

Highlights:

- No fatalities
- Improved sickness absence
- 100% HSMS coverage
- 2% improvement in TRCF
- No safety prosecutions

AMEC considers effective health and safety management to be of prime importance to its business. We promote and implement effective health and safety management systems and working practices and are committed to continuous improvement in performance in all these areas.

AMEC's aim is to cause no harm to people. AMEC will work with clients, suppliers, the workforce and other stakeholders towards achieving these challenging goals.

Accident Data

Given the diverse nature of our activities, there are many and varied risks that arise. However, key risks continue to include work at height, moving plant and vehicles and electricity. We operate processes to identify and control all risks but continue to give particular focus to these areas.

Accidents to sub-contractors are included within the following statistics where AMEC had direct sub-contractors performing work under its control or where it had general supervisory authority over the worksite.

There were no fatalities in 2006 compared with seven¹ in 2005.

However, after a steadily improving safety performance since 2000, it is disappointing that this was not maintained in 2006. For AMEC overall, while there was some improvement in Total Recordable Case Frequency Rate (TRCFR), Lost Time Incident Frequency Rate (LTIFR) rose.

Fatalities

No fatalities occurred in 2006 compared with seven in 2005 – see table below.

Fatalities	Employees	Sub-Contractors	Others
2006	0	0	0
2005	4	3	0

Incident Frequency Rates

AMEC has adopted OSHA (the US Occupational Safety and Health Administration) standards for the calculation of frequency rates for Lost Time Incidents and Total Recordable Cases.

¹On a like for like basis without AMEC Continental Europe

The rates across AMEC's operations in 2006, compared with 2005, are as follows:

	Hours Worked (000's)		LTIFR <i>Number of lost time incidents per 200,000 hours worked</i>		TRCFR <i>Total number of recordable cases per 200,000 hours worked</i>	
	2006	2005 ²	2006	2005	2006	2005
Natural Resources	29870	30193	0.30	0.29	1.17	1.45
Power & Process	27330	28944	0.37	0.30	1.05	0.89
Earth & Environment	4807	4135	0.25	0.15	1.16	1.31
Built Environment	24138	27591	1.07	0.91	1.34	1.28
All AMEC	86410	91089	0.54	0.47	1.18	1.21

² The current divisions were formed during 2006. 2005 performance is therefore a notional performance based on the same business groups

The table below gives a comparison with the numbers previously reported which included AMEC SPIE.

	Hours Worked (000's)			LTIFR <i>Number of lost time incidents per 200,000 hours worked</i>			TRCFR <i>Total number of recordable cases per 200,000 hours worked</i>		
	2006	2005 (without AMEC SPIE)	2005 (including SPIE)	2006	2005 (without AMEC SPIE)	2005 (including SPIE)	2006	2005 (without AMEC SPIE)	2005 (including SPIE)
All AMEC	86410	91089	134731	0.54	0.47	0.94	1.18	1.21	2.48

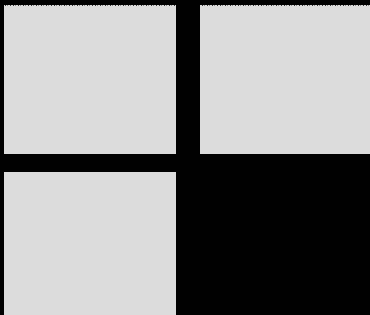
As a benchmark, the OSHA published rates for USA in 2005, the latest year for which figures are available, were:

	LTIFR <i>Number of lost time incidents per 200,000 hours worked</i>	TRCFR <i>Total number of recordable cases per 200,000 hours worked</i>
Services – Repair & Maintenance	1.3	4.0
Construction	2.4	6.3
All Industry	1.4	4.6

A target was set for 2006 for at least 10% improvement in accident rates from the best previously achieved. This target was not achieved for either rate. Although there was an improvement in Total Recordable Case Frequency Rate (TRCFR) the target was not achieved as it improved by only 2%.

Enforcement Actions

Monitoring enforcement actions provides information on specific failures in our management of health and safety. We ensure appropriate improvement action is taken and communicate information on enforcement action to ensure lessons are learned across the company.



UK performance

Prosecutions

AMEC had no convictions for health and safety offences in 2006.

Notices

In 2006 AMEC was issued with one Improvement Notice and no Prohibition Notices. This compares with two Improvement Notices and two Prohibition Notices in 2005. two Prohibition Notices were issued to sub-contractors for work at height issues. AMEC ensured that the Notices were complied with and expectations were discussed with the contractors concerned.

The Improvement Notice, which addressed site tidiness and vehicle/pedestrian segregation, was complied with on the day it was issued.

Americas performance

Citations

There were no citations in 2006 in any of AMEC Americas' activities.

Orders

Five improvement orders were issued in AMEC's Foundations business. They related to two incidents with a crane and a piling rig in which nobody was injured and required parts of the equipment to be recertified before being put back to use. In both cases the orders were complied with immediately.

Rest of the World

There were no prosecutions in 2006 and no orders were issued.

Health

Reportable/Recordable Cases of Occupational Ill-Health

	Natural Resources		Power & Process		Earth & Environment		Built Environment		All AMEC	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
No of reportable/recordable cases of occupational ill health	0	6 ³	10	0	0	0	0	0	0	0

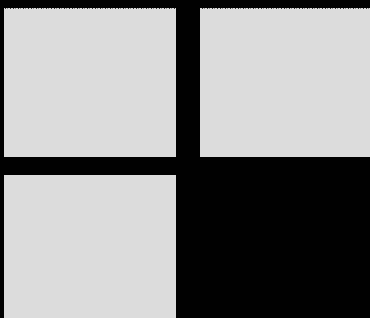
³ Malaria in Nigeria

10 cases of Hand-Arm Vibration Syndrome (HAVS) were identified in the UK Utilities business through the health surveillance programme and reported to the HSE. The health surveillance programme ensures that we identify any person suffering from HAVS, diagnose its severity and manage future vibration exposure accordingly.

There were no other recorded cases of occupational ill health.



Health screening



Sickness Absence

The number of days sickness absence per employee is reported as a measure of the effectiveness of initiatives to reduce sickness absence.

In 2005, overall there were 4.48 days sickness absence per person compared to 3.35 during 2006 which is a significant improvement on last year.

Health & Safety Management Systems (HSMS)

During 2006 AMEC has collected information regarding the percentage of direct AMEC employees that are covered by an HSMS that is demonstrably compliant with OHSAS 18001.

“Demonstrably compliant” includes both self-assessment and third party certification.

	<i>Percentage of direct AMEC employees working within an OHSAS 18001 compliant HSMS</i>
	2006
Natural Resources	100
Power & Process	100
Earth & Environmental	100
Built Environment	100

Overall, 100% of AMEC’s employees are working within an HSMS assessed to be compliant with OHSAS 18001, which is the same as in 2005.

	<i>Percentage of direct AMEC employees working within an HSMS 3rd party certificated to OHSAS 18001</i>
	2006
Natural Resources	0
Power & Process	5
Earth & Environmental	0
Built Environment	98
All Amec	31

31% of all employees are working within systems that have been 3rd party certificated to OHSAS 18001 while the rest have been self-assessed as compliant. This compares with 30% in 2005.

Significant Achievements

Awards and Milestones Achieved Include:

Awards

Royal Society for the Prevention of Accidents (RoSPA) Gold Awards were awarded to the following UK businesses for the achievement of a very high standard of health and safety at work over four years:-

- AMEC NNC
- AMEC Nuclear Projects
- AMEC Oil & Gas

The RoSPA Gold Medal Award was awarded to the following UK divisions for having achieved a minimum of five consecutive Gold Awards

- Design & Project Services – Renfrew
- AMEC Group Limited - Industrial

A RoSPA Silver Award was awarded to AMEC Design & Project Services' North & South Building & Civils unit.

Design & Project Services received a Certificate of Achievement in RoSPA's 2006 Behavioural Safety Best Practice Awards.

AMEC Paragon received the BP Contractor HSSE Platinum Award for 2005, recognizing its achievement in working injury and incident-free for three consecutive years.

Design & Project Services won the Quality in Construction Project Safety Award for its framework project for Welsh Water.

Oil & Gas' BP Coryton project received a BP award for achieving five years on site LTI free.

Milestones

Oil & Gas division's Malampaya project achieved six years without an LTI.

AMEC NNC achieved almost three years and over five million hours without a reportable accident.

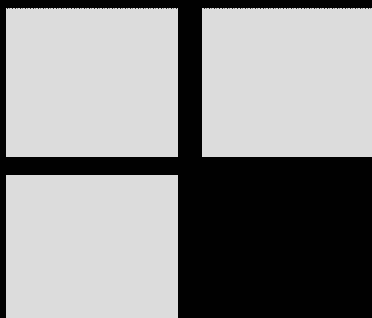
Oil & Gas' PCWU project based in Baku achieved over 4.5 million man-hours LTI free.

Oil & Gas division's Bayer BPA/SPC project achieved 4,200,000 hours without an LTI.

Design & Project Services' Southern region achieved two million hours without a reportable accident.



Chief Executive Safety Award winners



Design & Project Services T5 team achieved two million hours without a reportable accident.

Design & Project Services' NW Building business achieved 12 months and nearly 1.2 million hours without a reportable accident.

Design & Project Services' Pavement & Infrastructure team achieved one million hours without a reportable accident.

Design & Project Services' M60 project achieved 1,000,000 hours without a reportable accident. This was the second time that this milestone was achieved on the project.

Oil & Gas division's Forties Pipeline System (FPS) contract achieved 8 years without an LTI.

Oil & Gas' BP Cranes project achieved over three years without an LTI.

