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Health, Safety and Security HSS management

Everyday around the world our employees and those who work with us are working on behalf of our clients. It is a fundamental right of every individual who works with us to undertake that work in a healthy, safe and secure way. Even though we work in some of the harshest environments undertaking difficult and dangerous work it is our duty to make sure that work is managed properly and risks are effectively mitigated.

Health, Safety, Security and the Environment Policy



Purpose of this policy

To share and communicate our commitment to a workplace free from harm, through the prevention of injury, ill health, pollution and operational loss. This policy applies to all Amec Foster Wheeler global operations wherever they are carried out and is reviewed, and if necessary, revised annually as a minimum.

Commitment

The board is responsible for establishing the policy and for monitoring and reviewing overall HSS performance and is committed to the value of performance and is committed to the value of performance and is committed to the value of performance.

To meet our commitment

We recognise the right of our workforce to have a safe and healthy workplace and are committed to maintaining a strong and sustainable HSS culture across all our operations through:

- Deploying the best leadership and management structure required to deliver this policy and to ensure a continuous chain of responsibility and accountability.
- Identifying and controlling the HSS risks associated from our operational activities.
- Implementing systems for the management of HSS, ensuring they are communicated and maintained in accordance with the Amec Foster Wheeler HSS Management Framework.
- Complying with the applicable HSS legislative and industry requirements as a minimum.
- Establishing and monitoring clear HSS performance objectives that include leading and lagging indicators.
- Deploying robust processes for the investigation of incidents and capturing lessons learned to prevent similar events occurring.

- Monitoring and verifying our performance to ensure that the organisation is fully compliant with its standards, requirements and applies the lessons learned.
- Implementing effective processes for workforce consultation and engagement at all appropriate levels, on HSS issues.
- Ensuring that personnel are trained and competent to carry out their activities.
- Consulting with our customers, regulators and other stakeholders to promote continuous improvement in HSS performance and
- Working with our Supply Chain and Partners to deliver world-class HSS performance to our customers in their operations.

Date: 1 Jan 2016

Jonathan Lewis
Chief Executive Officer

BEYOND ZERO

More than just looking after our people and those who work under our control, we have an obligation to take a leadership role wherever we work. According to the International Labour Organisation (ILO) every year an estimated two million people die from work related accident and disease. We can lead by example and, through education and mentoring those with whom we work, we can play our role in reducing workplace incidents.

We make a healthy, safe and secure working environment, it does not happen by itself, it is a living and learning process which evolves with us and it is fundamental to the operation of our business. We recognise this through our company values.

Policy and framework

Our policy sets out our fundamental pledges to our people, it outlines what we believe are the things we must do to make our working environment a healthy, safe and secure place to work.

This is an important statement because it underpins the development of our health, safety and management approach. It is regularly both reviewed and approved by our Board.

[See the HSS policy.](#)



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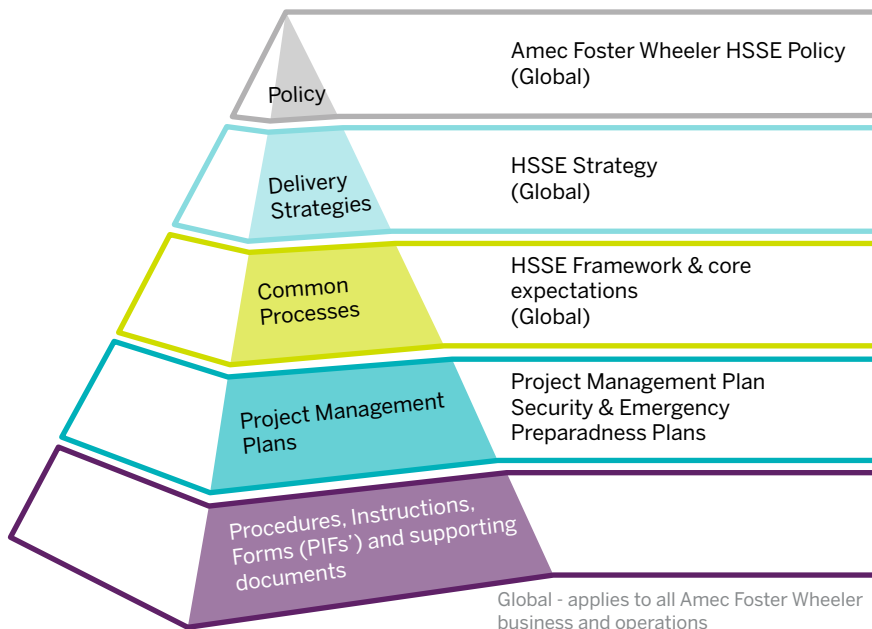
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The policy is supported by our health, safety, security and environmental (HSSE) framework document. This framework sets out Amec Foster Wheeler's expectations and minimum HSSE standards for our global operations. It provides the guiding hand on what we believe should be our absolute standard wherever we operate in the world. We know that standards of health, safety and security are different across the world and we are committed to upholding our legal obligations. However, where the statutory duty of care to an individual falls short of our own standards, we are committed to ensuring that we operate to our framework and standards.

Amec Foster Wheeler operates an integrated health, safety, security and environmental management system which is based on the elements of international standards and best practice (ISO 14001, OHSAS 18001, HSG65*).

Mandatory procedures

Our business is far reaching and diverse, it is therefore important that our approach to health, safety and security management is flexible enough to recognise industrial norms, processes and best practice. However, for some things, such as how we measure and categorise and report incidents we have to do this consistently throughout the business, where this is the case we have a mandatory procedure which sets out what is required.



Assurance

Effective mitigation of health, safety and security risks relies on implementing practices and processes that eliminates or effectively controls exposure to hazards to an acceptable level. We have to assure ourselves that measures are implemented properly, we do this through our assurance strategy. Our assurance process covers a broad spectrum of risk issues from strategic through to operational on-site covering four levels (see below).

As our business and portfolio of operations grows, our profile of HSSE risk evolves with the nature of our acquisition and organic growth into different regions, countries and industries.

	Entity	Assurance objective	Assurance tools to use
Level 4	Group	Provide assurance to the Board that there is a robust HSSE management system in place	<ul style="list-style-type: none"> Validation assessment/review Statistical monitoring Peer review process
Level 3	Business unit	To validate that Operational Assurance Plans are effective and learning is captured in the management system	<ul style="list-style-type: none"> Validation assessment/review Statistical monitoring Peer review process Performance standard assessment review
Level 2	Ops unit	Develop and implement an assurance process to give confidence to operational management that robust HSSE management systems are in place to protect people and the environment	<ul style="list-style-type: none"> Integrated risk based assurance plan Statistical monitoring Management review
Level 1	Project	To undertake assurance processes which seek to confirm that the HSSE management system is in place and working effectively in managing HSSE risks on the project	<ul style="list-style-type: none"> Agree risk based audit schedule Management review Recording & reporting to operating unit Inspections Investigations Integrated focused audits Recording & reporting incidents

* Note: HSG65 is the UK Health and Safety Executive, guide and approach to managing health and safety.



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“Occupational health and safety measures can only deliver to their full potential if they have the unequivocal commitment of an organisation’s board and senior management. High-level management, not just line management or specialists, must be directly involved in implementing OSH policies”

Leadership and occupational safety and health, EU-OSHA 2012

Leadership for safety

Our leaders are imperative in shaping the culture and climate of the working environment as they provide direction and vision to the company.

Amec Foster Wheeler has a board level HSSEE committee (Health, Safety, Security, Environmental and Ethics) which assists the board in upholding the Company’s principal value of ‘doing the right’ thing. The committee is responsible for reviewing the HSSE policy at least annually to ensure it remains fit for purpose and meets legal and regulatory requirements in all respects. It also examines the processes in place to satisfy itself that all significant health, safety and environmental risks are identified and mitigated.

The committee oversees the operation and activities of the HSSE review committee which is a management committee who’s key responsibility is to provide effective oversight of the company’s performance and management of HSSE issues across the group.

Looking forward

During 2017 we will continue to put significant effort into addressing the underlying causes of our performance. We will be implementing a safety week mid-way through the year to ensure continued focus and drive for safety leadership throughout our business.

Lagging indicators

Zero LTIR

As in previous years we have set a target to achieve zero lost time incidents for 2017. This may seem to some aspirational, however several parts of the business met this target in 2016, reinforcing our belief that it is achievable.

10% reduction in TRIR and AIFR

In line with previous years we have chosen to continue our 10% reduction based on best performance.

Leading indicators

Leading indicators for 2017 have been designed to ensure appropriate attention to health and safety risk identification and management on our project sites.

Our focus for 2017 is on verification - of the existence of safety procedures, risk control and people’s understanding of potential hazards. We understand that communication is vital to ensure everyone is kept well informed and safe, and that accountability from our leadership is key. Our 2017 leading indicators respond to these focus areas, all of which respond to the implementation of preventative measures rolled out in April by Chief Executive Jon Lewis.

1. Leadership inspection tours:

In order to actively demonstrate leadership and to visibly show our workforce that we care about their safety and wellbeing, requirements in

relation to leadership inspection tours have been set for 2017. The indicators below have been designed to track and verify that leaders are undertaking these tours as prescribed:

- Percentage of Business Line leaders undertaking tours
- Number of tours undertaken

2. Self-verification assessments

To ensure that the management and verification on our projects is as rigorous as it should be, the business has set a requirement in 2017 for business leaders to undertake a self-assessment audit of project site HSSE plans and critical activity HSSE management. The indicators below will track and verify that actions identified by the self-assessment audits are tracked through to close in each Business Line:

- % completed
- Number of improvement actions generated by self-assessments
- Number closed

3. Independent HSSE audits

Early in 2017, our HSSE Assurance Framework was updated to formalise four levels of HSSE audit, level 4 of which are independent audits managed centrally. These independent audits are in-depth risk based audits of our highest risk projects. This indicator will track and verify that the level 4 audit schedule has been implemented to close:

- Number of planned audits
- Number completed

Lagging Indicator	Leading Indicator
Lost Time Injury Rate (LTIR) = 0.00	Leadership inspection tours 100% targeted leaders completing tour
Total Recordable Incident Rate (TRIR) equal or less than 0.20	Self-verification assessments 100% assessments completed by due date
All Injury Frequency Rate (AIFR) equal or less than 1.27	Independent HSSE audits 100% planned audits completed

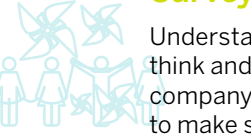


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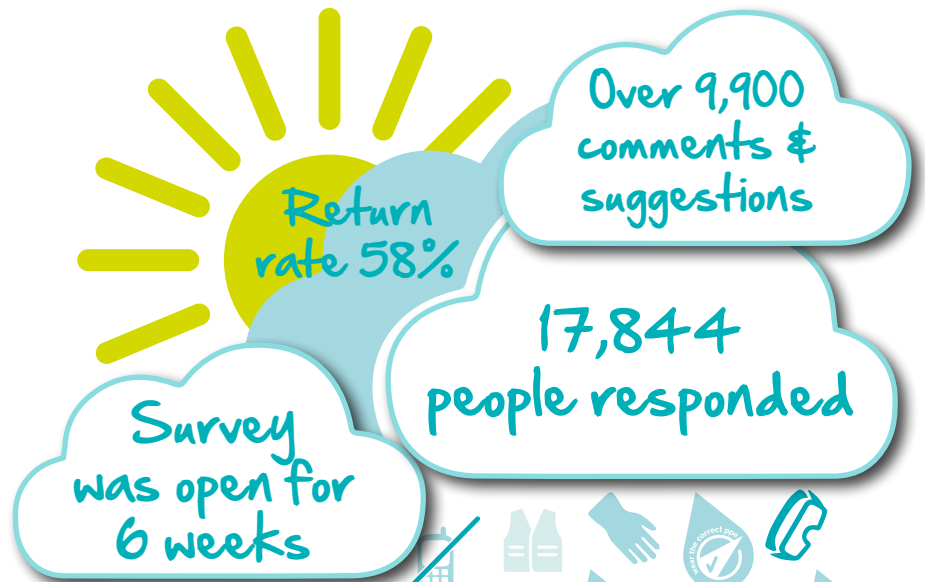
2016 Safety Climate Survey



Understanding what our employees think and feel about safety in our company is vital. It's an opportunity to make sure the company is successfully prioritising safety and protecting our staff.

In 2016 we ran a safety climate survey, aimed to measure and shape the safety culture within the organisation. So what is a safety culture? If we consider safety as having formal and informal aspects, then we can see that processes, procedures, organisational structure, regulations, rules and management belong in formal safety management – and it's important that we have these. But we believe safety management is more than this. It is about investing in and protecting the human capital of an organisation, and therefore we need to concentrate on behavioural, social and cultural processes too. In this context, a safety culture is a set of shared values (what is important) and beliefs (how things work) that interact with an organisation's structure and control systems to produce behavioural standards (the way we do things).

Measuring and understanding these informal aspects is just as important as measuring incident rates, compliance reports, near misses or claims. A safety climate survey asks questions about how people feel about certain aspects of safety, including leadership and supervision, communication, competence, empowerment and responsibility. Responses from these surveys help organisations better understand what is happening beneath the numbers, whether their



improvement programmes and initiatives are working as expected, and whether the way in which we care for our people is having a positive effect.

We recognised that just as our organisation was changing, so was the safety landscape, we therefore need to make sure that we continue to 'do the right thing' and put safety first. The survey was run over a period of six weeks and in that time 17,844 people responded, which gave us a thorough understanding about what our employees felt was going well, and what needed to improve. We also received over 9,900 comments and suggestions, with recommendations and opinions.

Key messages were that employees felt positive about HSSE, that there was a strong HSSE brand and it was a priority area for our people. Employees also felt confident to stop the job should they feel safety was compromised.

Areas for improvement were also identified, including the way we engage employees on HSSE across the business on their specific HSSE roles and responsibilities. Improvement of HSSE management system procedures was also identified, specifically about the quality of near miss reporting.

These areas, in addition to the specific comments and recommendations, were cascaded throughout the business. Key findings and recommendations will be considered for improvement planning for 2017 and beyond to ensure we listen and act on what our employees are telling us.





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Safety by design

Achieving inherently safer design in all of Amec Foster Wheeler's engineering and construction efforts is one of our fundamental goals to ensuring we 'put safety first'. Our Safety by Design process assists the achievement of designs that enhance safety and environmental characteristics. This process is based on the implementation of Inherently Safer Design principles applied to engineering, construction and their environmental aspects.

Amec Foster Wheeler applies a safety by design process on its engineering projects, designed to help our engineering and design teams focus on the impact they have on operations and construction safety, and how we can improve in this area. The intent of Safety by Design is to:

- Address life-cycle health, safety and environmental risks and environmental aspects, including management of the use of natural resources in development projects.
- Systematically and comprehensively identify and assess hazards and environmental challenges, and their associated risk to people, environment, asset and production loss, and company reputation.
- Examine whether actual and potential negative impacts can be entirely avoided, or their magnitude reduced by design. If this is not possible, then appropriate and preferably engineering controls (such as isolating people from the hazard by use of enclosures) are put in place to manage the residual risks and environmental impacts.

We have made Safety by Design an integral part of the project engineering design workflow. In addition we have dedicated resources in our key engineering centres that are actively involved in ensuring Safety by Design.



A five-step process

1. Define safety goals

Goals help maintain focus throughout the Safety by Design process, and reflect regulatory requirements, legislation and project-specific risk criteria and sustainability strategies, as well as project-specific safety and environmental aims.

2. Understand hazards & aspects

The purpose of this step is to identify and understand project specific health and safety hazards, as well as environmental impacts so that they may be appropriately managed and controlled.

3. Implement Inherently Safer Design principles

The intent of Inherently Safer Design, is to eliminate a hazard or the use of materials or energy completely or reduce the magnitude of use sufficiently to eliminate the need for elaborate safety or environmental management systems. This process of elimination or reduction is accomplished by means that are inherent to the production process and thus permanent and inseparable from it and therefore highly reliable. The implementation of Inherently Safer Design is achieved by adopting a strategy based on the following principles:

- **Eliminate** - remove hazardous materials, processes and activities.

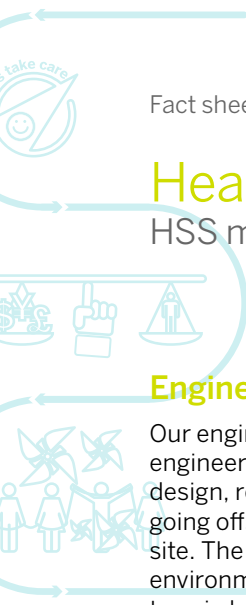
- **Minimise** - use smaller quantities of hazardous substances and materials generally and minimise the number of activities especially hazardous ones.
- **Substitute** - replace a hazardous, expensive or rare material or activity with one that is less so.
- **Moderate** - minimise the potential impact of a release of substances, materials or energy, e.g. by changing layout configuration, adopting less hazardous operating conditions, or by minimising the number of people exposed.
- **Simplify** – design facilities to reduce or eliminate complexity and minimise the possibility of human error.

4. Manage residual risk

If 'inherent control' cannot be fully achieved or is perceived to be inadequate, residual hazards, risks and environmental impacts will remain. Their effects and additional associated risks will need to be reviewed, and where possible, mitigated through additional engineering or procedural controls. Various studies can be conducted as part of the residual risk management process, either in-house or with external support.

5. Consolidate and communicate

Once the Safety by Design process has been completed, and the goals that were identified at the outset of the project have been met, the process can be closed. The findings of the Safety by Design process can be consolidated and communicated to internal and external stakeholders. Depending on legislative and client requirements, a dedicated compliance report such as a Case for Safety or an Environmental Impact Statement is produced.



Fact sheet

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Engineering Virtual Reality

Our engineers are utilising engineering virtual reality to design, review and learn without going offshore or stepping onto site. The immersive 360 degree environment allows our engineers to gain knowledge and experience of the project site, which increases efficiency, reduces safety risks and costs without physically being there.



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