



Our values



■ Sustainably delivering **excellence** to our customers

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

■ Believing in **people**

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

■ Never compromising on **safety**

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

■ Acting with **integrity**

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



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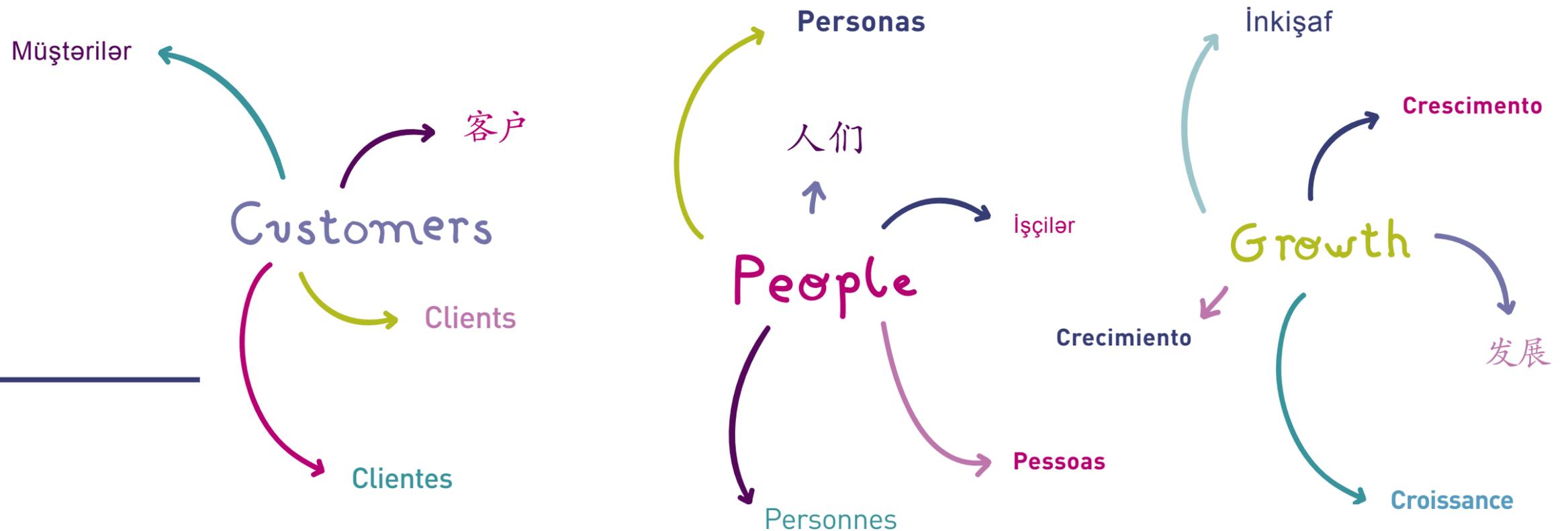
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Introduction from Samir Brikho



Can a company save the world?

During 2011, AMEC was yet again confirmed as sector leader in the Dow Jones Sustainability Index. Naturally we were proud to have been recognised in this way, but is this important – and is it enough?

I have been thinking about this since our inaugural sustainability stakeholder panel. As you can see from the results on our [website](#), this was a thought-provoking event. One interesting challenge was the difference between sustainability and corporate social responsibility – and which term best describes AMEC’s approach. This is more than just semantics. We quite deliberately call this our eleventh annual sustainability report because we believe sustainability permeates everything we do.

In my early days at AMEC, I was surprised to be asked if I wanted to comment on the draft sustainability report. To me, a sustainability report should reflect the culture of the company and I saw reviewing it as part of my role. I believe that integrating social, environmental, and economic concerns into our values and operations, in a transparent and accountable manner, is integral to the achievement of our long-term strategy. But we must also care about what happens as a result of the work we do: how our customers are better able to meet their own sustainability challenges; how our employees retain

their safe behaviours outside the workplace; and how we become a part of the communities in which we work.

Our new sustainability strategy, described in more detail elsewhere in this document, has been designed to make these linkages more explicit. By living our values, we ensure excellent project delivery for our customers and so achieve sustainable growth.

Let me highlight some of our 2011 achievements towards achieving sustainable growth.

The right customers

Our vision is that by continually delivering excellence, we inspire trust and loyalty in our customers. In 2011 we expanded our existing customer relationships, with BG Group, BP, Magnox and Sapphire Energy, among others. We also established new relationships, such as with MWCC, GDF SUEZ, Bannerman, Paladin and URENCO.

The right portfolio of sectors and services

We are deliberately positioned across sectors and services so as to benefit whatever the relative weighting in the energy mix. We think that fossil fuels will be an important component of this for many years to come and believe we have a part to play in helping our customers minimise their environmental impact. Among many examples, in 2011 we strengthened our service offering in the US by acquiring MACTEC, a 2,600-person engineering and environmental services company; and were selected by INEOS Bio to be its global license support engineering firm.

The right geographical spread

Although we work in some 40 countries, the bulk of our activities are in the UK and North America. In recent years we have been increasing our position in Australia and we continue to expand into other regions of the world, in support of our customers. For example, in 2011 we won our first biomass project in South Africa for paper producer Sappi and we have been working on the Oyu Tolgoi mine site in Mongolia.

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

The right people

Our success lies in the success of our employees and the way in which they deliver to our customers. During 2011 we recruited over 8,000 people and I was particularly delighted that more than 200 came as a result of our alumni programme, nearly 500 were referred by AMEC employees and that we had a record number of graduates joining us.

I want our workplace to be a safe one and I would like to encourage our people to take these safety behaviours into their communities. 2011 saw a strong HSSE performance, with our lowest ever total recordable injury frequency rate, at 0.37 per 200,000 exposure hours. We can never afford complacency on this topic.

I asked at the start whether a company could save the world. The answer, of course, is no – but it should not stop us trying our best. We need to dream, make our dream into reality and then amplify this to the rest of the world. I hope this report will help you understand where we have got to on our journey.



About AMEC

AMEC stands on two main pillars – its people and its customers.”
Samir Brikho, Chief Executive

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

AMEC is a focused supplier of consultancy, engineering and project management services to its customers in the world’s oil and gas, minerals and metals, clean energy, environment and infrastructure markets. With annual revenues of some £3.3 billion, AMEC designs, delivers and maintains strategic and complex assets and employs over 27,000 people in around 40 countries worldwide, with major operations in the UK and Americas. The company’s registered office is in Knutsford, United Kingdom.

AMEC’s four markets can be sub-divided into 11 sectors which are supported by our three divisions – Natural Resources (NR), Power & Process (P&P) and Environment & Infrastructure (E&I) – see table 1. Our Natural Resources division provides engineering, project management and asset support services in both conventional and unconventional oil and gas, and in mining. Our Power & Process division provides similar services to the clean energy market. Environment & Infrastructure provides environmental and engineering consulting, working across all AMEC’s markets providing a complementary offering to many of our customers. More information on the markets and services can be seen in the project delivery section of this report and pages 8-17 of the 2011 annual report and accounts.

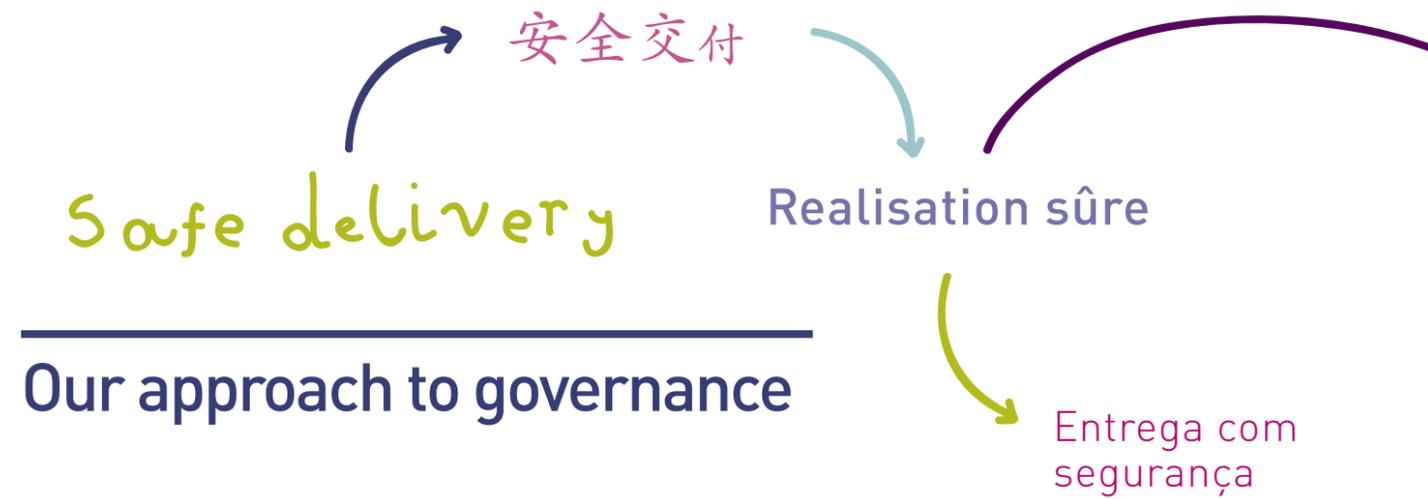
AMEC has considerable experience and capability in the world’s main energy sectors. We are well placed to respond to the increasing demand for clean energy, and our clients’ need to improve the efficiency of mature assets and add flexibility. Each of the areas in which AMEC operates is forecast to grow over the long term, supported by global fundamentals. AMEC is carefully and deliberately positioned across sectors so as to benefit whatever the relative weighting in the energy mix.

AMEC’s Vision 2015 (announced December 2009) sets out AMEC’s journey. We are seeking growth by widening our customer reach, focusing on key segments, prioritising markets, reinforcing the strong delivery inherent within the brand and broadening our service offering. Our priorities for the future are simple – grow by continuing to deliver to our customers and investing in our employees.

Table 1

Markets and sectors	Divisions		
	NR	P&P	E&I
Oil & Gas			
Conventional Oil & Gas	■		■
Unconventional Oil & Gas	■		■
Minerals & Metals	■		■
Clean Energy			
Nuclear		■	■
Renewables / Bioprocess		■	■
Power		■	■
Transmission & Distribution (T&D)		■	■
Environment & Infrastructure			
Water / Municipal			■
Transportation / Infrastructure			■
Commercial / Industrial			■
Government services			■

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



Our approach to governance

The highest tier of authority at AMEC plc is the board of directors; it comprises a non-executive Chairman, three executive and four non-executive directors.

The board is responsible to shareholders for the management of the company and for the protection of its assets. As such, it is ultimately responsible for implementing AMEC’s systems of internal control and for reviewing their effectiveness.

In 2011 AMEC appointed a new chairman, John Connolly. Since his appointment, John has concentrated on the review of key governance issues, including the composition and remit of our board committees. The results can be seen on pages 51-52 of the 2011 annual report and accounts. Under AMEC’s management and policy framework, the board has formally delegated specific responsibilities to various board committees, which consider, analyse and monitor material elements of AMEC’s management system, including some which are covered as part of our significant sustainability aspects. For more detail of these committees including their remit, and AMEC’s approach to corporate governance, please refer to the report of the directors in our 2011 annual report and accounts, available at amec.com (pages 51-54).

One area of focus in 2011 was the terms of reference for the ethics committee. These have been refocused and strengthened, in support of AMEC’s core value of ‘acting with integrity’. The Code of Business Conduct has been updated, ethics officers appointed and our ethics helpline re-launched in multiple languages, so better reflecting the global nature of our business.

We believe we have a good, strong mix of skills represented on our board. We are very aware that we currently have no women on our board and will be seeking to remedy this as part of the process of board renewal.

During 2011 we began a review of our approach to managing and reporting risk and this will continue in 2012.

The executive directors and senior management undertake an extensive programme of meetings with institutional shareholders

during each year. Events such as results presentations and other capital market events are webcast and made available for those unable to attend in person.

Each year, the Chairman and Senior Independent Director write to all major shareholders, reminding them that they are available for meetings with them as required.

AMEC does not combine the role of Chairman and Chief Executive; the status of the Chairman can be described as independent. We consider our definition of independent to be consistent with that given in the Global Reporting Initiative.

Figure 1 represents how sustainability issues are managed within the business. Samir Brikho as Chief Executive is the head of the sustainability programme ensuring that it sits as a board level responsibility. Beneath this there are key functional accountabilities which relate specifically to the values, to project delivery and to growth, each with specific owners throughout the business who manage the associated policies, processes and improvements in these areas. In addition to functional accountability, AMEC truly believes that every individual has a responsibility and a part to play.

Fig. 1
Managing sustainability in AMEC



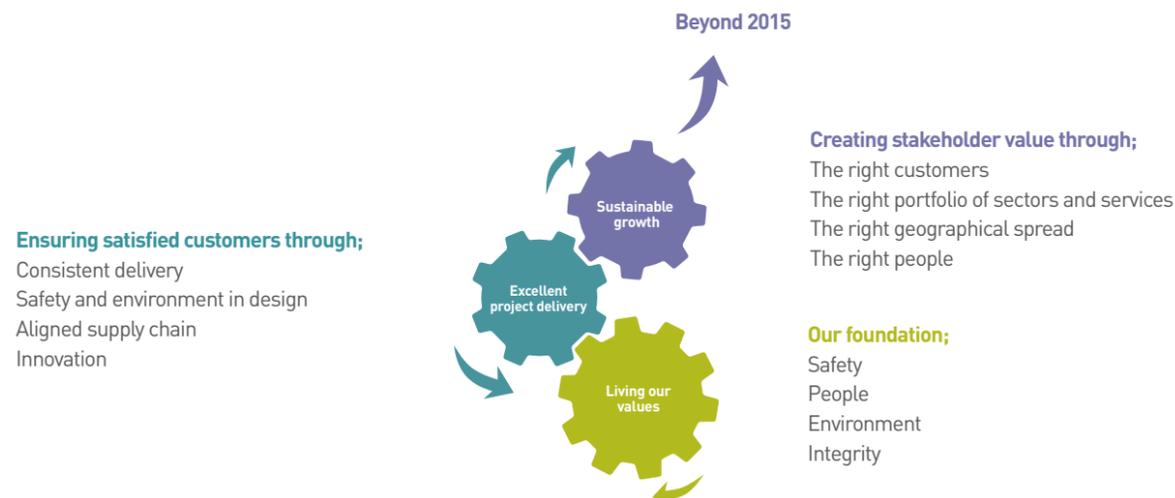


Sustainability in AMEC

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

This year we revised our sustainability strategy to strengthen the visible linkage with the core business strategy - from our values to Vision 2015 and beyond - see figure 2. We are now using three interwoven elements - **living our values, excellent project delivery** and **sustainable growth** - to support the delivery of our vision. Each element is intertwined with each other, success in one element being dependent on achievement in the other two.

Fig. 2
Sustainability strategy



Living our values

We believe that AMEC's vision and strategy for growth cannot be achieved without a solid foundation - AMEC's values. Our values are integral to how we do business and how we deliver projects successfully for our customers. They create the cultural context in which we work, and form the foundation of our sustainability strategy in four key areas;

- People
- Safety
- Environment
- Integrity.

We have ensured policies, processes and standards are in place globally to manage these areas consistently wherever we work.

Excellent project delivery

Our growth aspirations will only be achieved by focusing on our customers and ensuring we deliver to them safely and sustainably in line with our values. With increasing legislative and other pressures, our customers are looking for solutions which incorporate key aspects of sustainability into a project as a value-added service. In each of these areas, we utilise our internal programmes and tools, along with our technical and scientific expertise, to ensure excellent customer delivery. Excellent project delivery is the second element of our sustainability strategy. It is supported by the behaviours of the 'living our values' element and in turn, by delivering excellence to our customers, supports 'sustainable growth'.

Sustainable growth

The third element of our sustainability strategy - sustainable growth - provides the linkage from living our values and excellent project delivery to our Vision 2015 business strategy and delivery of the company vision and beyond. Our Vision 2015 strategy is focused on growth, which we believe can be achieved through the skills of our people and the way in which they deliver successful projects for our customers; the strength of the customer relationships this engenders; the markets and geographies in which we are positioned; and the strength of our balance sheet. See pages 18-20 in [2011 annual report and accounts](#) for more detail on Vision 2015.

Sustainability impacts, risks and opportunities

As an international business, our sustainability impacts are diverse and inextricably linked to the regions in which we operate. We believe that sustainability impact management must be integral to the way we manage our business and integrated throughout our management system. Sustainability-related issues are part of our business and we need to concentrate on those which have the greatest impact on our ability to manage our business. We use a number of techniques to do this including;

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

Table 2 illustrates our key sustainability impact areas which are more fully described within the content of this report. These sustainability impact areas are closely linked to AMEC's principal business risks, specifically in areas such as health, safety and security, recruitment and retention and ethical breaches. Our approach to risk management and details of our principal business risks are detailed on pages 21-23 of the [2011 annual report and accounts](#).

Our report

We use our sustainability performance report to:

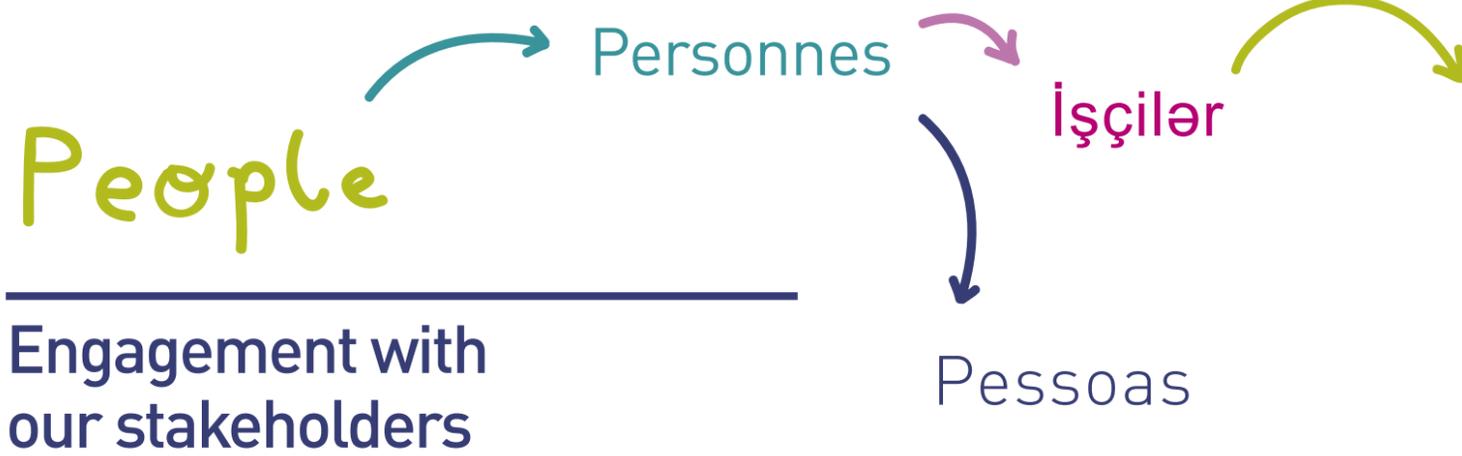
- Benchmark and assess our performance against laws, codes, performance standards and voluntary initiatives
- Demonstrate how AMEC influences and is influenced by global sustainable development issues
- Compare performance over time within the organisation and against peers where it is useful to do so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

We have focused the content of the report on those areas which are most important for us to manage, are important to our stakeholders, are critical for AMEC's long term success, and which link to principles we are committed to. We have grouped our material sustainability issues into chapters aligned to our sustainability strategy: living our values, excellent project delivery and sustainable growth. This report also is inclusive of our Global Compact Communication of Progress report.

The data included incorporates AMEC's divisions, plus corporate and shared services. Where historical data is available it is stated from 2008 to 2011 inclusive, as can be seen in the '[AMEC in numbers](#)' table on page 50 as well as throughout the report where appropriate. Information which has been restated to provide a like-for-like comparison with previous years is clearly identified in the performance sections. We have restated information only where discontinued operations have significantly influenced past performance and would otherwise distort comparisons. The key performance indicators used in this report are regularly reviewed and updated according to their value.

Table 2
Material sustainability issues

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



Engagement with our stakeholders

Understanding the views of our numerous stakeholders helps us to make better and more informed decisions. However, we understand that we will not always meet every stakeholder expectation. As a company we have to strike a balance between what our stakeholder groups want and what is best for our business.

Stakeholders inform our approach

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

This year, for the first time ever, AMEC created an external stakeholder panel to form part of the assurance process. Comprising nine members drawn from key external stakeholder groups (client, investor, academic and sustainability think tank), the panel members were invited to comment on the AMEC sustainability performance report 2010 (the report) and offer

advice and guidance on how we might develop our strategic approach to sustainable development performance and reporting. The panel met at the end of November 2011 to review and discuss the report. In addition, at this meeting panel members were invited to offer, in confidence, their views on the draft sustainability strategy.

Overall impressions

The panel members were in agreement that AMEC has a 'highly competent' approach to sustainable development, as evidenced by the information presented in the report. Overall they felt that

Extracts from My Opinion survey



the report provided good coverage of the key issues of interest and relevance to AMEC's stakeholders. However, members noted that as an industry leader, AMEC's approach to sustainability reporting should go further and include a fuller discussion and engagement on issues critical to the future of the energy sector.

The panel praised the report for its good use of graphics and its clear and accessible language, speaking to several audiences, particularly employees, existing and potential customers. Overall, the style of the report suggested it was for a generalist rather than specialist audience. Some panel members suggested that the information reported was not always put into context, preventing wider stakeholders (especially those outside the industry like the media and the public) assessing quickly the key issues and approaches we take.

Some members commented that they would like to see a clearer link between the sustainability report and the annual report and accounts. The point was made that for sustainability to be truly integrated into the mainstream activities of the business, there should be a strong resonance between the key messages in both reports.

We have begun to address some of these comments raised within this report and will continue to do so as we hold further sessions and work with the external stakeholder panel moving forward. See amec.com/aboutus for a copy of the panel report and our response to the comments raised.

Stakeholder engagement

Within this section of the report we talk in more detail about our engagement with investors and government.

We recognise that there are other key stakeholder groups – including our employees, our community, our suppliers and our customers. More information on how we have engaged with each of these groups can be found throughout the body of the report: employees within the people section, community within the integrity section and our suppliers and our customers in the project delivery section of the report.

Our employees continue to be a key stakeholder for us and we have worked hard to communicate with them. The My Opinion survey is used to measure our employee engagement and provide direction from the responses – some which are highlighted above.

Extracts from external stakeholder panel report

“In order to communicate the company's commitment to engagement, and the challenges faced, the panel recommended that the report contains an upfront statement explaining the key sustainability issues faced by the industry and describing AMEC's role in helping shape a better future.”

“It was also recommended that AMEC includes more forward looking statements throughout the report to demonstrate the company's commitments to society and the environment.”

“Panel members further suggested that AMEC includes more information on targets and performance measures across its impact areas.”

“There were a number of comments that the report could do more to link the sustainability agenda and the risk agenda. In this respect, one member suggested that the report should mirror the annual report and provide more information on sustainability risks and mitigation. It was suggested that this would make the sustainability report more accessible to the investor community.”

“The panel recommended that an alternative way of structuring future reports would be to consider the three divisions of the business in more depth. This would allow the company to explain the strategies for growth for each division and explore the particular challenges in each area.”

2011/12 Dow Jones Sustainability Index

AMEC was ranked the industry leader for oil equipment and services in the worldwide Dow Jones Sustainability Index (DJSI) for 2011-12: the third year in succession and the eighth year in succession that we have featured in the DJSI.

Investors

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

As part of our commitment, and in addition to our usual results-related events, our operational management team hosted a capital markets day in May 2011. This outlined what we are doing to deliver our strategy from an operational perspective. It was followed in November with an event for the Socially Responsible Investor (SRI) community and other investors, which highlighted the functional team's role in supporting the delivery of the strategy. Presentations from the Chief Financial Officer, Group Human Resources Director, Group Health, Safety, Security and Environment Director and the Sustainability Programme Manager outlined our plans for 'delivering sustainable growth' to 2015 and well beyond. Both were streamed online in order to widen the audience, and are available to view on amec.com/investors/events.

During the year we also held a number of one-on-one meetings with investors interested in our approach to sustainable development. Areas of interest in 2011 included our work to support sustainable energy projects, our activities to minimise the impact of exploration in environmentally sensitive regions, as well as our sustainable consulting projects, which present value-creation opportunities. Investors were also keen to understand our employee strategy in support of our commitment to attract, develop and retain our skilled workforce across the regions where we are based.

We will continue our SRI investor engagement programme in 2012, including SRI conferences, one-on-one meetings and further events, which will highlight our sustainable growth plans going forward.

Our employees continue to be a major shareholder group; currently holding 1.6 per cent, which puts them within the top 25 per cent of our investor groups. We continue to engage and listen to them on various topics (see the people chapter for detail).

Samir presents at the Commonwealth Business Forum

The Commonwealth Business Forum is held on a bi-annual basis and this year's forum was themed 'Partnering for growth, new challenges, new opportunities'. With attendees ranging from government ambassadors, to clients and industry bodies, there were a number of our key stakeholders in attendance.

Samir Brikho presented at a session on Infrastructure Challenges in the 21st Century; discussing the importance of infrastructure, the current conditions and challenges faced and why we should care. During the forum Samir was also part of a round table discussion with Julia Gillard, Prime Minister of Australia, other heads of government and selected business leaders.

Government

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

We regularly meet members of governments and public sector officials at formal meetings and briefings to ensure that there is continuing dialogue. It is important that we understand what new areas of policy are being developed and can discuss undesirable or unintended consequences of proposed governmental action e.g. tax changes impacting North Sea activities. In the UK, North America and more widely, AMEC maintains dialogue on energy and climate change issues - including nuclear new build, carbon capture and storage, wind energy, water resources and investment in transmission and distribution systems - with a view to maintaining momentum in the delivery of these items. Discussions relating to the availability of key resources and appropriate skills in the engineering sector remain high on our agenda. AMEC has, for example, co-hosted discussions between the UK's Royal Academy of Engineering and the schools minister Nick Gibb MP and senior industrialists.

Samir Brikho continues to serve as a UK Business Ambassador and during 2011 he was appointed co-chair of the UAE-UK CEO Forum (see box, right). Neil Bruce, Executive Director, also

Energy, power and water, their affordability, availability and sustainability, present a fantastic opportunity for us."
Samir Brikho

continues as Chairman of UK Trade & Investment's International Oil and Gas Sector Advisory Board. Neil was also appointed as a member of the Scottish Trade & Economic Growth Board by the Secretary of State for Scotland. Mike Saunders, Group Management Team member, represents AMEC on the Department of Energy & Climate Change's Nuclear Development Forum and Carbon Capture & Storage Development Forum. These opportunities all help provide advice to government in areas of economic development, trade and delivery of energy policy.

AMEC takes time to meet with government ministers, national or provincial, either in country, at international events or if they are visiting the UK; examples include meetings with Joe Oliver, Canada's Minister for Natural Resources, Colin Barnett, Premier of Western Australia, and Brad Wall, Premier of Saskatchewan. Important issues discussed included minerals exploration, resources and skills shortages and the potential to expand First Nation involvement.

Events

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

UN Global Compact

AMEC continues its support of the United Nations Global Compact Principles launched in 2000. The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Participation in the UN Global Compact offers a wide range of benefits to the business including sharing of best and emerging practices and access to the UN's knowledge and management tools and resources.

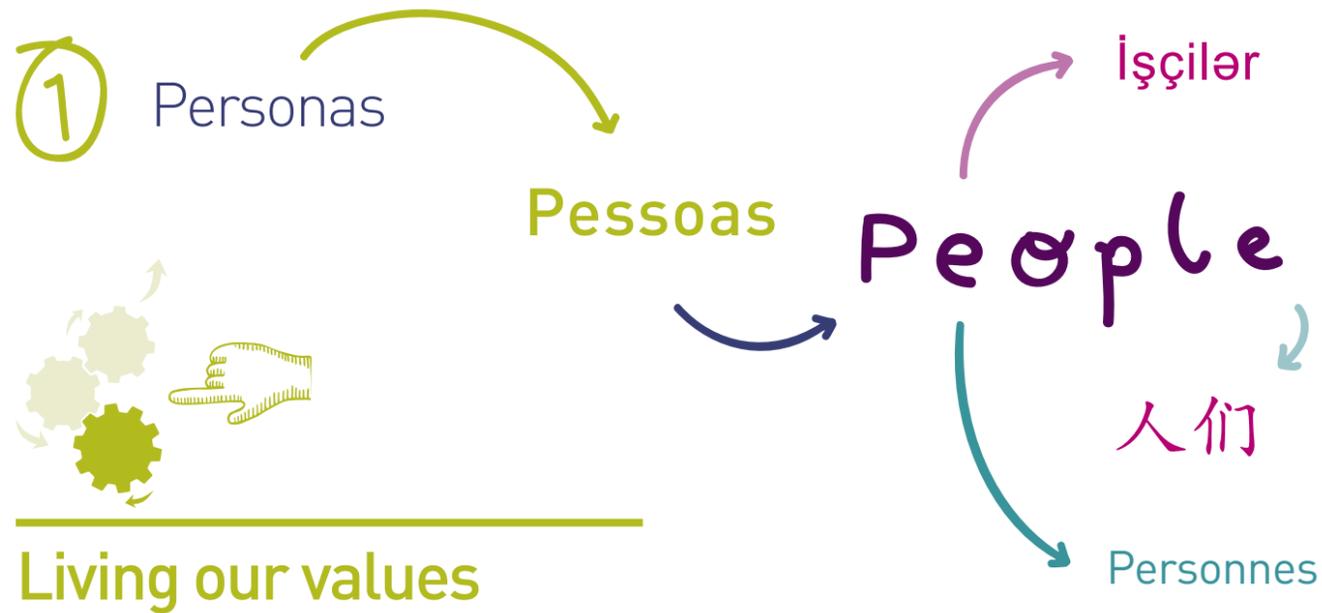
UAE-UK CEO Forum, Abu Dhabi



In September 2011 Samir Brikho co-chaired the inaugural UAE-UK CEO Forum in Abu Dhabi, along with Nasser Ahmed Alsowaidi, Chairman of the Department of Economic Development, Abu Dhabi. The forum is driven by the private sector, however it has the full support of both governments whose representatives were also present. The forum is about creating opportunities for small and medium scale companies, as well as multinationals, to expand their business activities. For AMEC, the Middle East, and the UAE in particular, is a key part of our Vision 2015. The country has huge potential and events like this forum raise the profile of AMEC.

AMEC continues to commit to the 10 principles of the Global Compact, and will continue to embed the principles within company policy, behaviour and culture. We will endeavour to work with our supply chains, clients and peers to disseminate the requirements of the principles along the value chain. This report is also AMEC's Communication of Process and will be posted onto the Global Compact website in accordance with the condition of participation.

Descriptions of how we are implementing the 10 principles can be found throughout the report. For specific signposting, please refer to the UN Global Compact table on [page 48](#) which details what we are doing to support each of the 10 principles and where you can find more information within the report.



Living our values

Introduction

Sustainability is integral to everything we do in AMEC, and nowhere is that more apparent than with our people management. We do not see sustainability as an 'add on'; it is a key ingredient in all our business decisions. Our Vision 2015 business strategy drives our people strategy, and the essence of both our business strategy and our people strategy is growth.

Our people challenge is to attract, develop and retain the best people for AMEC. Growth for us, because AMEC is a people business, means growth in the number of people either organically or by acquisition. During 2011 our overall workforce headcount grew to 28,742 by the year end. Over 8,000 people were recruited, with recruitment activity mirroring our key growth areas. We continue to engage with and listen to our employees. Our people challenge is supported by 'my Future', an AMEC framework that describes how we manage our people and which aims to help us attract, develop and retain the best of the best.

AMEC's people management is supported by our short term tactical delivery and an annual plan. Over recent years we have achieved a high level of discipline around following that plan. Our four key areas of challenge to deliver our business growth are:

Resourcing **Mobility**
Development **Engagement**

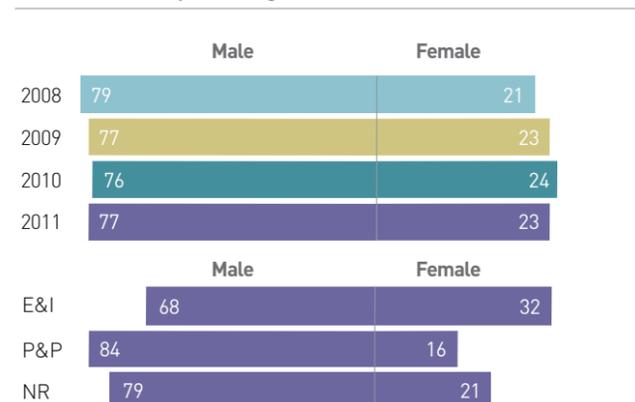
Resourcing is a challenge for any people business. However we are confident that we have good resourcing capabilities, and that we are seen as an attractive employer in the sectors and geographies we work in. A major part of resourcing is

retention, and we have invested heavily in **development** to allow our people to progress their careers. **Mobility**, because of the international nature of our business, is an important and ongoing challenge. However one of our biggest challenges, and also one of our biggest opportunities is **engagement**. Our most recent employee opinion survey shows good results, but we still have a desire to improve. We have invested in the tools and processes to help engagement, but now our challenge is to consistently apply them, regardless of sector, geography or line manager.

Resourcing

Our challenge is to successfully meet resourcing requirements in line with our business growth, both to deliver our 2015 strategy, and for our long term future. Often the challenge is

Fig. 3
Gender balance percentage



Note: Includes employees in divisions only.

Right people, right places



AMEC's 'international interest' programme was designed to identify those existing employees who would like an international assignment. This reflects our global intentions and our need to place the best people, in the right places, to deliver for our customers. By finding out who was interested, we wanted to widen the choices of people available for any given project.

In May 2011 a survey was launched on our company intranet. 1,600 employees took part in that survey, expressing an initial interest. Of those, 600 then sought business approval to submit their CVs and resumes, hence creating another resource pool for the various locations in which we work.

doubled, as the sectors or geographies which are growing the fastest have the biggest resourcing constraints. That means we have had to think more innovatively about our resourcing, both long and short term. The main focus has been on widening the pool of resources available, so we can find the best people to deliver consistently for our global customers.

We have used a number of methods to widen the pool available to us. These include what we have called 'international interest', our alumni programme, strategic recruiting, as well as targeting potential employees outside our usual industries or geographies.

Being largely project-based we have a natural wave of people joining and leaving the business as projects begin and end. Our **alumni programme** is about staying in touch, and opening up another pool of possible candidates, people we know and we want to come back. We have a reputation for people returning to the business, but the alumni programme aims to make that more formal, actively keeping in touch with ex-employees.

During 2011 each of the businesses targeted ex-employees with regular news updates, to keep them in touch with AMEC and our latest developments. In total 218 people returned to AMEC

Table 3
Recruitment by division and type

	Natural Resources	Power & Process	Environment & Infrastructure	Total
Direct recruitment	3,583	397	1,399	5,379
External recruitment	2,210	164	43	2,417
Referral programme	312	41	124	477
Alumni programme	205	11	2	218
Total	6,310	613	1,568	8,491

Table 4
Strategic recruitment

				Total
Graduates	203	74	9	286
Trainees	21	0	0	21
Interns	128	16	20	164
Total	352	90	29	471

Note: Includes figures from divisions only.

Our people challenge is to attract, develop and retain the best people."

through the programme, the vast majority into the Natural Resources division, mostly in North America. At the end of 2011 this programme was made more consistent, with the launch of a new global communication programme including our website and an alumni newsletter, with the aim of making more of this valuable resource pool.

Our male to female ratio has changed very slightly from 2010, with a 1 percentage point drop in total female employees. However the number of female managers and professionals has increased from 17 to 19 per cent and female executive numbers have increased by 1 percentage point to 11 per cent. See figure 3 for total gender balance.

Strategic recruiting

AMEC puts a lot of effort into our strategic recruiting, by which we mean our graduate, trainee and intern programmes. These are our resources for the future, in which we invest a huge amount of time, effort and money.

During 2011 a total of 471 people were strategically recruited, including 286 graduates. Currently our graduate schemes are targeted towards particular sectors or geographies, for

We have to think innovatively about our resourcing.”

example in the UK, we have both nuclear and oil & gas graduate schemes. This is very successful for the recruitment of high quality candidates for these specific schemes. However, we do also recognise that it may be AMEC’s global opportunities which attract graduates to us in the first place. In line with our strategy to open up the resource pool, we are now considering a global scheme for 2012, looking at how we make international experience part of our graduate schemes, at least for targeted individuals.

During 2011 AMEC widened the resource pool by targeting potential employee populations outside our traditional boundaries. This included, for example, areas of the UK with high unemployment, using recruitment roadshows to find resources particularly for our oil & gas operations. This was supported by competency training to give people the right skills to transfer across industries. As well as the numbers of employees joining us, we also record and report those employees that choose to leave us. In 2011 our employee instigated turnover was 11 per cent, 1 percentage point higher than in 2010, which we believe is mainly due to overheated markets in some areas of the world in which we work.

Fig. 4
Geographical make-up of workforce

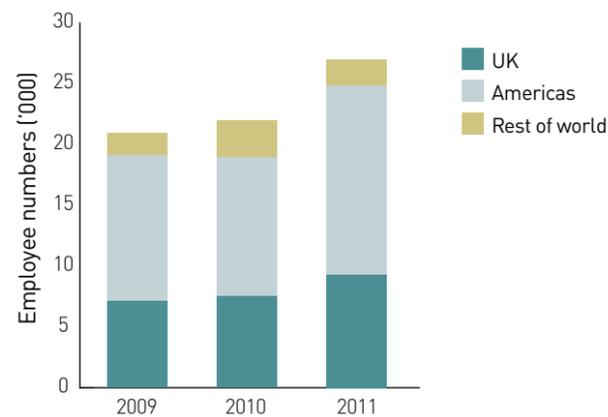


Table 5
Performance development review (PDR) participation 2011

	Natural Resources	Power & Process	Environment & Infrastructure	Total
% PDRs completed	87	78	84	83

Note: Total includes figures for all employees

Development

One area of focus on development is on the employee group who are critical to our delivering our 2015 business strategy: our line management. Therefore our focus in 2011 was on addressing this through a number of initiatives. For example as part of the AMEC Academy, 2011 saw a focus on rolling out manager toolkits across the business, helping to equip our line managers with the skills they need, including helping them to engage with their teams. In total 1,288 people attended an in-house delivered toolkit module during 2011.

The ‘Managing for High Performance’ programme was also rolled out to a further 293 managers during 2011. The programme has been designed to help managers participate effectively in the performance development review process for employees. This, along with the performance development review (PDR) itself, is seen as critical in improving our line manager engagement. In 2011, 83 per cent of our employees completed a PDR with their manager – see table 5. This criticality is echoed in a new performance target or key performance indicator (KPI) which has been set for 2012: ‘Your manager engages with your development’.

Focus on business criticality drove the main development programmes offered. The AMEC Academy programmes delivered over 2011 were designed to support the roll out of the AMEC Way (see page 38 for more details), and to deliver consistency, and consistent excellence, across AMEC globally.

Feedback from the employees who attended the courses was good, with 77 per cent agreeing that the courses met the objectives and were relevant.

Internal development activity should lead to an increase in the number of people ready for internal promotion or development moves. The result of our focus on development over the past year is reflected in our internal promotion rate of 7.2 per cent, which has almost doubled from 3.87 per cent in 2010 – see table 6.

Building the talent in Baku



Our operations in Baku, delivering major contracts for BP, are important for our business - so developing people both in Baku and internationally for Baku is key. AMEC is committed to enhancing the competency and contribution of national employees, with Azerbaijani employees being trained on the job and/or through external courses to meet the company’s objectives and as a part of the nationalisation strategy.

Ayten Eminova completed various activities as part of her development plan during 2011, including building relationships with potential customers, planning and development of business strategy, commercial awareness and stakeholder management. Since Ayten started the AMEC development programme her role in the company has changed significantly, from Project HSE Adviser four years ago to a Regional Business Development Coordinator role now.

“The AMEC Advance programme (provided through AMEC Academy) helped me to broaden my knowledge of the wider AMEC, adding organisational, interpersonal and stakeholder management skills into my personal toolkit which contributes to day to day work.” **Ayten Eminova, CIS Regional Business Development Coordinator.**

Akshay Deo (pictured above) was on the Advance Programme in 2011 and as a result was transferred from the AGR office in Singapore as part of his development to get hands-on site experience. Today he works as an HSSE Advisor for CIS, spending time assisting the projects with their HSSE deliverables. His work is primarily focused on Baku at the moment but in 2012 he will also be engaging with employees in Kazakhstan and Romania on HSSEQ deliverables and initiatives. “I am always introduced to fellow colleagues in Baku as ‘a fresh pair of eyes’ I understand this means looking at a situation from outside in.” **Akshay Deo HSSE Advisor, CIS.**

Table 6
Internal promotion - number of employees

	Natural Resources	Power & Process	Environment & Infrastructure	Total
Positions filled internally	522	36	258	816
Grade promotions	648	226	394	1,268

Note: Includes employees in divisions only.

Mobility

Mobility is something which AMEC requires to support our global aspirations and deliver our strategy. We have to be able to deploy our people across the globe between projects and sectors, in order to transfer learning, knowledge and skills. Our key objectives are:

- To widen our resource pool
- To employ the best people regardless of geography
- To match the best people with the best business opportunities
- To develop leaders with the global insight and experience to manage across cultural and geographic barriers
- To attract and retain people by offering international assignment opportunities
- To help develop local skills in emerging locations.

AMEC has an in-house team, AMEC Global Resources (AGR), who support the delivery of our global mobility consistently and efficiently. Over 2011 the team reviewed or implemented AMEC’s global mobility policies and processes, including the development of the AMEC Mobility Programmes (AMPs) framework - to effectively respond to the increasing complexities in managing international assignments. The framework aims to manage cross-border transfers in a consistent and fair way. It provides the business with flexibility while ensuring AMEC’s market competitiveness through enabling quick and cost efficient assignee mobility.

AMEC has a large number of globally mobile employees working out with their home country. The majority of these are employed by AGR. At the end of 2011 AGR had 787 active employees of 44 different nationalities assigned to 31 host countries worldwide as part of its international workforce. By this we mean our population of globally mobile employees employed directly by AGR who undertake indefinite cross-border assignments to support global projects and long-term business needs.

Employees must feel that they have a key role in the business.”

Table 7
My Opinion employee survey results 2011

	2011	2010 difference	2010
No. of employees responding	13,826 (65%)	-7pp	13,166 (72%)
Overall engagement score	67%	-1pp	68%
In my part of the business there is open and honest two way communications	67%	+13pp	54%
Senior management in my part of the business has a sincere interest in employees	59%	+11pp	48%

Engagement

Engagement is the part of our people challenge which offers the most potential in terms of getting it right.

What do we mean by engagement?

We see engagement as something that supports our business strategy - aligning and motivating employees behind business direction (particularly the implications for their own role) - and also supports our people, ensuring that AMEC is providing the environment and opportunities to meet their individual aspirations. It is a vital part of our people challenge, helping to attract and retain people, helping make their development more valuable, and ultimately making us a successful and sustainable business. Figures show that when engagement is down, attrition increases and vice versa. Irrespective of the wider environment, people are more likely to stay and be committed if they are engaged.

We use our 'My Opinion' survey to help gauge engagement of our employees. Although engagement levels are generally flat, most areas remained constant or have improved. One area however experienced a significant drop in engagement levels which was entirely expected and with the reasons recognised. We are working on addressing this throughout 2012. We recognise that engagement is not just an HR issue, but also a management and leadership one. We know that one of the biggest impacts on engagement is the relationship between the employee and their manager. Therefore an emphasis on management skills (outlined in the development section) and how business objectives translate for the individual have been a recent focus. This has been reflected positively in the latest survey as people felt the improvement - see table 7.

Employees must feel that they have a key role in the business, that they are not a commodity and so our survey is a key platform to give employees a 'voice'. Over recent years an emphasis has been put on listening, and providing two-way communications. Over past years our communications were very much one way and previous surveys highlighted this as an issue. We have been working at improving this and one example of a tool provided to managers is the 'AMEC Moment'. This is



We have to be able to deploy our people across the globe between projects and sectors, in order to transfer learning, knowledge and skills.”

where people can take five minutes in a meeting to discuss an AMEC issue or topic.

There has also been a continued encouragement of the use of Performance Development Reviews (with a new online system launched in 2011), town halls, breakfast briefings, and employee cascades.

Induction

AMEC's induction, 'My Compass', has been successful in helping the engagement of our newer starters including those in acquisitions. It was piloted on the GRD Minproc acquisition. In the 2011 employee survey, 2,297 employees reported having been part of an acquisition in the last 18 months. Although employees coming from an acquisition tend to be less engaged, the gap with other employees is reducing.

Collective bargaining

AMEC's employee population is generally not unionised and where it is, we generally work through a sector/national rather than company level agreement. In 2011, 2,612 employees were covered by a collective bargaining agreements, representing 9 per cent of our workforce.

Conclusion

Across the four key areas of our 'people challenge' (resourcing, development, mobility and engagement) run a number of common threads.

We want as wide a pool of resources available to us as possible. That means promoting diversity, supporting local development and delivering global mobility. We need to build the capabilities of our line management as they are critical in supporting development, mobility and engagement.

However above all it is our business strategy which drives our people strategy.

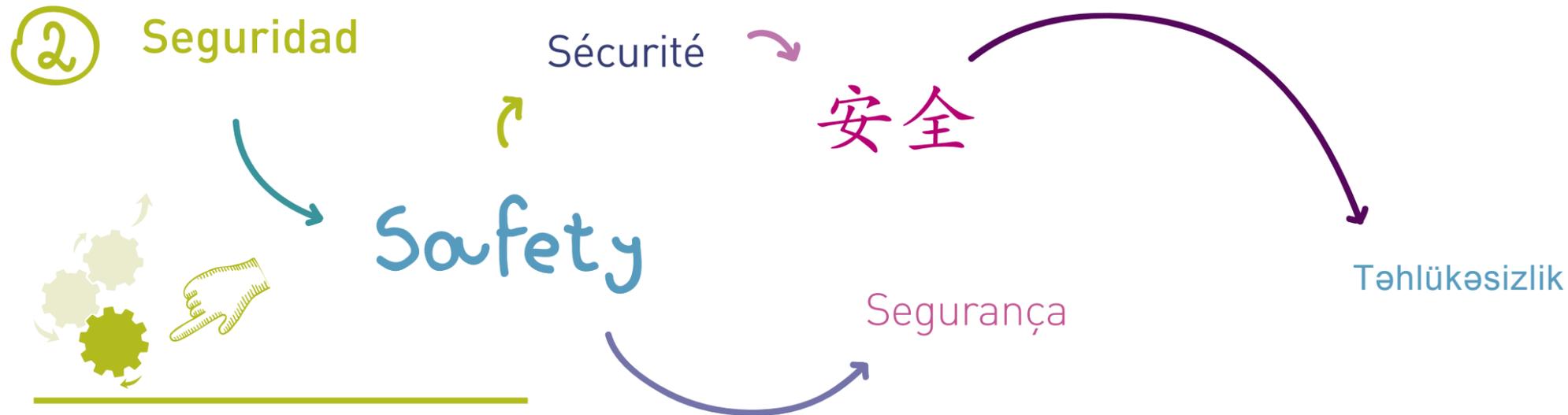
Integration - key to success



AMEC acquired GRD Minproc in November 2009, as part of our Vision 2015 strategy to grow our Minerals & Metals sector. The Minproc business, headquartered in Australia, had operations in South Africa and South America, and a focus on process engineering. This combined well with AMEC's existing minerals & metals operations in the Americas, where we were recognised for project delivery. In Australia the integration involved a large, formerly independent, business of about 1,000 employees. Right from the start senior representatives from all functions met regularly, with robust reporting to keep the integration on track.

The first stage was about awareness with roadshows and management visits. Emphasis was placed on the 'fit' of the acquisition in terms of geography and capability, with 'right people, right places' as the message. Then the focus moved to engagement as the functional integration took effect. Minproc became an early adopter of our new standardised approach to business operations and project delivery. This included being the pilot business for the new 'My Compass' employee induction.

More recently the focus has been on integrating the business itself with the other Australian operations, as well as capitalising on the new global sector capabilities. This has taken longer than initially expected because of the downturn in the mining sector in 2010, and also resulted in lower than hoped for employee engagement, measured as part of the regular 'My Opinion' surveys. However the effort to apply AMEC processes and systems has been paying off as the market has improved. The new business is now an integral part of AMEC in Australia, as well as being a core part of our global minerals & metals capability. The knowledge gained will be used to support future integrations.



Living our values

Introduction - Going Beyond Zero

AMEC has had health and safety (H&S) management systems in place across the business for decades. Over the years we have evolved our management processes conforming with internationally recognised standards for H&S management such as OHSAS 18001.

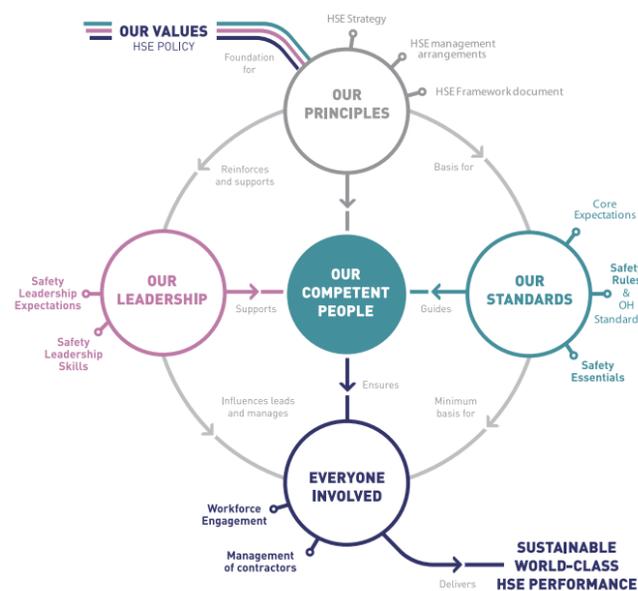
In recent years, we launched the AMEC Beyond Zero programme which has been very successful. This transformational programme was designed against three simple concepts of excellence in health and safety performance improvement:

Beyond Zero

Leadership	Safety leadership expectations, Safety leadership skills
Standards	Six safety essentials, Safety rules, OH Standards, Environmental standards
Everyone engaged	Engagement tools, Excellence in supply chain

Central to the success of the AMEC Beyond Zero programme continues to be the illustration of what excellence looks like, and the provision of an active road map to guide our operations towards excellence in health and safety - see figure 5.

Fig. 5
Beyond Zero Road map (updated in 2011)



Our principles

Our HSE management framework sets out core expectations for the management of each critical area of HSE. These core expectations form the basis of our standards across the business and reinforce and support our leadership.

The focus for 2011 was to create a joined-up approach within our management systems. We now have clarity in our policy, a clear vision for our journey towards 2015 with clear and concise expectations for the whole of our business which are communicated using the 14 core expectations contained in our HSE management framework.

During 2011 we:

- Created a clear line of accountability throughout the organisation in our policy
- Aligned our functional priorities to support Vision 2015 within our strategy
- Created a clear set of expectations for all our businesses across the globe in our framework.

Framework implementation

Having upgraded our group-wide management system we needed to apply a process of formal implementation. We achieved this by asking all divisions to perform a gap analysis on their safety management systems using our bespoke performance standard tool. This was then used to create improvement plans to tackle any weak compliance issues identified in the assessment.

Leadership and personal accountability play a vital role in the management of HSE issues in AMEC.”

Our leadership

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

Our strategic goal in this area is:

- To continue to develop our management and supervisors' safety leadership skills.

Throughout 2011 we put significant effort into equipping people with the necessary skills to improve their personal safety leadership. In 2011 around 1,000 people went through the AMEC Safety Leadership Skills Programme which aims to develop greater self awareness and understanding of personal HSE responsibilities.

The AMEC First Step Safety Leadership Skills Programme aims to establish and maintain the foundations on which we can positively shape our culture by focusing at the individual level to transform our safety leaders. The Skills Programme complements our global leadership development programmes by developing a greater awareness in each person, of themselves, of their interaction with others and also a greater understanding of their roles and responsibilities in an HSE context.

Leadership tours / audits

Through 2011 AMEC's leadership (including the COO and Chief Executive) were involved in undertaking 264 safety tours based on our 10 safety rules. This is seen to have multiple benefits for the business, by reinforcing leadership commitment to HSE, promoting Beyond Zero and engaging our workforce.

2011 Global Awards for HSSE



Promoting leadership behaviours is essential to developing a safety leadership culture in the business. The winner of the People HSE award was Christianne Wetherspoon, who played a major part in saving the life of a colleague who suffered a cardiac arrest while at work. Christianne has taken her experiences and used them to perform a leading role in helping to educate first aiders and improve the awareness and standards of care provided.

Our standards

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

Moving forward in this area, our strategic goals are:

- To have in place robust and effective management systems and procedures that meet the requirements of the HSE management framework and the minimum legal requirements of each jurisdiction and industry sector
- To maintain a robust HSE assurance programme that delivers at each level of the organisation.

HSE management framework

This sets out the standard AMEC health, safety and environmental (HSE) framework (part of Beyond Zero Road map - figure 5) which ensures consistency across the company. Our goal is to reduce risk and harm in all our operations, through sound technical decisions at the earliest opportunity and managing any residual risk through operational controls. We need to consider aspects of health, safety and the environment at all stages of a project's life cycle.

The framework supports our AMEC HSE strategy and policy and contains AMEC's standard 14 core HSE expectations, setting out minimum requirements in specific areas of HSE management. Where a standard global approach is required in specific areas the core expectation is supported by a mandatory AMEC HSE procedure, applied across the group.

Project management

Throughout 2011 we developed the Health, Safety, Security and Environmental (HSSE) chapter of our global Project Management Plan (PMP), which contains key group-wide expectations, processes and procedures for ensuring that our activities, including engineering, design, construction, management and maintenance operations, are undertaken safely in a consistent manner and in line with contractual and regulatory requirements and policy commitments.

Occupational health management

Creating a world-class occupational health (OH) management system is vital for us and our business. We must make sure that we have systems in place to identify aspects of our work which may impact on people's health and make sure that we manage risks to minimise health impacts in the long-term (chronic) as well as short-term (acute).

Our underpinning principle in the management of OH is that occupational ill health is preventable through proactive risk assessment, risk mitigation and awareness. Occupational health is an important part of our HSE management system and we have developed occupational health group standards and an OH risk assessment to manage this element.

The occupational health standards were developed following a comprehensive review of health related performance. Occupational health assessments are designed to systematically identify potential occupational health hazards in specific occupational groups of workers. They help us to identify acute and chronic health hazards because we look at the occupation as a whole rather than a specific task.

Risk assessment assurance

Each year the AMEC HSSE Leadership team reviews group-wide performance. This process informs objective and target setting for the following year.

In looking at our incident investigation findings using our Trackwise (incident management tool) analysis capability, we were able to identify inadequate risk assessments as a root cause for a high number of incidents. This led us to implement

2011 Global Awards for HSSE



Successful safety management begins at the earliest opportunity within a project. This year's winner of the Best Practice category of AMEC's global award for HSSE was the Natural Resources, Europe and West Africa, BP North Sea Region Projects team for their implementation of the 'Inherently Safer Design' (ISD) model, which focuses on eliminating or significantly reducing hazards, and is put into practice by actively communicating ideas and examples across the whole team.

a task risk assessment assurance process throughout 2011, aimed at reviewing the quality, consistency and efficiency of task-based risk assessments.

Performance standard - 2011

To support the integration of our enhanced management approach we created a bespoke 'Performance Standards' tool to benchmark our business against the 14 core expectations we have set for our organisation.

Everyone involved

To deliver world-class HSE performance, everyone must play their part. For this to happen, every person must understand both their role and their responsibilities.

Our strategic goals in this area are:

- Drive workforce engagement and involvement in securing a better health and safety culture and performance
- Enhance both relationships with, and support to, our supply chain partners
- Develop and maintain leading HSE teams through intelligent resourcing, the implementation of the HSE career path and robust succession planning

Our goal is to reduce risk and harm in all our operations, through sound technical decisions at the earliest front end opportunity and manage any residual risk through operational control."

- Enhance the profile of occupational health management across AMEC and implement a common robust approach to the management of significant occupational health risks.

My Opinion survey

Part of our regular My Opinion survey is dedicated to health and safety. It helps us to understand whether our people really believe that the company is committed to their safety and whether they feel engaged in the process. In 2011, 93 per cent of our employees believed that AMEC was committed to employee safety, up 2 percentage points from 2010 levels. 91 per cent of our employees feel they are able to discuss work hazards and safety issues freely – this response had not changed from 2010. We are very proud to see the strength of this safety commitment in our culture.

Sub-contractor engagement

Our sub-contractor stakeholders are key in improving our performance and maximising our potential to reduce incidents throughout the business. Sharing our tools, thinking and learning with our key sub-contractors was a focus for 2011, with engagement workshops, aimed at improving safety culture and understanding with key sub-contractors, held in each division.

World class performance

We believe in total loss prevention and are committed to delivering a world-class performance, actively seeking to be best in class in each of the industry sectors in which we operate.

Our strategic goals are:

- To deliver a year-on-year improvement in our Total Recordable Case Frequency
- To continually review our metrics and performance indicators to ensure we drive continuous improvement in our key areas of focus
- To benchmark our performance across high performers in each industry sector.

Table 8
Number of fatalities

	2011	2010	2009	2008
Employees	0	0	0	0
Sub contractors	0	0	0	0
Others	0	0	0	0

Table 9
OSHA 2010

	Professional and business services	Construction	All industry
TRCFR (per 200,000 man hours)	1.7	4.0	3.8
LTIFR (per 200,000 man hours)	0.6	1.5	1.2

Table 10
Enforcement action

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

Table 11
Incidents of ill health

	2011	2010
Days lost	505	1,333
Number of cases of ill health	15	22
Number of reportable ill health cases	1	0

Incident prevention management

Through the use of our TrackWise reporting process we have been able to improve mobilisation and response times to potential safety issues on a global scale. Significant reportable incidents are flagged up to all businesses as they are logged into the TrackWise system – this allows speedy promulgation, awareness and action across our global HSE teams.

Our performance

While we had many fantastic examples of world-class performance in 2011, and improved performance year-on-year, unfortunately we did not achieve all of our improvement targets. Setting key performance indicators allows us to measure our performance against the targets we set ourselves. In this case, our aim is to eliminate harm to the people who work for us, or we interact with, as a result of our operations / activities. We set a target of zero fatalities and a 10 per cent improvement on previous best performance across the three key lagging performance indicators. Zero fatalities were recorded across AMEC operations in 2011 – see table 8.

Lost time incident frequency rate (LTIFR)

Our target for the year was zero which we failed to achieve as a group, even though we improved on our performance compared with the previous year. We still had 15 people sustaining lost time injuries, which is clearly unacceptable – see figure 6.

Total recordable case frequency rate (TRCFR)

We targeted a 10 per cent reduction on our 2010 performance which was achieved – see figure 7.

All injury frequency rate (AIFR)

We targeted a 10 per cent reduction on our 2010 performance which we achieved – see figure 8.

AMEC’s performance compares well with figures produced by the US Occupational Safety and Health Administration (OSHA) which collates industry incident rate figures. These are a useful benchmark for us to compare against our global performance – see table 9.

Health and Safety enforcement action

AMEC Group Limited (‘AGL’) is currently the subject of an ongoing Health and Safety Executive investigation, in respect of an incident involving a fatality to a subcontractor at the Leftbank Apartments project in Manchester in April 2004. AMEC was principal contractor. A summons has been received and AMEC entered a not guilty plea. The case was heard at Liverpool Crown Court in June 2011 and resulted in a hung jury. A retrial will be held in March 2012.*

One improvement notice was served on AMEC Group Limited as duty holders on the Dunlin A Offshore Installation. The notice related to improvements in the fire detection equipment within the Aggreko transformer enclosures on the platform.

Occupational health

Days lost through occupational ill health and injury was introduced as a new indicator for our HSE management programme report in 2010. In 2011 we set ourselves a target of reducing the number of days lost by 10 per cent. Tracking the number of days when an individual is away from the workplace gives an indication of the level of severity of each case – see table 11.

We met our 10 per cent reduction target for days lost and number of cases.

Reportable cases of ill health

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

During 2011 there was one case of reportable ill health, this related to a case of hand arm vibration in the UK business – see table 11.

HSE awards

During 2011 we received a number of external awards in relation to commitments to safety. A list of these awards can be found at www.amec.com/aboutus.

Security focus

As AMEC grows and expands into areas that are new to us, the management of risk and related security threats has become an even more important business issue and a key factor in our ongoing success. We have recognised the benefits of delivering security holistically, and are implementing a consistent approach to security service delivery across the group.

During the year we made significant progress in developing a robust, structured approach to security management and review. We have engaged Regional Security Advisers (RSAs) who support operations in identifying and mitigating security risk. We have also made significant progress in upgrading our security tool box for our operational teams to use with the supervision and guidance of RSAs.

Our security approach is evolving quickly. Our review process is designed to ensure that we focus attention on high risk activity, making sure group processes and principles are embedded across the company and so keeping our people safe and secure.

During 2011, our plans were tested by the unrest in Libya. It was a great relief to us all once our expatriate workers were safely home and our local workers had been reunited with their families.

Fig. 6
LTIFR (per 200,000 man hours)

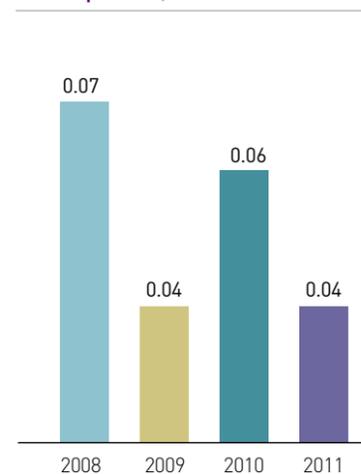


Fig. 7
TRCFR (per 200,000 man hours)

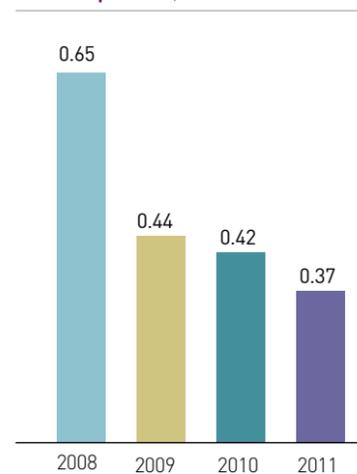
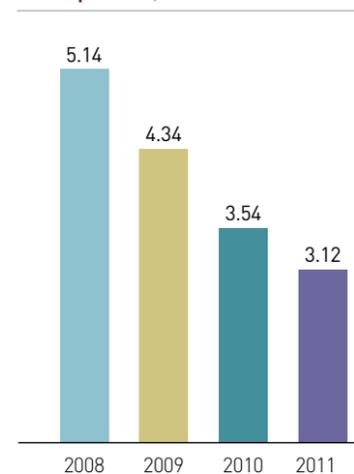


Fig. 8
AIFR (per 200,000 man hours)



*Since the date of this report AMEC was found guilty under a breach of Section 3(1) of the Health and Safety at Work etc Act 1974. Sentencing is due to be passed May 2012.



Living our values

Our shared environment is a finite global resource which needs a high level of protection, maintenance and stewardship. This is why AMEC has committed to upholding the United Nations Global Compact principles. We believe that the practical, technological and strategic steps that we have taken to manage our environmental impacts help us to be a successful company; but there is always more we can do.

Compliance and control

Like many multinational project management companies, we work in numerous locations over the globe, in roles ranging from prime contractor to discrete service provider. All of our projects are different and there is no 'one-glove-fits-all' solution to environmental management – we assess each project based on the local environmental aspects.

So how do we manage such a variation in our responsibilities? We do this through setting clear expectations and standards for our operations and through providing tools and shared learning to enhance our capabilities in environmental aspect management.

AMEC's policy statement is supported by our Health, Safety and Environmental Framework document, which describes our integrated approach to health, safety and environmental management throughout the group. We require all operations to implement this framework standard which is based on ISO 14001 and OHSAS 18001. Our HSE framework contains our core expectations, which set down minimum standards of practice across key areas. During 2011 we required all parts of the business to perform a gap analysis against the framework using our performance standard (refer to page 21 for more information).

“Focusing on areas where we must ensure high standards of performance to reduce associated environmental and financial risk.”

Environmental Management System (EMS) coverage

More than 91 per cent of our employees are working within an environmental management system that is ISO 14001:2004 compliant, with our UK businesses gaining third party certification.

Nine per cent of our organisation operates within an environmental management system which we assess to be non-compliant with the standard, which is slightly improved on 10 per cent in 2010. Note: These figures are based on headcount of our divisions.

Updating our road map

Key to achieving the commitments we set out in our HSE policy is our HSE strategy and road map. These documents set out our key priorities supporting Vision 2015 and the route we will

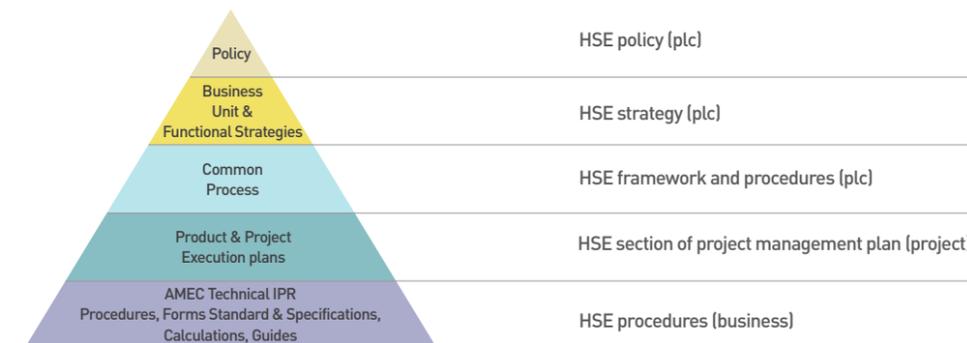
take to get there (see Safety section for more detail on the road map). Our HSE leadership team identified an opportunity to stress the importance of environmental management by the development of mandatory global environmental standards.

These standards were developed following a comprehensive review of AMEC's environmental commitments (values and policies) and performance, including environmental incident investigation, environmental KPIs, regulatory performance and environmental best practice. The objective of the standards is to ensure a consistent level of performance across the organisation; focusing on areas where we must ensure high standards of performance to reduce associated environmental and financial risk (pollution and associated clean-up costs).

“The most effective way in which AMEC can minimise resource use is by the advice and services we provide to our clients.”

AMEC's key strategic aspects

Compliance and control	Maintaining and communicating high standards and legal compliance, identification and management of pollution risks
Minimising resource use	Excellence in environmental design and 'future proofing', growing and responding to clients' needs now and in the future, water resource management
Responding to climate change	Responding to threats and opportunities



The hierarchy of environmental management controls in operation across the business, supporting the environmental commitments laid down in AMEC's Health, Safety and Environmental policy statement.

Table 12
Regulatory action

	2011	2010	2009	2008
Prosecutions	0	0	0	0
Total fine(s) £	0	0	0	0
Other notices	0	1	0	0

Table 13
Environmental incidents

	2011	2010	2009	2008
Number of environmental incidents	179	160	333	423
Of which were spills	175	-	-	-
Environmental incident frequency rate (Number of incidents per 200,000 man hours)	0.47	0.46	0.94	1.15

Setting clear expectations and standards.”

These standards apply to our operations where AMEC has environmental responsibility; they have been integrated into our divisional health, safety and environmental (HSE) management systems including AMEC’s standard Project Management Plan approach.

Developments in project management and supply chain

The range of services we provide for our clients is extensive, and we are currently enhancing our group systems and approaches to maximise effectiveness and efficiency when working in the project environment.

The Project Management Plan details all the elements we need to achieve excellence in project execution, and one volume of the plan deals exclusively with health, safety and environmental management. We have made sure that this section includes our environmental standards and framework requirements.

Supply chain management

Our supply chain is fundamental to our environmental performance, in that poor environmental stewardship in the supply chain can affect our ability to manage environmental / pollution risk through poor practice / product or service. Our environmental experts have been working with our supply chain management team to reflect environmental performance screening within a new tiered global supplier assessment tool.

Environmental performance

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

Regulatory action

If regulatory action is taken against AMEC it suggests that we have failed to manage an environmental aspect properly. Table 12 shows any environmental incidents which resulted in formal regulatory action being taken against us. This includes prosecution and any other environmental regulatory action such as fines, stop notices or any other notice.

Reported environmental incidents

Environmental incidents, where there was potential for pollution or risk of regulatory action (in line with AMEC management system requirements), are recorded, reported and investigated. We track this indicator because we believe that through thorough investigation of environmental incidents we can improve our management systems and techniques - see table 13.

Minimising resource use Environment in design

The most effective way in which we can minimise resource use is by the advice and services we provide to our clients – in terms of design solutions and environmental consultancy. We have systems and processes in place to ensure environmental issues

Fig. 10
Make-up of spills reported

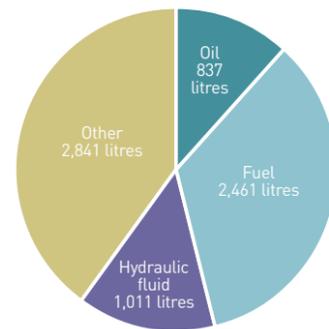
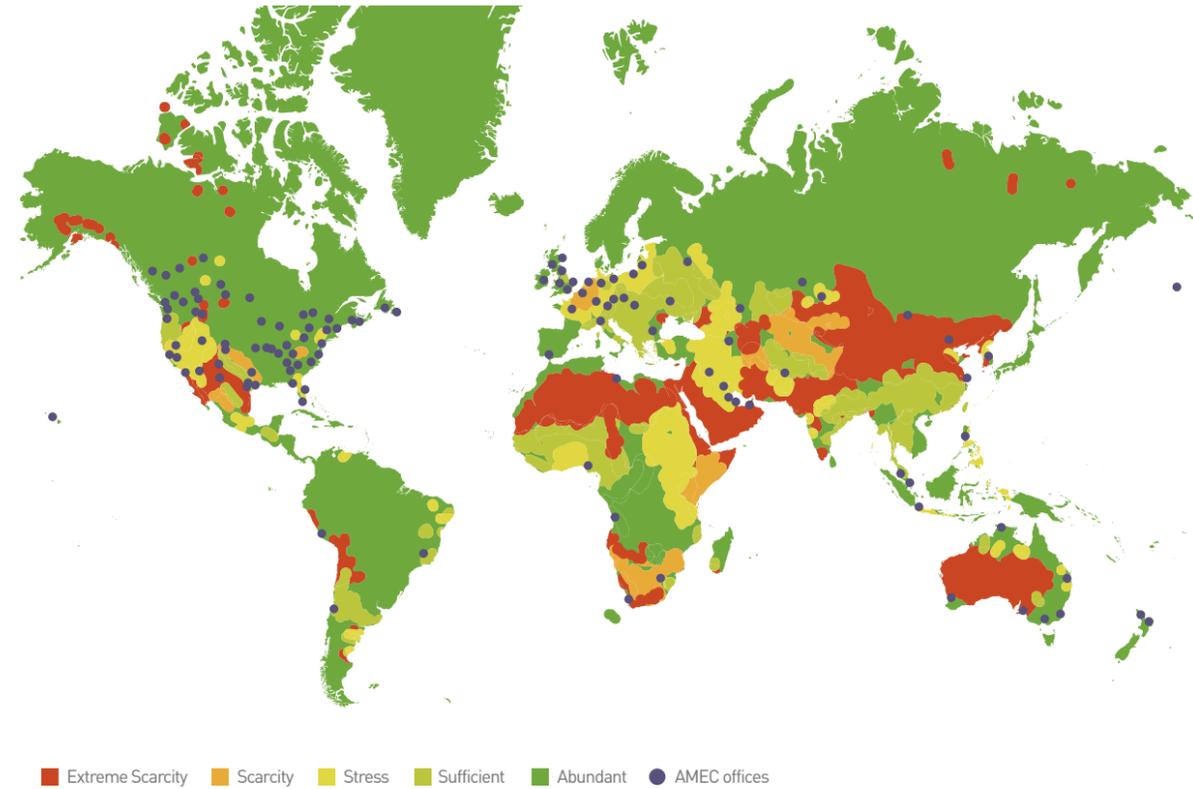


Fig. 11
AMEC water scarcity risk map



are identified during engineering design phases so that they are designed out as far as possible.

One example of this in practice is in the use of our AMEC PI emissions forecaster software. By inputting different equipment modules (such as number and type of gas turbines and compressors), it calculates emission profiles of the life of the field for various production scenarios. The software allows various sensitivities to be analysed within minutes, to ensure optimum configurations are chosen, confirming Best Available Technique and identifying considerable possible cost savings.

Water

Water scarcity is a growing problem that affects governments, businesses and individuals in many parts of the world. As with climate change, businesses will be directly affected by water issues and equally, business action could have a major impact on the scale of the problem and the potential solutions. Over the past few years, we have been growing our water services offering as part of our Environment & Infrastructure business, providing a multidisciplinary approach to water projects at all stages of planning, study, design and construction. During 2011 we took time to assess and map our own locations in terms of water scarcity risk using the World Business Council for Sustainable Development global water tool.

AMEC’s water usage is predominantly office-based utility supply, therefore we are not deemed as a major user - figure 11

plots our current office locations against the projected annual renewable water supply map for 2025.

We have a number of offices located in areas of water severity, either currently or predicted by the year 2025. For 2012, we will look in more detail at the consumption in these locations with the intention of implementing improvement and reduction plans during 2013.

Externally we will continue to support our clients with their projects – see amec.com for examples of our recent water projects and services.

Responding to climate change

Climate change continues to be a major issue for AMEC and our clients to manage, and for us, addressing concerns around climate change means addressing our energy use and services provision for our clients. We need to ensure that we bring the latest technology to the market and make best use of resources.

Carbon strategy

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

Table 14
Carbon performance - benchmark indicators

	2011	2010	2009	2008
Tonnes of CO ₂ per person per year	2.435 [*1.891]	2.338	2.669	2.632
Tonnes of CO ₂ per £m turnover	19.236 [*14.935]	17.335	21.823	22.214

* Figures in brackets represent a like for like comparison to 2010 levels.

Table 15
Electricity consumed - Scope two emissions

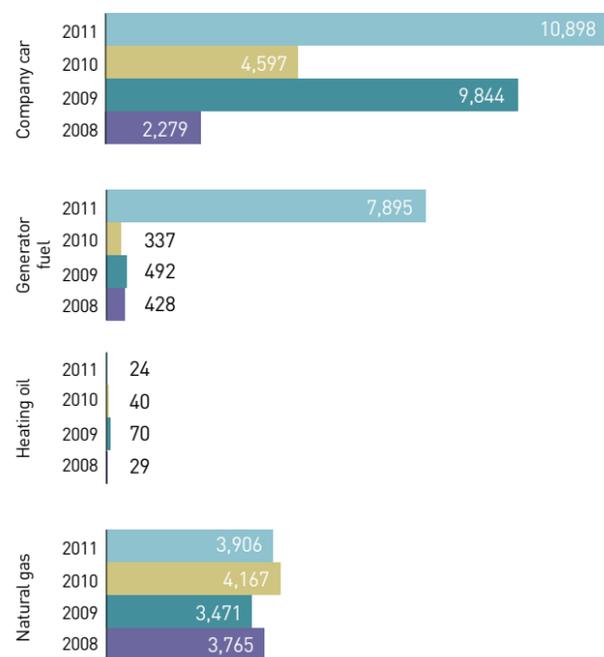
	2011	2010	2009	2008
000s Kwh	41.161	44.771	48.286	57.492
000s GJ	148	161	213	207
000s CO ₂ tonnes	18.4	20.9	30.4	24.3

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

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

Working through the Greenhouse Gas Protocol guidelines and ISO 14064(1) we have identified the key emission target sources on which we concentrate our efforts in controlling. These include building utilities, air and rail travel, and vehicle usage and constitute the majority of the carbon emission falling within our operational boundary and contributing a significant cost to our business. All carbon emissions have been calculated using the DEFRA UK 2008 emission factors.

Fig. 11
Scope one - Emissions from direct energy (tonnes CO₂)



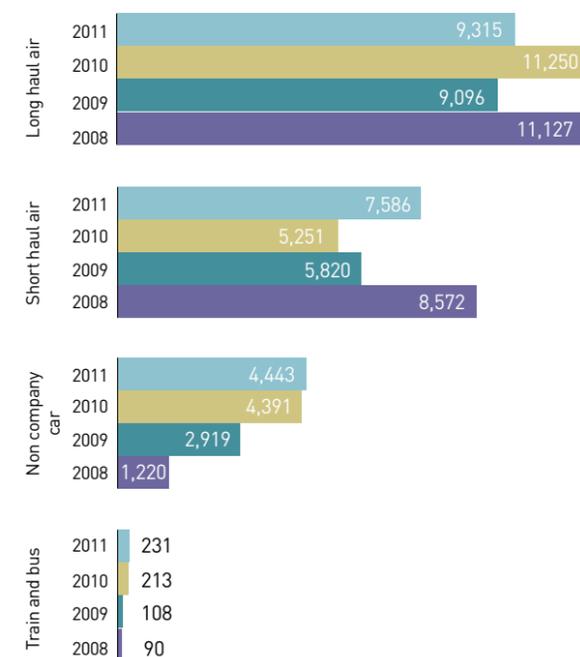
Our carbon performance

In total AMEC's businesses (excluding joint venture partnerships) reported emitting a total of 62,727 tonnes of carbon, representing an increase of absolute carbon of 22 per cent from the 2010 level. This increase is due to the inclusion of site vehicle and diesel use for our Power & Process business in Europe – this data has not been available in previous years. If we compare the absolute carbon footprint like-for-like with 2010, we see a total of 48,704 for 2011 representing a reduction of 5 per cent - see table 14.

Scope one – emissions from direct energy

Total scope one emissions for 2011 were 22,723 tonnes, making up 36 per cent of our total footprint, and representing an increase of 247 per cent from 2010. In 2011 the carbon associated with our site vehicles and generators in Power &

Fig. 12
Scope three - Emissions from travel (tonnes CO₂)



Reducing our global IT power consumption

At the end of 2011 AMEC acquired an energy management solution to reduce energy wasted by PCs, and other devices connected to the corporate network, when they are not in use. The system provides us with detailed reports of energy usage and savings by location and even down to individual PC level. To date we have monitored our usage and usage trends and in early 2012 we will begin to manage the power consumption of the PC fleet. It is expected we will see reduction in usage and cost with immediate effect, helping us to meet our carbon reduction targets while ensuring productivity and availability are maintained. With current usage the system is forecasting a reduction in energy use of over 40 per cent (32.4MWh) over the next 12 months.

Process Europe amounted to an additional 13,541 tonnes of carbon. On a like-for-like basis, our emissions reduced by 5 per cent. This reduction is largely due to the reducing company car fleet which is being phased out, as well as a more accurate method of collection of company car information in our Middle East locations - see figure 11.

Scope two – emissions from indirect energy

Our scope two emissions help us to assess the impact of the UK Carbon Reduction Commitment. Implementation of sustainability checklists when leasing new offices and the amalgamation of offices have helped us to be more efficient. We have been able to reduce the carbon associated with our electricity by 12 per cent from 2010 levels, with a total cost saving on our office utilities of £649,000. We continue to keep our employees aware of good practice in terms of energy management, and in 2011 we purchased energy management software which will help us to reduce our energy consumption related to PCs and other networked devices – see case study above.

Scope three – CO₂ emissions from business travel

Our workforce is highly mobile, therefore travel is both an area of major expenditure and a considerable proportion of AMEC's total footprint - see figure 12. In 2011 we saw an increase of 2 per cent in our scope three emissions. This increase is largely attributable to carbon associated with flights (decrease in long haul flights, with large increase in short haul trips). At the end of 2011 our Americas business introduced a mandatory travel policy to provide greater transparency and detail on travel. It is envisaged that some changes to the carbon mix associated with travel in Americas will be seen as a result in 2012.

Quarry Park-it – employee commute challenge

In 2011, 103 of our employees from the Calgary office took part in the Park-it challenge – which invited employees to use a self-propelled (walk, cycle, run) method of transportation to and from work instead of driving, over a 23-day period. During this time 2,559 commutes were recorded, a total of 36,298km travelled and \$3,290 raised for local charities. The challenge was seen as a fun way to encourage and educate our employees on ways in which they could reduce their carbon footprint while improving physical fitness at the same time.

Carbon Reduction Commitment (CRC) energy efficiency scheme

The Carbon Reduction Commitment required AMEC to submit information on our carbon footprint and in April 2012 purchase carbon credits, at £12 per tonne of carbon, to cover our core emissions in the UK. As part of this new legal requirement the UK's Environment Agency has published the first Carbon Reduction Commitment performance table. AMEC appears in the major (and lowest) ranking 1301 which contains the vast majority of companies including a number of our clients.

Carbon Disclosure Project

We have been disclosing our carbon performance to the Carbon Disclosure Project since 2007. We see this as a good way to demonstrate our awareness and management of our greenhouse gas emissions and show our understanding and management of the risks of climate change. Our disclosure scores have improved year-on-year since we began disclosing, and 2011 saw us reach our highest score to date at 79 per cent - comparable to some of our key client base.

Looking forward

During 2012 we will be implementing new carbon software which will allow greater transparency of our data. Improved analysis and trending will enable us to more effectively manage our carbon emissions. As highlighted previously our carbon emissions are currently calculated using the DEFRA UK 2008 emission factors. The new software will allow us to utilise latest emission factors local to our operations which will result in more accurate reporting. A large proportion of our carbon footprint is associated with business travel and, although not all of this can be removed, we will be looking at cutting our footprint in this area. Towards the end of the year we will begin to develop the strategy for meeting our next carbon reduction milestone, which will be in 2020.

4

Integridade

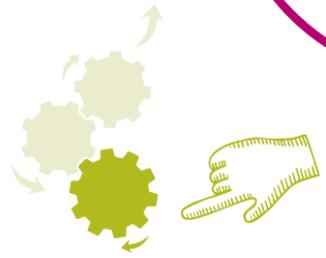
Integrity

Integridad

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Living our values

Trust and loyalty are hard won, but can easily be lost by behaviour inconsistent with our values. Our values explain the behaviours we expect of our employees, suppliers and other stakeholders as we deliver on our growth strategy, Vision 2015. Acting with integrity is one of AMEC's values; this is how we need to continue to behave if we are to create a successful and sustainable business for the long term, trusted by our customers.

2011 saw the introduction of a refreshed Code of Business Conduct (code), launch of a supply chain code of business conduct and the appointment of ethics officers in each division, demonstrating that ethics and integrity are important to us.

Ethical business conduct

Our code is a set of principles to guide our employees, and those who work on our behalf and under our direction, in the conduct of our day-to-day business. It is equally valid wherever we work in the world and whoever we are working with. It is the practical application of our values. A copy of the code is available on amec.com.

We will never accept or excuse behaviours that are inconsistent with those laid out in our values and our code. We have procedures in place to report, investigate and deal with potential, suspected or actual breaches. Any suspected breaches may be reported confidentially to a line manager or ethics officer; or to the ethics helpline which is administered by a third party, and supported in many different languages 24 hours a day; or to the General Counsel & Company Secretary.

Ensuring our workforce has read and understood the code is key in its effective implementation. For this purpose, hard copies of the code have been distributed to employees. Additionally regular communications are made by management explaining the important part it plays in the business as a whole. In 2012 an awareness training package will be rolled out to all employees.

In 2011 we had 31 reports of potential breaches of the code through our ethics helpline / email in addition to other reports direct to management. All of these were investigated and action taken as appropriate. With the awareness training package and other initiatives being rolled out, it is anticipated that there may be additional reports received in 2012.

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

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

Our Code of Business Conduct (code) is a set of principles to guide our employees... It is the practical application of our values."

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

In 2011 we appointed ethics officers to provide support in setting ethical standards, communicating them, integrating them into the culture of the business and holding individuals accountable for them. The ethics officers report into the Chief Ethics Officer (the General Counsel & Company Secretary of AMEC plc) who supports the ethics committee in their activities.

Front cover of the code

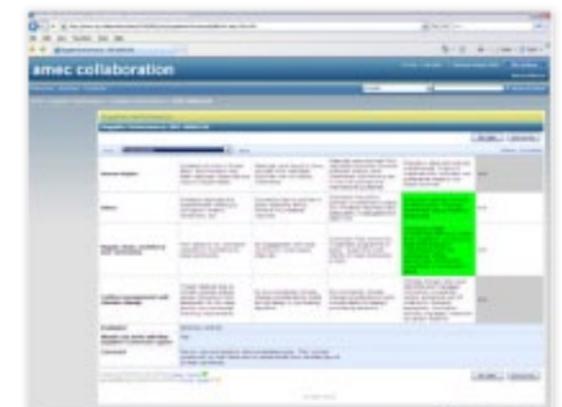


Human rights

For the first time, and responding to the commitments we have made as participants of the UN Global Compact, we included specific wording on human and labour rights within the refreshed code. These words set out specific behaviours and expectations in these areas, pertaining to upholding effective abolition of child or forced / compulsory labour, respecting human rights and providing a workplace which is safe and secure, founded on mutual respect, free from harassment and offering equal opportunity for promotion and advancement.

In support of our code, in 2011 a supply chain code of business conduct was developed and published, ensuring that our supply chain community behaves in a way which is consistent with our values. The supply chain code of conduct covers topics including

Fig. 13 Supply chain performance, evaluation tool screenshot



“As a company and as employees we have a responsibility to act with integrity and transparency, values which are enshrined in our Code of Business Conduct.”
Sue Scholes, Director of Communications

Integrity

environment, health and safety, ethics and legal requirements, gifts and hospitality and human rights and human resources. It is a requirement for all suppliers to sign up to the code prior to contract award. Compliance is supported with the completion of the supplier performance assessment which provides a performance score against the above topic areas (as well as technical, commercial and delivery) for global review / use. See figure 13 for an example assessment.

Anti-bribery and corruption

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

- Training for employees on the code and our policy on anti-bribery and corruption through a combination of online modules and face to face training
- A confidential helpline managed by a third party for employees to raise concerns (anonymously if desired) without fear of reprisal
- Due diligence of business partners and other third parties
- Monitoring and assurance with the assistance of our Group Internal Audit function.

Along with the code, these were reviewed and as appropriate refreshed in 2011 as part of our ongoing commitment to anti-bribery and corruption and in light of the UK Bribery Act and associated guidance.

Community

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

Working in diverse locations means that we must approach engagement with our communities in a flexible manner.

Utilising the skills of our people

Launched in 2011, AMEC is a member of the Disaster Resource Partnership (DRP) - an international alliance of engineering and construction companies that have made a commitment to cooperate with the humanitarian community by providing engineering and construction assistance before, during and after a natural disaster occurs. The partnership provides a mechanism for a centralised community of professionals to leverage their skills and assets effectively – not just charitably.

Working with the International Federation of the Red Cross and Red Crescent, a training programme for volunteers has been developed – with the first five of our engineers undergoing training in October 2011.

Sybil Kidder, one of those trained, explained: “It appeared when the call went out for volunteers, that AMEC, and especially Mr Brikho, has a strong desire to be involved in humanitarian efforts and that’s what hooked me. I thought the programme was a good fit with my personal and work goals, while gaining new experiences in the engineering and construction field. The training provided a new insight into what it takes to get aid and comfort to those in need, and included hands on projects which gave real meaning to the work effort. The last day of the training culminated in building a real ‘temporary shelter’ in Central Park, New York City.”

Our aim is to eventually have between 15 and 20 professionals trained and committed to the possibility of being deployed if needed.

“In 2011 SOS Children launched an emergency relief appeal to help victims of drought, famine and ongoing conflict in East Africa. AMEC has rallied to provide fantastic support for this cause, undertaking a series of fundraising events and donating over £32,000. You have been a real beacon of continuous support for those who need help most, now more than ever.” Jeff Massey, Corporate Liaison Coordinator, SOS Children.

Supporting Movember



From AMEC offices in Canada, the United Kingdom, and the United States, to locations in Nigeria, Qatar, and Australia, AMEC employees worked globally to raise funds for Movember, and put AMEC in the Top 60 corporate organisations supporting the charity.

“AMEC had over 40 teams participate this year, representing more than 400 employees from every AMEC business, making Movember a truly One-AMEC event. Our collective efforts have raised just under £80,000 for the Movember Foundation,” says Mechanical Engineer Bernard Vaughan who helped organise AMEC’s participation.

Movember is an annual event where men are sponsored to grow moustaches for the entire month of November to raise funds for prostate cancer awareness, prevention, research and treatment.

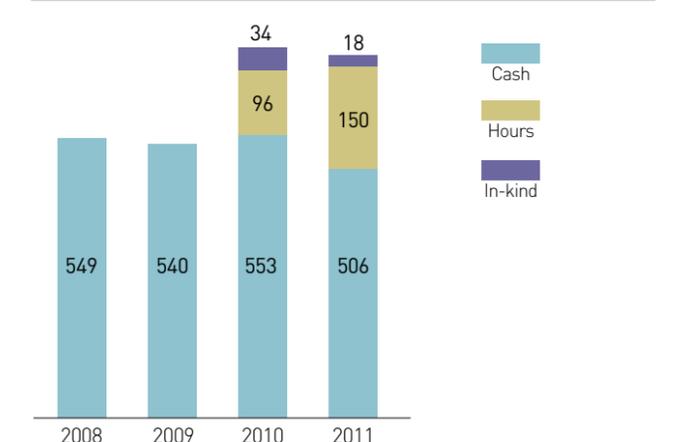
In the places in which we work we seek to invest in community projects, improve skills, and support education and access to employment. Working with our local communities by building relationships and investing time and effort has the potential to bring all parties positive benefits.

Community investment

In 2011 AMEC donated £506,000 to good causes and charitable institutions worldwide, including matching employee volunteer fundraising. This represents 0.19 per cent of profit, which is down 0.01 per cent from 2010. Figure 14 shows the total contribution from AMEC, including time volunteered during work hours and in-kind donations.

A further £832,146 was raised by our employees (an increase of 44 per cent on 2010 figures) with an additional 6,827 hours volunteered by our employees in their own time. In 2010 AMEC began to use the London Benchmarking Group model to record and analyse our community contributions over and above the cash donations. This continued in 2011, providing us with the ability to begin to compare our contributions over the past couple of years in terms of geography and cause type.

Fig. 14
£'000 donated by AMEC



Note: Hours and in-kind donation only collated from 2010 onwards

SOS Nigeria solar panel project



In addition to the money that was raised for SOS Children to support the emergency relief efforts for East Africa, the money we raised in 2011 will fund the purchase of 24 solar panels, a photovoltaic solar generator and a groundwater tank to collect rain water with solar pumps and overhead tank for the Gwagwalada SOS village in Nigeria. Being closely linked to the core of our business (energy and water), the close proximity to one of our office locations and the long term partnership we have with SOS, it was seen as a perfect match for our employees to get involved in.

The equipment once fully funded will mean that three families (each with ten children and their SOS mother) will be fully energy self-efficient, and rainwater collected from the roofs will be used for the WCs, reducing the quantity of water used and the soil erosion. We will be raising funds in 2012 to fund the installation and training to complete this project.

Note: Gwagwalada Children's village was opened in 2007 and is located near Abuja in the centre of Nigeria. In an area greatly affected by poverty, SOS built 12 family houses for 120 homeless and disadvantaged children. Since the educational facilities surrounding the Village are poor, they also built an SOS Primary School, providing 210 children from the SOS Children's Village and the local community with an education. The Village also includes an SOS Social Centre which as well as providing primary health care and community outreach programmes, runs family strengthening programmes to keep disadvantaged families together. The centre benefits approximately 2,000 people each year.

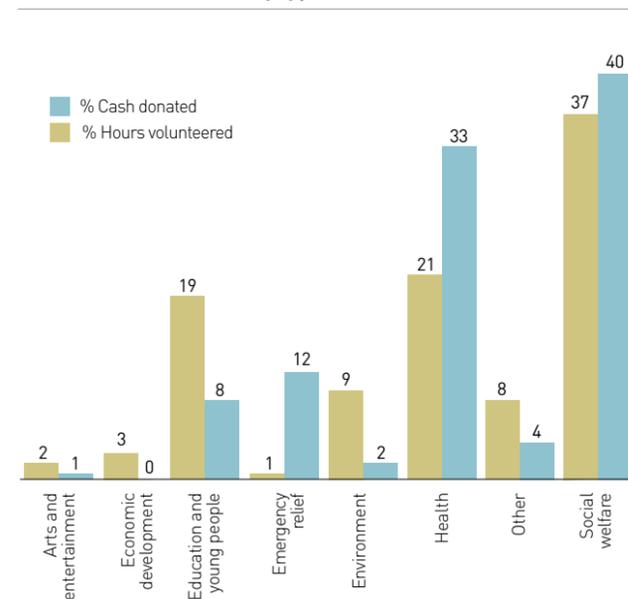
“We are committed to supporting the communities in which we operate and society in general.”

Figure 15 gives an indication of where our employees chose to spend their volunteered time, and what they chose to raise money for. Emergency relief remained a large proportion of the money raised (almost 10 per cent) in response to appeals relating to Pakistan and East Africa. Page 34 shows what we are doing to ensure our support is more than just charitable donations. Social welfare, education and young people and health areas remain key parts of the community investment / fundraising efforts and we would envisage this continuing.

AMEC strategic charity

Since 2007 AMEC has worked with SOS Children's Villages as our global strategic charity, supporting education projects within their villages, helping with running costs of the villages themselves which provide a safe environment for children to flourish, and providing support in their emergency relief efforts. SOS plays an important role in supporting the development and sustainability of their local communities, investing in the futures

Fig. 15
Charitable contribution by type



“For AMEC, education has a much longer lasting benefit than just providing charitable donations.”

of thousands of children and making sure they have the tools they need to become independent young adults. We continued with our support in 2011, with £97,187 being donated by AMEC and our employees over the period.

In August AMEC announced a 'fast day' appeal to aid the people in East Africa who were affected by the worst drought since the 1950s. Our locations were encouraged to go without one meal for one day and to sponsor the fasters, or to donate the equivalent to what would have been spent on that meal to the appeal. We raised nearly £16,000 which was matched by AMEC.

Educational partnerships

For AMEC, education has a much longer lasting benefit than just providing charitable donations. It is a good way of helping and supporting our communities and it also provides the opportunity to help our business grow in new regions. AMEC continues to form community and educational partnerships with local institutions, each designed to draw on the talents of our employees with the objective of building skills. These partnerships are often long-term relationships and activities can include:

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

2011 saw the continuation of two of our well-established education support programmes. AMEC's North Americas Employee Scholarship programme awarded 14 scholarships to encourage and recognise academic excellence among the children, stepchildren and grandchildren of AMEC employees in North America. The ASK (AMEC Students Kazakhstan) programme in Kazakhstan sponsors the higher education of around 60 students.

Henderson Mill Elementary School, Tucker, Georgia

The sustainability committee in the Tucker, Georgia office has formed a partnership with Henderson Mill Elementary School. The partnership for the 2011-12 school year aims to support the school's STEM programme (Science, Technology, Engineering and Math), focusing on introducing the students to activities and careers in science and math.

AMEC volunteers from the sustainability committee met with the school's administrative team, developing a series of student activities that included an organic garden sustainability project, a math event with students and parents, a visit by 5th graders to AMEC's office during engineering week, a science project with 3rd graders during science week, and presentations to students by AMEC engineers and other professionals for career day.

For math night, Tucker office employees developed activities that taught students about several math principles. To support the school's organic garden, Tucker employees have designed and are installing a rainwater collection system. This is designed to collect rainwater from the roof of the school's gymnasium and funnel the water into eight 55 gallon barrels, which allow the faculty and students of the school to hook up a traditional garden hose to water their organic garden. The garden will be used by the faculty to teach a range of subjects from biology and mathematics to literature and creative writing. The AMEC sustainability committee is using the design and construction of the rainwater collection system to teach the students about brainstorming, problem solving, planning ahead and the engineering process. AMEC was able to have all the materials needed donated by local vendors.

During engineering week, 100 5th graders visited our office. They heard presentations about engineering, saw their rainwater collection system in a 3D model and learned about safety. They took a tour of the office to see engineers at work and worked on activities with an engineering focus.

The school's principal, teachers and parents have welcomed AMEC's programme in the school. Henderson Mill is less than two miles from the AMEC office. The school's focus on science, math, technology and sustainability makes it an ideal community partner for AMEC.

Delivering excellence to our customers
 Entregar excelência para os nossos clientes
 为客户提供卓越服务
 Entregar excelencia a nuestros clientes
 Fournir l'excellence à nos clients
 Müşterilerimize mükəmməl xidmət göstərmək



customers

What makes us different?
 Excellent delivery, focus on customers,
 and most of all, our people.” Neil Bruce

Excellent project delivery

“A common Project Delivery Policy will improve customer satisfaction and the experience they have with AMEC. By using the same tools and processes to execute our work, projects will be set up faster, more easily and more productively.”
 Peter Bailey, Director of Projects and Construction Management

Focus on customers: Making a difference through our delivery

2011 has been a challenging but successful year with some great contract awards and good progress towards project delivery the AMEC Way. We have seen the publication of our global project management plan (PMP) and the supporting project delivery policy.

The economic climate continues to rollercoaster, affecting some of our markets, and therefore our customers, more than others. In this climate achieving global excellence and consistency in our project delivery was never going to be easy, and making real changes in how we work day-to-day is always challenging. We've a long held belief that being a sustainable business is the only way to operate, which means of course safely and for the long term. It also means helping our local and global communities.

I'm often asked what makes us different. Excellent delivery, focus on customers, focus on safety, and ability to network across markets and geographies are all key.

Neil Bruce, Chief Operating Officer
 Executive Director

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

Consistent delivery

To achieve the Vision 2015 growth strategy, we must ensure excellent project delivery for our customers in a coordinated and consistent way – the AMEC Way.

In 2011 the AMEC Way delivery team was formed to deliver transformational change across our core project delivery functions with the establishment of common plans, procedures and tools.

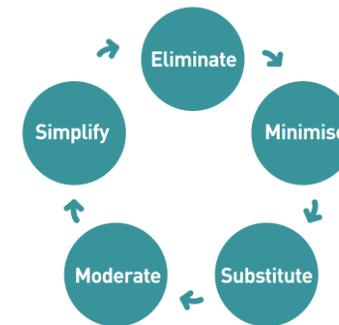
A key step in 2011 was the publication of the project delivery policy, which mandates the global approach to project delivery, setting the foundations for the future. By the end of 2012 we expect to see the majority of our new projects being executed on the new project delivery platform.

Safety and environment in design

Ensuring we identify and act on opportunities to engineer out potential health, safety and environmental risk is key to the success of our projects. Not harming people or the environment are part of our values and doing that at both sites where we work and sites we are engineering will be truly beyond zero.

One of the global 2012 targets is for all engineering projects to have an Inherently Safer Design plan. The intent is to eliminate hazards completely or reduce their magnitude significantly thereby eliminating / reducing the need for safety systems (engineered controls) and procedures (administrative controls).

Fig. 16
 Principles of inherent safety and environmental protection



Innovation

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

One example of how this happens in practice is the annual Environment & Infrastructure technical summit. The summit brings employees from across the business together to showcase a variety of innovative solutions. In 2011, this included an approach to reclaim tailings supernatant fluid and the development of an environmental database making relevant ecological data readily available. Further details can be found in On reflection 2011, which is on our website.

Aligned supply chain

Effective supply chain management brings significant value to AMEC and our stakeholders. It positively impacts at all stages the execution of projects contributing to:

- Risk reduction; by ensuring quality and consistency by suppliers in the execution of work we award
- Profitability; by focusing on obtaining best value from the supply chain and embedding best practices and processes
- Cash flow; by establishing equitable payment terms with our suppliers.

Supply chain management forms an integral part of the AMEC Way – ensuring that supply chain management is integrated into the core of every project management plan in support of the AMEC project delivery policy.

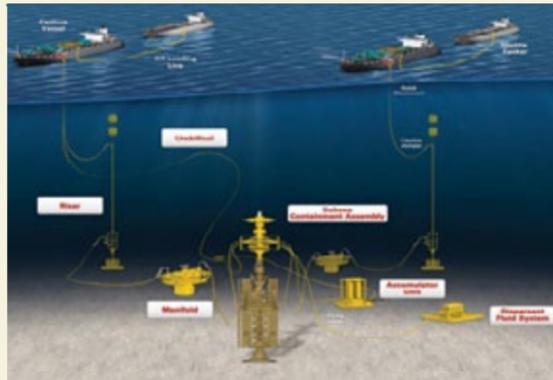
Building on the performance evaluation tool which was introduced in 2010 (see page 33), 2011 was spent finalising a global supplier registration and qualification tool which will be implemented progressively across AMEC in second quarter 2012. This tool evaluates the responses to common questions in key topic areas which are aligned with our Code of Business Conduct, the supply chain code of conduct (see page 33-34) and the UN Global Compact Principles. The evaluation results will be used in conjunction with the performance evaluation to enable us to be 'informed buyers' of goods and services from suppliers for ourselves and our clients.

In May 2011, AMEC was awarded the Dwight D. Eisenhower Award for Excellence in Services contracting from the US Small Business Administration (SBA). The award honours those companies that have excelled in their utilisation of small businesses as suppliers and contractors. Examples of our work in this area include: the establishment of a website to allow small businesses to register in our small business database; sharing of our knowledge and resources with small business partners; and serving as a mentor in small business administration. AMEC is committed to providing subcontracting opportunities to small businesses – as set out in our small business programme policy statement.

Oil & Gas

Primary oil demand is forecast to increase, alongside a change in the production mix with a greater share being taken by natural gas liquids and unconventional sources. In general oil and gas resources are becoming increasingly difficult to extract, with projects becoming more complex. With existing infrastructure ageing and reserves depleting, ever more sophisticated performance and efficiency improvement solutions are required.

Marine Well Containment system



In 2011 AMEC was selected by the Marine Well Containment Company (MWCC) to design and deliver components for its Marine Well Containment system. The system is being designed to ensure a rapid response in the instance of damage to a subsea well and to minimise environmental impact – addressing the industry need to quickly react and contain problems associated with well integrity.

The containment system will be designed to capture hydrocarbons from a damaged well without significantly increasing wellhead pressure. It will capture, store and offload up to 100,000 barrels of fluid a day from a flowing well and be capable of flaring 200 million standard cubic feet of natural gas a day. It is designed to operate in up to 10,000 feet of water in a variety of metocean conditions. When completed the modular assembly will be stored and maintained at permanent shore base locations. We believe our success in securing this project can be directly attributed to our proven track record in the delivery of complex, high profile projects, total commitment to world class safety performance and our total engineering capability.

Conventional Oil & Gas

AMEC offers a wide range of services to a broad range of customers in Europe, Americas, Middle East and Africa, the Caspian, South East Asia and China. AMEC has global experience of delivering large and complex projects, with capabilities in deepwater and hostile conditions including Arctic environments and earthquake-prone regions.

There are several challenges in this market which we have to manage effectively on behalf of our customers. These include extending the life of existing assets whilst ensuring their continued integrity and safety, engineering and working in more challenging, complex and remote locations and resourcing in emerging markets where there may be limited qualified or experienced workforces.

Unconventional Oil & Gas

AMEC is the market leader in the provision of project management and engineering services to the upstream surface mining Canadian oil sand sector. The acquisition of BDR in 2008 brought in-situ experience which positions AMEC for the anticipated shift as the new technology is increasingly being used, resulting in lower energy use and fewer tailing management issues.

AMEC is aware of the environmental concerns raised by activities in the oil sands. The capability of our Environment & Infrastructure division is available to support our customers, ensuring they meet and, where possible, exceed local legislation, providing them with solutions to environmental challenges in areas such as waste management, environmental permitting, and regulatory support and tailing management.

Other project examples include

- [Improving the accessibility of ecological data](#)
- [Innovative approach to reclaiming tailings fluid process](#)
- [Approach to life of field emissions forecasting](#)

Minerals & Metals

Demand for commodities continues to grow, stoked by strong growth in emerging markets. In general, resources are in more challenging, complex and expensive developments, in more remote and riskier locations, with more logistical infrastructure and environmental controls required.

AMEC offers mining consultancy, design and project and construction management services to global mining customers producing commodities including potash, gold, diamonds, base metals, coal, iron ore and uranium.

The one AMEC approach which combines our expertise in environmental services with our experience in the minerals and metals sector means we are able to offer the client a full life cycle capacity. This is a differentiator with new projects increasingly presenting significant logistical challenges associated with remote locations and difficult access and an increasing requirement for environmental controls. We are seen as a leader in working in harsh environmental and remote locations because of this approach.

Oyu Tolgoi - Mongolia

The Oyu Tolgoi mine is one of the world's largest copper-gold mines under development. It is in the south Gobi region of Mongolia, in a remote, land-locked site with extreme weather conditions, poor local infrastructure in addition to high seismic loads, wind conditions and limited water supply – all providing major design and logistics challenges for the team.

AMEC is currently involved in six separate projects associated with the underground expansion of the mine site with an overall goal to demonstrate technical and economic feasibility of significantly expanding the production capacity by adding an underground mine. Our selection has been an important step in our strategy to become a preferred supplier of underground study and EPCM services in the mining sector.

Arcelor Mittal Nimba - Liberia

ArcelorMittal is developing three iron ore deposits near Yekepa in northern Liberia, with AMEC providing EPCM services for Phase 2 of the project.

Construction of this \$1.4 billion facility in a country that has not had any major capital investment for over 20 years is a key challenge for the project. Another challenge is the limited availability of local people with necessary expertise.

The project is being executed by AMEC using the expertise of its global minerals and metals team – a joint undertaking between Oakville, Canada (project management / engineering and procurement) and Johannesburg, South Africa (on site construction management). The use of the AMEC Way project delivery system and Convero (our integrated project management system) allows a 'one AMEC' team to work consistently together across various locations ensuring we utilise our strengths and expertise to best deliver the project for our customer.

For the construction management and support services we will utilise some of our workforce in the Philippines for planners, QA/QC officers, document and materials controllers – it is anticipated that 40 per cent of our workforce will be from this location – utilising our global resource pool. Training programmes will be implemented so that over the duration of the project the local population can be given skills that will assist in the ongoing operation of the mine as well as future construction work.

Clean Energy

Clean energy provides an increasingly key part of the global energy mix, supported by growing demand for energy, energy security requirements, environmental regulations and government mandates. The world is looking for more energy with less carbon and greater security of supply, which is leading to an increase in the use of, and investment in cleaner energy solutions.

Nuclear HALES Partnership



The HALES Replacements HASTs Project, based at Sellafield in Cumbria, UK is a long term project with joint venture partners Balfour Beatty and AREVA. The project will provide a new facility to store radioactive liquor, which arises from nuclear reprocessing operations.

One highlight of the project to date is the value engineering activities during the design phase which have saved tens of millions of pounds. Examples include the redesign of the building to reduce the overall size and volume of the building – this will achieve considerable savings in the construction phase of up to £20 million.

In 2011 the partnership was named as 'Best of the Best' at the Birse Civils Managing Directors Safety Awards in recognition of the safety performance achieved on its last project carried out at Sellafield. This shows the importance of safety on our projects.

Other project examples include

[Local knowledge and global expertise utilised for biomass project](#)

[Infrastructure greenhouse gas reduction modelling](#)

[In-house solar expertise optimising returns](#)

Nuclear

Prior to the Fukushima Daiichi nuclear plant incident in March 2011, nuclear power capacity had been projected to increase significantly. Several governments are now reconsidering their policies, however many are expected to continue with their plans though there have been delays as safety standards are reviewed. With many nuclear facilities reaching the end of their active life over the next 20 years, the clean up and management of the nuclear legacy is one of the most demanding challenges facing the industry. AMEC is well positioned to support the full life cycle of nuclear energy, from new build to reactor support, and finally to nuclear decommissions and waste management, as well as support the jobs and skills development required.

Renewables / Bioprocess

Growth in the renewables sector is driven by the requirements for energy security and the need to meet national and international emission and pollution control legislation. AMEC's focus in this market is on wind, solar, biomass and biofuels projects. Being technology-neutral, we are able to offer our customers flexibility and the ability to provide a full service EPC solution.

Power

With the demand and supply of electricity expected to increase over the period to 2035, government policies are expected to influence the cost and hence relative mix of different technologies and fuels to satisfy the demand. AMEC has expertise in the delivery of state of the art boilers, gas turbines, gasifiers and turbine generators with high efficiency and low emission technology, across the relative mix of technologies and fuels that will be needed.

Transmission & Distribution (T&D)

The IEA World Economic Outlook 2011 suggests a total of \$7.1 trillion needs to be invested in T&D infrastructure between 2011 and 2035. We have long-standing relationships with T&D system owners so are positioned to support them in the delivery of the required refurbishments and replacements of assets as they reach the end of their technical lifetime.

Environment & Infrastructure

The environmental consulting and engineering market is both large and highly fragmented, however the climate change and energy services sub-sector is expected to grow significantly as a result of strong underlying legislative and political drivers.

AMEC operates in four sectors within this market: water, transportation and infrastructure, government services and industrial / commercial. The skills used are highly transferable across AMEC's sectors and customers – as shown on page 6.

Water

Water is a scarce resource, with growth in the sector driven by demographic, economic, social and technological factors. AMEC provides a multi-disciplinary approach to water projects at all stages of planning, study, design and construction. We seek to provide solutions for our government, business and industrial customers, with our primary areas of focus being water supply, storm water, water quality and water treatment.

Transportation / Infrastructure

We use our expertise to provide sustainable solutions which maintain, improve and increase the capacity of transportation infrastructure, whether highways and roads, ports and marine or rail – often in extreme conditions. One example is the specialised marine weather forecasting services which provides operational support to offshore oil companies, marine contractors and vessel operators.

Government services

We provide a broad range of services, mainly to the US Federal Government who are the largest procurer of environmental services in the world. Work is often completed in diverse and challenging environments.

Industrial / Commercial

This includes compliance and due diligence services, ranging from geotechnical and environmental to materials and water resourcing consulting. AMEC's knowledge of regulatory environments is used to apply a risk-based approach to environmental liability assessment and management.

Climate change adaption Greater Moncton

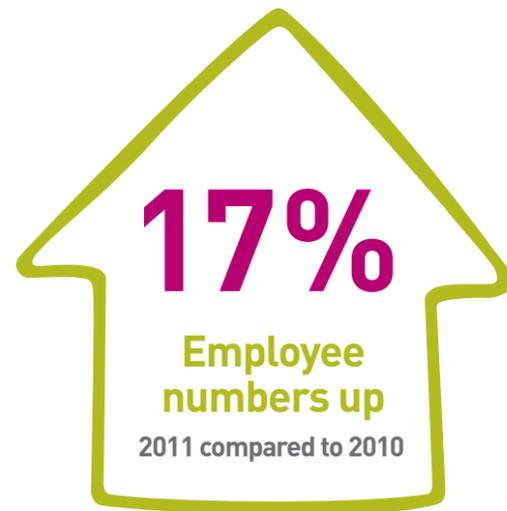
The Greater Moncton Area in Canada is a highly urbanised location that discharges into the Bay of Fundy, home to the highest tides in the world (tidal range over 14 m). The purpose of this project was to provide the Greater Moncton Area with a flood risk assessment based on impacts of climate change, to identify vulnerable infrastructure, to recommend adaptation measures, and to provide governance policies and strategies.

The flooding risk, related to extreme high water level, was determined by the cumulative effect of five components: tide; storm surge; freshwater flow; sea level rise; and land subsidence. It was necessary to understand how these parameters were affected by climatic change, their dependence on each other, and the timing and coincidence of the underlying processes. Mapping (spatial distribution) of worst case water levels permitted the identification of vulnerable infrastructure and effects on civic functions. Suggestions for the development of a flood plain management strategy (governance, organisational design, legislation, regulations and bylaws) were provided.

The AMEC team developed several statistical procedures regarding precipitation and tidal dynamics that enabled the joint probability of events to be analysed, and the resulting water levels determined.

Kuwait KOC clean up

AMEC has been contracted as the Project Management Company (PMC) to deliver a framework for the remediation, rehabilitation and oil recovery of contaminated areas arising from historical exploration activities. Feasibility studies which commenced in 2007 mapped over 7,000 contaminated features over four oilfields. Given the technical challenges and diversity of scope, specialists from across AMEC's divisions and geographic locations have been assembled to deliver the work, including project engineers, risk assessors, HSE professionals, hydro-geologists, soil scientists, practitioners, remediation experts, ecologists and restoration experts. This demonstrates the extensive range of our capabilities when operating under the one AMEC approach.



Sustainable growth

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

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

This third element of our sustainability strategy - sustainable growth - provides the linkage from living our values and excellent project delivery to our Vision 2015 business strategy and delivery of the company vision - see pages 18-20 of the [2011 annual report and accounts](#) for detail on the Vision 2015 strategy.

What did we achieve in 2011?

2011 saw a strong focus on our customer relationships which resulted in a number of contract wins from our existing clients as well as from new ones, such as GDF SUEZ, Paladin, URENCO and MWCC. We also gained new customers through our acquisitions.

We delivered another year of excellent results with revenue up 11 per cent from 2010 with a mix of organic growth and acquisitions. Earnings Per Share (EPS) was up 13 per cent and we finished the year with a record order book of £3.7 billion - see page 3 of [2011 annual report and accounts](#) for a summary.

We continued to invest in our people who we believe represent a differentiator in the eyes of our customers. AMEC is a people business, therefore our people are critical to our success. Through acquisition and proactive recruitment activities, we brought thousands of professionals to AMEC, with our employee numbers up 17 per cent on 2010 levels.

Table 16

Context - Market - Environment	Strategy - Vision 2015	Priorities - delivery and growth
<ul style="list-style-type: none"> ■ Growing demand for energy and resources ■ Increased complexity ■ Environment and sustainability imperative 	<ul style="list-style-type: none"> ■ Customers ■ People ■ Growth ■ Delivering the AMEC Way 	<ul style="list-style-type: none"> ■ Integrated services ■ Delivery excellence ■ Growth

Table 17
2011 results

	2011 £millions	2010 £millions	Change
Continuing operations: Revenue	3,261	2,951	+11%
Adjusted profit before tax	311	280	+11%
Profit before tax	259	259	-
Adjusted diluted earnings per share	70.5p	62.5p	+13%
Dividend per share	30.5p	26.5p	+15%



An AMEC Way of doing things is now firmly embedded in our organisation. Common tools and processes are enabling our engineers to work together wherever they are, and ensure quality and consistency of project delivery. These tools allow us to work closer together and provide leaner and more effective services to our clients, whilst opening up large growth opportunities across the sectors.

Predicting the economy is difficult and the outlook is uncertain, however we see 2012 as another successful year for us.

Acquisitions

Acquisitions are an integral part of AMEC's vision and make a key contribution to AMEC's long term prospects. In 2011 AMEC invested £263 million in acquisitions all of which expanded AMEC's geographic reach, expertise and services - see Table 18.

- **Zektin** is a 200-person engineering consultancy that provides front-end engineering design (FEED) and engineering services to the oil and gas market, in particular coal seam methane (CSM), and the controlled-environment market, which includes the bioprocess, biotechnology and pharmaceuticals sectors. The acquisition provides further capability on each coast of Australia as well as access to the CSM market, one of our targets.
- **BCI Engineers and Scientists Inc** is a Florida based 200-person firm that focused on both the water and mining sectors. The acquisition provides additional capability in these markets as part of our E&I business.

Table 18
Acquisitions

Date	Business	Market	Initial consideration £million
February 2011	BCI Engineers and Scientists Inc	Florida based engineering consultancy	£11m
February 2011	qedi	Aberdeen based project delivery company	£33m
February 2011	Zektin	Australian based specialist engineering consultancy	£26m
June 2011	MACTEC	US based environmental consultancy focussing on engineering services, water and mining	£183m

- **qedi**, provides 'technical integrity' project delivery services to international oil companies (IOCs) in the UK, Gulf of Mexico, Middle East, the Caspian and Australia. Managing the technical integrity of the completion and commissioning phase is critical in ensuring any major project is delivered satisfactorily and the facility meets the operating criteria for which it was designed. AMEC's capability, geographic coverage and customer relationships, combined with qedi's specialist technology and expertise, provide us with the ability to deliver integrity across the whole life-cycle of a project for our customers.

- **MACTEC** provides a similar wide range of services to AMEC's existing E&I business, including environmental planning, assessment and remediation, infrastructure engineering, water resources and construction support services. It has a broad range of high-quality, long-term clients operating in the energy, commercial / industrial, transportation / infrastructure and federal sectors. In North America, E&I has previously had a stronger presence in the Western US and in Canada, so the combination allows AMEC greater access to new customers and regions and MACTEC a better international platform for growth.

Of major importance to the acquisition process is the management of integration and culture - a case study of the integration process of a previous acquisition can be found on page 19.

For more information and full details of our financial data please see AMEC plc [2011 annual report and accounts](#) at amec.com.



AA1000
Licensed Assurance Provider
000-16

AMEC Sustainability Report 2011: Assurance Statement and Commentary, Summary

The scope of our assurance

AMEC has commissioned Corporate Citizenship to provide external assurance and a commentary on its Sustainability Report 2011. The contents of the report is entirely and solely the responsibility of AMEC. Corporate Citizenship is responsible for its assurance.

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

Our assurance is a Type 1 assurance as defined by the standard, in that it evaluates the nature and extent of adherence to the AA1000AS principles of inclusivity, materiality and responsiveness. Our assurance used disclosed information as its starting point and then investigated the underlying systems, processes and sustainability performance information to arrive at its conclusions. This was a 'moderate' level assurance that is to say that we believe there to be sufficient evidence to support the statement such that the risk of the conclusion being in error is reduced. Pages 48 – 49, (AMEC's GRI and UNGC tables) and content derived from AMEC's Annual Report and Accounts do not form part of our assurance.

Opinion and conclusions

In our opinion the AMEC's Sustainability Report 2011 reflects the principles of AA1000AS (2008): inclusivity, materiality and responsiveness. We comment on each individually below.

Inclusivity - the commitment to be accountable to those on

whom AMEC has an impact and who have an impact on AMEC, and to enable their participation in identifying issues and finding solutions. We found clear evidence of robust processes in place. AMEC's response to the inclusivity principle was reinforced this year through the company's direct engagement of a stakeholder roundtable. We commend AMEC for taking this approach, for publishing the findings of the roundtable on its website and for using this as a springboard to improved reporting.

Materiality - determining the relevance and significance of issues to AMEC and its stakeholders. We support AMEC's switch to a report structure in-line with its new sustainability strategy. This change – recommended by the stakeholder roundtable - has created a robust reporting framework to address the relevant issues and align them with stakeholder value.

Responsiveness - response to stakeholder issues that affect AMEC's sustainability performance. We found evidence of a well-managed process that responds to key groups, including customers and employees. The inclusion of a greater emphasis on the product areas and customer led stories was an important advance for AMEC. The challenge now for AMEC is to build on this momentum by increasing the strength and number of stakeholder voices in order to allow readers to gain a better grasp of how key issues have shaped the report .

This AA1000AS assurance succeeds that provided by another supplier for AMEC Sustainability Report 2010. We note that AMEC has been responsive to their recommendations related to improving materiality processes and content weighting. We also note AMEC's positive journey to improved data management, but recognise that for carbon, in particular, this journey continues.

Sustainability performance information

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

In reviewing AMEC's carbon footprint calculations we were satisfied in AMEC's response to several challenges raised, for example AMEC's use of Defra's 2008 UK emission factors across its global carbon footprint. Defra revises emission factors each year, with the most recent factors produced in 2011, while also providing different electricity emission factors for different countries. The up-to-date, and country-by-country, factors should be utilised in calculating the carbon footprint. We commend AMEC in openly acknowledging the limitations of its current carbon reporting system and therefore its reported carbon footprint. With the implementation of new collection software in place in 2012, it is hoped that these issues will be overcome. As with the introduction of any new reporting software the processes surrounding it, including staff training, must be adequate and consistently applied to ensure that human factors in reporting risk are minimised.

In addition to the above, AMEC has responded positively to the discovery that utility information for some parts of the UK business obtained from a third party supplier was not consistently reported throughout the year. AMEC has cross-checked its data entries against the end-of-year data set provided and has changed the relevant energy data accordingly. Going forward the installation of automatic meter reading devices across many sites is being considered, the installation of which would be likely to diminish opportunities for errors from this source.

Our review of group personnel data highlighted several challenges particularly in headcount as measured by different operational functions. We are satisfied that AMEC's shift to consistent of end of year headcount (except where it specifically refers to financial system data) is the most reliable approach for sustainability reporting purposes.

In reviewing Ethics and community data we noted AMEC's strengthened internal processes and demonstrably responsive approach in these areas.

Looking forward

To become truly sustainable companies need to take a longer term approach to responsible behaviour and strategy. AMEC's Vision 2015 is a clear start to plotting the sustainability journey for the next few years. However, to really drive practice and

performance improvements in AMEC a parallel set of published performance targets is required. These will focus minds and hands on sustainability priorities and allow report readers to easily judge AMEC's progress.

The judicious use of freshwater resources is increasingly an expectation of responsible corporate behaviour. AMEC has identified water resource management as a key strategic aspect for its business. In order to effectively address this issue, AMEC should seek to better understand its impacts and use in this area.

Methodological notes

The assurance work was commissioned in August 2011 and completed in April 2012. Detailed records were kept of meetings, assurance visits and correspondence relating to the inclusivity, materiality and responsiveness of the report, as well as to technical matters relating to the accuracy and presentation of data. This is a summary version of our assurance statement and commentary. A complete version may be found at www.amec.com.

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

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

Corporate Citizenship is a leading assessor of corporate responsibility reports. The company is a member of AccountAbility (Institute for Social and Ethical Accountability). This is the first year we have provided AMEC with assurance, a process that commenced by convening and facilitating a Stakeholder Panel in November 2011.

AMEC is a member of the LBG (London Benchmarking Group www.lbg-online.net), an evaluation framework for corporate community involvement which we manage on behalf of its members and adherents.

Corporate Citizenship
London 30 April 2012

Signposting our Sustainability Report

Global Reporting Initiative

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

UN Global Compact

GRI section no	Standard disclosure	Page	GRI section no	Standard disclosure	Page
1.1	Statement from CEO	4-5	EC1	Direct economic value	45
2.1-2.10	Organisational profile	8	EC8	Community infrastructure	35-37
3.1-3.8	Profile and boundary	7	LA1	Employee workforce	14
3.10 – 3.12	Restatement	7	LA2	Employee turnover	16
4.1 – 4.4	Governance	9	LA4	Collective bargaining	19
4.16 – 4.17	Stakeholder engagement	10-13	LA7	Rates of injury	24-25
EN3	Energy consumption	30	LA11	Programmes for skills management	16
EN23	Spillage	28	S01	Community	35-37

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

Global Compact Principle 1 – “Businesses should support and respect the protection of internationally proclaimed human rights.”

How AMEC has responded to support this principle:		Page
Code of Business Conduct	Revision of code of business conduct (code) to include human rights policy	32-33
HSE Management System	Ensuring our employees globally have a safe environment to work	20-25
Supplier Code of Conduct	In support of our code, ensuring suppliers are aware and aligned with our expected behaviours	33, 39
Employee training and awareness	All employees received a copy of the code. Training modules for all employees to complete	32
Water management	Internal risk review of water use and scarcity	29

Global Compact Principle 2 – “Businesses should make sure they are not complicit in human rights abuses.”

How AMEC has responded to support this principle:		Page
Code of Business Conduct	Revision of our code to include human rights policy	32-33
Supply chain code of conduct	In support of our code, ensuring suppliers are aware and aligned with our expected behaviours	33, 39
Employee training and awareness	All employees received a copy of the code. Training modules for all employees to complete	32-33
Ethics hotline	Confidential ethics helpline, available 24hrs a day, supporting many different languages	32

Global Compact Principle 3 – “Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.”

How AMEC has responded to support this principle:		Page
Code of Business Conduct	Revision of the code to include human rights policy	32-33
Statistical data	Collection of data relating to coverage	19

Global Compact Principle 4 – “Businesses should uphold the elimination of all forms of forced and compulsory labour.”

How AMEC has responded to support this principle:		Page
Code of Business Conduct	Revision of the code to include human rights policy	32-33
Supply chain code of conduct	In support of the code, ensuring suppliers are aware and aligned with our expected behaviours	33, 39
Employee training	All employees received a copy of the code. Training modules for all employees to complete	32-33
Ethics hotline	Confidential ethics helpline, available 24hrs a day, supporting many different languages	32

Global Compact Principle 5 – “Businesses should uphold the effective abolition of child labour.”

How AMEC has responded to support this principle:		Page
Code of Business Conduct	Revision of our code include human rights policy	32-33
Supply chain code of conduct	In support of our code, ensuring suppliers are aware and aligned with our expected behaviours	33, 39
Employee training	All employees received a copy of the code. Training modules for all employees to complete	32-33
Ethics hotline	Confidential ethics helpline, available 24hrs a day, supporting many different languages	32

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

How AMEC has responded to support this principle:		Page
Code of Business Conduct	Revision of the code of conduct to include human rights policy	32-33
Ethics hotline	Confidential ethics helpline, available 24hrs a day, supporting many different languages	32

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

How AMEC has responded to support this principle:		Page
HSE 2015 Vision	Detailing our strategic environmental management objective designed to enhance our management approach	20
New 14 core expectations	Consolidating our integrated approach	26
Environmental standards	Setting clear group-wide standards, supporting our core expectations	26-27
HSE leadership team	Reviewing key HSE risks across the business	21
Water management	Internal risk review of water use and scarcity	29

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

How AMEC has responded to support this principle:		Page
Road map	Setting performance standards across the group	20
CO ₂ target	Setting and monitoring reduction targets across the group	29
Supply chain	Inclusion of environmental aspects in group-wide procurement evaluations	39
Incident reporting / investigation	Trackwise reporting, trending and investigation gateway	24, 28
Development of HSE volume of standard project man. plans	Standard Project Management Plan template across operations covering mandatory H, S & E controls	22

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

How AMEC has responded to support this principle:		Page
Water management	Service provision focusing on water supply, storm water, water quality and water treatment	43
Renewables	Service provision in Wind, Solar, Biomass and Biofuels	42
Clean energy	Life cycle service for nuclear industry	42
Sustainability services	e.g. PI emissions forecasting software	38-43

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

How AMEC has responded to support this principle:		Page
Policy	Anti-bribery and corruption policy	34
Employee training	Training for all employees on the code and policy through online modules and face to face training	32-33
Helpline	Confidential helpline for employees to raise concerns	32
Due diligence	Due diligence of business partners and other third parties	34
Assurance	Monitoring and assurance by AMEC’s internal audit function	34

Performance table

AMEC in numbers	2011	2010	2009	2008
People				
Average number of employees (FTE) (as stated in annual report)	25,757	21,973	20,762	22,516
Number of strategic recruits**	471	114	138	217
% Internal promotion rate**	7.20	3.87	9.72	6.73
% Employee instigated turnover	11	10	6	10
% Total workforce				
Male	77	76	77	79
Female	23	24	23	21
% Senior managers female	11	10	10	9
% Managers and professionals female	19	17	19	19
% Workforce covered by collective bargaining agreements	9	15	23	25
Employee survey response rate	65%	72%	66%	63%
Employee survey engagement score	67%	68%	73%	67%
Safety				
Number of fatalities				
Employees	0	0	0	0
Subcontractor	0	0	0	0
Other	0	0	0	0
LTIFR (per 200,000 man hours)	0.04	0.06	0.04	0.07
TRCFR (per 200,000 man hours)	0.37	0.42	0.44	0.65
AIFR (per 200,000 man hours)	3.12	3.54	4.34	5.14
No. prosecutions	0	0	0	2
No. fines	0	0	1	2
No. prohibitions	0	0	0	0
No. improvement notices	2	2	2	2
Occupational health days lost	505	1,333	*	*
Occupational health cases	15	22	*	*
Environment				
Regulatory action	0	1	0	0
No. environmental incidents	179	160	333	423
Total volume spilled (litres)	7149	*	*	*
Absolute carbon	48,704 (**62,727)	51,447	55,411	57,898
Tonnes carbon per employee	1.891 (**2.435)	2.328	2.669	2.632
Tonnes carbon per £million turnover	14.935 (**19.236)	17.335	21.823	22.214
Total Scope 1 ('000 tonnes carbon)	8.7 (**22.7)	13.1	13.9	7.0
Total Scope 2 ('000 tonnes carbon)	18.4	20.9	23.6	30.4
Total Scope 3 ('000 tonnes carbon)	21.6	21.1	17.9	20.5
Integrity				
Reports of potential breaches of our code of business conduct via hotline	31	47	39	17
£'000 donated to charity by AMEC	506	553	540	549
Total hours volunteered by our employees	10,725	10,895	*	*
Total community contribution ****	£1.52m	£1.15m	*	*

* Not previously collated

** Includes figures from divisions only

*** Figure included site diesel for PPE division never previously reported

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



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