

# Sustainability at AMEC – Aspiring to Operational Excellence

**Citi, London**

**14 August 2008**

**Linzie J Forrester**

Sustainability Programme Manager

## Signpost for the session

A vertical yellow 3D rectangular post with a beveled top and bottom, serving as the central axis for the signposts.

Where is AMEC now?

Where is AMEC heading?

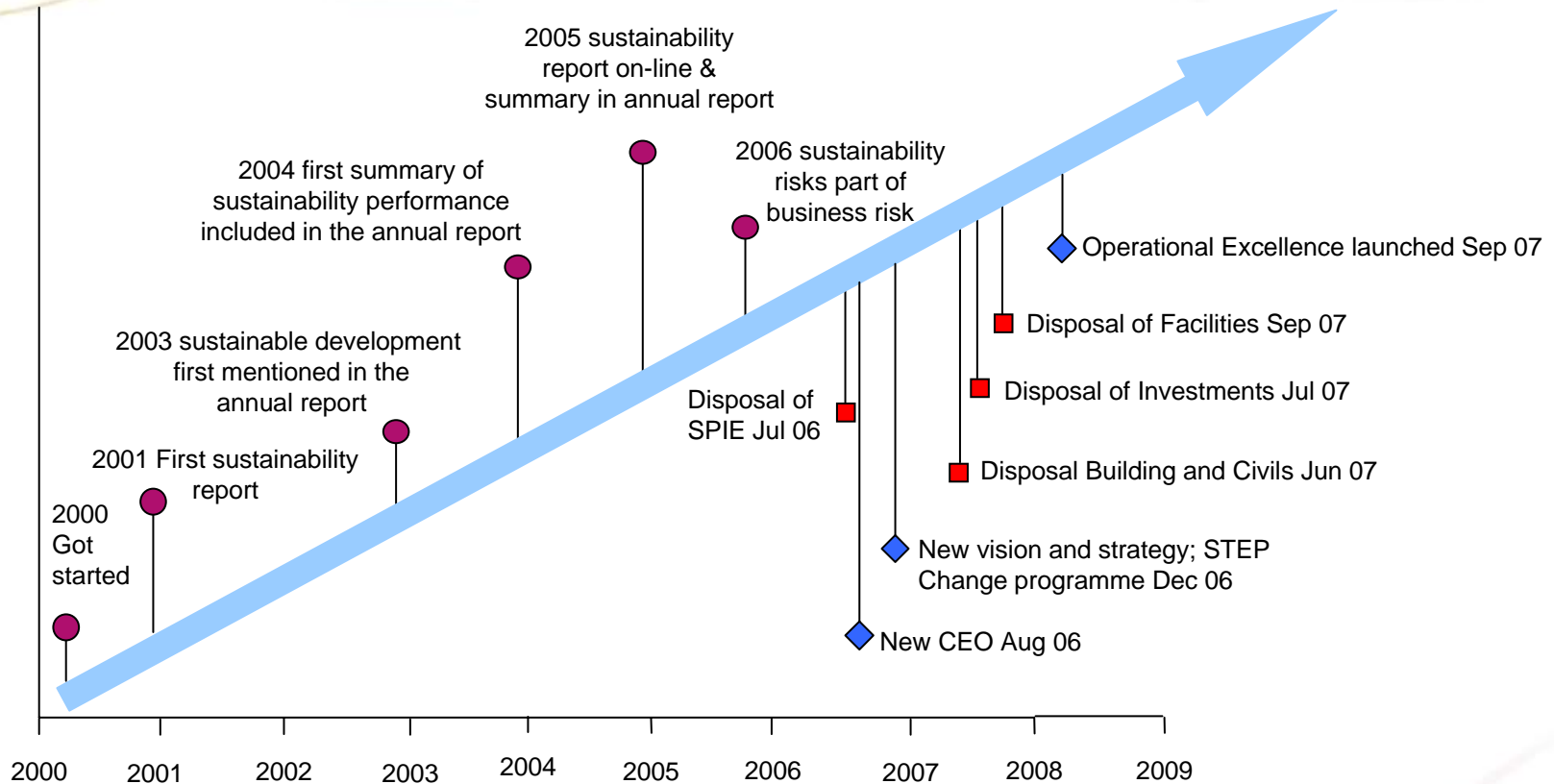
Operational Excellence - Sustainability

Sustainability market opportunities

Refreshing our communication

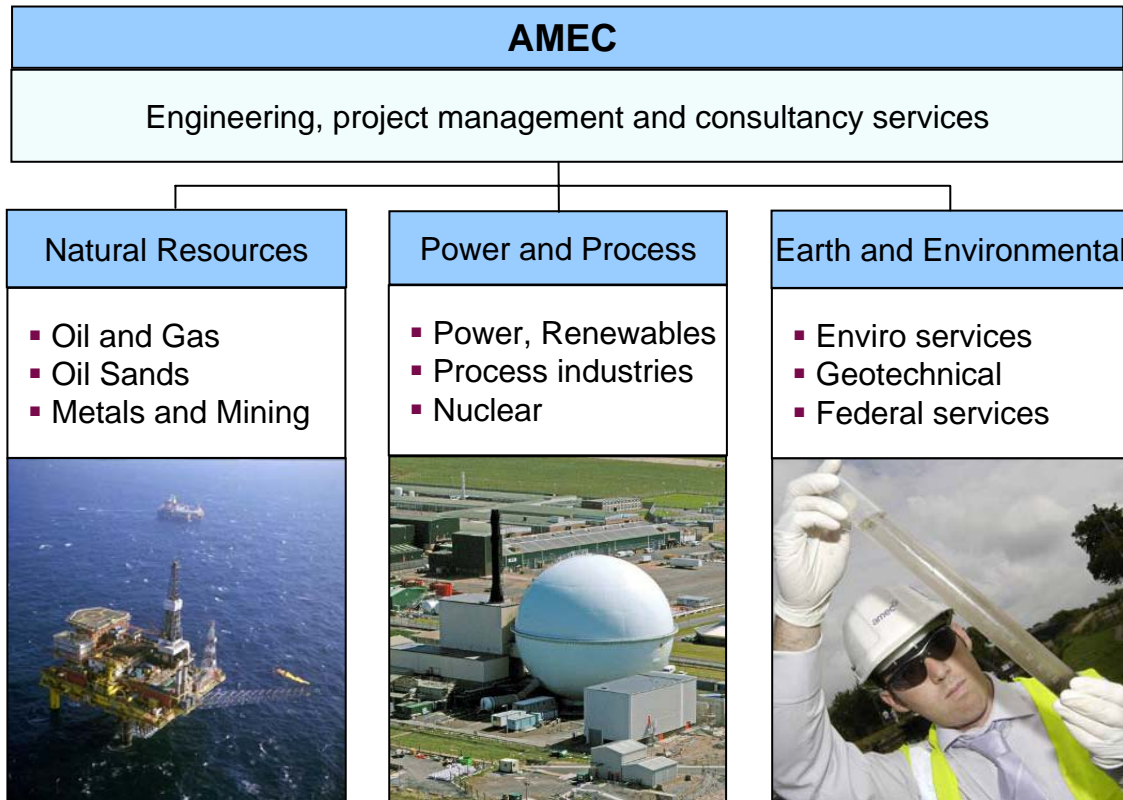
Summary

# Transforming our business



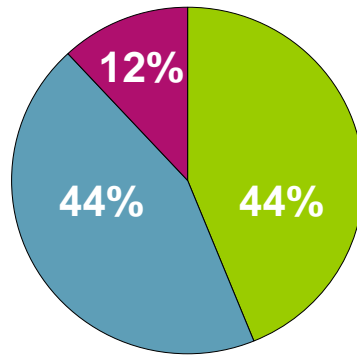
**Transforming to a successful company for the long term**

# AMEC at a glance – our business

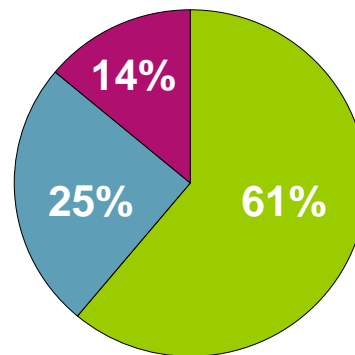


# AMEC at a glance Analysis of core divisions 2007

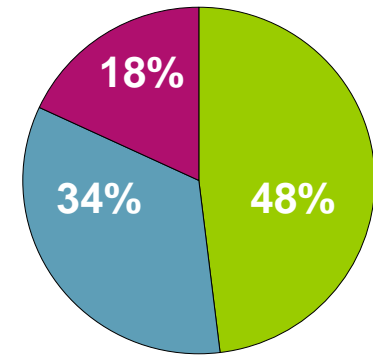
Revenue\*



EBITA\*\*



Average employees#



## Natural Resources

Operates in the oil and gas services, oil sands and mining market

## Power and Process

Operates in the power, process and nuclear market

## Earth and Environmental

Provides specialist consultancy and engineering services

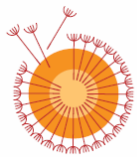
\* Before internal revenue and excluding the Investments and other activities division

\*\* Before corporate costs, pre-tax exceptional items, amortisation and losses in the Investments and other activities division, but including joint venture profit before tax

# Full time equivalents/agency staff, excluding the Investments and other activities division

## AMEC at a glance - sustainability

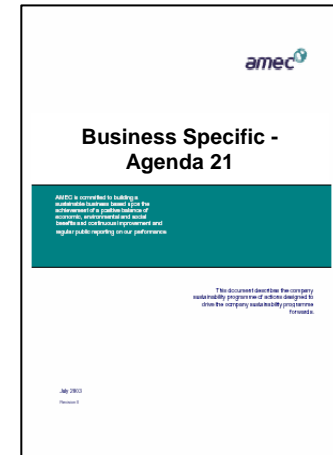
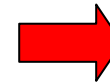
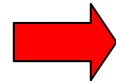
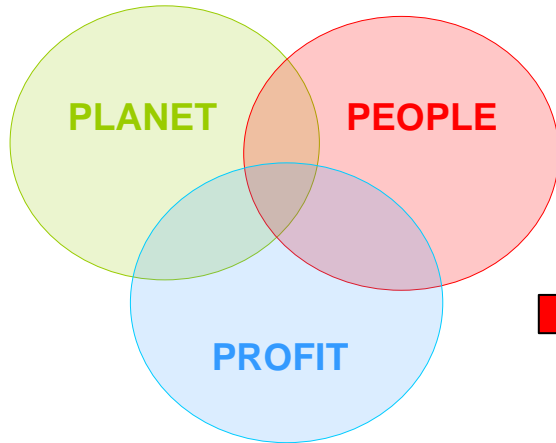
- Part of the Carbon Disclosure Project
- Sector leader Dow Jones Sustainability Index (DJSI)
- Silver award from SAM (DJSI)
- Silver ranking in Business in the Community (BitC) Corporate Responsibility index
- Platinum rank in BitC workplace index
- Gold rank in BitC Environment index
- On-line report with +40 indicators



THE PRINCE'S  
MAY DAY  
NETWORK



# AMEC approach - sustainability



## Sustainability: the concept

Managing our triple bottom line, interactions with people, environmental responsibilities and how we make profit

## Our sustainability responsibilities




Guiding Principles outline issues AMEC needs to manage and the behaviours we need to adopt to become more sustainable

## Driving improvement into the business




Setting objectives and targets aimed at improving performance in line with our Guiding Principles

# Our workplace – performance headlines













## Health and safety

		2007	2006
No. fatalities		1	0
TRCFR (per 200,000 man hours)		1.11	1.18
LTIFR (per 200,000 man hours)		0.18	0.54




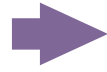

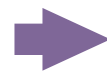


## Employment

Male to female (ratio)		80:20	82:18
Collective representation		40%	20%
People deciding to leave (% workforce)		16%	15%




# Our environment – performance headlines

			2007	2006
Waste generation (tonnes)			119,415	1.5 million
CO <sub>2</sub> emissions (tonnes CO <sub>2</sub> e)			28,198	31,173
Management system coverage			57%	73%
Pollution incidents			75	67
Prosecution action			0	1
Environmental index ranking			Gold	Silver

# Our community – performance headlines

			2007	2006
Total donations (£)			446,000	260,000
% of profit			0.35	0.35
% business units with active community scheme			100%	100%
Community index ranking			Bronze	Silver

# Our marketplace – performance headlines

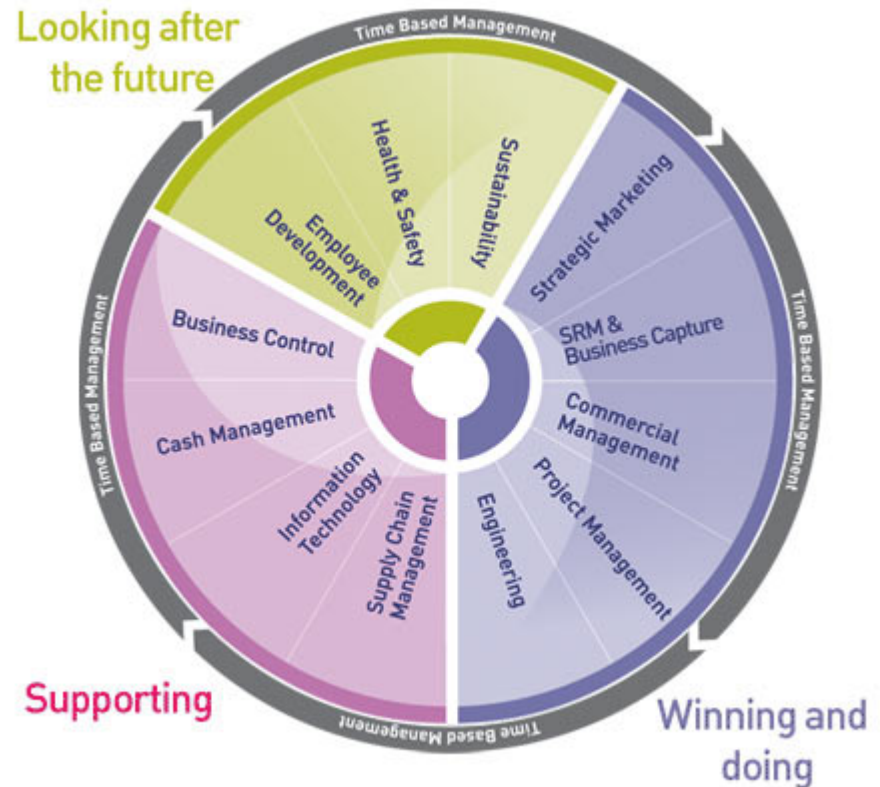
			2007	2006
Profit* (£ million)			126.5	79.7
EBITA margin*			5.1%	4.1%
Ethics issues raised Hotlines			24	16
Issues resulting in formal action			0	1

\* Source: AMEC plc annual report and accounts 2007

# Operational Excellence

## What is it?

- Culture change programme
- Aspire to excellence
- 12 areas in three themes
  - Looking after the future
  - Supporting
  - Winning and doing



Making a good company great

# Good - but we can do better

## STRENGTHS

- External recognition
- In step with key clients
- Sustainability integrated into the business management system
- Pockets of excellence
- Developing sustainability-related services

## WEAKNESSES

- 60% of our people still don't fully understand our sustainability approach
- Variable implementation of plans
- High travel and energy costs
- Need a clearer picture of how AMEC can support clients' programmes

# Setting our sustainability objectives

**Goal:** *To achieve and maintain our leading position so that AMEC can leverage it for benefits for business and employees*

■ **OBJECTIVE 4**

- AMEC's sustainability programme delivers real performance improvement in line with all Guiding Principles

■ **OBJECTIVE 1**

- AMEC's culture is one where people live and breathe sustainability

**Sustainability objectives**

■ **OBJECTIVE 2**

- AMEC is internationally recognised as a leader and maintains its status

■ **OBJECTIVE 3**

- All AMEC divisions are recognised as sustainability leaders within their community and industry

## Key actions identified

- 1 Establish a sustainability performance matrix across all offices
- 2 Implement carbon management system
- 3 Establish employee engagement programme
- 4 Increase sustainability engagement externally

# Sustainability market opportunities

## Case studies

**James Watt**

Principal Process Engineer

# Renewable and Green Energy

- Renewable and Green Energy business unit formed in 2006
- Targets identified future potential markets
- Principal opportunities:
  - Carbon capture and storage
  - Biomass and biofuels
  - Hydrogen
- Further potential identified:
  - Marine / tidal
  - Solar
  - Wind

# Carbon Capture and Storage ('CCS')

- AMEC has diverse experience and skills
- Portfolio of services across the CCS field
- Knowledge of integration into existing facilities
  - Power stations, chemical plants and refineries
- Current work:
  - Capture options project
  - Pipeline projects
  - Economic modelling of networks



*Carbon Capture &  
Storage Association*

# Biomass

- Biomass projects delivered in Canada, US, Fiji, Chile, Uruguay, Slovakia, Indonesia, Australia, Poland, UK
- Focus on waste wood facilities in Americas
- Live projects:
  - South America (2)
  - UK (Port Talbot)
- Leverage of skills leading to pyrolysis and gasification of biomass, including energy from waste projects
- Supporting the SUPERGEN research programme



# Biofuels

- Transfer of knowledge gained in hydrocarbon refining to biofuels refining
  - Focus more on 2<sup>nd</sup> generation technology
- Supported BIOX in Canada since 2004
  - Designed Canada's first biodiesel plant
- Working on conversion of nappies to biodiesel in Quebec
- Completed Verenium's ethanol from wood waste demonstration plant



# Hydrogen

## Supporting WHL Energy's Ladymoor renewable energy project:

- Combining hydrogen generation and storage with a wind farm
  - Wind generates hydrogen when power is surplus to requirements
  - Hydrogen is then burned to generate electricity at high loads
- Allows intermittent energy source to become responsive to peak requirements or operate as a base load power station



# Refreshing our communication

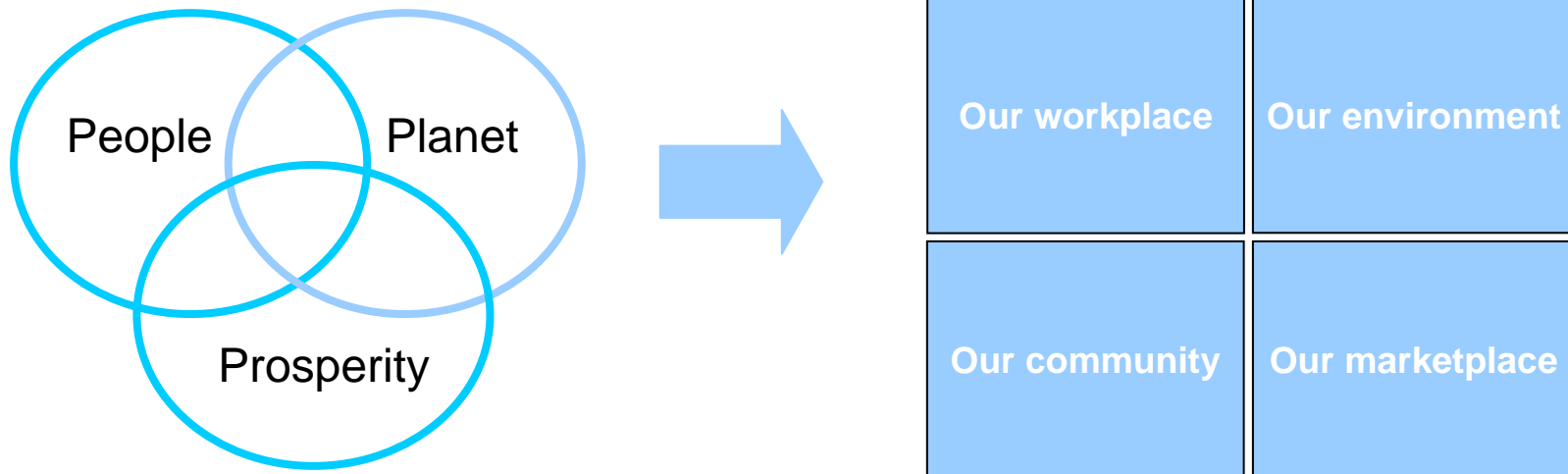
A series of overlapping, curved lines in various shades of blue, teal, and purple, flowing from the bottom left towards the top right, creating a sense of movement and modernity.

**Linzie J Forrester**

Sustainability Programme Manager

# Improving our messaging

Communicating our sustainable developments clearly and effectively:



# Refreshing our sustainability message

**“Our sustainable development priorities are changing with our business”**

**“Sustainability is shaping our business”**

**“We are evolving our approach”**

**“These are some of the things we want to tell you, but we need to listen to hear what you want to know”**

**“We see opportunity in the sustainability agenda”**

**“All our people are important to our future”**

**“Sustainable development is very much a part of our strategy”**

# Sustainability reporting

## Current

- Substantial progress since 2000
- Influenced by a UK construction theme
- Structured around 10 themes
- Over 40 KPIs
- SHE targets
- Some elements of GRI
- Elements for DJSI survey
- Elements for BitC survey

## Future

- Incorporate sustainability objectives
- Operational Excellence
- Value statements

**Listening to our stakeholder needs to shape content**

## Summary

- Well established programme
  - Sector leader Dow Jones Sustainability Index
  - Embedded into management system
  
- Moving forward
  - Leadership from CEO and management team
  - Momentum increasing
  
- Leveraging our experience to create new opportunities
  - Growth market in sustainable energy
  - Supporting clients in their sustainability programmes