

## **Enviros Assurance Statement for AMEC Sustainability Report 2007**

### **Assurance Objectives**

Enviros Consulting Ltd has conducted an independent assurance review of the web based AMEC Sustainability Report 2007 (see [www.amec.com/sustainabilityreport2007](http://www.amec.com/sustainabilityreport2007)). The objectives were to review the accuracy and balance of the report to ensure statements made and data presented reflect business practices within AMEC.

### **Responsibilities**

The information and presentation of data within the AMEC Sustainability Report 2007 are the responsibility of AMEC. This statement is the responsibility of Enviros and represents our independent opinion, and is written to be read in its entirety.

### **Methodology**

The verification was conducted via meetings, telephone discussions and e-mail correspondence with those UK staff responsible for collating and reporting the data on which the report was based. Both quantitative and qualitative data were substantiated through examination of relevant files and documents supplied by the report's authors at these meetings. Qualitative information based on AMEC press releases has been checked for consistency only. Visits to individual businesses, sites and other countries did not form part of the assurance scope.

### **Quality Assurance**

Following guidance and recommendations from the AA1000 Assurance Standard Enviros has provided comments against each of the principles of assurance of completeness, materiality and responsiveness.

The team performing the verification has the appropriate experience and competency to do so and are not working for AMEC in any other capacity. Enviros has a Quality Management System (QMS) which is certified to, BS EN ISO9001.

### **Our Opinion**

#### **Completeness**

AMEC has been through substantial organisational change in 2006 and 2007 that has understandably impacted on sustainability reporting within the business. We recognise that it has been challenging to keep reporting consistent throughout these changes and applaud the attempts to recalculate previous years' data to enable readers to compare past performance with this year.

We have reviewed both qualitative and quantitative information and data and found the presentation in the report to be accurate and complete. The presentation of the data reflects current business practices and performance within AMEC. Any limitations regarding presented information are explained.

In line with our recommendations last year, we welcome the moves to broaden the ownership and authorship of the report this year although there is still a need to further improve ownership for the quality of the sustainability data within the individual businesses. Data collection systems have not developed significantly in 2007, and the internal assessors used for previous reports were not part of the report process this year; internal assurance having been passed to the authors of each section.

We find that we are unable to comment on the accuracy of performance data reported against the indicators in the Ethics section due to confidentiality issues with the available evidence. We believe that the current ethics indicators require further development in order to more completely reflect performance in this area.

As a result of the major divestment and structural changes to the business over the last 12 months it was not possible to accurately determine 'best ever performance' levels for lost time and reportable incidents. Therefore we have been unable to verify whether or not the targets for these parameters have been met although we are confident that the actual incident rates reported are correct.

## **Materiality and Responsiveness**

AMEC has many effective engagement processes for communicating with its stakeholders and it is apparent that some feedback on sustainability issues is gained through these. However, we feel that the existing processes are principally driven by other business needs and consequently engagement specifically on sustainability performance and reporting could be more structured and robust.

Climate change issues are receiving increased media attention and greater public focus. Stakeholders may expect to see sophisticated and comprehensive reporting of climate change issues from all organisations in future. In particular exclusion of data on travel and transport in the 2007 report is noted and is being reconsidered. We also encourage AMEC to engage with the emerging methodologies for carbon footprinting that will also consider issues such as travel, transport and water consumption. We believe these developments will form part of the Operational Excellence Programme and in particular will be elements of AMEC's Low Carbon Strategy. We support these developments and look forward to seeing the outcomes reported in future reports.

It is noted that the major organisational and structural change that AMEC has undergone in 2007 has not resulted in any significant deterioration in sustainability performance compared to 2006. However, AMEC has not yet been able to regain the impetus lost in 2006 against the sustainability agenda, and performance trends, where given, have generally not improved significantly or have remained static.

The key performance indicators for risk used in previous years were found by the business to be unrepresentative of performance in this area and have therefore been omitted this year. In our opinion this is a criticism that could be levelled at several other indicators that are reported. We feel that there is a need to review all indicators to ensure that those used can accurately represent sustainability performance across all areas, over a significant period of time.

Targets are also absent in several areas of the report. Combined with a lack of robust indicators we believe this is evidence of a business that is in need of a fundamental review, and clarification, of its key sustainability aspects and relevant objectives and targets. These objectives and targets should be placed firmly within AMEC's overall business processes and programmes at both a corporate and business unit level. The lack of targets and indicators in certain areas of the 2007 Report may also help explain why performance has not been driven forwards as strongly as could be expected, in any areas not significantly affected by the major structural changes.

## **Recommendations for Future Reports and Sustainability Programme**

- Expectations within the business are that the Operational Excellence Programme will revive and focus effort over the coming years, however, sustainability is one of twelve core objectives for this programme and it will be interesting to see whether this approach succeeds in putting sustainability at the heart of the business. We note that there are a small number of high level sustainability objectives included in the Operational Excellence Programme and we expect to see performance against these reported starting in next year's report.
- We recommend that AMEC uses its Operational Excellence Programme to review and develop an appropriate set of key performance indicators and targets, to support the high level objectives, for all AMEC's key sustainability issues that will drive improvements and sustainability reporting over the coming years.
- This year there has been a reduced level of internal checking of the systems that are relied upon to provide the majority of sustainability data. There is therefore a need for AMEC to assure itself that these systems are still working properly, are covering all the relevant areas and producing robust data. This will enable a more straightforward relationship to be developed between internal and external assurance which in turn will improve the assurance on data robustness and accuracy that can be provided to stakeholders.
- The report would benefit from more explanation of performance and trends to enable readers to understand the underlying reasons for any change; and to distinguish between changes in underlying performance rather than as a result of organisational changes.

- The ethics section of the report is essential for the reporting of sustainability within AMEC and in future years should be strengthened by concentrating much more on reporting ethical performance, based on the initiatives undertaken and business decisions made. Where confidentially issues potentially conflict with reporting requirements, more commentary on AMEC's in-year activity should be considered.
- We support and encourage AMEC's decision to include such aspects as travel, transport and water consumption in its Low Carbon Strategy. We anticipate that AMEC will be able to report on an increased scope of climate change impacts and carbon management issues in the 2008 report. We also suggest AMEC consider the adoption of a recognised methodology for carbon footprinting.
- Responsiveness could be further improved by developing a focussed programme of stakeholder engagement that directly addresses sustainability and reporting. This should involve stakeholder groups at both corporate and business unit levels with the ability to inform overall sustainability programmes, reporting and risk management.

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