

wood.



John Wood Group PLC
Sustainability Report 2018

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Foreword



Welcome to our first Wood Sustainability Report. Wood came into existence on the 6th October 2017 through Wood Group's acquisition of Amec Foster Wheeler. Both companies had a long and proud history of excellence in delivery.

Today, we have created exciting new opportunities to create effective solutions across a broad range of industrial markets and become a global leader in the delivery of project, engineering and technical services.

As a new company it has been very important to me to put sustainability on our agenda as a critical area we need to focus effort as we come together. The sustainability agenda affects every aspect of our business; it's a big part of steering the business into a sustainable future, economically, environmentally and socially.

Wood does not operate in a bubble; we are connected to the wider economy which is connected to a global society, operating in a shared environment. We have huge potential to contribute to sustainability in all of these areas through operating smartly, effectively and efficiently providing services which help our client base, in turn, to be sustainable.

Ensuring that we continue to look outwards is important, it gives us the vision to anticipate new opportunities and plan early to meet challenges with well thought out solutions.

In the short term as a business we need to continue to focus on managing our key risks and complete the harmonisation of our governance system. Safe operations remain our most important issue in the way that we operate and the projects we deliver. Tragically in 2017, we lost two members of our team. In March 2017 in Amec Foster Wheeler, prior to the acquisition, our contractor working on a project site in Poland was struck by a reversing lorry, suffering fatal crush injuries. In November 2017, a member of Wood's E&IS team in Canada struck a moose at speed that had strayed onto the highway and died of his injuries. Wood's thoughts continue to be with their families, their loss is keenly felt by their colleagues. These events serve to underline that there is nothing more important than safety and it remains my commitment to create an environment and culture dedicated to making sure that every member of the team goes home safely every day.

This is our first sustainability report; we aim to establish strong foundations for our new programme, we have identified our key sustainability aspects utilising these as drivers that help shape our values, culture, behaviours and governance. We will continue to build on this over the coming years and shape our approach in an outward looking way which is why we have aligned our goals alongside that of the UN Sustainable Development Goals and renewed our ongoing commitment to the United Nations Global Compact. We mean to make a tangible difference in the way that we operate which delivers benefits for Wood, our investors and wider society.

At my first global leadership conference I chose to speak about sustainability and its wider implications for our business, customers and investors. We live in a volatile world, we need to ensure that we understand geopolitical factors driving markets, we need to be one step ahead of the challenges that climate change and resource depletion will inevitably bring. We need to be the source of ingenuity that brings imaginative solutions to the very same challenges that our clients face. We need to deliver sustainable profit through strong, ethical driven relationships built on trust; ensuring these relationships sustain will enable us to forge a long and prosperous future.

This report has been written to provide both awareness and guidance on our minimum expectations and future aspirations towards maintaining and growing our business in a way that will provide a sustainable future for all at Wood. My expectation as CEO is for all our employees to drive sustainability in all our day to day actions; I firmly believe we have both the passion and drive to inspire, create new possibilities and build an exciting journey ahead.

Robin Watson
Chief Executive

Our vision and values

Our vision is to:

Inspire with ingenuity,
partner with agility,
create new possibilities...

Our values are:

Care

Working safely, with integrity,
respecting and valuing each
other and our communities

Commitment

Consistently delivering to
all our stakeholders

Courage

Pushing the boundaries to create
smarter, more sustainable
solutions

At a glance

The acquisition of Amec Foster Wheeler ("AFW") by Wood Group brought together three brands and two companies to create Wood, a global leader in project, engineering and technical services delivery headquartered in Aberdeen, UK. We look to grow by developing our full service capability across energy and industrial markets.

Revenue:

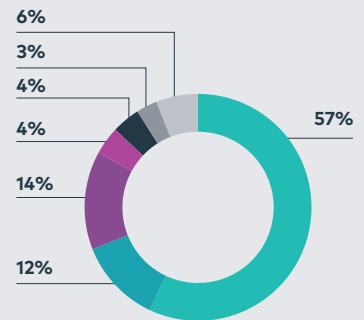
c. \$10 bn

Countries:

60+

Sector breakdown:

- Oil & Gas
Upstream 31%
Downstream 26%
- Power and process
- Environment and infrastructure
- Mining
- Automation
- Clean energy
- Other industrial



People:

c. 57,000

Our operating structure

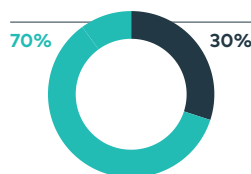
The integration of AFW required only minor modification to our operating structure with many of AFW's operations being incorporated into our existing Asset Solutions and Specialist Technical Solutions business units with the addition of Environment & Infrastructure Solutions. Investment Services will continue to operate as a separate business unit.

Asset Solutions (AS)

Focused on increasing production, improving efficiency, reducing cost and extending asset life. Services range from initial feasibility and design, through construction, operation, maintenance and decommissioning. AS is split into two regional business groupings; Americas and Europe, Africa, Asia & Australia (EAAA).

Americas

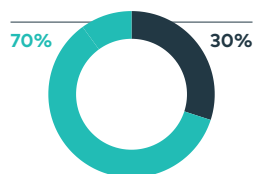
Service breakdown:



- Customer capex driven capital projects
- Customer opex driven operations services

EAAA*

Service breakdown:



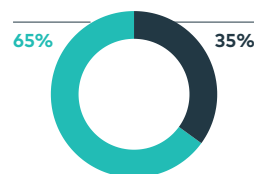
- Customer capex driven capital projects
- Customer opex driven operations services

* Excluding Turbines

Specialist Technical Solutions (STS)

Provides a range of specialist services. Focused on solving complex technological challenges, such as systems integration, across a broad range of energy and industrial sectors.

Service breakdown:

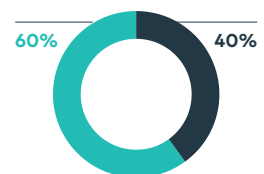


- Customer capex driven capital projects
- Customer opex driven operations services

Environment & Infrastructure Solutions (E&IS)

Provides consulting, engineering, project and construction management services. Covers a range of sectors including government, water, transport, energy and pharmaceuticals.

Service breakdown:



- Customer capex driven capital projects
- Customer opex driven operations services

Our business

Inputs

Vision and values underpinned by Care, Commitment and Courage

Project, engineering and technical capability across broad industrial markets

Talented, flexible and motivated workforce

Performance driven and innovative solutions

Flexible commercial model with a measured risk appetite

Operating structure optimised for sustainability, agility and future growth

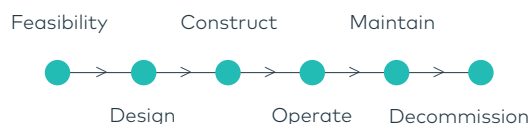
Efficient capital allocation

How we create and sustain value

Our people deliver project, engineering and technical services across a broad range of industrial markets



Our services improve the performance of our customers' industrial assets across the asset life cycle

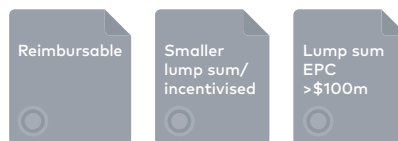


We are differentiated by the capabilities of our people, track record of delivery, know-how and range of services

People:

57,400

We employ an asset light, flexible and predominantly reimbursable model with a measured risk appetite



In our core oil & gas market we have a strong offering across upstream, midstream and downstream

Proforma total revenue from oil & gas:

57%

Revenue analysis

Asset Solutions (AS)

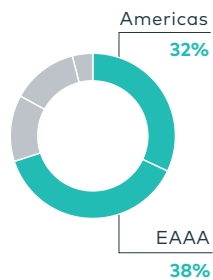
People

42,500

Americas 16,800

EAAA 25,700

% of proforma total revenue:



Proforma total revenue:

Americas

\$3.2bn

EAAA

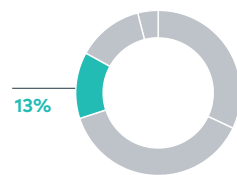
\$3.7bn

Specialist Technical Solutions (STS)

People

7,600

% of proforma total revenue:



Proforma total revenue:

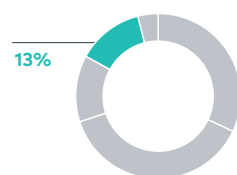
\$1.3bn

Environment & Infrastructure Solutions (E&IS)

People

7,300

% of proforma total revenue:

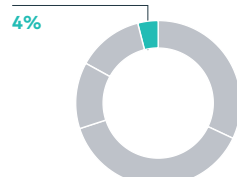


Proforma total revenue:

\$1.3bn

Investment Services

% of proforma total revenue:



Proforma total revenue:

\$0.4bn

Outputs

Strong shareholder returns and progressive dividend policy

Reduced cyclicality through broad industry exposure

Leading technical services and smarter, more sustainable solutions

Track record on industry leading projects

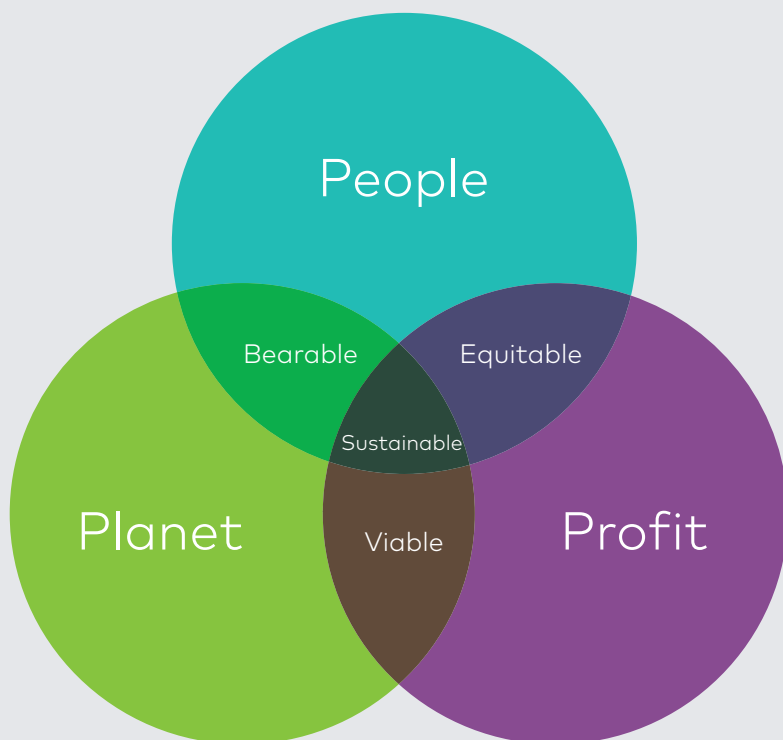
Global reach with balanced portfolio of long term partner relationships with customers

Significant contribution to local employment and communities

Rewarding careers and focus on retention

Our sustainable business

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



Wood operates within a wider economy, which in turns operates within a global society all within one environment, our planet. We have a responsibility to operate in a way which allows the environment, society and economy to flourish.




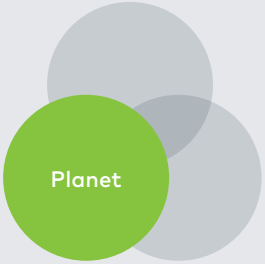
















It is neither responsible nor acceptable to make a profit at any cost. Who would want to work for a company which exploited people and communities or caused irreversible environmental destruction? We are committed to living our values and principles and caring for people our planet and sustainable profit; planning our future not just the here and now but in the decades to come; ensuring we act responsibly in a way that sustains our business, contributes to the economy and society we live in as well as the world we all share.

Our approach is simple; focussing on three factors , Social (People), Environmental (Planet) and Economic (Profit). Our strategy embeds sustainable practice into every aspect of our business; ensuring our approach aligns to global priorities and the part Wood plays in a sustainable future for us all.

Our People, Planet and Profit model allows us to clearly demonstrate the key risks and opportunities we face, how our strategy aims to tackle these issues and how we link this to the global agenda and our contribution to the wider economy.

Aligning our sustainability agenda with the global challenges identified under the United Nations Sustainable Development Goals

Agreed by all UN Member states and launched in September 2015, the sustainable development goals focus on 17 key areas with 169 underlying global targets that seek to create a sustainable world. Tackling a broad range of social and economic development issues the global goals promote a socially fair, economically secure, prosperous and inclusive planet; which our Wood sustainability strategy supports and aims to work towards. In each section of this report we make reference to the Sustainable Development Goals, detailing the associated targets most relevant to our areas of focus and where our efforts in these areas contribute to global development goals.

Our approach	Our focus	United Nations sustainable development goals	
	<p>Respecting human rights</p> <hr/> <p>Investing in our people</p> <hr/> <p>Health, safety & security of our people</p> <hr/> <p>Investing in our communities</p>	<p>1 NO POVERTY</p> 	<p>2 ZERO HUNGER</p> 
	<p>Environmental management and incident reporting</p> <hr/> <p>Our carbon footprint</p> <hr/> <p>Tackling climate change</p>	<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>4 QUALITY EDUCATION</p> 
	<p>Profitability</p> <hr/> <p>Ethics & compliance</p> <hr/> <p>Driving innovation</p> <hr/> <p>Sustainability in projects</p>	<p>5 GENDER EQUALITY</p> 	<p>6 CLEAN WATER AND SANITATION</p> 
		<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 
		<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>10 REDUCED INEQUALITIES</p> 
		<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 
		<p>13 CLIMATE ACTION</p> 	<p>14 LIFE BELOW WATER</p> 
		<p>15 LIFE ON LAND</p> 	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 
		<p>17 PARTNERSHIPS FOR THE GOALS</p> 	

Materiality

developing our programme & report

Wood's approach to sustainability will evolve over time, as a business we are still exploring what sustainability means to us and our stakeholders and, like all effective sustainability programmes, this will change and evolve.

We conducted our first sustainability programme materiality assessment in November 2017. The objective of this work was to consider a broad range of aspects across the people, plant, profit agenda in terms of Wood's footprint and alignment to the global agenda through the United Nations Sustainable Development Goals.

<p>1 NO POVERTY</p> 	<p>2 ZERO HUNGER</p> 	<p>3 GOOD HEALTH AND WELL-BEING</p> 
<p>4 QUALITY EDUCATION</p> 	<p>5 GENDER EQUALITY</p> 	<p>6 CLEAN WATER AND SANITATION</p> 
<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 
<p>10 REDUCED INEQUALITIES</p> 	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 
<p>13 CLIMATE ACTION</p> 	<p>14 LIFE BELOW WATER</p> 	<p>15 LIFE ON LAND</p> 
<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>17 PARTNERSHIPS FOR THE GOALS</p> 	

United Nations Sustainable Development Goals

We undertook a review of the goals to establish how we, as Wood, our people and activities, as well as the services we provide and use, contributed and/or impacted on each of the Goals. From this work we could see that, although they were all relevant to us there were some that were of more relevance to Wood than others. We used this output to help us to identify the elements of our programme.

Understanding our risks

There is an increasing demand from investors and non financial stakeholders for transparency around actual risks arising from the impacts of our operations. Being open and honest is core to Wood's values and behaviours, transparency that comes with reporting on material issues such as our significant risks provided in Wood's Annual Report and Accounts (p32-35). We have used the company risk register to inform our sustainability programme and contribute to the development, understanding and management of risk through our programme.

Looking back to our history

Wood was formed by the coming together of two long established companies and, therefore, it has been essential to ensure we look at what had gone before. To be clear we are not following the same trajectory as either Amec Foster Wheeler or Wood Group – we are forging a new path which is informed by our heritage. Wood is a new company but it has been important to take stock of the aspects identified as important to our stakeholders in the heritage businesses and the basis on which those aspects were determined to ensure these stakeholder needs are reflected in our future thinking. Many great tools, thoughts, processes and ideas were born in our heritage companies which we have made sure to retain, this will help us to develop and mature our approach.

Outlining our initial impact areas

Sustainability is an all-encompassing agenda, clearly we cannot tackle all aspects therefore it was important for us to draw out the tangible issues which will help build capacity and be of greatest value to the business. We undertook an assessment taking into consideration the maturity of the business, progress towards integration, risks and opportunity to the business in the short and medium term. This assessment is a 'snap shot' of where we are now and we will need to frequently revisit this as our programme develops to ensure we continue to focus on our material elements as we mature.

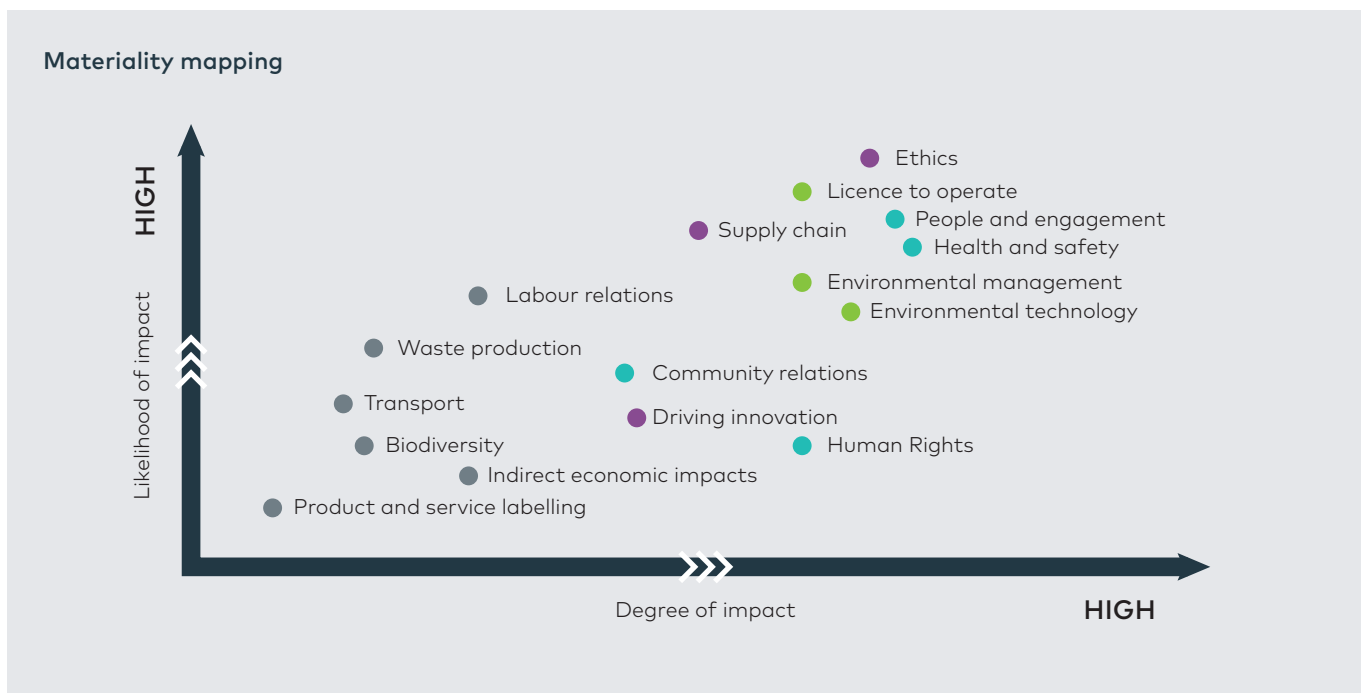
The elements identified as the highest value to Wood have become the foundations of our new sustainability programme.

Our report

In order for the information in this first report to be meaningful, we have identified the content that reflects our significant economic, environmental, and social impacts which influence the decisions made in our business. These topics include those that have a direct or indirect impact on our ability to create, preserve or erode economic, environmental and social value of Wood, our stakeholders, the environment, and society at large. This includes our operations and activities which lead to positive and negative economic, environmental and social impacts. We have used the Global Compact and Global Reporting Initiative to help us to organise our report, although we have much to do to align with them.

We have drawn on progress in our legacy and, where sensible to do so, presented amalgamated information which will serve as a baseline for development.

We have taken the view that our report should enable internal and external stakeholders to understand our approach and raise awareness of our material aspects. However, we understand that material reporting helps mitigate and improve our impact on society, local economy and environment through focusing on specific issues.

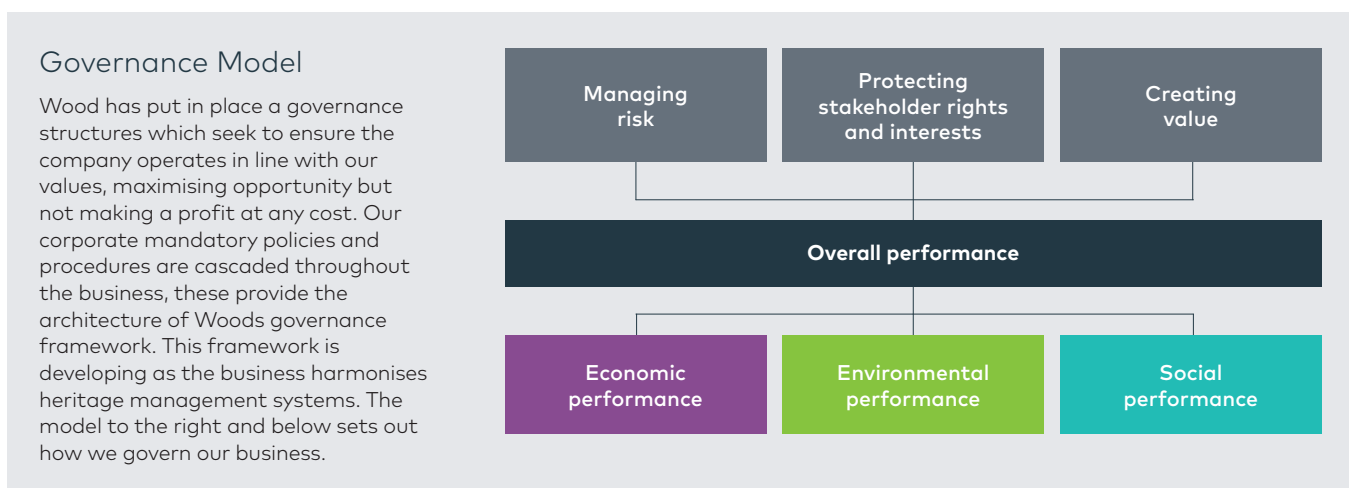


Governing performance

At Wood we recognise the importance of instilling strong governance to how we manage our triple bottom line performance. Good governance must extend beyond the traditional accurate and fair financial accounting, which does not take into consideration our social interaction or environmental impacts. Our report aims to measure the financial, social and environmental performance of the business over the last 12 months.

We understand the importance of assessing our economic, social and environmental risks and opportunities. Assessing how these elements interrelate helps us improve the way we do business, build sustainable value and provide transparency to our internal and external stakeholders including our investors.

Embedding and raising awareness of our new Wood Ethics Code of Business Conduct and Wood Supply Chain Code will be a key focus in 2018. Wood's reputation, built over many years, depends on consistently doing the right thing; both our ethics and supply chains codes of conduct will serve as the base expectations on how we conduct and manage our business interactions.



Role of the Board and Committees

At the highest level Wood has put in place Board Committees which seek to ensure that Wood acts with the highest level of integrity. These Committees cover the triple bottom line - people, planet and profit.



We recognise the need to extend our management of environmental, social and economic impacts to our supply chain and understand its importance in bringing sustainable business value to Wood. We have a wide reaching and diverse portfolio of approved suppliers and strategic partnerships Spanning:

60+
Countries

30,000

Approximate no. of suppliers
across a range of energy, process
and utility markets

\$3.5bn

Annual spend on third party
materials and services



Business Case for Sustainability

Understanding our broad range of stakeholders is vital to creating a sustainable business. The traditional business model of aiming to solely create value for shareholders is often at the expense of others; where creating a sustainable business looks at multiple stakeholders from a social, environmental and economic perspective; an approach often referred to as the Triple Bottom Line.

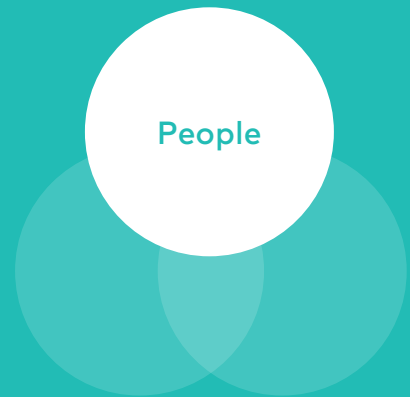
- Our business requires a healthy, diverse workforce that is content to deliver future growth
- We operate in a wider society and our business can only operate long term in a local economy that is thriving; placing focus on our supply chain and connections with our local community
- We rely on the natural resources provided by the planet we share; efficient and responsible stewardship of resources will ensure these are available in the future to sustain our operations

People

Sustainability starts with people, our greatest asset.

Wood is a great company and through our people we want to be known as a 'good citizen' of the world; responding to the needs of our people and the communities where we operate, nurturing and supporting future generations.

This section of the report looks at how we build sustainable practice into the social aspect of our business and the challenges we feel are appropriate to ensuring a balanced and fair society.



Respecting human rights

Investing in our people

Health, safety & security of our people

Investing in our communities



Respecting human rights

Ensuring we maintain a standard of business that complies with the law, respects the rights of others and protects human rights is crucial to the long term future of Wood and our operations.

We pride ourselves on being a responsible employer and recognise the global role we play; aside from it being the right thing to do, it also makes good business sense to respect human rights.



Health, safety & security of our people

The health, safety and security of our employees and those we work with is our number one priority. It's fundamental for our business in order to continue that we take care of our people and responsibly manage the work we undertake in a healthy, safe and secure way.



Investing in our people

People are the heart of our business, ensuring we provide a fair, equal and consistent approach to employment will help us attract, develop, manage and retain our workforce. Building a diverse and inclusive working environment gives Wood flexibility in our operations and positions us well for the challenges of tomorrow.



Investing in our communities

Engaging with our communities is vital to the role Wood plays in our wider society. Investing in our communities helps support, maintain and demonstrate we care about building a sustainable future that aims to address both local and global challenges.

Respecting human rights

Wood is committed to the protection and enhancement of internationally proclaimed human rights. We understand the importance of addressing and upholding basic human rights issues and this is reflected in the culture of our organisation, our values, policies and code of conduct.

Human rights are embedded in our approach to business ethics and our shared company values that guide our collective behaviours and our belief in 'doing the right thing'. Integrity is the cornerstone of our business that allows us to maintain the respect of our people, customers and suppliers.

We understand the importance of continually accessing the risk to human rights in our operations and wider supply chain to ensure we enhance the systems and policies in place to help drive continuous improvement.

Our business ethics policy/code of business conduct guides our employees on our day to day business, applicable wherever in the world we operate and on whatever we are working on. Alongside our supply chain code of conduct we expect those working on our behalf to also follow our direction, with specific reference to human and labour rights, health, safety and environment, ethics, compliance and legal requirements.

All Wood personnel have a duty to report breaches of our business ethics policy/code of business conduct and our third party hotlines are available 24 hours a day, 7 days a week and in over 100 languages.



Modern slavery and human trafficking

In our published statements on Modern Slavery and Human Trafficking we acknowledge our responsibility to ensure our people, as well as those in our value chain are not subject to any form of modern slavery, whether this is human trafficking or forced and bonded labour.

Raising awareness of modern slavery is a priority for our business and key to improving our policies, procedures and systems that tackle these issues as well as ensuring legal compliance in the countries we operate. Training plays an important part of our approach to raising awareness across our operations; with a focus on the areas of our business with a higher potential to face human rights and slavery issues and improving our ability to spot indicators of risk as we maintain and grow our business.

Modern Slavery Awareness Training

In 2017 both legacy companies worked to raise awareness around modern slavery and human trafficking. In legacy Wood Group face to face awareness sessions were conducted with relevant personnel in both our Supply Chain and People & Organisation functions on the new Modern Slavery and Human Trafficking Statement.

In Amec Foster Wheeler this was done in the form of computer-based training on a risk-based approach, targeting individuals in each business with a risk of exposure to modern slavery and human rights issues. This part of our business issued a non-financial KPI within the company's previous sustainability report to achieve a 95% completion rate of targeted employees; this target was reached with awareness training reaching 5,866 employees.

Number of employees in scope:

6,149

Number of employees completing the full training module:

5,866

Percentage complete:

95%

Business collaboration on worker welfare

We recognise the need and importance of sector and cross sector collaboration to have a meaningful impact on modern day issues. We participated in the design of, and are a founding member of Building Responsibly, a global business-led, business-financed initiative formed by six leading engineering and construction companies and launched in March 2017.

The mission:

To promote the rights and welfare of workers in the engineering and construction industry by developing common approaches and standards, sharing learning and tools, and engaging workers and other stakeholders on the specific challenges companies face.

The Focus:

- Recruitment practices
- Working and living conditions:
- Subcontractor and supply chain practices

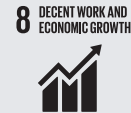
The initiative is facilitated by Business for Social Responsibility (BSR), who hold the Secretariat, with backing from Humanity United.

In 2018 we will look to expand our member base as well as launch our Building Responsibly principles.



Human rights related Sustainable Development Goals (SDG)

An example of some of the SDG targets relative to our business in relation to Human Rights:



8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers

16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children

16.5 Substantially reduce corruption and bribery in all their forms

16.B Promote and enforce non-discriminatory laws and policies for sustainable development

Investing in our people

Operating in over 60 countries, employing around 57,000 people our business relies upon the talent, efficiency and drive of our employees to ensure our collective success and the growth of our business. Wood takes a holistic overview of our people and their capabilities to provide the right people, in the right place, at the right time and at the right cost.

Developing full potential

Our approach

In Wood our talent strategy focuses on identifying, attracting, nurturing and retaining talent across the whole of our business. We believe in promoting a diverse, adaptive and equal culture that ensures a fair and balanced approach to employment and conditions for all.

Building a sustainable workforce

Wood is committed to developing local talent in the regions we operate. Investing in local nationalisation plans not only contributes to the local economy, but benefits the employee, their communities and makes economic sense for our business to grow on a sustainable foundation.

We believe investment in graduate, apprentice and entry level positions will ensure a sustainable future for our company and the industries we are a part of. Focusing on effective recruitment processes from our in-house teams makes us well placed to identify great people aligned to our standards, culture and diverse business. Our focus on improving the efficiency of how we recruit allows us to react faster, become more cost effective, improve the candidate experience and deliver to our customers.

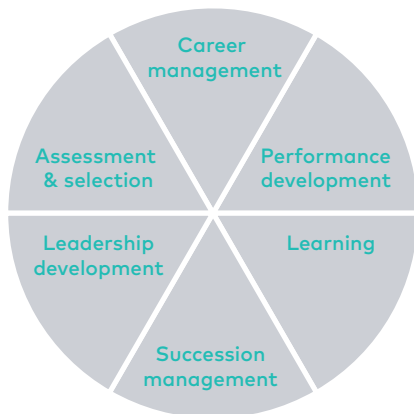


Investing in skills

Identifying performance and potential is vital to ensuring we develop our employees and allow growth from within to fill key leadership and critical roles across Wood. We undertake talent reviews on a regular basis to continually monitor and harness the wealth of experience in our business and ensure continuity of management roles and development of high potential talent. To ensure a sustainable structure we regularly review and adapt our processes to assess their continued effectiveness.

At Wood we take a blended approach to learning and believe 'on the job' experience is often crucial to achieve a more rounded development of skills, knowledge and behaviour to support our employees to reach their full potential; of course, in support of this we have dedicated technical competency and training programs.

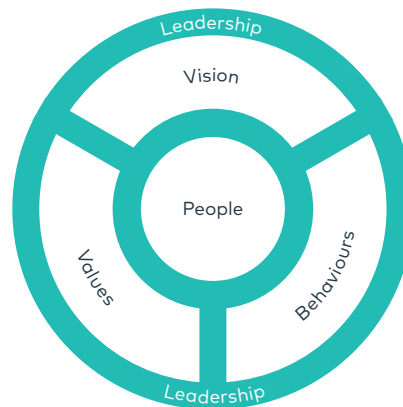
We believe everyone at Wood has the opportunity to grow their own career; for this reason we hold ongoing discussions with employees to ensure their aspirations are aligned with business needs and opportunities. We promote regular discussions between employees and management to encourage constructive dialogue; working towards clear performance goals. We take a coaching method to learning that builds trust and support internally with a focus on regular feedback throughout the year; in turn this builds on our healthy workplace culture and has benefits to both employee and the business in retaining talent. We post internal global vacancies in a central location to provide a fair recruitment process for all.



Workforce engagement

At Wood we aim to create a positive working environment for our employees. We know that an employee, who feels valued and engaged, will positively promote a healthy workplace culture that in turn will benefit not just themselves but our business as a whole.

Culture plays a hugely important part in establishing Wood and critical to our success is employee understanding; alignment and engagement around our vision, values, behaviours; and leadership. The creation and final draft of our vision, values and behaviours was the culmination of six month's engagement with our workforce, involving 5,552 survey responses, hundreds of interviews and dozens of workshops across five continents;



5,552

Survey responses

121

Internal interviews

58

Workshops

20

External interviews

5

Continents

Employee development Sustainable Development Goals (SDG)

An example of just some of the SDG targets relative to our business in relation to investing in our people:



By 2020

8.6 Substantially reduce the proportion of youth not in employment, education or training

By 2030

8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

5.1 End all forms of discrimination against all women and girls everywhere

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

Investing in skills: developing potential



At Wood we believe people are our greatest asset. Our focus on developing talent across the breadth of our business is demonstrated in our approach to how we attract, develop and retain people within our business. Investing in skill sets of our employees reaps rewards for Wood and more importantly the individual.

Attracting talent: graduate development

In 2016 we initiated plans to roll out a graduate development programme in the Kingdom of Saudi Arabia as part of our ongoing commitment to developing local talent in the country. We aimed to recruit five Saudi national graduate engineers into the programme and develop them according to the international standards of the oil and gas industry, while supporting supporting Wood projects in Saudi Arabia.

Following an extensive recruitment campaign and a cycle of assessments, we were delighted to introduce not five, but six highly talented graduates who officially joined our Al-Khobar office in May 2017. The graduates were enrolled into the graduate development programme – a structured two-year development pathway which involves classroom training combined with hands-on experience.

“We have a strong focus on attracting young talent to the industry and having structured programmes in place to support and develop them to their full potential. These programmes link into Wood's continuing investment into Science, Technology, Engineering and Mathematics (STEM) activities, inspiring young people to remain engaged in STEM subjects at school – which we feel is key to the long-term sustainability of the industry”.

Wood People and Organisation Director,
Saudi Arabia



Developing talent: leaders of tomorrow

Sponsored by our leadership teams, the accelerated business manager programme is a 12 month development programme aimed at individuals identified as being capable of undertaking a business/contract manager role in the future. Business/contract managers play a key role to the success of Wood and as such, we need to have a strong pipeline of globally mobile business leaders capable of delivering flagship projects and embracing future industry challenges.

The programme aims to make the most of an individual's potential, talent and experience, while giving them the skills and opportunity to lead Wood into the future and develop their own long-term career.

Individuals are identified via the talent review and development centre processes and nominated by regional management. Once selected to participate in the programme individuals are encouraged to take ownership of their development and progress, and make the most of the exciting opportunities the programme will present.

Throughout the programme participants take part in a combination of stretching assignments, formal and informal learning experiences and mentoring. Assignments are driven by real Wood business priorities and provide individuals with the opportunity for international experience.

The majority of learning will take place on the job by shadowing current business/contract managers; allowing individuals to gain exposure to client and contract management, as well as real responsibility to deliver operationally.

To further support their development, individuals are invited to participate in two formal learning weeks and a number of informal learning initiatives, where the content focuses on leading self, leading others and leading the business.

It is our aim that successful individuals will be placed into a business/contract manager role within two years of completing the programme.

"The programme has been invaluable to me in terms of both development and opportunities. By relocating to a foreign assignment in Kazakhstan, I was not only exposed to cultural awareness and nationalisation challenges, but also to a business stream I was previously unfamiliar with. By rotating around the various departments and spending time in project controls, construction, contracts and project management, I was able to gain a holistic view of the overall project cycle, which I am now putting into practise as a Project Manager"

Programme participant

Investing our skillsets: Partnering with the Prince's Trust

Using the skills and expertise of our people to inspire the next generation is rewarding not just for those on the receiving end but for our employee and their personal development.

Our nuclear business in the UK has worked for some time with The Prince's Trust (Mosaic) which inspires young people from deprived communities to realise their talents and potential.

A number of volunteers from the nuclear business have already participated in mentoring sessions as part of our support to Mosaic's secondary school programme. This offers a package of opportunities that includes inspirational speaker presentations and Mosaic's World of Work (WoW) visits, alongside connecting students to positive role models who combine life experience with a structured programme to help raise their confidence, self-efficacy and future employability. The WoW visits complement our mentoring activities and addresses issues including low motivation, lack of goals and ambitions for the future and lack of awareness of opportunities with local companies.

Wood's WOW day involved a group of students aged 13 to 15 years who were invited to spend a day at our Warrington office and laboratories. The students had the opportunity to safely interact with a range of engineering equipment, completing tasks such as scanning metal to ensure it was free from impurities and constructing a 50cm high tower; testing skills such as innovative thinking, problem solving and efficiency.

"My hope is that by our employees taking the time to engage with the younger generation, we will help them to see that these jobs are attainable and excite them so that they actively pursue careers in science and engineering"

Vice President, Wood Nuclear Service line

STEM: developing the workforce of tomorrow



At Wood we recognise our role in supporting the engineers of tomorrow. People are our business and it is in our interests to maintain and promote the skills pipeline that will make our business and the sectors we work in sustainable now and in the future.

Like many others in our sector we believe early education is key to promoting awareness and helping target the source of any potential future skill gap. Working with schools, colleges and groups we develop and deliver activities that highlight STEM (science technology, engineering and mathematics) subjects in a fun and engaging way. As well as meeting our own needs this work aids the industries we operate in and supports the UN Sustainable Development Goal on quality education.



Commercial greenhouse in Iceland using geothermal energy

Supporting the students at the University of Alberta

Providing mentoring support to students has always been important for Wood. In 2017 when the University of Alberta approached Wood to support their materials engineering course for senior undergraduates we didn't hesitate to get involved. Undertaking a design challenge on geothermal energy, we acted as the customer, defining the scope of the problem and requiring a solution. Currently, geothermal energy is exploited in relatively few locations, but it is a potential source of low carbon energy in many more places.

Large future expansion is possible in some parts of the world, with many hundreds of new wells envisaged. However, to be viable, these facilities require materials that are both reliable and cost effective, while meeting a range of other demands on their performance.

Each year our vibration, dynamics and noise team within AIS hires interns from the University of Calgary's mechanical engineering department for 16 month terms, as well as funding an annual engineering student scholarship. Our experts also provide a guest lecture in vibration.



Supporting STEM in Houston

In 2017 our Houston colleagues celebrated a fifth year volunteering to share their passion for engineering with eager young minds of students between the ages of 10 and 15. Organised by the Boy Scouts of America, the program has so far introduced 300 boys and girls to professions from various industries to learn how they apply science, technology, engineering and math (STEM) in the workplace.

Wood provides students in Katy, Texas, with an overview of engineering in the oil and gas industry over two organised semesters per year. Each semester has four sessions: Offshore Facilities, Subsea, Onshore and Automation, which cover some of Wood's core business divisions. Held at the Wood Park Ten campus on the west side of Houston, each session has a set agenda with an introduction, safety moment, ice breaker, presentation, activity and closeout.

"The overall intent of the program is to educate, enthuse and energize students about the activities engineers perform. In addition to the engineering topics, we try to incorporate a sense of collaboration, communication and teamwork as running themes throughout the semesters."

Program manager and Wood's subsea support team lead

Also in Houston, Wood took part in Girls Exploring Math and Science (GEMS), one of Houston's most notable events for exposing young women to STEM. The event, hosted at the Houston Natural Science Museum by the Girl Scouts of San Jacinto Council, brings together local STEM organisations and companies that offer fun activities and demonstrations for kids of all ages, while middle and high school students compete by presenting their own STEM projects. GEMS welcomed more than 1,700 visitors this year and the Wood table allowed them to create their own lava lamp using a test tube, coloured water, oil and Alka Seltzer. Our experiment was a resounding success!

Introducing girls to women role models in STEM industries is a vital part of how we will be successful in helping women to join and stick to STEM careers. This is important not only to our industry, but also to our future success as a company.

"GEMS is really a good way to introduce girls to science. It was very interactive and entertaining such that (hopefully) more girls will go into the STEM field. Overall, it's a really good event to attract kids to be more interested in science. So, they know science is not boring, but interesting!"

Wood sr. process engineer



Supporting tomorrow's engineering week and the women engineering society

Our colleagues in North East England, UK supported tomorrow's engineers' week in November 2017 through creating their very own Lottie doll, helping promote the #Lottietour in partnership with the Women Engineering Society (WES).

Created to empower children to be them-selves, Lottie dolls are made to look like children reflecting a balance of gender, ethnicity and ability. The dolls are aimed at engaging primary school girls in engineering and STEM; if a young girl can see a doll that looks like them, taking part in real-life STEM activities, then they can start to imagine themselves going into STEM, and hopefully install a passion as they progress through school and future careers.

Our doll Mia wears a cochlear implant, which is part of her story rather than a focal point. Mia was created through a collaboration with 'Toy Like Me', a not-for-profit organisation, campaigning for diversity in the toy-box ; promoting better representation of disabilities. Mia had a busy week as she travelled to site in a Wood van, climbed an overhead line, reviewed drawings and attended an event. Throughout the week Wood posted on social media providing updates on Mia's adventures.

Diversity & Inclusion

Wood is committed to creating a more diverse workforce and inclusive environment, where diversity of thought is both encouraged and enabled throughout our business.

Our customers, suppliers and shareholders are increasingly global and diverse. By attracting and retaining the best people from the global talent pool, creating a variety of perspectives that stimulates greater creativity and innovation, we will be better placed to understand, respond and deliver to their unique expectations. In turn we will become a more sustainable, resilient and profitable business.

Our diversity and inclusion efforts are centred on the following areas:

- Leadership and vision
- Communication and engagement
- Culture and behaviours
- Recruitment and talent management
- Business development
- Community impact
- Measurement and evaluation

Each area of focus is founded on the principles that we encourage fair employment practices worldwide, offer equal opportunities to all our employees and that meritocracy drives our actions, decisions and employee advancement.

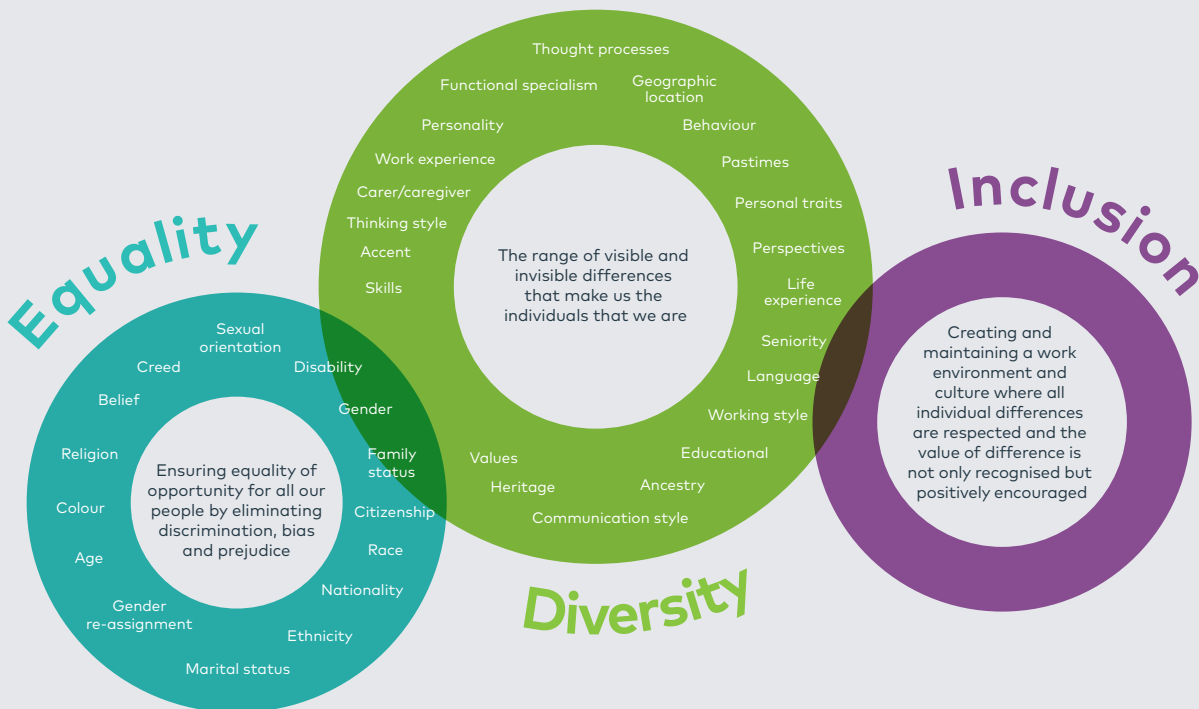
Gender Diversity Performance

In 2017 we continued our focus on gender diversity, in particular at a leadership level. We believe in the benefits a broad range of backgrounds, experience and thought can bring to the management of our operations.

Gender diversity



	Male	Female
Board	67%	33%
ELT	70%	30%
Leadership team (incl. ELT)	72%	28%
Functions	62%	38%
Operations	95%	5%





Supporting the wider Global Sustainable Development Goals (SDG)

An example of just some of the SDG targets relative to our business in relation to diversity and inclusion:



By 2030

10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

Building a diverse and inclusive workplace



We embrace diversity and promote an inclusive environment that respects, welcomes and encourages our people to contribute to our success. We believe that to develop our business and our people we need to provide the opportunity for all to contribute; ensuring we are better prepared to understand and deliver to our customers, In turn providing us a more sustainable and profitable business.

Our aim to build an inclusive working environment is evolving and we are committed to remaining curious and learning from our people.

Strengthening our trades

At Wood we recognise the benefits a diverse workforce can bring to our projects. We believe striking a better gender balance in our resource sector leads to improved safety, workplace relations and team performance by introducing a variety of opinions, backgrounds and thinking styles which contribute to better decision making. This is perhaps best demonstrated on our Hebron project, Canada. Underpinned by a strong diversity programme – which has achieved 18 percent / 240 female employees – the team recently set a safety record of 40 million man hours without an LTI.

In Australia women make up 49.7 percent of the overall Australian workforce across all industries, but within technicians and trade the split is 88 percent male and 12 percent female.

In 2017, we saw one example from our business demonstrate this commitment to diverse opportunity; at a petrochemical refinery in Queensland, Australia where Wood provides ongoing electrical and mechanical maintenance services along with projects and shutdowns. For the shutdown project we were able to successfully source a blue collar team that comprised of 20 percent females.

Also in Australia, but slightly further north at another Wood contract a winter maintenance campaign completed with a team made up of 16 percent female trade hires.

Inclusive diversity is the alignment of Wood's practices, leadership, culture, values and systems to create an environment where employees feel respected, valued and included in the organisation. An inspiring vision, one that we will continue to champion when mobilising for future projects across our business.



When diversity becomes part of our DNA

At the end of 2016, the Tees Valley diversity and inclusion committee set themselves a number of actions, one of which was to try and obtain the UK Government's 'disability confident' accreditation.

The disability confident scheme analyses how a business attracts talent, as well as how they retain and develop staff. It aims to ensure that employers support existing employees who have a disability or long-term health condition, and ensure their skills and experience are both retained and developed, as well as ensuring that recruitment processes are as inclusive and accessible as possible.

Legacy Amec Foster Wheeler was awarded the disability confident committed accreditation in 2017 as a result of the dedication and passion employees have for creating a diverse and inclusive workplace.

"This reflects the best kind of Diversity & Inclusion, where it's in the DNA of our people, who take the initiative to make things happen because they believe it's the right thing to do and feel passionate about it"

Wood senior vice president, People & Organisation, Oil, Gas & Chemicals



Building equality

Wood's aim is to promote a safe, inclusive and diverse working environment that encourages a culture of respect and equality for everyone regardless of their sexual orientation or gender identity. For the second year we took part in London Pride Parade on July 8th 2017; taking to the streets of London to celebrate LGBT culture. The theme for the year was #lovehappenshere, in recognition of the fact the global battle for true equality is far from over, and rights hard won can be threatened, attacked and taken away.

Representatives from different parts of our business marched as part of a much larger #BuildingEquality group, which included many of the big engineering and construction companies in the UK. Although we are competitors in the work field, there was no competition between the groups on the day – just a good amount of laughter, great discussion and a huge desire to show how diverse and progressive our industry can be.

"It was indeed a very positive experience, a great feeling of inclusion and unity and positive energy. I'm not sure I've ever seen so many smiles in one day. I am very grateful I could be part of this"

Wood employee, London Canary Wharf office



Supporting indigenous youths

In our Australia business Wood was proud to announce a two year charitable partnership extension with the Girls Academy.

Wood first entered into our partnership with Role Models and Leaders Australia (RMLA) in February 2016 to support their Girls Academy programme across 40 sites Australia-wide.

The Girls Academy mission is to develop and empower Aboriginal high school girls through leadership training, mentoring, sport and extra-curricular programmes. To date, Wood has offered opportunities to Indigenous girls, including site tours of oil & gas facilities, career advice and coaching, provision of iPads and financial assistance of AUD \$60,000.

In our next chapter of partnership, Wood's goal is to help create and embed an environment within schools where Indigenous Australian girls receive the support needed to help them realise their full potential, all in support of the Girls Academy's adage: Develop a girl, change a community.

Health, safety & security of our people

Our expectation is simple, that wherever we work, our people are secure, injury and ill health free. Ensuring that our people don't get hurt does not happen by chance - we plan for success.

We have an HSSEA culture where strong leadership, personal accountability and a commitment to achieving excellence in HSSEA are the anchor points for how we conduct our business. We have a roadmap for improvement where we acknowledge our challenges, learn from each other and drive best practice.



Health and wellbeing at Wood

For Wood, sustainability is not just about putting measures in place to have a healthy workforce but also about supporting healthy communities in the areas that the organisation operates.

Already within the two legacy operations localised health initiatives have successfully raised overall health awareness.

However the joining of the two organisations has now given the opportunity to develop a global occupational health and wellbeing strategy that not only focuses on the traditional occupational health hazards, but also on improving the wellbeing of staff and of the communities it operates in as well. 2018 will see the roll out of 13 Occupational Health Standards to direct how, on a global scale the health of our people will be managed and supported going forwards in Wood.

The Wood global occupational health strategy has been built on a four cornerstone model on which a sustainable improvement on health and wellbeing can be achieved through better understanding of the health hazards faced in the organisation, better decision making through use of the Occupational Health Standards in mitigating against the health risks faced and increased understanding of health matters across the whole organisation.

The use of health focal points in all parts of the business to help raise awareness on occupational health and wellbeing will help strengthen the key preventive and proactive measures necessary to combat both communicable diseases seen within the organisation and reduce the burden of ill-health as a consequence of hazardous exposures; it will also promote healthy lifestyles to support both physical and mental wellbeing.

'The wealth of business depends on the health of the workers.'

World Health Organisation

Health and Safety related Sustainable Development Goals (SDG)

An example of just some of the SDG targets relative to our business in relation to health and safety

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



By 2020

3.6 Halve the number of global deaths and injuries from road traffic accidents

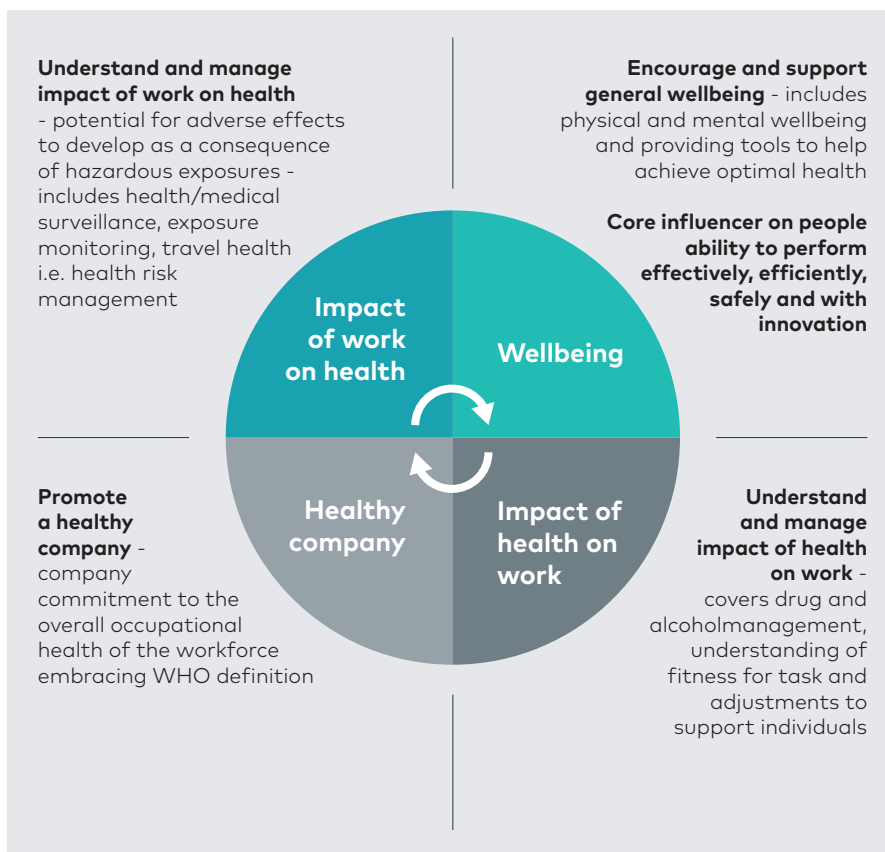
By 2030

3.3 End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases

3.4 reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being

3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

8.8.1 Protect labour rights and promote safe and secure working environments for all workers



Safety and security at Wood

At Wood we care and stay focused by always talking about safety, we help to look after ourselves and one another.

Our HSSEA management system provides the framework for how we lead, plan and organise ourselves to ensure HSSEA risks are controlled and to deliver continuous improvement in our HSSEA performance. Our HSSE policy sets out what we will do to ensure that our people have a safe, healthy and secure workplace and the methods by which we will do this.

Stand up for Safety

Our Stand up for Safety campaign brings us together as a team of 57,000 colleagues with one, shared goal - to keep safety at the heart of every conversation we have. Let's collectively have the courage to care. We've analysed our HSSEA data and have been and will continue to focus on common key safety challenges we collectively face as a global business: dropped objects, driving, working at height and process safety.

Safety Essentials

Behaviours directly influence the way we work, the way we do things and the way we follow processes. The Wood Safety Essentials raise awareness of how the right behaviours can help prevent incidents and improve our safety performance. They are designed to complement our Life Saving Rules and apply to all office and site personnel.



Leadership for safety

We all have collective responsibility towards ourselves and our colleague's safety. We recognise not only our employee's personnel responsibility for safety, but the role of our leadership to instil a safe working culture and behaviours that sustain our business and the safety of our operations.

Since the formation of Wood we have placed a focus on ensuring our leaders are both visible but outspoken on safety, at a time of great change we recognise we need to maintain our focus on retaining a safe and secure workplace environment.

Wood has a focus on ensuring our people at all levels are equipped with the tools, skills, knowledge, training and competence to deliver the commitments made in our HSSE Policy and management system. In particular our front line leader programme which was designed to help our leaders lead others, the business and themselves in fostering a culture for care. Leadership training for HSSEA will continue to evolve during 2018 with a clear line of sight to our vision, values and behaviours.

Life Saving Rules

Our Life Saving Rules are there to help us plan and control our work safely providing a minimum standard to which everyone is expected to comply. They raise awareness of the activities that are most likely to result in fatalities and the simple actions individuals can take to protect themselves and others. The adoption and enforcement of our rules helps us to ensure the safety of everyone that works with Wood.



Wood HSE performance (employees and subcontractors)

A key priority of integrating our business has been to combine our safety data; giving our business oversight of our collective performance and key areas of risk.

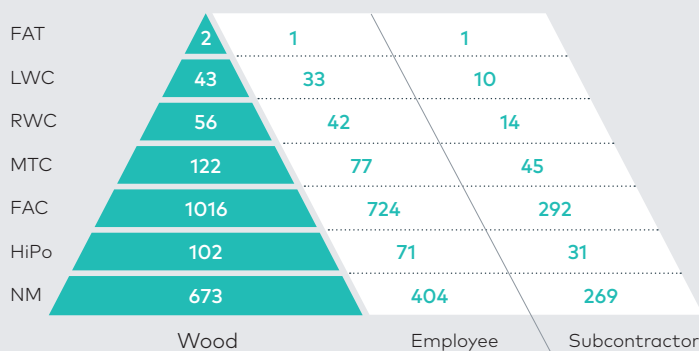
Key performance indicators

	Wood	*LWCF	*TRCF	*AIFR	Hours
2017	Combined	0.25	1.27	7.08	174,930,763
	Employee	0.24	1.13	6.50	134,867,536
	Subcontractor	0.25	1.75	9.04	40,063,227
2016	Combined	0.30	1.38	7.49	222,967,216
	Employee	0.31	1.26	7.31	162,464,304
	Subcontractor	0.26	1.69	7.98	60,502,912

Reporting overview

	Reports Raised 2017	Harm to People	Asset Damage	Environmental	Security
Employee	2515	56%	32%	10%	2%
Subcontractor	914	64%	28%	6%	1%
Combined	3429	58%	31%	9%	2%

Incident classification by Combined / Employee / Subcontractor



*Lost Work Case Frequency (LWCF)

Total Recordable Case Frequency (TRCF)

All Injury Frequency Rate (AIFR)

Although reporting a reduction in Total Recordable Case Frequency in 2017, we sadly saw two fatalities in our combined business; one in the first quarter of the year, prior to the combination of both legacy companies and one in the last quarter, as the newly formed Wood.

Both fatalities have spurred learnings that we will take forward into 2018 as we further integrate our legacy businesses. At Wood we truly understand that people are our biggest asset and safety must always be our priority.

Key findings

2 Fatalities

Tragically Wood lost two of our colleagues in 2017. Both of which were transport related.

3429 Incidents

There were 3429 incidents reported in 2017 this is a 15% reduction from 2016 (4052) this correlates with a 17% decrease in our exposure hours during the same period.

16% Reduction in LWCF

There has been a positive 16% reduction in our LWCF (0.3 in 2016 down to 0.25 in 2017). Coupled with this is a reduction in our TRCF and AIFR which respectively decreased by 8% and 5.5%.

94 High potentials reported

HiPo's for Wood employees reduced from 96 in 2016 to 94 in 2017.

Driving/vehicle related incidents remain our top incident type in 2017.

Human factors was our most common immediate cause in 2017 and Tools, plant and equipment the most common root cause of incidents.

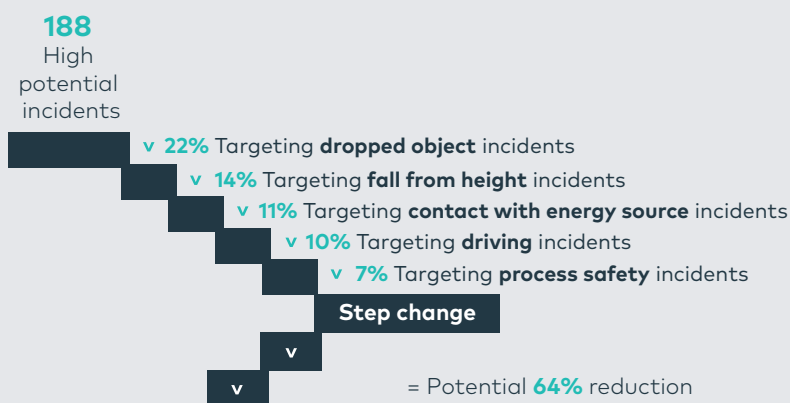
High potential incident overview (employees and subcontractors)

High potential incidents are those events that could, in slightly different circumstances realistically result in serious injuries or one or more fatalities. Investigating and understanding our high potential incidents allows us to form a picture of the effectiveness of our management systems and ensure our efforts are best placed to target our high risk areas.

	Wood	High Potential Freq	No of High Potential Incidents	Hours
2017	Combined	0.58	102	174,930,763
	Employee	0.53	71	134,867,536
	Subcontractor	0.77	31	40,063,227
2016	Combined	0.47	105	222,967,216
	Employee	0.45	73	162,464,304
	Subcontractor	0.53	32	60,502,912

Targeted focus on high potential incidents in 2017

The safety staircase has been designed to be a simple illustration of the top 5 high potential incident types that have occurred in our business in the previous 24 months. The staircase demonstrates the percentage improvement we could achieve by tackling our key risk areas on a prioritised basis, for example on our 2017/18 data; If we focus on dropped object incidents we could reduce our high potential events by 22%, targeting fall from height related events would reduce this number by a further 14% and so on. This analysis was shared across our business in the early weeks of forming Wood as a mechanism to focus on our key areas of concern and drive targeted focus within our business.



Key findings

High potential incident reporting has remained relatively static over the previous 24 months (105 in 2016 and 102 in 2017); although with a reduction in exposure hours this has resulted in an increase to our high potential frequency.

68%

of our high potential events reported risked harm to people – of which 40% resulted in actual injuries being reported.

1/5

Just over one fifth of high potential incidents reported cited risk management as the top root cause.

43%

Over 43% of employee high potential incidents cited human factors as an immediate cause, mirroring 2016 performance.

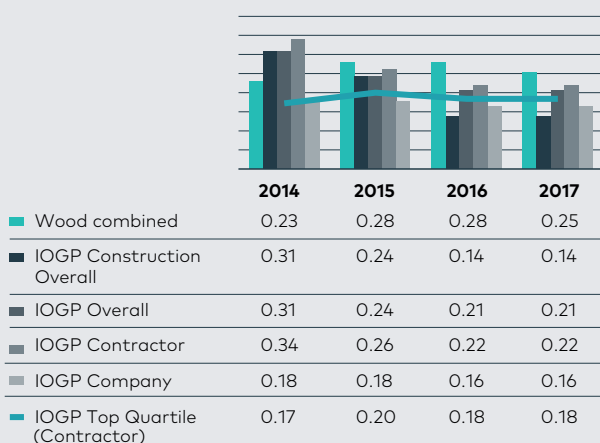
Benchmarking performance

We benchmark our performance against our peers and the industries in which we operate using both the Lost Work Case Frequency (LWCF) and Total Recordable Case Frequency (TRCF) rates. Benchmarking allows us to gauge our performance relative to other similar entities.

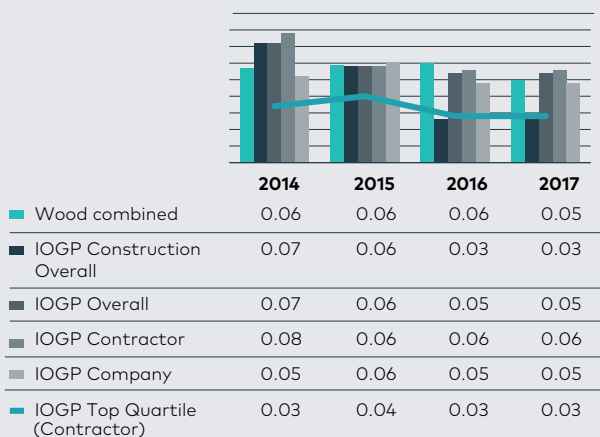
The International Association of Oil & Gas Producers (IOGP)

The Global Oil and Gas Industry trade association (IOGP) is the voice to the global oil and gas industry representing members producing 40% of the world's oil and gas. IOGP publish annual safety performance data showing the performance of their members. IOGP figures are only published to 2016 and projected onto 2017.

Wood TRCF IOGP comparison



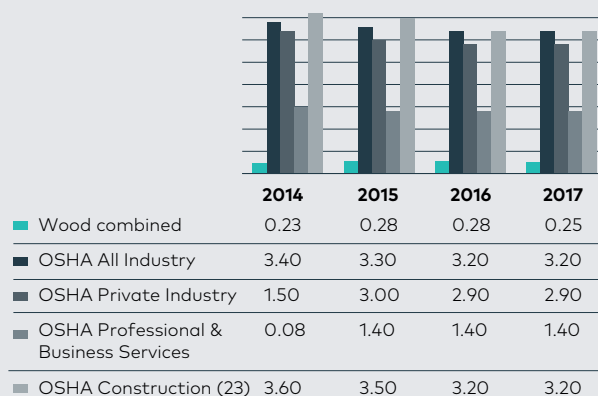
Wood LWCF IOGP comparison



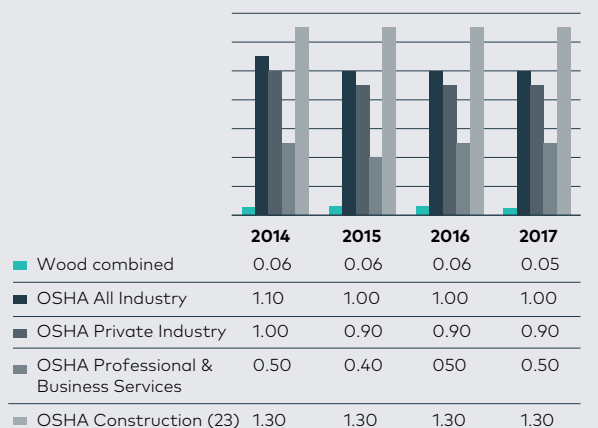
Occupational Safety and Health Administration (OSHA)

OSHA is the occupational safety and health administration under the United States Department of Labour. Set up to assure safe and healthy working conditions for working men and women, by setting and enforcing standards as well as providing training, outreach, education and assistance. Our internal reporting methodology is aligned with OSHA reporting. OSHA figures are only published to 2016 and projected onto 2017.

Wood TRCF OSHA comparison



Wood LWCF OSHA comparison

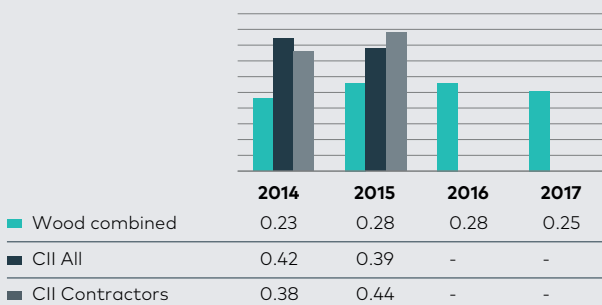


The Construction Industry Institute (CII)

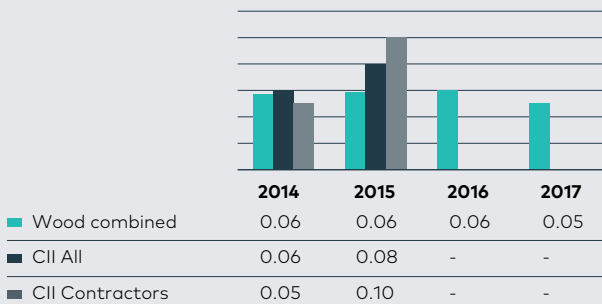
Based in Austin, Texas, The CII, is a consortium of more than 100 owner, engineering-contractor and supplier firms for both the public and private sectors. Providing a forum for researching and sharing best practice, the group aims to enhance the business effectiveness and sustainability of the capital facility life cycle through CII research, related initiatives, and industry alliances.

CII data is only published to 2015. Construction comparisons have also been made against OSHA, IOGP and CII.

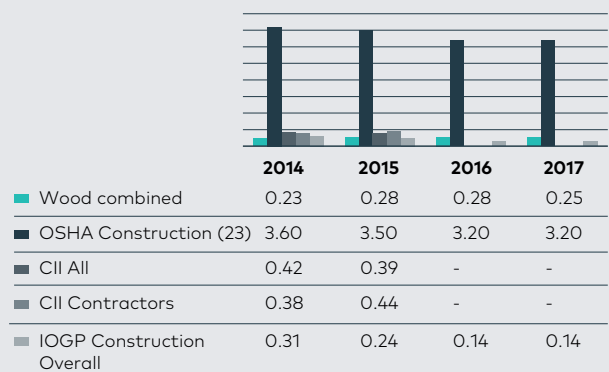
Wood TRCF CII comparison



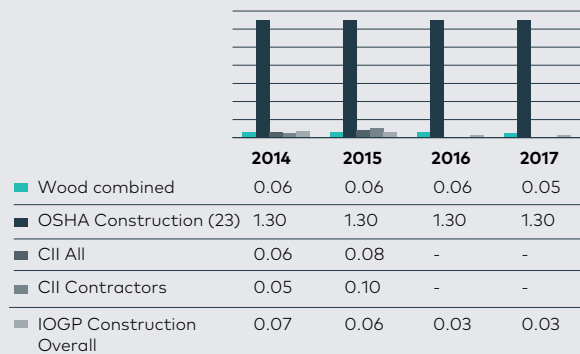
Wood LWCF CII comparison



Wood TRCF construction comparison



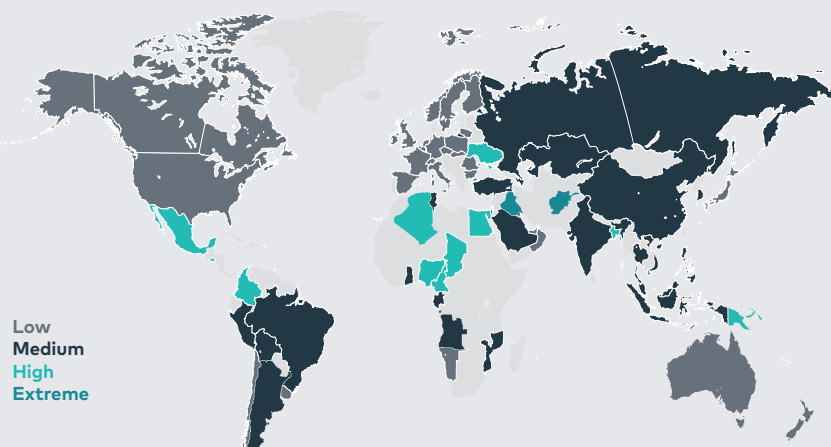
Wood LWCF construction comparison



Security of our people

Wood's security team provides the tools necessary to secure Wood's global business operations, while simultaneously focusing on preparedness in order to safeguard our people, assets, and reputation.

Country risk map



Low

Australia
Belgium
Brunei
Bulgaria
Canada
Chile
Czech Republic
Finland
France
Germany
Guam
Ireland
Italy
Japan
Lithuania
Marshall Islands
Namibia
Netherlands
New Zealand
Norway
Oman
Poland
Qatar

Romania
Saint Lucia
Singapore
Slovakia
Spain
Sweden
Switzerland
United Arab Emirates
United Kingdom
United States
Uruguay
Wallis and Futuna

Medium

Angola
Argentina
Azerbaijan
Bahrain
Bolivia
Brazil
China
Gabon

Ghana
India
Indonesia
Israel
Kazakhstan
Korea, South
Kuwait
Malaysia
Mozambique
Peru
Philippines
Puerto Rico
Russia
Saudi Arabia
South Africa
Thailand
Tonga
Trinidad and Tobago
Tunisia
Turkey
Vietnam

High

Algeria
Bangladesh
Cameroon
Chad
Colombia
Egypt
El Salvador
Mexico
Nigeria
Papua New Guinea
Ukraine

Extreme

Afghanistan
Iraq

Security risk management at Wood is led by the Group head security and represented on the executive leadership team (ELT) by the Group head HSSEA. The primary points of contact for specialist security advice are the Group security directors, ensuring that security is effectively managed across the business.

2017 highlights

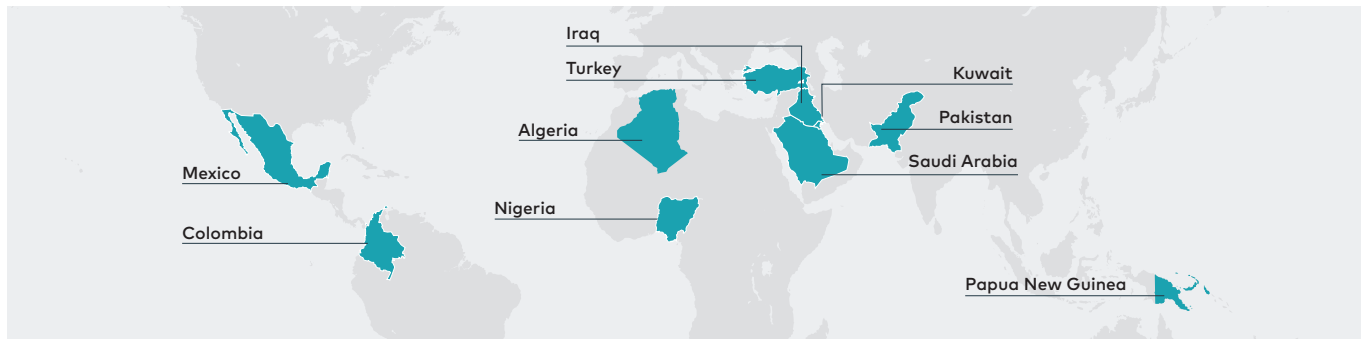
- Crisis management Training (CMT) exercise conducted with the ELT.
- Rollout of mandatory travel security e-learning and workshops in US and UK
- Provision of security support in countries Wood has not previously conducted operations
- Security workshop held in Colombia following the Revolutionary Armed Forces of Colombia, or FARC peace agreement

Looking forward

In 2018, security will focus on the following:

- Improve crisis management and emergency preparedness capabilities across the business
- Implementation of a unique global security system
- Securing engineering centres and data centres to minimise business disruption during security emergencies.
- Harmonise contracts with travel security providers to enable better business travel accountability
- Rollout of new security website

Countries in focus for 2018:



Case Studies:



Mexico

Mexico remains an important country of business in the Americas regions, as it currently houses several Wood offices and multiple projects from several business units. In 2017, Mexico experienced a significant increase in violent crime levels due to the ongoing conflict with organised crime. As such, Wood security provided continuous support to all levels of business in Mexico throughout the year. In addition to existing travel security protocols, Wood security introduced active travel monitoring, which has enabled better journey management for business travellers in Mexico. Project support also remained paramount, with Wood security involvement on major E&IS and AS Americas projects in Ciudad Madero/Tampico, as well as various short-term projects located throughout the country.



Pakistan

In 2017, Wood security supported STS' clean energy team activities in and around the commercial capital Karachi. While STS does not have a permanent in-country presence, there are frequent short-term assignments to wind, tidal and solar fields approximately 100km outside of Karachi. A potent and diverse range of security threats exist in Karachi, including terrorism, crime, kidnapping and civil unrest. While there was a downward trend in the number of terrorist attacks in Pakistan over the past couple of years, militant groups retain the capability and intent to carry out indiscriminate attacks against both soft targets and high security facilities. Wood security visited Karachi early in 2017 and conducted various security assessments, including accommodation, journey management and third-party security providers. A risk treatment plan was subsequently devised to eliminate and minimise security risks, thereby ensuring the safety of Wood personnel working in Pakistan.



Kuwait

Wood security support for both the clean fuels and Al-Zour refinery megaprojects began in 2017. Although Kuwait is not considered a high risk country for business operations, securing both projects presented a massive undertaking nevertheless. As part of the awarded work, Wood assumed all responsibility for security operations on behalf of the client. This included the design and implementation of on-site security systems, the selection of third-party security contractors, and the addition of dedicated, in-house security managers for both projects. Ultimately, support from Wood security enabled both project teams to overcome key challenges and create a secure work environment for all.

Promoting health and wellbeing



At Wood we understand that to create a sustainable future, we have a duty to protect, nurture and support our people and communities. The care, courage and commitment we show towards others is demonstrated in the actions we take to support our fellow employees and the communities around us.

The journey of Jubilee Hope

Wood has supported the Vine Trust since early 2013. Our ongoing relationship has reaped rewards not just for the charity and its work but the many volunteers from Wood who over the years have demonstrated their care and commitment to helping those less fortunate. One such project we are particularly proud to have worked on was the launch of Jubilee Hope. A former Royal Navy Tender, Jubilee Hope was refitted as a mobile clinic with a small operating theatre and dental surgery at the end of 2013. Providing a range of primary healthcare services, including General Medicine, Dentistry, Mother & Child clinics, and HIV testing/treatment. Jubilee Hope conducts more than 100,000 consultations annually for some of the estimated 450,000 people in the area who have little or no access to medical care.

How did we get involved?

Wood supported the Vine Trust at the early stages of this project, sending a team of experts to Mombasa to safely deconstruct the boat for transportation as it travelled onto

Kisumu, Kenya. It took 250 days, 9,000 miles and support from volunteers and corporations alike to see Jubilee Hope launched into the waters of Lake Victoria in October 2014. Today the Jubilee Hope continues to provide vital support to the communities around Lake Victoria, with the HIV/Aids epidemic in Tanzania affecting 1 in 20 of the country's citizens it is one of the primary health issues the team onboard the Jubilee Hope face; with an estimated 20-30% of people in the fishing communities around Lake Victoria living with HIV. To date the Jubilee Hope has treated over 1.4 million people, who otherwise would have no access to health care.

To date Wood has successfully raised more than £250,000 for the Vine Trust, helping to support the building, transport and maintenance of Jubilee Hope as well as providing building materials for homes and orphanages as part of their volunteer programme in Tanzania and Peru. We are particularly proud to have played our part at the very start of the Jubilee hope story and continue to watch its progress as the vessel goes from strength to strength.



Supporting Men's Health

Founded in 2003, in Australia, the Movember Foundation places a focus on addressing some of the biggest health issues facing men: prostate cancer, testicular cancer, mental health and suicide prevention. The movement has grown exponentially – and globally – since its early beginnings largely because of the universal icon representing the epitome of manliness: the moustache! With prostate cancer rates set to double in the next 15 years and testicular cancer rates already doubled in the past 50 years, we can't afford to stay silent.

Wood has participated in Movember since 2011 with employees raising more than £200,000 to support men's health. In 2017, 49 of our committed employees grew a moustache, participated in the 'Move' challenge and helped raise awareness for men's health by speaking to their friends and colleagues. Thanks to their collective efforts, the teams raised more than £5,186 (US\$ 6,942) and covered over 367 kilometres (228 miles) in support of men's health; showcasing the true courage, care and commitment of our employees.

Stand Up for Safety



We have a strong safety culture that is reflected throughout all our operations globally. We have people, teams and leaders committed to protecting and improving conditions for everyone Wood works with. We are proud to have been recognised both by clients and industry bodies for our proactive, innovative and caring approach.

Celebrating safety excellence

What have we achieved?

External recognition

Kelchner, a civil construction division of Asset Solutions Americas, recently earned three prestigious awards from the Ohio Valley Chapter of the Associated Builders and Contractors (ABC) trade association. The Excellence In Construction (EIC) awards honour the nation's most innovative and high-quality construction projects, safety programs and diversity programs.

Kelchner was awarded:

- 2017 Safety Training Evaluation Process (STEP) Award: STEP Platinum Safety Award (first time in company history)
- 2017 Eagle Award: Project: Allen Rd., Windisch Rd., and Civic Center Blvd.
- 2017 Award of Merit: FedEx Hub Expansion

Kearl team wins ExxonMobil President's SSH&E Award

In early 2017, our team working at the Kearl oil sands mining and extraction plant, north of Fort McMurray, Canada was selected to receive the 2016 ExxonMobil Development Company President's Safety, Security, Health & Environment (SSH&E) award. Wood has been working with ExxonMobil and several other contractors on the Kearl projects for more than 10 years. The Kearl site is one of Canada's largest open-pit mining operations.

"The Kearl projects also received this award in 2012 and it's fantastic to see a repeat award through consistently setting the bar for outstanding SSH&E performance! The Kearl suite of projects executed more than 15 million hours without a lost-time incident. Everyone on the team should be extremely proud of this outstanding achievement."

Wood senior vice president, Canada



Internal recognition

Our Papua New Guinea (PNG) contract team delivers projects and maintenance services across diverse and challenging geographical environments.

The team were internally nominated for their significant improvement in safety performance. Their efforts resulted in 50% less injuries against 700,000 exposure hours. The team also achieved ZERO recordable injuries

Milestone Achievements

In 2017 our industrial services team in the UK achieved a significant milestone and external recognition.

More than 2000 employees in the service line work on sites across the UK and Ireland including shipyards and docks, offshore platforms, power stations, construction and manufacturing sites, and reached six million man hours with no recorded lost work cases in November.

The team also received a highly commended award from the UK's National Association of Scaffolding Contractors (NASC) in recognition of their behavioural safety initiative, leadership commitment and continuous drive to create a safe working environment for employees when erecting and dismantling scaffolding, for customers, third-parties and the general public.

Focus on operational safety

Setting the scene

Towards the end of 2015, Wood was awarded an engineering, procurement and construction management contract with a large scale operator to complete a lube oil and grease plant project.

Unusually, the client replaced the incumbent contractor two thirds of the way through construction and the team had to assess the outstanding work, and present a plan to complete the remainder of the unique and complex project.

What did we do?

We had to quickly ramp up the site team (over 100 Wood personnel) to manage concurrent engineering and construction work involving 20 (mostly unfamiliar) implementation contractors on-site who were spread over four hectares, and a contractor workforce of about 1,200.

During 2016 and into 2017 our site team, with corporate support, responded quickly to bring this complex and unique project to completion. The lube and grease plant were successfully commissioned and are both now operational.

The major challenge on this project was to maintain safe and efficient operations, while delivering a complex and challenging scope of work. Active engagement of the workforce and a focus on improved Pre-Task Talks (PTT) or Hazard Identification for Total Safety (HITS) tools were key factors in achieving a safe working environment.

Making a difference

Over the span of the contract the team achieved seven million man-hours without an LTI and three million hours with zero recordable injuries.

This project and many others like it across the breadth of our operations showcase our vision, values and behaviours in action; our courage to rise to the challenge and our collective care and commitment towards safety at all times.

3 million
man hours

Zero injuries reported

7 million
man hours

Lost work case free

Investing in our communities

Investing in our communities contributes to building a sustainable future that aims to address local and global challenges. At Wood we believe our role extends beyond the donation of money, just as important is how we show up in the communities we are a part of.

We care about the communities in which we operate and recognise our responsibility to respect, nurture and empower the people and locations we impact. Our continued commitment and support to a wide range of causes close to the hearts and minds of our employees truly demonstrates the difference we make to our shared communities.

This year has been one of change as Wood Group and Amec Foster Wheeler combined to create Wood; however one thing that hasn't changed throughout our transition is our compassionate and caring colleagues who strive to help others less fortunate.



Governance

Our charitable giving and community investment efforts are in line with our global community investment policy and overseen by the global community investment committee. The committee is chaired by the executive president HSSEA and supported by a global sustainability champion from each of our internal business units, nominated by a business unit CEO. We understand the need for group wide consultation on community investment so that we best engage our workforce on the causes close to their hearts. In 2018 we will work on expanding our global community investment committee to help drive locally driven decision making. Our global community investment committee will administer budget allocation on a business unit basis, taking into account our global employee headcount to provide a fair and consistent approach to our budget spend each year. Once our global committee approval process has had time to embed, we will look at how best to expand the governance of community investment and provide greater ownership to our regional businesses on how they engage with our community investment programme.

The donations we make benefit legitimate charitable organisations and causes, consistent with our code of business conduct that help support the environment around us, better the economic situation of those in need and address social development.

Our approach

We have taken a three tiered approach to community investment at Wood and will look to embed this as we roll out our community investment strategy in 2018.

Match funding – Employee personal choice charities

This requires active engagement of our employees in fund raising to which Wood will contribute up to a capped amount. This method of charitable funding engages the greatest number of people in a meaningful and tangible way which can be replicated across our global organisation.

Global strategic cause - Uniting our business behind a global cause that demonstrates we are stronger together and can show measurable impact across our global business

Aligned to the UN sustainable development goals, employees have been asked to decide our global cause as part of a global engagement plan and once chosen each business unit will be given the challenge on how they best support the global cause.

This method allows us to unite our employees around the United Nations Sustainable Development Goals making a direct link between Wood and the wider sustainability agenda.

Volunteering – Showing up in the communities we operate in and not just providing monetary benefit but our time, skills and resources.

Following on from the selection of our global cause, volunteering will be the next element of our community investment programme; driven by the business units, each will be challenged to demonstrate their action and how best they can engage employees at a local level to get involved and support their communities, the global cause and demonstrate Woods' support for the United Nations Development Goals.

Continual investment in our communities

Throughout the year, we supported a range of good causes close to the hearts of our employees. Our amazing people have run marathons, cycled huge distances and organised bake sales to raise funds among many other examples.

Some truly amazing organisations have benefitted throughout the past year including SOS Children's Villages supporting orphaned children across the world, Vine Trust helping people in Tanzania and Clontarf Girls Academy in Australia to name a few.

2017 community investment statistics

£535,181

Charitable donations made by Wood (GBP)

6,926

Employees involved in volunteering

23,439

Total hours volunteered

Community related Sustainable Development Goals (SDG)

Our community investment efforts can be widespread but the SDGs most relevant to our business and an example of relevant targets include:



Ensure healthy lives and promote well-being for all at all ages

By 2030

3.3 End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases

End poverty in all its forms everywhere

By 2030

1.1 Eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day

Make cities and human settlements inclusive, safe, resilient and sustainable

By 2030

11.1 Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

By 2030

4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

Hurricane Harvey

Hurricane Harvey was a devastating storm that hit our people in Texas on August 25 2017. Wind speeds ranging between 131-155 miles per hour caused catastrophic damage in the region of \$125 billion dollars.

Over 250,000 people were left without power while the storm swept across the Houston area over four days. Highways became waterways and areas as large as New York City and Chicago combined were left underwater.

Wood have over 8,000 employees living in the Corpus Christi, Rockport, Kennedy, Houston, Lafayette areas as well as offshore in the Gulf of Mexico. Fortunately all our employees remained safe following the storm; many lost their homes, some lost their vehicles and more than 100 suffered severe flood damage to their homes.

What did we achieve?

Wood started a 'Hope after Harvey' initiative to allow volunteers from across our global business to make connections and support their fellow colleagues. Employees opened up their homes, shared their vehicles, donated clothing, loaned their tools and cooked meals. Volunteers ripped up wet carpet, sledge-hammered sheet rock, power washed mouldy driveways and collected rubbish left in the wake of the disaster.

The help and commitment shown truly demonstrates how much we care about our co-workers, neighbours, family and friends at a time of need.

Financial support was one of the most crucial needs arising from the aftermath of hurricane Harvey; allowing families to provide food, clothes, temporary housing and other essentials that we take for granted until disaster strikes.

The 'Hope after Harvey' campaign helped raise funds through Community Heartreach, our registered charity; helping connect volunteer offerings with peoples needs as the recovery efforts swung into effect. With more than 200 employees volunteering their time and resources our people truly showcased our values in motion; showing compassion and care at a time of real need.

155 mph

Wind speeds

250,000

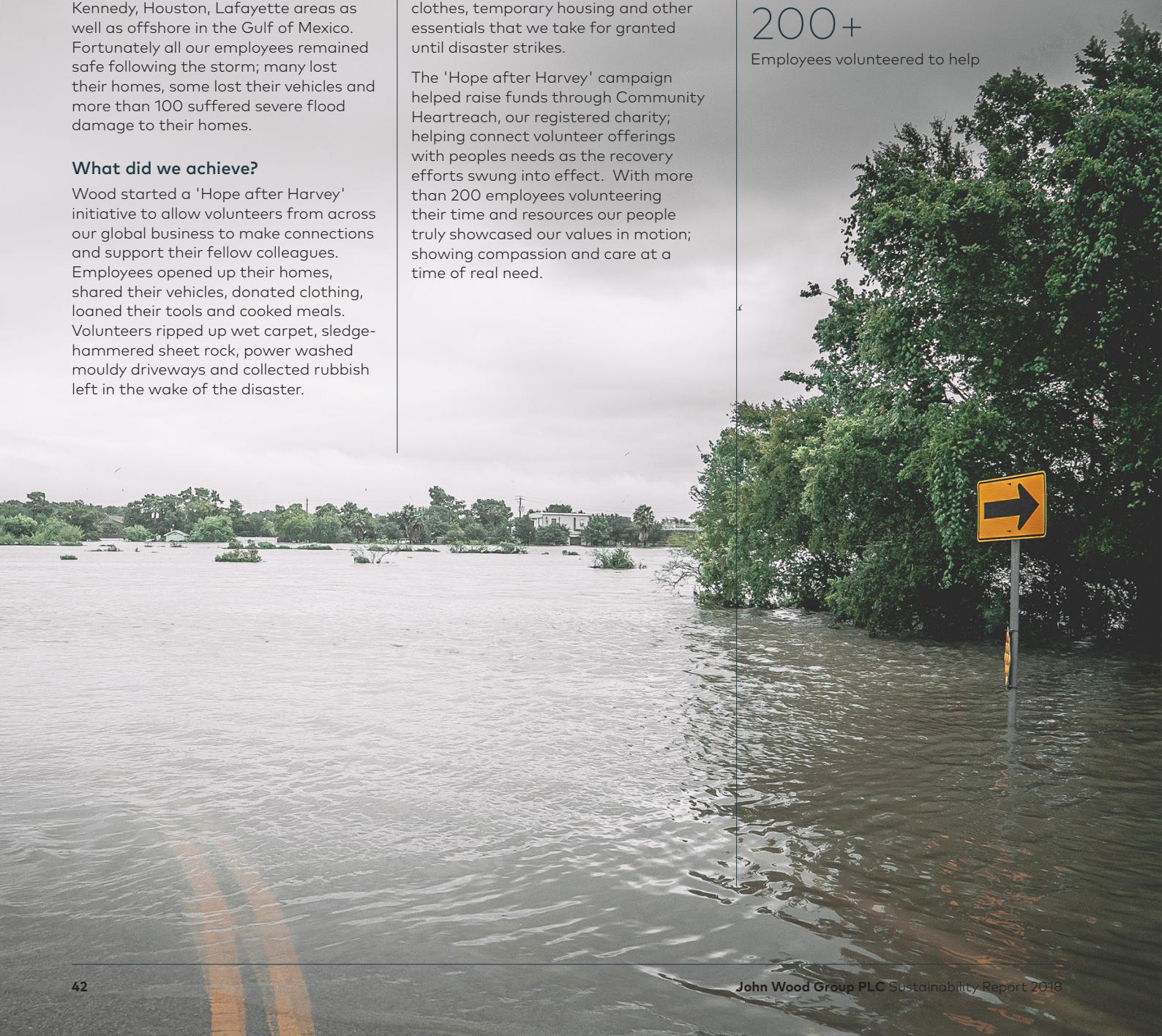
People were left without power

\$125 billion

In damages

200+

Employees volunteered to help



Philanthropy at Wood



Houston Business Journal Philanthropy Awards names Wood a top 10 large company for volunteerism in Houston.

Houston Business Journal (HBJ) hosted the inaugural Corporate Philanthropy Awards in November 2017. HBJ ranked and recognised companies that donated the most money to a United Way campaign and volunteered the most hours, based on company size.

What did we achieve?

Wood was ranked in the top 10 for most volunteered hours in 2016 in the large company category (greater than 500 employees). In total, employees from our Houston offices had volunteered more than 3,000 hours to local charities and organisations. The astonishing fact is that there were additional "leveraged hours" in which employees contributed personal time towards important causes.

We aim to make a positive difference to the communities where we operate and seek ways to assist them. We strive to let our employees, clients and vendors know how important philanthropy is to our culture at Wood.

In 2016, Wood provided volunteer, monetary and in-kind support to organisations such as the National Multiple Sclerosis Society, American Heart Association, Texas Children's Hospital, Katy Independent School District, Boy Scouts and Girl Scouts in the Houston area.

In December, Wood sponsored various events within the community to provide less fortunate families a merrier Christmas. We adopted 22 families, visited four veteran homes, supported a youth centre and conducted four toy/supply drives. Additional service activities included preparing and delivering meals for Lunches of Love, and volunteering at the Houston Food Bank.

Our graduate employee group (Young Guns) helped with several volunteer efforts throughout 2016. They volunteered more than 300 hours, including at the Peanut Butter Cannery and the Houston Food Bank. Peanut butter is one of the most needed items for all food banks, due to its popularity, long shelf life and high nutritional value. After canning hundreds of jars of peanut butter in August, our teams distributed those very same jars to hungry families when volunteering at the Houston Food Bank in November. "It was awesome to see our service come full circle," Nancy Phan, Young Guns advisor. "We're feeding hungry families and having a blast doing it!"

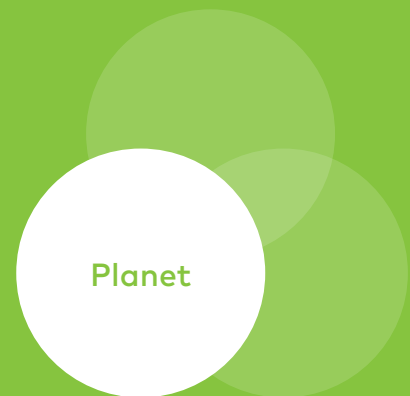
"Wood is dedicated to supporting charities that are aligned with our company's values, important to our employees and meet a critical local community need"

CEO, Asset Solutions Americas, Andrew Stewart

Planet

This section of the report looks at how we build sustainable practice into the environmental aspect of our business and the challenges we tackle to manage environmental risk, minimise our impact on the environment and tackle wider global climate change concerns.

At Wood we aim to minimise our impact on the environment through conserving resource, reducing waste and emissions and preventing environmental pollution.



Environmental management and incident reporting

Our carbon footprint

Tackling climate change



Environmental management and incident reporting

Good environmental management is not only the right thing to do, but makes business sense in protecting our people, the business and locations we operate in. Managing our environmental aspects is imperative to the sustainability of our business and the standards we set and maintain help shape the performance, profitability and the reputation of Wood.



Our carbon footprint

How we assess and manage our carbon footprint is as important to our business as it is to the environment around us; our collective efforts to mitigate & minimise consumption help us reduce the impact of our operations. Efficient use of the resources we have is vital for our operations to be sustainable over time and to ensure the well-being of future generations is not compromised.



Tackling climate change

Climate change is one of the biggest global challenges that will shape the way we do business now and in the coming decades. Climate change poses significant environmental, social, political and economic repercussions for our planet. Extreme and unpredictable weather conditions, floods, droughts and rising sea levels are among the major climate challenges our current and future generations face.

Environmental management and incident reporting

Our integrated HSSEA management system provides the framework for how we manage environmental risks, ensuring we remain in control and deliver continuous improvement in our environmental performance.

We care for the environment and our responsibility to protect and minimise the impact of our operations; our HSSE policy states how we do this to ensure we leave a positive legacy in the areas we operate. The policy underpins our approach to environmental management and is regularly reviewed and approved by our board of directors.

Environmental management is not new to us, with many parts of the business holding ISO 14001: 2015 certification, however the formation of Wood has created the opportunity for us to re-assess and enhance how we currently manage our environmental responsibilities.

An environmental strategy taking us to the end of 2019 has been developed based on the environmental risks we have identified as being associated with our operations; the strategy has three areas of focus:

- Managing Environmental Risk
- Reducing our environmental impact
- Raising environmental awareness and competence amongst employees



Managing environmental risk

Managing our environmental risks appropriately ensures the business can retain its social licence to operate and preserve our reputation as a business that cares.

Having a thorough understanding of the environmental risks posed by operations is critical. This allows for clear expectations and minimum standards to be developed which ensure effective mitigation and management. During 2018 we will embed these expectations and standards into our integrated global management system, ensuring consistent delivery of environmental management across all our operations.

Reducing environmental impact

We care about the legacy we leave behind as a result of our operations. Carbon emissions are arguably the most significant impact we have on the environment and carbon management will be a key focus for Wood. We are currently working to align our reporting processes, once complete a strategy for long-term reduction of our global emissions will be implemented.

Other projects we will be progressing over the coming two years to reduce our impact on the environment include:

- Reducing the use of single use plastics across our offices and projects
- Reducing the amount of water used by our operations in water scarce regions
- Developing a suit of sustainable procurement guidelines
- Developing biodiversity enhancement guidance for projects

Raising environmental awareness and competence among employees

It is vital that our employees understand why we care about the environment and why it is important to our business. Employees form a central part of our sustainability team and it is important that we give them the knowledge to make informed decisions in their day to day activities, embedding environmental considerations into their thought process. By doing so, environment does not need to be a 'bolt on', it becomes ingrained in the psyche allowing for better management of our operations. Employees who have specific environmental responsibilities associated to their roles must be equipped with the competence and tools to discharge these requirements appropriately.

Environmental performance

We record all near miss and environmental incidents globally. The total number of environmental incidents recorded rose in 2017 by almost 9%.

Number of environmental incidents

2016	2017
236	258

The environmental incident frequency rate also increased; 0.21 in 2016 to 0.29 in 2017. This increase can be attributed to improvements in reporting in certain areas of the business.

Environmental Incident Frequency Rate* 2017:

0.29

*Environmental Incident Frequency Rate per 200,000 hours worked

We classify our environmental incident based on the worst credible outcome that could have occurred.

Low Minor pollution with reversible or short-term impact

Medium Moderate pollution with localised impact

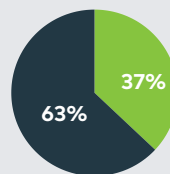
High Severe / long term damage to the environment

Severity of environmental incidents 2017

95%	5%	0
Low potential	Medium	High

Number of environmental incidents reported to the regulator

Of the 258 environmental incidents which were recorded, 37% were reported to the relevant statutory body. This is higher than would normally be expected due to the close relationship between one specific project and the local statutory bodies. The sensitive nature of the projects work location means that all environmental incidents, no matter how minor they are in nature, are reported to the relevant body(s).



During 2017 Wood received five improvement notices from regulators relating to our offshore operations in the UK. Steps were taken to ensure closure of the issues identified and no further action was taken. We have not faced any environmental prosecutions in 2017.

Supporting the wider Global Sustainable Development Goals (SDG)

An example of some of the SDG targets relative to our business in relation to managing our environmental risks:



By 2030

3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

Our carbon footprint

At Wood we recognise that responsibly managing our energy consumption offers both environment and economic benefits to our business; reducing energy consumption reduces overhead cost which makes us a more sustainable and competitive business.

We assess and manage our carbon footprint to ensure our collective efforts help to mitigate, reduce and minimise our consumption helping us to reduce the impact of our operations on the environment we share.

Our approach towards carbon reporting at Wood will be a key focus as we progress through 2018 towards a combined method. Both legacy companies operate differing global reporting scopes; legacy Wood Group on a financial basis and legacy Amec Foster Wheeler on an operational basis; as such we are unable to draw fair comparison between the combining companies.



Carbon performance overview

Both legacy Green House Gas (GHG) emissions are stated based on current boundaries until we implement a combined approach; we have however aligned our carbon year to 1st October to 30th September post acquisition in October 2017 and this is the basis of the calculations illustrated.

Legacy Wood Group

SCOPE 1:

Direct GHG Emissions

Scope 1 comprises of company vehicle fuel consumption, natural gas from our offices and on-site fuel supplying generators and other site equipment.

2016:

19,449

tCO₂e

2017:

19,907

tCO₂e

▲ 2%

The increase seen in scope 1 GHG emissions are mainly attributable to an increase in on-site fuel consumption for the supply of generators and site equipment.

SCOPE 2:

Indirect GHG Emissions

Scope 2 comprises of purchased electricity for our office locations.

2016:

2,271

tCO₂e

2017:

2,213

tCO₂e

▼ 3%

Scope 2 GHG emissions show a decrease in 2017; mainly attributable to a reduction in personnel and on-going real estate consolidation

	2016 (tCO ₂ e)	2017 (tCO ₂ e)	
Natural Gas	561	334	40 % ▼
Onsite Fuel	18,888	19,573	4 % ▲
Electricity	2,271	2,213	3 % ▼
Total	21,720	22,120	2 % ▲

Note: Data is for a full carbon year on a financial boundaries basis

Legacy Amec Foster Wheeler

SCOPE 1:

Direct GHG Emissions

Scope 1 comprises of company vehicle fuel consumption, natural gas from our offices and on-site fuel supplying generators and other site equipment.

2016:

1,150,401

tCO₂e

2017:

565,705

tCO₂e

▼ 51%

Scope 1 GHG emissions includes two owned power generation facilities, PetroPower Energia Limitada in Chile and Wood Power Systems in Martinez, California; the Chilean facility however was sold in the first quarter of the 2017 carbon reporting year and accounts for the large decrease in scope 1 emissions. Direct emissions from the Martinez plant in 2017 made up 87% of our scope 1 reporting.

SCOPE 2:

Indirect GHG Emissions

Scope 2 comprises of purchased electricity and steam for our office locations as well as the manufacturing plants of our GPG business.

2016:

50,226

tCO₂e

2017:

50,132

tCO₂e

▼ 0.2%

Scope 2 GHG emissions show a decrease in 2017; mainly attributable to a reduction in personnel and real estate consolidation. Although we see a fall in overall emissions, the pattern of consumption remains in line with historic data.

	2016 (tCO ₂ e)	2017 (tCO ₂ e)	
Natural Gas	7,955	7,530	5 % ▼
Onsite Fuel	4,530	3,804	16 % ▼
Company Vehicle	17,736	17,586	1% ▼
Direct Emissions	1,120,179	536,785	52% ▼
Electricity	48,857	48,038	2 % ▼
Steam	1,369	2,094	53% ▲
Total	1,200,627	615,837	49 % ▼

Note: Data is for a full carbon year on an operational boundaries basis

SCOPE 3 emissions

The difference in the reporting boundaries for both legacy companies and the materiality of scope 3 in particular means we are unable to present combined scope 3 GHG emissions. Amec Foster Wheeler reported scope 3 emissions on a global basis whereas Wood Group did not. Our focus in 2018 will be to assess the materiality of scope 3 to our operations and implement a strategy on how we will report this going forward.

In the interest of transparency we can illustrate scope three emissions for Amec Foster Wheeler as shown below.

SCOPE 3: Direct GHG Emissions

Scope 3 emissions are attributable to business travel, including air and rail as well as mileage travelled in personal vehicles and hire cars.

2017:

49,054

tCO₂e

2016:

53,587

tCO₂e

▼ 8%

The decrease in scope 3 GHG emissions are mainly attributable to a reduction in business long haul and short haul air travel; due in part to the rationalisation of travel as a whole, promotion of technological alternatives and the group wide travel policy.

	2016 (tCO ₂ e)	2017 (tCO ₂ e)	
Long Haul Air	22,170	20,044	10% ▼
Short Haul Air	16,506	12,887	22% ▼
Non-Company Vehicle	10,732	12,491	16% ▲
Train & Bus	288	198	31% ▼
Transmission & Distribution	3,891	3,434	12% ▼

Note: Transmission & Distribution - emissions associated with electricity which is lost in the Transmission & Distribution system used for delivering purchased electricity.

Reporting going forward

As we continue our process to align our carbon reporting we will communicate our strategy on this in 2018. We will continue to report on our carbon performance in both a legal and voluntary capacity; these include:

Legislative

- The Carbon Reduction Commitment (CRC) scheme
- Article 8 of the EU Energy Efficiency Directive (2012/27/EU)
- The Companies Act 2006 (strategic and directors' Reports) Regulations 2013

Voluntary

- Carbon Disclosure Project (CDP) – Climate Change

Carbon related Sustainable Development Goals (SDG)

An example of some of the SDG targets relative to our business in relation to managing our carbon footprint:



By 2025

14.1 Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution

By 2030

9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

12.2 Achieve the sustainable management and efficient use of natural resources

Our role in creating a low carbon economy



We recognise the major threat climate change poses to the world economy and the direct effect of global warming on our business. Our carbon footprint and how we manage that within our business is vital to realising our own as well as global carbon reduction targets.

In 2015, more than 190 countries ratified an historic agreement on climate change in Paris. Aiming to limit the rise in global temperatures to well below 2c, the agreement will come into effect in 2020. We recognise the role Wood plays in helping the global economy reduce its carbon footprint and realise the importance of providing targeted focus to achieving our global goal.

Where do we want to be?

To reduce our carbon footprint we must first set a reduction target. In order to achieve a unified approach we require a carbon strategy to align our legacy businesses, in order to provide a baseline year in which to set our target reduction.

To reach a combined Wood carbon footprint we recognise our strategy must:

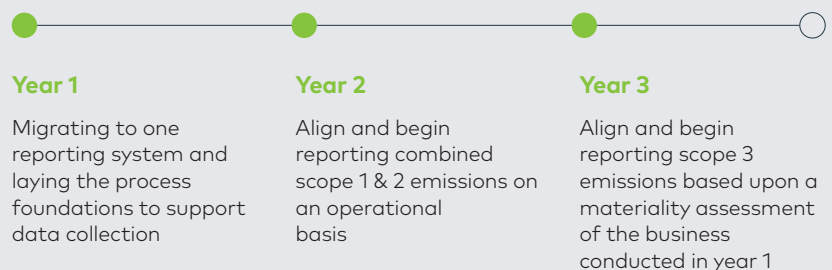
- Create an aligned carbon reporting process for the business
- Provide a singular platform for periodic data collection
- Create sufficient time for the business to adapt and implement the required changes

Our three year carbon strategy

Based upon a carbon year from 1 October to 30 September, our three year strategy to align reporting commenced in October 2017 with the objective of being fully aligned by October 2020. Utilising consumption data from year three of our strategy will allow us to set our baseline and create group wide carbon reduction targets.

As well as allowing us to reach a reduction target, our three year strategy will also allow us to align the various voluntary and legislative compliance schemes applicable to John Wood Group PLC.

Wood carbon reduction target set - 2020



Focus on local sustainable action



Across Wood we have many dedicated and passionate employee volunteer groups that help champion sustainable action at a local level. These teams are vital to ensuring we continually challenge and assess how we operate as a business, helping positively manage our impacts on the wider environment around us.

One example is our Green Team based at the Central Area Transmission System (CATS) in Teesside, England. Consisting of eleven volunteers from a cross-section of disciplines including Operations, Maintenance and Engineering the team act as the environmental conscience for the CATS site, working closely with the environmental advisor, waste contractor and external parties such as the Industry Nature Conservation Association (INCA). The team meet on a quarterly basis and are fully supported by the local Management Team, with either the Terminal Manager or his deputy attending every Green Team meeting. Although the team do not have a dedicated budget, funding for projects has never been an issue; producing some great wins as a result of the team's care and commitment to improving the site's environmental performance.

Mike Smith, operations Team Lead heading up the Green Team at CATS speaks passionately about some of the challenges they have faced

'One of our recent challenges was to deal with more than 2,000 tonnes of spoil which was generated from excavations for a new building and infrastructure. We worked closely with INCA to develop a plan for using the spoil to re-profile another area on the CATS site and thereby provide a new habitat for plants and insects (supporting the biodiversity which is very specific to the local area).

This also had the added benefit of saving almost £250,000 in disposal costs and diverted the waste from landfill.'

Mike goes on to say

'Another challenge was to address issues with our effluent treatment system, where we had a damaged pond liner. Instead of replacing the liner, we actually planted a new reedbed. This in turn provides extra effluent treatment and also spare capacity, so if our original reedbed requires maintenance or replacement, we are able to continue treating our effluent without any increased environmental risk.'

Upcoming Challenges

One of the team's objectives for this year is to install smart electricity meters so they can maximise the use of free power generated by a 3 MW turbo expander onsite. This will reduce the amount of imported power and have the potential to save more than £50,000 per year.

A further Improvement initiative being implemented in the coming year is to eliminate the use of all disposable plastic cups on site. All staff onsite will be issued with a 500ml stainless steel water bottle, not only does this eliminate the waste stream, but it also has an added health benefit of encouraging staff to drink more water, whilst also saving over £1000 per year.

Potential Re-introduction Project for Small Blue Butterfly at CATS

Reducing our operational impact on the environment is a key focus for Wood; we promote the protection and enhancement of biodiversity throughout our business and encourage sustainable action at a local level through teams such as the CATS Green Team. One ongoing project the team are currently working on proudly demonstrates the efforts our employees take to go above and beyond the operations of Wood; seeking to re-introduce a rare species of butterfly to the local area using land at Wood's disposal.

Butterfly Conservation, a UK charity dealing with the conservation of butterflies and moths, is considering a re-introduction programme for the Small Blue butterfly in Northern England and is currently looking for candidate sites. Part of the CATS site was highlighted as a suitable candidate location and ongoing investigations by Butterfly Conservation will determine whether re-introduction can go ahead.

The Small Blue butterfly *Cupido minimus* is a nationally scarce species which has a mainly southern and western distribution in England, with scattered colonies occurring in Scotland and Wales. In Northern England the butterfly has populations on the Cumbrian coast and there are recent reports of at least one colony in Yorkshire. Colonies are generally small and very localised in terms of the land space that they occupy.



The Larva of Small Blue uses Kidney Vetch *Anthyllis vulneraria*, as its larval foodplant. This plant is abundant across the CATS site, particularly within the land area covered by the site Biodiversity Action Plan. In terms of its conservation status, Small Blue is a UK Biodiversity Action Plan priority species, which is the same status as the Dingy Skipper *Erynnis tages* and Grayling *Hipparchia semele*, two priority butterfly species which already occur on the CATS site.

Tackling climate change

As a society we are faced with a modern day challenge of managing an increasing demand for energy while finding ways to reduce our CO2 emissions.

Wood has a key role to play in managing climate change; through working with our clients in providing innovative solutions to how we manage our own impact in challenging ourselves to operate more effectively.

We recognise the responsible role we play in driving a low carbon approach to business; particularly as part of the ever changing energy industry. We invest in technological solutions that we believe advance our own and our customers low carbon ambitions that help tackle global climate change concerns. We believe the future of energy must strike a balance between acceptable environmental parameters and commercial viability whilst adapting and staying ahead of future energy and fuel requirements.

We support governmental efforts to tackle climate change, in particular the United Nations Paris Agreement on Climate Change seeking to limit global warming this century to below 2 degrees above pre-industrial levels.

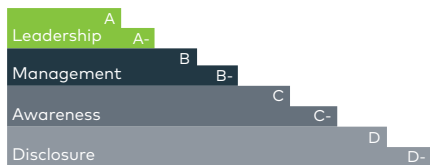


Climate change reporting

We recognise the need to be transparent in how we report and track our risks and opportunities associated with climate change. Both legacy companies before the formation of Wood reported to the Carbon Disclosure Project (CDP) and will continue to do so. CDP is the largest registry of corporate GHG emissions in the world and allows investors & cities to better understand risk, capitalise on opportunities and make investment decisions that drive action toward a more sustainable world. There are numerous advantages for Wood in gathering data in response to the CDP Climate Change questionnaire, including:

- Identification of key risks associated with climate change
- Increased transparency to shareholders, clients and the general public
- Allowing us to benchmark our organisation against our peer and industry groups.

How did we perform in 2017?



CDP submissions are assessed across four consecutive levels which represents the steps a company moves through as it progresses towards environmental stewardship. The score assesses the level of detail and comprehensiveness of the content, as well as the companies' awareness of climate change issues, management methods and progress towards action taken on climate change.

Disclosure scores overview 2017

Legacy Wood Group: **B**

Legacy AFW: **C**

Sector benchmarking

Country: **United Kingdom**

CDP Program: **Investor**

Sector: **Energy**

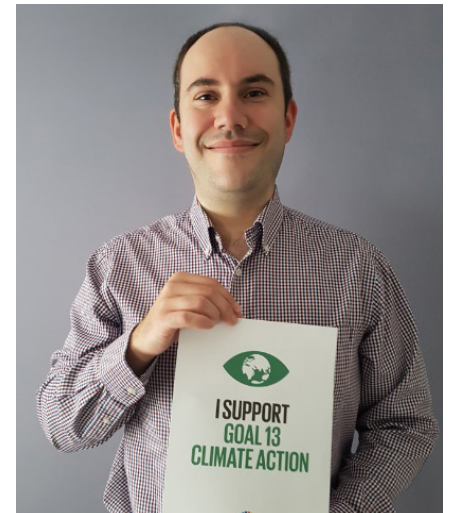
Industry activity group: **Oil & Gas**

Industry activity group average

Awareness: **C**

CDP program average

Awareness: **C**



Promoting Awareness

Cultural change is essential to drive action against climate change. Employee engagement in energy efficiency and carbon reduction can help change behaviour in the workplace, to reduce unnecessary energy consumption and cut an organisation's carbon emissions. In Wood we conducted various awareness activities throughout 2017.

Environment Day

In celebration of World Environment Day, the United Nations principle vehicle for worldwide awareness and action on environmental protection our employees united around the annual theme 'I'm with nature'.

Launched by our CEO Robin Watson activities ranged from clean up campaigns, recycling and shoe drives, bike to work events and even a showcase of live bees (in a glass box), explaining their importance to nature and the environment.

Sustainability Week

In the AFW business sustainability week ran for the first time in July as a mechanism to raise awareness around sustainability, promote the annual sustainability report and engage employees on the UN Sustainability Goals. The intention is to hold a similar event as we engage the business in launching sustainability as Wood.

Minimising resources

Energy management

Conserving resources will allow us to reduce and minimise our impact on the environment. Our direct energy consumption is associated mainly with our office and site locations utility consumption of electricity, natural gas, heating oil, steam and generator fuel. Awareness and efficiency initiatives are crucial to driving down our consumption and subsequent GHG emissions.

In 2017 a number of local initiatives across our business promoted efficiency measures and awareness with our employees; linking in with our environment day and sustainability week events.

The collection of energy data across both our legacy companies has meant we cannot at present fairly compare consumption; however, we can give a legacy overview for each in terms of intensity and volume consumed.

Energy performance Intensity

Based on the reporting boundaries highlighted at the foot of each table we can measure our energy intensity by employee (average full time equivalent) and by unit of turnover (per \$1 million). To better showcase overall energy consumption, for legacy Amec Foster Wheeler data our power generation plant in Martinez has been separated out due to the scale of consumption.

Legacy Amec Foster Wheeler

	2016	2017
MWh per Employee	4.40	5.02
MWh per \$1m Revenue	32.05	35.89

Note: Data is for a full carbon year on an operational boundaries basis

Figures exclude the power generation site

Legacy Wood Group

	2016	2017
MWh per Employee	3.64	3.55
MWh per \$1m Revenue	12.98	16.31

Note: Data is for a full carbon year on a financial boundaries basis



Annual fuel and energy consumption (MWh)

Legacy Amec Foster Wheeler

	2016 (MWhs)	2017 (MWhs)	
Natural Gas	43691.75	41366.61	5 % ▼
Electricity	105279.55	101743.81	3 % ▼
Onsite Fuel	18422.55	15530.62	16 % ▲
Heat & Steam	6702.44	9897.39	48 % ▲
Total Energy Consumption	174096.29	168538.42	3 % ▼

Note: Data is for a full carbon year on an operational boundaries basis
Figures exclude the power generation sites.

Legacy Wood Group

	2016 (MWhs)	2017 (MWhs)	
Natural Gas	3,043	1,807	41 % ▼
Electricity	11,062	10,853	2 % ▼
Onsite Fuel	79,832	82,144	3 % ▲
Total Energy Consumption	93,937	94,804	1 % ▲

Note: Data is for a full carbon year on a financial boundaries basis

Annual Fuel and Energy Consumption (MWh)

Power Generation Plant, Martinez ,California

		2017 (MWhs)
Energy consumption of the site	Natural Gas	2234.70
	Electricity	15.75
	Diesel	23.87
Total Energy Consumption		2274.32



Water management

At Wood we recognise the risk that water scarcity, pollution and weak water governance can have on our organisation and the adverse impacts this poses to communities and the environment. Water is an essential ingredient to business operations and we acknowledge our responsibility to enable more sustainable management of shared freshwater resources.

Prior to the formation of Wood, both legacy companies assessed water risk and usage across the breadth of their operations. Although in the early stages of data collection, both companies took the approach to focus on facilities with the most significant exposure to water related risk.

Legacy Wood Group's submission to the Carbon Disclosure Project (CDP) Water in 2015 and 2016 helped structure the approach to assessing water risk across three categories:

- Physical Risk Quantity
- Physical Risk Quality
- Regulatory & Reputational Risk

Although this assessment focused on Wood Group's European locations, we see this as a longer term assessment strategy. Our focus in 2018/19 as part of our environmental strategy will be to assess water use in areas with high water stress; our environmental impact assessment will look at assessment, benchmarking and the introduction of water reduction targets.

Climate change related Sustainable Development Goals (SDG)

An example of just some of the SDG targets relative to our business in relation to tackling climate change:



By 2030:

6.3 Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

6.4 Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

7.2 Increase substantially the share of renewable energy in the global energy mix

7.3 Double the global rate of improvement in energy efficiency

12.2 Achieve the sustainable management and efficient use of natural resources

12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Profit

We do not believe that a sustainable business is driven by 'profit at any cost'. We take a responsible approach to managing our legal obligations and operating in an ethical and fair way in our market place and supply chain. Ensuring that we create value through innovative skills and technology working towards a sustainable future for our business.

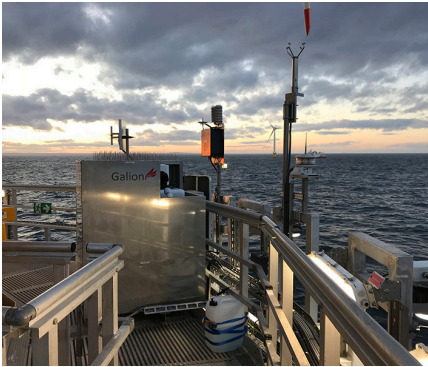


Profitability

Ethics & compliance

Driving innovation

Sustainability in projects



Profitability

Our future is governed by the profitability of our business and our ability to generate value for our customers, shareholders and employees. At Wood we don't operate under the notion of 'profit at any cost' and firmly believe in the value of sustainable business growth; we take a measured approach to risk in developing our business strategy, assessing this across the social, environmental and economic impacts of our operations.



Sustainability in projects

Our global business is diverse, operating across multiple sectors and a vast variety of projects, each bringing unique risk to our operations. At Wood we embed sustainable practice into the delivery of our projects to mitigate that operational risk, to respect and protect the environment and communities in which we operate, protect our reputation, our licence to operate and ultimately build a stronger, more resilient business.



Ethics & compliance

At Wood we operate under one simple expectation, to do the right thing; whether this is related to ethics, safety, business or technical standards we expect our people to make choices that build Wood's reputation.

Our vision and values guide our approach, supported by key behaviours; three of which speak directly to our ethics code of conduct, Listen Up, Stand Up and Speak Up.

Doing the right thing makes good business sense and helps ensure we continue to operate now and in the future.



Driving innovation

Building a sustainable future for Wood is about being adaptable in an ever changing environment. At Wood we believe to deliver sustainable growth we must embrace technology to create new possibilities, transforming how we use information to innovate and differentiate our business in meeting the evolving needs of our clients as well as the world around us.

Profitability

Wood like most businesses is focused on realising value for its shareholders providing a sustainable return to our investors, shareholders and employees. To do this it is important we make profit in such a way that is sustainable, this is crucial to our long term sustainability.

An important element in securing our future profitability is to assess our business against that of our triple bottom line risks to ensure we make more informed decisions about how we chose to run our business.

But our profitability also rests on the services we choose to bring to the market, these services are increasingly focusing on managing triple bottom line risks. Our service offering is wide ranging and diverse; our business strategy remains focused on improving our service offering in project delivery, enhancing our capability across the value chain in core markets, as well as broadening and deepening end market and customer exposure.

In our core oil & gas market we have a strong offering across upstream, midstream and downstream

Proforma total revenue from oil & gas:

57%

The share of Annual Earnings Per Share (AEPS) distributed to shareholders. Dividend per share increased by 3% in line with our progressive dividend policy, taking into account cash flows and earnings.

Dividend per ordinary share
cents

27.5	30.3	33.3	34.3
2014	2015	2016	2017



2017 Group Performance

Total Revenue

\$6,169m

(2016: \$4,934m)

▲ 25%

Total EBITA

\$372m

(2016: \$363m)

▲ 2.5%

EBITA Margin

6.0%

(2016: 7.4%)

▼ 1.4%

Managing Change

The flexibility of our asset light business model has been crucial during the downturn in the oil and gas market; by ensuring we minimise costs and focus on service delivery. The acquisition of Amec Foster Wheeler in October 2017 presented unique growth opportunities for Wood and resulted in broader exposure across energy and industrial markets to further expand the group's service offering; managing the change that an acquisition of this scale presents is crucial to delivering a successful integration. The Wood operating model was in place and communicated on day one of the acquisition; due in part to the groundwork done within legacy Wood Group's service defined organisational change programme which began in 2016, focusing on simplicity and efficiency and resulting in a structure that could accommodate future business additions. Focusing on top level management rationalisation and property rationalisation, the work started in 2016 allowed for only minor modification to the operating and reporting model with the introduction of Amec Foster Wheeler; a key factor in allowing a smooth transition from day one and easing stakeholder uncertainty.

Our business is continually evolving and at Wood we recognise the need to manage that change responsibly to ensure the operational risk we expose ourselves to is sufficiently managed

and at a minimum compliant with all applicable laws in the regions we operate. Our internal management systems guide us to identify and control our business risks whilst our sustainability strategy seeks to proactively shift our efforts from compliance to best practice where there is value in doing so.

At Wood we understand the role our people play in driving sustainable development and its long term impact on our profitability. We believe that by creating a culture that demonstrates commitment and care towards our business, our society and the environment around us will create value for Wood as business and long term sustainable growth.

Investing in the future

At Wood we understand the need to plan ahead; if our business is to be truly sustainable we need to proactively adapt and respond to the challenges we face and evolve the service offerings we bring to the marketplace. The scale and diversity of our business brings with it a far reaching supply chain network; we believe that long term value can be found in working closely with our supply chain partners and whilst it's essential to remain competitive in all areas of business we understand that longer term investment is sometimes required to embed sustainable solutions. As the newly formed Wood we recognise the opportunity to assess our business processes and invest in streamlined solutions that will provide long term yield; whether through IT solutions, sustainable procurement practice or process delivery our focus is on choosing the right solutions to meet our own and our customers' needs now and in the future.

We recognise that Wood is not the only business seeking to create sustainable value; by sharing sustainability efforts with our customers and suppliers we believe we can work together to provide long term solutions to present and future challenges.

Creating new possibilities

Through extensive internal and external consultation, Wood's vision is to inspire with ingenuity, partner with agility and create new possibilities. Our passion for creating new and unique approaches to how we do business will differentiate us as a company; through measured risk and innovative thinking we believe we can generate sustainable value for our business and industry as a whole.

Galion Lidar

Wood's Galion Lidar is a laser based wind profiler device for wind speed measurement & directional data capture, providing users simple & accurate means of assessing wind speeds.

Galion wind speed Lidar technology represents a significant advancement in the technical capabilities of capturing wind data, the use of which ensures optimal configuration of wind turbines within the landscape & in relation to each other, resulting in maximised energy generation & minimal wear & tear on equipment.

Deployment of the technology continues to expand with the most recent deployment being to install the first scanning lidar (light detection and ranging) devices on two floating wind turbines at the Hywind Scotland Pilot Park, located 25 km off the coast of Peterhead in Aberdeenshire, Scotland. The 30MW project, which is the world's first commercial floating wind farm, comprises five floating turbines and has the capacity to power approximately 20,000 households.

As part of the scope of work, our clean energy team supplied and installed two Galion Lidars and motion compensation equipment, designed and manufactured in-house specifically for the project. In addition to this, we are also providing long-term operation and maintenance and data monitoring, processing and reporting services.

"As the world's first commercial floating wind farm, Hywind Scotland is a hugely exciting project and one that we are extremely proud to be involved in. This project builds on our extensive experience operating Galion Lidar on fixed offshore wind turbines."

Wood, senior product engineer

Ethics & compliance

Wood is deeply committed to its values and aspires to deliver excellent work to our clients with an unwavering focus on safety and ethics. We are committed to being a safe and ethical business in every location where we operate, implementing consistent programmes, measuring our improvement, and reinforcing our messages.

Wood seeks to go beyond 'tone from the top' through the consistent application of our Leadership Framework and values. We recognize that effective leadership is critical to embedding a robust, ethical culture across our entire operation. To this end, we ask all of our employees and business partners to demonstrate ethical leadership by abiding by the same high standards of ethical conduct no matter whom they are or where they are in the world.

Our ethical code can be broken down to five key elements:

- Protecting our vision and values
- Caring for each other
- Protecting information and assets
- Our commitment to honest and fair business dealings
- Supporting our global communities



Engaging with our supply chain

We place high expectations of excellence and ethical conduct on our suppliers, who are expected to act in a way that is consistent with our values. Further, we expect Wood employees to hold suppliers with whom they work accountable for acting in a manner that is consistent with our Code of Conduct.

In addition to our Code of Conduct, we outline our expectations for supplier conduct in our Supply Chain Code of Conduct, as well as our purchase contract terms and conditions, which clearly state our prohibition against any use of child labor or any other form of forced or involuntary labor, abusive treatment of employees or corrupt business practices in the supplying of goods and services to us.

Compliance within our supply chain is mandatory. When suppliers act responsibly, we reward them with greater business opportunities. Equally, when suppliers act in a noncompliant manner, they may lose current work, future opportunities and/or have their contract terminated.

We require our direct suppliers on a global basis to also expect their direct suppliers to meet in-country environmental and safety standards, as well as quality standards. However, visibility into supplier relationships, especially at lower levels of the supply chain, is difficult. We are working to better understand how to manage the risks associated with a multi-tiered supply chain as we align our business operations.



Ethical in our dealings with clients

We build and nurture strong relationships that are mutually beneficial, ensuring we deeply understand the people we deal with, so that we can anticipate their needs and always aim to exceed their expectations. Everyone in our organisation contributes to the quality of the relationships we build and we actively seek feedback. We aim to be a service partner of choice for our clients, and we recognise that a critical component of ensuring successful relationships with our clients is our reputation for high standards of ethical conduct and dealings with clients.

Our ability to generate predictable results for every client, every time, in every location is a key differentiator, and our focus on ethical and fair negotiations is critical to our success and strengthens and protects our reputation in the industry.





Combating Bribery and Corruption

Our business ethics and compliance program is built on the essential elements of an effective compliance program as defined by the Official Guidance – UK Bribery Act, US DOJ / FCPA Compliance Program Hallmarks, and the Good Practice program guidelines endorsed by the Organization for Economic Co-operation and Development.

Wood has a Corporate Ethics and Compliance Officer (CECO) with direct access to the Executive Leadership Team (ELT) and board of directors. Working with the ELT and Board, the CECO is responsible for implementing an ethical culture throughout the business and ensuring the continuous enhancement and development of the global Ethics and Compliance program.

Wood realises that corruption impacts societies politically, economically, socially and environmentally. In the worst cases, it costs lives.

Short of this, it costs people their freedom, health or finances. Corruption corrodes the social fabric of society, and undermines people's trust in the political system, in its institutions and its leadership.

Moreover, we understand that government, business and civil society must work together to develop standards and procedures they all support in order to combat corruption. However, we also know that corruption can't be rooted out in one big sweep. Rather, fighting it is a step-by-step, project-by-project process. To this end, Wood is doing its part to ensure that its business ethics and compliance risks, including the risks of bribery and corruption, are minimised.

We maintain a global anti-bribery and anti-corruption program that includes elements designed to prevent or detect and remediate potential violations. Our policy is clear: we do not tolerate the direct or indirect offer, payment, solicitation or acceptance of bribes in any form.

Further, our Code of Conduct and related policies include guidance on avoiding and declaring potential conflicts of interest, as well as guidance on the offer and acceptance of gifts and entertainment.

As part of our efforts to continuously improve Wood's business ethics and compliance program, the business ethics and compliance team conduct periodic, independent external assessments of our ethics and compliance program. The business ethics and compliance team also conduct internal risk assessments and regularly evaluates the effectiveness of our compliance program.

We ensure that our anti-corruption policies, standards and procedures are communicated to all directors, officers, employees, and, where necessary and appropriate, to our commercial intermediaries and business partners.

Empowering our people to speak up

Finally, we encourage our employees and business partners to share any concerns they may have that our Code of Conduct or any other policies or procedures are being breached.

The Wood Business Ethics Helpline is available 24 hours per day, 365 days per year, and in over 100 languages. Any report, if so desired, and whether by phone or by using the email address, can be made anonymously. The system also allows an individual to follow up to determine what action has been taken with respect to a complaint through the use of passwords related to an individual's specific complaint.

Wood widely publicizes the Helpline through the Code of Conduct, the display of helpline posters at all facilities, a link to the Helpline on both the intranet and internet sites, and in discussions about the Helpline in business ethics training sessions.

Ethical conduct reports raised in 2017:

127



Training

In 2017, Wood appointed a full time training lead for our ethics and compliance programme responsible for developing and overseeing the implementation of a multi-year business ethics and compliance training and education plan. In October 2017, we launched our annual business ethics online training campaign covering practical ethics and data privacy issues; reaching over 35,000 employees in its initial launch.

Number of employees in scope:

35,814

Number of employees completing the full training module:

30,441

Percentage complete:

85%

Amec Foster Wheeler conducted Anti-Bribery and Corruption Training through the course of 2017; canvassing 18,635 employees this saw a 94% completion rate.

As Wood, in addition to computer based training, a further 15,000 site based personnel are in the process of receiving face to face ethics training as we progress through 2018.

We launched our first annual business ethics week campaign which included promotion of the Ethics Helpline and business ethics reporting & anti-retaliation policy. Work will be ongoing in 2018 to strengthen our training programme and promote a strong business ethics culture throughout Wood.

Ethics related Sustainable Development Goals (SDG)

An example of some of the SDG targets relative to our business and ethics and compliance:

8 DECENT WORK AND ECONOMIC GROWTH



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



8.8 Protect labor rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment

16.5 Substantially reduce corruption and bribery in all their forms

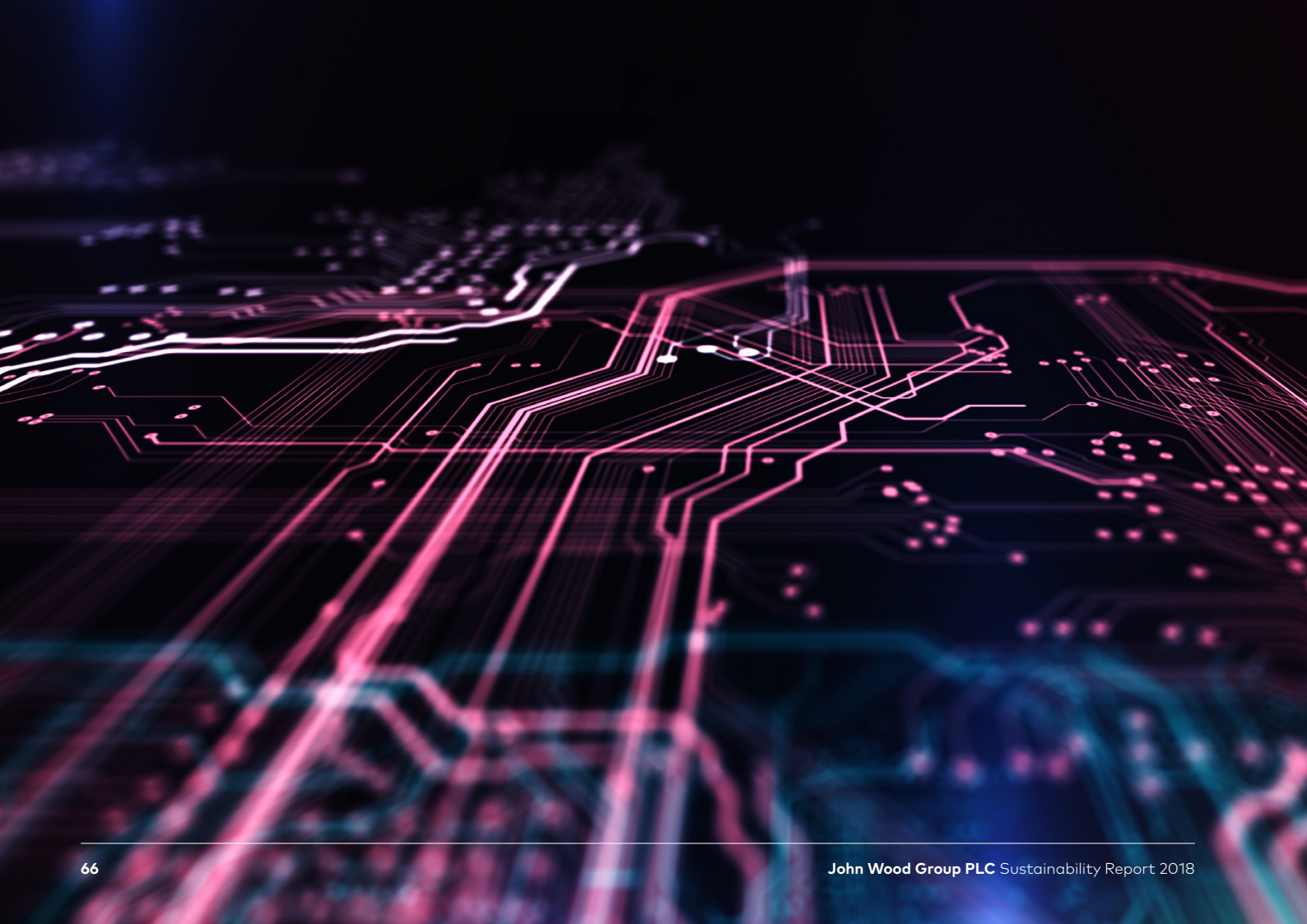
16.B Promote and enforce non-discriminatory laws and policies for sustainable development

Driving innovation

At Wood we understand that to sustain our business we need to continually improve the way we work, seek new ways to add value for our customers and focus on the future, discovering new products and services that keep us ahead of the pack.

Sustainable Innovation has the potential to revolutionise the way we do business ensuring we adapt and work towards a sustainable future.

In 2017 we continued to develop our eWorking concept; centred on connecting our people to the decision-making insights, knowledge and expertise where and when they need it most. This integrated system of remote working technology enables our operational teams to make faster and better quality decisions and perform tasks more efficiently and safely.



eWorkpack

The traditional work pack process has remained largely unchanged since the early days of our industry. Digital technology reduced printing processes and some aspects of development however; the process is still hindered by paperwork. eWorkpack is a new and innovative work management system that provides you with a paperless construction work pack process and builds the work pack in a matter of minutes. Operating from a single master document; items can be reviewed and edited in real time and revisions issued to all parties without reprints or new documents being compiled.

Improves communication:

- Clear work assignment
- Digital P&ID mark-ups
- Digital sign offs
- Removal of 'paper wrangling'

Reduces cost:

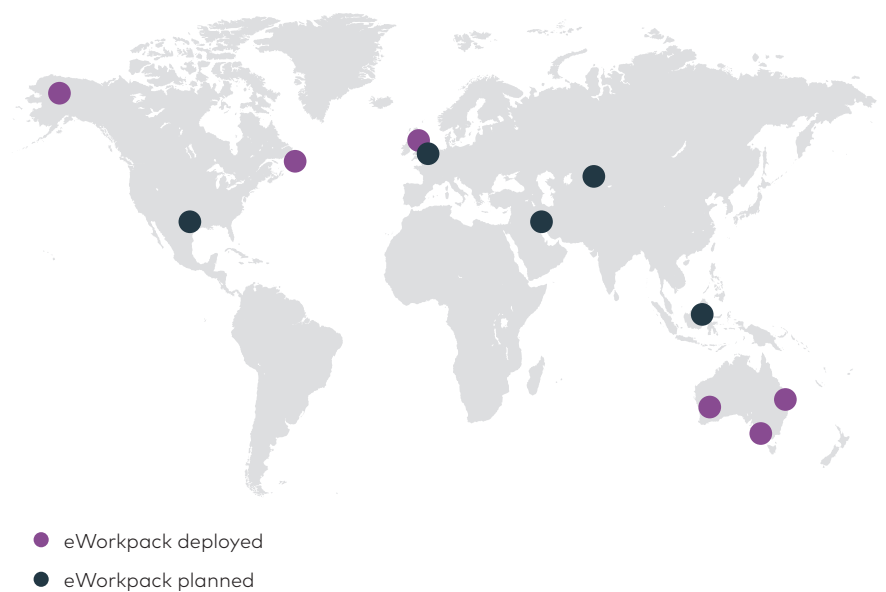
- No more printing hard copy work packs
- No more shipping of hard copy work packs to and from facilities – paper can also become damaged over time
- No need for separate camera at facilities
- Less work pack creation effort

Maintains quality:

- Structured data management ensures information is accurate prior to being assigned to facility
- Real time visibility of process status covering creation, assignment, execution and close out
- Work pack securely stored and retrievable – no risk of data being lost
- Improved clarity of mark-up
- Robust sign off and approval



Current and proposed eWorkpack deployment



eXpert

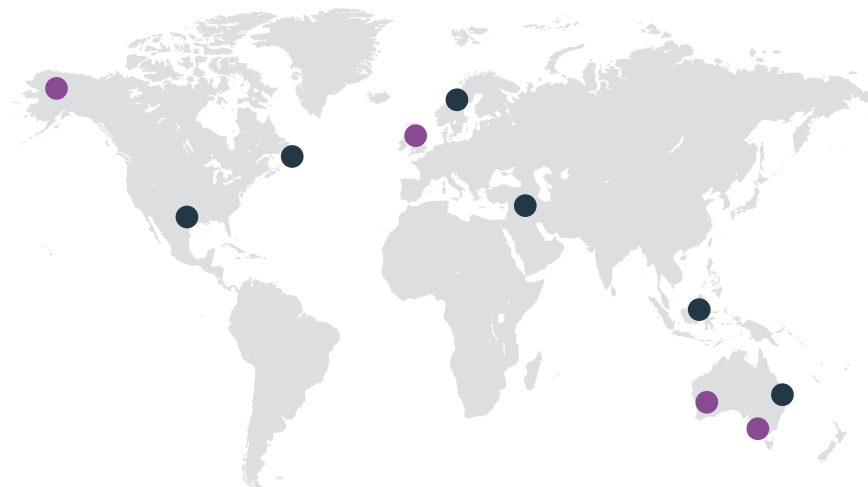
Bringing the site to the office, The eXpert solution puts you right in front of the work site; a single operative using eXpert can interface with anyone in the business through a dedicated hub so employees can connect directly with any situation and easily engage the right resources to find a resolution. Multiple experts can now collaborate on the problem whilst interacting with it in real time from anywhere in the world, streamlining review and resolution.

eXpert is a specially developed package of hardware and software that allows you to establish real time audio and visual communications with remote locations; giving experts full access to site problems and the ability to work on solutions without the travel logistics and associated delays and costs.

Connecting discipline expertise, project managers, safety specialists and key decision makers to the work site brings major benefits:

- Major cost savings and carbon reduction through reduced logistics and fewer personnel on board
- Rapid resolution and decision making
- Immediate direction and support
- Improved connectivity and problem solving
- Increased safety on site
- Greater understanding and familiarity with asset and work scope scenarios
- Improved accuracy of information to make crucial decisions

Current and proposed eXpert deployment



- eXpert deployed
- eXpert planned

Innovation related Sustainable Development Goals (SDG)

An example of some of the SDG targets relative to our business and our focus on innovation:



17.8 Enhance the use of enabling technology, in particular information and communications technology

By 2030:

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation

9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

eWorking in action

Bringing our eWorking solutions to the worksite allows us to demonstrate the range of benefits our technological solutions can bring to every day operations.

Background

Month/Year: October 2017

Function: Mechanical

WG Company: Asset Solutions EAAA

Client: Large scale operator

Location North Sea asset

Project Name: Client Asset Equipment Factory Acceptance Test (FAT)

What did we do?

Our eXpert solution was used to live stream factory acceptance testing back to a client office, avoiding mobilisation of an additional one-two people to the asset through the use of eXpert technology.

A FAT was required to confirm the design parameters of the package. Attendance at a FAT is mandatory by Wood and normally attended by a number of client team members.

The live stream capability of eXpert allowed questions to be asked in real time with only one client team member needing to physically visit the site.

What benefits did the technology bring?

Using eXpert, easy interaction between the site user and the client office enabled the equipment operator to move the camera around the site, alleviating client concerns throughout the test period. The level of manoeuvrability eXpert provides would not have been possible on a fixed recorded video and could have led to costly repeat tests and subsequent cost and loss of time.

One of the main benefits using eXpert in this instance was a reduction in Travel, resulting in three key savings:

Cost

Saving in hourly rates spent travelling, travel time each way in this case was at least seven hours.

Carbon

Environmental benefits associated with multiple journeys

Time

The test went ahead at the earliest opportunity, with less logistical administration and the video link gave

the opportunity for more client interaction, allowing a greater number of personnel take part in the testing, many of whom would not normally have time within their schedules to attend an FAT.

After the test the camera was remotely accessed to download photos and videos, proving useful when the company laptops in question had restrictions on the use of USB connections.

In the words of our people

"In a recent eXpert deployment I had five engineers in a room, trying to explain the complexity of a valve replacement in the well bay of the shearwater jacket. This was highly useful to the team and quickly resolved our issues at the time."

Wood maintenance engineer, August 2017

"I recently had the pleasure of using eXpert on two of my site visits. I found the device very easy and simple to use. The fact it is intrinsically safe means there was no need to obtain a permit for the device when going on site, saving time. It's also useable while wearing gloves, which is perfect to avoid removing PPE on site. Overall I think it's a great bit of kit and I really enjoyed using it."

Wood senior piping designer, July 2017



Sustainability in projects

Our sustainability strategy seeks to provide a safe and sustainable environment for our people as well as the communities in which we operate; embedding sustainable practice into our projects is a key component to achieving our sustainable development goals.

At Wood we understand the impact we have on the environment around us; our wide-spread sector offering means we have an ever increasing responsibility to ensuring we protect the environment and communities in which we work. We place a focus on assessing and mitigating operational risk on all our projects in order to safeguard our people, the environment and our business as a whole. Sustainable practice in what we do is vital to protecting our licence to operate, our reputation and maintaining our ability to build a strong, sustainable business.



Sustainability framework

Our sustainability framework breaks down what we mean by sustainability in relation to projects; using a three tiered approach to assessing the social, environmental and economic impacts of our operations, the framework defines the areas of focus to be factored into project assessments.

As part of driving awareness of Wood's sustainability programme in 2018, we will look to develop how this framework is used in the project lifecycle, from identifying to acquiring and into delivery and close out. We believe that building sustainability considerations into every project is vital to how we win, retain work and successfully deliver to our customers.

Social impact	Environmental impact	Economic impact
Health, safety & security	Environmental management	Supply chain
Human rights	Carbon management	Business conduct & ethics
Diversity & inclusion	Resource efficiency	Anti-bribery & corruption
Community / stakeholder engagement & investment	Biodiversity	Driving innovation

Building sustainability in projects

Helping to address the Global Sustainable Development Goals (SDGs)

Through our work in the renewables sector and our sustainability and climate resilience projects we are at the forefront of addressing some of the world's sustainable development goals. We recognise the role business plays in helping to deliver the sustainable development goals and the opportunities for growth that this can bring.

This section of the report looks at three main areas of focus for Wood: climate resilience, resilient cities and renewable energy; detailing how these relate to the UN Sustainable Development Goals. Through case study examples we aim to demonstrate our work in these areas, our approach to each challenge faced and the key sustainability factors at play in relation to our sustainability framework assessment.

3 GOOD HEALTH AND WELL-BEING



Climate resilience

The sustainable development goal relating to climate change action is one area in which our expertise and innovative solutions can support the delivery of the targets associated.

By 2030

- Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries
- Integrate climate change measures into national policies, strategies and planning

11 SUSTAINABLE CITIES AND COMMUNITIES



Resilient cities

We are driven to provide safe and sustainable project solutions for our customers, many of which include cities and municipalities world wide.

By 2030

- Substantially increase the number of urban settlements adopting and implementing policies and plans towards inclusion, resource efficiency, adaption and mitigation to climate change, resilience to disasters and implement holistic disaster risk management at all levels.
- Support lesser developed countries in building sustainable and resilient buildings, utilising local materials

7 AFFORDABLE AND CLEAN ENERGY



Renewable energy

Our focus on renewable energy has enabled Wood to become a leading force in the clean energy market, bringing our expertise and passion for innovation to help advance the global energy shift.

By 2030

- Increase substantially the share of renewable energy in the global energy mix
- Double the global rate of improvement in energy efficiency
- Ensure access to affordable, reliable and modern energy services

Focus on resilient cities

By 2030, 60 percent of the world's population will live in cities, up from 50 percent today. We recognise the role business needs to play in sustainable development; we recognise our expertise and experience in climate resilience and infrastructure can help cities around the world become more resilient to ever growing social, environmental and economic challenges.

Wood has been a partner of 100 Resilient Cities (100RC), pioneered by the Rockefeller Foundation, since 2015. 100RC is a global program aimed at providing urban centres around the world with access to innovative tools that allow them to better plan for potentially destructive weather events. Through our work with 100RC we have been able to provide numerous safe and sustainable project solutions around the globe that not only secure us work contracts but also gives us a platform to best utilise our sustainability and climate resilience expertise; a growing part of our business model.



Key sustainability factors:

Driving Innovation

Introducing innovative approaches and ground breaking technology helps provide resilience against the effects of climate change and future sustainability. We provide forecasting technology that empowers cities to plan in advance for extreme weather events and natural disasters; our forward thinking expertise helps bring to life our vision to create new possibilities.

Resource efficiency

Through the introduction of advanced technology we are able to demonstrate real environmental benefits; whether from real time process automation or from increased awareness and effective use of resources.





Supporting water and flood resilience projects

Location: River Seine, Paris

The challenge:

To establish a method to identifying green space with the capacity to mitigate flood events and then prioritise them according to their potential to receive and curb flooding events.

How are we getting involved?

Wood is working with the City of Paris CRO and Resilience team to introduce an online data portal that provides secure access to analyse socio-economic vulnerability, flood storage potential and aid flood mitigation decisions.

What benefits did it bring to the city?

Allowing for the development of a natural flood prevention pilot study this system helps to address flood protection in the region and enhance smart-grid power redundancy to flood impacts.



Clean soil bank dashboard

Location: New York City



The challenge:

How can the city of New York better track and manage clean soil exchange to enable the recycling of clean native soil in construction projects?

What did we do?

Wood developed a Clean Soil Bank (CSB) dashboard and logistics tool that tracks, manages, and effectively deploys brownfield-related clean soils for New York City projects. The dashboard went live on April 22 2017, coinciding with Earth Day.

What benefits did it bring to the city?

Introducing the online dashboard allowed better tracking of soil exchange in the greater New York area, helping in turn to:

- Replace manual paper forms with an online, instant submission process
- Map out identified soil and material opportunities to improve visibility
- Improve associated logistics with soil transfer, which alone:
 - Reduces transportation impacts – 6,140 miles per 1000 tons reused
 - Reduces GHG emissions – 10tons CO2 per 1000 tons reused
 - Improves air quality, reduces noise impact and improves pedestrian safety

With more than 60% of the clean soil in the city exchanging through the NYC Clean Soil Bank the project has made NYC more resilient to climate impacts and saved the city government \$3.3 million in soil purchase costs to date.

Focus on renewables

We provide engineering and technical advisory solutions to onshore and offshore wind, solar, wave, tidal and hydro projects. Our focus on growing our renewables capability has allowed us to be at the forefront of ground breaking advances in the renewable sector. Our focus is on maximising renewable energy assets; from the early stages of site selection and feasibility, right through to operation and maintenance to enhance production potential, safety and profitability.

Key sustainability factors:

Community and stakeholder engagement

Establishing dialogue and building strong and genuine relationships with local communities and other stakeholders is a vital part of any project; striking a balance between the protection of scenic and natural resources, with economic and market demands.

Driving innovation

Ensuring renewable energy is efficient and reliable improves its economic feasibility; applying our innovative capabilities in the renewables space ensures sustainable development for both Wood and the planet.

Biodiversity

The assessment of renewable technology and its impact on the environment is a vital component of any project and a key consideration to our work in the renewable energy sector.





MeyGen tidal energy project

Location: Caithness, Scotland

The challenge:

With an ever growing demand for clean electricity, tidal power provides significant potential to become a predictable source of renewable energy. Technological advances both in design and turbine technology make tidal power more environmentally and economically viable.

How are we involved?

We are providing operational support for the development of four 1.5 MW tidal turbines to be installed on the sea basin. Each foundation for the turbine weighs between 250 to 350 tonnes coupled with six ballast blocks weighing 1,200 tonnes providing horizontal stability. The team is acting as site operations contractor initially, providing national grid control point services, with the option for expanding services to include remote operational monitoring, control and reporting, for the tidal turbines.

What benefits will it bring?

The project will demonstrate that the development of tidal array projects is both commercially viable and technically feasible. The invaluable lessons drawn from the construction, installation, operation and maintenance of this phase (of the project) fed into subsequent phases.

"MeyGen is a ground-breaking 398MW tidal energy project that will generate clean, predictable, green electricity and position Scotland as the world leader in marine energy generation."

Director of asset management, Wood



Senegal solar power plant projects

Location: Africa

The challenge:

In a continent where the majority remain off-grid, Senegal is working towards a target of serving 20 percent of its energy needs with renewables by the end of 2017.

As the first large-scale projects of their kind to be developed in Senegal, each 30MWp site will consist of a ground-mounted photovoltaic plant and will have the capacity to supply electricity to the equivalent of 200,000 people.

What did we do?

Our team acted as technical advisors, providing site inspections, review of equipment, plant design and key project participants, independent energy yield prediction, review of permits and authorisations. The project also included review of the construction, maintenance and operation contracts, assistance during project testing and handover, thermographic inspection of PV modules and construction and operation monitoring phases of the projects.

What benefits will it bring?

These innovative projects will help shape the next phase of solar projects in the country and help establish a focus on renewable energy in the region.

"With abundant renewable energy resources, Senegal is increasingly turning to solar photovoltaics to bolster energy security and support rapid economic growth in a sustainable manner."

Solar technical manager, Wood



Hywind Scotland floating offshore wind farm

Location: Aberdeenshire, Scotland

The challenge:

Floating offshore wind farms give the potential to gain access to stronger, more consistent wind, advancing wind technologies and new possibilities in the renewables sector. Showcasing the technology as commercially viable is key to realising its vast potential.

"We are convinced that additional similar projects can and will be built over the next few years, de-risking floating wind and creating attractive investments."

Principal Consultant, Wood

What did we do?

We acted as technical advisor for the investment in Hywind floating offshore wind farm; the world's first multi-turbine floating offshore wind farm. Our consultants and engineers provided technical due diligence services, reviewing the project design, construction contracts, project schedule, financial model and operations and maintenance plan; during the consultation period we also provided an energy yield assessment for the wind farm.

What benefits will it bring?

This project is an important milestone between demonstration and full commercialisation of floating wind. The project aims to prove that floating wind on a pre-commercial scale is feasible and profitable, leading the way for floating wind farms on a larger and global scale.

Focus on climate resilience

Our current and future resilience to the effects of climate change relies upon our collective ability to learn and adapt. Globally we are already seeing the effects of climate change and the challenges this brings.

In the next 50 years we will see increased sea temperatures, fluctuations in temperature and more frequent extreme weather bringing droughts, floods and colder winters.

At Wood our climate, resilience and sustainability experts aim to enhance and protect the assets and investments of our customers through faster, more efficient response and recovery during and after climate-related shocks and stresses.

Key sustainability factors:

Environmental management

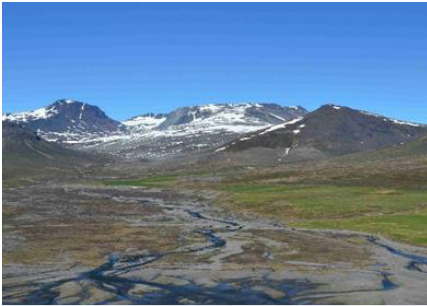
Understanding the risks associated with climate change and providing pragmatic solutions to mitigate or manage those risks is key to ensuring a project is sustainable long term. Using environmental expertise to assess and identify opportunities to better improve how we manage environmental risks helps to reduce our impact on the environment and preserve resources.

Carbon management

With Carbon management being a major factor in reducing climate change and the increasing pressure upon society to reach global reduction targets carbon management is a key factor in any of our projects. Whether we are working towards minimising or reducing our carbon footprint, or creating more economically viable green energy solutions it all contributes to building a sustainable future.

Health, safety & security

The health, safety and security of our employees is a key component of any project we undertake whether onsite or remote working. The nature of our work often introduces potentially hazardous circumstances but our focus always remains on protecting ourselves, our colleagues and the communities in which we operate, maintaining sustainable operations



Uranium mining project

Location:

Greenland

The challenge:

Greenland's rich source of minerals has the potential to contribute to the new global green economy. Wood's consultants were asked by a client to advise on the climate risks associated with a uranium mining project in Greenland, detailing risks linked to both the environment and the general population.

What did we do?

Our team of experts undertook a climate risk assessment that focused on assessing critical areas relating to:

- Climate risks of operation and closure
- Potential climate likelihood of risk events
- Controls to identify climate risk and data gap analysis

What benefits did the project deliver?

Using Wood's wide range of specialist skills, including engineers, ecologists, hydrologists and hydrogeologists we were able to make a positive impact with the options considered following the risk assessment and help the client analyse a selection of strategic opportunities to determine where adaptive actions were required.

"The client was extremely satisfied with the Wood team and our consideration of future impacts of extreme weather events in the projects dam and tailing, during planning, designing, operation and closure"

Principal consultant, Wood



Environmental management support

Location:

Manston Airport, UK



The challenge:

Requiring a Development Consent Order (DCO) for the re-development of Manston Airport to re-open as a freight hub, our client required a full environmental assessment of the key climate considerations associated with the project in order to satisfy the Environmental Impact Assessment (EIA) Directive.

What did we do?

With a challenging timescale for delivery, alongside the resolution of a legal challenge to the original planning submission our team had a number of challenging aspects to consider including:

- Delivery of Environmental Impact Assessment (EIA) services
- Greenhouse Gas (GHG) assessment
- Climate resilience assessment
- Water resources assessment
- Development of circular economy / resource efficiency approaches
- Waste management

To overcome these challenges, the team developed some best practice approaches to establishing the environmental performance of the airport against the new EIA directive in an infrastructure planning project (climate change and resource efficiency). This enabled us to meet the client timescales and achieve the required level of technical output.

For each topic, mitigation options to take forward into the detailed design of the airport were provided. As climate change and resource efficiency are new topics within the EIA directive, Wood developed the assessment techniques required for their successful implementation.

What benefits did the project deliver?

The project represents a significant success for both the client and Wood as we were able to deliver the development of environmental guidance for a major infrastructure project on a demanding timescale, whilst developing a new approach to carrying out the EIA.

Looking to the future



We are only at the start of our journey in building our sustainability programme. As a people business we believe real change comes from the behaviours we all choose to display, behaviours that ultimately safeguard our future. At Wood we aim to provide a caring culture that is committed to the future of our business, our people and our planet; We recognise sustainability needs to live in all our actions and be driven by the people that make our business successful.

Raising awareness

Raising awareness on what sustainability means to our business will be a key focus over the coming year as we expand our sustainability programme. The term sustainability is relatively unknown to many in our combined business and our work in 2018 will focus on engaging with our people, raising awareness on what sustainability means to Wood and gaining collective action on how we demonstrate we are a sustainable business.

Developing our strategy

Our focus will always be on getting the basics right, ensuring stable consistent operation for our customers, clients and employees. As we continue to engage with our business and functions over the course of the coming year our sustainability strategy will begin to develop.

We may be at the start of building our strategy but we are already starting to tackle some key components of our sustainability programme. Here are just a few elements of our programme already in motion:

People

Community investment:

- Launch of employee matched funding
- Selection of our global cause

Wood modern slavery and human trafficking statement

Profit

Code of business conduct:

- Ethics code of business conduct
- Supply chain code of conduct

Planet

Carbon footprint:

- Combined GHG reporting platform
- 3 year strategy to align GHG reporting

Developing communication

How we communicate our sustainability programme is vital to ensuring we connect with our global business. In order for our projects and functions to truly drive sustainable action and awareness we need a robust two way method of communication.

At the start of 2018, each of our business line CEOs nominated a sustainability champion to become ambassadors for sustainability in their businesses; this team will each form a regional network of sustainability champions within their business lines to help communicate our sustainability programme as we move through the course of the year. Each champion will act as key points of contact in their business for the wider sustainability team, employees, local groups and management.

Local sustainability action matrix

Our 'Think Global, Act Local' programme, aimed at driving sustainable action at a local level will be primarily driven by our sustainability champions network, helping showcase the practical measures each office or site put in place to tackle sustainability issues. A key tool in supporting our programme will be our sustainability matrix; as we develop this through the course of the year this will help demonstrate how, at a local level, the actions each office or site takes works towards making Wood a more sustainable business, demonstrating how we live our values and help our business meet it's long term vision and goals. The action matrix will help communicate sustainability locally and give line of sight to our global social, environmental and economic objectives.

Every employee has a responsibility to protect, nurture and promote our people, planet and profit; we believe the key to a sustainable business comes from active employee engagement driven as much from our employees on the ground as from the leadership of our business.



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