

Our workplace

A key part of our Vision 2015 is to strengthen our people: recruiting talented people, investing in their education and training, providing them with career development and harmonising our tools and processes. Maintaining and enhancing a world-class work environment, with a strong emphasis on health and safety continues to be a top priority for our company and fundamental to our commitment to sustainable development.

Our long-term success and profitability rests on managing our workplace key issues effectively, ensuring fair and effective management policies, engaging with our people and cultivating a 'Beyond Zero' safety culture.

Our key workplace issues	
Workplace	<ul style="list-style-type: none">■ Engagement■ Attraction and retention■ Occupational health, safety and security■ Equal opportunities and diversity■ Employee/capability development■ Performance excellence

“Without high quality, engaged people, AMEC has no business.”

Samir Brikho, Chief Executive

We aspire to be the employer of choice, with world-class safety performance, delivering services in a way which meets our values and principles and those of the Global Compact. This section of our report will explore our employment management and safety improvement processes.

Employment management

We aspire to demonstrate in our delivery to our clients that we have the best engineers, project managers and consultants in the world. We believe that driven and successful people make a driven and successful company.

Our employees are fundamental to our having a successful future. We give high priority to the development of employees to ensure that we have the necessary skills and behaviours to deliver our strategic business objectives and to provide for management succession.

Our employment policies set out a consistent approach to workplace rights and responsibilities, reaffirming the company's values and principles concerning freedom of association, fairness, equal opportunity and diversity.

Employee survey

We are committed to engaging with our people to ensure they understand the direction in which the company is going, are committed to AMEC's values, and are empowered to propose and make changes to improve how we operate. AMEC employees embody our knowledge, brand and reputation and it is through their activities that we deliver on our business objectives and commitments. If we are to be successful we need to test the course that has been set to ensure that our employees understand the purpose of our direction and that they feel well supported and equipped to achieve our goals.

2009 was the second year that AMEC undertook a global survey. Initiated as part of the Operational Excellence programme in 2008 and now established as a regular annual process, the survey is designed to measure employee engagement and the factors affecting it, as well as assessing the impact of organisational initiatives. The survey was administered in June 2009 via web and paper to over 20,000 people in seven languages, and over 66 per cent of the AMEC team responded (this was an improvement of three percentage points from 2008 level).

Overall we are proud to score amongst the top performing companies across the globe in the following areas;

- Our engagement across the organisation has increased by six percentage points to a 'high-performing companies level'. However there are significant variations between our most and least engaged work groups

Case Study

Managing for High Performance in Indonesia

Ben Dowson has been President of AMEC Berca Indonesia since 2008 and has lived in Indonesia since 1991.

"From our offices in central Jakarta we provide engineering services to EPC contractors, international oil companies and some national oil companies. We have a young and educated workplace, very attuned to the global way of working. While there is a strong Indonesian and particularly, regional culture, it fits easily within what is largely a Western business model.

Recently we have used the 'Managing for High Performance' training, developed under Operational Excellence, as an opportunity to deliver key aspects of the leadership development programme to our supervisors. It has been well received, with lots of enthusiasm and good positive feedback. For me, one of the modules which stood out was how you handle the diverse people within a team. It really underpins one of our core values of "believing in people, teamwork and diversity."

- Safety and sustainability remain key strengths for AMEC – up three percentage points from 2008
- Significant improvements in views on performance management – six percentage points more favourable than in 2008. This is one area where our Operational Excellence programme is already having a positive impact. 1,666 of our managers attended the Managing for High Performance training. This programme was developed in response to the 2008 survey results and is focused on educating and supporting line managers to develop meaningful performance and development plans with their people. The roll out continued in 2009.

There are many other areas where improvements were noted, and also those areas where we still need to significantly improve our performance if we wish to be the best. These challenges are noted below:

- Further collaboration between divisions and functions
- Development and growth opportunities
- Initiatives were felt not to have been effectively implemented and completed
- Employees were not clear that actions had been taken after the 2008 survey.

Following the feedback received AMEC has taken a different approach to action planning from 2008, by holding the manager accountable for engaging with our employees at a local level to determine the most important actions for their groups, and then ensuring that these actions are addressed.

Even when you're in a position to delegate work, you still need to reassure and support people. If you leave them to their own devices you're not going to get the best from them. I suppose the greatest thing that I have achieved is the development of the local workforce, bringing the best out of the local team itself. By and large it's they who run the business."



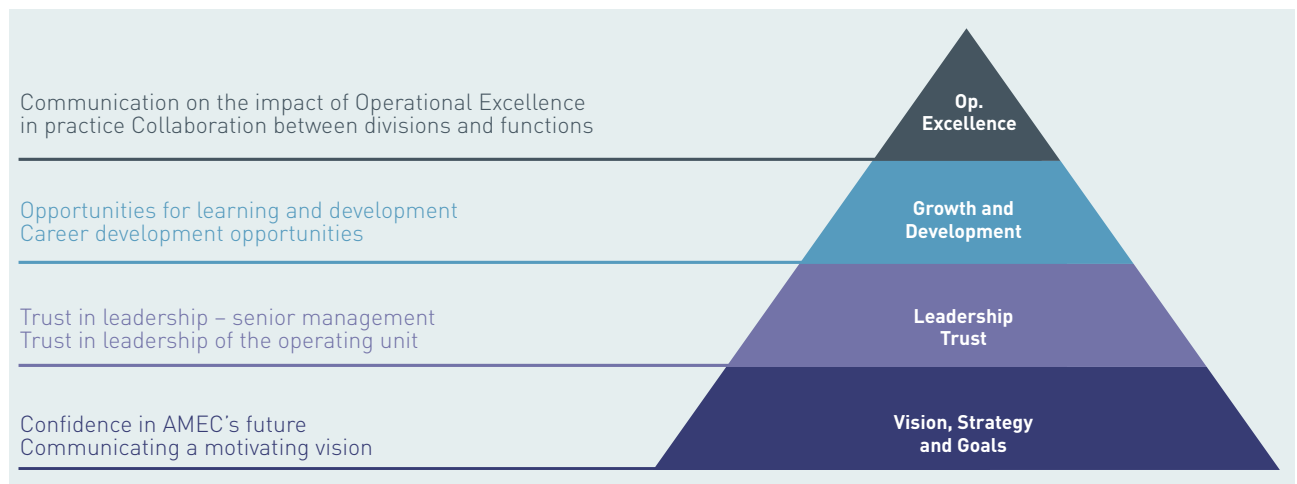
In addition to the actions that are being implemented locally, the senior management team committed to a small number of AMEC-wide actions in response to the challenges noted above.

These included:

- Further communication on Operational Excellence implementation and the impact this will have on employees day to day work – new video and cascade briefing in Q4 2009

- Communicating a clear vision, strategy and goals – Vision 2015
- Embedding our employee growth and development framework – see page 21 for more information.

The diagram below shows these key action areas:



AMEC Academy – Embedding excellence in employee development

Investment in our people is an investment on our future. It is because of this understanding that we have established the AMEC Academy, to support the development of both employees and the business.

AMEC Academy is the vehicle that underpins and integrates all the various areas of training and development across the business and delivers them using a consistent, integrated and accessible global approach into the future. By identifying business and individual requirements, we can ensure meaningful training and development is in place to achieve the best individual and business impact both in the short and long terms.

AMEC's goal is to provide a clear, transparent picture of an individual's career framework and the development opportunities available to employees. In December 2009 AMEC launched 'AMEC career paths' designed to help employees assess where they are in their career and where they want to go, by building a profile of current skills and comparing this profile against AMEC's expectations. In 2009 AMEC launched career path frameworks for engineering and technical, and for project management. Additional job family career paths are in development for roll-out in 2010.

There are three core elements to the delivery of individual development within AMEC. Firstly it is important to ensure we have a consistent foundational knowledge across the whole organisation, be that in management skills, project management or commercial awareness. Secondly the development delivered must be business relevant and applied to the way in which we expect business to be delivered in AMEC. Thirdly and most importantly we must have experiential learning – both technical and behavioural across different markets or geographies of the world.

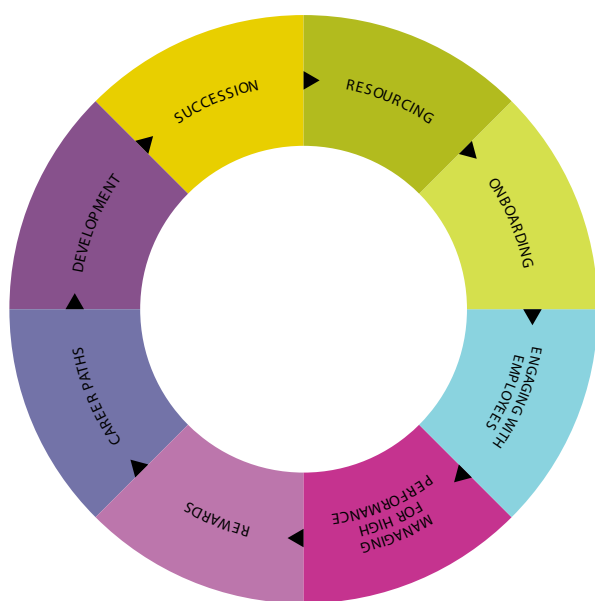
Development may take all shapes and forms. It can be a combination of a programme, mentoring, coaching or a career rotation. We recognise that all of those things help to enable us to develop and progress our future careers.

“ We have mapped career paths across AMEC and identified related development opportunities. With the right knowledge you can continue to develop your skills and experience for all of your working life.”

Ian Hedges, President AMEC Academy

My Future – Embedding excellence in people management

In 2010 AMEC is launching its 'My Future' people framework. The framework, which is derived from our values and Guiding Principles gives a clear direction on how – together – we will meet the company's objectives through setting and meeting the expectations of our people. There are eight interdependent areas which make up the framework, which are shown in the diagram below;



More detail of these areas will be discussed within the 2010 report and on amec.com once the framework has been fully launched, starting early 2010.

There are three specific areas for focus in 2010;

- New leadership measurement programme, looking at key leadership requirements and behaviours and assessing our leaders on these behaviours. Measurement will be based on feedback from those that they manage, will be focused, and the measurement process introduced as a mandatory element of being a leader within the business
- New on-boarding process (My Compass), aimed at giving people new to AMEC the information they need to become effective as quickly as possible
- Review of the recruitment and selection process, which will look at the quality of the recruitment process in general, and the experience of the process for both the recruiting manager and the recruitee. This will be supported by the deployment of a new on-line recruitment tool.

Our employment performance

Employment in AMEC

In 2009 AMEC employed on average 21,193 people worldwide (including agency staff), representing a decrease of five per cent on the previous year. Our employees embody knowledge, brand and reputation and it is through their activities, day by day, that we are able to deliver on our business objectives and those of shareholders, customers and the wider community.

Staff costs for continuing operations

(extract from AMEC plc 2009 annual report and accounts)

	2009 £ million	2008 £ million	2007 £ million
Wages and salaries	908.5	900.6	693.5
Social security cost	62.5	61.3	85.8
Equity settled share-based payments	10.7	9.3	4.1
Contributions to defined schemes	22.2	14.1	9.0
Defined benefit pension schemes credit	6.6	(5.9)	1.9
	1010.5	974.9	790.5

Staff costs represent 39.8 per cent of AMEC's total revenue. For further information, please refer to AMEC plc's 2009 annual report and accounts.

Attraction, development and retention

Any company will tell you that the key to a successful business is having the right people and making the most of their talent. Here at AMEC, nothing could be more true. Our people are the key to our success and we have been working hard to make sure we listen to our people and make changes which improve their employment experience. This is described more fully in the 'Employee Survey' section.

Recruitment

Although the overall number of employees fell during the year, we continued to welcome significant numbers of new people to the company as well as 66 people who returned to us through our alumni programme, which keeps us in touch with those who have worked for us previously. We continued to provide opportunities for those starting their careers which is critical to our long term sustainability.

	Male		Female		All employees	
	2009	2008	2009	2008	2009	2008
Total number of new hires	3,526	3,800	987	1,332	4,513	5,132
Number of new hires for whom AMEC is their first job	144	202	70	107	214	309
Number hired to specific training programmes	108	182	30	35	138	217

Skills development

While bringing new talent into the business and the industry is vital, we also seek to grow the skills and provide career development opportunities for our existing people. The establishment of the AMEC Academy, described more fully elsewhere in this report, is a major investment in the development of our people. We have also introduced a structured approach to career paths to help our people identify how they can advance within AMEC. Opportunities are advertised openly within the company and we have clear processes for succession and talent management.

The Internal Promotion Rate measure shows how many of our people have been able to progress their careers during the year through a formal promotion, although we recognise that 'sideways' moves to develop new skills and experience are equally a part of career progression.

	Male		Female		All employees	
	2009	2008	2009	2008	2009	2008
Internal promotion rate (%)	8.66	6.33	13.18	8.19	9.72	6.73

Employee turnover

The employee turnover measure reflects the number of people who leave us voluntarily. While several of these will be because of changed personal circumstances, we see this as a key indicator of how well our employment policies are providing a competitive, engaging, secure and safe work environment. Healthy companies operating in buoyant markets will always see people coming and going but high employee turnover rates

can be a sign that there is something to be addressed in people management policies. This measure can be usefully cross-referenced with related indicators from the employee survey.

We are delighted to see continuing year-on-year improvement although we do recognise that this may be affected by the general economic climate and the availability of alternative attractive employment opportunities.



■ 2009 ■ 2008 ■ 2007

Diversity and equal opportunity

For us, diversity is primarily about the strength that comes from being open to different ways of thinking and acting. As a result, we see great advantage in having a workforce made up of people with different backgrounds, cultures and beliefs. Operating, as we do, in all parts of the globe, we have a particular need to bring together people of many nationalities in a common enterprise with strong shared values. Our employee survey showed that our employees believe that AMEC has created an environment where people with diverse backgrounds can succeed. We have in place equal opportunity policies and codes of conduct to ensure that this happens, protecting the human rights of AMEC people.

Our business is growing, particularly in developing market areas, so growing our employees of the future is fundamental to our success. AMEC has initiated a number of schemes designed to support the development of people in the areas of the world where we need them. In Angola, our Oil & Gas business is helping to forge links between the Agostinho Neto University in Luanda and the University of Houston in the US. In Bucharest, Romania, we are participating in a schools programme to promote careers in the nuclear industry – both locally and internationally. In Uralsk, Kazakhstan, we continue to provide sponsorship for 60 university students.

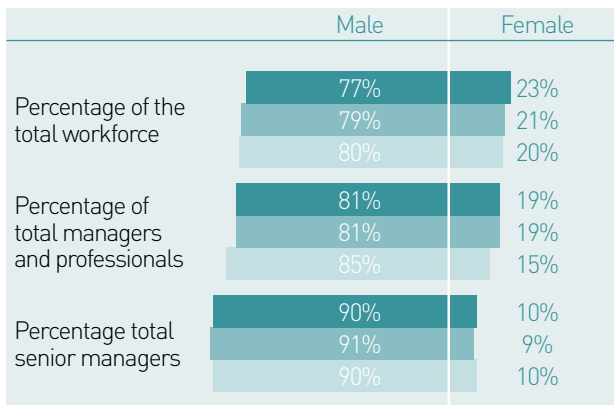
As the numbers entering science and engineering degrees is falling in some of our mature home markets, we will need to look more widely for our future workforce.

Gender balance

One aspect of diversity that we are able to measure on a consistent basis globally is the ratio of males to females in the work environment. Women are an under-represented group within the engineering environment and AMEC is working with education providers to promote engineering as a rewarding career path for women to pursue.

Our gender indicators help to see whether we are succeeding in attracting and retaining women in the work environment. The bar chart below shows our male to female percentage across the company.

There has been a slight increase in the proportion of women in the company overall and in professional and management roles. This is encouraging, but we recognise that we have more to do, in particular at senior manager level.



■ 2009 ■ 2008 ■ 2007

Employee communication and representation

We seek to engage our people in decisions which affect them in a number of ways. Our Chief Executive and divisional heads provide regular briefings which are designed to keep our people informed about the state of the company. We also look to have dialogue with our people through employee cascades, town hall and group meetings, as well as regular communications through online news, magazines and emails. In some parts of our business we also have forums in place where management and elected workforce representatives meet on a regular basis.

A majority of our workforce is not covered by formal trade union recognition or collective bargaining agreements. Where they are, this is usually as part of an industry sector wide agreement involving other employers as well as AMEC.

	2009	2008	2007
% employees covered by union agreements	23	25	40
% employees <u>not</u> covered by union agreements	77	75	60

Please note that the definition for this metric has been changed which may affect year on year comparisons.

Case Study

Employer of choice

We aspire to be the employer of choice wherever in the world we are.

In 2009 AMEC was recognised as one of Canada's Top 100 Employers for 2010. This was the first time AMEC has been featured and is a significant achievement.

Following on from the success of this recognition, in November 2009, AMEC were announced as one of the winners of the Financial Post's Ten Best Companies to work for 2010 (FP 10). The FP 10 are chosen based on strenuous criteria that look at a company's policies, programmes, considering everything from workplace to health benefits, financial benefits, vacation time, support for development training and employee communication as well as the company's role in the community.



Our health and safety performance

The safe and sustainable delivery of our operations is one of AMEC's Guiding Principles and providing a healthy and safe working environment for our employees is of paramount importance. Our vision is to 'go Beyond Zero' and achieve sustainable world-class health and safety performance across our global operations.

In 2009, under Operational Excellence, we laid the foundations of our Beyond Zero programme and developed an HSSE roadmap to help drive our HSSE programme.

2009 delivered the best ever AMEC HSSE performance. All three of our key lagging performance indicators, at a corporate level, recorded performance well below our set targets and all three divisions recorded significant improvements across some or all of their performance measures.

Safety management

The essence of our Beyond Zero philosophy is the relentless pursuit of excellence. This commitment to continuous improvement is reflected in our company values and Guiding Principles down through our HSSE Policy and Management Systems.

Our safety performance is a critical factor of our success and an operation is not seen as successful unless it is delivered safely.

“Our vision is to achieve world-class HSSE performance across all our global operations.”

Nina Schofield, HSSE Director

AMEC’s approach to safety management is subject to continuous review to ensure that it accurately reflects the demands of a continuously evolving business. Our global Health, Safety and Environmental policy sets out our key objectives across the business and has developed to focus on the three core elements of our Beyond Zero programme:

- Our standards
- Our leadership
- Everyone involved

Our standards

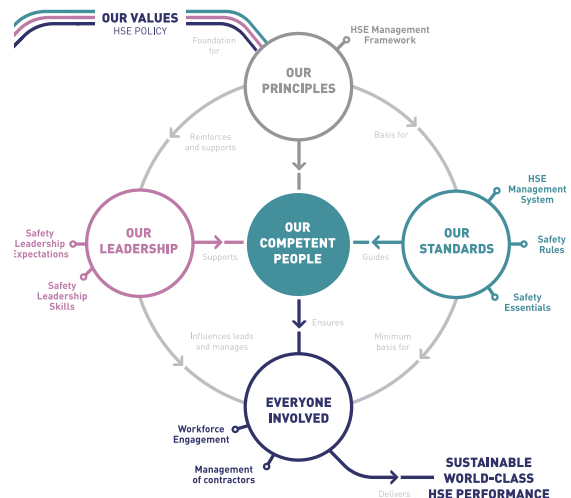
We retain a core global health, safety and environmental management framework which is built around the International Standard of OHSAS 18001 and ISO14001. We require all divisions to comply with this framework and reporting standards.

In addition, 2009 saw the launch of AMEC’s ten Safety Rules which provide global standards for managing our critical tasks. During the year we have been rolling these rules out through our safety networks and the business as a whole. We do this through lots of different media, formal training, lunch and learn, employee cascades, AMEC news channels and messages from our leaders across the business.

Our leadership

Leadership and personal accountability play a vital role in the management of HSE. We believe that safety is everyone’s responsibility and our approach has developed to reflect the need for safety leadership at all levels. Safety Leadership has been the primary focus of our 2009 Beyond Zero programme. Our first approach was to clarify our leadership expectations and communicate them to our people.

We then focused on the development of a skills programme to help our people to become leaders. The AMEC First Step



Safety Leadership programme is aimed at management and supervisors and is designed to ensure that they recognise and understand the importance of clear and visible commitment and accountability for safety from the top. In 2009 this programme was delivered to almost 750 personnel across our global business and was also shared with members of our customer and supply chain organisations.

“Completing this programme has helped me understand the importance of safety behaviours within my sphere of influence.”

Kevin Howard, INPEX

“I now have a better sense of being a safety leader.”

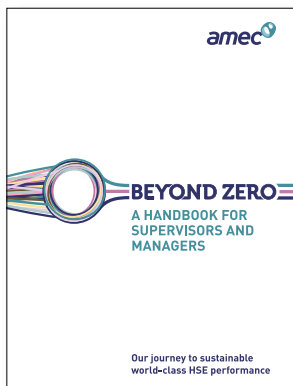
Kim Thomson, Primat



Everyone involved

Everyone involved is the third core element of our programme and is aimed at ensuring that our people, and all those who work with us, remain safe by being involved at all times.

2009 saw the launch of our Beyond Zero Handbook. The handbook is a practical guide which contains a number of tools, methods and techniques to help drive our HSE programme and improve health and safety performance. One of the key elements of the book is a section of best practice tools that can be used to facilitate engagement in the workplace.



Continuous improvement – next phase

Recording Incidents

Robust performance management relies on knowing what is happening across a dispersed global business operating in many regions and time zones across the world. AMEC have invested in a new online incident reporting and tracking system, Trackwise. Throughout 2009 we have been working closely with our provider to develop, test and commission this bespoke system. Our system is a multifunctional incident management and data analysis tool which will assist us to record, track, communicate, analyse and report safety, health and environmental and security incident and near miss events. This system will provide a step change in incident reporting across AMEC and will allow us to access live data and as a result, reduce the global response time to manage and trend incidents.

We currently anticipate the system going live during the first part of 2010 and are currently in the process of training users.

Focus on Occupational Health

We have put significant emphasis on the safety aspects of our management programme, however, we have identified a need to strengthen our global occupational health strategy. Our underpinning principle to the management of Occupational Health is that occupational ill health is preventable through proactive risk assessment, risk mitigation and awareness. As part of our commitment to improvement in this area, we have

engaged an occupational health lead for the business and developed a global occupational strategy and plan for 2010. The AMEC Global HSSE Leadership team has developed a plan of action to support the strategy which concentrates on the provision of occupational standards, assessment and support.

Our safety performance

2009 delivered the best ever AMEC HSSE performance. The targets were set at a 10 per cent improvement on our previous best ever performance.

While the statistics are really important and help us to quantify our performance, the real issue here is that we have reduced the number, and the severity of injuries that have happened to our people. Through Operational Excellence and programmes like the Chief Executive’s Awards, there have been some excellent examples of HSSE best practices that have been taken across AMEC operations and into client organisations and so improved the inherent safety of our activities. This is testament to the hard work and commitment of everyone involved in our operations.

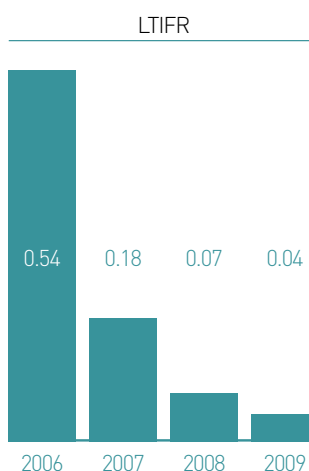
	Employees		Sub contractors		Others	
	2009	2008	2009	2008	2009	2008
Number of fatalities	0	0	0	0	0	0

Incident data

AMEC set a target of zero fatalities and a 10 per cent improvement on previous best performance across three key lagging performance indicators. Zero fatalities were recorded across AMEC operations in 2009.

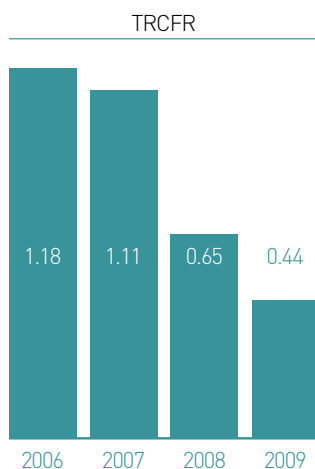
Lost Time Incident Frequency Rate (LTIFR)

The graph below shows AMEC’s rate per 200,000 exposure hours.

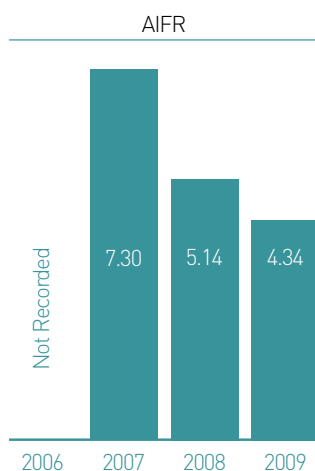


Total Recordable Case Frequency Rate (TRCFR)

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



During 2007 we introduced an All Injury Frequency Rate (AIFR) which monitors the number of recordable injuries plus first aid cases per 200,000 exposure hours. Our 2007 performance formed the benchmark and we now use this measure as one of our significant lagging indicators.



Our performance data compares well with the USA Occupational Safety and Health Administration figures, which are routinely used to benchmark global performance. We use the categories listed below as best match to our operations. We continually review global standards for comparison opportunity.

OSHA 2008	Professional and business services	Construction	All industry
TRCIF Total number of recordable cases per 200,000 hours worked	1.9	4.7	4.2
LTIFR Number of lost time incidents per 200,000 hours worked	0.6	1.7	1.2

Health and Safety enforcement

This indicator area shows whether the business is performing to the objectives laid down in our policy statement of complying with the law. We monitor enforcement action across all legal jurisdictions.

Number of prosecutions	0
Number of fines	1
Number of prohibitions	0
Number of orders/improvement notices	2

AMEC was fined approximately £750 for failing to carry out the appropriate workplace certification in AMEC's Baku office in Azerbaijan.

Two Improvement Notices were served on AMEC Group Limited as duty holder of the Dunlin A Offshore Installation. Both notices related to fabric maintenance and the management of asset integrity on the installation. An improvement plan has been put in place for the platform which has been agreed with the Regulator.

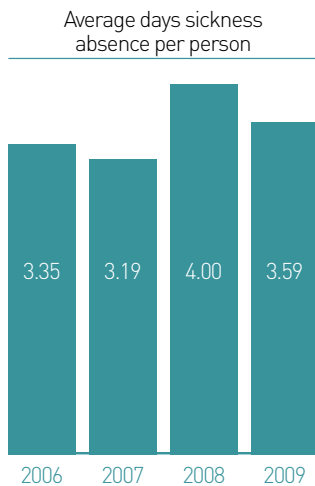
Occupational Health – reportable cases

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

During the year there was one case of an occupational disease recorded. An employee in California was diagnosed with bilateral carpal tunnel syndrome in both wrists. Follow-up workplace assessments were conducted and changes fully implemented.

Sickness absence

Employee absence through ill health is a common issue to all industries and can be an indicator that there may be something to investigate in the work environment. We track our sickness absence rates across the business and have in place policies to support our employees back to work.



Safety awards

AMEC received a number of awards for outstanding safety achievement from both our clients and professional institutions. These included (also see page 51):

Natural Resources division:

- Europe and West Africa in London won a Green 500 Silver Award
- Growth Region's KOC PMC project team were awarded Safety Winners Program by KOC for the implementation of AMEC Safety Standards

Earth and Environmental division:

- E&E were named as one of America's eight safest companies in 2009 by EHS Magazine and added to Americas Safest Companies list
- Received two National Safety Council (NSC) Awards recognising leadership and safety performance in the workplace

Power and Process division:

- Europe: received two RoSPA Gold Awards and a RoSPA Gold Medal
- Process business awarded the European SHE Excellence Bronze and Silver Awards by SABIC

Chief Executive's HSE Awards

The Chief Executive's HSE Awards programme was introduced in 2003 as a way of recognising and rewarding outstanding performance as well as encouraging and promoting best practice. Awards are presented in four categories, namely; HSE Excellence, Best Practice, People and the new Beyond Zero award.

The 2009 award winners were as follows:

- Growth Regions Guangxi project team (Natural Resources China) won the HSE Excellence award for their excellent HSE programme and their resultant project performance of working over 20 million man-hours without a Lost Time Incident
- Kearn Oil Sands (Natural Resources Americas) won the Best Practice award for their Human Factors in Construction programme which seeks to address and 'design out' hazards associated in construction projects at the front end and detailed design phase of a project
- Christopher Jones (Transfynydd Alliance team, Power and Process Europe) won the People Award for his inspiring personal leadership
- The Earth and Environmental Team were awarded the Beyond Zero award for their commitment to the International Coastal Cleanup project where 27 AMEC office across North and South America picked up more than 6,000 pounds of waste and recyclables from the shore line.



Photo: Senior management and award winners at the Chief Executive's HSE 2009 Awards ceremony