

Modern Slavery and Human Trafficking Statement



Introduction

This statement is made pursuant to the UK Modern Slavery Act 2015 and sets out the steps that Amec Foster Wheeler plc and its subsidiaries have taken in 2017 to prevent modern slavery in its supply chain.

We have long recognised the harm that is caused by slavery and human rights violations. As an international company, we understand the importance of addressing these risks in the way we undertake our business. This is reflected in our culture and values, and is demonstrated through our long-standing approach to sustainability.

Statement of intent

We have a duty not to be complicit in any form of slavery. We address modern slavery risks from the perspective that ethics and values must drive our actions and behaviours to ensure that we are not complicit in these practices and to contribute to their eradication. Integral to our company values is to always do the right thing, to act ethically and with integrity, and to care about our communities.

Amec Foster Wheeler is committed to continually improving and enhancing the systems and processes we have in place to mitigate the risks of human rights violations arising in the context of our operations, including those of our business partners and in our supply chains. We understand that we have a responsibility to be alert to risks in our business and in our wider supply chain, and that this responsibility requires us to act upon any concerns identified.

We have a responsibility to ensure that our own employees, together with the workers in our value chain, are not victims of slavery, whether it is human trafficking or forced and bonded labour. This statement builds upon the progress we have made since the publication of our first statement in December 2016 where we set out our baseline from which we would drive awareness and implement a programme of continuous improvement.

Our legacy

We have over 150 years of proud heritage in which we have built a reputation for consistently delivering excellence with integrity. We actively support the respect for and protection of internationally proclaimed human rights. We have been a signatory to the UN Global Compact since 2009, and its principles are reflected in both our Code of Business Conduct and our Supply Chain Code of Conduct.

Our [Code of Business Conduct](#) ('Code') is a governing document that guides our employees, and those who work on our behalf and under our direction, in the conduct of our day-to-day business worldwide with the highest standards of ethics. It is applicable wherever in the world we are operating and whatever we are working on. For more information on the implementation of our Code please see our Empowering Ethics and Human Rights sections of our sustainability report.

Our [Supply Chain Code of Business Conduct](#) ('Supply Chain Code') is aligned to the Code and makes particular reference to human and labour rights, health, safety and environment, ethics, compliance and legal requirements. We require our suppliers to confirm compliance and agreement with our Supply Chain Code.

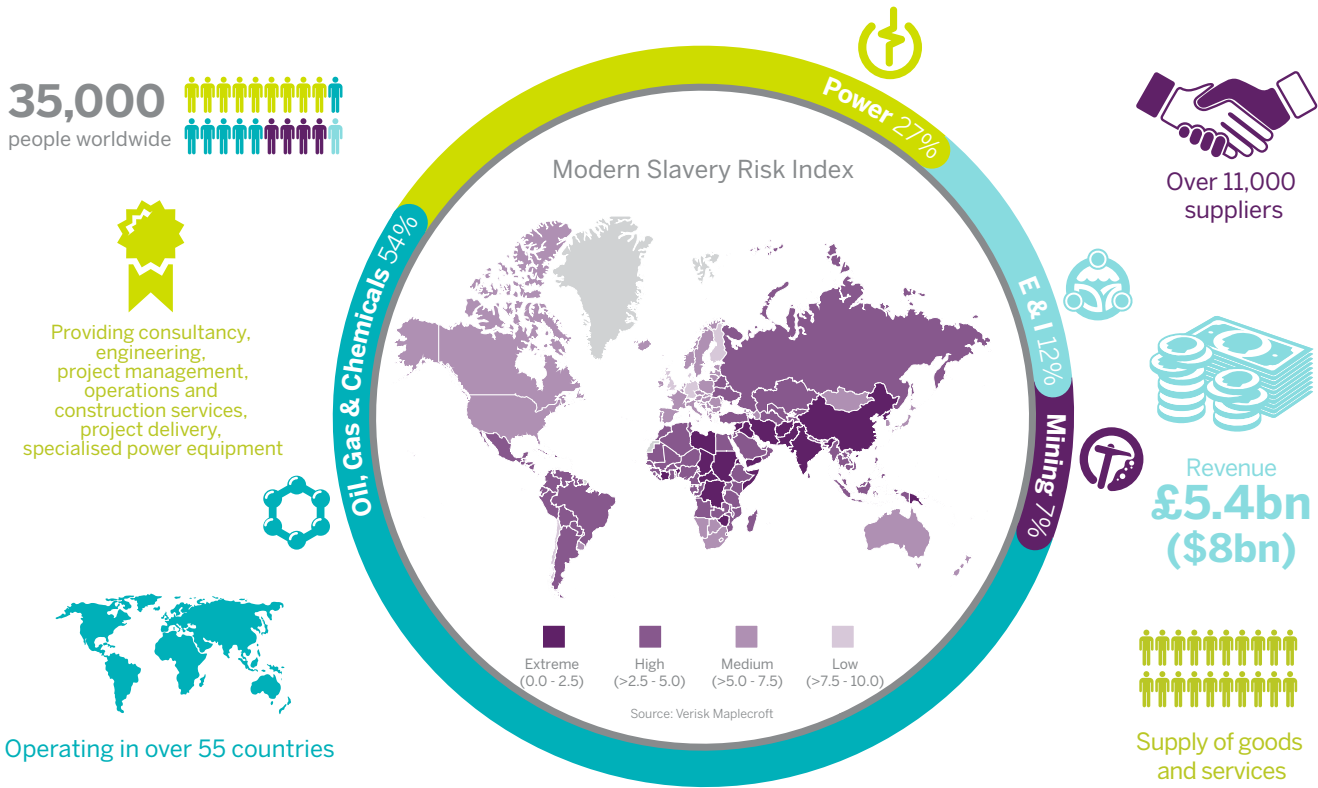
We have in place formal reporting mechanisms which are available to all those who work for or on behalf of us. We have a [global ethics hotline](#) which is administered by an independent third party, available in 14 languages, 24 hours a day, seven days a week. A formal reporting mechanism is also available to suppliers and other third parties via [our website](#). All human rights related reported incidents are escalated to and investigated by our Group Head of Ethics and Compliance supported by our Legal function.

Amec Foster Wheeler recognises that trust is built upon openness and transparency and commits never to retaliate against or penalise employees, supply chain partners or third parties for making an honest report of potential, suspected or actual breaches of the law, the Code or the Supply Chain Code.

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About us About our supply chain



Assessing key risk areas on our projects

Amec Foster Wheeler operates in a diversified and complex business arena wherein our relationships with our supply chain and our influence on them differs depending on our relative position in the value chain.

In managing our business and in our execution of projects, we engage with supply chain partners in the following ways;

- 1) **Directly** - where we contract directly with, and can mandate and require our suppliers and subcontractors and their sub-tiers to meet our Supply Chain Code and standards.
- 2) **Providing Project Management services to our clients** - where we manage contractors and other third parties who are contracted by our customers,

on their behalf, necessitating a collaborative approach.

- 3) **Procurement services** - where we procure on behalf of our customers, necessitating the need to work closely with our customers to build upon their controls and processes.

Our due diligence procedures help us to identify our risks. Through their application we have identified our greatest risks are likely to be associated with our relationship with third parties - including joint venture partners, subcontractors and those supplying goods, equipment, materials - rather than among our direct employee population.

The engagement or management of subcontractors has been identified as a prominent risk factor for encountering modern slavery for our business. Their

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use of recruitment agencies and labour brokers and the employment of low-skilled migrant workers in certain geographies are all areas recognised to be high risk in terms of respect for the rights and welfare of workers.

In many instances, we manage these subcontractors on behalf of our customers in a Project Management Consultancy (PMC) capacity. Often with no direct contractual relationship with these subcontractors our efforts have been prioritised to understanding the risks associated with this type of project or where we operate in a joint venture capacity. Since our last statement, we have undertaken field-based assessments of fair recruitment, health, safety and welfare practices on three major contracts and joint ventures in two countries in the Middle East with a combined value of approximately £742 million.

Reviewing our progress in 2017

Building Responsibly

We recognise the need for and the value of collaboration within and across sectors and with wider stakeholders to ensure meaningful impact on this issue; it is not an issue any company can solve singlehandedly. For this reason, we participated in the design of, and are a founding member of Building Responsibly, a global business-led, business-financed initiative formed by six leading engineering and construction companies launched in March 2017, which is focused on the rights and welfare of workers in the industry. The initiative is facilitated by Business for Social Responsibility (BSR), who hold the Secretariat, with backing from Humanity United.

Amec Foster Wheeler holds the position of Vice Chair on the Steering Committee of Building Responsibly, and will continue to take an active role in furthering the three key areas of work chosen by the members as their most complex risks; recruitment, working and living conditions and subcontractors management. By leveraging the combined expertise and experience of the member companies the initiative aims to more effectively align with regulations and stakeholder expectations while increasing productivity and fostering a better environment for workers.

Training and capacity building within Amec Foster Wheeler

In conjunction with TRACE, an independent compliance and due diligence firm, we have developed and rolled out an e-Learning module on modern slavery and

human trafficking. Completion of the course will ensure that our employees are aware of the risks associated to the business and individuals affected by this practice, and the legal and moral obligations we must comply with and act on, as a responsible business.

The course is made available through our Academy online platform, and is mandatory for targeted groups of employees within our organisation who are closest to the risks. These employees represent 19% of our global workforce and include employees working in our Supply Chain, Commercial, Legal, Human Resources, Health, Safety, Security & Environment, and Project Management functions, as well as employees working in locations where the prevalence of these issues has been independently rated as high or extreme. The course is also available to all other employees who wish to learn more about these important issues and its completion is recorded on their training record.

We also engaged Verité, an independent, non-profit organisation focused on labour rights, to design and provide more focused training to our Group Internal Audit function. This training, delivered in January 2017. It was designed to help our auditors appreciate how and where modern slavery intersects with bribery and corruption and other risks, to empower them to provide assurance in these areas.

In addition, an information hub dedicated to human rights and modern slavery is available on our company Intranet. This provides resources and tools which enable our employees to have access to information to assist their understanding of modern slavery and human rights in an even greater depth.

Policy and due diligence

Amec Foster Wheeler has a suite of fundamental and mandatory procedures which align with our Code of Business Conduct and includes tender review, third party and client due diligence. They serve the purpose of identifying, reviewing and assessing potential risks and ensuring that appropriate mitigation measures are implemented where required. Our procedures in these areas have been reviewed and enhanced in the past year to ensure they specifically address modern slavery risks. All our policies and procedures are accessible to employees via our online library on our Intranet.

In order to provide additional tools to our people to help them better understand local human rights contexts,

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we maintain a subscription with Verisk Maplecroft, an independent third party data and research provider, for its risk indices. Together with our assessment of contractual type and workforce demographics on our projects, this tool enables us to systematically identify countries and project categories that are most exposed to modern slavery to determine where further attention is required.

We have undertaken a review of our existing approach to due diligence and the systems we use and, consequent on that, we are implementing a new enhanced solution, which will provide a consistent, company-wide approach looking across a comprehensive set of risks (including modern slavery) in respect of our third-party relationships.

Subcontractors and supplier management

Our Supply Chain Code was updated and published early 2017, with enhanced human and labour rights clauses. Notably, the inclusion of new requirements for work and living standards that are safe, sanitary and meet the basic needs of workers and specific requirements in relation to recruitment practices and documentation.

A scheme has been agreed with the supply chain function across our prime businesses to implement a standardisation of the evaluation processes within our electronic procurement tool. Potential suppliers and subcontractors will be required to make a positive acknowledgement and acceptance of our enhanced Supply Chain Code as a pre-requisite to registration. All our direct purchase orders and subcontracts contain a reinforcement of the acceptance of the standards set out by our Supply Chain Code. The supply chain function is currently working on an updated workflow for incorporation into the supply chain and procurement tendering and evaluation processes that incorporates a specific set of risk-based questions. These questions and corresponding responses, will become a part of our key criteria for final evaluation of suppliers. Further review and updates of our electronic tools is planned for the latter half of 2017, for possible 2018 implementation.

Our approach to receipt of, and response to, grievances originating from our supply chain is evolving. Our Supply Chain Code now places the requirement on our supply chain partners to provide a process for their own employees to report activities inconsistent with this document. We are also developing tools due

to be rolled out in Q3 of 2017 to raise awareness of our Supply Chain Code within the workforce of our suppliers and subcontractors on projects where we have identified a risk of breach of the law or the Supply Chain Code, and where we have significant presence and leverage.

Fair recruitment practices

Our policy at Amec Foster Wheeler is to practice fair recruitment globally based on the Employer Pays Principle, stating that all costs of recruitment should be borne by the employer, and never by the worker. This principle applies in all our direct recruiting efforts across Amec Foster Wheeler, Primat Recruitment, and all our affiliated companies.

Our focus is on managing our agency partners and their supply chains to ensure full compliance with the Employer Pays Principle; a category identified at risk of the unscrupulous practices of labour providers exploiting the vulnerability of complex supply chains that stretch over countries, multiple subcontractors and labour brokers. Our roadmap seeks to ensure appropriate agency behaviours that align with our values concerning fair recruitment practices. We have updated the language in our global and jurisdictional recruitment and hiring procedures to reflect our Employer Pays Principle practices. We have also implemented a requirement that all external agencies acknowledge and adhere to our Supply Chain Code and we are investigating an enhanced supplier qualification process to help us identify ethical recruitment agencies with which to partner.

Assessing areas of heightened risk

Due to our targeted assessment of two downstream oil and gas projects in the Middle East, we identified circumstances where there is a heightened risk that forced labour could occur denoting the vulnerability that migrant workers may face to this practice. There was no evidence, in the circumstances we assessed, of involuntariness or coercion of workers, or that would support a finding of forced labour. Nevertheless, the heightened risk we identified is taken very seriously and the findings of the assessment were presented to Amec Foster Wheeler's Executive Committee. The heightened risk factors are now being addressed directly with the relevant subcontractors to ensure that any practices that could lead to worker vulnerability are addressed.

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We investigated, a downstream oil and gas project in West Africa following the report of an incident via our grievance mechanisms of late payment of wages and withholding of social security payments of white collar employees by a subcontractor. We place importance on the provision of effective remedy and, as a result, we have terminated our relationship with the offending subcontractor. We have also assisted the employees in moving to a new subcontractor to allow them to continue to work on our project, whilst seeking reassurances on their behalf that any outstanding monies would be paid to them.

Governance

Our commitment is led from the top. Our work on modern slavery is overseen by Amec Foster Wheeler's Sustainability Committee chaired by the Chief Executive Officer and composed of key members of the Amec Foster Wheeler Executive Committee – including the Chief Financial Officer, Chief People Officer, Chief General Counsel, Chief HSSE Officer and Business Line Presidents.

A **Modern Slavery Working Group** was established in 2015 and continues to meet on a regular basis. Chaired by the Director of Sustainability, it is a high-level panel with global cross functional representation. The purpose of the working group is to provide effective direction and stewardship over our commitment to identify, prevent, detect and remedy modern slavery within our own organisation, our business partners and our supply chain.

Monitoring and review

Supporting the commitments set out within our 2016 modern slavery and human trafficking statement and our strategic priority to provide a safe and sustainable environment for our people and the communities in which we work, we have introduced a new non-financial reporting KPI for 2017 which has been published within our 2016 annual report and accounts strategic report. The inclusion of this new KPI shows employees and other key stakeholders the importance and commitment we have placed on ensuring we are

managing these issues appropriately and effectively as a business, and ensuring that those that work with us understand the issues associated.

- >95% of targeted employees are to complete awareness training during 2017 on the issues and risks around forced and bonded labour and human trafficking in global supply chains.
- Continued collaboration and engagement with the industry led 'Building Responsibly' initiative, facilitated by Business for Social Responsibility (BSR) with support from Humanity United.

Looking ahead

We will continue to take an active leadership role in Building Responsibly to support the delivery of tools for use across the sector to drive improvements across the three chosen work streams. We will seek to encourage greater participation from more companies across the sector.

We will continue to monitor the risks to our business, using the due diligence and risk-based tools outlined above and knowledge of our projects and workplace demographics. We will take learnings from our due diligence tools, and the outcomes of the reviews already completed to identify specific areas and projects where targeted assessments of fair recruitment, health, safety and welfare practices may be required.

We will conduct a diagnostic assessment of the modern slavery and human trafficking eLearning module to help determine the overall impact on the business because of its introduction and to identify additional solutions required to enhance our performance in this area.

Date: June 2017

A handwritten signature in black ink, appearing to read "Jonathan Lewis".

Jonathan Lewis
Chief Executive Officer