

Fact sheet



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Our approach to sustainability

For us, sustainability is about integrating social, environmental and economic conditions into our values and operations in a transparent and accountable manner.

Following the appointment of [Jon Lewis as Chief Executive Officer](#), we began a wide-ranging review of our strategy, organisational structure and cost base. As a consequence of this review, we have developed a number of corporate level strategic priorities supported by detailed strategies for each of our business lines. These priorities have a number of common themes, firstly they will give us greater operational and financial discipline through a re-organisation into four market-facing business lines, implementing a single set of operational procedures, enhanced management accountability and the benefit of the scale efficiencies that an organisation diversified across markets should provide. Secondly, implementing these strategic priorities will improve our customer proposition by enhancing our cost effectiveness and improving the technical capabilities we can offer our customers. The third theme is a greater focus on cash generation as a consequence of improved operational efficiency.

Our strategic priorities are as follows:

- We will continue our evolution into a customer-centric, multi-sector consulting, engineering and construction company, making resource allocation decisions across the business lines to benefit the most attractive growth prospects.
- We will enhance our value-based engineering offering, helping customers to ensure their projects are economically viable.
- Through our lead operating model and leveraging our Indian operations we will ensure we are cost competitive and better able to bid and win work.
- We will invest in excellence in our technical and business functions, drive standardisation and follow common policies and procedures throughout the company.
- We will invest in information technologies to differentiate our project delivery capabilities and to help us enhance the management of our customers' assets.
- We will improve the engagement of our people and focus on attracting, developing and retaining the best talent globally.
- We will enhance or focus on cash generation, eliminating unnecessary expenditure and increasing efficiency and scalability of necessary costs.
- To strengthen the balance sheet, ensuring a stable financial platform to support the business.
- We will provide a safe and sustainable environment for our people and the communities in which we work.

Our sustainability strategy and commitments, which are aligned to the principles of the UN Global Compact, will support our strategic priorities, specifically the provision of a safe and sustainable environment, and the engagement, attraction, development and retention of people.

More detail of each of our strategic priorities can be found on page 17 of our [2016 Annual Report and Accounts](#).



Our approach to sustainability

Our sustainability strategy

Our sustainability vision is to solve tomorrow's natural resources challenges together. Our Resilient World strategy provides us with the focus for achieving that vision, it ensures that as a business we provide a balance between managing

risk and unlocking opportunities that deliver long-term value to our business, our employees and ultimately our customers.

Resilient World is operationalised and embedded throughout our business by our Foundation of Excellence. The foundation aligns our commitments

to the UN Global Compact principles with our values and behaviours, ensuring these are embedded within our global policies, procedures and standards.

The table below outlines the key areas we incorporate into our Foundation of Excellence:

Doing the right thing	Human & Labour Rights	Environment	Anti-bribery & Corruption	Community
	Diversity & Inclusion	Environmental management	Code of Business Conduct & Ethics	Educational partnerships
	Human rights	Carbon management	Anti-bribery & corruption	Strategic partnerships
	Health & Safety	Resource efficiency	Supply chain	Community investment
Progress monitored through Global KPI's and functional strategy and targets				

Progress against these focus areas of our Foundation of Excellence can be found throughout our [sustainability reporting](#).

In addition to the Foundation of Excellence the Resilient World strategy is focused on three core pillars, the key aims of which are outlined below:

People

Investing for tomorrow by developing a diverse, inclusive and talented workforce which exhibits our values and behaviours to drive sustainability.

- We will resource for a diverse and inclusive workforce, introducing new people (both experienced and new entrants) to the resource pools in order to create a business with genuine diversity of thought.

See the [People](#) section of the website for further detail.

Innovation

Delivering innovative technologies, solutions and services that add business value for our customers while minimising environmental impacts.

- We will drive long-term growth for Amec Foster Wheeler by developing and encouraging a growing portfolio of innovative environmental technologies, solutions and services which add value to our customers and our business.

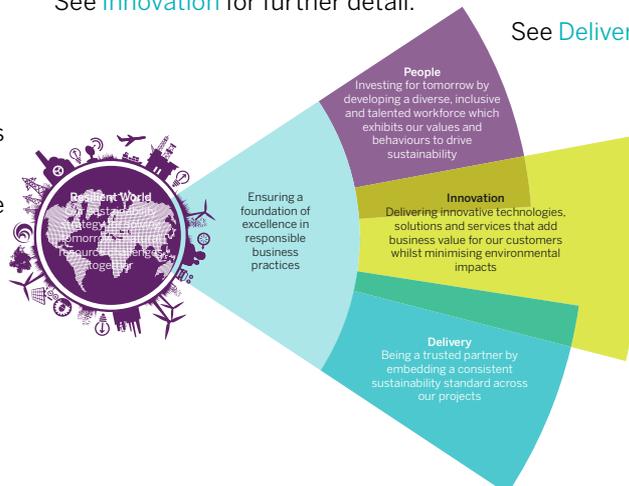
See [Innovation](#) for further detail.

Delivery

Being a trusted partner by embedding a consistent sustainability standard across our projects.

- Our customers demand high standards, and sustainability is a fundamental part of this. We will ensure a consistent approach to embedding sustainability inherently into the core of our projects. We will implement value-add sustainability framework to be used for those clients with advanced sustainability objectives.

See [Delivery](#) for further detail.





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Alignment with the Sustainable Development Goals (Global Goals)

The Sustainable Development Goals (Global Goals), were launched in September 2015 and agreed by UN member states and set goals on 17 key areas to create a world that is comprehensively sustainable: socially fair; economically secure; economically prosperous; inclusive and predictable.

Recognising the role that business has to play in addressing the local and global challenges identified by the goals, we have taken time

to review the goals against our Resilient World strategy to identify key areas where we are supporting their delivery, and those that provide future business opportunity. Although we understand that we can have a positive impact in some way to all of the goals, we have identified several key areas where our contribution to the delivery of the goals is greatest, these are highlighted below. As we develop focus areas and long term goals we have considered how we can best support the delivery of the global goals.

Our response and our impact in relation to the delivery of the goals is reflected throughout the report.





Our approach to sustainability

Sustainability impacts, risks and opportunities

As an international business our sustainability impacts are diverse and inextricably linked to the regions in which we operate. We believe that sustainability impact management must be integral to the way in which we manage our business and must be integrated throughout the entire management system.

Sustainability related issues are part of our business. We have to ensure we concentrate on those that have the greatest impact on our ability to manage our operations. We use a number of techniques to do this including:

- Risk management
- Stakeholder engagement
- Sustainability surveys

- Global standards, principles and frameworks

The top five principal business and strategic risks relating to the sustainability of our business are described in the table below:

Risk	Description	How we manage the risk	More information
Health, safety, security and environment	<p>Amec Foster Wheeler is involved in activities that have the potential to cause serious injury to personnel or damage to property or the environment and damage to our reputation.</p> <p>These activities may involve operations such as design, construction, commissioning and decommissioning, which have potential to cause serious environmental damage, pollution and habitat destruction.</p>	<p>In order to control risk and prevent harm, we are focused on achieving the highest standards of health, safety and security management. This is achieved through the setting of an effective policy and putting in place clear standards which underpin our health, safety, security and environmental management systems.</p> <p>We have put in place processes to assure our systems work effectively throughout the organisation and health and safety performance is regularly reviewed against agreed targets to facilitate continual improvement.</p> <p>Amec Foster Wheeler employs environmental and engineering specialists to support projects in implementing comprehensive project management planning at all stages of a project. These processes are governed by appropriate quality management systems and are supported by risk identification tools aimed at identifying and managing all aspects of project and environmental risk.</p>	<p>For more information see:</p> <ul style="list-style-type: none"> • Safety
Staff recruitment and retention	<p>An inability to attract and retain sufficient high-calibre employees could become a barrier to the continued success and growth of Amec Foster Wheeler.</p> <p>The uncertainties about the effects of the recommended all share offer to attract new employees and retain our existing employees</p>	<p>This risk is mitigated with a clear HR strategy, which is aligned with the business strategy and focused on attracting, developing and retaining the best people for the company with succession planning as appropriate. It is underpinned by an employee framework which describes how we manage our people consistently and we have introduced talent and performance management systems to help us identify and nurture talent.</p> <p>In addition there is a continual review of compensation and benefits to ensure sector and geographic competitiveness and there are localised recruitment teams capable of recruiting large numbers into Amec Foster Wheeler.</p> <p>The additional recruitment and attrition challenges being faced as a result of the planned takeover are being mitigated by retention measures.</p>	<p>For more information see:</p> <ul style="list-style-type: none"> • People
Ethical breach	<p>A substantive ethical breach and/or non-compliance with laws or regulations could potentially lead to damage to Amec Foster Wheeler's reputation, fines, prosecution, litigation and claims for compensation.</p>	<p>Amec Foster Wheeler has a number of measures in place to mitigate the risk of a substantive ethical breach and/or non-compliance with laws or regulations, including;</p> <ul style="list-style-type: none"> • Embedded policies and procedures • Code of Business Conduct • Segregation of duties • Management oversight • Financial and operational controls • Independent whistle-blowing mechanism • Appointment of Head of ethics and compliance and compliance champions • Appointment of ethics and compliance officers • Anti-fraud and other internal audits • Legal team advice • Training programmes support the Code of Business Conduct and Anti-bribery and Corruption and competition law procedures • Oversight by HSSEE committee • Gifts and hospitality procedure with annual internal audits 	<p>For more information see:</p> <ul style="list-style-type: none"> • Ethics



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Risk	Description	How we manage the risk	More information
Project delivery	Failing to maintain discipline and meeting customer expectations on project delivery could result in damage to reputation, loss of repeat business and potentially lead to litigation and/or claims against Amec Foster Wheeler.	The technical functions provide assurance, drives project execution and supports the development, training and mobilisation of personnel to enhance execution competencies. In addition, the system of globally applied policies and procedures, combined with comprehensive management oversight, the risk management process, project reviews, internal audit, peer reviews and customer feedback, mitigate the risk to successful project delivery.	For more information see: <ul style="list-style-type: none">• Delivery
Environmental licences	Amec Foster Wheeler's build/ own/operate facilities and fabrication/ manufacturing sites rely on maintaining environmental licences to operate, which include protecting the environment and achieving legally enforceable operating parameters. Failure to maintain these standards may result in the revocation of all or part of the licence and the suspension of operation, resulting in criminal or civil action and/or financial risk to the business.	Environmental management systems are in place to monitor and mitigate this risk. Planned preventative maintenance schedules are in place to further mitigate this risk.	For more information see: <ul style="list-style-type: none">• Foundation of excellence

In addition to the principal business risks, Amec Foster Wheeler recognises other actual and emerging risks and opportunities, which are identified and managed within our corporate risk register and management systems.

Climate change is a risk area we recognise and actively manage. We have carbon management and reduction programmes in place throughout the business, and also ensure that climate change impact risks i.e. flood risks, are considered when we look at new operating locations and office space. We ensure that as a business we comply with all applicable local, national and international legal requirements, and that we are aware of the impacts of upcoming requirements following the global agreement in 2015. Although recognising the importance for our own business operations, we believe our biggest impact in this area is

the way in which we can positively support our customers to address their energy and water use, and ensuring they adequately assess and mitigate the risks of climate change for the long term operation of their projects/assets. More information on the services we offer to our customers in this area can be found within the [climate resilience factsheet](#) of this report.

In 2015 we recognised human rights and modern slavery as an emerging risk area. Since then, we have been reviewing and understanding the risks to the business in relation to the sectors and geographies in which we work, our supply chain partners, and also to the individuals that may be impacted by these issues. Our [Modern Slavery and Human Trafficking statement](#) which was published in December 2016 in response to the UK Modern Slavery Act 2015, sets clear commitments

in this area. These commitments include the requirement to raise awareness of modern slavery with our employees and value chain, and also to ensure collaboration with industry, sharing best practice, policies and procedure. More information can be found within the [human rights section](#) of this report.

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Governance

Amec Foster Wheeler's board is collectively responsible for delivering sustainable long-term shareholder value in line with its obligations to and the expectations of the group's stakeholders.

The board is responsible for setting the Company's strategic aims and providing the leadership and resources to achieve its objectives. High quality corporate governance helps to underpin long-term company performance and the board is responsible for maintaining strong governance practices and regularly reviewing the Company's governance structure as illustrated in the governance diagram below.

The [Code of Business Conduct](#) is the cornerstone of the Company's approach to governance and is applicable to all employees, including the Chief Executive Officer, Chief Financial Officer and other senior financial professionals. The Code of Business Conduct is the responsibility of, and is upheld by, the board. It acts as a guide for our day-to-day working life, providing a practical application of Amec Foster Wheeler's values and ensuring all those who work for and under Amec Foster Wheeler's direction understand the behaviour that is expected of them.

A global policies document works in conjunction with the Code of Business Conduct providing further detail and elaboration on matters affecting all of Amec Foster Wheeler's business. The global policies document describes the key policies (which includes the global

sustainability policy) for directing and managing the Group's businesses consistently in accordance with our vision and values. These global policies are supported by a set of mandatory procedures, which further explain how the policies are to be applied. On a day-to-day basis, the board has delegated responsibility for implementation of the global policies and ownership of the procedures to the executive committee. The board considers the global policies to be part of the risk based approach to corporate governance and the maintenance of sound internal controls.

The board is supported in its work by four board committees (nominations, audit, HSSEE and remuneration), chaired by either the board Chairman or another non-executive director, and a number of management committees and groups, chaired by executing directors, to which specific responsibilities have been delegated. Key management committees which meet regularly throughout the year and relate to the management of sustainability issues include:

- HSSE committee
- People forum
- Sustainability committee

All of which are chaired by the Chief Executive Officer

More information on board committees can be found on our [website](#) or within the governance section of our [Annual Report and Accounts](#).



Our commitments

Amec Foster Wheeler remains committed to the ten principles of the UN Global Compact.

The vision is for the principles of the Global Compact to be enshrined within the Amec Foster Wheeler policies and procedures and to be embedded within our behaviours and our culture across the organisation. We are working to ensure that our business lines work with our supply chain partners, clients, business partners and peers to disseminate the requirements along the value chain.

