment (SRI) Conference in Paris and held a series of one-on-one meetings with investors interested in our approach to sustainable development.



Townhall meeting in Houston - employee engagement

Throughout the year we also held a number of one-on-one meetings with investors. Areas of interest in 2012 included our work to support sustainable energy projects, our activities to minimise the impact of exploration in environmentally sensitive regions, as well as our sustainable consulting projects, which present value-creation opportunities. Investors were also keen to understand our employee strategy in support of our commitment to attract, develop and retain our skilled workforce across the regions where we are based. Investors increasingly rank their investments in terms of Environment, Sustainability and Governance (ESG) criteria. Those that have shared their results have ranked AMEC among the top performers in 2012. For example The Cooperative Banking Group undertook an assessment of safety performance and management of several of the companies in which they invest. AMEC scored a B rating (very good) from data that is publicly available, ranking us top of those within our sector that were analysed.

In addition to our extensive engagement programme with executive directors and operational management, we held a series of lunch meetings with our chairman during the year. The objective was to provide corporate governance contacts for our key shareholders with an opportunity to address any issues or concerns directly with him. Themes raised by investors included: the board effectiveness review, board

composition, board diversity, the interaction between executives and non-executive directors, succession planning, company strategy and remuneration. Overall shareholder comments were very positive and it was a successful initiative which will be repeated in 2013.

We will continue our SRI investor engagement programme in 2013, starting in April with a capital market event focused on managing sustainable growth. It will include sessions on global mobility, ethics and the environment. These themes tie in closely with AMEC's recent reorganisation across geographic lines and an increased emphasis on building a larger, more sustainable position in the Growth Regions. The event will be hosted by the Chief Financial Officer and will also involve the Group HR Director, General Counsel and Company Secretary, and the Head of Sustainability. All AMEC's investor events are streamed online in order to widen the audience and are available to view on amec.com/investors/events. We will continue our schedule of one-on-one SRI investor meetings and other events, such as the Nomura SRI conference, which takes place in May, and will continue to communicate our sustainable growth plans going forward.

Our employees continue to be a major shareholder group; currently holding 1.8 per cent*, which puts them within the top 25 per cent of our investor groups.

Governments

Governments and political stakeholders form an importance audience for AMEC as they develop policy, legislate and regulate in our key markets. In addition, public sector bodies, whether government departments or agencies, state-owned companies or quasi-national organisations are important customers. Examples include the UK Nuclear Decommissioning Authority (NDA), the US Air Force, Petrobras in Brazil, KEPCO in South Korea and Sonangol in Angola.

We regularly meet members of governments and public sector officials at formal meetings and briefings as well as at public policy events, ensuring that there is continuing dialogue. It is important that we understand what new areas of policy are being developed and can discuss any undesirable or unintended consequences of proposed government action. One current example is the European Union's Fuel Quality Directive and its potential impact on Canadian Oil Sands. In the UK, North America and more widely, AMEC maintains dialogue on energy and climate change issues with a view to maintaining momentum in the delivery of these items. In the UK, the Electricity Market Reforms and the 2012 Energy Bill currently going through Parliament are particularly relevant to the energy market.

Samir Brikho continues to serve as a UK Business Ambassador and as co-chair on the UAE-UK CEO Business Forum. AMEC is represented by Clive White on the Nuclear Industry Council and by John Pearson on Oil & Gas UK. These opportunities all help to provide advice to government in areas of economic development, trade and delivery of energy policy.

AMEC takes time to meet with government ministers, national or provincial, and diplomats in country, at international events or if they are visiting the UK. Examples in 2012 included meetings with Dilma Rousseff, President of Brazil, Alison Redford, Premier of Alberta, Keiichi Hayashi, Japanese Ambassador to the UK, and Zola Skweyiya, South African High Commissioner. Important issues discussed included minerals exploration, resources and skills shortages and nuclear decommissioning.

President Dilma was very interested in the AMEC Academy and how that might help develop talent and skills in the Brazilian offshore sector. The meeting with the Japanese Embassy and South African High Commission both focused on the nuclear sector – how AMEC could help Japan with

decommissioning and clean up and AMEC's interest in supporting the South Africans with their nuclear new build programme. With Premier Redford, the focus was on oil sands and progress on export routes to the US and Asian markets.

Events

AMEC continues to take part in a variety of forums and events. These provide us with the opportunity to present our knowledge and expertise to various groups and also speak to clients, peers, industry bodies and governmental organisations. A listing of key events can be found on amec.com/aboutus/events.

UN Global Compact

AMEC continues its support of the United Nations Global Compact Principles launched in 2000 covering human rights, labour, environment and anti-corruption.

AMEC continues to commit to the 10 principles of the Global Compact, and will continue to embed the principles within company policy, behaviour and culture. We will endeavour to work with our supply chains, clients and peers to disseminate the requirements 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.

In 2012, to strengthen our involvement and understanding of the practical application of the principles within our business, we joined the UK Global Compact network. This participation brings us into contact with various other participants, allowing regular discussion and communication of topics relevant to the principles of the UN Global Compact.

Descriptions of how we are implementing the 10 principles can be found throughout the report. For specific signposting, please refer to page 69.

Collaborating
Improving
Growing
Achieving

People

People

Introduction

Sustainability is integral to everything we do in AMEC. Our people management framework clearly illustrates how fundamental sustainability is to our strategy, to how we work, and to who we are. Although some of our people management is necessarily reactive and short term, the underlying framework is all about the long term. That means setting our strategies, implementing processes and planning our resourcing, development and engagement of employees for the future as well as for now.

Our Vision 2015 business strategy drives our people strategy, both of which can be summed up as 'growth'. As part of our Vision 2015 strategy, our business priorities for 2013 are mobility, strategic resourcing, high value engineering centres and shared services, closely aligning with our people priorities.

In terms of our people challenge, that means attracting, retaining and developing the best people for AMEC and for our customers. We have illustrated our approach to people management using the 'tree' (see illustration bottom left). Not only is this an image of sustainability, it also sums up our approach, and some of our challenges.

During 2012, as in 2011, our four key areas of focus were:

**Resourcing
Development**

**Mobility
Engagement**

These four focus areas are at different levels of maturity and implementation in the business.

Resourcing

Prior to 2012 our human resources (HR) team, working closely with operational management, prepared for the huge growth in recruitment we knew would be needed. This meant preparing the resourcing teams, as well as widening the channels for recruitment, both locally and globally.

This preparation resulted in a successful recruitment exercise which attracted over 10,000* people into AMEC during 2012, up 25 per cent on 2011. Recruiting the right numbers of people, with the right skills, able to deliver projects globally for our customers is an ongoing process.

*includes agency, JV and directly-employed workers



Table 7: Recruitment by division and type, excluding agency and joint ventures (JVs)

	Natural Resources	Power & Process	Environmental & Infrastructure	Centre	2012 total
Directly, by AMEC recruiters	2,551	474	1,594	165	4,784
Using external recruitment agencies	261	68	42	88	459
Referral from existing employees	412	23	199	4	638
Alumni programmes	142	6	0	0	148
Total	3,366	571	1,835	257	6,029

*excludes agency and JV workers

Table 8: Strategic recruitment

	Natural Resources	Power & Process	Environmental & Infrastructure	Centre	2012 total
Graduates	198	48	25	4	275
Trainees	79	7	1	3	90
Interns	107	14	35	0	156
Total	384	69	61	7	521

One of the real success stories, over and above the sheer numbers, is the amount of recruitment from 'in house' sources. The majority of those recruited joined thanks to the efforts of our own HR teams, rather than through a recruitment agency.

In addition, AMEC's **referral programme**, in which employees can refer people for jobs in return for financial rewards, filled 638 vacancies in 2012, **up by 33 per cent on 2011**.

Our **alumni programme** successfully recruited **148** people back into the company, a good performance, though below 2011 levels.

Strategic recruiting

AMEC is proud of what we call our strategic recruiting, which includes our graduate, trainee and intern programmes. By interns, we mean school, college or university students hired, for a defined period, as part of their work experience. Graduates are hired from college or university onto structured development programmes, and our trainees are school leavers hired into study programmes or as apprentices.

During 2012 a total of 521 people were strategically recruited, up nearly 11 per cent on 2011. The figure for graduates is down slightly, but for trainees the figure is much higher, reflecting the success of this programme for AMEC.

Locally our graduate schemes work very well, but the next stage is to consider how we can support our global growth by adding a global, and longer term, element to our graduate planning. We will be revisiting our plans in 2013 to develop a strategically targeted graduate plan for our Growth Regions.

The common themes throughout our recruiting are widening the resource pool of candidates available to us, and lengthening the outlook to recruit for the future. We are building relationships with potential recruits in advance of filling vacancies: though the alumni programme, through referrals and through more internal resourcing. In addition, our recruiters themselves are now working together more closely across geographies and industries. They are using more market intelligence and doing more 'in sourcing'

Table 9: Internal promotion – number of employees

	Natural Resources	Power & Process	Environmental & Infrastructure	Centre	Total
Positions filled internally	489	22	60	28	599
Grade promotions	685	237	519	15	1,456

with the aim of developing long-term relationships with people we would like to recruit in the future.

As a project based business, the number of employees fluctuates due to project start up and finish. As a result, the important metric for us to focus on is employee-instigated turnover, i.e. those employees we would like to keep, who choose to leave AMEC. In 2012 our employee instigated turnover was 10.8 per cent, little changed from 2011. As in 2011 this particularly reflected the resource constrained markets such as oil and gas which showed the highest attrition.

Development

Development of our people is important both to attract people to AMEC and also to retain them for our future. As well as widening the pool of people we recruit we have to develop the skills and experience of our people to meet the needs and expectations of our customers.

AMEC Academy is the vehicle that underpins and integrates all the various areas of training and development that we currently have on offer across the business and delivers these via a consistent, integrated and accessible global approach. Its aim is to ensure that every individual at AMEC has the opportunity to develop and reach their professional goals, while ensuring consistent knowledge is embedded across the whole organisation.

During 2012 AMEC Academy was simplified into three key areas of focus.

Careers

During 2012 5,974 new career path profiles were created, using a tool provided through AMEC

Academy. This tool allows employees to map their skills and experience against their desired careers and identify development requirements. These can then be discussed during their performance reviews with their line managers.

Development

1,125 individuals participated in our development programmes during the year.

Succession planning and the development of our 'high potential' employees continue to be a focus for us. This includes an increasingly global approach to identifying and managing our high potentials. One of the tools we use is the personal performance and development reviews (PDRs), set up to promote dialogue between line manager and employee, to support career development, and to make clear the expectations the company has for individuals. In 2012 we introduced a new online performance review system to standardise the process and make it more rigorous.

In 2012 599 people were promoted to fill internal vacancies and 1,456 people received grade promotions. Internal promotion rates provide us with an indication that our development programmes are successful, and reflect the importance we put on developing our people and recognising their progression.

2012 also saw AMEC Academy delivering programmes to support our 'AMEC way' of project delivery. The priorities included the completion of the engineering programme roll-out, and the launch of the customer engagement behavioural programme.

Engineering programmes

In 2012 337 individuals participated in the AMEC Academy engineering programmes which in 2012 included more technical, practical content, vital to AMEC's global approach to engineering. The programmes are aimed at managers, team leaders, supervisors, senior practitioners and individuals.

"Since its development three years ago, the engineering technical programme has helped to develop our cadre of technical leaders who in turn are ensuring that we have a highly competent workforce across our businesses," said Andy Ewens, Engineering Director. "We can demonstrate that we can meet customer expectations and work collaboratively across geographies to successfully deliver their projects."

One element of the programme, the technical competency development, focuses on how individuals can make positive improvements to safety and to

the environmental impact of a project. This practical approach to engineering and safety shows engineers how they can implement safety, not just the theory. As part of the programme, customers are invited to come along as guest speakers, so they get to see for themselves how the programme works, and give their feedback.

An evaluation of the engineering technical programme by participants recorded a 96 per cent agreement rate on learning objectives after 10 days, and 98 per cent on improved effectiveness after 90 days.



Knowledge (e-cademy)

In June 2012 the new 'e-cademy' was launched. In the second half of 2012 it received nearly 122,000 hits, and over 37,000 visits to its online modules. Courses in the e-cademy include commercial awareness, travel and information security, sustainability awareness, the essentials of project management and a whole range of IT education courses. E-cademy also hosts the Code of Business Conduct training which was launched in quarter 3 2012 – see Integrity chapter for more information.

In 2013 our priorities continue to feature the AMEC way delivery programme, as well as a new project start up version which will be piloted early in the year. We will ensure these project delivery programmes continue to be rolled out, along with online engineering and technical toolkits. There continues to be a strong focus on the leadership culture of people development; in 2013 this will result in the roll out of a manager's handbook in support of people engagement, as well as the launch of a new 'future leaders' programme with active mentoring to support accelerated development within the business.



“We have to think innovatively about our future employees.”
Ian Hedges, Global Mobility

Mobility

As a global company, with ambitious growth plans and global customers, mobility is important for our success. We need to widen our resource pool, to employ the best people no matter where they are, to match the best people with the best business opportunities and to develop global leaders. In turn this will help to attract and retain people by offering them international opportunities, as well as building local skills in locations where development is needed.

However setting up practices which support mobility is a real challenge. Over the last 12-18 months an improvement plan has been underway to improve the mechanisms for cross-border assignments.

We still have more to do, but early feedback from assignees indicates that we are on track to see real improvements. The improvements have been instigated and managed by Global Mobility, our in-house team who support the delivery. In 2012 287 individuals moved from one business to another, and a further 121 from one country to another.

Recognising the link between resourcing and mobility, a decision-making forum to support the movement of key people has been established. In addition, one key action in 2013 is to make our graduate programme more global, again supporting the establishment of mobility for the future.

Employee engagement – ‘Why AMEC’

We put together a team of people from across the globe to understand what attracts people to join AMEC and what keeps them engaged and so retained as employees - ‘Why AMEC’. By better understanding our employees’ experience, we are better placed to react to their needs.

The conclusions (figure 4) were developed and tested in focus groups. We believe Why AMEC is about **opportunity, excellence** and **belonging**. These elements are supported by our values and contribute to our strategy to 2015 and beyond.

We offer exciting **opportunities**, there to be seized by those who wish to progress: including challenging projects, prestigious clients, global projects, career path options and development opportunities.

We create the environment for our people to excel in everything they do. We help employees grow and develop to be able to deliver **excellence** to our customers – we shape our future, together.

We want a culture where: people are recognised for their excellent work, different backgrounds are valued, people are treated fairly and supported in their development, people work safely and look out for each other, and feel welcomed and respected - where people feel they **belong**.

“An engaged employee means an engaged customer, which creates sustainable profit and growth.”

Will Serle, Group HR director

Engagement

2012 was a year for us to reanalyse what we mean by engagement, agree the business benefits, develop a common language and to listen to our people better. To achieve this we set up two cross-border, cross-function groups – one to look generally at engagement and develop a plan for 2013 implementation, the other to look at understanding our employer brand.

We have previously measured engagement using a 'My Opinion' survey for all our employees. However we found that the impact of previously identified improvement actions lagged behind employees' expectations. It took a long time to

understand the survey results, assimilate them, and then act on them. It took even longer for any impact to be felt. In 2012 we completed implementation of the actions from the 2011 survey and no new global survey took place. Instead we reconsidered our objectives as part of our 'Why AMEC' initiative (see box left). Moving forward we have decided to trial the use of pulse surveys, undertaken quarterly to targeted metrics groups and providing results in real time. These will give us immediate feedback as to how the engagement improvement measures are working.

Our challenge is to engage people right across the company. We know that engagement is important at all levels, be it leadership, managers or employees. As with many aspects of our people management, the key is middle management. They interface more directly with the majority of our employees, so making sure they are aware of all the tools and systems, and in particular how they integrate to support engagement, is vital.

Over the last few years a huge effort has gone into our **onboarding or induction programme (my Compass)**, into the AMEC Academy and all its associated opportunities for development, and into our people management. Now the aim is to make sure that our line management know how all these work as an integrated people management system, both for their own benefit, and for their teams.

Fig 4: 'Why AMEC' - our employee value proposition

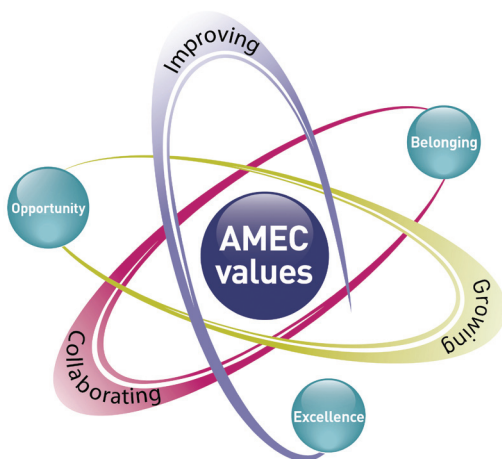


Table 10: Gender split, based on directly employed workers only

	Natural Resources	Power & Process	Environmental & Infrastructure	Centre	Total*
Male %	77	82	68	62	75
Female %	23	18	32	38	25

* note: total gender split based on total number of employees

Table 11: Hired in 2012, by strategic recruitment

	Graduates	Trainees	Interns
Male %	73	65	65
Female %	27	34	35

Table 12: Gender split, 2012*

	Board	Executive	Management & Professional
Male %	87	89	81
Female %	13	11	19

* board, management & professional grades and executives

Diversity

In addition to our four keys areas for 2012, in 2013 we are also focusing on diversity as one of the areas we want to improve 'beyond 2015'. We are still at the early stages of agreeing exactly what diversity means to AMEC, and what success will look like. However we do know it needs to support our growth and global ambitions, while at the same time ensuring we comply with our Code of Business Conduct and our equal opportunities policy.

We are sure that diversity is a much more complex issue than, for example, the gender split of the company. For diversity to truly support our ambitions, diversity of culture, language, background, industry, in fact of anything which brings true diversity of thought, is required. Our leadership is currently a reflection of where the business has come from and we would like to change the diversity of thought to reflect where we see the business going. As a result we are working towards diversity in leadership as a criteria in succession planning and high potential development.

Gender split is a very simplistic measure of diversity, but it is one we measure. Our male to female ratio in 2012 shows an increase in the

number of female employees, up to 25 per cent from 23 per cent in 2011. This reflects the increase in consulting work, as well as the widening of the resource pool targeted by our resourcing teams. We expect this trend to continue, as we support work with schools, colleges and universities aimed at bringing more women into the engineering sector and we have now integrated cultural awareness modules into our AMEC Academy courses during 2012.

Diversity = diversity of thought

An ageing workforce is seen as a risk in most of the key industry sectors in which we work. Another aspect of diversity is widening the age range in terms of recruitment.

In 2012, 3,332, or 55 per cent, of the 6,029 people recruited as direct employees were under the age of 40.

We need to understand the benefits to the business, for example in terms of widening our resource pool and gaining access to previously untapped growth opportunities. Diversity also means widening our supplier base, which should also support our customers' expectations and needs, particularly in our growth regions.

Recruiting for tomorrow



In Europe the oil and gas business, where skilled recruits are hard to find, is targeting 140 joiners from outside the sector in 2013. This means training individuals not only into the AMEC way of working, but also into the oil and gas industry. As an example, AMEC has been working with the ECITB (Engineering Construction Industry Training Board) to

support a local re-skilling programme in Aberdeen which aims to help meet the need for skilled offshore workers. At the end of December 2012 four re-skilled riggers from backgrounds including the merchant navy and a roofing and steel cladding company, completed their course, gaining industry-recognised qualifications to work offshore.

For our wider approach to diversity, the challenge in 2013 is to identify just what diversity of thought might look like, how to remove the barriers which might prevent it, and how we might measure our success.

Collective bargaining

AMEC's employee population is generally not unionised, and where it is we usually work through a sector or national agreement rather than a company-level agreement. In 2012, 1,353 employees were covered by collective bargaining agreements representing 5.4 per cent of our workforce.

Looking to the future

Our people priorities for 2012 were resourcing, development, mobility and engagement. As discussed within this section of the report, maturity of implementation in each of these areas differs.

Our business priorities for 2013 are mobility, strategic resourcing, high value engineering centres and shared services. These may look like people-specific priorities but in fact they are our business-wide ones, showing just how important people are to AMEC as a whole. They closely echo **resourcing, development, mobility, engagement** and **diversity**, the key areas for our people management in 2013.

Collaborating
Improving
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Safety

Safety

Introduction - going beyond zero

Our ultimate goal in health, safety and security is to keep our people and those within our sphere of influence free from harm whilst at work and at home – this is the essence of our beyond zero programme. We do this by planning ahead and having robust ways of identifying and minimising health, safety and security risks and providing strong safety leaders working within clear standards which seek to involve everyone.

During the year we had a mixed performance. By working hard to minimise risks we achieved our best ever performance in our Lost Time Incident Frequency Rate (LTIFR). However, we did not meet our goal of zero harm because 12 people were hurt seriously enough to keep them away from

work, and although this was lower than the year before it is still not good enough. We also managed to improve our All Injury Frequency Rate (AIFR) performance by 24 per cent compared with 2011, against a target improvement of 10 per cent. However, our Total Recordable Case Frequency Rate (TRCFR) was below target and 3 per cent worse than the year before.

Clearly we have much more to work to do to realise our goal. We are committed to ensuring that health, safety and security is a key defining criterion of success within the company. We believe that we must never lose sight of the fact that we cannot make a profit at any price – sustainability means our people come first!

Fig 5: AMEC way Management Systems (HSE Function)

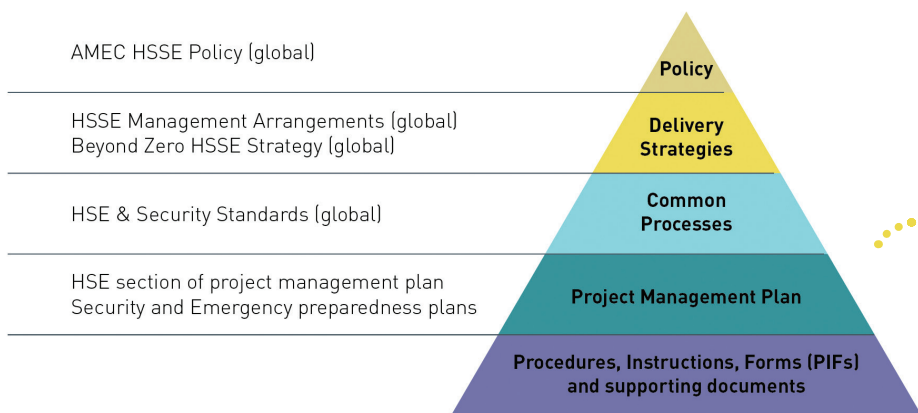


Table 13: LTIFR (per 200,000 man hours)

	2012	2011	2010	2009
LTIFR	0.03	0.04	0.06	0.04

Table 14: TRCFR (per 200,000 man hours)

	2012	2011	2010	2009
TRCFR	0.38	0.37	0.42	0.44

Health, Safety, Security and Environmental management system

We work in diverse environments, from deserts to tundra, in hundreds of locations in many different jurisdictions. This has resulted in us developing and adapting our management style to accommodate diversity. We have established key health, safety, security and environmental standards which are our group minimum standards wherever we work in the world. Our management framework and standards are written to comply with both OSHAS 18001 and ISO14001:2004, although we do not require our businesses to gain third party certification unless there is a business need to do so. More on our approach to environmental management can be found on page 35.

These standards are continually reviewed to make sure that they are appropriate and robust in managing our risks, incorporating learning as we progress and grow.

Each of AMEC’s geographies is supported by their

own HSE and security management systems which are compliant with both corporate and local requirements. At project level the requirements of the corporate management HSE and security standards are facilitated by the AMEC way Project Management Plan Volume 6. We facilitate continuous improvement through our beyond zero programme.

We want to eliminate incidents associated with our work and carry this philosophy into everyday life. We need a clear route to map out how we achieve this, and have therefore created our live and dynamic beyond zero roadmap (see figure 6 below), which sets out the architecture we will use to achieve our beyond zero goal. There are three principal elements to our road map:

- Leadership
- Standards
- Everyone engaged

Fig 6: HSE road map

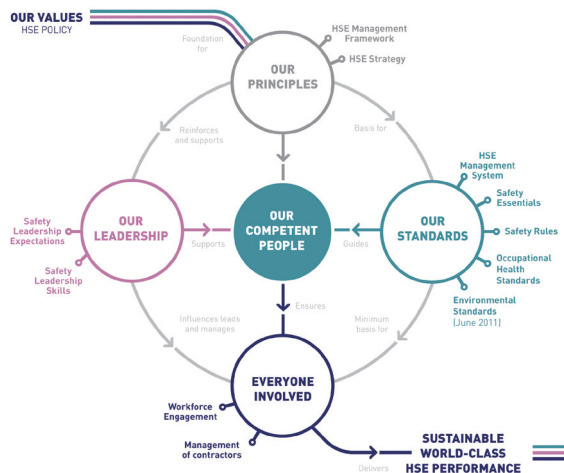


Table 15: AIFR (per 200,000 man hours)

	2012	2011	2010	2009
AIFR	2.36	3.12	3.54	4.34

Table 16: OSHA 2011

	Professional & Business Services	Construction	All industry	AMEC
TRCFR (per 200,000 man hours)	1.7	3.9	3.8	0.38
LTIFR (per 200,000 man hours)	0.5	1.5	1.2	0.03

The road map illustrates the common elements of AMEC’s global management approach to achieving our shared objective of “beyond zero”.

Central to improvement is to understand where we are in terms of health, safety, security, and environmental performance. We do this by using targeted key performance indicators linked to our strategic performance improvement areas. We use both leading indicators, which seek to establish proactive steps designed to eliminate incidents, and lagging indicators which tell us how we performed in terms of incidents. The following section explains our 2012 performance against our indicators.

Performance

There were no fatal injuries during 2012, for the fifth year in a row. The following summarises our incident related indicators which we track year on year.

Lost time incident frequency rate (LTIFR)

We achieved our best performance to date. However, we failed to reach our target of zero and had 12 people sustaining lost time injuries which is clearly unacceptable – see table 13 on page 29.

Total recordable case frequency rate (TRCFR)

We did not reach our target of a 10 per cent reduction on 2011 performance. At the group level, we did not match our performance in 2011 – see table 14 on page 29.

All injury frequency rate (AIFR)

We achieved a 24 per cent reduction in AIFR compared to our 2011 performance. This exceeded our 10 per cent reduction target – see table 15.

Fig 7: Location of injury

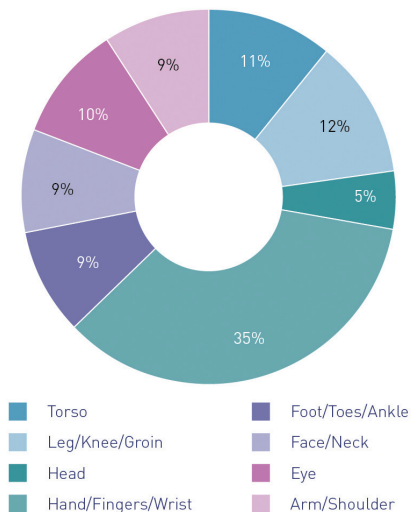


Table 17: Incidents of ill health

	2012	2011	2010
Days lost	817	505	1333
Number of cases of ill health	12	15	22
Number of reportable ill health cases	0	1	0

Table 18: Enforcement action

	Total
Number of prosecutions	1
Number of fines	1
Number of prohibitions	0
Number of orders/ improvement notices	0

AMEC's performance compares well with figures produced by the US Occupational Safety and Health Administration (OSHA) which collates industry incident rate figures. These are a useful benchmark for us to compare against our global performance. See table 16.

Occupational health

Although our total number of cases of ill health decreased compared to 2011 from 15 to 12, the total number of days away were significantly higher. This indicates that the severity of these cases was greater. We did not achieve our target of a 10 per cent reduction on 2011 performance for days lost through occupational ill health and injury.

Enforcement action

During 2012 AMEC was found guilty of a breach of the UK Health and Safety at Work Act 1974, section 3(1) which related to a fatal incident on the Spinningfields construction project in 2004. We were fined a total of £300,000 plus £333,860 in costs.

Trackwise

Trackwise is AMEC's global system which we use to record, capture data and monitor safety, health, environmental and security incidents. Compared to our previous system it gives us a more detailed and transparent ability to close-out and analyse

our global incidents; helping us to focus effort on common causes. In 2012 we worked closely with key users of Trackwise to improve the system, making patterns and trends clearer which in turn allows us to improve our management of incidents.

For example we can examine common injuries (refer to figure 7). This shows the most common injury location on the body was hand and fingers making up 35 per cent of all injuries in 2012. This analysis helps us to focus resources on addressing common problems and so roll out awareness programmes focused on our key issues. It is also useful in helping our businesses to share information more effectively and efficiently. Environmental incidents are discussed in more detail on page 35.

High potential incidents (HiPos)

At AMEC we use a potential score to determine and record what harm could have been expected had the event reached its full potential. These potential scores range from low (minor injury) to high (potential for a fatality or serious injury for several people). This is a proactive monitoring process which does not wait to take action once a serious incident has happened; instead we look to take action and learn from incidents which could have been more serious.

In 2012 we had 36 HiPos (18 per cent lower than in 2011). The most common type of HiPo related to working at height, followed by exposure to live electric cables (see figure 8 below). Through analysing the immediate and root causes of these incidents we can target where in the process we need to focus attention and effort to prevent these HiPos from happening. This may be better training, supervision and checking. We also use this process to make sure our existing tools e.g. Safety Rules are current and fit for purpose.

Analysing the causes of incidents

Analysing the causes of incidents is fundamental in the prevention of injury to our people and those who work with us. We are using our new tool to get a better picture of common causes of incidents which we can use to review our processes, tools and training and focus effort on high value interventions which will prevent harm to people or the environment. Analysis of 2012 incidents shows us, for example (refer to figure 9 on page 33), that behavioural safety is still an issue for us

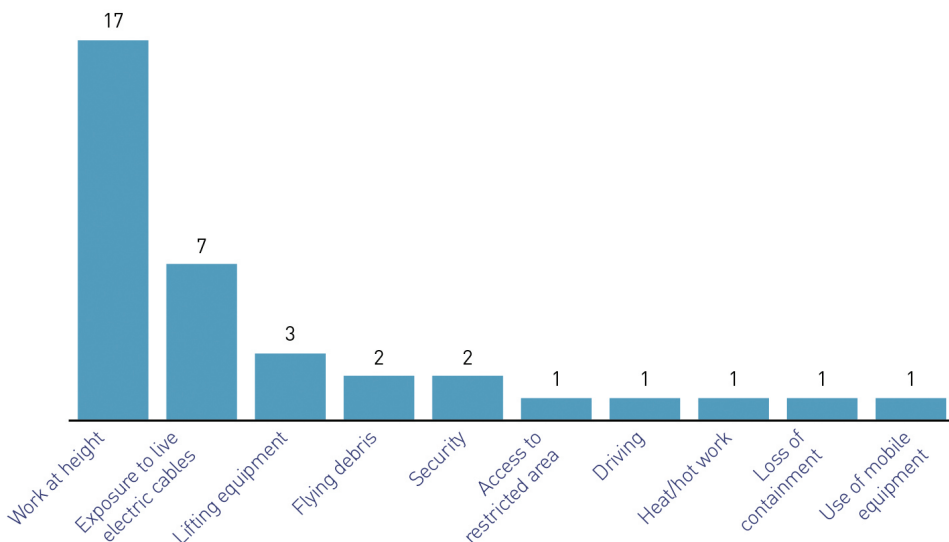
to drive in 2013. We must also look to our procedures to ensure that they are implemented properly across the businesses.

Security

As AMEC grows and expands into areas that are new to us, the management of risk and related security threats has become an even more important business issue and a key factor in our ongoing success. We have built on our initial efforts to deliver security holistically and can highlight significant and measurable improvements.

In 2011 we engaged regional security advisors; in 2012 those advisors conducted risk assurance, advisory services and risk mitigation in the six major businesses. Our review process is designed to ensure that we focus attention on high risk activity, making sure group processes and principles are embedded across the company and so keep our people safe and secure. In addition to the regional security advisors, we trained up to 70

Fig 8: Key categories of high potential accidents



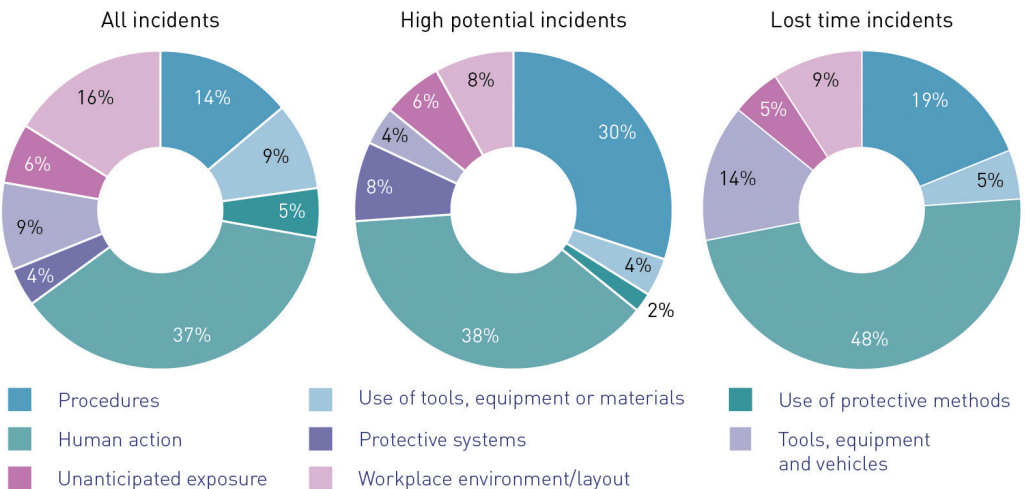
security focal points; non-professional security resources working within the businesses and designed to provide an additional level of risk management and security awareness capability.

There were a number of new projects in 2012. We embedded a new travel tracking and medical and security emergency response vendor across AMEC, to advise and protect our business travellers. This was a major project as AMEC has over 25 travel management companies scattered throughout the various locations where we do business. We supplemented the tracking process with an online travel security awareness programme available to all our travellers. We also developed a second online programme on information security awareness. The latter half of 2012 saw the completion of our new emergency preparedness framework, including templates which will assist our businesses with crisis planning, response and continuity options. For the first time, security was recognised formally during

the HSSE excellence awards ceremony when the team involved in the Libya evacuation was honoured with the first AMEC global security excellence award.

For 2013, we aim to expand the reach of our risk mitigation and assurance processes to mirror the changes to AMEC's structure. We also plan to roll out the emergency preparedness framework and are poised to assist the businesses with planning and embedding. There will be new challenges in North Africa and Central Asia, as well as South America and we will respond by meeting the needs of the businesses through the provision of advice, guidance and assistance. Risk management is part of what we do at AMEC, and we believe that wise advice and careful security planning are a normal part of our operating culture as the company expands its geographic footprint in the coming years.

Fig 9: Immediate causes



Looking to the future

We have a challenging agenda for health, safety and security over the next twelve months and beyond, focusing on areas where we know our performance needs to be improved. Trackwise has given us a greater ability to analyse our performance in more depth which is yielding valuable results.

Our work on HiPos through 2012 has shown us that we need to increase focus on our medium potential incidents as well as our high potential incidents. We will be raising the bar for in-depth

investigation during 2013. We will also be embedding our updates to the corporate HSSE standards which includes the learning from 2012.

We have also set challenging leading and lagging performance targets for our business which will form the core of our company improvement plan (see below). Our objectives for 2013 seek to strengthen the foundations of excellent safety, security and environmental management throughout the business, whilst regional and local management system targets will address specific issues.

Table 19: 2013 Objectives and targets

Objective	Target	Policy and strategy link
Zero Lost Time Incidents	0 LTI	Beyond zero commitment
Improvement on best ever performance for TRCFR and AIFR	10% improvement	Beyond zero commitment
Visible Felt Leadership through challenging our senior management to use their influencing skills to make everyone a safety leader (NEW beyond zero plans)	100% Senior Management complete beyond zero plan	Engaging our leadership
Benchmarking performance against our standards to ensure that each Business Unit's HSSE performs to the Group HSSE Standards	100% completion	Making sure our global HSSE standards are implemented across all AMEC
Monitoring close-out of actions to provide a hard focus on what lies behind safety failings and deal effectively with them	100% close out of key actions (Trackwise)	Focusing leadership attention on learning

Collaborating
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Achieving

Environment

Environment

Our work supports some of the most environmentally sensitive industries across the world and our clients demand and expect a service provider with only the highest respect for environmental management. Excellence in environmental management is integral to providing a sound and successful service for our clients, sustainable return for our investors and attraction of talent in a company which employs nearly 7,000 environmental specialists among its 29,000 employees.

Environmental management

We have established an integrated approach to health, safety and environmental management; this has evolved because many of the elements of an environmental management system are common to that of a health and safety management system. As previously discussed, our mandatory HSSE management framework has been written to comply with the ISO 14001:2004 standard, though we do not require our businesses to achieve third party certification unless there is a business need to do so. In 2012 all of our UK businesses had achieved third party certification for its HSSE management systems. An overview of our approach to HSSE management is provided in the Safety section on page 28.

Environmental standards

As part of our HSSE standards, minimum environmental standards have been introduced



across the business. These standards detail the minimum environmental management requirements on our projects where we are responsible for environmental management. They form part of AMEC's beyond zero road map (refer to page 29).

Environmental incidents

AMEC has a number of environmental indicators in place which we use to track the performance and the effectiveness of our systems and controls.

Table 20: Environmental incidents

	2012	2011	2010	2009
Number of environmental incidents	99 (85*)	179	160	333
Of which were spills	78*	175	-	-
Total volume of spills (litres)	4,529*	7,150	-	-
Environmental incident frequency rate (no of incidents per workbook 200,000 manhours)	0.23	0.47	0.46	0.94

*Note: 2012 data analysis is from Trackwise reporting system - see page 31 for details.

Table 21: Regulatory Action

	2012	2011	2010	2009
Prosecutions	0	0	0	0
Total Fine(s) £	0	0	0	0
Other notices	0	0	1	0

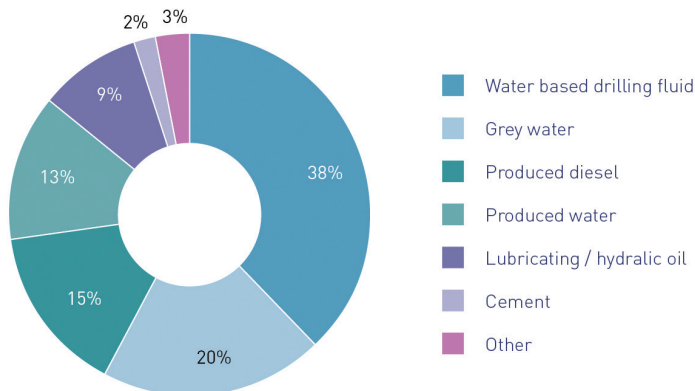
The majority of environmental incidents were spills, and in 2012 the number decreased by 45 per cent compared to 2011 performance (see table 20). We were able to measure the volume of spills for the first time in 2011 through the use of the Trackwise system, with the total recorded decreasing significantly in 2012 from 2011. The Trackwise system is still embedding in the business and captured 85 out of the 99 incidents reported. All environmental incident analysis in this section is based on the incidents logged in Trackwise. The remaining 14 low-level incidents were logged in our business unit workbooks.

Regulatory action

AMEC’s environmental performance remains strong and the management system is effective in ensuring regulatory control, though we need to improve our focus on small spills.

We are now using Trackwise to identify our environmental incident root causes; this will help us focus on processes to reduce incidents. In 2012 this analysis indicated that one of our key areas to focus on is our work equipment, such as hydraulic hose lines, diesel tanks and fuel filling equipment.

Fig 10: Make up of spills by incidence



Minimising resource use

Environment in design

The most effective way in which AMEC can minimise resource use is in the advice and services we provide to our clients – in terms of design solutions and environmental consultancy. We have systems and processes in place to ensure environmental issues are identified during engineering design phases so that they are designed out as far as possible.

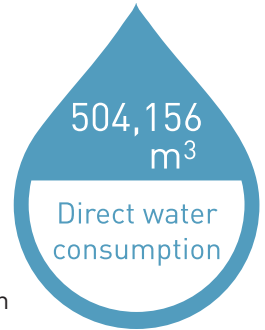
In 2012 we strengthened this by introducing the requirement for inherently safer design plans to be in place on projects, which included environmental design. AMEC Academy also rolled out the 'essentials of engineering safety and environmental protection through the project life cycle' training programme. In 2012 1,414 people attended this course, which will be continued in 2013 and beyond.

Water

Water security is a growing problem that affects governments, businesses, wider society and ecosystems. The UN forecasts that by 2025 almost 3 billion people will live in countries facing water stress or water scarcity. As with climate change, businesses will be directly affected by water issues and equally, business action will have a major impact on the scale of the problem and potential solutions.

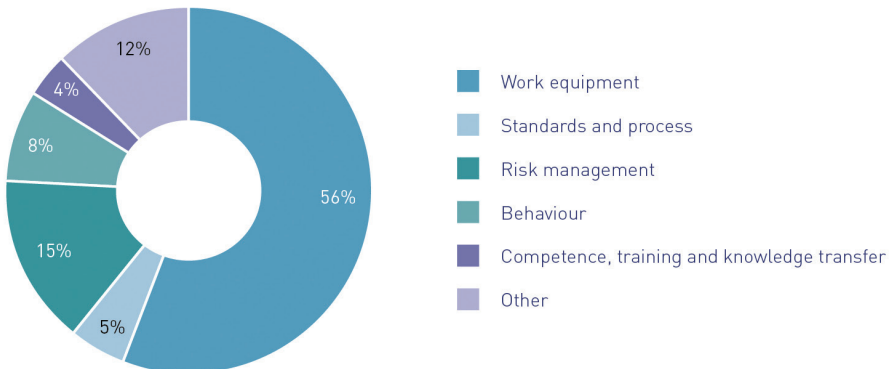
The AMEC global water strategy is currently being developed, and in Q4 2012 a study was undertaken to provide evidence to inform it. The study covered the following key areas:

- Develop and implement a methodology to calculate a benchmark AMEC water footprint from its direct operations
- Undertake a high level assessment of AMEC's exposure to water risks and impacts and to classify sites that should be prioritised for focus of mitigation response measures
- Identify a series of targeted improvement measures that could be quickly implemented at sites to provide short term improvements in water consumption
- Define a medium term strategy for quantifying and reducing water consumption.



It has been estimated, based on country-specific benchmark water consumption figures, and a dataset of AMEC office locations and size, that

Fig 11: Environmental incident root causes



AMEC has an internal water footprint or annual water consumption of 504,156m³ – equating to approximately 66.9 litres per person per day (based on 29,000 employees). The countries with the highest water consumption are shown in the graph below. These contribute 97 per cent of the overall annual water consumption.

A risk approach was taken where risk scores were developed for each office, combining both basin-related risk (covering physical, regulatory and reputational risks) and total water consumption, resulting in a priority top 25 site list where we will focus our immediate attention.

In 2013 we plan to refine the priority site listing by undertaking local site validations, and will finalise our global strategy for publication. Improvement programmes for these priority sites will be developed and implemented which will improve our measurement and understanding of benchmark water use and lead to a progressive reduction in water consumption.

Externally, we will continue to support our clients assessing and managing business water risks – see amec.com for examples of our recent water projects and services.

Responding to climate change

Climate change continues to be a major issue for AMEC and our clients to manage, and for us, addressing concerns around climate change means addressing our energy use and services provision for our clients.

Carbon strategy

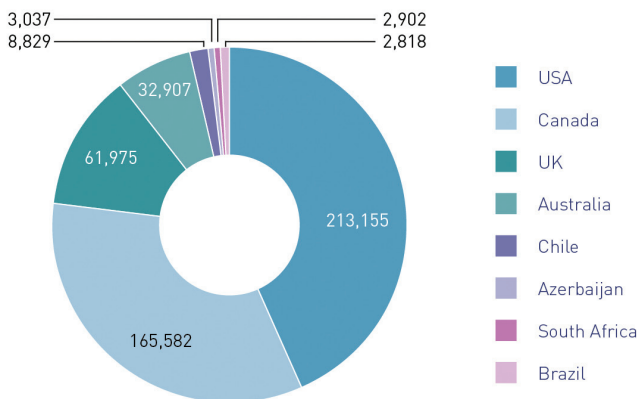
Our carbon management strategy was developed in 2008 through analysing the short, medium and long term effects of climate change on our business. The objective of the strategy is to facilitate the implementation of carbon management across the whole of our organisation, pushing climate change and carbon emissions higher on our management’s agenda.

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

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

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

Fig 12: Top eight countries by water consumption (m³/year estimated)



Note: a total of 418 offices across 27 countries were included in the study.

Table 22: Carbon performance

Benchmark indicators	2012	2011	2010	2009	2008*
Tonnes of CO ₂ per person per year	2.86	2.44	2.34	2.67	2.63
Tonnes of CO ₂ per £m turnover	19.57	19.24	17.34	21.82	22.21

*benchmark year

concentrate our efforts in controlling, to include, building utilities, air and rail travel, and vehicle usage. These constitute the majority of the carbon emission falling within our operational boundary and contribute a significant cost to our business.

Our carbon performance

In total AMEC’s businesses reported emitting 81,373 tonnes of carbon during 2012, an increase

in absolute carbon of 30 per cent from 2011 levels. This is a significant increase which we believe is attributable to the following;

- Introduction of new carbon software allowed far greater transparency of data, resulting in a significant increase in the number of offices reporting utility usage, particularly in the Americas

AMEC environmental standards graphics

The environmental standards which were developed in 2011 form a key part of AMEC’s beyond zero road map and were introduced as a company-wide benchmark for environmental management supporting our Health, Safety, Security and Environmental policy commitments. These standards were developed following a comprehensive review of AMEC’s environmental commitments and performance, including environmental incident investigation, key performance indicators, regulatory performance and environmental best practice.

Christine Weiler, working in the HSSE function in Europe, has been committed to enhancing the profile of these environmental standards. As part of a wider development of a new HSSE workplace monitoring system, she developed a series of environmental

graphic devices. These are designed to raise awareness of environmental issues amongst the workforce and give the environmental standards a visual platform similar to the 6 six safety essentials and the 10 safety rules. As Christine explained: “Our aim is for our workforce to recognise the logos as they do the current safety logos, ensuring that environmental consideration is applied to all stages of our activities from planning and design through to commissioning.”

A series of prompt cards has been developed to raise awareness of the standards as project teams perform their day to day tasks. These prompt cards support inspections that are undertaken by senior management as part of the new HSSE workplace monitoring system.



Table 23: Electricity consumed – Scope two emissions

	2012	2011	2010	2009	2008*
000s MWh	79.84	41.16	44.77	48.29	57.49
000s GJ	287	148	161	213	207
000s CO ₂ tonnes	31.1	18.4	20.9	30.4	24.3

*benchmark year

- Reporting and inclusion of company vehicles in the Americas which came from the MACTEC acquisition. This equates to approximately 1,300 vehicles.

As you can see from the graph below our overall carbon footprint has risen over the past couple of years. This is mainly due to better reporting of our scope 1 and 2 emissions, plus additional people and offices that have come to us via recent acquisitions. Our scope 3 footprint has remained fairly constant, even though the number of employees has risen considerably since 2008.

Total scope one - emissions from direct energy

Scope 1 emissions for 2012 were 27,747 tonnes, making up 34 per cent of our total footprint. In 2012 we have included company car fleet information from our E&I Americas business. This additional company car fleet came as part of the MACTEC acquisition and has been largely responsible for the 40 per cent increase in

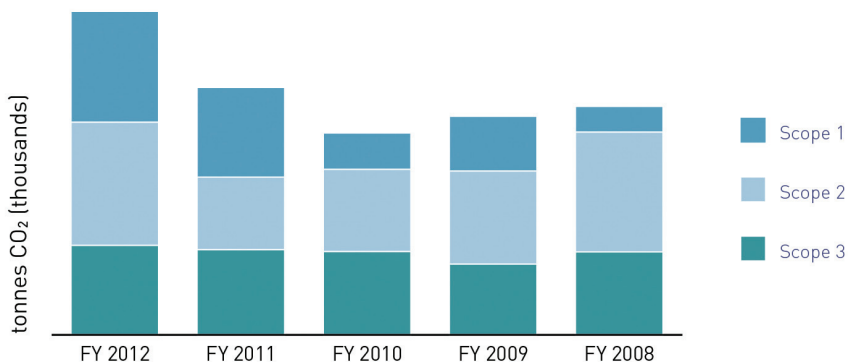
emissions associated with company car usage. Although our company car emissions have risen, emissions from generator fuel (mostly attributable to the Power and Process Europe business) has dropped as a couple of major projects came to an end.

Scope two – emission from indirect energy

Our scope two emissions are associated with our office locations, and are a considerable percentage of our total carbon emissions – in 2012 they made up 39 per cent of our total.

As mentioned previously, in 2012 we introduced new carbon software. We took the chance, when rolling out the software, to review our carbon accounting guidelines and what we included in previous reports. During this review we found numerous locations that had never previously been accounted for in our carbon footprint, resulting in a considerable increase in our emissions overall. In 2012 we also utilised local

Fig 13: Annual CO₂ emissions by scope



emission factors for electricity, making the footprint reported for our global locations far more accurate.

Because of the level of emissions associated with our office utilities, it remains high on our agenda in terms of focus. We continue to review our offices and have begun a programme of consolidating in cities or locations where we have multiple offices. We also continue to complete sustainability questionnaires when we procure new leased office space to ensure we are aware of the building makeup and equipment as well as the running costs. This will be a focus for 2013 with the roll out of our 5 star office efficiency programme – see page 42.

Scope three – emissions from business travel

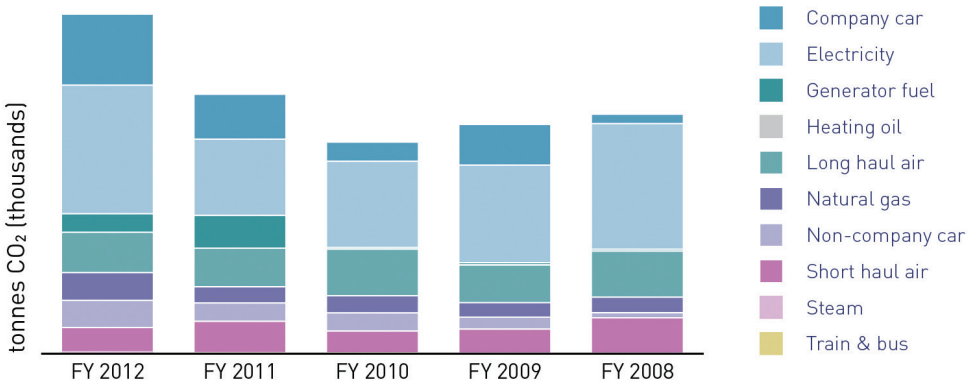
Our workforce is highly mobile; therefore travel is an area of both major expenditure and a considerable proportion of AMEC’s total footprint. In 2012 we saw an increase of 5 per cent in our absolute scope three emissions, however per person this equated to a 5 per cent reduction, in line with our target for 2012 to reduce emissions associated with our business travel.

During 2012 we encouraged the use of electronic communication tools instead of physical travel to meetings. This will continue to be a focus, ensuring we have the right communication tools in our major office locations to support our employees in reducing their travel out of the office, and at the same time reduce our business overheads in relation to business travel.

Carbon Reduction Commitment (CRC) Energy Efficiency Scheme

AMEC is a participant in the UK government’s Carbon Reduction Commitment Energy Efficiency Scheme (CRC) which was introduced in 2008. We met the qualifying criteria for a number of our locations in the UK, but not all, especially where we do not have the responsibility for billed energy at the location. As part of our legal obligations under this legislation we submitted our annual qualifying carbon emission report for 2011 / 12, which totalled 13,413 tonnes. As part of the CRC AMEC purchased carbon credits from the UK government and surrendered enough of these credits to cover our 2011 / 12 emissions at a cost of just over £160,000. The objective of the legislation is to strengthen the impetus on improving

Fig 14: Annual CO₂ emission by type



Power management roll out

In Q3 2012 AMEC began the roll out of the Joulex power management system switch off policy, focusing on our desktop pcs and monitors only during phase 1. The power management system safely switches pcs and monitors into hibernate mode between the hours of 8pm and 6am, saving both energy and money.

By the end of 2012 the majority of our Europe and Growth Regions businesses had completed the roll out, and we saved 14,733kWh. Once the roll out to desktops is complete, we will save 1.49GWh per year electricity which equates to 893 tonnes of carbon. Following the successful roll out to desktops we will then begin to include laptop computers to the policy which will increase the savings we can potentially make.

efficiency for qualifying locations thus giving the organisation the opportunity to reduce the cost / impact of CRC legislation on the business.

Carbon Disclosure Project

We have been disclosing to the Carbon Disclosure Project since 2007. For us it is about demonstrating awareness and management of our greenhouse gas emissions and our understanding and management of the risks of climate change.

Looking forward

In 2013 we will finalise and roll out our water strategy, focusing our attention on our top 25 priority sites to ensure we spend our efforts where there is the highest risk. We will continue to look at how we can support our clients in water management through our water experts across the business.

We will continue to roll out the Joulex power management software, ensuring all locations are saving energy using this tool where appropriate to do so. We will also be rolling out our new 5 star office efficiency programme, looking at our current offices, and also any new office space we may procure, with the aim of increasing the star rating for each of our offices over time. The 5 star programme looks at five areas which we believe are important in ensuring an efficient office; building infrastructure and equipment, building operation, efficient occupancy, energy management and performance improvement and water. The 5 star criteria will form the basis of our office improvement programmes locally.

As we come up to the first milestone in our carbon reduction strategy, we will continue to review our carbon footprint. Since we began reporting our carbon emissions, the business has changed considerably, and the systems we use to gather our carbon data have matured over time. We will therefore look to re-baseline our emissions before we enter the next phase of our carbon strategy. This review will be undertaken to address the mandatory carbon reporting requirements ensuring we are able to fully comply with them.



Collaborating
Improving
Growing
Achieving

Integrity

Integrity

Today's high-intensity and increasingly global business environment makes it even more important that we demonstrate, day by day, our value of acting with integrity. Ethical conduct can create a positive image that boosts growth and confidence in the company. Equally that confidence can easily be lost by behaviour which is inconsistent with our values.

Every AMEC employee is expected to abide by our Code of Business Conduct (code). We also have in place a supply chain code of business conduct and have appointed ethics officers across the company demonstrating that ethics and integrity are important to us.

Ethical business conduct

Our code is a clear and straightforward guide to how we need to behave every day as AMEC. It is equally valid wherever we work in the world and whoever we are working with. It is the practical application of our values. A copy of the code is available on amec.com.

We will never accept or excuse behaviours that are inconsistent with those laid out in our values and our Code of Business Conduct. We have procedures in place to report, investigate and deal with potential, suspected or actual breaches. Any suspected breaches may be reported either directly to a line manager, ethics officer, or via the ethics helpline, or to the General Counsel &

Company Secretary. The ethics helpline is administered by a third party, and supported in many different languages 24 hours a day.

Ensuring our workforce has read and understood the code is key in its effective implementation. For this purpose hard copies of the code are provided to all employees when they join AMEC. Additionally regular communications are made explaining how important it is to the business as a whole. In 2012 an online awareness training package was rolled out to all employees and 17,863 completed the training (September to December 2012).

“The online training helped me understand, in a clear and friendly way, what AMEC expects from us when doing something or making a decision.”
Jorge Apablaza, Chile

In 2012 we had 41 reports of potential breaches of the code, 28 of which were made via our ethics helpline / email. All of these were investigated and action taken, up to disciplinary level, as appropriate. The number of reports via the hotline reduced slightly compared to 2011, notwithstanding the roll out of training and other initiatives. This may be because employees are more comfortable with reporting direct to management and the ethics officers.



I would rather not grow the company, than take on business which forces us to compromise our principles.”

Samir Brikho

The ethics committee of the board is chaired by one of the independent non-executive directors and comprises all the independent non-executive directors. It upholds AMEC’s core values of honesty, integrity and respect and reviews and monitors compliance with all relevant legislation, regulation and current best practice regarding such matters as the prevention of bribery and corruption, government contracting, competition and import / export restrictions and trade compliance.

The ethics committee is also responsible for the review and approval of the code at least annually to ensure that it addresses the above issues. It considers and reviews the scope and planning of all compliance activity within AMEC and reviews the extent and effectiveness of AMEC’s internal training and external reporting of compliance and ethics matters.

In the event of an actual or suspected material breach of the code or any relevant legislation, a member of the committee will take responsibility for, and manage any investigation into, the relevant matters with the support of the General Counsel & Company Secretary. The committee may use internal resources and is also authorised to employ external consultants to carry out any such investigation.

Our ethics officers provide support in setting ethical standards, communicating them, integrating them into the culture of the business

and holding individuals accountable for them. The ethics officers report into the Chief Ethics Officer (the General Counsel & Company Secretary of AMEC plc) who supports the ethics committee in their activities.

Anti-bribery and corruption

We have a number of procedures and initiatives in place to ensure that our people and partners are aware of and comply with our anti-bribery and corruption policy, including:

- Training for all employees on the code and our policy on anti-bribery and corruption through a combination of online modules and face to face training. In the past 3 years over 850 employees have received the face-to-face training, which is due to be refreshed during 2013
- A confidential helpline managed by a third party for employees to raise concerns (anonymously if desired) without fear of reprisal
- Due diligence of business partners and other third parties
- Monitoring and assurance with the assistance of our Group Internal Audit function.

Along with the code, these are regularly reviewed and as appropriate refreshed as part of our ongoing commitment to anti-bribery and corruption.

AMEC aboriginal business initiative

In 2012 AMEC initiated a programme to expand our business and relationships with Aboriginal communities in Canada. Aboriginal businesses and consumers are having an increasingly important influence on consulting in Canada, being the fastest growing segment of Canada's population, with 630 First Nations communities within the country. There are significant opportunities to work directly for these groups and government agencies, particularly on resource developments in or near Canadian Aboriginal communities.

AMEC have been, and continue to be, very active in working directly for Aboriginal organisations in Canada. In 2012 we worked directly for 38 bands or organisations, in addition to working on Aboriginal issues for our clients. As part of the aboriginal business initiative we have been developing proactive partnerships and relationships with Aboriginal businesses and communities. For example, our Calgary team have been

working on a project to review potential sources for community water for the Fort Good Hope Dene and Metis Land Corporation in British Columbia, in partnership with Golder Associates. We recruited, administered and co-ordinated the Aboriginal field crews (involving 53 local bands), and trained 51 First Nation community members in archaeology covering basic site identification, survey and recording skills.

We have also been working to increase our employment of Aboriginal consulting staff as part of a general diversity initiative. Their personal insight and knowledge in the issues facing Aboriginal groups and communities is critical and they also add further diversity into the workplace.

We will continue to build on the progress we have made on this initiative throughout 2013 and beyond.

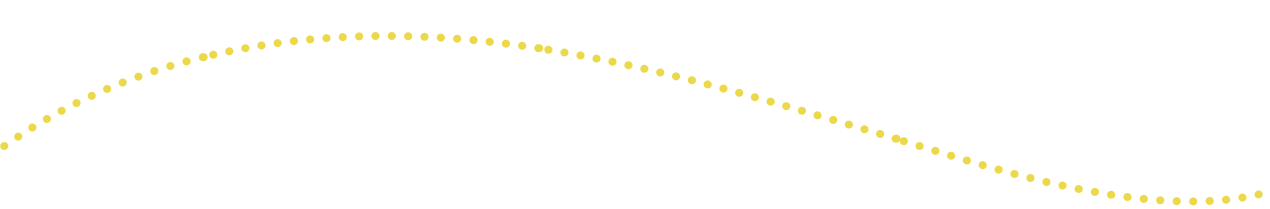
Human rights

Our commitments relating to human and labour rights are included within the code, where we set out specific behaviours and expectations in these areas. They relate to upholding effective abolition of child or forced / compulsory labour, respecting human rights and providing a workplace which is safe and secure, founded on mutual respect, free from harassment and offering equal opportunity for promotion and advancement.

In support of our code, we have a supply chain code of business conduct requiring that our supply chain community behaves in a way which is consistent with our values. For registered suppliers it is a requirement that they sign up

to and adhere to the content of the supplier code of business conduct.

In addition to the codes of conduct above, human and labour rights questions are included in the approval to submit for tender process – meaning that high risk projects are highlighted before we even tender for them. It is at this point that a decision to proceed will be made. We recognise also that a number of our major customers in the extractives business are signatories to the Voluntary Principles on Security and Human Rights, and although as non-operators we are unable to become a signatory ourselves, we actively support the principles and align our



security and human rights behaviours accordingly. Whilst community engagement is more often than not the preserve of the customer, we enthusiastically encourage and participate with them in their efforts to ensure that the impact of our collective footprint is carefully considered through the lens of human rights and community engagement.

In 2012 AMEC undertook a self assessment using the Danish self assessment checklist for human rights to ensure that our internal policies and practices were appropriate. We are currently working through the results and any actions required will be undertaken in early 2013.

Community

AMEC believes we have a responsibility to the communities in which we work. We are committed to supporting these communities and society in general. This includes promoting sustainable development, encouraging volunteering by our employees and supporting and eliminating forced or child labour.

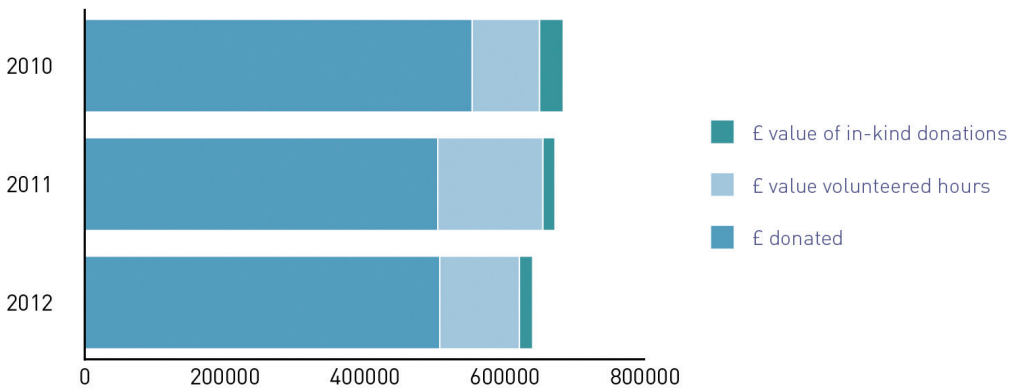
Working in diverse locations means that we must approach engagement with our communities in a flexible manner. In the places in which we work we seek to invest in community projects, improve skills, and support education and access to employment. Working with our local communities by building relationships and investing time and effort has the potential to bring all parties positive benefits.

Community investment

In 2012 AMEC donated £507,000 to good causes and charitable institutions worldwide, including matching employee volunteer fundraising. This represents 0.19 per cent of profit, which is the same as in 2011.

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

Fig 15: AMEC community contributions (£)



I was attracted to DRIP largely because I saw it as being sustainable at its heart. Rather than create a situation where peoples' livelihoods would become dependent upon the ongoing activities of the charity year after year, DRIP aims to provide people with the resources to enable themselves to improve their food security. The experience has given me more insight in understanding human behaviour, and I hope that I am applying the lessons learned from my experience in my dealings with colleagues and clients in my normal day to day job.”
Justin Theed, Safety Case Engineer and 2012 volunteer

DRIP – employee volunteering



AMEC is keen to support those of our employees who want to utilise their skills, while supporting something they believe in. In 2008 one of our consultants in the UK set up a charity called DRIP, which works with a Ugandan community-based organisation to provide water harvesting systems and horticultural training to villagers in the Pallisa district in Uganda. The goal is to ensure they have a sustainable harvest of water and vegetables.

Each year a group of volunteers raises funds to travel to Uganda as part of a team, to build rainwater butts made from local materials

and also train villages about growing vegetables i.e. what and when to water, shading, composting and seed saving, and natural pesticides. The aim is that when the volunteers depart they leave behind the means for the villagers to have a sustainable harvest year after year, with no need for the charity to be involved again in the future.

Since 2011 six AMEC employees have volunteered for the DRIP trips to Uganda, with a further three planned to be involved in 2013. Since this time AMEC have supported the charity by providing personal protective equipment for the volunteers (both UK and Ugandan), printing of all the manuals, certificates and documents, in addition to matching funds raised by our employees for the charity.

To date the DRIP charity has installed just under 300 tanks ensuring a sustainable water supply for 300 families, trees for each family which contain natural pesticides, and the knowledge to ensure sustainable harvests year after year.

Our employees continue to drive our charitable fundraising and community investment efforts. In addition to the contributions made by AMEC via matched funding and other activities, a further £1,312,649 was raised by our employees, up 46 per cent on 2011 figures. In addition to this, our employees volunteered 6467 hours in their own time to raise money or to support their local communities.

We continued to use the London Benchmarking Group model to record and analyse our community contributions over and above cash contributions from the business. Contributions to social welfare dominate both donations of cash and time in 2012, which is similar to previous years, with health also being prominent for fund raising activities. Not surprisingly education and young people is a key focus area for volunteer hours, supporting our long term strategic recruitment activity.

For AMEC, education has a much longer lasting benefit than just providing charitable donations. It is a good way of helping and supporting our communities and it also helps our business grow in new regions. AMEC continues to form community and educational partnerships with local institutions, each designed to draw on the

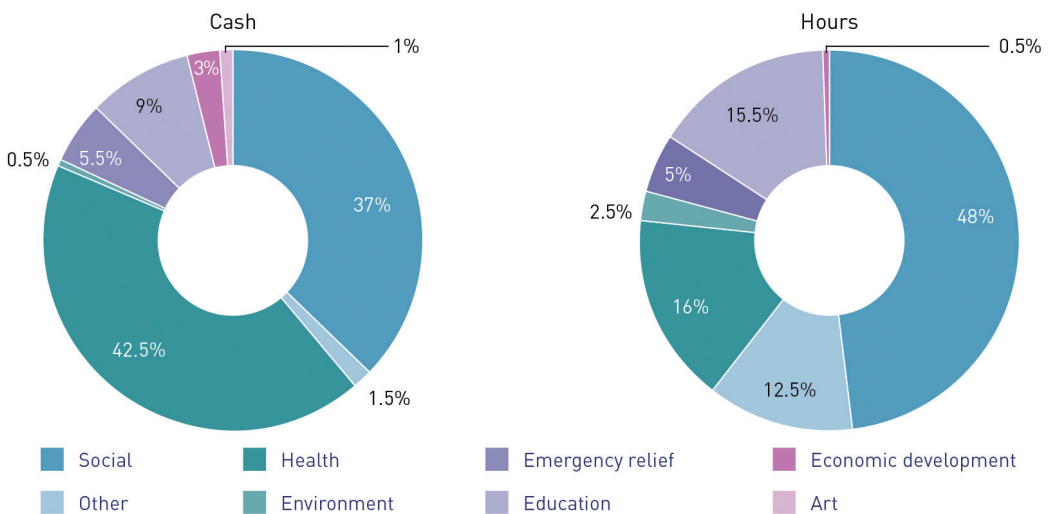
talents of our employees with the objective of building skills. These partnerships are often long-term relationships and activities can include:

- Work experience days
- Supporting a national event
- Tutoring / lecturing
- Supporting a school with particular projects.

In 2012 our Power & Process Americas business partnered with six different universities to place eight students in an specialised 12-week internship programme called ACE (AMEC Construction Experience). This was designed to expose students to careers in health and safety, engineering and construction management. The students worked across three different project sites in the US as well as completing AMEC's 'first step' safety leadership workshop. The programme is planned to be continued and expanded upon in 2013.

The above is only a small amount of the work that we do in our communities. For more examples please go to amec.com/aboutus.

Fig 16: Community contributions breakdown



'Inspiring journeys' award for London graduates



In August 2012 our London graduate and trainee community (The LFG – London Focus Group) were presented the 'Inspiring journeys: excellent professional practice in curriculum support for STEM (Science, Technology, Engineering and Mathematics)' award by the Institute of Education.

The LFG have four main goals: supporting learning and development, participating in community projects, supporting local charitable causes and facilitating networking as well as delivering the annual sustainability plans covering people, safety, environment and integrity issues. Setting up and sustaining long term educational partnerships with our local schools and universities is seen as a key part of the local London sustainability programme as well as forming an integral part of our long term strategic resourcing planning. This award recognises the work that the LFG have done over the past few years. The partnerships, and the projects undertaken as part of those partnerships, that led to our success were;

- Brookes House Sixth Form College - where AMEC helped students by providing excellent support in the IMechE affiliated, 'Greenpower Race' engineering project. We also provide support at career events and give students at the college an opportunity to join us for work shadowing and summer work experience
- Imperial College - where AMEC is currently involved in a structural engineering project with the final year undergraduates and also taking part in career events
- Arsenal Double Club - where AMEC employees are teaching literacy every week in a local school, in association with Arsenal football club who help provide football coaching for the youngsters.

The LFG inspired staff within our London business to get involved in these programmes so that we can all take part in making a difference.



In 2012 we entered our fifth year supporting SOS Children as our global strategic charity, supporting education projects within their villages, helping with running costs of the villages themselves which provide a safe environment for children to flourish, and providing support in their emergency relief efforts. SOS play an important role in supporting the development and sustainability of their local communities, investing in the futures of thousands of children, making sure they have the tools they need to become independent young adults.

The work we have done over the past 5 years with SOS is shown below:

2007 / 08: We began our support of SOS Children in the wake of a devastating earthquake which hit the regions of Tarapacá and Antofagasta in Chile. As a Children's Village, home to over 121 orphaned and abandoned children, and a Family Strengthening Programme had been already established in Antofagasta, we decided to support these facilities in coping with the earthquake's aftermath. Many of our employees were involved in raising funds for the emergency relief efforts in the region.

2009: By the start of 2009 we looked to widen our support. School fees for vulnerable children in four countries were chosen as the focus, and through our charity events we ensured that hundreds of the poorest and abandoned children were able to attend school. The four countries supported were Kazakhstan, Azerbaijan, the Philippines and Peru.

2010: During 2010 we raised funds for children in Pakistan, Chile, Nigeria and Tanzania as well as for SOS Children's emergency relief efforts in Haiti following a devastating earthquake.

Two SOS Children's Villages are currently being built in Haiti to add to the two already running; combined these will care for over 700 children. In addition, we provided a much-needed boost to the restoration work following the Peru earthquake, ensuring those most vulnerable and most affected could return to their normal lives.

2011: A devastating drought and famine in East Africa, the worst in 60 years, focused the world's attention in 2011, as 12.4 million people were displaced or without food and water. Our employees raised monies to aid SOS Children, one of just a few charities with an existing presence in the region. Some AMEC offices were also involved in the Pakistan appeal to help the flood relief efforts, which damaged 1.7 million homes and caused misery and suffering to millions. In addition to the emergency relief efforts, money we raised in 2011 funded the purchase of 24 solar panels and a groundwater tank for the SOS village in Nigeria.

2012: We reached our fifth year supporting SOS Children. We partnered with SOS Children to help start to raise funds for their village in Baku, Azerbaijan to deliver groundbreaking solar heating and hot water systems. We will continue these efforts into 2013. Using the 5 year anniversary as a theme, activities relating to the number 5 were undertaken e.g. our Baku office set a goal to clear 5 tonnes of rubbish from one of Baku's beaches to raise funds.





Collaborating
Improving
Growing
Achieving

excellence

Excellent project delivery

“The AMEC way is a very simple concept. It is fundamentally about improving the way we deliver projects to our clients, using best practices. It is not a ‘one size fits all’ – it is flexible and scalable so can be easily adapted to local markets. As a result of the AMEC way, we can see a real change in the business – being more aligned and integrated.”

Andy Ewens, Engineering Director

We want our customers to recognise our engineering, project management and consultancy expertise and to trust us to deliver their projects successfully. Such a reputation does not come overnight, but is a key cornerstone of future growth.

Excellent project delivery is the second element of our sustainability strategy. It is supported by the behaviours of living our values and, in turn, by delivering excellence to our customers we support sustainable growth. The remainder of this chapter describes key elements of the project delivery section of our sustainability strategy, followed by more detail on our four markets.

Consistent delivery

To complement our values and our Vision 2015 strategy for expanding our multi-market business, AMEC has a common approach to project delivery - the AMEC way.

Even the best of employees will struggle to deliver high-quality work if they are not provided with the

right tools and support. The AMEC way is how we work together across the company to deliver projects consistently and successfully. To support the global delivery of projects, we have implemented the AMEC project delivery management system (APDMS), which incorporates global project management plans, associated global projects, instructions and forms. Along with the APDMS, in conjunction with AMEC Academy, the AMEC way project delivery training programme was developed. Following two successful pilots of this programme in the UK and the US, the programme will be rolled out further during 2013. In addition, a new programme which is aimed at projects during start-up has been developed, ensuring projects are set up using the new tools in the APDMS - the first of which will be run in Australia in early 2013.

Safety and environment in design

Ensuring we identify and act on opportunities to engineer potential health, safety and environmental risk out of projects is key to the success. Not harming people or the environment



If you can't assess your suppliers' performance in a documented fashion, it's very difficult to pass on learning from one project to another."

Rene Genillard, Supply Chain Manager, London



are part of our values and ensuring we can demonstrate that on all types of projects will be truly beyond zero.

Engineers have a responsibility to pursue Inherently Safer Design and to ensure the technical integrity of all our work. However, keeping a harm-free environment relies on strong collaborative relationships across our teams wherever they work, ensuring effective and robust learning mechanisms which seek to drive real continuous improvements by solving the root causes of incidents and tracing them back to their origin. This continues to be our objective in our inherently safer design plan, which saw ever-closer working and collaboration between our engineering and HSSE functions. Looking deep down into root causes of incidents shows that design has a greater role to play in our beyond zero culture. By investing greater time and effort in sharing the findings with our engineering teams, we can promote solutions which seek to reduce potential for incident on site. Inherently safer design in 2012 drove a more collaborative examination of the role of engineering and design in the chain of HSSE accountability.

2012 outcomes:

- Engineering workshops examining critical safety failures (incorporating learning from the Spinningfields court case - refer to page 31
- HSSE core standards reviewed to incorporate harm free engineering standards
- 'Essentials of engineering safety and environmental protection' training developed and rolled out (to 1,414 employees in 2012.

Innovation

Ensuring we can respond to challenges facing the industry and our customers requires innovative and forward thinking solutions. It is important that we have a working environment that supports innovation, creativity and a proactive approach to problem solving and that these solutions and ideas are shared across the business.

Once again the Environment & Infrastructure (E&I) technical summit took place during the year – showcasing and sharing examples of innovation and best practice. Examples of papers presented include the development of solar photovoltaics on municipal landfills, and use of mobile technologies for capturing and sharing live data for engineering projects.

Aligned supply chain

Supply chain management is an integral part of delivering better projects for our customers.

In 2011 we introduced the Supplier Performance Assessment system (SPA), a marking system that gives us a structured and consistent approach to grading suppliers when they have provided goods and services to projects. The project rates the performance in four assessment levels: 'Excellent', 'Acceptable', 'Undesirable' and 'Unacceptable' in a structured and consistent format against categories, such as technical compliance, commercial and HSSE. This information is made available to project teams to enable them to make better informed supplier selection decisions on future projects.

In 2012 we finalised and rolled out the Supplier Registration and Qualification system (SRQ), requiring suppliers to provide extensive details about themselves to get onto our supplier registration and



qualification listing. Enough data is captured for each project in any region or industry to use the system as the first stage of the pre-qualification programme. In the past every project and region had to pre-qualify all bidders and suppliers, delaying the bid process. Registration to the SRQ is by email invitation and

suppliers are required to sign up to the code and the supply chain code of business conduct.

The system is now fully working and to date we have about 200 of our suppliers registered, starting with our key suppliers.

Understanding supply chain management

The supply chain management (SCM) team is committed to ensuring training and development opportunities for its professionals within the business, and also to providing information to those employees outside of the function who would like to learn more about it.

To this end a series of awareness and development programmes have been developed and are currently being run through the AMEC Academy, including;

- **SCM Awareness** – to ensure a consistent understanding across AMEC related to SCM and awareness of SCM disciplines and associated activities
- **SCM Procurement Work Based**
Accredited by the Chartered Institute of Purchasing & Supply (CIPS), the work

based learning route is a development tool based around standards endorsed by them

- **SMC Procurement eLearning**
Accredited by the Chartered Institute of Purchasing & Supply (CIPS), this programme enables individuals to work towards the standard required by CIPS for Certificate and Diploma level qualifications leading to membership of CIPS by examination
- **Supply Chain Procurement Professional**
SCM and AMEC Academy have joined with the International Institute for Advanced Purchase & Supply (IIAPS) to provide a degree-accredited online programme.

Oil & Gas

“Customers should be at the heart of everything that we do. We need to collaborate to deliver wider, more integrated services; improve to deliver more consistently; and grow across all of our customers.”
Ron Reeves, market lead, oil & gas

Growth in this market is driven by the long-term rise in energy demand. Resources are becoming increasingly difficult to access with a shift towards more frontier and deepwater developments. This plays to AMEC's expertise in complex and harsh locations. The IEA forecasts oil demand increasing due to the transport sector in China, India and

Middle East, despite the effect of efficiency measures, environmental policies and relatively high prices in OECD countries. A change in the mix is also expected with crude oil falling and a greater share being taken by natural gas liquids and unconventional sources.

Working in harsh conditions - Clair Ridge, North Sea

AMEC is supporting BP to deliver the Clair Ridge project as an integrated team. We are providing engineering and project management services for the detail design, site support, procurement, supply chain, material management and information management activities for the drilling / process platform and the quarters / utilities platform. AMEC is also responsible for the bridge link between the two platforms and the flare boom.

The project has incorporated inherently safe design practices, and has been designed for 40 years' life of production for a harsh North Atlantic environment.

Innovative technology

- World's first offshore full field deployment of low salinity enhanced oil recovery technology to modify the salinity of water injected into the reservoir and increase the recovery of oil.

Reducing environmental impact

- Platforms will be powered using dual-fuel power generators, incorporating waste heat recovery technology
- Vapour recovery will be used to capture and recycle low pressure gas for use as fuel or for exporting to shore.

In general oil and gas resources are increasingly difficult to extract, with projects becoming larger and more complex as environmental pressures have increased. As existing reserves are being depleted ever more sophisticated performance and efficiency improvement solutions are required. As a result companies are looking for experts like AMEC with proven experience in delivering projects on time, on budget, without harming people or the environment.

AMEC offers a wide range of services to a broad range of customers in Europe, Americas, Middle East and Africa, the Caspian, South East Asia and China. We have global experience with capabilities in deepwater and hostile environments and earthquake-prone regions. We also have a good track record of proactively helping customers deal with environmental pressures.

We are the market leader in the provision of project management and engineering services to the upstream surface mining Canadian oil sands sector, and also work on shale gas and coal bed methane projects providing services such as environmental impact assessments and water table management.

AMEC is aware of the environmental concerns raised by activities in many of these areas. The full range of our environmental and infrastructure services can be used to ensure that customers meet and, where possible, exceed local legislation by providing them with solutions to environmental challenges. One example is the environmental remediation project in Kuwait – shown below.

Supporting the environment in Kuwait

In 2012 AMEC was awarded a Kuwait environmental remediation project contract. The five-year contract with KOC is funded by the United Nations Compensation Committee, and involves the clean-up of oil pollution caused by the Iraqi invasion of Kuwait more than 20 years ago.

The project – which is in its infancy – holds several challenges;

- Funding was originally determined on the assumption that highly contaminated materials would be removed to landfill, with bioremediation used to decontaminate the remaining material in-situ. Technology has changed since the basis of funding was agreed (in 2004), and AMEC now also has the responsibility of evaluating other methods which are being piloted

- The project is located in areas crossed by oil facility flowlines and cables, with established flora and fauna nearby
- There is significant risk of unexploded ordnance which is requiring full survey clearance and disposal prior to any remediation works.

Project features

- Environmental remediation of over 40,000 acres, equating to an estimated 26 million cubic metres of highly contaminated desert land
- Joint project, utilising our skills from the Americas, the Middle East and the UK to work as one team.

We will continue to provide updates on progress on amec.com.

Mining

“Our customers and our skilled people have been the foundations of our success. Working together, we are growing in new regions and with expanded services.”

Greg Oryall, market lead, mining

Mining

The expected urbanisation of 2 billion people in the emerging markets to the period to 2030 is a key underlying driver of the long-term growth in this industry. However the current low commodity prices and general economic uncertainty are causing some of the more marginal projects to be postponed or cancelled.

As in the Oil & Gas market, supply issues are leading to more challenging, complex and

expensive developments, in more remote locations. Increasingly new mining projects are underground, with more logistical infrastructure and environmental controls required. AMEC is a recognised leader in environments where projects have significant logistical challenges associated with remote locations and difficult access. With our increasingly global expertise base, we are well positioned to support our customers to deliver these projects.

Working on the largest copper-gold mining project in the world

Oyu Tolgoi in Mongolia is the largest undeveloped copper-gold mining project in the world. It is located in the south Gobi region of Mongolia, in a remote, land-locked site with extreme weather conditions, poor local infrastructure in addition to high seismic loads, wind conditions and limited water supply. All of these provide major design and logistical challenges for the successful implementation of this project.

2012 was about positioning ourselves in Mongolia. This is a young democracy and its GDP is projected to grow by 30 per cent in 2013. We set our business up in such a way

as to ensure we integrated Mongolian business culture. Oyu Tolgoi now considers AMEC as an international, but importantly also a local provider.

The project is being worked on with support from other AMEC offices, with engineering being executed out of China in the future, and all the feasibility studies, administration, geology and other support services being provided by Vancouver. Using the skills and expertise of the various AMEC offices has contributed to the project success and demonstrates a global approach to delivery.

Empowering the local community



It's not only on our mining projects that we work with local businesses and communities, and our Sappi GoCell project in South Africa is an example of this. The project entails the modification of a Ngodwana paper mill production line to enable production of chemical cellulose.

The Jabulani Industrial Relations Centre was developed as a joint initiative between Sappi and AMEC, aimed at maximising local community involvement while benefitting the project. Due to the lack of construction skills in the Ngodwana area, we started a training initiative. We coordinated the training of local unskilled job seekers, with a construction-related skill they could use on the project and in the future.

The centre was established in November 2011, with the aim of supplying the civil contractor with newly trained local community workers when they commenced site work in January 2012.

AMEC's team played a significant role in the establishment of Jabulani centre, initially identifying the skills shortage in the Ngodwana local community, then assessing the capabilities of job seekers in a local recruitment drive. Over 2,000 applications were received.

The Jabulani Industrial Relations Centre includes the following facilities:

- Applicant reception and assessment
- Medical testing facilities
- Safety induction
- Skills training (theory and practical)
- Job readiness assessment and further skills development (including plumbing, bricklaying, plastering and tiling).

Of the 359 trainees who were admitted to the centre between December 2011 and March 2012, a pass rate of 90 per cent was achieved. Successful students receive a CETA (Construction Education and Training Authority) Certificate upon completion and are automatically registered on the CETA database for future employment by other contractors at the end of the GoCell project. Of those who were trained, 157 have since been employed by the construction subcontractors working on the GoCell project. The centre continues to function, with its focus now on the training of mechanical assistants skills for that phase of the project.

AMEC is the EPCM contractor with the work being shared by AMEC's Vancouver and Johannesburg offices.

Clean Energy

The need for accessible, affordable, and clean energy has become a central political issue, with solutions, targets and timescales all varying, in line with local resources, needs and political will. We offer a depth of expertise across a number of clean energy technologies.

Nuclear

The role of nuclear power has been impacted by the Fukushima Daiichi disaster in 2011, by the continued economic turbulence and the availability of cheap fossil fuels. The position is mixed, with some countries looking to dismantle, some reduce and others build nuclear facilities. Non-OECD countries, particularly China, are leading the investment in new nuclear. Statoil expects a 2.2 per cent growth in nuclear each year between 2010 and 2040, while the IEA suggests nuclear will be used to generate around 12 per cent of electricity in 2035 – which is a little lower than today.

Irrespective of decisions on new build, many of the world's nuclear facilities will be reaching the end of their active life over the next 20 years. Their clean-up and management is one of the most demanding challenges facing the industry.

AMEC's nuclear capability ensures we can support the full lifecycle of nuclear energy – from new build and reactor support (including lifetime extension), to nuclear decommissioning and waste management. In 2012 we expanded our position further in the UK with the acquisition of Serco's 600-person ESRC business.

We currently have several long term relationship contracts, including partnering with EDF in the UK in three areas: supporting their existing nuclear assets, supporting their nuclear new build in the UK and partnering on Lewis wind farms.

Renewables / Bioprocess

Growth in the renewables sector is driven by climate change and environmental policies, energy security concerns, price and cost developments. The IEA predicts that by 2035 renewables are expected to account for one-third of total electricity output.

AMEC's focus in this market is on wind, solar, biomass and biofuels projects, and our customers range from power utilities, financial institutions and government agencies to specialist consultants. Being technology neutral ensures we are able to offer our customers flexibility and they appreciate our ability to provide a full service engineering, procurement and construction solution.

We have had numerous project successes in the renewables / bioprocess market during 2012, including;

- Supporting Sapphire Energy to construct an integrated algal biorefinery in Columbus, New Mexico, US
- Solar project for APS, providing engineering, procurement and construction EPC services for a photovoltaic project 52MW in size and located on 400 acres, US.

Power

The majority of our services are performed for major energy providers, governments, developers and independent power producers, primarily in Europe and the Americas.

“ In 2012 we renewed our relationship with EDF with a lifetime agreement to support them on all their existing sites.”
Clive White, President Clean Energy, Europe

AMEC delivers geothermal plant in California



AMEC was engaged by Hudson Ranch Power 1 to provide design engineering and procurement services for a 49.9 megawatt geothermal plant in California. The plant processes geothermal brine and steam, with the electricity produced providing power for residences and businesses in the Southwest United States.

The plant uses geothermal steam extracted from wells over 7,500ft deep to power a steam turbine. The extracted steam is cleaned and spent brine is re-injected back into the ground where it is again heated by the earth's geothermal energy.

The plant was designed to ensure energy conservation throughout, to extract every possible ounce of energy from the geothermal source. The PDMS (Plant Design Management System), was used giving an intelligent model which allows designers to view all plant components, ensuring safety by design was implemented. As a result interferences between piping, equipment, structural steels and electrical cable trays were minimised, the field re-work was shortened, schedule delays

were avoided, and the correct amount of material was procured, reducing waste. The project team also used the model to locate equipment, platforms and access ways, allowing safe access to equipment during construction and plant maintenance.

Aligned supply chain

- Zero discharge site with regards to storm water
- Water usage is reduced by using excess condensate from the steam turbine compressor to provide part of the plant freshwater requirements
- The plant produces enough clean renewable power to supply 7,500 households
- The construction contractor was a local supplier
- AMEC personnel completed over 70,000 hours of work with no lost time injuries or reportable incidents during the life of the project
- Now operational, the plant employs 35 full time local staff.

A project video is available to view on amec.com/excellent-project-delivery



We work with our clients to ensure we have a strong understanding of their goals and how environmental and infrastructure solutions fit into their mission. This requires working across geographies so that we can bring our best resources to solve their most complex challenges anywhere, anytime.”
Tom Logan, President E&I Americas

Environment & Infrastructure

Environmental consulting and engineering services are provided to all four of AMEC’s markets.

The environment & infrastructure marketplace has historically been both large and diverse, though large private sectors clients are now looking for seamless global project delivery. Many commentators believe that water scarcity and environmental concerns provide additional opportunities for growth in this market. The climate change and energy services sub-sector is expected to grow significantly as a result of strong underlying legislative and political drivers. Growing water constraints are set to impose additional costs on the energy sector and in some cases threaten the viability of projects, with the IEA suggesting that the volume of water consumed to produce energy will increase by 85 per cent from 2010 to 2035.

Our E&I market alone consists of four sectors: water, transportation / infrastructure, government services and industrial / commercial.

Water

AMEC provides a multi-disciplinary approach to water projects at all stages of planning, study, design and construction, seeking to provide sustainable and environmentally sound solutions

for our customers. Our primary areas of focus are water resource management, water policy, coastal management, asset planning and management, and wastewater collection and treatment.

Transportation / Infrastructure

We use our expertise to provide sustainable solutions which maintain, improve and increase the capacity of transportation infrastructure, whether highways and roads, ports and marine or rail – often in extreme conditions.

Government services

We provide a broad range of services, including to US Federal Government who are the largest procurer of environmental services in the world. Services range from remediation programmes to design and delivery of infrastructure facilities, including housing and site improvements at installations globally.

Industrial / Commercial

Compliance and due diligence services are provided, ranging from geotechnical and environmental to materials and water resources consulting. AMEC’s knowledge of regulatory environments is used to apply a risk-based approach to environmental liability assessment and management.

The Atlanta BeltLine – Sustainable Urban Redevelopment



The Atlanta BeltLine is the most ambitious urban redevelopment project in the United States, currently transforming a 22-mile under-utilised rail corridor around the heart of Atlanta into transit, trails, parks, and mixed-use redevelopment including affordable housing. The project will reconnect forty-five neighbourhoods by reusing and improving existing infrastructure. It will be implemented in phases over the next 10 to 20 years. AMEC is providing planning, engineering design and environmental services to Atlanta BeltLine, Inc, the organisation charged with implementation of the project.

Work began in 2004, when AMEC performed the initial limited environmental assessment of the entire 22-mile corridor, followed by the development of a corrective action plan that secured approval from federal and state environmental regulatory agencies. Recently, AMEC has completed confirmation sampling of soil and groundwater, then remediation of impacted areas for the first 2.5-mile portion of the multi-use public trail and transit segment.

AMEC serves as the lead engineer on the Perkins + Will led Beltline Corridor Design team that is designing the 22-mile transit and trails corridor and providing strategies for natural habitat restoration. The team is designing the project while engaging the public. AMEC personnel have documented existing conditions, defined engineering design standards, designed multi-use

bridges, prepared construction documents and provided construction oversight for initial stages of construction.

It is estimated that the BeltLine project will increase Atlanta's green space and parks by 40 per cent and improve ten city parks adjacent to the BeltLine. AMEC's Atlanta-based urban planners and landscape architects completed a master plan for renovation of historic Maddox Park and revitalisation of one of the ten 'subareas' of the BeltLine corridor (Subarea 10), with neighbourhoods that have historically suffered from disinvestment, vacancy and pollution. The adopted plan, developed through an extensive community involvement process, establishes a vision for sustainable neighbourhood revitalisation in the vicinity of the BeltLine corridor.

Project aims and highlights

- Economic growth in areas that have not benefitted from investment in the past 25 years
- Green infrastructure strategies that will reduce storm water runoff and flooding risk while expanding urban forest
- Alternative modes of transportation (multi-use trails and light rail transit) to connect 45 neighbourhoods
- New trails and parks to encourage healthy, active lifestyles.

“Our position entering 2013 is strong. We have a good quality record, great people, good clients and a determination to meet our aspirations.”

Simon Naylor, Group President, Americas

Sustainable growth

AMEC's vision is that by continually delivering excellence, we inspire trust and loyalty in our customers.

Our Vision 2015 strategy is focused on growth, which we believe can be achieved through the skills of our people and the way in which they deliver successful projects for our customers, the strength of the customer relationships this engenders, the markets and geographies in which we are positioned, and the strength of our balance sheet.

This third element of our sustainability strategy - sustainable growth - provides the linkage from living our values and excellent project delivery to our Vision 2015 business strategy and delivery of the company vision.

What did we achieve in 2012?

2012 marked the halfway point in our implementation of our Vision 2015 growth strategy. Despite uncertain macro-economic conditions, we have made significant progress on many of our goals, and our performance remained good.

In 2013, we expect ongoing economic uncertainty and more challenging conditions in certain areas. Overall we continue to expect growth, with our conventional oil & gas business forecasted to grow strongly.

Acquisitions

Acquisitions are an integral part of AMEC's vision and make a key contribution to AMEC's long-term prospects. In 2012 AMEC invested £159 million in acquisitions to expand AMEC's geographic reach, expertise and services.

The largest was Serco's 600 person nuclear business, Energy, Safety and Risk Consultants (ESRC), based in the UK and acquired in June 2012. The second was Unidel, a 260-person energy, resources and infrastructure engineering and consultancy business in Australia. The group also acquired a 50 per cent stake in Kromav Engenharia S.A, a 200-person privately owned Brazilian offshore oil and gas and marine engineering company.

Our position was further strengthened by the signing of a collaboration agreement with Aibel, one of the largest oil and gas services companies in Norway. We also created a new joint venture with Samsung to carry out detailed engineering for fixed and floating offshore platforms, FPSOs and subsea pipelines for Samsung's offshore oil and gas projects.



Customers, people, growth – delivering The AMEC Way

Vision 2015

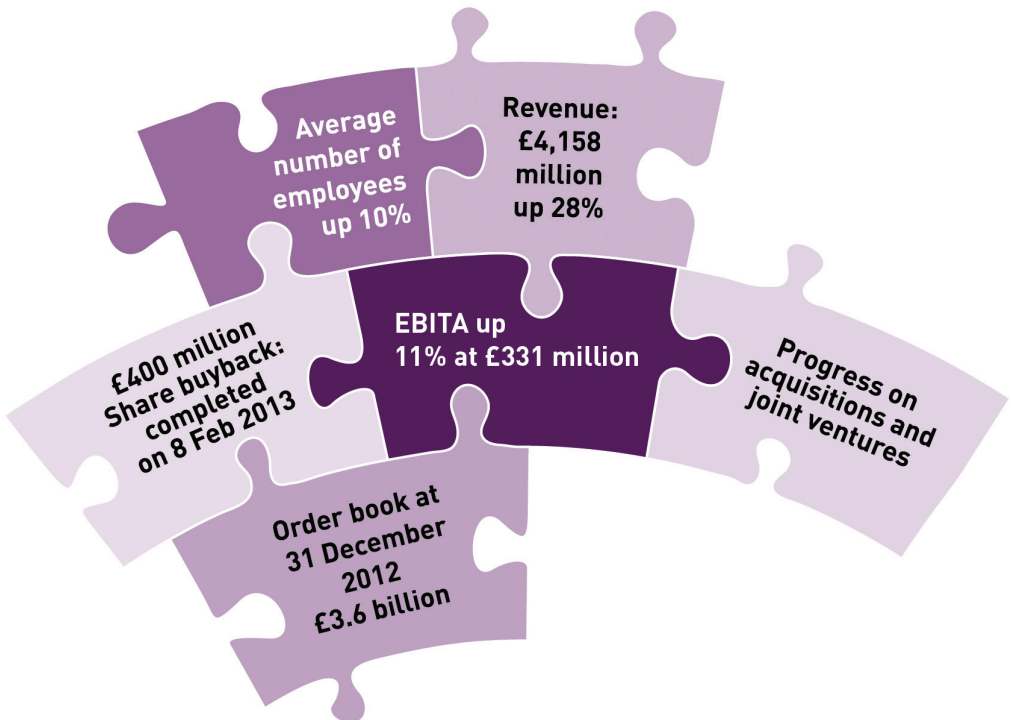
Table 24: Financial performance

	2012 £millions	2011 £millions
Continuing operations: Revenue	4,158	3,261
Adjusted profit before tax	336	311
Profit before tax	263	259
Adjusted diluted earnings per share	80.4p	70.5p
Dividends per share	36.5p	30.5p

Note: See p. 3 of 2012 annual report and accounts for full definitions.

In October 2012, we introduced a new geographic structure. We want to maximise growth opportunities in each of our four markets, providing consistent services across each of the geographies. This is not about changing our vision, mission, values or strategy – it is about having a simplified, more agile structure with a greater focus on collaboration and fostering sustainable growth.

The next stage on our journey is ‘2015 and beyond’. Our focus on our customers and our people will continue but increasingly we will be promoting how – by collaborating, improving and growing – we can ensure we are achieving our targets. Our goal is to be a trusted partner, the supplier of choice for our customers; the employer of choice for our people; and the company of choice for our investors.





“To be successful we must keep our focus on our customers: talking to them, understanding what they want and delivering.”

John Pearson, Group President, Europe

We are using the graphic opposite and the wording below to explain what we need to do to achieve success in 2015 and beyond. It is currently being communicated to our employees, the roll-out of which started with the top 70 at our global conference in December 2012.

Collaborating

Working together, sharing knowledge and expertise, sharing a common vision and purpose.

Improving

Being more efficient and effective, increasing productivity, removing duplications, investing in growth opportunities.

Growing

Maximising growth opportunities in each market across each geography, particular focus on growth regions.

Achieving

Supplier and partner of choice for our customers, employer of choice for our people, company of choice for our investors.

For more information and full details of our financial data please see AMEC plc 2012 annual report and accounts at amec.com.

“I believe people working together across AMEC is now the norm, not the exception”

Hisham Mahmoud, Group President, Growth Regions



2015 and beyond

AMEC Sustainability Report 2012: Assurance Statement and Commentary, Summary

The scope of our assurance

AMEC has commissioned Corporate Citizenship to provide external assurance and a commentary on its Sustainability Report 2012. The content of the report is entirely and solely the responsibility of AMEC. Corporate Citizenship is responsible for its assurance.

The assurance provides the reader with an independent, external assessment of the report against the principles of the AA1000AS standard (2008). The AMEC report is intended for the general reader and for more specialist audiences who have a professional interest in AMEC's sustainability performance.

This is a Type 1 assurance as defined by the standard, in that it evaluates the nature and extent of adherence to the AA1000AS principles of inclusivity, materiality and responsiveness. Our assurance used disclosed information as its starting point and then investigated the underlying systems, processes and sustainability performance information to arrive at its conclusions. This was a 'moderate' level assurance that is to say that we believe there to be sufficient evidence to support the statement such that the risk of the conclusion being in error is reduced. Pages 69 – 71, (AMEC's UNGC tables) and content derived from AMEC's Annual Report and Accounts do not form part of our assurance.

Opinion and conclusions

In our opinion the AMEC's Sustainability Report 2012 reflects the principles of AA1000AS (2008): inclusivity, materiality and responsiveness. We comment on each individually below.

Inclusivity - the commitment to be accountable to those on whom AMEC has an impact and who have an impact on AMEC, and to enable their participation in identifying issues and finding solutions. We found clear evidence of robust processes in place. AMEC's response to the inclusivity principle was reinforced this year through the company's direct engagement of an internal stakeholder forum.

Materiality - determining the relevance and significance of issues to AMEC and its stakeholders. Balancing the perspectives derived from the internal stakeholder forum with those from last year's stakeholder roundtable, along with other engagement processes, has provided AMEC with a robust reporting framework that addresses the relevant issues and is aligned with stakeholder needs.

Responsiveness - response to stakeholder issues that affect AMEC's sustainability performance. We found evidence of a well-managed process that responds to key groups. In responding to employees, the Chief Executive's restatement of what sustainability means to the business and a recommitment to its importance are positive signals that clear leadership in this area remains as necessary as ever. The challenge is to maintain momentum and further embed progress in a growing and evolving business.

Progress on AMEC's responsiveness to the comments made in last year's assurance statement has been strong with important improvements in reporting on carbon, water use and the inclusion of the sustainability targets for the first time. We also

note AMEC's improved approach to human rights and embedding of sustainability into core business processes at all levels.

Sustainability performance information

In addition to our assessment of the AMEC sustainability report against AA1000AS we considered specific sustainability performance information including energy, people, ethics and community affairs data.

In reviewing AMEC's carbon footprint we were pleased to see AMEC's transition to an online carbon software system is progressing well supported by a sound approach to internal audit and revised carbon accounting guidelines. AMEC has also responded positively to the challenges of emissions data sources which are outside of their control, such as from third party energy suppliers. Routes to achieving greater robustness, such as the re-baselining of emissions, are under discussion and should position AMEC well for mandatory carbon reporting. However changes need to be guided by sound reporting principles rather than expediency.

Our review of group personnel data initially highlighted several comparability challenges due to reporting process improvements and we commend AMEC for its response approach to our suggestions. In reviewing integrity data we noted AMEC's strengthened internal processes and demonstrably responsive approach in these areas.

Our review of the community data suggests a level of under reporting on the amount of employee volunteering both during and outside working hours and hence the overall value gained by the business. It was therefore disappointing to note that AMEC has decided to discontinue LBG membership, although it continues to apply the LBG assessment methodology.

Looking forward

Overall progress in 2012 has been notable and we note AMEC is already planning for sustainability in 2015 and beyond. During 2013 a number of

important changes to mandatory reporting are expected covering narrative and carbon reporting. Recommendations for a minimum 25% female representation on main boards should bring a further appointment to the AMEC. It is encouraging to read that the diversity challenge is becoming more widely recognised as a key facilitator of sustainable growth at AMEC.

Methodological notes

A team of four, comprising a Director, two Associate Directors, and a Senior Researcher undertook the assurance and commentary process. The team has a variety of professional and technical competencies and experience. For further information please refer to our website corporate-citizenship.com. This was an independent assurance with no member of our team having otherwise worked with AMEC during the reporting period. The fees for this assurance make up less than 0.5% of Corporate Citizenship's revenue for the reporting year.

The opinions expressed in this external assurance statement and commentary are intended to extend understanding of AMEC's non-financial performance and should not be used or relied upon to form any judgments or take any decisions of a financial nature.

Corporate Citizenship is a leading assessor of corporate responsibility reports. The company is a member of AccountAbility (Institute for Social and Ethical Accountability). This is the second year we have provided AMEC with assurance, a process that commenced by convening and facilitating a stakeholder forum in November 2012.

This is a summary version of our assurance statement and commentary. A complete version may be found at amec.com.

Corporate Citizenship
London



AA1000
Licensed Assurance Provider
000-16



Signposting our Sustainability Report

Global Reporting Initiative

Our report has been produced in alignment with the GRI 3.0 standard. We have self-assessed the report to C+ application level.

GRI section no	Standard disclosure	Page	GRI section no	Standard disclosure	Page
1.1	Statement from CEO	4-5	EN3	Energy consumption	40
2.1-2.10	Organisational profile	10	EN18	Initiatives to reduce GHG emissions	42
3.1-3.8	Profile and boundary	14-15	EN23	Spillage	36
3.10 – 3.12	Restatement	14-15	EN28	Environmental compliance	36
4.1 – 4.4	Governance	11	LA4	Collective bargaining	27
4.16 – 4.17	Stakeholder engagement	16-19	LA7	Rates of injury	29-31
EC1	Direct economic value	63	LA12	Career development reviews	9, 22
EC8	Community infrastructure	46	S03	Training in anti-corruption	6, 43-44

UN Global Compact

AMEC is a participant in the UN Global Compact – the tables below show how we are responding to the UN Global Compact principles and where in the report you can find further information.

Global Compact Principle 1 – “Businesses should support and respect the protection of internationally proclaimed human rights.”		
How AMEC has responded to support this principle:		Page
Code of Business Conduct	Providing clear principles applicable globally, including human rights statement	43-44
HSE Management System	Ensuring our employees globally have a safe environment to work	28-34
Supply chain Code of Conduct	In support of our code, ensuring suppliers are aware and aligned with our expected behaviours	45, 52
Employee training and awareness	Revised online awareness training rolled out during 2012	43
Security standards	Supporting principles set out in the universal declaration of human rights	45
Global Compact Principle 2 – “Businesses should make sure they are not complicit in human rights abuses.”		
How AMEC has responded to support this principle:		
Code of Business Conduct	Providing clear principles applicable globally, including human rights statement	43-44
Supply chain code of conduct	In support of our code, ensuring suppliers are aware and aligned with our expected behaviours	45, 52
Employee training and awareness	Revised online awareness training rolled out during 2012	43
Ethics hotline	Confidential ethics helpline, available 24hrs a day, supporting many different languages	43
Ethics officers	Ethics officers appointed globally	43
Global Compact Principle 3 – “Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.”		
How AMEC has responded to support this principle:		
Code of Business Conduct	Providing clear principles applicable globally, including human rights statement	43-44
Statistical data	Collection of data relating to coverage	27
Global Compact Principle 4 – “Businesses should uphold the elimination of all forms of forced and compulsory labour.”		
How AMEC has responded to support this principle:		Page
Code of Business Conduct	Providing clear principles applicable globally, including human rights statement	43-44
Supply chain code of conduct	In support of the code, ensuring suppliers are aware and aligned with our expected behaviours	45, 52
Employee training	Revised online awareness training rolled out during 2012	43
Ethics hotline	Confidential ethics helpline, available 24hrs a day, supporting many different languages	43
Ethics officers	Ethics officers appointed globally	43
Global Compact Principle 5 – “Businesses should uphold the effective abolition of child labour.”		
How AMEC has responded to support this principle:		
Code of Business Conduct	Providing clear principles applicable globally, including human rights statement	43-44
Supply chain code of conduct	In support of our code, ensuring suppliers are aware and aligned with our expected behaviours	45, 52
Employee training	Revised online awareness training rolled out during 2012	43
Ethics hotline	Confidential ethics helpline, available 24hrs a day, supporting many different languages	43
Ethics officers	Ethics officers appointed globally	43

Global Compact Principle 6 – “Businesses should uphold the elimination of discrimination in respect of employment and occupation.”

How AMEC has responded to support this principle:

Code of Business Conduct	Providing clear principles applicable globally, including human rights statement	43-44
Ethics hotline	Confidential ethics helpline, available 24hrs a day, supporting many different languages	43
Equal opportunities	Global equal opportunities policy revised during 2012	26

Global Compact Principle 7 – “Businesses should support a precautionary approach to environmental challenges.”

How AMEC has responded to support this principle:

HSSE Management system	Detailing our environmental management objective designed to enhance our management approach	29
Environmental standards	Setting clear group-wide standards, supporting our core expectations	35, 39
HSSE leadership team	Reviewing key HSE risks across the business	29
Water management	High level assessment undertaken of AMEC’s exposure to water risks and impacts	37-38

Global Compact Principle 8 – “Businesses should undertake initiatives to promote greater environmental responsibility.”

How AMEC has responded to support this principle:

HSE Road map	Setting performance standards across the group	29
CO ₂ target	Setting and monitoring reduction targets across the group	39-42
Supply chain	Inclusion of environmental aspects in group-wide procurement evaluations	52-53
Incident reporting / investigation	Trackwise reporting, trending and investigation gateway	31, 35-36
Development of HSE volume of standard project man. plans	Standard Project Management Plan template across operations covering mandatory H, S & E controls	29

Global Compact Principle 9 – “Businesses should encourage the development and diffusion of environmentally friendly technologies.”

How AMEC has responded to support this principle:

Water management	Service provision focusing on water supply, storm water, water quality and water treatment	37-38
Renewables	Service provision in Wind, Solar, Biomass, Biofuels and Geothermal	58-59
Clean energy	Life cycle service for nuclear industry	58-59
Sustainability services	Environment and Infrastructure services. Integral safety in design plans.	60-61

Global Compact Principle 10 – “Businesses should work against corruption in all its forms including extortion and bribery.”

How AMEC has responded to support this principle:

Policy	Anti-bribery and corruption policy	44
Employee training	Revised online training rolled out in 2012. Face-to-face training continued where appropriate.	43,44
Helpline	Confidential helpline for employees to raise concerns	44
Due diligence	Due diligence of business partners and other third parties	44
Assurance	Monitoring and assurance by AMEC’s internal audit function	44

Performance table

AMEC in numbers		2012	2011	2010	2009
People					
Average number of employees (FTE) (as stated in annual report)		28,405	25,757	21,973	20,762
Number of strategic recruits**		521	471	114	138
% Internal promotion rate**		7.70	7.20	3.87	9.72
% Employee instigated turnover		11	11	10	6
% Total workforce	Male	75	77	76	77
	Female	25	23	24	23
% Senior managers female		11	11	10	10
% Managers and professionals female		19	19	17	19
% board members female		12.5	*	*	*
% Workforce covered by collective bargaining agreements		5	9	15	23
Safety					
Number of fatalities	Employees	0	0	0	0
	Subcontractor	0	0	0	0
	Other	0	0	0	0
LTIFR (per 200,000 man hours)		0.03	0.04	0.06	0.04
TRCFR (per 200,000 man hours)		0.38	0.37	0.42	0.44
AIFR (per 200,000 man hours)		2.36	3.12	3.54	4.34
No. prosecutions		1	0	0	0
No. fines		1	0	0	1
No. prohibitions		0	0	0	0
No. improvement notices		0	2	2	2
Occupational health days lost		817	505	1,333	*
Occupational health cases		12	15	22	*
Environment					
Regulatory action		0	0	1	0
No. environmental incidents		99	179	160	333
Total volume spilled (litres)		4,529	7149	*	*
Absolute carbon		81,373	62,727	51,447	55,411
Tonnes carbon per employee		2.86	2.44	2.33	2.67
Tonnes carbon per £million turnover		19.57	19.24	17.34	21.82
Total Scope 1 ('000 tonnes carbon)		27.7	22.7	13.1	13.9
Total Scope 2 ('000 tonnes carbon)		31.1	18.4	20.9	23.6
Total Scope 3 ('000 tonnes carbon)		22.6	21.6	21.1	17.9
Water (estimated m ³)		504,156	*	*	*
Integrity					
Reports of potential breaches of our code of business conduct		41	31	47	39
£'000 donated to charity by AMEC		507	506	553	540
Total hours volunteered by our employees		10,545	10,725	10,895	*
Total community contribution ***		£1.98m	£1.52m	£1.15m	*

* Not previously collated

** Includes figures from divisions only

*** Include AMEC donation, employee and other contributions, in kind donations and volunteer hours in work time.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

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