

EMPLOYMENT, DIVERSITY TRAINING AND INVESTMENT



Sakhalin Team meeting



Oil and Gas Site Engineers

Employment cost (GRI EC1.c)

As a percentage of revenue, the cost of employment is being driven down and will continue to be under review in line with AMEC's STEP change process which aims to improve the business's economic sustainability. The figures set out represent a like for like comparison and exclude AMEC Spie contribution. AMEC is cognisant of the fact that it must attract and retain talented people and therefore personal remuneration will need to be sufficient to compete in the labour market.

Employment cost	2006*	2005
Wages and salaries	783.1	716.9
Social security costs	92.1	86.2
Share-based payments	(2.3)	7.9
Contributions to defined contribution schemes	6.0	7.9
Defined pension benefits	11.8	10.5
Total (£ million)	890.7	829.4
Employment cost as a % of revenue	27.6	29.2

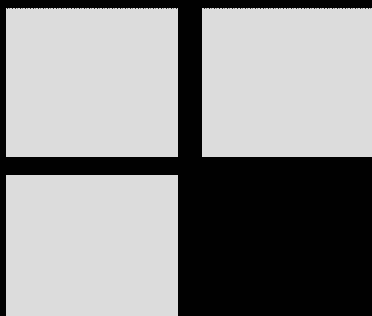
* Recalculated omitting AMEC Spie to provide a like for like comparison

Formal collective consultation and representation (GRI LA4)

AMEC's employees are a major stakeholder of the company and the majority of what makes AMEC a great company. It is important that employees feel part of the AMEC team and have ample opportunity to be part of the organisational development of the business. AMEC's Chief Executive has taken a lead in keeping employees up to date with the structural changes in the business through his weekly communications.

In addition there are a number of formal structures in place to include employees or their representatives in matters which may affect them, such as works councils and union representation.

indicator	2006	2005	2004
% employees covered by collective consultation/representation processes	25	72	78
% employees not covered by collective consultation/representation processes	75	28	22
Actual number of employees covered by collective consultation / representation processes	4688		



Workforce gender composition

This is a fundamental diversity issue, which is pertinent for all AMEC businesses, AMEC wants to be an organisation in which women want to work. The business has, for many years, been perceived as a male environment and in reality there are fewer women engineers than men. This is a trend which continues to be reflected across university engineering departments.

Composition of the workforce	Male		Female	
	2006	2005	2006	2005
% of the total workforce	82	86	18	14
% total managers and professionals	84	84	16	16
% total senior managers	86	94	14	6



Engineers working on the Malampya project

By monitoring the gender composition of the workforce AMEC can monitor whether there is a male to female bias in certain categories of employees or there is a similar trend across all employment categories.

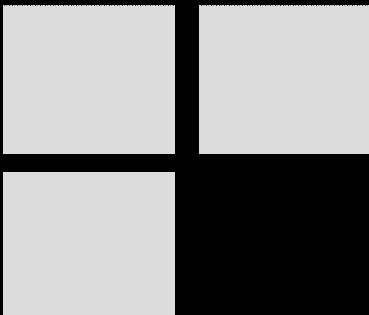
Through 2006 it can be observed that the number of women in each employment category is beginning to even out, whereas previously there were considerably fewer women in senior management.

Employee turnover

Employee turnover is a useful monitor by which the company can use to look for trends in leavers, whether AMEC has a stable employee base or the level of staff churn is increasing.

Turnover (in %)	Male		Female		All employees	
	2006	2005	2006	2005	2006	2005
Employee instigated turnover	14	8	15	11	14	9
Other employee turnover	17	16	6	8	15	15

2006 saw a marked increase in the number of employees leaving the business. This trend corresponds to a period where the company is reorganising and is operating in a very buoyant market where there is increasing competition to secure skilled employees. In this climate the business is concerned that skilled and talented employees are leaving and steps have been taken to communicate the business strategy across AMEC.



Employees joining AMEC

It is imperative for the long-term welfare of the business to train and retain employees and AMEC monitors the uptake of employment across the business. This gives a feel for whether AMEC is offering attractive packages for perspective employees and whether the business needs to improve its profile to potential new recruits.

By examining the male/female new hires it is possible to examine whether AMEC is improving its ability to hire female employees in line with its aspiration to improve diversity of the workforce.

New employees	Male		Female		All employees	
	2006	2005	2006	2005	2006	2005
Total number of new hires	6269	7348	1507	1456	7776	8804
Number of new hires for whom AMEC is their first job	362	592	165	216	527	808
New trainees	190	1292	9	160	199	1452



Chief Executive's Young Achiever Award winners 2006

In line with expectations as the company has reduced in size so the number of new hires has reduced. There is a slight improvement of female new hires into the business in 2006.

Promotion Rate

By monitoring promotion rates AMEC can identify trends in the workplace.

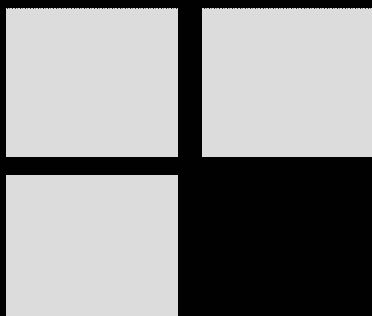
Promotion (in %)	Male		Female		All employees	
	2006	2005	2006	2005	2006	2005
Internal promotion rate	3.01	5	4.3	5	3.3	5

From the overall promotion rate it would appear from the figures that the rate of promotion amongst women has outstripped male colleagues during 2006. It should be noted, however, that women represent 18% of the workforce of the business.

In total 34% of AMEC's advertised positions were filled internally.

Chief Executives - Young Achievers Award

This annual award scheme recognises outstanding personal achievement of employees who are still in the early stages of their careers. Its purpose is to encourage these young employees to take a broader perspective on how to enhance their careers and their contribution to the business, by providing opportunities for further learning and personal development. The scheme is open to eligible employees worldwide.



Eight recipients from across the company were named winners of the 2006 Chief Executive's Young Achiever Award scheme. Each received £1,000 (or equivalent) toward the cost of further personal development or an educational study trip. Awards were presented in London on 25 September 2006 by Sir Peter Mason each winner presented with a commemorative trophy.

Age Equality Training

New legislation on Age Discrimination came into force in the UK from 1st October 2006 representing the most significant change to UK employment law for thirty years. To ensure that all appropriate (UK) AMEC staff were aware of the developments, and to protect both employee and company from discrimination risks, the company launched an on-line training programme.

The e-learning programme consists of an interactive computer based training programme lasting 30 – 45 mins. By the end of 2006 1359 AMEC staff had undertaken this training.

